

LABOR AGREEMENT

between

CITY OF TAYLOR

and

**THE TAYLOR GOVERNMENTAL
MANAGEMENT AND ADMINISTRATIVE
EMPLOYEES ASSOCIATION**

January 1, 2010 through December 31, 2013

** The Collective Bargaining Agreement ratified by the membership on December 15, 2005 and approved by the Taylor City Council on December 20, 2005 was in full force and effect from and after December 21, 2005 through December 31, 2010.

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AGREEMENT

This Agreement has been entered into on December 28, 2010, between the City of Taylor, a Michigan Municipal Corporation, and the Taylor Governmental Management and Administrative Employees Association of the City of Taylor.

ARTICLE 1 **RECOGNITION**

1.1 Except as modified by the specific terms of this Agreement, the Council and Mayor retain all rights and authority to direct the services rendered by the City, and to direct its employees through its administrative staff. The exercise of the following powers, rights, authority, adoption of policies, rates and regulations in furtherance thereof, the use of judgment and discretion in connection therewith shall be limited only by the specific and express terms of this Agreement. The Association recognizes these management rights as conferred by the Laws and Constitution of the State of Michigan and the United States.

- A. The City has recognized the Taylor Governmental Management and Administrative Employees Association, (hereinafter referred to as the Association) as the sole bargaining agent for all management and administrative employees of the City, as defined in Article 20.
- B. Employees belonging to the Association shall hereinafter be referred to as "Member(s)."
- C. The City agrees to and recognizes the principle, that every member shall maintain continuous employment without fear of discrimination, as to sex, race, ethnic background, age, creed, handicap, sexual orientation and further agrees that all discipline, less than discharge, will be based on just cause.

- D. Wages, hours, benefits, and conditions of employment in effect at the execution of this Agreement shall, except as improved herein, be maintained during the term of this Agreement. No member shall suffer a reduction of benefits as a consequence of the execution of this Agreement unless specifically altered or reduced by the written terms of this Agreement.
- E. The Municipality (hereinafter referred to as the City), will make no changes in wages, hours, benefits, and conditions of employment during the term of this Agreement without the mutual consent of the parties hereto.

ARTICLE 2

ASSOCIATION MEMBERSHIP

- 2.1 The City agrees, as a condition of employment that all eligible City employees may become members of the Association within sixty (60) calendar days after their hire. Further, that all current and future employees of the City covered by this Agreement at the time the parties affix their signatures hereto will cause to be paid to the Association either membership dues or an amount equal to the regular monthly dues and any special assessments of the Association.
- 2.2 All employees who become members of the Association shall remain members of the Association during the term of this Agreement and shall continue to make payments to the Association as prescribed in Section 2.1 above.
- 2.3 As a condition of employment, the City shall subscribe to the practice of requiring each new employee to sign the "Dues Deduction or Service Fee" form, within sixty (60) days of the date of hire.

ARTICLE 3

DEFINITION OF ADMINISTRATIVE EMPLOYEES

- 3.1 The list of positions contained in Article 20 of this Agreement shall be the

only positions covered under the terms of this Agreement. All of the present and future City employees, including but not limited to, elected officials, supervisors, confidential secretaries, and employees under other collective bargaining agreements are excluded from this Agreement.

3.2 In the future, should the City create additional departments or administrative positions, the Association shall have the right to negotiate with the Mayor for future salaries for those positions after the position has been filled. Such negotiations shall take place when the current Collective Bargaining Agreement terminates or whenever the Agreement provides for a wage reopener and the date of said reopener occurs after the position has been filled.

3.3 This Agreement shall in no way limit or restrict the authority of the Mayor to appoint, or promote administrative employees, nor shall this Agreement limit or restrict the authority of the City Council to create additional departments and/or positions as required.

ARTICLE 4 **PLEDGE AGAINST DISCRIMINATION AND COERCION**

4.1 Both parties agree that the provisions of this Agreement shall be applied equally to all members without discrimination or coercion as to age, sex, race or ethnic background.

ARTICLE 5 **SENIORITY**

5.1 Seniority dates shall be granted to all members based on their date of original hire or appointment to a municipal position, provided there has been no break in service. This paragraph is provided for longevity, pension and vacation purposes only.

5.2 A member shall lose his or her seniority upon the occurrence of one of the following events:

- A. Voluntary resignation;
- B. Retirement;
- C. Discharge
 - (i) for just cause, or
 - (ii) at the will of the Mayor as hereinafter set forth;
- D. Absence without notification for three consecutive work days; or
- E. A layoff for a period of two consecutive years or the length of the member's seniority, whichever is less.

5.3 The City shall furnish the Association an updated seniority list in December of each calendar year.

ARTICLE 6 HOURS OF WORK

6.1 The members of this Association are salaried management and administrative personnel. Scheduling shall be subject to the approval of the Mayor. A normal work week shall consist of 40 hours, and may be adjusted by the Mayor in order to accommodate evening and weekend meetings and/or other work related obligations. Any change in a member's schedule shall be transmitted to the Association president at least one (1) week in advance of the proposed change.

6.2 All of the accrued compensatory time for Level 2 employees not used by December 31, 2010, shall be paid off during the first pay period of January 2011.

ARTICLE 7 PAYROLL

7.1 With reasonable notification to the Association, the City, at its sole discretion, has the right to change the payroll schedule from every week to either

every-other-week or twice-per-month. Further, with reasonable notification to the Association, the City, at its sole discretion, has the right to change the payday from Thursday to whatever day of the week it deems feasible. The City also reserves the right, at its sole discretion, to go to a direct deposit payroll system with mandatory participation.

ARTICLE 8
DISCIPLINE AND DISCHARGE

8.1 All disciplinary action shall be taken on the basis of just cause, except as hereinafter provided.

- A. The Parties recognize that during the life of this Agreement, discipline less than discharge shall be subject to the just cause provision.
- B. The parties further recognize that there shall be two (2) types of discharge:
 - (i) Discharge for just cause; or
 - (ii) The Mayor will have the unlimited right to terminate any new management employee for any reason or no reason without having to establish just cause at any time during their first year of employment. The Mayor shall also have the right to terminate any Executive Director, Director, Assistant Director or Deputy Director for any reason or no reason without having to establish just cause. The Mayor will also have the right to demote a newly promoted member to his or her prior position within six (6) months of the promotion.
 - (iii) The member's sole right under this Agreement, in the event

of a discharge pursuant to this provision, shall be the receipt of severance pay. A member terminated under the provisions of this clause (at-will discharges only) shall receive severance pay, in one lump sum (allocated in the week that it was paid for purposes of unemployment compensation), in the amount of ten (10) weeks of the member's base salary, regardless of the member's seniority or years of service.

Severance pay shall not include longevity or any other fringe benefit that is not included in the member's base salary. Severance pay shall not be included in the member's Final Average Compensation for pension purposes. No member shall be eligible for severance pay if the severance has occurred as a result of resignation, retirement, death or termination for just cause. It is further understood and agreed that the severance payment provided herein constitutes full and complete payment to the member, and as a result, with the exception of any accumulated fringe benefit(s) which the member may have or as may be provided under the terms of this Agreement, the member shall have no recourse to the grievance procedure and/or arbitration as otherwise provided in this Agreement. In accepting severance pay, the member also waives all rights to civil litigation against the City and its duly elected officials. Furthermore, those members who are terminated at-will shall be reimbursed an amount not to exceed one hundred dollars (\$100.00) for the use of a professional resume writing service.

A member who has been laid off for more than thirty (30) calendar days and who has not been offered full-time employment by the City in a position either inside or outside of the Association, shall be entitled to severance pay in one lump sum (allocated in the week that it was paid for purposes of unemployment compensation), in the amount of ten (10) weeks of the member's base salary, regardless of the member's seniority or years of service. However, if the member accepts the severance pay, it shall act as an automatic termination of the member's seniority and right to be recalled. A member, who has been laid off for more than thirty (30) days, may elect to refuse to accept the severance payment in order to retain the member's seniority right to be recalled, however, nothing in this Agreement shall limit the Mayor's ability to lay off members for financial reasons.

A member who voluntarily chooses the right to return to another bargaining unit in accordance with the provisions of this Agreement and the contract of the unit to be entered shall not be entitled to severance pay.

8.2 Disciplinary letters will be specific and will note the time, place and all circumstances of the rule violated, and the alleged misconduct along with the penalty involved.

8.3 Any disciplinary action shall be done in a manner that will not unnecessarily embarrass or disgrace the member and shall not be done before the public or any other employee.

8.4 In all cases of disciplinary action, Association representation will be provided if the member so desires.

ARTICLE 9
GRIEVANCE PROCEDURE

9.1 Grievances or disputes which may arise between the parties, including the application, meaning, or interpretation of this Agreement shall be presented in writing to the Mayor by the Association President or his/her representative within five (5) working days of the occurrence of the event being grieved.

9.2 The Mayor will answer the grievance in writing within ten (10) working days.

9.3 Failure to resolve the grievance at the Mayor's level may cause it to be bound over to arbitration within thirty (30) calendar days of the Mayor's answer.

9.4 If the parties fail to mutually select an arbitrator within seven (7) working days after notice has been given, the grievance shall be filed with the American Arbitration Association and proceed in accordance with the rules and regulations of the American Arbitration Association.

9.5 Expenses for the arbitration shall be borne equally by both parties; however, each party shall be responsible for compensating its own representatives and witnesses. If either party desires a verbatim record, it can cause such a record to be made, provided that said party pays for such expenses and makes copies available, without charge, to the other party and to the arbitrator.

9.6 If the Association fails to move the grievance to the next step within the time limits, it shall be considered settled as per the last answer of the City.

9.7 It is specifically agreed and understood that the provisions concerning the grievance procedure and/or arbitration contained in this Article are not applicable in cases involving discharge pursuant to Article 8.1(B)(ii) herein. No member

discharged pursuant to that provision shall have any recourse to either the grievance procedure and/or arbitration. A member discharged pursuant to that provision who attempts to utilize the grievance procedure and/or arbitration, or any administrative agency of the State of Michigan or the state or federal courts will forfeit any rights the member may have with respect to severance pay. The forfeiture of severance pay will not be construed to grant the member the right to grieve and/or arbitrate, nor shall it be construed in a fashion as to lend any degree of legitimacy to court or administrative charges.

ARTICLE 10 **LEAVES OF ABSENCE**

10.1 All requests for leave of absence must be presented in writing to the Mayor and shall include the following pertinent information: Purpose, effective date and duration of leave. Leaves other than military, maternity and sick leave must have prior approval from the Mayor, and in addition, in the event said leaves are denied, the denial shall not be subject to the grievance procedure. While on approved leave of absence, a member will continue to accrue his/her seniority for purposes of vacation time, pension and longevity. All leaves are granted without payment of regular earnings (excluding sickness and accident insurance benefits or workers' compensation benefits). A member who is granted any leave of absence shall be required to use all earned, unused sick and vacation time and monies at the start of the leave of absence until all that time and monies are exhausted, except seven (7) vacation days. On leaves of absence of sixty (60) days or less, the City will pay all insurance premiums and all fringe benefits will accrue to the member, limited to each Article in this Agreement.

10.2 Military Leave: A member who enters the Armed Forces of the United States or who is called for reserve duty, National Guard or other branches of the services covered by the National Selective Service Act will be granted leaves and other rights as afforded by the Act.

10.3 Maternity Leave:

- A. When a member becomes pregnant, she shall, when requested by the City, furnish the City with a certificate from her physician stating the approximate date of delivery, the nature of the work she may do, and the length of time she may continue to work.
- B. She shall be permitted to continue to work, in accordance with her physician's recommendations, providing the City has suitable work available.
- C. A member who is an expectant mother will, upon written request, be granted a leave of absence not to exceed one (1) year.
- D. Members on maternity leave of absence shall have insurance premiums paid for the term of the leave not to exceed three (3) months in accordance with the Family and Medical Leave Act of 1993. Upon the discontinuance of the City's payment of a premium, the member may choose to continue the insurance in force at the member's own cost (at the City's group rate) for a period of time allowed under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) law.

10.4 Sick Leave: Any member known to be ill, supported by satisfactory evidence, will be granted sick leave for a period of six (6) months. Said leave may be extended upon request and subject to the approval of the Mayor.

Members on a sick leave of absence for an immediate family member (spouse, child or parent) shall have insurance premiums paid for the term of the leave not to exceed three (3) months in accordance with the Family and Medical Leave Act of 1993. Upon the discontinuance of the City's payment of the

premium, the member may choose to continue the insurance in force at the member's own cost (at the City's group rate) for a period of time allowed under the COBRA law.

10.5 Education Leave: A member, after one year of service, may become eligible for a leave of absence for educational purposes. Educational leaves will be for no more than one year.

A member may request a leave of absence not to exceed thirty (30) working days in any calendar year to attend special conferences, seminars or other educational functions that are intended to improve or upgrade the member's skill or professional ability. If leave is at the request of the member, insurance benefits will be terminated on the insurance billing date following commencement of said leave. Said benefits, however, may be continued at the expense of the member under the COBRA law.

10.6 Personal Leave: A member may request a leave of absence not to exceed six (6) months for personal reasons.

10.7 Jury Duty: If called for jury duty, a member shall be granted a leave of absence and be paid his/her regular pay for each day served as substantiated by proper verification. The member shall submit to the City all jury pay received. This provision will be for a maximum of six (6) months for any member in a one (1) year period.

ARTICLE 11

ILLNESS AND FUNERAL BENEFITS

11.1 A sick leave account will be established for each member. Members will earn ten (10) days of sick leave per year. Sick days may be carried over from year to year, but shall not be cashed out on any basis.

Members who have sick leave days accumulated shall not be disciplined for the proper use of sick leave.

11.2 All accrued sick leave not used by December 31, 2010 shall be paid in full on the first pay period in January, 2011. Members, upon request, shall be provided with a statement of their accumulated sick leave.

11.3 Upon members termination, a maximum of thirty (30%) percent of all unused time accumulated in the sick leave account shall be paid.

In the year of the member's termination, members shall receive a partial sick payout prorated on a monthly basis for final year. If a member receives five (5) days pay within the month of termination he/she shall be entitled to that month's prorated sick pay.

11.4 Members exercising sick leave privileges shall, whenever possible, advise the Mayor or his designee of the intent to be absent prior to the beginning of his or her work day. Telephone notification by an individual of the member's household is acceptable.

11.5 Members shall be allowed up to five (5) working days with no loss in pay, not to be deducted from sick leave or vacation pay, in the event of the death of any member of the family as described in Article 11, Section 6, herein.

11.6 Personal illness, illness of immediate family such as father, mother, husband, wife, child, stepchild, sister, brother, mother-in-law and father-in-law, grandparents or grandparents-in-law, grandchildren, step-parents, brother-in-law, sister-in-law, or member of the employee's household shall be reason for sick leave.

11.7 All requests for excused absence due to death or sickness in the family shall be made to the Mayor or his designee and shall be answered without unnecessary delay.

11.8 A member may charge up to a maximum of five (5) personal leave days per calendar year against the member's accumulated sick leave. The member's right for the utilization of personal leave is subject to the furnishing of prior notification to the member's supervisor. In the event of a dispute regarding the interpretation of this Section, said dispute shall be resolved by the Director of Human Resources.

11.9 For absences eligible under the Family and Medical Leave Act (FMLA), members shall be paid holiday pay (without the requirement of working the day before or following said holiday) and funeral leave, etc., that fall during an FMLA leave, however, the days shall be counted against the FMLA leave time allowance.

11.10 All sick bonus pay shall be paid off during the first pay period of 2011.

ARTICLE 12 **VACATION PAY**

12.1 On January 1st of each year, all members who have worked a minimum of one hundred (100) days in the prior calendar year will be granted vacations with pay as follows:

- A. During year one (1) of employment but less than two (2) years seniority receive fifteen (15) working days. The vacation allocation in the initial year of employment (during year one) shall be pro-rated based on the hire date.
- B. Two (2) years but less than fifteen (15) years seniority receive twenty (20) working days.
- C. Fifteen (15) years and over seniority receive twenty-five (25) working days.

- D. Holidays falling on work days during an approved vacation period will not be used to compute the number of days of vacation used.
- E. All members shall receive an additional five (5) days vacation in accordance with the schedule enumerated in paragraphs A through C above. The additional five (5) days of vacation may be cashed out but may not be accrued.

12.2 Vacation schedules shall be arranged so as not interfere with the efficient operation of the department. Vacation schedules shall be prepared and submitted for approval by the 1st day of February each year and pre-approved by the Mayor or Mayor's designee within two (2) weeks of the submission.

12.3 Vacation time used in the year in which it is earned shall be paid at the member's hourly rate when used. Vacation days cannot be cashed out or accrued.

12.4 All accrued vacation time not used by December 31, 2010 shall be paid off during the first pay period of 2011.

12.5 Members terminating or retiring shall receive a partial vacation payout prorated on a monthly basis. If a member receives five (5) days pay within the month of termination or retirement he/she shall be entitled to prorated vacation pay for that month.

ARTICLE 13 **HOLIDAY PAY**

13.1 Members shall be paid for and shall not normally be required to work on the following recognized holidays:

- A. New Year's Day
- B. Martin Luther King, Jr.'s Birthday

- C. Presidents' Day
- D. Good Friday - All Day
- E. Memorial Day
- F. July 4th
- G. Labor Day
- H. Veterans Day
- I. Thanksgiving Day
- J. Friday after Thanksgiving Day
- K. Christmas Eve - All Day
- L. Christmas Day
- M. New Year's Eve - All Day

13.2 If any of the above holidays falls on Sunday, the following Monday shall be considered the holiday.

13.3 If any of the above holidays falls on a Saturday, the Friday preceding shall be considered the holiday.

13.4 If a member is on approved vacation or is on paid sick leave, he/she shall receive holiday pay. The member on sick leave shall be required to furnish the City with a statement from his/her physician stating the type of illness and the treatment prescribed by the physician.

13.5 If a member is absent due to illness on either the day before or the day after the holiday, the illness must be substantiated by a doctor's excuse in order for the member to qualify for holiday pay.

ARTICLE 14 **LONGEVITY PAY**

14.1 All members shall receive longevity pay based on the following schedule:

- A. Longevity pay shall be \$6.00 per month for each month of actual service beginning after the fifth year of service retroactive to the date of hire.
- B. Payment shall be made by a separate check between December 1st and December 15th of each year, and will be paid for the year beginning December 1st through November 30th.
- C. If a member of the Association leaves the employment of the City for any reason, longevity shall be paid on a pro-rated basis at the time of departure from active service with the City. Furthermore, if a member receives five (5) days pay within the month of departure he/she shall be entitled to longevity pay for that month.

14.2 Employees hired on or after January 1, 2011 shall not earn or be eligible for Longevity pay.

**ARTICLE 15
LIFE AND ACCIDENTAL DEATH INSURANCE
AND DISABILITY BENEFITS**

15.1 The City agrees to pay the full premium on a life insurance plan of one hundred thousand (\$100,000) dollars for each member with an additional one hundred thousand (\$100,000) dollars for accidental death.

15.2 The City agrees to provide retirees, at the time of retirement, a paid-up life insurance policy with a death benefit in the amount of thirty thousand (\$30,000) dollars. The City may elect to pay these premiums from the pension fund.

15.3 The City agrees to provide a weekly benefit of seventy (70%) percent of the member's base pay for a period of seventy-two (72) weeks for disability due to sickness, disease, accident or injury not covered by Workers' Compensation. Said benefit shall not be paid out prior to the forty-third (43rd) calendar day following disability not to exceed seventy-two (72) weeks of benefit. The City shall pay all health insurance premiums throughout the full term of a member's

disability. The City reserves the right to verify disabilities through its third party administrator.

ARTICLE 16
INJURIES COVERED BY WORKERS' COMPENSATION

16.1 The City agrees to add to and supplement the income of a member injured on the job by paying the difference between Workers' Compensation and his/her regular weekly income based on a forty (40) hour work week during the time he/she is eligible for Workers' Compensation.

16.2 Members injured on the job shall receive their full pay without deducting days from their sick leave or vacation leave commencing with the first day of injury.

16.3 Supplemental benefits provided by the City in cases covered by Workers' Compensation extending beyond the seventh day will be continued for two years or the years of seniority, whichever is greater.

16.4 In no event shall any member receive any amounts of money or benefits in excess of those received prior to his/her disability and during the term of said disability.

16.5 The City shall provide light duty for members returning to work from an on the job injury provided the member's physician and the City's physician mutually agree that said member can return to full duties within thirty (30) calendar days. A member on light duty shall be allowed to assist high seniority employees with their duties.

16.6 The City may, in its discretion, require a worker injured on the job who is receiving Social Security Disability to apply to the General Employees' Retirement System for disability retirement provided there is no reduction in

benefits.

ARTICLE 17
MEDICAL, DENTAL AND OPTICAL INSURANCE

17.1 For members hired before April 1, 2002, the City will provide the Blue Cross/Blue Shield Community Blue PPO Plan 1 with the \$10 Office Visit Rider, \$10 CBC-MT (Chiropractic) Rider, Lasik Vision Rider, and a \$10 Prescription Co-pay Drug Card. Effective July 1, 2007 the prescription co-pay will convert to \$10 generic/brand name for which no generic exists and \$20 brand name. Effective July 1, 2008, the Office Visit Rider and CBC-MT (Chiropractic) Rider shall increase to \$20. The member will have the option of enrolling in the Health Alliance Plan or Blue Care Network with applicable prescription co-pay amounts and schedules provided above in lieu of Community Blue PPO. Members hired after April 1, 2002, shall have the option of Health Alliance Plan, Blue Care Network, or Community Blue PPO Plan 1 (with applicable riders, co-pays and prescription drug coverage provided above), provided that the member pay the cost differential between the Health Alliance Plan rate or Blue Care Network rate, and Community Blue PPO Plan 1 rate in addition to any other premium co-pay should they choose the Community Blue PPO Plan 1 coverage. All employees shall be obligated to utilize generic drugs over brand names unless a generic does not yet exist or unless the physician directs the prescription to be "Dispensed as Written". Ninety (90) day supply of maintenance drugs will be available with a 2x co-pay. Effective January 1, 2011 all plans will provide prescription drug coverage with \$10 Generic/\$20 Preferred-Brand/\$40 Non-Preferred Brand co-pays. The City will also pay the full cost of the optical and dental plan. The above plans will cover the member, his/her spouse and their natural and legally adopted children. Coverage for dependent children will terminate at the end of the year in which they reach their 19th birthday. Full time college students will be covered through the end of the year in which they reach their 24th birthday. Upon death of the member, Medical-Hospitalization coverage

(as described above) will continue for the life of the unremarried spouse and for children through the end of the year in which they reach the age 19 or 24 as enumerated above (only if Medical-Hospitalization coverage is not available to the unremarried spouse and children at no additional cost or reduction in benefit through another source). A member's stepchild, who is living with the member and is being claimed as a dependent for income tax purposes on the member's IRS Form 1040, and who is not eligible to be covered on another health insurance plan, may be covered under the member's health insurance plan provided the member is enrolled in Health Alliance Plan.

17.2 Medical Premium Co-Payment: Employees shall have deducted from their weekly wages a medical premium contribution in the amount of ten percent (10%) of the City's costs for the plan selected, capped at an annual maximum of two-thousand two-hundred fifty dollars (\$2,250).

Said co-payment shall be tax exempt through the City's Cafeteria 125 Plan.

Members who are not covered by the City's insurance shall not be required to pay the co-payment for medical premiums.

If the member's spouse is employed by the City, they and their family will only be eligible to be covered on one of the City's health insurance policies. Whichever of the two is enrolled as the primary subscriber will be subject to the language regarding health insurance which is set forth in the collective bargaining agreement of the subscriber.

Members who elect not to be covered under the City's health insurance program shall be exempted from the co-payment for medical premiums. This exemption shall be in addition to the "payment in lieu of health insurance" provision of this Agreement. The member who elects to opt out of the City's

medical insurance program, will not be entitled to re-enroll in the program until the next annual open enrollment period, except in the event that the member has outside coverage that has been discontinued or terminated. The co-payment for medical premiums will begin immediately upon the reinstatement of the member's medical insurance.

The medical premium co-payment shall extend to retirees. Retirees shall pay a percentage of the City's monthly cost for the medical Insurance plan selected in accordance with the following schedule:

<u>Service</u>	<u>Medical premium co-payment</u>
Vested – 12 years	35%
13 – 20 years	25%
21 years & over	10%

Retirees must pay their percentage of the City's monthly cost for the medical hospitalization benefits in advance on a quarterly basis. If payment is not received by the City prior to the beginning of each quarter, the City will mail a final request for payment of the retiree. Failure by the retiree to make full and complete payment each quarter within ten (10) days after the final request for payment is sent by the City shall result in the retiree being dropped from the medical hospitalization coverage effective immediately. It is the responsibility of the retiree to ensure that the City is notified of his/her current address at all times.

If there is a change in rates by the medical hospitalization insurance carrier, the Employer shall notify the retiree of said rate change and any adjustments necessary shall be made on the following quarterly payment.

The employer has the right to select or change carriers for retirees, their spouse, and dependent children upon mutual agreement with the Association, provided

that the coverage is equivalent to current coverage.

17.3 Medical coverage will apply to all retirees who are age 48 or have 18 years of service at the time of retirement who were hired prior to May 17, 1988. Medical coverage for members hired prior to May 17, 1988 who are less than age 48 and have less than 18 years service when they retire will begin on their 48th birthday. The retiree will have the option of selecting Blue Cross/Blue Shield PPO, Health Alliance Plan or Blue Care Network with prescription coverage in effect at the date of retirement. The current City paid Master Medical Plan coverage with FAE, OPC, Routine Mammogram, Pap Smear, Experimental Bone Marrow Transplant Riders and \$10.00 Co-Pay Drug Rider will be guaranteed for the life of the retiree, spouse and children through the end of the year in which they reach age 19 or 24 if they are a full time college student. Upon the death of the retiree, medical coverage will continue for the life of the unremarried spouse and for children through the end of the year in which they reach age 19 or 24 as enumerated above. Anyone hired on or after May 18, 1988 who is in the pension plan (has attained five year vesting) and is eligible for pension benefits as determined herein shall be eligible for retiree hospitalization-medical benefits upon completion of 15 years of service to the City of Taylor and attaining the age of 55 or upon reaching the age of 55 years. Members who retire after March 1, 2007 will have prescription coverage in effect at the date of retirement for Blue Cross/Blue Shield PPO, Health Alliance Plan, or Blue Care Network. Anyone hired on or after January 1, 2006 who is in the DB/DC plan and has attained a ten year vesting and is eligible for benefits as determined herein shall be eligible for retiree hospitalization-medical, dental and optical benefits upon reaching the age of 55 years.

17.4 The City shall provide to members of the Association and their families an optical plan. (Plan A with frame enhancement, high index lenses and contact lens enhancement riders).

17.5 Dental coverage shall be Class I, II, III, and IV, coverage as follows:

Class I: preventative and diagnostic services and emergency palliative treatment and radiographs (x-rays), one hundred (100%) percent;

Class II: oral surgery, endodontic, and periodontic services; relines and repairs; restorative services; eighty (80%) percent;

Class III: prosthodontics, eighty (80%) percent;

(Maximum payment per person, per year for Class I, II and III benefits shall be one thousand (\$1,000) dollars.)

Class IV: orthodontics, fifty (50%) percent with a three thousand (\$3,000) dollar lifetime maximum per eligible person. The orthodontic age limitations are waived for eligible subscribers, spouses and dependent children.

17.6 Unmarried children over nineteen (19) years of age may continue to be eligible as dependents if they are incapable of self support because of physical or mental incapacitation before age nineteen (19) provided a physician's certificate is submitted within six (6) months of the nineteenth (19th) birthday.

17.7 Any stepchild enrolled in the City's medical-dental-optical insurance program as of March 16, 1992 will continue to receive coverage as though he/she were a natural child.

17.8 Members who elect not to be covered by the medical insurance program will receive a monthly cash payment based on the member's eligibility for coverage as follows:

Single Person Policy = \$150

Two Person Policy = \$300

Family Policy = \$400

The member who elects to opt out of the City's medical insurance program, will not be entitled to re-enroll in the program until the next annual open enrollment period, except in the event that the member has outside coverage that has been discontinued or terminated.

17.9 If any active member or retiree's spouse is employed by the City or retired from the City, only one of them will be eligible for medical coverage. The active member will be covered by the insurance of the retired spouse.

17.10 If a member is terminated pursuant to an allegation of just cause, and if that person grieves the termination in accordance with the grievance procedure provided herein, the City agrees to continue the member's life insurance, medical-hospitalization, dental insurance and optical coverage during the course of the grievance and/or arbitration proceedings until a final determination has been reached. Provided, however, in the event that during the course of the proceedings, the terminated employee obtains employment elsewhere and there is comparable coverage at the new employment, the member is obligated to notify the City, and the City shall then have the right to terminate the insurance coverage herein above provided.

17.11 If a member has been discharged under the terms of the "at-will" and "Charter" provisions, the City will provide medical-hospitalization, dental, life insurance and optical coverage for a period of ninety (90) days from and after the date of the member's discharge. In the event that the member obtains employment elsewhere, the coverage shall terminate immediately. Provided, however, the member does not obtain employment or if the new employer does not provide comparable coverage, the member may, at the member's own expense, continue the coverage provided herein for a period of up to one year; provided, however, that the City's insurance carriers are agreeable to the

continuation of the coverage and, provided further, that the member furnishes the City Treasurer's Office with payment at least ten days in advance of the due date of the monthly premium due the insurance carrier.

17.12 A member who has been laid off shall receive medical-hospitalization, dental and life insurance coverage paid for by the City for the month in which the member is laid off and the two full calendar months thereafter. The member, at his/her own expense, may continue the coverage under COBRA. In the event that the member elects to continue the coverage, the member must furnish the City Treasurer with payment at least ten (10) days in advance of the date upon which the monthly premium is due and payable to the insurance carrier.

17.13 The parties agree to form a Healthcare Cost Containment Committee made up of one member from each Union or Association group and the City of Taylor. The parties are committed to investigate programs, which will reduce the costs. Programs to be considered would include alternative health care providers, additional cost containment programs, and alternative traditional plans.

The employer has the right to select or change carriers for employees, retirees, their spouse, and dependent children upon mutual agreement with the Association, provided that the coverage is equivalent to current coverage.

17.14 Employees hired on or after January 1, 2011 shall be eligible for retiree hospitalization-medical, dental and optical benefits upon reaching the age of 55 years and completion of 25 years of service to the City of Taylor.

The Employer will pay 80% of the group rate for this coverage for employees who retire from the Employer with twenty-five (25) years of service and who have attained age fifty-five (55).

Retirees must pay 20% of the monthly premium cost of the City's costs for the

medical hospitalization benefits in advance on a quarterly basis. If payment is not received by the City prior to the beginning of each quarter, the City will mail a final request for payment of the retiree. Failure by the retiree to make full and complete payment each quarter within ten (10) days after the final request for payment is sent by the City shall result in the retiree being dropped from the medical hospitalization coverage effective immediately. It is the responsibility of the retiree to ensure that the City is notified of his/her current address at all times.

If there is a change in rates by the medical hospitalization insurance carrier, the Employer shall notify the retiree of said rate change and any adjustments necessary shall be made on the following quarterly payment.

When the retiree reaches full Medicare eligibility, the retiree will no longer be eligible for medical hospitalization insurance through the Employer.

17.5 A retiree, after verifying to the Employer that he is covered by health insurance through his/her spouse, may elect not to participate in the health insurance plan currently offered to retirees.

1. In such event, retirees who elect not to participate in such plan shall be paid a sum of twelve hundred dollars (\$1,200) annually (prorated at \$100 per month) which shall be paid on the first pay in January for the previous year.
2. If a retiree elects not to participate in the health insurance plan, he/she will not be allowed to re-enter the plan until the regular scheduled enrollment period. However, if a retiree loses health insurance coverage through his/her spouse, the retiree will be allowed to re-enter the retiree health insurance plan offered by the Employer on the first day of the succeeding month after verifying said loss of coverage to the Employer.
3. This cash option shall no longer be available to a retiree one he/she

reaches full Medicare eligibility. The cash option shall be prorated through the month the retiree reaches full Medicare eligibility at a rate of \$100 per month.

ARTICLE 18
RECREATION CENTER MEMBERSHIP/GOLF ALLOWANCE

18.1 Membership in the City's Recreation Center shall be granted and renewed annually to all active and future employed members of the TGM&AEA and their immediate family members. Participation in limited attendance activities may be restricted to non-peak hours. Said membership shall terminate upon the ending of the member's employment with the City.

18.2 Members will receive the same green fee and cart rate as the prevailing Senior Resident Rate during the same hours.

ARTICLE 19
TUITION REIMBURSEMENT

19.1 A member shall be eligible for a tuition reimbursement up to a maximum of one thousand, two hundred (\$1,200) dollars per year as well as being entitled to reimbursement for the cost of required books provided the member furnishes the City a transcript which indicates a grade of "C" (2.0) or better for any class for which the member seeks tuition reimbursement and which has been approved by the Mayor as being job related. The determination of whether or not a member is eligible for tuition reimbursement shall be dependent upon the availability of funds and, further, no member shall be eligible for tuition reimbursement until and unless it has been approved in advance by the Mayor. Reimbursement by the City for the cost of required books shall not exceed the sum of forty-five (\$45) dollars per semester, except that required books in excess of that amount shall be reimbursed upon the furnishing of a receipt by the member to the City, based upon a ratio of eighty (80%) percent of the cost being absorbed by the City and twenty (20%) percent of the cost being absorbed by the member.

Salary schedule shall reflect the following changes:

Calendar year 2010	No salary increase
Calendar year 2011	No salary increase
Calendar year 2012	No salary increase
Calendar year 2013	No salary increase

ARTICLE 21
PENSION

21.1 The City shall institute a "pick-up" provision in the pension plan in accordance with the applicable provisions of the Internal Revenue Code. The provision shall allow for members to make their pension contributions "pre-tax".

Employee Pick-Up Contributions. There is hereby created an employer "pick-up" program whereby the mandatory employee contributions to the Retirement System shall be paid by the City in lieu of contributions by the employees. The terms and conditions of such contributions shall be in accordance with the provisions of the Internal Revenue Code Section 414(h)(2) and related Treasury Regulations and applicable law.

Member Contributions. Upon implementation, the City shall, solely for the purpose of compliance with Section 414(h) of the Internal Revenue Code, pick up, for the purposes specified in that section, the member contributions required by the Retirement System for all salary earned by the member after implementation. The provisions of this Section are mandatory, and the member shall have no option concerning the pick up or to receive the contributed amount directly instead of having it paid by the City to the Retirement System. In no event may implementation occur other than at the beginning of a pay period.

Tax Treatment. Member contributions picked up under the provisions of this Section shall be treated as City contributions for purposes of determining income tax obligations under the Internal Revenue Code, however, such picked up member contributions shall be included in the determination of member's gross annual salary for all other purposes under federal and state laws. Members' contributions picked up under this Section shall continue to be designated member contributions for all purposes of the Retirement System and shall be considered part of the member's salary for purposes of determining the amount of the member's contribution.

21.2 The City may elect to have retiree medical, dental and optical insurance premiums paid from the pension fund.

21.3 The pension plan will be rewritten as an IPG type plan in accordance with the Agreement dated May 17, 1988. The City guarantees the benefits enumerated in the pension plan as amended by the full faith and credit of its' taxing and borrowing authority. The pension fund shall be administered pursuant to the City of Taylor Pension Ordinance. The City may not use the pension fund monies for any other purpose. Any future changes in the pension plan shall require TGM&AEA membership ratification.

21.4 Members hired on or before May 17, 1988:

The pension benefit and vesting schedule will be as follows and the age requirements in the plan will continue in effect. Said benefit and vesting schedule shall not apply to employees who left the City's employ prior to March 6, 2001 through either retirement or deferred retirement.

<u>Service</u>	<u>Benefit as % of FAC</u>
4 years	30 %
5 years	36.25%
6 years	42.5 %
7 years	48.75%
8 years	55 %

13 years 65 %

Members hired on or after May 18, 1988:

The pension benefit and vesting schedule will be as follows and will have actuarially adjusted benefits calculated according to the City of Taylor Pension Ordinance. Pension benefits will not be payable until age fifty-five (55). Said benefit and vesting schedule shall not apply to employees who left the City's employ prior to March 6, 2001 through either retirement or deferred retirement.

<u>Service</u>	<u>Benefits as % of FAC</u>
5 years	30 %
6 years	32.5%
7 years	35 %
8 years	37.5%
9 years	40 %
10 years	42.5%
11 years	45 %
12 years	47.5%
13 years	52.5%
14 years	60 %
15 years	65 %

Actuarial factors will be the same for men and women.

All late retirees shall receive an actuarially adjusted benefit as outlined in the City of Taylor General Employees Retirement System Plan.

The pension plan text will be rewritten by an actuary to include all past amendments and to reflect the changes agreed to in this document. The revised document will be reviewed with the TGM Committee to insure accuracy and simplicity of language.

An annual actuarial report will be provided to the TGM&AEA.

The City will fund the pension plan in accordance with the recommendations of a professional actuary.

Employees who participated in the classified plan will have the option of electing to be covered by either plan. Elected officials shall continue to be covered by the unclassified plan.

Vested terminees will be entitled to receive an actuarially reduced pension any time after their termination.

Anyone in the pension plan on or before May 17, 1988 who is at least 48 years of age, or who has 18 years of service when said person's pension begins, shall be eligible for retiree medical benefits. Dental and optical benefits shall extend to all employees who begin drawing a pension on or after January 1, 2001 and their immediate families, excluding those employees who left the City's employ prior to January 1, 2001 through either retirement or deferred retirement.

Anyone hired on or after May 18, 1988 who is in the DB/DC plan (has attained five year vesting) and is eligible for pension benefits as determined herein shall be eligible for retiree hospitalization-medical benefits upon completion of 15 years of service to the City of Taylor and attaining the age of 55 or upon reaching the age of 55 years. Dental and optical coverage will apply to all employees who begin drawing from the plan on or after January 1, 2001 and their immediate families excluding those employees who left the City's employ prior to January 1, 2001 through either retirement or deferred retirement.

Upon meeting said service and/or age requirements the City shall provide medical, dental and optical benefits after retirement until:

- a) Death with rights of survivors as enumerated herein and/or in the TGM&AEA pension document.
- b) Retiree shall become employed elsewhere and is provided medical hospitalization, dental and optical insurance, in which case the new insurance provider shall be the primary provider and the City shall be the secondary provider. Said reemployed retiree shall be allowed to

re-enroll in the City's insurance plans in the event said retiree should become unemployed or ineligible for insurance coverage through the outside employer.

- c) Said retiree shall become eligible for Medicare, at which time said member shall enroll in the Medicare Part A and Part B programs which shall be the primary provider. The City shall provide the retiree with Complementary Coverage, at no additional cost to the retiree, upon enrollment in Medicare. Medicare Part B shall be reimbursed by the Pension Plan with the monthly pension distribution. In the event changes in the laws regulating Medicare result in a charge for Part A, the City will reimburse the retiree a sum, when combined with other City contributions, will not exceed the ordinary cost of the coverage agreed upon herein.

If an employee who is vested in the pension plan dies prior to retirement, his/her beneficiary will receive the employee's accrued pension benefit for life actuarially adjusted based on the age of the beneficiary at the time the benefit is paid. Beneficiary shall be defined as: spouse or (in the absence of a spouse) minor children until the age of 21.

At the time of retirement, an employee may elect to have one hundred (100%) percent, seventy-five (75%) percent, sixty-six and two-thirds (66.7%) percent or fifty (50%) percent of his/her pension benefit continue for the life of his/her spouse. This election will result in an actuarial reduction of the employee's pension benefit for his/her lifetime. The reduction will vary with the percentage elected and the age of the employee and spouse at the time of the employee's retirement.

At the time of retirement, an employee may elect 5, 10, 15 or 20 year certain and continuous options on an actuarially reduced basis.

Employees certified as disabled by the Social Security Administration will receive 66 2/3% of their base salary including Workers' Compensation Benefits to a maximum monthly benefit of \$2,000.

Effective January 1, 2011, the interest rate on employee contributions will be 2%.

All years of full time service past, present, and future with the City of Taylor shall be credited for pension and retirement purposes. Previously uncredited service to the City may be purchased by eligible employees by paying five percent (5%) of the W-2 earnings (for the year(s) for which credit is desired) for each of the uncredited year(s) plus, at simple interest of five percent (5%) of said contribution, for each intervening year between said uncredited year(s) and the year payment for additional time is received. Employees who terminate and later return to employment with the City will have their prior service reinstated according to the principle of "Bridging". After the employee has worked an amount of time equal to the employment gap he/she will receive credit for past service. Any employee who withdrew his/her contributions from the fund will be required to repay seven and a half percent (7.5%) of his/her W-2 earnings (at the time of withdrawal) including deferred compensation plus, at simple interest of eight percent (8%) of said contribution, for each full year of service credit reinstated and a pro rata amount for any partial year(s) or receive an actuarially reduced pension. No employee shall be credited for any full or partial year(s) service without having previously paid the employee contribution as determined herein, except that, failure to repay will result in the employee receiving an actuarially reduced pension based upon Table B in the City of Taylor Retirement Ordinance. Any vested participant or his or her designee who has either withdrawn contributions or failed to repay contributions shall have his or her pension reduction calculated based upon age at time of application for pension benefits.

Employees already vested in this Pension Plan may purchase up to a maximum of four (4) years military service for pension and retirement purposes only. Said purchase shall be paid at the rate of five percent (5%) of base pay at the time of purchase.

The changes reflected in this document will only apply to employees who retire after May 17, 1988. Employees who are already receiving pension benefits are specifically excluded from these changes.

The Association and the City mutually agree that the Association shall be entitled to one (1) seat, delegate to be selected by the Association, on the General Employee Retirement System Board of Trustees.

Employees newly hired after March 6, 2001 shall be eligible to participate in a Defined Contribution Pension Plan only. Said plan shall provide for a maximum employee contribution rate of 4% of salary with a 2 to 1 employer match and a five (5) year qualification period. Any employee with a seniority date prior to March 6, 2001 who is placed in the TGM&AEA bargaining unit, shall be placed in the Defined Benefit Pension Plan corresponding with their seniority date. Employees newly hired after January 1, 2011, shall be eligible to participate in the Defined Contribution Plan only. Said plan shall provide for a 1 to 1 employer match and a five (5) year qualification period.

21.5 The normal retirement benefit shall be the service benefit as a percentage (%) of FAC already accrued as of January 1, 2011 plus 2.25% of FAC for each additional year of credited service, not to exceed 65% of FAC.

ARTICLE 22

INDEMNIFICATION

22.1 The City agrees to pay and/or defend all members of the Association in connection with any and all claims, costs and expenses, including reasonable

attorney fees incurred as a result of any action taken by the member in good faith within the scope of his/her duties. Further, should the member be required after the termination of this Agreement to testify in court or before any State or Federal agency regarding an issue arising during the Agreement term within the scope of his/her duties, the City agrees to pay a witness fee equal to the salary earned at the termination of the Agreement on a pro rata daily basis.

ARTICLE 23 **RATIFICATION**

23.1 It is understood and agreed that this Agreement is subject to ratification by the members of the Taylor Governmental Management and Administrative Employees Association and the City Council of the City of Taylor. It is further understood and agreed that this Agreement will not be brought before the City Council for its approval until such time as the members of the Association ratify the Agreement.

ARTICLE 24 **EFFECTIVE DATE**

24.1 The Collective Bargaining Agreement ratified by the membership on December 15, 2005 and approved by the Taylor City Council on December 20, 2005 was in full force and effect from and after December 21, 2005 through to December 31, 2010. This Collective Bargaining Agreement shall remain in full force and effect from and after January 1, 2011 through to December 31, 2013. In the event that the City and the Taylor Governmental Management and Administrative Employees Association are unable to reach agreement upon a new collective bargaining contract on or before December 31, 2013, this Collective Bargaining Agreement shall automatically be extended until a new collective bargaining agreement has been negotiated; provided, however, that this automatic extension shall not extend beyond December 31, 2014.

ARTICLE 25
COPIES OF THE AGREEMENT

25.1 The City agrees to supply the Association with enough copies for the membership and officers as per the request of the Association. Said Agreement shall be printed and shall include the complete Agreement with all insurance programs, pension, classifications and applicable letters of understanding.


25.2 No part of this Agreement including insurance programs, pension, classifications and wages can be changed without the mutual agreement of the City and the Association.

ARTICLE 26
COMPLETE AGREEMENT

26.1 The parties hereby acknowledge and affirm that during the negotiations which led to this Agreement, each of them had the unlimited right and opportunity to formulate demands and proposals with respect to all subjects or matters not excluded by law from the collective bargaining area and that all the decisions and covenants reached by them through the use of such rights and opportunities appear in this Agreement. Therefore, it is agreed that the terms herein set forth contain the complete agreement between the parties for the term of this Agreement. The right to present any demands or proposals on any matters, whether or not discussed during the negotiation that led to this Agreement is hereby waived by the City and the Association for the term of this Agreement.

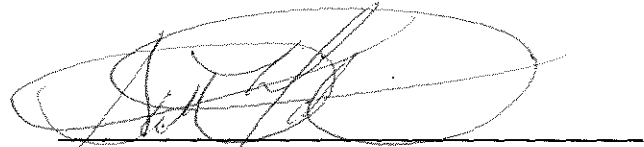
The foregoing Agreement has been duly ratified by the membership of the Taylor Governmental Management and Administrative Employees Association on December 9, 2010 and approved by the Taylor City Council on December 21, 2010.

For the City:



Jeffrey P. Lamarand
Mayor


For the Association:



Scott Martin, President



David Fairbairn, Bargaining Committee



Michael Gonzales, Bargaining Committee

AGENDA NO. Mayor's Communication
[RESOLUTION NO. 5.1 OFFICE OF THE MAYOR

TO: COUNCIL CHAIRMAN, CITY COUNCIL 2008 NOV 18 A 10: 53

FOR: COUNCIL AGENDA - DATE: November 18, 2008

SUBJECT: Memorandum of Understanding, City of Taylor and TGMA

REQUISITIONING DEPT. Human Resources

NAME: Donald Wood DW PHONE: 374-1371

ACTION REQUESTED: Motion to approve/deny Memorandum of Understanding between the City of Taylor and the Taylor Governmental Management and Administrative Employees Association.

BUDGET ACCOUNT NUMBER N/A

BUDGET ACCOUNT TITLE: N/A

AMOUNT CURRENTLY BUDGETED: N/A

AMOUNT ENCUMBERED AS OF: N/A

SUPPORTING & REFERENCE DATA: Attached CP

REMARKS:

Motion by Sollars, supported by Weycker
Resolved: To approve Memorandum of Understanding between the City of Taylor and the Taylor Governmental Management and Administrative Employees Association.
Ayes: Molner, Lamarand, Weycker, Sollars, Ramik, Geiss
Nays: Brandana
Motion Carried.
11.751-08

REVIEWED AND CONCURRED BY:

Laurie Trueblood
Laurie Trueblood
Director of Administration

Cameron G. Pribe
Cameron G. Pribe, Mayor

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is entered into this 17th day of November 2008, by and between the City of Taylor, a Michigan municipal corporation, whose address is 23555 Goddard Road Taylor, Michigan 48180 (hereinafter "City") and the Taylor Governmental Management and Administrative Employees Association (hereinafter "TGM").

WHEREAS, the City is desirous of potentially promoting City employees from other bargaining units into the TGM unit;

WHEREAS, the City is concerned about affording the pension benefits provided under the TGM collective bargaining agreement to those promoted or transferred into TGM;

WHEREAS, TGM, in order to encourage promotions or transfers into its bargaining unit, is willing to address the City's concerns through this Memorandum of Understanding;

NOW, THEREFORE, in consideration of the mutual covenants, promises, and obligations contained in this Memorandum of Understanding, the parties agree as follows:

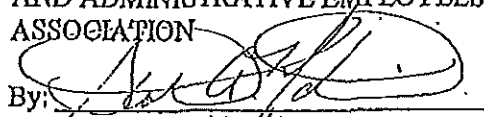
1. Any City employee promoted or transferred into the TGM unit from another bargaining unit on or after November 1, 2008, shall be entitled to the compensation and benefits provided under the then current TGM collective bargaining agreement, except for the offered pension benefits and/or enhancements. Instead, those non-TGM unit employees promoted or transferred into the TGM unit shall retain the same pension benefits and/or enhancements as provided in their former bargaining unit's collective bargaining agreement, including any future agreed upon modifications to said pension benefits.
2. The parties understand, acknowledge and agree that the following language contained at page 30 of the parties' collective bargaining agreement, under Article 21 entitled "PENSION" is hereby deleted from the parties' collective bargaining agreement and shall have no further force or effect:

Any employee with a seniority date prior to March 6, 2001 who is placed in the TGM&AEA bargaining unit, shall be placed in the Defined Benefit Pension Plan corresponding with their seniority date.

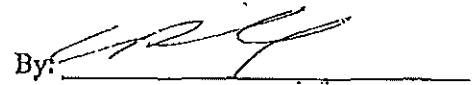
3. All other terms and conditions of the parties' collective bargaining agreement not otherwise modified by this Memorandum of Understanding shall remain in full force and effect.

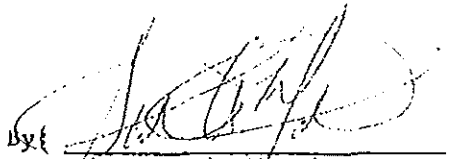
IN WITNESS WHEREOF, the parties have executed in duplicate originals this Memorandum of Understanding as of this 11th day of November 2008.

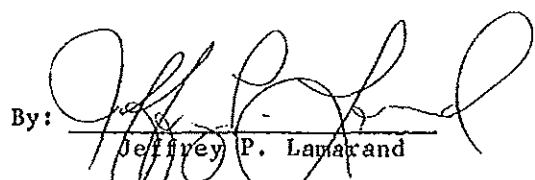
TAYLOR GOVERNMENTAL MANAGEMENT
AND ADMINISTRATIVE EMPLOYEES
ASSOCIATION

By: 
Scott A. Martin
Its: President, TGMA

CITY OF TAYLOR

By: 
Cameron G. Priebe
Its: Mayor, City of Taylor

By: 
Scott A. Martin
Its: President, TGMA
12/28/2010

By: 
Jeffrey P. Lamarand
Its: Mayor, City of Taylor
12/28/2010