

COLLECTIVE BARGAINING AGREEMENT

BETWEEN

CITY OF STERLING HEIGHTS



AND

**FIRE FIGHTERS ASSOCIATION
LOCAL 1557**



JULY 1, 2007 - JUNE 30, 2012

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COLLECTIVE BARGAINING AGREEMENT

THIS AGREEMENT, effective July 1, 2007 entered into between the CITY OF STERLING HEIGHTS, Macomb County, Michigan, a municipal corporation hereinafter called the "City" and LOCAL No. 1557 of the INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS, also known as the STERLING HEIGHTS FIRE FIGHTERS UNION, AFL-CIO, hereinafter called the "Union".

WITNESSETH: That the parties hereto, in consideration of the mutual covenants and agreements hereinafter contained, do hereby agree as follows:

ARTICLE 1

PURPOSE

The parties hereto have entered into this Agreement pursuant to the authority of Act 379 of the Public Acts of 1965, as amended, to incorporate understandings previously reached and other matters into a formal contract; to promote harmonious relations between the City and the Union, in the best interests of the community; to improve the public fire fighting service; and to provide an orderly and equitable means of resolving future differences between the parties.

ARTICLE 2

COVERAGE

The City recognizes the Union as the sole and exclusive collective bargaining representative of all full-time employees of the Fire Department, excluding the Chief and civilian employees. This Agreement shall be applicable to all Fire Fighters in the appropriate bargaining unit. The pronouns and relative words used in this agreement are written in the masculine form. If members of the Union are of the feminine sex, such words shall be read in the feminine form.

ARTICLE 3

DUES DEDUCTION

The City shall deduct, as dues, or service charge, from the pay of each employee from whom it receives an authorization to do so, the required amount for the payment of Union dues, fees and assessments. Such sums accompanied by a list of employees who had authorized such deduction and from whom no deductions were made and the reasons therefore, shall be forwarded to the Union office within thirty (30) days after such collections have been made.

ARTICLE 4

AGENCY SHOP

Any employee who is not a Union member and who does not make application for membership shall, as a condition of employment, pay to the Union an amount equal to the Union's regular initiation fee and a monthly service charge in an amount equal to the monthly dues and assessments uniformly applied to the members as a contribution toward the administration of this Agreement. Employees who fail to comply with this requirement within thirty (30) calendar days following the effective date of this Agreement or the beginning of their employment, whichever last occurs, shall be discharged by the City. The Union agrees to save and hold harmless the City from any liability which the City may incur as a consequence of enforcing this article.

ARTICLE 5

UNION ACTIVITIES

Section 1. General.

Employees and their Union representatives shall have the right to join the Union, to engage in lawful concerted activities for the purposes of collective negotiation or bargaining, in accordance with Act 379 of the Public Acts of 1965, as amended, all free from any and all illegal restraint, interference, coercion, discrimination or reprisal.

Section 2. Released Time for Union Business.

Officers and representatives of the Union shall be afforded reasonable time during regular working hours without loss of pay to fulfill their Union responsibilities, including negotiations with the City, processing of grievances, and administration and enforcement of this Agreement upon approval of the Fire Chief. It is understood that approval will not be arbitrarily withheld and all reasonable requests shall be granted.

The City will allow a maximum of one hundred ninety two (192) hours annually to members of the executive board for Union activities, including local and State meetings and conferences. This maximum will increase to three hundred eighty four (384) hours for those years in which the state and international firefighters' conventions are held. Hours that do not cost overtime shall not be counted against bank hours.

Officers and representatives of the Union shall include its President, Vice-President, Secretary, and Treasurer (the Executive Board), or their designated alternates, and a steward for each platoon and forty (40) hour employees.

If overtime is required, stewards shall not be allowed time during their regular working hours without loss of pay to fulfill their Union responsibilities except as a direct replacement of an executive board member or by agreement between the City and the Union.

The Union shall advise the City in writing as to its officers and representatives and shall report any changes promptly.

Section 3. Bulletin Boards. The Union shall be provided with suitable bulletin boards at each Fire Station for the posting of Union notices and other materials. All posted notices and other materials must be approved and signed by a Union Officer.

Section 4. Meetings. The Union may schedule meetings on Fire Department property, insofar as such meetings are not disruptive of the duties of the employees or the efficient operation of the Department, subject to approval of the City Manager or his representative, which approval shall not be arbitrarily or unreasonable withheld.

Section 5. Union Leave of Absence. The City shall give reasonable time off up to thirty (30) calendar days, without discrimination or loss of seniority rights, without pay to employees designated by the Union to attend a labor convention, seminar, or school, provided 72 hours written notice is given to the City by the Union, specifying length of time off for Union activities. It is understood that approval will not be arbitrarily withheld and all reasonable requests shall be granted, provided there shall be no disruption of Fire Department operations due to lack of employees.

Section 6. The City shall allow the Union Executive Board Member or steward on each Battalion to have their choice of station assignments before other members of the Bargaining Unit and as transfers occur.

ARTICLE 6

HOURS OF EMPLOYMENT

Section 1. Work Schedule. The work schedule of employees shall be as prescribed by Act 125, Public Acts of 1925, as amended by Act 115, Public Acts of 1965, Public Act 604 of 1978 and the F.L.S.A.

In the event said acts are modified or amended during the term of this Agreement or employees are determined to be outside of the FLSA's 7(k) overtime pay exemption, the provisions of this Agreement relating to hours of work, work schedules, wages and overtime shall be reopened and the subject of negotiation between the parties and changes in hours of work, work schedules, wages, and overtime may be made by mutual agreement of the parties.

Section 2. Forty hour employees. A thirty (30) minute paid lunch period will be provided to forty (40) hour employees. All full-time Fire Inspectors, EMS Coordinator and the Training Officer will work a four (4) day, ten (10) hour schedule. The work day will be 7:00 a.m. - 5:00 p.m. with a thirty (30) minute paid lunch period. The 4-10 schedule will not create any additional overtime in the on-call system. A week that contains a paid holiday will be worked on a five (5) day, eight (8) hour schedule. This 4-10 schedule will not affect FLSA overtime in any fashion. The City reserves the right to adjust the schedule to compensate for vacations, illness, injury, funeral leave, jury duty, emergency leave, service demands, previously scheduled external meetings, etc. A request by the EMS Coordinator and Training Officer to work a 4-10 schedule will not be arbitrarily or capriciously withheld.

Section 3. Trading of Days. Subject to department manpower requirements, employees shall be permitted to voluntarily trade work or leave days.

ARTICLE 7

SENIORITY

Section 1. Job assignments shall be filled on the basis of seniority except as specified in Article 5, Section 6, provided the employee has the ability to perform the duties involved. The claim of any employee that he has been unreasonably or unjustly transferred or reassigned or that he has been unreasonably or unjustly denied a transfer or reassignment shall be subject to the Grievance Procedure only.

Section 2. Seniority, as promulgated in the City Charter and Act 78 Civil Service rules shall prevail in the layoff and recalling of employees. However, the probationary period of new employees shall be one (1) year. A probationary employee may be terminated during the probationary period, for cause, without recourse to the grievance procedure. The Union will be given advanced notice of any such action and an opportunity to meet and confer regarding alternatives such as an extended probationary period or resignation.

Section 3. The City shall post a list of the employees and classifications arranged in order of their seniority. This list shall be posted in a conspicuous position at each fire station. Seniority date shall be the date hired.

Section 4. Seniority shall be broken only by discharge for just cause, resignation, layoff for a period of more than two years or a period equal to the employee's seniority, whichever is greater, or if absent for two or more working days without notifying the City. In case of emergency, exceptions may be made by the City.

Section 5. In the event of a layoff, an employee so laid off shall be given one week's notice of recall to work, mailed to his last known address by certified mail. In the event the employee fails to make himself available for work at the end of said one week, he shall lose all seniority rights under this Agreement. However, in proper cases, the City shall give consideration to the employee and may grant exceptions.

Section 6. An employee in a classification covered by this Agreement, who has been in the past or will in the future be promoted or transferred to a classification not within the Bargaining Unit, shall not accumulate seniority while working in such position. An employee who is subsequently transferred or demoted shall commence work in a job generally similar to the one he held at the time of his promotion or transfer and he shall maintain the seniority rank he held at the time of his promotion or transfer from the Bargaining Unit.

Section 7. In the event of a layoff, any current officer, full or probationary, will be afforded the right to return to their previously held rank or classification without further testing, and before any new promotions for that position are made.

ARTICLE 8

DISCIPLINE

Section 1. No employee shall be removed, discharged, reduced in rank or pay, suspended or otherwise punished, except for just cause and in no event until he shall have been furnished with a written statement of the charges and the reasons for such action.

All charges shall be void unless filed within ninety (90) days of the occurrence of the alleged violation or within ninety (90) days after the City reasonably should have known of the occurrence of the alleged violation.

Section 2. Any employee aggrieved by such removal, discharge, suspension, or reduction in rank or pay may seek relief through the Grievance Procedure outlined in Article 9 of this Agreement by going immediately to Step 3 or he may seek relief with the Civil Service Commission in accordance with the provisions of Act 78 of the Civil Service rules. It is understood and agreed to by the parties to this Agreement that the employee may elect to use the Grievance Procedure or the Civil Service Procedure, but not use both. Upon seeking relief, through either the Grievance Procedure or the Civil Service procedure, the employee waives all rights to use the other procedure.

Section 3. All grievances involving discipline, with the exception of grievances involving a discharge, suspension, removal or reduction in rank or pay, shall follow the normal Grievance Procedure outlined in Article 9 of this Agreement.

Section 4. Clearing Clause. Written reprimand shall not be used in a progressive discipline after the following schedule:

- A. One (1) year for incidents or infractions not involving loss of time or wages.
- B. Three (3) years for incidents or infraction involving loss of time or wages:
 - 1. A loss of up to two (2) days wages or time for a 56-hour employee.
 - 2. A loss of up to three (3) days wages or time for a 40-hour employee.
- C. Five (5) years for incidents or infractions involving a loss of time or wages greater than:
 - 1. Two (2) days wages or time for a 56-hour employee.
 - 2. Three (3) days wages or time for a 40-hour employee.

ARTICLE 9

GRIEVANCE PROCEDURE

Section 1. A grievance is defined as a difference, dispute, or complaint between the City and the Union or between the City and an employee as to the application or interpretation of this Agreement. Every effort shall be made to adjust controversies and disagreements in an amicable manner between the City and the Union. For the purpose of this Article, a business day shall be defined as a normal day of business at the City Administration Building.

Section 2. The City and the Union agree it is desirable to resolve problems and issues informally. In the event a problem relating to provisions to this Agreement cannot be resolved informally, grievances shall be processed in the following manner:

Step One (1) Fire Chief or Designate. If the attempt to resolve the problem informally is unsuccessful, the Union shall submit the grievance, in writing, to the Office of the Fire Chief, within fifteen (15) business days of the occurrence thereof, or the aggrieved employee's knowledge thereof. The Fire Chief must render a decision, in writing, no later than fifteen (15) business days, or on cases over which it has jurisdiction, the aggrieved employee may appeal to the Civil Service Commission in accordance with the provisions of Act 78 and the Civil Service rules, but he may not invoke both the Civil Service procedure and the Grievance Procedure.

Step Two (2) Human Resources Director. If the grievance remains unresolved, the Union may appeal the decision to the Human Resources Director within fifteen (15) business days from receipt of the Step One (1) decision. The Human Resources Director must meet with the Union to discuss the grievance within fifteen (15) business days of the Union's appeal. The Human Resources Director must then render a decision, in writing, within fifteen (15) business days from date of meeting.

Step Three (3) City Manager. If the grievance continues to remain unresolved, the Union may appeal the decision to the City Manager within five (5) business days from receipt of the Step Two (2) decision. The City Manager must meet with the Union to discuss the grievance within five (5) business days of the Union's appeal. The City Manager must then render a decision, in writing, within five (5) business days from date of meeting.

Step Four (4) Arbitration. In the event the grievance is not resolved at Step 3, the Union may request that it be submitted to arbitration as follows:

- A. The arbitrator shall be a person mutually agreed to by both the City and the Union. In the event the parties have not agreed upon an arbitrator within ten (10) business days, an arbitrator shall be selected and appointed in accordance with the procedures of the American Arbitration Association or the Federal Mediation and Conciliation Service and such arbitrator shall have authority to hear and decide the case.

- B. In the event of a refusal by either party to submit to or appear at the arbitration hearing, the arbitrator shall have jurisdiction to proceed ex parte and make an award. The decision of the arbitrator shall be rendered within thirty (30) days, and shall be final and binding upon all parties, including the employees involved.

Section 3. Powers of the Arbitrator. It shall be the function of the arbitrator, and he shall be empowered, except as his powers are limited below, after due investigation, to make a decision in cases of alleged violation of the specific terms and provisions of this Agreement.

- A. He shall have no power to add to, or subtract from, alter or modify any of the terms of this Agreement.
- B. He shall have no power to establish wage scales or to require the City to purchase buildings, equipment or material.
- C. In the event that a case is appealed to an arbitrator on which he has no power to rule, it shall be referred back to the parties without decision or recommendation on its merits.
- D. The arbitrator's decision shall be final and binding on the Union, its members, the employees or employee involved, and the City.
- E. Fees and expenses of an arbitrator shall be shared equally by the City and the Union. All other expenses shall be borne by the party incurring the expenses, and neither party shall be responsible for the expense of witnesses called by the other.
- F. Claims for Back Pay.
 - 1. The City shall not be required to pay back wages more than ninety (90) business days prior to the date a written grievance is filed; provided, however, that in the case of a pay shortage of which the employee could not have been aware before receiving his pay, adjustments may be made retroactive to the beginning of the pay period covered by such pay, if the employee filed his grievance within ninety (90) business days after receipt of such pay.
 - 2. All claims for back wages shall be limited to the amount of wages that the employee would otherwise have earned less compensation, if any, earned elsewhere during the period in question, which such compensation is attributable to the discharge, suspension or layoff period in issue, and which would not have been earned otherwise.

Section 4. Time Limit. Any grievance not advanced to the next step by either party within the time limit in that step, or if no time limit is specified, within ten (10) business days, shall be deemed settled against the party that failed to advance the grievance. If the time limits are extended by the City and the Union in writing, then the new date shall prevail.

Section 5. Agreements. All agreements between the Union and the City shall be in writing.

Section 6. Interviews. It is agreed between the parties that when a grievance is submitted for adjustment, the City may interview such employees as may be necessary for appropriate investigation and adjustment of the grievance as long as a Union representative is given an opportunity to be present during such interview.

Section 7. Results of Grievance. Notification to the grievant of the results of the grievance shall be the responsibility of the Union.

Section 8. When the same remedies are available for a dispute which arises under this contract under the grievance procedure, which are available under any administrative or statutory scheme or procedure, such as, but not limited to, a veteran's preference hearing, civil rights hearing, or Department of Labor hearing, and the employee elects to utilize the statutory or administrative remedy, the Union and the affected employee shall not process the complaint through the grievance procedure provided for in this contract. If any employee elects to use the grievance procedure in this contract and, subsequently, elects to utilize the statutory or administrative remedies to obtain the same remedy, then the grievance shall be deemed to have been withdrawn and the grievance procedure provided for hereunder shall not be applicable, any relief granted shall be forfeited.

Nothing herein shall be construed to eliminate the right of an employee or the Union to apply to the Courts to compel compliance with contract terms and with the grievance procedure by request for injunctive or other relief.

ARTICLE 10

SAFETY CLAUSE

Section 1. A safety committee shall be composed of a Union representative, the Fire Chief or his representative, and the Risk Manager who will meet, when necessary, or at the request of either party, for the purpose of discussing safety regulations with the understanding that the City has the ultimate responsibility and shall make the final determination on all matters of safety and safety regulations. No employee shall be penalized for reporting unsafe conditions.

The Risk Manager shall serve in an advisory capacity to facilitate safety matters.

Section 2. The City shall consider the personal safety of the employee in establishing operational procedures.

Section 3. The City shall allow two (2) members of the Executive Board or their designate to attend the IAFF Redmond Symposium biennially, and the hours to attend will not be counted against the Union release time.

ARTICLE 11

MANAGEMENT RIGHTS

The City, on its own behalf and on behalf of its electors, hereby retains and reserves unto itself, without limitation, all powers, rights, authority, duties, and responsibilities conferred upon and vested in it by the laws and the Constitution of the State of Michigan and of the United States. Further, all rights, which ordinarily vest in and are exercised by employers, except such as are specifically modified, limited or relinquished herein, are reserved to and remain vested in the City.

The City shall have the right to deduct from an employee's paycheck any overpayment the employee may have received that they were not entitled to under this Agreement, without the specific written approval of the employee. This will be deducted in amounts equal to the amount of overpayment, over the same amount of time the overpayments were received. If the employee grieves this action, then no deductions will be made until the grievance is resolved. The employee will be notified in writing of any overpayment dispute.

ARTICLE 12

MAINTENANCE OF CONDITIONS

Section 1. Maintenance of Conditions. Wages, hours and conditions of employment in effect at the execution of this Agreement, shall, except as improved or modified herein, be maintained during the terms of this Agreement.

Section 2. Unilateral Changes. The City will make no unilateral changes in wages, hours, and conditions of employment during the terms of this Agreement, either contrary to the provisions of this Agreement or established departmental rules and regulations, practice and custom and/or administration policy, unless both the City and the Union agree on the change.

Except in emergencies, the City shall provide the Union with at least 72 hours prior written notice of a proposed change in working conditions and afford an opportunity to the Union to consult regarding the proposed change before it becomes effective.

Section 3. Relation to Regulations. This Agreement shall supersede any rules and regulations inconsistent herewith. Insofar as any provision of this Agreement shall conflict with any ordinance or resolution of the City, appropriate amendatory action or other action shall be taken to render such ordinance or resolution compatible with this Agreement.

Section 4. The Union and its members share the City's desire and goal that its Fire Department be well trained, equipped and efficient. The parties will continue to cooperate in every way toward the goal that Sterling Heights has the finest Fire Department in the country.

The Union does not intend that "Maintenance of Conditions" be used to interfere with the City's right, and indeed obligation, to train, equip and direct its Fire Department. The purpose of "Maintenance of Conditions" is to protect the Union and its members from any arbitrary, unreasonable, or discriminatory application and/or change in statutory terms and conditions of employment. The Union will not use the "Maintenance of Conditions" clause to impede legitimate management decisions, e.g. to create new positions not included in this Bargaining Unit, such as, positions involved in Emergency Medical Services.

It is understood that this restriction on the performance of Bargaining Unit work by persons other than those employed within this Collective Bargaining Unit shall not serve to foreclose the City of Sterling Heights from utilizing the established Mutual Aid Pact it has with existing communities.

Section 5. The City shall give advance notice to the Union of any proposed changes to any mutual aid agreement with other neighboring communities. This Section does not allow the Union any right to negotiate or approve any mutual aid agreement prior to City implementation.

ARTICLE 13

DISTRIBUTION OF AGREEMENT

Two Hundred Fifty (250) copies of this Agreement shall be distributed by the City to the Bargaining Unit.

ARTICLE 14

EDUCATIONAL ASSISTANCE PROGRAM

This program is offered to encourage employees to improve their job skills, to increase their value to the City, and to assist them in preparing for future advancement with the City.

- A. The scope of the program does not include special seminars, or "short courses" of a few days' duration which will continue to be considered on an individual and departmental training basis as in-service training. The exception to this rule will be for Advanced Life Support training programs deemed beneficial to the City and employee. The Employer will not arbitrarily or capriciously withhold approval of Department personnel attending these "short courses."
- B. The following provisions are established to govern the administration of the City's Educational Assistance Program:
 - 1. Application for Educational Assistance may be made by any full-time permanent employee who has completed his designated probationary period.
 - 2. Applications will be considered if the employee is eligible for or receiving funds for the same course from any other source (GI Bill, scholarships, vocational rehabilitation, etc.). However, reimbursement under this program shall be limited to the difference between the other funds for which eligible or received for the same course and reimbursement in accordance with Section 5 of this Article.
 - 3. Application will be approved by the Department Head and Human Resources Director only for courses related to the employee's present job or related to a promotional position within the organization, or to satisfy the general education requirement for such a degree.
 - 4. Reimbursement shall be made only for courses completed at accredited (as determined by the U.S. Secretary of Education) high schools, trade schools, college, and universities.

5. There shall be a seventy-five (75%) percent reimbursement for tuition, lab, and student fees, and required textbooks to a maximum of \$2,000 per year for undergraduate courses and \$3,000 per year for graduate courses based upon courses completed with a "C" or numerical equivalent, or for non-graded courses when the grade received is "satisfactory" or "passing". There shall be a Two Hundred Dollar (\$200.00) limitation per fiscal year for non-credit courses (exception is medical training programs).
6. There shall be one hundred (100%) percent reimbursement for classes taken to obtain a Paramedic's license for tuition, lab fees and required textbooks with an unlimited maximum based upon courses completed with a "C" or numerical equivalent, or for non-graded courses when the grade received is "satisfactory" or "passing".
7. Employees must submit official school transcript showing final grade received. The employee shall be considered as having completed a class when he concludes the term for which the school quotes the tuition fee.
8. As funds for Educational Assistance are limited, priority shall be governed by the time and date that completed applications are received in the City Management office. Approval and reimbursement for Educational Assistance is contingent upon the availability of funds, the employee's successful completion of the course, and adherence to the policies and procedures.
9. Expenses such as parking and mileage shall not be part of the Educational Assistance Program.
10. The applicant, under this program shall attend classes on his own time and without compensation from the City.

ARTICLE 15
MILITARY SERVICE

Section 1. Selective Service Act

- A. Employees inducted into the Armed Services of the United States, under the provisions of the Selective Service Act, shall be entitled to a leave of absence, without pay or other benefits, for a period of service required by such original induction. Upon their honorable discharge, and if physically fit to perform the duties of the position of which they held prior to entering the military service, such employees shall be reinstated to their former positions or one comparable to it, providing that they make formal application for re-instatement within ninety (90) days after the date of military service discharge.
- B. A regular employee, who enters the Armed Forces and meets the foregoing requirements, will have seniority equal to the time spent in the Armed Forces plus previous employment time in the department.
- C. A probationary employee, who enters the Armed Forces and meets the foregoing requirements, must complete his probationary period and upon completing it, will have seniority equal to the time he spent in the Armed Forces, plus twelve (12) months.

Section 2. "Uniformed Services" Enlistments

- A. "Uniformed Services" shall include:
 - 1. The full-time and reserve components of the Army, Navy, Marine Corps, Air Force and Coast Guard
 - 2. The National Guard
 - 3. The commission corps of the public health services
 - 4. Any category of persons designated as a "uniformed service" by the President of the United States in time of war or national emergency
- B. Covered Military Leaves. Leaves, whether involuntary or voluntary, enacted to perform any duty in the above named "uniformed services" shall be an authorized leave.

The following leaves shall be authorized:

- 1. Active duty leaves
- 2. Training leaves
- 3. Weekend drills
- 4. Summer Camp (two week annual training sessions)
- 5. Fitness-for-duty examinations

Section 3. Duration of Authorized Leaves. A combined five (5) years of service-connected absences from the City shall be authorized.

- A. The following are exemptions to the five (5) years of authorized leave:
1. All required training for Reservist and National Guard members, including two (2) week annual training sessions and monthly weekend drills.
 2. All service from which a member, through no fault of his own, is unable to obtain release, prior to the expiration of the five (5) year period of exemption.
 3. Service required beyond five (5) years to complete an initial period of obligated service.
 4. Active duty service (other than for training) performed because of a war or national emergency or in support of a critical or operational mission.
 5. Any kind of service other than active duty service if re-employment was initiated before December 12, 1994.
 6. All active duty training performed by a National Guard member up through December 11, 1994. (However, the balance of the period of duty performed after that date must be counted.)

Section 4. Seniority, Pay, Maintenance and Accrual of Benefits.

- A. Seniority: Members re-employed shall be entitled to the seniority they would have attained if they had remained continuously employed. Time spent in the military shall be counted as time on the job.
- B. Pay While in Uniformed Service:
1. The City shall pay the difference between the member's active duty military pay and his City salary as follows:
 - a. For the first thirty (30) days, the member shall be paid the same pay cycle that his battalion (unit) is being paid, less FLSA overtime.
 - b. Following the initial thirty (30) days, the member shall receive his pay based on a straight one hundred and twelve (112) hours per pay cycle.
 2. Paid Military Leaves shall include the following:
 - a. Members participating in annual two week training (summer camp) shall be entitled to fifteen (15) days paid leave.
 - b. Members participating in weekend drills shall be entitled to two hundred eighty eight (288) hours annually.

- C. Accrual of Benefits: Military service will be considered as service time with the City for vesting and benefit accrual purposes.
1. The City shall fund any resulting Act 78 pension obligations.
 2. The member shall be entitled to accrued benefits from the City's contributions only to the extent that he repays the member's contribution obligations.
 - a. Repayment of the member's obligation can be made over a period of three (3) times the duration of military service.
 - b. Repayment shall not exceed five (5) years.
- D. Maintenance of Health Benefits:
1. The City shall maintain the member's exact level of health benefits, at no cost to the member, for a period of one (1) year.
 2. The member may elect to continue participation in the employer's health benefit plan, after one (1) year, at a cost equal to the cost to the City, for the exact level of coverage, for the duration of the leave.
- E. Member's Proof of Leave and Pay: Members shall provide any reasonable documentation requested by the City to confirm leaves and pay periods. This may include military orders or pay records.

Section 5. Re-employment: The City shall abide by the Uniformed Services Employment and Re-employment Act (USERRA) as amended, for all employment and re-employment issues not specifically enumerated under Article 15 of this Agreement.

ARTICLE 16

ACTING PAY

Section 1. An employee, temporarily appointed to fill a vacancy of a higher rank or classification, shall be paid the wage scale of this rank or classification during the period required to give the examination and provide an eligibility list for the rank or classification. Temporary appointments shall be made as follows:

- a. Temporary appointment to the positions of Captain and Division Chief/Assistant Chief shall be made after ten (10) business days.
- b. Temporary appointment to the positions of Training Chief and Fire Marshal shall be in accordance with the Fire Department S.O.G. in effect on the date of the signing of this agreement. (2002)

Section 2. Any employee temporarily assigned to a higher rank or classification shall receive the beginning pay rate of that higher rank or classification. After every 1,456 hours of acting time, the rate of compensation will increase to the appropriate six (6) month increment, until the employee reaches the top pay for that rank or classification. In 40 hour positions, the pay rates will increase after 1,040 hours of acting time.

Section 3. When an employee is promoted to a rank or classification in which he has accumulated acting hours, those hours will be credited to his rate of compensation and time in service for that position.

Section 4. Acting time shall be distributed in the following order:

- A. First, to any employee who was demoted from that rank or classification for any reason other than discipline.
- B. Second, according to the current list for that rank or classification.
- C. Third, according to the departmental seniority list, for position of Sergeant and seniority in rank for positions above Lieutenant.

ARTICLE 17

GENERAL

Section 1. The City shall furnish all protective equipment, badges and accessories for employees.

Employees requiring prescription eyeglasses to properly perform their job functions shall be required to wear safety prescription eyeglasses during working hours. Employees shall be entitled to up to \$150.00 every other calendar year for purchase or conversion to such safety eyeglasses.

Employees, requiring the above-mentioned safety eyeglasses, shall submit a paid receipt to the Office of the Chief for approval. Upon approval, all information shall be forwarded to the Finance Department for payment within forty-five (45) days.

The Employer at its expense shall repair or replace as necessary an Employee's eyeglasses, contact lenses, or prescription sunglasses, if such are damaged or broken during the period while responding to or returning from an emergency call, while training, or while performing other assigned duties within the official capacity of the Department and such incident has been documented to the reasonable satisfaction of the Fire Chief or his designee. The replacement cost shall be a maximum of One Hundred Fifty (\$150) Dollars.

Section 2. Separability. This Agreement is subject to the laws of the State of Michigan with respect to the powers, rights, duties and obligations of the City, the Union, and the employees in the Bargaining Unit, and in the event that any provision of this Agreement shall at any time be held to be contrary to law by a court of competent jurisdiction from whose final judgment or decree no appeal has been taken within the time provided therefore, such provisions shall be void and inoperative; however, all other provisions of this Agreement shall, insofar as possible, continue in full force and effect. In the event that any provision of this Agreement is held invalid, as set forth above, the parties shall enter into negotiations for the purpose of arriving at a mutually satisfactory replacement for the provision held invalid.

Section 3. Legal Obligations.

- A. The Union agrees to refrain from violating Sections 1 and 2 of the PERA. The City agrees that it will not lock out any employee.
- B. The parties agree to negotiate the impact of compliance with the provisions of the Americans with Disabilities Act and Michigan Handicapper's Act.

Section 4. Pay Periods. Effective with the first pay in April, 2008, the pay period for 56-hour employees shall be determined on a 28-day schedule. The Employer shall provide pay days every two weeks. Payments shall be made on Thursday for the period ending the previous Friday. All employees shall be provided with an itemized statement of his earnings and of all deductions made for any purpose. Vacation usage shall not be counted against FLSA calculations. All bargaining unit members are required to participate in the City's direct deposit of payroll program in accordance with established policies and procedures.

Section 5. Residency. All members of this bargaining unit shall reside in Macomb County and/or 20 miles of the City's municipal boundaries as a condition of employment. The residency requirement set forth above shall not become effective until the expiration date of any probationary period required of the employee.

Section 6. Bond. Should the Employer require an employee to give bond, cash bond shall not be compulsory and any premium shall be paid by the Employer.

Section 7. Service Time. Where benefits are earned based on number of months worked (including but not limited to sick time, vacation time, personal leave time, holiday pay, uniform allowance, food allowance), computations of said benefits for a new employee shall be based on the employee's hire date relative to the fifteenth (15th) of the month. For example, a new employee hired on or before the 15th of the month shall have benefits calculated from the 1st of the month. A new employee hired after the 15th of the month shall have his benefits calculated from the 1st of the following month.

Section 8. EAP and Drug Testing. The City and the Union have cooperatively joined in the development and implementation of an Employee Assistance Program (E.A.P.) to help employees who may develop problems that may render them unemployable. The parties have also developed a drug testing and alcohol testing policy adopted by the Department which is hereby adopted in this Agreement by reference.

Section 9. Disability Conversion. Fifty-six (56) hour employees disabled off-duty shall after thirty (30) days of light duty convert to a forty (40) hour schedule for the purpose of accruing and utilizing all sources of benefits provided by this Agreement. Fifty-six (56) hour employees disabled on-duty shall realize no loss in wages and benefits subject to qualification under the Workers' Compensation Act.

Section 10. Basic EMT and Paramedic Licenses. Basic EMT and paramedic licenses must be maintained as a condition of employment for all fire suppression positions, excluding Battalion Chiefs. The EMS Coordinator must also maintain a paramedic license as a condition of employment

The City shall further provide classes necessary for employees to maintain these certifications. If either the employee's EMT or paramedic license lapses or expires due to no fault of the employee, the City shall provide classes for the employee's license. It is understood that a license may expire, at no fault of the employee, when:

1. An employee suffers from long term injuries;
2. Extenuating family circumstances prohibits an employee from attending certification classes; and
3. An employee is involved in special assignments that prohibit him or her from attending certification classes.

Section 11. The City will contribute \$300 to each employee's established deferred compensation account each year of this Agreement. This payment will be prorated throughout the year and deposited in the employee's account at the time of each bi-weekly pay. The deferred compensation providers available to employees will include IAFF Financial Corporation currently administered through Nationwide.

Section 12. Secondary Employment. Employees are banned from working a second job as a paid-on-call fire fighter or an employee of a public employer, a non-profit corporation or a private contracting firm providing fire protection or emergency medical services, to a city, county, municipality or fire protection district as a full-time, volunteer, reserve, part-time, part-paid, police officer, police reserve, or public safety officer.

Section 13. Flexible Spending Accounts: All employees shall be eligible to participate in the City's Flexible Spending Account, in accordance with Federal law. Reimbursement to employees shall be made on a monthly basis for all participants.

ARTICLE 18

WAIVER

The parties acknowledge that during the negotiations, which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement.

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

ARTICLE 19

OCCUPATIONAL INJURIES AND ILLNESS

Section 1. Injuries and Illness. All injuries and illness arising out of and in the course of employment including injury or damage to heart or lungs, or other contagious and communicable diseases, shall be compensated.

Any employee, who is not able to resume his defined duties within one (1) year or less after the beginning of their disability, shall initially be presumed to be permanently disabled from those defined duties. At that time, a determination will be made by the City that:

- A. The employee "is" or "is not" disabled to the point where they are unable to perform their defined duties as an employee of the Sterling Heights Fire Department.
- B. That there "is" or "is not" sufficient medical evidence to conclude that the employee's injury or illness arose out of or in the course of their employment in the Sterling Heights Fire Department.
- C. The employee "is" or "is not" fit for other gainful employment in the United States job market generally.

Any Fire Fighter seeking Article 19 benefits shall be required to submit a completed request form (Appendix C) and must abide with Section C of General Procedures #11.

Disputes shall be resolved as provided for in Section 4 below.

Section 2. Length of Compensation.

- A. Employees who are found, by agreement of the parties, or by the Medical Review Board: 1) to be disabled to a point where they are unable to perform their defined duties as an employee of the Sterling Heights Fire Department; 2) to be unfit for other gainful employment in the United States job market generally; and with 3) sufficient medical evidence to conclude that the employee's injury or illness causing the above disability arose out of or in the course of employment in the Sterling Heights Fire Department, shall be entitled to compensation as described in Section 3 as follows:

Years of Employment Length of Compensation Due

0 to 5 years	Pay and benefits to 10 years after date of employment (e.g., an employee of four years would be entitled to 6 years compensation - 10 years total),
5 to 10 years	Service time seniority (e.g., an employee with 6 years seniority would be entitled to 6 years, Article 19 coverage).
10 to retirement	Article 19 benefits until 25 years of service upon which the City will place the affected employee on regular retirement pension.

- B. Employees who are found by agreement of the parties or by the Medical Review Board: 1) to be disabled to the point where they are unable to perform their defined duties as an employee of the Sterling Heights Fire Department; 2) but who are found to be fit for other gainful employment in the United States job market generally, and with 3) sufficient medical evidence to conclude that the employee's injury or illness causing the above disability arose out of or in the course of employment in the Sterling Heights Fire Department, shall have the option of either:

OPTION 1. Pay and benefits as described in Section 3 for a period of two (2) years from the date of such finding, and in addition, to an amount not to exceed \$20,000 to be utilized in that same two-year period for purposes of retraining themselves for other employment. Election of this option shall be made within sixty (60) days after the finding and decision of the Medical Review Board. This sixty (60) day decision period shall not extend the two (2) year total pay and benefits limit set forth above. The employee's decision hereon, once made, is irrevocable.

or

OPTION 2. Retrain for other employment within the Sterling Heights Fire Department, suitable with their injured condition, for which they are to receive full pay and benefits for the position for which they were employed on the date of their injury. Employees electing this option, shall not be promotable to line positions but are, however, allowed to test through the promotional system for other jobs for which they are capable (e.g., inspector, etc.). The duration of any employment shall be as follows:

Years of Employment Length of Compensation Due

0 to 5 years	Pay and benefits to 10 years after date of employment; (e.g., an employee of 4 years would be entitled to 6 years compensation - 10 years total.)
5 to 10 years	Service time seniority (e.g., an employee with 6 years seniority would be entitled to 6 years Article 19 coverage.
10 to retirement	Article 19 benefits until 25 years of service upon which the City will place the affected employee on regular retirement pension.

Employees electing Option 2 cannot, at a later date, avail themselves of Option 1.

- C. Findings by the Medical Review Board, that the employee is not disabled to the point where they are unable to perform their defined duties as an employee in the Sterling Heights Fire Department, or that there is not sufficient medical evidence to conclude that the employee's injury or illness arose out of or in the course of employment in the Sterling Heights Fire Department, shall negate all Article 19 liability of the City.
- D. The City shall have the option to buy any employee's military time (at City expense), for the purpose of achieving 25 years of service and conversion to a regular service retirement.
- E. Employees receiving Article 19 benefits shall be subject to periodic medical examinations, relative to the specific injury or illness to determine their present condition. Costs of these examinations shall be borne by the City. Disputes shall be resolved as provided for in Section 4 below.

- F. Employees with greater than twenty-five (25) years service seniority who are injured on the job and who are found either by agreement of the parties, or by the Medical Review Board: 1) to be temporarily or permanently unfit for their defined duties as an employee of the Sterling Heights Fire Department; 2) that such injuries arose out of or in the course of employment in the Sterling Heights Fire Department, shall be entitled to one (1) year full pay and benefits from the date of injury. After such time, if said employee has not recovered sufficiently to perform their defined duties, the City will place the effected employee on a regular retirement pension.

Section 3. Amount of Compensation. Pay and benefits for Article 19 recipients shall be based on the current pay for the position the employee held when they became injured or ill. All Article 19 pay and benefits shall be coordinated, i.e., the City shall be obligated to pay only the difference in compensation to which the employee is entitled hereunder, and any income attributable to the disability which would not have otherwise been earned.

Article 19, Section 2A employees, i.e., those employees found to be unfit for gainful employment generally, shall receive pay and benefits for the following: base pay, insurance benefits, and longevity pay equal to that for the position they held when they became injured or ill. Said employees shall be allowed to accrue maximum banks for the following benefits: sick days, personal days and vacation days. After such accumulation, no further benefits thereon shall be earned or accrued. Pay and benefits for said individuals shall not include: holiday pay, uniform allowance, food allowance, educational assistance, safety glasses, or other such leave such as jury duty and/or funeral leave.

Article 19, Section 2B employees, i.e., those employees found to be disabled to the point where they are unable to perform their duties as an employee of the Sterling Heights Fire Department, but who are found to be fit for other gainful employment, shall be entitled to full pay and benefits equal to the position they held when they became injured or ill. Said Article 19 pay and benefits are predicated upon continued work and employment for which said employee has been retrained and assigned per Section 5 of the Article.

Article 19, Section 2B employees who elect Option 1, shall be entitled pay and benefits: base pay, insurance benefits, and longevity pay. Said employee shall also be allowed to accrue maximum banks for the following benefits: sick days, personal days, and vacation days. After such accumulation, no further benefits thereon shall be earned or accrued. Pay and benefits for this individual shall not include: holiday pay, uniform allowance, food allowance, educational assistance, safety glasses, or other such leave such as jury duty and/or funeral leave.

Until such time as a decision is made as to an employee's disability hereunder, either by agreement of the parties or by the Medical Review Board, said employee shall receive full pay and benefits.

Section 4. Medical Review Board. Disputes as to whether an employee is disabled to a point where they are unable to perform their defined duties as an employee of the Sterling Heights Fire Department, or as to whether an injury or illness arose out of and in the course of employment in the Sterling Heights Fire Department for purposes of Article 19 benefits, or whether the employee is fit for employment in the United States job market generally, shall be resolved by a Medical Review Board. The Medical Review Board shall be composed of three (3) medical experts and/or specialists in the field related to the injury or illness in question. One member of the Board shall be selected by the City. One member of the Board shall be selected by the Union. The third member of the Board and the chairperson thereof, shall be selected on a joint basis by the City and the Union. If the City and the Union cannot agree to the joint expert/specialist, that selection shall be made by the respective board members as selected by each party.

The Board shall make a finding as to whether or not the employee injury or illness in question "arose out of and in the course of employment" in the Sterling Heights Fire Department. In making this finding, the Board shall not be bound by Michigan Worker's Compensation or Pension Board decisions on the subject matter, but rather, is to be guided by their medical expertise and the evidence. The Board's findings shall be stated as follows:

1. The employee "is" or "is not" disabled to the point where they are unable to perform their defined duties as an employee of the Sterling Heights Fire Department.
2. That there "is" or "is not" sufficient medical evidence to conclude that the employee's injury or illness arose out of or in the course of employment in the Sterling Heights Fire Department.

Findings by the Board that the employee is not disabled to the point where they are unable to perform their defined duties as an employee in the Sterling Heights Fire Department, or, that there is not sufficient medical evidence to conclude that the employee's injury or illness arose out of or in the course of employment in the Sterling Heights Fire Department, shall negate all Article 19 liability of the City.

The Medical Review Board shall also make a determination as to the employee's fitness for employment in the job market generally. The Board shall make a finding that either:

1. The employee "is" or "is not" fit for gainful employment in the United States job market generally.

The decision of the majority of the members of the Medical Review Board shall be the decision of the Board. The decision thereon need not be unanimous.

The determination of the Medical Review Board is final and binding on the City, Union, and employee as to the award of Article 19 benefits, and shall not be subject to the grievance procedure, arbitration or further litigation.

The determination of the Board, however, shall have no bearing on employee rights to Worker's Compensation benefits, or pension benefits, and shall not be used in any such proceedings.

The cost and expense of the Medical Review Board shall be shared equally by the City and the Union.

Section 5. Rehabilitation and Retraining. Article 19 recipients found to be disabled to the point where they are unable to perform their defined duties as an employee of the Sterling Heights Fire Department, and for whom there is sufficient medical evidence to conclude that their injury or illness arose out of or in the course of employment in the Sterling Heights Fire Department, either by agreement of the parties, or by the Medical Review Board in cases of dispute, who elect Section 2 - Option 2 above shall be required to avail themselves to rehabilitation and retraining programs aimed at retraining them for other gainful employment in the Sterling Heights Fire Department, or in the City employ generally. The cost of said rehabilitation and/or retraining will be borne by the City. The City shall determine the area of need for retraining and is not obligated to create new positions or vacancies.

By way of example only, and not for purposes of limitation, Section 2 - Option 2 employees shall be retrained for positions in the Sterling Heights Fire Department such as: supply/equipment person, computer operator, fire department/public education person, house cook, etc.

The City shall be afforded the greatest flexibility possible in determining placement of Section 2 - Option 2 Article 19 recipients. Placement decisions made by the City shall be grievable or arbitrable only in cases of clear abuse and/or harassment. Reasonable placement and/or replacement decisions shall be overturned only upon a finding of clear abuse or harassment. Such employees, however, shall always be allowed, in cases of dispute, to a decision by the Medical Review Board as to their medical suitability for such job placements. The Board's decision thereon shall be final and binding upon the parties. It shall not be the subject of grievance procedures and/or arbitration or further litigation.

Section 2. Option 1 employees shall submit paid receipts to the City for reimbursement for retraining activities undertaken. Only actual out-lays of funds for said purposes will be reimbursed. At the end of that two-year period, the liability of the City of Sterling Heights for Article 19 benefits to said employee for that occurrence shall forever cease. The City shall make reasonable attempts at finding employment for the retrained Article 19 recipient, both within the City employ as well as outside of it.

The findings of the Medical Review Board, and the actions of the City and the employee as to rehabilitation and retraining shall in no way bar said employee from other or additional Worker's Compensation, Social Security, or other disability pension, or other non-Article 19 benefits possibly due.

Section 6. Subrogation. Where the injury or occupational disease for which compensation is payable under the provision of the contract was caused under circumstances creating a legal liability in some person other than a natural person in the same employ or the employer to pay damages in respect thereof, the acceptance of benefits or the taking of proceedings to enforce payments shall not act as an election of remedies, but such injured employee or his dependents or their personal representative may also proceed to enforce the liability of such third party for damages in accordance with the provisions of this section. If the injured employee or his dependents or personal representative does not commence such action within one (1) year after the occurrence of the personal injury or occupational disease, then the employer or its Worker's Compensation insurance carrier or other insurance carrier may, within the period of time for the commencement of actions prescribed by statute, enforce the liability of such other person in the name of that person. Not less than thirty (30) days before the commencement of suit by any party under this section, such party shall notify, by registered mail at their last known address, the injured employee or, in the event of his death, his known dependents or personal representative or his known next of kin and his employer. Any party in interest shall have a right to join in said suit.

Prior to the entry of judgment, either the Employer or his insurance carrier or the employee or his personal representative may settle their claims as their interest shall appear and may execute releases therefore. Such settlement and release by the employee shall not be a bar to action by the employer or its compensation insurance carrier to proceed against said third party for any interest or claim it might have.

In the event the injured employee or his dependents or personal representative shall settle their claim for injury or death, or commence proceeding thereon against the third party before the payment of benefits, such recovery or commencement of proceedings shall not act as an election of remedies and any monies so recovered shall be applied as herein provided.

In an action to enforce the liability of a third party, the plaintiff may recover any amount which the employee or his dependents or personal representative would be entitled to recover in an action in tort. Any recovery against the third party for damages resulting from personal injuries or death only, after deducting expenses of recovery, shall first reimburse the employer or its insurance carrier for any amounts paid or payable under the provisions of this Article to the date of recovery and the balance shall be forthwith paid to the employee or his dependents or his personal representative and shall be treated as an advance payment by the employer on account of any future payment of benefits.

Expenses of recovery shall be the reasonable expenditures, including attorney fees, incurred in effecting such recovery. Attorney fees, unless otherwise agreed upon, shall be divided among the attorneys for the plaintiff as directed by the Court. The expenses of recovery above-mentioned shall be apportioned by the Court between the parties as their interests appear at the time of said recovery.

Section 7. General Disclaimer Clause. Decisions made by the City, the Union and/or the Medical Review Board as to Article 19 benefits shall not be used for purposes of past practice, or any precedent in any context other than Article 19 itself.

ARTICLE 20

VACATION

Section 1. General Provisions:

- A. Vacation days can only be accumulated in the amount not to exceed double the number of vacation days provided in the schedule for summer or winter vacation periods. Winter accumulation cannot be taken during summer schedule without City approval. All days that an employee is eligible for may be taken as one pick.

Example: Employee, after completing five (5) years of service, earns seven (7) days each summer. He may accumulate seven (7) days from summer 1988 and seven (7) days from summer 1989. For the summer of 1990, he will earn an additional seven (7) days and must use seven (7) or more days during that vacation period.

- B. Upon termination of employment, an employee or his estate will be paid for all vacation days which have accumulated to his credit, plus a prorated amount for the current year.
- C. Vacation picks may be changed through the year if the change does not constitute having more than the designated number of employees off at one time because of the change.

Section 2. Fifty-Six (56) Hour Positions. All regular full-time employees shall be entitled to vacation time with pay under the following schedules:

- A. Each employee after completing the first year of service shall be entitled to seven (7) working days (168 hours) vacation. Further, employees shall receive working days as follows:

2 years of service -	9 working days
3 years of service -	11 working days
4 years of service -	13 working days
5 years of service -	14 working days
10 years of service -	15 working days
15 years of service or more -	16 working days

- B. Vacation time will be divided equally between summer and winter schedules with the odd day going into the summer schedule.
- C. Winter vacation period from October 1 to March 31; summer vacation period from April 1 to September 30.

- D. Designation of vacation will be based upon department seniority. Vacation picks among employees with the same amount of seniority shall be determined by the seniority list. Vacation picks among employees with the same amount of seniority in the same classification will be determined by the seniority list.
- E. Vacation schedules will be worked out in advance as far as possible.
1. Summer Vacation. Beginning December 1, each employee shall indicate on a yearly calendar his vacation request within two (2) calendar days from the time of notification to choose his vacation period. Vacation schedules will be completed by February 1.
 2. Winter Vacation. Beginning June 1, each employee shall indicate on a yearly calendar his vacation request within two (2) calendar days from the time of notification to choose his vacation period. Vacation schedules will be completed by August 1.
 3. Upon completion of picks, the vacation schedule will be considered closed.

Section 3. Forty (40) Hour Positions. After each year of completed service with the City, the employees shall receive the following vacation:

- 0 - 10 years of service - 21 days (168 hours)
- 11 - 14 years of service - 22 days (176 hours)
- 15 - 19 years of service - 23 days (184 hours)
- 20 years and over - 25 days (200 hours)

Vacation time shall be credited to the employees on their anniversary date.

Fifty-six (56) hour employees who transfer to forty (40) hour positions are eligible to carry over up to a maximum of allowable accumulation based on appropriate years of service.

Accumulated vacation hours above the allowable maximum may be taken prior to the transfer or will be "bought back" by the City.

Vacation days for the 40-hour positions can only be accumulated in the amount not to exceed double the number of vacation days provided in the schedule by their anniversary date. The "buy back" provision of this section for hours above the allowable accumulation relates only to employees transferring from 56 hour duty. Forty (40) hour employees who exceed the allowable accumulation on their anniversary date will lose such excess.

Employees assigned to 40 hour positions may use vacation on a "one day basis" if approved in advance by the Fire Chief or his designate.

ARTICLE 21

NON-DUTY DISABILITY - SICK LEAVE

Section 1. At no cost to a full-time regular employee, the Employer will provide disability coverage as outlined per the attached Appendix B or equivalent-comparable coverage. Terms and conditions of the insurance policies are herein included by references, and the Employer makes and presents no assurances beyond those terms and conditions:

- A. During the first six (6) months of a non-duty connected disability, the Employer will continue to provide all fringe benefits with the exception of sick leave, vacation leave, and personal leave, which will be earned only during the first month on the non-duty connected disability.
- B. If an employee is unable to return to work after six (6) months from the date of the non-duty connected disability, the Employer shall cease payment for the fringe benefits outlined in the paragraph above. At the employee's option, the employee will be allowed to remain in the group insurance plan for eighteen (18) additional months, provided the employee pays the Employer all premiums by the 15th of each month. This reimbursement shall cease after eighteen (18) months (a total of twenty-four (24) months from the date of disability).
- C. An employee who is unable to return to work after two (2) years from the date of the non-duty connected disability, shall cease to be a seniority employee. Upon the loss of seniority, all remaining compensable leave shall be paid to the employee based upon the appropriate hourly rate the employee was earning at the time of disability. Accumulated vacation and personal time will be compensated at one hundred (100%) percent. Accumulated unused sick leave will be compensated at seventy five (75%) percent.

Section 2. All probationary or permanent employees will earn (accrue) sick leave at the rate of one (1) day for each full month paid status of employment. For employees hired from the 1st to the 15th of the month, their sick leave base date will be the 1st of that month and if hired from the 16th through the last of the month, the base date will be the 1st of the next month. Maximum sick leave earned per year shall be twelve (12) days.

Section 3. As of the last day of the first bi-weekly pay period in June of each year, all 56 hour employees having an excess of ten (10) days (24 hour days) in their sick bank, will receive compensation computed on the basis of seventy-five (75%) percent of their hourly rate as of June 30, of that same year, for all sick leave in excess of ten (10) days to a maximum of twelve (12) days. The sick bank will be reduced to ten (10) days. Appropriate payment will be made by June 30th of the same year.

Section 4. As of the last day of the first bi-weekly pay period in June of each year, all 40 hours employees having an excess of twenty-four (24) days (10 hour days) in their sick bank will receive compensation computed on the basis of seventy-five (75%) percent of their hourly rate as of June 30th of that same year, for all sick leave in excess of the twenty-four (24) days to a maximum twelve (12) days. The sick bank will be reduced to twenty-four (24) days. Appropriate payment will be made by June 30th of the same year.

Section 5. Employees who work both fifty-six (56) hour and forty (40) hour positions during the year will receive their annual sick leave buy-out in the same proportions as earned.

Section 6.

- A. Employees may convert two (2) sick days to personal days from their sick leave bank before the calculation and buy back of excess sick leave days. These days are available for use up until the last day of the first bi-weekly pay period ending in June of the following year.
- B. The remaining excess sick days will be bought back as in Sections 3 and 4 above.

Section 7. Accumulated sick leave shall be available for use by employees in the Bargaining Unit for the following purposes:

- A. Personal illness or incapacity over which the employee has no reasonable control.
- B. Absence from work because of exposure to a contagious disease which, according to public health standards, would constitute a danger to health of others by the employee's attendance at work.
- C. To act as a responsible caregiver for a member of the employee's immediate family.
- D. Employees may use sick time for periods of twenty-four (24) hours or less with proper notification to the Battalion Chief. Employees who choose to use sick time for doctor's appointments must submit a doctor's note upon return to work. A minimum of three (3) hours of sick time must be used if overtime is required to back fill the position. This benefit will be subject to a two year evaluation period including six month reviews to determine the financial and operational efficiency and effectiveness of this provision. Any changes will be subject to negotiations by the parties.

Section 8. Fifty-six (56) hour employees off sick shall be required to bring in a doctor's slip if off sick for two (2) or more scheduled work days in succession; forty (40) hour employees off sick shall be required to bring in a doctor's slip if off sick for three (3) or more scheduled work days in succession. A physician's excuse for absence from work shall be required from any employee who has incurred in excess of seven (7) occurrences within the fiscal year. An occurrence is defined as twelve (12) hours or more. Exceptions shall be those absences resulting in a disability claim, and scheduled surgery. The City may require an examination of any employee off sick for two or more work days, upon return, by a doctor of the City's choice on city time and expense.

Section 9. For employees working a forty (40) hour work week, use of sick leave during a period that includes a scheduled holiday will be paid for the holiday. The employee cannot be paid for both on the same day, nor will the employee be charged for a day of sick leave.

Section 10. In case of death, the employee's estate will be paid one hundred (100%) percent of the accumulated unused sick leave. Upon an employee's retirement, or resignation, the City will pay seventy five (75%) percent of his accumulated unused sick leave. In the event of discharge for just cause, the employee forfeits all accumulated unused sick leave.

Section 11. In case of non-duty injury or illness, to meet the minimum qualifying period, employees can use their vacation time, if needed; after all sick time and benefits are exhausted.

ARTICLE 22

OTHER LEAVE

Section 1. Jury Duty. Any employee required to serve on jury duty will suffer no loss of pay but will be paid the difference between jury pay and his regular pay. Employees selected for jury duty will not be required to work the night (2000 hours) before he or she is to appear at Court. An employee required to make a duty-connected Court appearance on off-duty days shall be paid at the rate of one and one-half (1-½) times regular rate with a two (2) hour minimum. If duty connected Court appearance is required outside the City limits, the employee will be eligible to receive mileage reimbursement based upon the standard set by the Internal Revenue Service. The appropriate mileage form must be completed by the employee.

Section 2. Funeral Leave:

- A. An employee shall be entitled to charge up to three (3) continuous work days per funeral, beginning with the date of death, and ending with, but including, the day of the funeral, to make preparation for and attend the funeral and burial for the following members of the employee's family: Brother, sister, step-brother, step-sister, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, grandchildren, grandparents, and spouse's grandparents.

- B. An employee shall be entitled to charge up to three (3) continuous work days per funeral to make preparations for and attend the funeral and burial, and to take care of matters subsequent to the burial caused by the death of the following members of the employee's immediate family: Spouse, son, daughter, mother, father, step-father, step-mother, mother-in-law, father-in-law, step-son, step-daughter and any dependent member of the employee's family residing in the employee's household.

For the purposes of the above paragraphs, it is understood that relatives enumerated in paragraph 2 (a) may be considered under the provisions of paragraph 2 (b) if they are a member of the household. The time off after the funeral, under the provisions of paragraph 2 (b) are only allowed if the employee has to take care of personal or business matters which were caused by the death of the member of his immediate family.

Upon request of the employee, the City shall grant an additional day of funeral leave if the funeral takes place in excess of 250 miles from the City, and within forty eight (48) hours of the date of the funeral.

- C. An employee assigned as "40-hour" position shall be entitled to charge up to five (5) continuous work days per funeral, in accordance with above.

Section 3. Personal Leave. Employees accumulate four (4) hours personal leave per month which may be used for any reason. As of the pay period ending date for the last day of the first bi-weekly pay period in June of each year, the City will pay to employees by June 30th, personal leave time accumulated above a "bank" of ninety-six (96) hours.

- A. In cases where personal leave time is used for emergencies if time in excess of banked personal leave time is needed, additional time will be deducted from employee's sick leave time.

The use of personal leave time is subject to approval, in advance, by the Chief or his designate, pursuant to departmental procedures.

It is understood between parties to this contract that employees who request personal leave which requires the hiring of overtime to effectuate the request must take personal leave at a three (3) hour minimum and may not cancel his request for personal leave. However, personal leave may be canceled if the request does not require the use of overtime.

In the case of death, retirement, or resignation, the employee or his estate will be paid one hundred (100%) percent of the unused accumulated personal leave time.

Section 4. Leave of Absence. The City, in its sole discretion, and upon such terms it deems just, may grant an employee a leave of absence, for a period not to exceed one year. Any leave granted under this provision shall be without pay and without benefits, and the employee shall not accumulate seniority upon such leave.

Section 5. Holidays. All employees under this Agreement will be eligible to receive holiday pay under the following regulations:

- A. Fifty-Six (56) Hour Employees. Fifty-six (56) hour employees will be paid their current rate based on a normal twenty-four (24) hour day for nine (9) days (216 hours) in lieu of time off for holidays. Holiday payments shall be made in two (2) equal installments on the first pay period in April and October. Each installment covers the previous six (6) month period. Prorated payment for newly hired employees and employees transferring to "40 hour positions" will be calculated on the basis of 16-hour holiday pay earned per month. New employees hired on or before the 15th of the month shall earn holiday pay from the 1st of the month. Employees hired after the 15th of the month shall begin earning holiday pay the 1st day of the following month. A fully completed month is achieved if the employee works through the 16th of the month.
- B. Forty (40) Hour Employees. Forty (40) hour employees will be paid their current rate of pay based upon a normal eight (8) hour day for the City's twelve (12) designated holidays as listed below. Employees in this category who are specifically required by the Fire Chief to work any of the designated holidays will be compensated at the rate of two (2) times the hourly pay plus the holiday pay.
1. Paid holidays are designated as:

New Year's Day	Veterans Day
Martin Luther King, Jr. Day	Thanksgiving Day
Good Friday	Day After Thanksgiving
Memorial Day	December 24th
Fourth of July	Christmas Day
Labor Day	December 31st
 2. An employee using sick leave during a period that includes a scheduled holiday will be paid for the holiday.
 3. The employee must work or be on paid leave the day before a holiday and the succeeding work day after a holiday in order to receive the holiday pay.
 4. Should a full paid holiday fall on Saturday, then the Friday preceding that day will be taken as the paid holiday; and if the full paid holiday falls on a Sunday, then the Monday following shall be taken as a paid holiday.
 5. Holidays designated in this section that fall within an employee's vacation period will not be considered as part of a vacation and shall be taken by extending the vacation period one (1) day for each such holiday or credited an additional day at the discretion of the Fire Chief or his designate.

ARTICLE 23

SALARY AND WAGES

Section 1. The pay ranges and steps in Appendix A will apply to classifications as indicated. Advancement to the next step in the range assigned to the class (if steps are left) will be at increments of six (6) months.

New employees or newly promoted employees will start at the first step shown in the range for the class, which provides them with a minimum three (3%) percent pay increase.

Inspectors and the Training Officer shall be utilized in fire fighting related activities, (i.e. tactical deployment, operational planning) but not fighting fires directly.

An annual (July 1st) wage increase will be provided through the life of this Agreement as follows: 3.25% in 2007, and 3% each year thereafter.

ARTICLE 24

OVERTIME/COMPENSATORY TIME

Section 1. Overtime/Compensatory Payment:

For purposes of this Agreement, overtime shall be paid at the rate of one and one-half (1-½) times the employee's prevailing hourly rate which shall be deemed to be his two-week salary divided by 112 as follows:

- A. For all work in excess of their regularly scheduled work day (24 consecutive hours) and in accordance with the Fair Labor Standards Act effective April 15, 1985 if applicable.
- B. "Scheduled overtime" shall be hours where the employees know in advance that overtime must be worked. A minimum of one and one-half (1-½) times will be paid at overtime rates for scheduled overtime. This provision applies for both forty (40) and fifty-six (56) hour positions.
- C. Employees shall be paid at the rate of one and one-half (1-1/2) time on those occasions where he is requested to return from leave, vacation or furlough. A minimum of three (3) hours base pay at the rate of one and one-half (1-1/2) times shall be given for each call-in.
- D. Should Fire personnel be held over past the end of his or her normal shift, for the purpose of receiving treatment for an injury received during his or her normal shift, the City shall pay overtime from the end of the shift until the personnel is returned to his or her assigned station with transportation provided, or until the attending doctor decides treatment of the injury would require hospitalization, with a maximum of three (3) hours.
- E. Overtime payments shall be made within thirty (30) days of the date on which it is earned.

Section 2. Overtime Distribution:

- A. Overtime work, except as provided in subsection C above, shall be distributed to employees working with the same job classification or rank. The City will make an earnest effort to equalize overtime hours among employees within a reasonable period of time.
- B. Employees, who have not completed their one (1) year probation period from time of hire, will not acquire overtime hours as indicated above until their period of probation is completed.

Upon completion of their probation period, they will be credited with the highest number of overtime hours listed in the records by any one person in his classification.

- C. A record of the overtime hours worked by each employee shall be kept by the City and posted on a monthly basis at each Fire Station.

Section 3. Forty Hour Positions. Overtime will be paid at one and one-half (1-½) times for all hours worked in excess of forty (40) hours per week based on a bi-weekly pay divided by eighty (80) hours. At the employee's option, the equivalent in hours may be accumulated into a compensatory time bank which may be used for personal business. The employee is to designate his choice of compensatory time or pay at the time the overtime is earned. Compensatory time may be taken by the employee subject to advance approval from the Employer.

The unused accumulated compensatory time shall be computed by the City as of the last day of the first bi-weekly pay period in June and paid by June 30th. All unused accumulated compensatory time will be paid to the employee or his estate upon termination or death of the employee.

Section 4. Fire Prevention - On Call:

- A. The City shall designate an Inspector from the Fire Prevention Division to be on call during off duty hours and weekends. The assignment will be made on a weekly rotational basis and the assigned employee shall make himself or herself available to the City for whatever needs the Department determines.
- B. Compensation will be provided to the assigned employee in the form of ten (10) hours straight time per week. This is predicated on the employee's availability throughout the assigned week (i.e., if they are available for six (6) days then the employee is unavailable the seventh (7th) day, the employee forfeits the ten (10) hours regardless of the hours completed in the "on-call" status that week.) Those weeks where a holiday falls, employees shall be entitled to five (5) additional hours per recognized holiday. Call-in less than one-half (½) hour before the start of the shift shall be considered scheduled overtime.
- C. The employee assigned to the on-call duty shall be provided a city vehicle to take home for the convenience of the Department in the performance of these on-call duties. Vehicle assignment to all other employees in the Division shall be at the discretion of the City. Should the City revoke the privilege to an Inspector currently utilizing a city vehicle for take home purposes, that employee shall be given a sixty (60) day advance notice.

ARTICLE 25

INSURANCE

Section 1. Medical Insurance

- A. The basic medical and hospitalization coverage shall be Blue Cross/Blue Shield Community Blue Plan 10. Appendix E Titled Community Blue PPO Benefits-at-a-Glance Plan 10 is a summary of covered services, including deductibles, co-pays, and co-pay dollar maximums.

Employees shall have the option to select Health Alliance Plan (HAP) HMO Coverage as an optional health care provider. The illustrative rates determined by the base coverage, currently BC/BS Community Blue Plan 10 shall be the rates used to determine any excess cost an employee would be responsible to pay. Employees electing this option shall be responsible for any difference in the illustrative rate or premium deducted from their payroll check on a monthly basis.

- B. For all new employees hired after July 1, 2007, the basic medical and hospitalization coverage shall be Blue Cross and Blue Shield Community Blue Plan 10 as modified. Appendix F titled Community Blue PPO Benefits-at-a-Glance Plan-A (New Hires) is a summary of covered services, including deductibles, co-pays, and co-pay dollar maximums. All new employees will have the option of electing the optional Health Alliance Plan (HAP), as stated above. Employees electing this option shall be responsible for any difference in the illustrative rate or premium deducted from their payroll check on a monthly basis.
- C. Effective February 1, 2008, prescription coverage will be provided by ScriptGuide Rx with a generic prescription co-pay of \$0.00 and brand name prescription co-pay of \$15.00.
- D. The City reserves the right to change the BCBSM or HAP benefit providers with ninety (90) days prior written notice while maintaining the existing coverage levels, co-pays and deductibles. A new open enrollment period will be offered to employees if the City elects this right.

The City reserves the right to solicit proposals for pharmacy services that provide they maintain existing levels of coverage and co-pays.

The City has the right to offer cost saving health coverage options on a voluntary basis to the union.

- B. Each employee who chooses not to join a City sponsored health care plan (Blue Cross/Blue Shield or HMO), and whose spouse has coverage provided, shall be paid One Thousand Five Hundred (\$1,500) Dollars each year for every year that the spouse has coverage. Payments will be made annually, in December, to each employee who has not been on any City sponsored health care program, except that payments will be prorated monthly to meet the dates the employee first participates and/or ends participation in this program.

The Employee shall be required to show proof that a spouse has health care coverage that includes the employee and their dependents before said employee will be declared eligible to receive the one thousand five hundred (\$1,500) dollar annual payout.

Employees, whose spouse's health care plans cease to cover the employee and their dependents, must re-enroll in a City sponsored health care plan. In such cases, the employee shall be allowed to enroll in a City sponsored plan immediately subject to the appropriate insurance carriers' implementation.

- C. In no case will married City employees both receive medical coverage. If an employee's spouse works for the Employer or the 41A District Court, the employee will not be eligible for any medical coverage provided by this Agreement, but will instead be provided the health insurance allowance of One Thousand Five Hundred (\$1,500) Dollars. If the employee's spouse elects to take the health insurance allowance, the employee covered under this Agreement may keep the health coverage. All employee/dependents shall be entitled to the dental coverage.

Section 2. Dental Insurance. The City shall provide at no extra cost to each employee the Blue Cross/Blue Shield Dentemax Dental Plan or as nearly equivalent Dental Plan as possible. This coverage includes:

- Class I: Diagnostic services, preventive services, and palliative treatment are covered at 100 percent of reasonable charges.
- Class II: Restorative, endodontic, periodontic services, oral surgery, repairs, adjustments and relining of dentures and bridges and adjunctive services are covered at 100 percent of reasonable charges.
- Class III: Construction and replacement of dentures and bridges are covered at 100 percent of reasonable charges.
- Class IV: Orthodontic services are covered at 50 percent of reasonable charges.

Each member is entitled to maximum benefits of \$1,000 every contract year.

Each member (up to age 19) has a lifetime maximum of \$2,000 available for orthodontic services.

Out-of-Network coverage to mimic current BC/BS dental benefit coverages (Class I, II, III at 75% and Class IV at 50%).

Section 3. Optical Insurance. The City shall provide at no extra cost to the employee an optical insurance plan to include an annual eye examination and biennial purchase of lenses and frames (or equivalent) to the employee and his or her dependents. The co-pay for eye exams shall be \$5.00 with a \$10.00 co-pay for the purchase of eyewear.

Section 4. Retiree Medical Insurance

- A. An employee covered under this Agreement, and his/her spouse and dependents shall, upon retirement, be provided at no cost the same base medical coverage as provided to employees under Section 25.1 of this Agreement. The retiree has the option to choose Health Alliance Plan, Blue Care Network or BC/BS traditional coverage, however any additional costs in excess of the base coverage will be paid by the retiree. This benefit shall continue to exist for the retiree and/or surviving spouse for as long as they continue to receive retirement benefits under Act 345.
- B. New employees hired after July 1, 2007 will be required to pay fifty (50%) percent of the illustrative rate for medical coverage when they retire. Such payment will be invoiced by the City for the proceeding month. If payment is not made by the 15th of the month, coverage shall be canceled effective the 1st of the following month.

The City agrees to participate in the Post Employment Health Plan (PEHP) for Collectively Bargained Public Employees in accordance with the terms and conditions of the Plan's Participation Agreement. The parties designate Nationwide Retirement Solutions to act as Plan Administrator for the Plan, or its successors appointed in accordance with the Plan and Trust documents. The Employer agrees to contribute to the Plan on behalf of new employees hired after July 1, 2007.

For the term of the Agreement, the Employer shall contribute for each eligible employee the amount of \$1,350 per year.

- C. Upon the attainment of eligibility for Medicare insurance, the retiree/spouse shall make application for said insurance. The City shall then provide a hospitalization insurance program to supplement Medicare to exact fill supplemental coverage provided at the time of their retirement. In the event a retired employee obtains employment from an employer who provides medical coverage, they shall not be covered by the City's medical coverage for the duration of said employment.

- D. In the event that death results to a member in the line of duty by reason of a personal injury or disease occurring as the natural and proximate result of causes arising out of and in the course of the member's employment by the City, the employee's surviving dependents shall have coverage as set forth in Section 25.1.A. and 25.2. Spouse ceases to be covered when he/she remarries. Each child ceases to be covered when they reach eighteen (18) years of age. If a dispute shall arise over the cause of death, it shall be resolved by a Medical Review Board in the same manner as Article 19, Section 4.
- E. In the event of the non-duty related death of a vested employee (ten years of pension service), the City shall provide medical and dental benefits to the spouse and dependent children. The benefits will be calculated at 4% per year of service. Example, at 10 years of service the City will pay 40% of the cost of the benefits, at 20 years of service the City would pay 80% of the cost and at 25 years of service the City would cover 100% of the cost.

Section 5. Life Insurance. Life insurance shall be carried for each employee by the City at no cost to the employee. The coverage will be in the face amount of \$50,000 with double indemnity for accidental death. The City shall furnish proof of coverage.

Section 6. Retiree Life Insurance. Members of this Unit who have retired shall be provided \$10,000 worth of Term Life Insurance to be effective until age 70. The premium for said policy shall be paid by the City.

Section 7. Retiree Dental Insurance. The Employer agrees to provide to any employee/dependent, covered by this agreement who retires, the Blue Cross/Blue Shield Dental Plan or dental benefits comparable to those received at the time of retirement, regular or duty disability.

ARTICLE 26
UNIFORM ALLOWANCE

- A. Effective July 1, 2007, all fifty-six (56) hour employees in the Bargaining Unit shall receive One Thousand Three Hundred (\$1,300) Dollars per annum and those in forty (40) hour positions shall receive One Thousand Four Hundred (\$1,400) Dollars per annum for clothing and cleaning. This payment will be made in June of each year for the fiscal year twelve (12) month period (up to and including June 30th). Prorated payments for employees transferred between fifty-six (56) and forty (40) hour assignments shall be made the following year.
- B. New probationary employees will receive one hundred (100%) percent of the uniform allowance at time of hire as an advance on the uniform allowance. Dress uniform will not be required to be purchased until completion of the probationary period. In June the employee will receive a prorated amount for the following year based upon months of employment prior to and including June.
1. For example, a newly hired employee who begins employment on January 1, 2008 would receive an One Thousand Three Hundred (\$1,300) Dollar allowance. The following June, 2008 this employee would receive a prorated share of the clothing allowance based upon the number of completed months of service. (Six (6) months = \$650)
 2. Should a probationary employee leave the employ of the City for any reason during the initial twelve-month period, said employee must repay the City the uniform allowance for each month the employee is short of the completion of the one (1) year probationary period.

ARTICLE 27

LONGEVITY PAY

In addition to the salary set forth in the Article 23, employees shall receive an annual longevity pay based upon latest hire date, as follows:

5 years	-	\$1,950
10 years	-	\$2,650
15 years	-	\$3,350
20 years	-	\$4,050

Longevity pay shall be due and payable with the first regular payroll check following the completion of five (5) years of service.

Upon the death or retirement, an employee or his estate will be paid a prorated amount of his longevity. Longevity will be prorated by months, for each month worked through the anniversary date. This means that an employee with a hire date of January 15 would get credit for a month if he/she works through the 15th of the following month. If an employee works past the monthly anniversary date before retirement or death, he/she will get credit for that month if he/she works a minimum of 15 days past the monthly anniversary date. (As illustration, an employee hired on January 15 works his last day on October 31 and retires. He would receive 9 months of longevity because he worked from January 15 through October 15 and he would receive an extra month because he worked from October 16 through October 31 which is 16 days).

ARTICLE 28

FOOD ALLOWANCE

Effective July 1, 2007, a food allowance shall be paid to all 56-hour employees in the amount of \$1,400.

Payment shall be made no later than December 15th in the amount of 50 percent of the food allowance and June 15th in the remaining 50 percent of the food allowance.

New 56-hour employees or employees reassigned to 56-hour positions will receive at the time of the payment of food allowance a prorated share of the food allowance based upon the number of fully completed months of service as a 56-hour employee.

If an employee terminates his employment or is reassigned to any job other than a 56-hour job, his food allowance shall be prorated to the date of termination or reassignment.

ARTICLE 29
ASSIGNMENTS

Section 1. Advanced Life Support:

- A. Employees in the ranks of Captain, Lieutenant and Fire Fighter shall be offered the opportunity for training and assignment to the ALS duty on the basis of seniority. Once an employee successfully completes training and is assigned to ALS, they must remain in that duty for at least three (3) years. Employees who wish to transfer into another division after their three (3) years must request so in writing at least six (6) months in advance of their desired transfer date. The Department will make every reasonable effort to replace the individual making the request. Employees will not be eligible to enroll in training for the ALS duty after their 22nd anniversary date.
- B. Those employees assigned to the Extinguishment Division who are licensed paramedics, excluding Battalion Chiefs and Fire Equipment Operators (FEO's), shall be paid an additional five (5%) percent above their base rate.
- C. Each of the City's five stations will be outfitted with an advanced life support equipped engine, staffed with four fire personnel consisting of an officer, fire equipment operator and two fire fighters. Two of those fire personnel will be ALS certified not including the operator. The City will also operate one ladder truck with one officer and one fire equipment operator, and one heavy rescue unit with one officer and one fire equipment operator, and one Battalion Chief.

Each battalion will be staffed with a minimum of twenty-five employees on active duty.

Section 2. Fire Equipment Operator (FEO). This position of Fire Equipment Operator is established to provide qualified personnel to drive Department pumper, heavy rescue, and ladder apparatus and operate the various diverse functions/equipment associated with this apparatus.

- A. The position shall not be considered a promotion, but will be offered to employees on a voluntary basis in order of seniority. If not enough employees volunteer, then assignments will be made in inverse seniority. The City shall determine the number of Fire Fighters to be trained and assigned as FEO's.
- B. Training shall be based on NFPA 1002 certification requirements. The City will attempt to offer the complete training at least once per year. Once an employee is trained and subsequently assigned to driver duty they shall receive an additional three (3%) percent above their base rate of pay.

- C. When there is a vacant FEO position, the person accepting the assignment will operate the equipment where the vacancy occurs until the annual October pick is made.

Section 3. Hazardous Materials Response Team. The Hazardous Materials Response Team is established to promptly and efficiently respond to a wide variety of chemical leaks and spills. The Response Team will consist of 25 participants (eight (8) per shift), including the Training Officer.

- A. The position shall not be considered a promotion, but will be offered to employees on a voluntary basis in order of seniority. If not enough employees volunteer, then assignments will be made in inverse seniority. Once an employee successfully completes training and is assigned to hazmat duty, he must remain assigned to that duty for a period of three (3) years. A stipend of 1.5% of base pay will be paid to each participant in November of each year.
- B. Participants in the program are required to take a baseline physical examination and specimen testing at a certified facility as determined by the City. All medical records will remain confidential.
- C. The Employer will prorate this stipend for the employees at the time of retirement or separation. The City shall determine the number of Fire Fighters to be trained as hazardous materials technicians.

Section 4. Special Response Team/USAR: The City and the Union agree that should a sustainable, fully funded revenue source be found for training, equipment and pay for a potential SRT/USAR Team, both parties will enter into negotiations for the purposes of developing a team similar to the Hazardous Materials Response Team.

Section 5. Duration of Assignment: Once an employee accepts an assignment, the employee shall remain in that position for a period of one (1) year.

ARTICLE 30

RETIREMENT

Section 1. A Pension Plan will be provided under the terms of Act 345 of Public Acts of 1937 as amended, and this Collective Bargaining Agreement.

Section 2. A private letter ruling by the IRS has recognized that the contributions made by employees are tax deferred and is hereby adopted by reference.

Section 3.

- A. Upon retirement from service as provided in this subdivision, a member shall receive a regular service retirement pension payable throughout the member's life of 2.8 percent of his average final compensation multiplied by the first twenty-five (25) years of service credited to the member. Maximum pension shall not exceed seventy (70%) percent of final average compensation.
- B. For purposes of calculating proration of benefits due, with the exception of pension creditable service time, members retiring the 1st through the 15th of the month, the retirement base date shall be the first of that month; and, the retirement base date for members retiring the 16th through the last of the month, shall be the first of the next month.
- C. The employee's contribution to the pension fund shall be five (5) percent.
- D. The date of retirement shall be the day after the last day at work or on full paid leave (sick, personal or vacation).

Section 4. The final average compensation shall be based on the best three (3) of the last ten (10) years. Average Final Compensation (AFC) shall include all monies earned excluding allowance (i.e., food, clothing and education).

Section 5. Members of this bargaining unit shall be allowed to retire after twenty-five (25) years of service regardless of age. If the ADEA is modified to allow mandatory retirement, then members of this bargaining unit will be mandated to retire by the date that they become age sixty (60).

Section 6. Service Credit. When computing a member's service credit, the member shall be given service credit for not more than six (6) years active military service to the United States Government, who is employed subsequent to this military service, upon payment to the retirement system of five (5%) percent of his full-time or equated full-time compensation for the fiscal year in which payment is made multiplied by the years of service that the member elects to purchase up to the maximum.

Service shall not be creditable if it is or would be creditable under any other federal, state or local publicly supported retirement system, but this restriction shall not apply to those persons who have or will have acquired retirement eligibility under the federal government for service in the reserve.

Section 7. Purchase of Service Credit.

- A. At no cost to the City, employees may purchase up to three (3) years of prior municipal time as credit towards retirement. Should an employee have three (3) years experience as a fire fighter with another municipality and exercises his/her option to purchase all three (3) years toward retirement credit, then the employee would only have to work twenty-two (22) years to satisfy the twenty-five (25) year service requirement for regular retirement. To satisfy this requirement, the employee shall pay 5% of their full time or equated full time (part-time employment will be counted on a two (2) for one (1) basis - two (2) years part-time experience equals one (1) year full time experience) compensation plus any and all associated City costs to the pension system. For purposes of this section, paid-on-call fire department employment shall be considered as full-time employment. Payments may be made through a payroll deduction plan.
- B. At no cost to the City, employees may purchase up to three (3) years of prior EMS licensure time as credit towards retirement. Should an employee have three (3) years licensure time and exercises the option to purchase all three (3) years toward retirement credit, then the employee would only have to work twenty-two (22) years to satisfy the twenty-five (25) year service requirement for regular retirement. To satisfy this requirement, the employee shall pay 5% of their full time compensation plus any and all associated City costs to the pension system. Payments may be made through a payroll deduction plan.

Section 8. Annuity Withdrawal:

- A. Employees in the Bargaining Unit shall have available to them, in addition to the retirement options already in place, an annuity withdrawal option as follows:
- B. Definition: The annuity withdrawal is the option that allows members to withdraw their accumulated contributions (with interest) at retirement and thereby forfeit the portion of their retirement allowance which was financed by their contributions.
- C. A member wishing to elect this option must make written application to the Act 345 Pension Board no later than one hundred twenty (120) days prior to the effective date of his retirement.
- D. The Pension Board shall issue the members annuity payment within thirty (30) days of the date of the member's retirement. The one hundred twenty (120) day notice may be waived at the sole discretion of the Pension Board, however, under no circumstances can it be increased.
- E. This option is only available for regular retirement pension and to non-duty disability retirants after age 55. A member who elects the annuity withdrawal option shall have his annual pension reduced eight (8%) percent by the Pension Board Actuaries.

- F. Employee contributions for prior municipal service or military service buy backs are not included in an annuity withdrawal.
- G. An employee electing annuity withdrawal shall have the option to defer receipt of the withdrawal amount for up to one (1) year from the effective date of their retirement. However, notice of such election must be made at the time of the employee's original retirement application.

Section 9. Death Prior To Retirement. Section 38.556a of Act 345, which provides for death prior to retirement pension applicable to members with fifteen (15) years service, shall be modified to be applicable to members with ten (10) years of service.

Section 10. Sixty (60%) Percent Survivor Benefit to All Retirees. Upon the death of a retirant receiving either a regular retirement or disability retirement pension, his or her spouse, if living, shall receive a pension equal to sixty (60%) percent of the pension the deceased retirant was receiving unless an Option I or II under Act 345 has been elected. As used in this subdivision, "spouse" means the person identified on the retirant's pension application only.

Section 11. Death in the Line of Duty Pension Benefits. If a member dies in the line of duty in the service of the Fire Department, leaving a surviving spouse and/or children, the spouse and/or children shall receive the greater of the two pension benefits listed below:

- A. An Automatic Option 1 benefit, computed in the same manner as if the member had retired effective the day preceding the date of the member's death, elected Option 1 provided for in Act 345, 38.336 Section 6(1)(h), and nominated the spouse as survivor beneficiary. If the deceased member had less than 25 years of service credit at the time of death, the Automatic Option 1 benefits shall be computed as if the member had 25 years of service effective the day preceding the member's date of death.

If there is no surviving spouse at the time of a member's death in the line of duty, these benefits under Section 10(a) of Article 30 shall be paid into a trust fund for any surviving children and continue to be paid until each surviving child attains 21 years of age. Creation of the trust, and the cost of its administration, shall be the responsibility of representatives of the minor surviving children. If there are both a surviving spouse and surviving child(ren) at the time of a member's death in the line of duty, these benefits under Section 10(a) of Article 30 shall be paid for the life of the surviving spouse to the surviving spouse and, if at the death of the surviving spouse any surviving child(ren) are under 21 years of age, such benefits shall continue to be paid to such surviving child(ren) until they reach age 21 years of age. Payment of all such benefits shall cease, however, upon the remarriage of the surviving spouse.

or

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

Any benefits payable under this section shall be offset by any Worker's Compensation benefits or payments received, including any redemption amounts.

Disputes as to whether the death of the member was "in the line of duty" for purposes of this Section shall be resolved in accordance with the Worker's Compensation Laws of the State of Michigan, and not through the grievance process provided herein.

The existence of a QDRO or EDRO shall not operate to increase the financial obligations of the City and Pension Fund in any case arising under this Section 10 of Article 30. Any payments directed under a QDRO of EDRO shall be an offset against payments made to a surviving spouse. If the former spouse receiving QDRO or EDRO dies before the surviving spouse, the payments made to the surviving spouse shall thereupon be increased to include the amounts previously directed by QDRO or EDRO.

ARTICLE 31

PROMOTIONAL SYSTEM

Purpose. The City and the Union are committed to the maintenance of a qualified, experienced, and dedicated Fire Department. It is recognized that effective fire service depends upon capable leadership at all levels of command. It is also recognized that a meaningful promotional system must give due consideration to technical knowledge, aptitude, ability to lead and prior experience.

To accomplish the foregoing goals the parties have developed a promotional system as follows:

I. General Qualifications. The following minimum qualifications and requirements shall apply to promotion to all ranks and classifications:

A. Performance Probationary Period.

Each person appointed to a rank/classification under this system shall be required to serve a one (1) year performance probationary period.

At any time during the performance probationary period, the appointee may be returned to previous rank or grade for cause. If at the close of the performance probationary term, the conduct or capacity of the probationer has not been satisfactory to the appointing officer, the probationer shall be notified within ten (10) days, in writing, that he will not receive appointment. At the close of the performance probationary period, the officer shall receive written notification on his satisfactory performance within ten (10) days and will be permanently appointed upon completion of the requirements for that rank/classification. Any disputes will be handled through the grievance procedure. Any appointee returned to their previous rank shall be ineligible for promotion to that same position for a period of eighteen (18) months from the date he was returned.

B. At any time during the performance probationary period, the appointee may return to the previous rank or grade, on their own accord, without prejudice. The appointee shall provide a minimum of ten (10) days notification, in writing, to the Office of the Fire Chief, of their intention to return. The appointee shall return to a position equal to the vacancy they created. The appointee shall fill the vacancy created by their return, until the next scheduled seniority picks in October.

c. To determine an applicant's eligibility to take a promotional examination or to calculate his seniority credit, the closing date for determining his seniority shall be the date the promotional announcement is posted.

II. Eligibility and Requirements for Rank and Classification:

A. Fire Sergeant

1. Eligibility. The nine (9) senior fire extinguishment employees, to be distributed evenly on each battalion.
2. Seniority shall be determined by actual time served in the Sterling Heights Fire Department as determined by the departmental seniority list.

B. Fire Lieutenant

1. Eligibility. Fire Sergeants with five (5) years or more in seniority. If there are less than enough applicants, Fire Sergeants with less than five (5) years seniority will be eligible.
2. Seniority. Rank on eligibility list shall be determined by actual time served in fire fighting classification.
3. Qualification. Successful completion of the Sterling Heights Fire Department's basic company officer course.

C. Fire Captain

1. Eligibility. Fire Lieutenants with two (2) years or more in grade or current rank. If there are less than enough applicants, Fire Lieutenants with less than two (2) years service in grade or current rank will be eligible.
2. Seniority. Rank on eligibility list shall be determined by actual time served in Lieutenant classification.
3. Qualification. Successful completion of the Sterling Heights Fire Department's advanced company officer course.

D. Emergency Medical Services Coordinator

1. Eligibility. All uniformed Fire Department personnel with five (5) years seniority or more, and with two (2) years experience as a paramedic in the Extinguishment Division.
2. Seniority. Rank on eligibility list shall be determined by department seniority.
3. Qualification. Must be Paramedic licensed. Must be IC certified within two (2) years from date of appointment.

E. Battalion Chief

1. Eligibility. Fire Captains with two (2) years or more in grade or current rank. If there are less than enough applicants, Fire Captains with less than two (2) years service in grade or current rank will be eligible.
2. Seniority. Rank of eligibility list shall be determined by actual time served in Captain classification.
3. Qualification. Associate's Degree in Fire Science or related field from an accredited college or university as determined by the U.S. Secretary of Education.

F. Division Chief/Assistant Chief

1. Eligibility. Current Sterling Heights Fire Department Chief of Training, Fire Marshal and Battalion Chiefs with a minimum of one (1) year in grade. If there are less than enough candidates, all fire personnel in the rank or grade of Captain with two (2) or more years in grade are eligible.
2. Seniority. After calculating the assessment center scores, candidates who pass the assessment center with a score of 70% or higher will be given additional points for seniority at the rate of one point per year of service. The closing date for calculating candidates' seniority will be the date the assessment center is administered.
3. Qualifications. Associate's Degree in Fire Science or related field from an accredited college or university as determined by the U.S. Secretary of Education. Passing score on assessment center testing.
4. Interview. The interview panel shall consist of the City Manager, Fire Chief, and Human Resources Director. The City Manager reserves the right to select and appoint from the top three (3) scorers after seniority points have been added.

G. Training Officer and Fire Inspector

1. Eligibility. All uniformed fire department personnel with five (5) years seniority or more.
2. Seniority. Rank on the eligibility list shall be determined by department seniority.

3. Qualification. Each applicant must achieve the appropriate certification within two (2) years.
 - a. Fire Inspector: NFA, IFC, or comparable certification as determined by the City.
 - b. Training Officer: State certified "Fire Training Instructor", NFA Education Methodology, IFSTA Instructor, Regional Training Center Instructor Certification, or Fire Safety Officer and hazardous materials technician certification.

H. Chief of Training

1. Eligibility. Training Officer and EMS Coordinator with one (1) year service in grade or current rank. If there are less than enough applicants, Training Officer and EMS Coordinator with less than one (1) year service in grade or current rank will be eligible. If there are still less than enough applicants, Fire Captains or greater would be eligible.
2. Seniority. After calculating the assessment center scores, candidates who pass the assessment center with a score of 70% or higher will be given additional points for seniority at the rate of one point per year of service. The closing date for calculating candidates' seniority will be the date the assessment center is administered.
3. Qualifications. Must have Fire Training Instructor and/or IC certification and an Associate's Degree in Fire Science or a related field from an accredited college or university as determined by the U.S. Secretary of Education. Passing score on assessment center testing.
4. Interview. The interview panel shall consist of the City Manager, Fire Chief, and Human Resources Director. The City Manager reserves the right to select and appoint from the top three (3) scorers after seniority points have been added.

I. Fire Marshal

1. Eligibility. Fire Inspector with a minimum of one (1) year service in grade or current rank. If there are less than enough applicants, Fire Inspectors with less than one (1) year service in grade or current rank will be eligible.
2. Seniority. After calculating the assessment center scores, candidates who pass the assessment center with a score of 70% or higher will be given additional points for seniority at the rate of one point per year of service. The closing date for calculating candidates' seniority will be the date the assessment center is administered.
3. Qualifications. Associate's Degree in Fire Science or a related field from an accredited college or university as determined by the U.S. Secretary of Education. Passing score on assessment center testing.
4. Interview. The interview panel shall consist of the City Manager, Fire Chief, and Human Resources Director. The City Manager reserves the right to select and appoint from the top three (3) scorers after seniority points have been added.

J. Fire Chief

1. Eligibility. The City may seek an outside candidate for Fire Chief. There must be at least one internal candidate. The selection of the Fire Chief shall be determined by an assessment center, with the candidates comprised of the Assistant Chief, Fire Marshal, Chief of Training and Battalion Chiefs. If there are less than enough applicants, then all Sterling Heights Fire Department personnel, with the rank of Captain and above, who have a minimum of two (2) years in said rank as determined by the departmental seniority list, shall be eligible to participate in the assessment center for Chief. Minimum educational requirement includes a Bachelor's Degree in Fire Science or related field.
2. Testing - Qualifications: Assessment Center: One hundred (100%) percent of total score.
3. Psychological and Physical Examination: Each applicant must qualify under a basic psychological and physical examination prior to appointment. Psychological examination shall be conducted by an independent, neutral and licensed psychologist or psychiatrist. This requirement will be waived for all internal candidates.

4. The City Manager reserves the right to select and appoint from the top three (3) of those passing the examination process for the position of Fire Chief.

III. Rules and Regulations

A. Eligibility Lists:

1. The Promotional Committee shall certify and maintain all eligibility lists.
2. Eligibility lists requiring an assessment center will be valid for a period of two (2) years after each list has been certified.
3. Eligibility lists for all seniority positions shall be valid for the specific posting only.
4. Eligibility lists which have been challenged, shall be held in abeyance pending final resolution of the challenge.
5. The Committee shall certify the results for Chief but no eligibility list shall be maintained.

B. Assessment Center Testing:

1. The announcement of an Assessment Center shall be posted or otherwise communicated to employees simultaneously.
2. Employees shall have ten (10) business days from the announcement of a test in which to make written application to participate in such tests with the Human Resources Director. Any employee who is absent from duty more than ten (10) business days, shall provide to the Fire Chief an address where he can be contacted.
3. Assessment Center will be conducted no earlier than fifteen (15) calendar days from posting of the announcement and not later than thirty (30) calendar days from such posting. Due to extenuating circumstances, the thirty (30) calendar day limit may be extended with the approval of the City and Union.
4. An applicant may challenge the Assessment Center factor regarding the work related value involved in testing. Such challenge must be in writing, state the reasons, and be filed with the Promotional Committee within ten (10) calendar days of the test. Results will not be posted until expiration of the ten (10) day protest period.

5. If any Assessment Center factor is held to be not work related, the entire Assessment Center will be deemed void and the results set aside.
6. Successful completion of all Assessment Centers shall be a minimum score of seventy (70%) percent.

C. Assessment Center:

1. All assessors shall be independent and neutral persons having no interest or connection, directly or indirectly, with the City or its representatives.
2. One-half of the assessors appointed shall have actual knowledge and experience in fire science and/or fire fighting.
3. One-half of the assessors appointed may have business, labor or professional backgrounds.
4. Any agency administering the Assessment Center shall be responsible for the grading/scoring and selection of the assessors with approval of the Promotional Committee.
5. An independent testing agency shall develop the factors and exercises for the Assessment Center Testing, subject to approval by the Promotional Committee.

D. Promotional Committee:

1. The promotion system shall be administered by a Promotional Committee consisting of five (5) members; two (2) appointed by the City Manager and two (2) by the Union. The fifth (5th) neutral member will be selected by the other four (4) members.
2. The neutral party will serve as chairman of the Committee.
3. All decisions of the Promotional Committee will be final and binding on the Union and the City.
4. The Promotional Committee shall have responsibility for:
 - a. The resolution of challenges to Assessment Center factors and exercises.
 - b. The overall administration of the promotional system.

- c. The Promotional Committee has the responsibility for resolving disputes arising from the inability of the City and Union to reach agreement as to the items contained in Section III C, Assessment Center.
5. The Promotional Committee shall conduct an annual review of the promotional system and make written recommendations regarding amendments, deletions or additions. Within ten (10) days of the Promotional Committee's annual report, by mutual agreements, the City and the Union shall commence negotiations for an amended promotional system. Such annual re-opener does not, however, preclude the parties from mutually amending the system at any time as may be necessary and appropriate to its effective operation.

IV. General Provisions:

- A. In the event that no one passes the assessment in the first attempt, further testing shall be open to the next lower qualifying group. In the event no applicant successfully passes, those applicants, and any others qualified, shall be afforded further attempts to qualify.
- B. In the event that an individual on the eligibility list for promotion either declines that promotion or returns to their previous rank or grade as provided in Section IA of this Article, that individual shall be removed from said eligibility list. The individual so removed may reapply/retest when subsequent eligibility lists are to be established without any loss of seniority rights.
- C. All costs, fees and expenses to maintain and administer the promotional system shall be borne by the City.
- D. The City shall either provide adequate training programs for the State certification programs required for promotion or funding to outsource these programs to allow sufficient opportunity for employees to participate before their promotion eligibility arises.
- E. Any difference, dispute or complaint not within the jurisdiction of the Promotional Committee, between the City and the Union, as to the applications or interpretation of the promotional system shall be presented as a grievance as provided for in Article 9 of the Collective Bargaining Agreement.
- F. Certification qualifications will be the responsibility of the City and shall be assigned by seniority.

- G. Promotions/Job Assignments will be posted. The City shall fill all budgeted vacancies within ten (10) business days upon the position becoming vacant.
- H. An employee in a classification covered by this Agreement, who has been in the past or will in the future be promoted or transferred to a classification within the Bargaining Unit, shall not accumulate seniority for promotional purposes, outside of position currently held. An employee who is subsequently transferred or demoted shall commence work in a job generally similar to the one he held at the time of his promotion or transfer and he shall maintain the seniority rank he held at the time of his promotion or transfer.
- I. Known dates of mandatory training will be stated with the promotional vacancy posting.
- J. This promotional system as defined in this Section, shall be the sole determining factor for all promotions within the Bargaining Unit as defined in Article 2 of the Collective Bargaining Agreement.
- K. Anyone promoted to a forty (40) hour position requiring a buy back of time banks must remain in that division for a minimum of two (2) years. Otherwise this buy back will not be allowed to be part of the AFC calculation.

V. Company Officer Development and Enrichment (CODE):

- A. The Sterling Heights Company Officer Development and Enrichment (CODE) classes will be based on NFPA 1021, and shall be developed through the S.O.G. development and revisions system, in joint cooperation between the City and the Union.
- B. CODE classes shall be the sole programs for company officer qualifications for Fire Lieutenant and Fire Captain.
- C. CODE classes shall be attendance based on a maximum of eighty (80) hours per module, for both basic and advanced, for a maximum of one hundred sixty (160) hours.
- D. Although the CODE programs shall not be construed by the parties to be a testing based program, each participant must participate in a formal review session with the facilitator following the conclusion of each module.
- E. Any change to the curriculum shall be mutually agreed upon by both parties.

ARTICLE 32
PEER FITNESS PROGRAM

All employees will be required to participate in the IAFF/IAFC Peer Fitness Program. This program will include, at a minimum, all parameters included in the model peer fitness manual. The program will be mandatory and non-punitive. All on-going physical conditioning shall be generally conducted between the hours of 0800 hours and 1700 hours daily. Conditioning may take place outside said hours without interruption to daily operations.

Section 1. Annual Physical. All employees will be required to have an annual medical physical prior to participating in the Peer Fitness Program. The physical shall be completed on duty, by a City designated physician, at not cost to the employee.

Section 2. Annual Fitness Evaluation. Employees are required to participate in an annual fitness evaluation. The evaluation will be performed on duty, at no cost to the employee. The components of this evaluation shall include flexibility, strength, and aerobic.

Section 3. Confidentiality. All medical examination and fitness evaluation information shall remain confidential between the member and the attending physician and/or fitness evaluator.

ARTICLE 33

EDUCATION ALLOWANCE

Section 1. Upon attaining their fifth anniversary of the City, those employees who have achieved an Associate's Degree from an accredited college or university as determined by the U.S. Secretary of Education shall be entitled to an annual stipend of \$300 to be paid in November of each year. The Employer will prorate the education stipend for employees at the time of retirement or separation.

Section 2. Upon attaining their fifth anniversary of the City, those employees who have achieved a Bachelor's Degree from an accredited college or university as determined by the U.S. Secretary of Education shall be entitled to an annual stipend of \$500 to be paid in November of each year. The Employer will prorate the education stipend for employees at the time of retirement or separation.

ARTICLE 34

FORTY-HOUR CERTIFICATION STIPEND

Section 1. Fire Prevention employees who attain any or all of the following certifications shall be eligible for a stipend of one hundred (\$100) dollars per certification, for a maximum stipend of two hundred (\$200) dollars per annum to be paid in November of each year.

The certifications for Fire Prevention shall be: Fire Inspector II, Inspector Plan Examiner, and/or Fire and Explosion Investigation.

Section 2. Training Division employees shall be eligible for a certification stipend of one hundred (\$100) dollars per annum to be paid in November of each year for the certifications listed below:

The certification for the Training Officer shall be "State Fire Instructor", NFA Education Methodology, IFSTA Instructor, Fire Safety Officer, or Regional Training Center (RTC) Instructor Certification.

The EMS Coordinator's certification shall be Advanced Cardiac Life Support (ACLS) Instructor.

ARTICLE 35

TERMINATION OF AGREEMENT

Section 1. Duration.

This Agreement shall be effective July 1, 2007 and shall remain in force and effective to and including June 30, 2012.

Section 2. Future Negotiations.

The City and the Union agree that commencing not later than March 1, 2012, the parties will undertake negotiations for a new Agreement for a succeeding period.

Section 3. Extension.

In the event that negotiations extend beyond the said expiration date of this Agreement, the terms and provisions of this Agreement shall remain in full force and effect pending agreement upon a new contract.

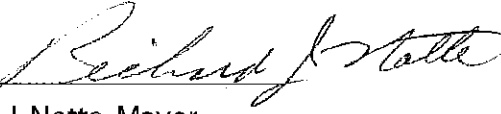
IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized representatives as of the day and year first written.


CITY OF STERLING HEIGHTS

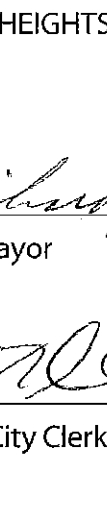
STERLING HEIGHTS FIRE FIGHTERS
UNION, LOCAL 1557 OF I.A.F.F.


By:


By:



Richard J. Notte, Mayor


Mark Docherty, President


Walter C. Blessed, City Clerk


Robert Haase, Vice President


Tim D. Bade, Secretary


Bryan Richter, Treasurer

Dated:

3.25%

POSITION	START	STEP 1 6 MONTHS	STEP 2 12 MONTHS	STEP 3 18 MONTHS	STEP 4 24 MONTHS	STEP 5 30 MONTHS	STEP 6 36 MONTHS	STEP 7 42 MONTHS	STEP 8 48 MONTHS	STEP 9 54 MONTHS	STEP 10 60 MONTHS
FIREFIGHTER											
ANNUAL	\$40,497	\$44,643	\$46,111	\$47,628	\$49,198	\$55,758	\$57,599	\$59,492	\$61,233	\$63,015	\$64,818
Hourly	13.907	15.331	15.835	16.356	16.895	19.148	19.780	20.430	21.028	21.640	22.259
Bi-weekly	\$1,557.58	\$1,717.07	\$1,773.52	\$1,831.87	\$1,892.24	\$2,144.58	\$2,215.36	\$2,288.16	\$2,355.14	\$2,423.68	\$2,493.01
FIRE SERGEANT											
ANNUAL	\$66,762	\$68,059	\$0	\$0							
Hourly	22.927	23.372	0.000	0.000							
Bi-weekly	\$2,567.80	\$2,617.66	\$0.00	\$0.00							
FIRE LIEUTENANT											
ANNUAL	\$69,716	\$71,445	\$73,242	\$74,540							
Hourly	23.941	24.535	25.152	25.598							
Bi-weekly	\$2,681.39	\$2,747.92	\$2,817.02	\$2,866.96							
FIRE CAPTAIN											
ANNUAL	\$76,745	\$78,658	\$81,250	\$0							
Hourly	26.355	27.012	27.902	0.000							
Bi-weekly	\$2,951.76	\$3,025.34	\$3,125.02	\$0.00							
BATTALION CHIEF											
ANNUAL	\$83,650	\$85,738	\$88,563	\$0							
Hourly	28.726	29.443	30.413	0.000							
Bi-weekly	\$3,217.31	\$3,297.62	\$3,406.28	\$0.00							

(80 Hours Bi-Weekly)

POSITION	START	STEP 1 6 MONTHS	STEP 2 12 MONTHS	STEP 3 18 MONTHS
FIREFIGHTER				
ANNUAL	\$79,755	\$81,425	\$82,873	\$0
Hourly	38.344	39.147	39.843	0.000
Bi-weekly	\$3,067.52	\$3,131.76	\$3,187.44	\$0.00
FIRE INSPECTOR				
ANNUAL	\$79,755	\$81,425	\$82,873	\$0
Hourly	38.344	39.147	39.843	0.000
Bi-weekly	\$3,067.52	\$3,131.76	\$3,187.44	\$0.00
DIVISION CHIEF/ASST. CHIEF				
ANNUAL	\$93,000	\$95,320	\$100,894	\$0
Hourly	44.712	45.827	48.507	0.000
Bi-weekly	\$3,576.96	\$3,666.16	\$3,880.56	\$0.00
FIRE MARSHAL				
ANNUAL	\$85,321	\$87,449	\$92,990	\$0
Hourly	41.020	42.043	44.707	0.000
Bi-weekly	\$3,281.60	\$3,363.44	\$3,576.56	\$0.00
FIRE CHIEF OF TRAINING				
ANNUAL	\$85,321	\$87,449	\$92,990	\$0
Hourly	41.020	42.043	44.707	0.000
Bi-weekly	\$3,281.60	\$3,363.44	\$3,576.54	\$0.00
EMS COORDINATOR				
ANNUAL	\$83,742	\$85,498	\$86,937	\$0
Hourly	40.261	41.105	41.797	0.000
Bi-weekly	\$3,220.88	\$3,288.40	\$3,343.73	\$0.00

(112 Hours Bi-Weekly)

POSITION	START	STEP 1 6 MONTHS	STEP 2 12 MONTHS	STEP 3 18 MONTHS	STEP 4 24 MONTHS	STEP 5 30 MONTHS	STEP 6 36 MONTHS	STEP 7 42 MONTHS	STEP 8 48 MONTHS	STEP 9 54 MONTHS	STEP 10 60 MONTHS
FIREFIGHTER - ALS											
ANNUAL	\$42,521	\$46,874	\$48,412	\$50,007	\$51,658	\$58,551	\$60,476	\$62,468	\$64,294	\$66,169	\$68,053
Hourly	14.602	16.097	16.625	17.173	17.740	20.107	20.768	21.452	22.079	22.723	23.370
Bi-weekly	\$1,635.42	\$1,802.86	\$1,862.00	\$1,923.38	\$1,986.88	\$2,251.98	\$2,326.02	\$2,402.62	\$2,472.85	\$2,544.98	\$2,617.44
FIRE ENGINEER OPERATOR											
ANNUAL	\$41,711	\$45,980	\$47,494	\$49,055	\$50,674	\$57,430	\$59,326	\$61,277	\$63,071	\$64,908	\$66,763
Hourly	14.324	15.790	16.310	16.846	17.402	19.722	20.373	21.043	21.659	22.290	22.927
Bi-weekly	\$1,604.29	\$1,768.48	\$1,826.72	\$1,886.75	\$1,949.02	\$2,208.86	\$2,281.78	\$2,356.82	\$2,425.81	\$2,496.48	\$2,567.82
FIRE SERGEANT - ALS											
ANNUAL	\$70,100	\$71,462	\$0	\$0							
Hourly	24.073	24.541	0.000	0.000							
Bi-weekly	\$2,696.19	\$2,748.54	\$0.00	\$0.00							
FIRE SERGEANT - FEO											
ANNUAL	\$68,765	\$70,100	\$0	\$0							
Hourly	23.615	24.073	0.000	0.000							
Bi-weekly	\$2,644.83	\$2,696.19	\$0.00	\$0.00							
FIRE LIEUTENANT - ALS											
ANNUAL	\$73,202	\$75,018	\$76,904	\$78,267							
Hourly	25.138	25.762	26.410	26.878							
Bi-weekly	\$2,815.46	\$2,885.32	\$2,957.88	\$3,010.31							
FIRE CAPTAIN - ALS											
ANNUAL	\$80,583	\$82,591	\$85,313	\$0							
Hourly	27.673	28.363	29.297	0.000							
Bi-weekly	\$3,099.35	\$3,176.61	\$3,281.28	\$0.00							

3%

POSITION	START	STEP 1 6 MONTHS	STEP 2 12 MONTHS	STEP 3 18 MONTHS	STEP 4 24 MONTHS	STEP 5 30 MONTHS	STEP 6 36 MONTHS	STEP 7 42 MONTHS	STEP 8 48 MONTHS	STEP 9 54 MONTHS	STEP 10 60 MONTHS
FIREFIGHTER											
ANNUAL	\$41,711	\$45,983	\$47,494	\$49,058	\$50,674	\$52,430	\$54,326	\$56,277	\$58,281	\$60,340	\$62,456
Hourly	14.324	15.791	16.310	16.847	17.402	17.972	18.557	19.157	19.772	20.402	21.047
Bi-weekly	\$1,604.29	\$1,768.59	\$1,826.72	\$1,886.86	\$1,949.02	\$2,014.86	\$2,081.78	\$2,150.32	\$2,220.51	\$2,291.37	\$2,363.82
FIRE SERGEANT											
ANNUAL	\$68,766	\$70,100	\$0	\$0							
Hourly	23.615	24.073	0.000	0.000							
Bi-weekly	\$2,644.88	\$2,696.18	\$0.00	\$0.00							
FIRE LIEUTENANT											
ANNUAL	\$71,807	\$73,589	\$75,441	\$76,777							
Hourly	24.659	25.271	25.907	26.366							
Bi-weekly	\$2,761.81	\$2,830.35	\$2,901.58	\$2,952.99							
FIRE CAPTAIN											
ANNUAL	\$79,049	\$81,017	\$83,687	\$0							
Hourly	27.146	27.822	28.739	0.000							
Bi-weekly	\$3,040.35	\$3,116.06	\$3,218.77	\$0.00							
BATTALION CHIEF											
ANNUAL	\$86,160	\$88,309	\$91,221	\$0							
Hourly	29.588	30.326	31.326	0.000							
Bi-weekly	\$3,313.86	\$3,396.51	\$3,508.51	\$0.00							

(80 Hours Bi-Weekly)

POSITION	START	STEP 1 6 MONTHS	STEP 2 12 MONTHS	STEP 3 18 MONTHS
FIREFIGHTER				
ANNUAL	\$82,147	\$83,867	\$85,359	\$0
Hourly	39.494	40.321	41.038	0.000
Bi-weekly	\$3,159.52	\$3,225.68	\$3,283.04	\$0.00
FIRE INSTRUCTOR				
ANNUAL	\$82,147	\$83,867	\$85,359	\$0
Hourly	39.494	40.321	41.038	0.000
Bi-weekly	\$3,159.52	\$3,225.68	\$3,283.04	\$0.00
DIVISION CHIEF/ASST. CHIEF				
ANNUAL	\$95,792	\$98,178	\$103,920	\$0
Hourly	46.054	47.201	49.962	0.000
Bi-weekly	\$3,684.32	\$3,776.08	\$3,996.96	\$0.00
FIRE MARSHAL				
ANNUAL	\$87,882	\$90,072	\$95,779	\$0
Hourly	42.251	43.304	46.048	0.000
Bi-weekly	\$3,380.08	\$3,464.32	\$3,683.84	\$0.00
FIRE CHIEF OF TRAINING				
ANNUAL	\$87,882	\$90,072	\$95,779	\$0
Hourly	42.251	43.304	46.048	0.000
Bi-weekly	\$3,380.08	\$3,464.32	\$3,683.84	\$0.00
EMS COORDINATOR				
ANNUAL	\$86,255	\$88,063	\$89,546	\$0
Hourly	41.469	42.338	43.051	0.000
Bi-weekly	\$3,317.52	\$3,387.04	\$3,444.08	\$0.00

(112 Hours Bi-Weekly)

POSITION	START	STEP 1 6 MONTHS	STEP 2 12 MONTHS	STEP 3 18 MONTHS	STEP 4 24 MONTHS	STEP 5 30 MONTHS	STEP 6 36 MONTHS	STEP 7 42 MONTHS	STEP 8 48 MONTHS	STEP 9 54 MONTHS	STEP 10 60 MONTHS
FIREFIGHTER - ALS											
ANNUAL	\$43,796	\$48,280	\$49,865	\$51,507	\$53,208	\$60,307	\$62,290	\$64,343	\$66,221	\$68,155	\$70,094
Hourly	15.040	16.580	17.124	17.688	18.272	20.710	21.391	22.096	22.741	23.405	24.071
Bi-weekly	\$1,684.48	\$1,856.96	\$1,917.89	\$1,981.06	\$2,046.46	\$2,319.52	\$2,395.79	\$2,474.75	\$2,546.99	\$2,621.36	\$2,695.95
FIRE ENGINEER OPERATOR											
ANNUAL	\$42,963	\$47,360	\$48,918	\$50,526	\$52,194	\$59,154	\$61,105	\$63,114	\$64,963	\$66,856	\$68,766
Hourly	14.754	16.264	16.799	17.351	17.924	20.314	20.984	21.674	22.309	22.959	23.615
Bi-weekly	\$1,652.45	\$1,821.57	\$1,881.49	\$1,943.31	\$2,007.49	\$2,275.17	\$2,350.21	\$2,427.49	\$2,498.61	\$2,571.41	\$2,644.88
FIRE SERGEANT - ALS											
ANNUAL	\$72,203	\$73,606	\$0	\$0							
Hourly	24.795	25.277	0.000	0.000							
Bi-weekly	\$2,777.04	\$2,831.02	\$0.00	\$0.00							
FIRE SERGEANT - FEO											
ANNUAL	\$70,828	\$72,203	\$0	\$0							
Hourly	24.323	24.795	0.000	0.000							
Bi-weekly	\$2,724.18	\$2,777.04	\$0.00	\$0.00							
FIRE LIEUTENANT - ALS											
ANNUAL	\$75,397	\$77,269	\$79,212	\$80,615							
Hourly	25.892	26.535	27.202	27.684							
Bi-weekly	\$2,899.90	\$2,971.92	\$3,045.62	\$3,100.61							
FIRE CAPTAIN - ALS											
ANNUAL	\$83,000	\$85,068	\$87,872	\$0							
Hourly	28.503	29.213	30.176	0.000							
Bi-weekly	\$3,192.34	\$3,271.86	\$3,379.71	\$0.00							

3%

POSITION	START	STEP 1 6 MONTHS	STEP 2 12 MONTHS	STEP 3 18 MONTHS	STEP 4 24 MONTHS	STEP 5 30 MONTHS	STEP 6 36 MONTHS	STEP 7 42 MONTHS	STEP 8 48 MONTHS	STEP 9 54 MONTHS	STEP 10 60 MONTHS
FIREFIGHTER											
ANNUAL	\$42,963	\$47,363	\$48,918	\$50,529	\$52,194	\$59,154	\$61,105	\$63,114	\$64,963	\$66,853	\$68,766
Hourly	14.754	16.265	16.799	17.352	17.924	20.314	20.984	21.674	22.309	22.958	23.615
Bi-weekly	\$1,652.45	\$1,821.68	\$1,881.49	\$1,943.42	\$2,007.49	\$2,275.17	\$2,350.21	\$2,427.49	\$2,498.61	\$2,571.30	\$2,644.88
FIRE SERGEANT											
ANNUAL	\$70,828	\$72,203	\$0	\$0							
Hourly	24.323	24.795	0.000	0.000							
Bi-weekly	\$2,724.18	\$2,777.04	\$0.00	\$0.00							
FIRE LIEUTENANT											
ANNUAL	\$73,961	\$75,796	\$77,703	\$79,081							
Hourly	25.399	26.029	26.684	27.157							
Bi-weekly	\$2,844.69	\$2,915.25	\$2,988.61	\$3,041.58							
FIRE CAPTAIN											
ANNUAL	\$81,419	\$83,449	\$86,198	\$0							
Hourly	27.960	28.657	29.601	0.000							
Bi-weekly	\$3,131.52	\$3,209.58	\$3,315.31	\$0.00							
BATALLION CHIEF											
ANNUAL	\$88,746	\$90,959	\$93,955	\$0							
Hourly	30.476	31.236	32.265	0.000							
Bi-weekly	\$3,413.31	\$3,498.43	\$3,613.68	\$0.00							

(80 Hours Bi-Weekly)

POSITION	START	STEP 1 6 MONTHS	STEP 2 12 MONTHS	STEP 3 18 MONTHS
FIRE INSPECTOR				
ANNUAL	\$84,612	\$86,384	\$87,919	\$0
Hourly	40.679	41.531	42.269	0.000
Bi-weekly	\$3,254.32	\$3,322.48	\$3,381.52	\$0.00
FIRE INSTRUCTOR				
ANNUAL	\$84,612	\$86,384	\$87,919	\$0
Hourly	40.679	41.531	42.269	0.000
Bi-weekly	\$3,254.32	\$3,322.48	\$3,381.52	\$0.00
DIVISION CHIEF/ASST. CHIEF				
ANNUAL	\$98,666	\$101,123	\$107,036	\$0
Hourly	47.436	48.617	51.460	0.000
Bi-weekly	\$3,794.88	\$3,889.36	\$4,116.80	\$0.00
FIRE MARSHAL				
ANNUAL	\$90,519	\$92,774	\$98,652	\$0
Hourly	43.519	44.603	47.429	0.000
Bi-weekly	\$3,481.52	\$3,568.24	\$3,794.32	\$0.00
FIRE CHIEF OF TRAINING				
ANNUAL	\$90,519	\$92,774	\$98,652	\$0
Hourly	43.519	44.603	47.429	0.000
Bi-weekly	\$3,481.52	\$3,568.24	\$3,794.32	\$0.00
EMS COORDINATOR				
ANNUAL	\$88,843	\$90,704	\$92,233	\$0
Hourly	42.713	43.608	44.343	0.000
Bi-weekly	\$3,417.04	\$3,488.64	\$3,547.44	\$0.00

(112 Hours Bi-Weekly)

POSITION	START	STEP 1 6 MONTHS	STEP 2 12 MONTHS	STEP 3 18 MONTHS	STEP 4 24 MONTHS	STEP 5 30 MONTHS	STEP 6 36 MONTHS	STEP 7 42 MONTHS	STEP 8 48 MONTHS	STEP 9 54 MONTHS	STEP 10 60 MONTHS
FIREFIGHTER - ALS											
ANNUAL	\$45,109	\$49,728	\$51,361	\$53,053	\$54,803	\$62,115	\$64,160	\$66,274	\$68,207	\$70,199	\$72,197
Hourly	15.491	17.077	17.638	18.219	18.820	21.331	22.033	22.759	23.423	24.107	24.793
Bi-weekly	\$1,734.99	\$1,912.62	\$1,975.46	\$2,040.53	\$2,107.84	\$2,389.07	\$2,467.70	\$2,549.01	\$2,623.38	\$2,699.98	\$2,776.82
FIRE ENGINEER OPERATOR											
ANNUAL	\$44,253	\$48,781	\$50,386	\$52,043	\$53,761	\$60,927	\$62,939	\$65,007	\$66,911	\$68,862	\$70,828
Hourly	15.197	16.752	17.303	17.872	18.462	20.923	21.614	22.324	22.978	23.648	24.323
Bi-weekly	\$1,702.06	\$1,876.22	\$1,937.94	\$2,001.66	\$2,067.74	\$2,343.38	\$2,420.77	\$2,500.29	\$2,573.54	\$2,648.58	\$2,724.18
FIRE SERGEANT - ALS											
ANNUAL	\$74,369	\$75,813	\$0	\$0							
Hourly	25.539	26.035	0.000	0.000							
Bi-weekly	\$2,860.37	\$2,915.92	\$0.00	\$0.00							
FIRE SERGEANT - FEO											
ANNUAL	\$72,954	\$74,369	\$0	\$0							
Hourly	25.053	25.539	0.000	0.000							
Bi-weekly	\$2,805.94	\$2,860.37	\$0.00	\$0.00							
FIRE LIEUTENANT - ALS											
ANNUAL	\$77,660	\$79,587	\$81,588	\$83,035							
Hourly	26.669	27.331	28.018	28.515							
Bi-weekly	\$2,986.93	\$3,061.07	\$3,138.02	\$3,193.68							
FIRE CAPTAIN - ALS											
ANNUAL	\$85,490	\$87,619	\$90,507	\$0							
Hourly	29.358	30.089	31.081	0.000							
Bi-weekly	\$3,288.10	\$3,369.97	\$3,481.07	\$0.00							

3%

POSITION	START	STEP 1 6 MONTHS	STEP 2 12 MONTHS	STEP 3 18 MONTHS	STEP 4 24 MONTHS	STEP 5 30 MONTHS	STEP 6 36 MONTHS	STEP 7 42 MONTHS	STEP 8 48 MONTHS	STEP 9 54 MONTHS	STEP 10 60 MONTHS
FIREFIGHTER											
ANNUAL	\$44,253	\$48,784	\$50,386	\$52,046	\$53,761	\$60,927	\$62,939	\$65,007	\$66,911	\$68,860	\$70,828
Hourly	15.197	16.753	17.303	17.873	18.462	20.923	21.614	22.324	22.978	23.647	24.323
Bi-weekly	\$1,702.06	\$1,876.34	\$1,937.94	\$2,001.78	\$2,067.74	\$2,343.38	\$2,420.77	\$2,500.29	\$2,573.34	\$2,648.46	\$2,724.18
FIRE SERGEANT											
ANNUAL	\$72,954	\$74,369	\$0	\$0							
Hourly	25.053	25.539	0.000	0.000							
Bi-weekly	\$2,805.94	\$2,860.37	\$0.00	\$0.00							
FIRE LIEUTENANT											
ANNUAL	\$76,180	\$78,070	\$80,036	\$81,454							
Hourly	26.161	26.810	27.485	27.972							
Bi-weekly	\$2,930.03	\$3,002.72	\$3,078.32	\$3,132.86							
FIRE CAPTAIN											
ANNUAL	\$83,862	\$85,953	\$88,783	\$0							
Hourly	28.799	29.517	30.489	0.000							
Bi-weekly	\$3,225.49	\$3,305.90	\$3,414.77	\$0.00							
BATTALION CHIEF											
ANNUAL	\$91,407	\$93,687	\$96,774	\$0							
Hourly	31.390	32.173	33.233	0.000							
Bi-weekly	\$3,515.68	\$3,603.38	\$3,722.10	\$0.00							

(60 Hours Bi-Weekly)

POSITION	START	STEP 1 6 MONTHS	STEP 2 12 MONTHS	STEP 3 18 MONTHS
FIRE INSPECTOR				
ANNUAL	\$87,149	\$88,976	\$90,556	\$0
Hourly	41.899	42.777	43.537	0.000
Bi-weekly	\$3,351.92	\$3,422.16	\$3,482.96	\$0.00
FIRE INSTRUCTOR				
ANNUAL	\$87,149	\$88,976	\$90,556	\$0
Hourly	41.899	42.777	43.537	0.000
Bi-weekly	\$3,351.92	\$3,422.16	\$3,482.96	\$0.00
DIVISION CHIEF/ASST. CHIEF				
ANNUAL	\$101,626	\$104,158	\$110,248	\$0
Hourly	48.859	50.076	53.004	0.000
Bi-weekly	\$3,908.72	\$4,006.08	\$4,240.32	\$0.00
FIRE MARSHAL				
ANNUAL	\$93,236	\$95,557	\$101,612	\$0
Hourly	44.825	45.941	48.852	0.000
Bi-weekly	\$3,586.00	\$3,675.28	\$3,908.16	\$0.00
FIRE CHIEF OF TRAINING				
ANNUAL	\$93,236	\$95,557	\$101,612	\$0
Hourly	44.825	45.941	48.852	0.000
Bi-weekly	\$3,586.00	\$3,675.28	\$3,908.16	\$0.00
EMS COORDINATOR				
ANNUAL	\$91,507	\$93,425	\$94,999	\$0
Hourly	43.994	44.916	45.673	0.000
Bi-weekly	\$3,519.52	\$3,593.28	\$3,653.84	\$0.00

(112 Hours Bi-Weekly)

POSITION	START	STEP 1 6 MONTHS	STEP 2 12 MONTHS	STEP 3 18 MONTHS	STEP 4 24 MONTHS	STEP 5 30 MONTHS	STEP 6 36 MONTHS	STEP 7 42 MONTHS	STEP 8 48 MONTHS	STEP 9 54 MONTHS	STEP 10 60 MONTHS
FIREFIGHTER - ALS											
ANNUAL	\$46,463	\$51,219	\$52,902	\$54,646	\$56,449	\$63,979	\$66,084	\$68,263	\$70,254	\$72,304	\$74,363
Hourly	15.956	17.589	18.167	18.766	19.385	21.971	22.694	23.442	24.126	24.830	25.537
Bi-weekly	\$1,787.07	\$1,969.97	\$2,034.70	\$2,101.79	\$2,171.12	\$2,460.75	\$2,541.73	\$2,625.50	\$2,702.11	\$2,780.96	\$2,860.14
FIRE ENGINEER OPERATOR											
ANNUAL	\$45,581	\$50,246	\$51,897	\$53,604	\$55,374	\$62,756	\$64,826	\$66,958	\$68,918	\$70,927	\$72,954
Hourly	15.653	17.255	17.822	18.408	19.016	21.551	22.262	22.994	23.667	24.357	25.053
Bi-weekly	\$1,753.14	\$1,932.56	\$1,996.06	\$2,061.70	\$2,129.79	\$2,413.71	\$2,493.34	\$2,575.33	\$2,650.70	\$2,727.98	\$2,805.94
FIRE SERGEANT - ALS											
ANNUAL	\$76,600	\$78,088	\$0	\$0							
Hourly	26.305	26.816	0.000	0.000							
Bi-weekly	\$2,946.16	\$3,003.39	\$0.00	\$0.00							
FIRE SERGEANT - FEO											
ANNUAL	\$75,144	\$76,600	\$0	\$0							
Hourly	25.805	26.305	0.000	0.000							
Bi-weekly	\$2,890.16	\$2,946.16	\$0.00	\$0.00							
FIRE LIEUTENANT - ALS											
ANNUAL	\$79,989	\$81,975	\$84,037	\$85,525							
Hourly	27.469	28.151	28.859	29.370							
Bi-weekly	\$3,076.53	\$3,152.91	\$3,232.21	\$3,289.44							
FIRE CAPTAIN - ALS											
ANNUAL	\$88,055	\$90,248	\$93,221	\$0							
Hourly	30.239	30.992	32.013	0.000							
Bi-weekly	\$3,386.77	\$3,471.10	\$3,585.46	\$0.00							

3%

POSITION	START	STEP 1 6 MONTHS	STEP 2 12 MONTHS	STEP 3 18 MONTHS	STEP 4 24 MONTHS	STEP 5 30 MONTHS	STEP 6 36 MONTHS	STEP 7 42 MONTHS	STEP 8 48 MONTHS	STEP 9 54 MONTHS	STEP 10 60 MONTHS
FIREFIGHTER											
ANNUAL	\$45,581	\$50,249	\$51,897	\$53,607	\$55,374	\$62,756	\$64,826	\$66,958	\$68,918	\$70,924	\$72,954
Hourly	15.653	17.256	17.822	18.409	19.016	21.551	22.262	22.994	23.667	24.356	25.053
Bi-weekly	\$1,753.14	\$1,932.67	\$1,996.06	\$2,061.81	\$2,129.79	\$2,413.71	\$2,493.34	\$2,575.33	\$2,650.70	\$2,727.87	\$2,805.94
FIRE SERGEANT											
ANNUAL	\$75,144	\$76,600	\$0	\$0							
Hourly	25.805	26.305	0.000	0.000							
Bi-weekly	\$2,890.16	\$2,946.16	\$0.00	\$0.00							
FIRE LIEUTENANT											
ANNUAL	\$78,466	\$80,411	\$82,438	\$83,897							
Hourly	26.946	27.614	28.310	28.811							
Bi-weekly	\$3,017.95	\$3,092.77	\$3,170.72	\$3,226.83							
FIRE CAPTAIN											
ANNUAL	\$86,378	\$88,533	\$91,448	\$0							
Hourly	29.663	30.403	31.404	0.000							
Bi-weekly	\$3,322.26	\$3,405.14	\$3,517.25	\$0.00							
BATTALION CHIEF											
ANNUAL	\$94,150	\$96,497	\$99,677	\$0							
Hourly	32.332	33.138	34.230	0.000							
Bi-weekly	\$3,621.18	\$3,711.46	\$3,833.76	\$0.00							

(80 Hours Bi-Weekly)

POSITION	START	STEP 1 6 MONTHS	STEP 2 12 MONTHS	STEP 3 18 MONTHS
FIRE INSPECTOR				
ANNUAL	\$89,764	\$91,644	\$93,273	\$0
Hourly	43.156	44.060	44.843	0.000
Bi-weekly	\$3,452.48	\$3,524.80	\$3,587.44	\$0.00
FIRE INSTRUCTOR				
ANNUAL	\$89,764	\$91,644	\$93,273	\$0
Hourly	43.156	44.060	44.843	0.000
Bi-weekly	\$3,452.48	\$3,524.80	\$3,587.44	\$0.00
DIVISION CHIEF/ASST. CHIEF				
ANNUAL	\$104,676	\$107,282	\$113,557	\$0
Hourly	50.325	51.578	54.595	0.000
Bi-weekly	\$4,026.00	\$4,126.24	\$4,367.60	\$0.00
FIRE MARSHAL				
ANNUAL	\$96,033	\$98,423	\$104,661	\$0
Hourly	46.170	47.319	50.318	0.000
Bi-weekly	\$3,693.60	\$3,785.52	\$4,025.44	\$0.00
FIRE CHIEF OF TRAINING				
ANNUAL	\$96,033	\$98,423	\$104,661	\$0
Hourly	46.170	47.319	50.318	0.000
Bi-weekly	\$3,693.60	\$3,785.52	\$4,025.44	\$0.00
EMS COORDINATOR				
ANNUAL	\$94,253	\$96,227	\$97,849	\$0
Hourly	45.314	46.263	47.043	0.000
Bi-weekly	\$3,625.12	\$3,701.04	\$3,763.44	\$0.00

(112 Hours Bi-Weekly)

POSITION	START	STEP 1 6 MONTHS	STEP 2 12 MONTHS	STEP 3 18 MONTHS	STEP 4 24 MONTHS	STEP 5 30 MONTHS	STEP 6 36 MONTHS	STEP 7 42 MONTHS	STEP 8 48 MONTHS	STEP 9 54 MONTHS	STEP 10 60 MONTHS
FIREFIGHTER - ALS											
ANNUAL	\$47,858	\$52,756	\$54,489	\$56,286	\$58,143	\$65,898	\$68,068	\$70,310	\$72,363	\$74,474	\$76,594
Hourly	16.435	18.117	18.712	19.329	19.967	22.630	23.375	24.145	24.850	25.575	26.303
Bi-weekly	\$1,840.72	\$2,029.10	\$2,095.74	\$2,164.85	\$2,236.30	\$2,534.56	\$2,618.00	\$2,704.24	\$2,783.20	\$2,864.40	\$2,945.94
FIRE ENGINEER OPERATOR											
ANNUAL	\$46,950	\$51,754	\$53,455	\$55,211	\$57,034	\$64,640	\$66,772	\$68,967	\$70,985	\$73,056	\$75,144
Hourly	16.123	17.773	18.357	18.960	19.586	22.198	22.930	23.684	24.377	25.088	25.805
Bi-weekly	\$1,805.78	\$1,990.58	\$2,055.98	\$2,123.52	\$2,193.63	\$2,486.18	\$2,568.16	\$2,652.61	\$2,730.22	\$2,809.86	\$2,890.16
FIRE SERGEANT - ALS											
ANNUAL	\$78,897	\$80,429	\$0	\$0							
Hourly	27.094	27.620	0.000	0.000							
Bi-weekly	\$3,034.53	\$3,093.44	\$0.00	\$0.00							
FIRE SERGEANT - FEO											
ANNUAL	\$77,398	\$78,897	\$0	\$0							
Hourly	26.579	27.094	0.000	0.000							
Bi-weekly	\$2,976.85	\$3,034.53	\$0.00	\$0.00							
FIRE LIEUTENANT - ALS											
ANNUAL	\$82,389	\$84,436	\$86,559	\$88,090							
Hourly	28.293	28.996	29.725	30.251							
Bi-weekly	\$3,168.82	\$3,247.55	\$3,329.20	\$3,388.11							
FIRE CAPTAIN - ALS											
ANNUAL	\$90,697	\$92,960	\$96,020	\$0							
Hourly	31.146	31.923	32.974	0.000							
Bi-weekly	\$3,488.37	\$3,575.39	\$3,693.11	\$0.00							

APPENDIX B

DISABILITY INSURANCE

Short Term Disability Income for Accident or Sickness

Short Term Disability Income Benefit	60 percent
Elimination (Waiting) Period	30 days
Maximum Duration	26 weeks

Long Term Disability Income Benefit

Long Term Disability Income Benefit	60 percent
Elimination (Waiting) Period	180 days
Maximum Duration	Sickness to age 65 Accident to age 65

APPENDIX C

REQUEST FOR ARTICLE 19 BENEFITS

I _____ was injured on _____,
while working as a fire fighter with the City of Sterling Heights. As a result of that
injury, I am unable to work as a fire fighter in the City of Sterling Heights and I
request Article 19 benefits.

Dated: _____

(Full Name)

(Rank/Position)

(Address)

(Telephone Number)

CC: Fire Department
Fire Fighters Local 1557

APPENDIX D
DIFFERENTIALS

The following pay differentials shall be maintained between all ranks:

A. Extinguishment

Sergeant	5% over Fire Fighter
Lieutenant	15% over Fire Fighter
Captain	9% over Lieutenant
Battalion Chief	9% over Captain

B. Forty Hour Personnel

Inspector/Training Officer	2% over Fire Captain
EMS Coordinator	7% over Fire Captain
Fire Marshall/Training Chief	5% over Battalion Chief
Division Chief/Assistant Chief	8.5% over Fire Marshal/Training Chief

Community BlueSM PPO

Benefits-at-a-Glance

Plan 10

This is intended as an easy-to-read summary. It is not a contract. Additional limitations and exclusions may apply to covered services. For an official description of benefits, please see the applicable Blue Cross Blue Shield of Michigan certificate and riders. Payment amounts are based on the Blue Cross Blue Shield of Michigan approved amount, less any applicable deductible and/or copay amounts required by the plan. This coverage is provided pursuant to a contract entered into in the state of Michigan and shall be construed under the jurisdiction and according to the laws of the state of Michigan.

	In-Network	Out-of-Network
Preventive Care Services – *Payment for preventive services is limited to a combined maximum of \$500 per member per calendar year		
Health Maintenance Exam – includes chest X-ray, EKG and select lab procedures	Covered – 100%*, one per calendar year	Not covered
Gynecological Exam	Covered – 100%*, one per calendar year	Not covered
Pap Smear Screening – laboratory and pathology services	Covered – 100%*, one per calendar year	Not covered
Well-Baby and Child Care	Covered – 100%* • 6 visits, birth through 12 months • 6 visits, 13 months through 23 months • 2 visits, 24 months through 35 months • 2 visits, 36 months through 47 months • 1 visit per birth year, 48 months through age 15	Not covered
Immunizations	Covered – 100%*, up through age 16	Not covered
Fecal Occult Blood Screening	Covered – 100%*, one per calendar year	Not covered
Flexible Sigmoidoscopy Exam	Covered – 100%*, one per calendar year	Not covered
Prostate Specific Antigen (PSA) Screening	Covered – 100%*, one per calendar year	Not covered
Mammography		
Mammography Screening	Covered – 90% after deductible	Covered – 60% after deductible
	One per calendar year, no age restrictions	
Physician Office Services		
Office Visits	Covered – \$10 copay	Covered – 60% after deductible, must be medically necessary
Outpatient and Home Visits	Covered – 90% after deductible	Covered – 60% after deductible, must be medically necessary
Office Consultations	Covered – \$10 copay	Covered – 60% after deductible, must be medically necessary
Urgent Care Visits	Covered – \$10 copay	Covered – 60% after deductible, must be medically necessary
Emergency Medical Care		
Hospital Emergency Room	Covered – \$50 copay, waived if admitted or for an accidental injury	Covered – \$50 copay, waived if admitted or for an accidental injury
Ambulance Services – medically necessary	Covered – 90% after deductible	Covered – 90% after deductible
Diagnostic Services		
Laboratory and Pathology Services	Covered – 90% after deductible	Covered – 60% after deductible
Diagnostic Tests and X-rays	Covered – 90% after deductible	Covered – 60% after deductible
Therapeutic Radiology	Covered – 90% after deductible	Covered – 60% after deductible
Maternity Services Provided by a Physician		
Prenatal and Postnatal Care	Covered – 100%	Covered – 60% after deductible
	Includes care provided by a certified nurse midwife	
Delivery and Nursery Care	Covered – 90% after deductible	Covered – 60% after deductible
	Includes delivery provided by a certified nurse midwife	
Hospital Care		
Semiprivate Room, Inpatient Physician Care, General Nursing Care, Hospital Services and Supplies Note: Nonemergency services must be rendered in a participating hospital	Covered – 90% after deductible	Covered – 60% after deductible
	Unlimited days	
Inpatient Consultations	Covered – 90% after deductible	Covered – 60% after deductible
Chemotherapy	Covered – 90% after deductible	Covered – 60% after deductible
Alternatives to Hospital Care		
Skilled Nursing Care	Covered – 90% after deductible	Covered – 90% after deductible
	Up to 120 days per calendar year	
Hospice Care	Covered – 100%	Covered – 100%
	Limited to dollar maximum which is adjusted periodically	
Home Health Care	Covered – 90% after deductible	Covered – 90% after deductible
	Unlimited visits	

In-Network

Out-of-Network

Surgical Services

Surgery – includes related surgical services	Covered – 90% after deductible	Covered – 60% after deductible
Voluntary Sterilization	Covered – 90% after deductible	Covered – 60% after deductible

Human Organ Transplants

Specified Organ Transplants – in designated facilities only, when coordinated through the BCBSM Human Organ Transplant Program (1-800-242-3504)	Covered – 100%	Covered – in designated facilities only
Up to \$1 million maximum per transplant type		
Bone Marrow – when coordinated through the BCBSM Human Organ Transplant Program (1-800-242-3504); specific criteria applies	Covered – 90% after deductible	Covered – 60% after deductible
Kidney, Cornea and Skin	Covered – 90% after deductible	Covered – 60% after deductible

Mental Health Care and Substance Abuse Treatment

Inpatient Mental Health Care	Covered – 50% after deductible	Covered – 50% after deductible
Unlimited days		
Inpatient Substance Abuse Treatment	Covered – 50% after deductible	Covered – 50% after deductible
Unlimited days, up to \$15,000 annual, \$30,000 lifetime maximum		
Outpatient Mental Health Care • Facility and Clinic • Physician's Office	Covered – 50% after deductible	Covered – 50% after deductible
	Covered – 50%	Covered – 50% after deductible
Outpatient Substance Abuse Treatment – in approved facilities	Covered – 50% after deductible	Covered – 50% after deductible
	Up to the state-dollar amount which is adjusted annually	

Other Services

Outpatient Diabetes Management Program (ODMP)	Covered – 90% after deductible	Covered – 60% after deductible
Allergy Testing and Therapy	Covered – 100%	Covered – 60% after deductible
Chiropractic Spinal Manipulation	Covered – 100%	Covered – 60% after deductible
Up to 24 visits per calendar year		
Outpatient Physical, Speech and Occupational Therapy • Facility and Clinic • Physician's Office – excludes speech and occupational therapy	Covered – 90% after deductible	Covered – 90% after deductible
	Covered – 90% after deductible	Covered – 60% after deductible
	A combined 60-visit maximum per calendar year for physical therapy in the outpatient department of a hospital as well as in the physician's office	
Durable Medical Equipment	Covered – 90% after deductible	Covered – 90% after deductible
Prosthetic and Orthotic Appliances	Covered – 90% after deductible	Covered – 90% after deductible
Private Duty Nursing	Covered – 50% after deductible	Covered – 50% after deductible
Prescription Drugs	Not covered	Not covered

Deductible, Copays and Dollar Maximums

Note: If you receive care from a nonparticipating provider, even when referred, you may be billed for the difference between our approved amount and the provider's charge.

Deductible	\$250 per member, \$500 per family per calendar year Note: Deductible waived if service is performed in a PPO physician's office.	\$500 per member, \$1,000 per family per calendar year Note: Out-of-network deductible amounts also apply toward the in-network deductible.
Copays • Fixed Dollar Copays • Percent Copays	\$10 for office visits and \$50 for emergency room visits	\$50 for emergency room visits
	10% for general services, waived if service is performed in a PPO physician's office, and 50% for mental health care, substance abuse treatment and private duty nursing	40% for general services and 50% for mental health care, substance abuse treatment and private duty nursing Note: Services without a network are covered at the in-network level.
Copay Dollar Maximums • Fixed Dollar Copays • Percent Copays – excludes mental health care, substance abuse treatment and private duty nursing copays	None	None
	\$500 per member, \$1,000 family per calendar year	\$4,000 per member, \$8,000 family per calendar year Note: Out-of-network copays also apply toward the in-network maximum.
Dollar Maximums	\$1 million lifetime per covered specified human organ transplant type and a separate \$5 million lifetime per member for all other covered services and as noted above for individual services	

Optional Riders

Rider CB-CSR, Cost Sharing Requirements	Changes the member's cost sharing requirements for out-of-state services. Note: This rider is available only to groups in the Upper Peninsula. When Rider CB-CSR is selected, Rider BCP will replace Rider BCP-PPO.
Rider CBC-MT, Copay Requirement for Manipulative Treatment	Imposes the same fixed dollar copay requirement for chiropractic and osteopathic manipulative treatment by a network provider as is required for all network physician office visits.
Rider CB-OV\$20, Office Visit Copay Requirement	Increases fixed dollar copay amount from \$10 to \$20.
Rider CB-OV\$30, Office Visit Copay Requirement	Increases fixed dollar copay amount from \$10 to \$30.
Rider CI, Contraceptive Injections, Rider PCD, Prescription Contraceptive Devices and Rider PD-CM, Prescription Contraceptive Medications	Adds coverage for contraceptive injections, physician-prescribed contraceptive devices such as diaphragms and IUDs, and federal legend oral or injectable contraceptive medications. Note: These riders are available only as a package with prescription drug coverage.
Rider XVA, Excludes Voluntary Abortions	Excludes benefits for voluntary abortions.



Community BlueSM PPO

Benefits-at-a-Glance for City of Sterling Heights

Plan 10 New Hires

This is intended as an easy-to-read summary. It is not a contract. Additional limitations and exclusions may apply to covered services. For an official description of benefits, please see the applicable Blue Cross Blue Shield of Michigan certificate and riders. Payment amounts are based on the Blue Cross Blue Shield of Michigan approved amount, less any applicable deductible and/or copay amounts required by the plan. This coverage is provided pursuant to a contract entered into in the state of Michigan and shall be construed under the jurisdiction and according to the laws of the state of Michigan.

In-Network

Out-of-Network

Preventive Care Services – *Payment for preventive services is limited to a combined maximum of \$500 per member per calendar year

Health Maintenance Exam – includes chest X-ray, EKG and select lab procedures	Covered – 100%*, one per calendar year	Not covered
Gynecological Exam	Covered – 100%*, one per calendar year	Not covered
Pap Smear Screening - laboratory and pathology services	Covered – 100%*, one per calendar year	Not covered
Well-Baby and Child Care	Covered – 100%* • 6 visits, birth through 12 months • 6 visits, 13 months through 23 months • 2 visits, 24 months through 35 months • 2 visits, 36 months through 47 months • 1 visit per birth year, 48 months through age 15	Not covered
Immunizations	Covered – 100%*, up through age 16	Not covered
Fecal Occult Blood Screening	Covered – 100%*, one per calendar year	Not covered
Flexible Sigmoidoscopy Exam	Covered – 100%*, one per calendar year	Not covered
Prostate Specific Antigen (PSA) Screening	Covered – 100%*, one per calendar year	Not covered

Mammography

Mammography Screening	Covered – 80% after deductible	Covered – 60% after deductible
One per calendar year, no age restrictions		

Physician Office Services

Office Visits	Covered – \$30 copay	Covered – 60% after deductible, must be medically necessary
Outpatient and Home Visits	Covered – 80% after deductible	Covered – 60% after deductible, must be medically necessary
Office Consultations	Covered – \$30 copay	Covered – 60% after deductible, must be medically necessary
Urgent Care Visits	Covered – \$30 copay	Covered – 60% after deductible, must be medically necessary

Emergency Medical Care

Hospital Emergency Room	Covered – \$50 copay, waived if admitted or for an accidental injury	Covered – \$50 copay, waived if admitted or for an accidental injury
Ambulance Services – medically necessary	Covered – 80% after deductible	Covered – 80% after deductible

Diagnostic Services

Laboratory and Pathology Services	Covered – 80% after deductible	Covered – 60% after deductible
Diagnostic Tests and X-rays	Covered – 80% after deductible	Covered – 60% after deductible
Therapeutic Radiology	Covered – 80% after deductible	Covered – 60% after deductible

Maternity Services Provided by a Physician

Prenatal and Postnatal Care	Covered – 100% Includes care provided by a certified nurse midwife	Covered – 60% after deductible
Delivery and Nursery Care	Covered – 80% after deductible Includes delivery provided by a certified nurse midwife	Covered – 60% after deductible

Hospital Care

Semiprivate Room, Inpatient Physician Care, General Nursing Care, Hospital Services and Supplies Note: Nonemergency services must be rendered in a participating hospital	Covered – 80% after deductible	Covered – 60% after deductible
Unlimited days		
Inpatient Consultations	Covered – 80% after deductible	Covered – 60% after deductible
Chemotherapy	Covered – 80% after deductible	Covered – 60% after deductible

Alternatives to Hospital Care

Skilled Nursing Care	Covered – 80% after deductible Up to 120 days per calendar year	Covered – 80% after deductible
Hospice Care	Covered – 100% Limited to dollar maximum which is adjusted periodically	Covered – 100%
Home Health Care	Covered – 80% after deductible Unlimited visits	Covered – 80% after deductible

In-Network

Out-of-Network

Surgical Services

Surgery – includes related surgical services	Covered – 80% after deductible	Covered – 60% after deductible
Voluntary Sterilization	Covered – 80% after deductible	Covered – 60% after deductible

Human Organ Transplants

Specified Organ Transplants – in designated facilities only, when coordinated through the BCBSM Human Organ Transplant Program (1-800-242-3504)	Covered – 100%	Covered – in designated facilities only
	Up to \$1 million lifetime maximum per transplant type	
Bone Marrow – when coordinated through the BCBSM Human Organ Transplant Program (1-800-242-3504); specific criteria applies	Covered – 80% after deductible	Covered – 60% after deductible
Kidney, Cornea and Skin	Covered – 80% after deductible	Covered – 60% after deductible

Mental Health Care and Substance Abuse Treatment

Inpatient Mental Health Care	Covered – 50% after deductible	Covered – 50% after deductible
	Unlimited days	
Inpatient Substance Abuse Treatment	Covered – 50% after deductible	Covered – 50% after deductible
	Unlimited days, up to \$15,000 annual, \$30,000 lifetime maximum	
Outpatient Mental Health Care		
• Facility and Clinic	Covered – 50% after deductible	Covered – 50% after deductible
• Physician's Office	Covered – 50%	Covered – 50% after deductible
Outpatient Substance Abuse Treatment – in approved facilities	Covered – 50% after deductible	Covered – 50% after deductible
	Up to the state-dollar amount which is adjusted annually	

Other Services

Outpatient Diabetes Management Program (ODMP)	Covered – 80% after deductible	Covered – 60% after deductible
Allergy Testing and Therapy	Covered – 100%	Covered – 60% after deductible
Chiropractic Spinal Manipulation	Covered – 100%	Covered – 60% after deductible
	Up to 24 visits per calendar year	
Outpatient Physical, Speech and Occupational Therapy		
• Facility and Clinic	Covered – 80% after deductible	Covered – 80% after deductible
• Physician's Office – excludes speech and occupational therapy	Covered – 100%	Covered – 60% after deductible
	A combined 60-visit maximum per calendar year for physical therapy in the outpatient department of a hospital as well as in the physician's office	
Durable Medical Equipment	Covered – 80% after deductible	Covered – 80% after deductible
Prosthetic and Orthotic Appliances	Covered – 80% after deductible	Covered – 80% after deductible
Private Duty Nursing	Covered – 50% after deductible	Covered – 50% after deductible

Deductible, Copays and Dollar Maximums

Note: If you receive care from a nonparticipating provider, even when referred, you may be billed for the difference between our approved amount and the provider's charge.

Deductible	\$250 per member, \$500 family per calendar year Note: Deductible waived if service is performed in a PPO physician's office.	\$500 per member, \$1,000 family per calendar year Note: Out-of-network deductible amounts also apply toward the in-network deductible.
Copays		
• Fixed Dollar Copays	\$30 for office visits and \$50 for emergency room visits	\$50 for emergency room visits
• Percent Copays	20% for general services, waived if service is performed in a PPO physician's office, and 50% for mental health care, substance abuse treatment and private duty nursing	40% for general services and 50% for mental health care, substance abuse treatment and private duty nursing Note: Services without a network are covered at the in-network level.
Copay Dollar Maximums		
• Fixed Dollar Copays	None	None
• Percent Copays – excludes mental health care, substance abuse treatment and private duty nursing copays	\$500 per member, \$1,000 family per calendar year	\$4,000 per member, \$8,000 family per calendar year Note: Out-of-network copays also apply toward the in-network maximum.
Dollar Maximums	\$1 million lifetime per covered specified organ transplant type and a separate \$5 million lifetime per member for all other covered services and as noted above for individual services	

APPENDIX G

DEFERRED RETIREMENT OPTION PLAN (DROP)

A. OVERVIEW

Effective January 1, 2008 any Employee who is a member of the City of Sterling Heights Firefighters' Union (hereinafter the "Firefighters' Union") may at any time voluntarily elect to participate in the Sterling Heights Police and Fire Retirement System Deferred Retirement Option Plan (hereinafter "DROP") after attaining 22 years of service credit regardless of age. Upon commencement of DROP participation, the Participant's DROP Benefit shall be the dollar amount of his or her monthly pension benefit computed by using the contractual guidelines and formula(s) that are in effect on the DROP Date. During DROP participation, the Participant continues with full employment status and receives all future promotions and benefit/wage increases, and is considered an employee of the City, not a retiree. The Participant's DROP Benefit shall be credited monthly to the Participant's DROP Account which shall be established within the Defined Benefit Plan of the City of Sterling Heights Police and Fire Retirement System (the "Police and Fire Retirement System"). The Participant's DROP Account shall be maintained and managed by the Board of Trustees of the Police and Fire Retirement System (the "Retirement Board"). Upon termination of employment, the retiree may begin to receive payment or payments from his or her individual DROP Account as described herein. The DROP payment or payments are in addition to all other contractual pension benefits. The Participant is solely responsible for analyzing the tax consequences of participation in the DROP.

B. ELIGIBILITY

Effective January 1, 2008, any member of the Firefighters' Union may voluntarily elect to participate in the DROP at any time after attaining 22 years of service credit regardless of age. The member's election to participate in the DROP shall not operate to change or in any way modify the Retirement System's minimum requirement for a normal service retirement or pension.

C. PARTICIPATION PERIOD

The maximum period for participation in the DROP is three (3) years (the "Participation Period") but in no event shall the Participation Period extend beyond the date of the Participant's attainment of 25 years of actual service. There is no minimum time period for participation. A DROP Participant must cease employment with the City of Sterling Heights Fire Department either within three (3) years from the date of entering the DROP or upon attaining 25 years of actual service, whichever is earlier. The election to participate in the DROP is voluntary; however, an employee's application and election to participate in the DROP shall constitute an irrevocable election to terminate employment and retire no later than three (3) years after the effective DROP date or upon attaining 25 years of actual service, whichever is earlier.

Upon termination of employment, the retiree shall commence receipt of the monthly retirement benefit previously credited to their DROP Account, unless an Optional form of benefit is elected pursuant to Subsection E.

D. ELECTION TO PARTICIPATE

Once commenced, DROP Participation is IRREVOCABLE (except as specifically provided in Subsection M herein). An Employee who wishes to participate in the DROP, shall complete and sign such application form or forms as shall be required by the Retirement Board no less than 30 days, but no more than 90 days prior to their intended DROP Date. The Retirement Board shall review the application within a reasonable time period and make a determination as to the Employee's eligibility for participation in the DROP. On the Employee's effective DROP Date, he or she shall become a DROP Participant, and shall cease to accrue additional retirement benefits otherwise credited to active members of the Police and Fire Retirement System. The amount of credited service, multiplier and average final compensation shall be fixed as of the Participant's DROP Date. Increases in compensation and accrual of additional service during DROP Participation will NOT be factored into the pension benefits of active or former DROP Participants (except as specifically provided in Subsection L). A Participant's DROP Date only applies to the Employee's retirement benefit provisions as provided herein and not to any other contractual benefits or retiree medical benefits in effect or accruing after a Participant's DROP Date.

Except with regard to the retirement benefits expressly provided herein, DROP Participants will continue with full employment status with all rights and privileges afforded to employees of the Fire Department and this bargaining unit, including, but not limited to, future promotions, benefit/wage increases, union membership and representation, as well as, retirement system membership and Board representation.

E. DROP BENEFIT

The Participant's DROP Benefit shall be the regular monthly retirement benefit to which the Employee would have been entitled if the Employee had actually terminated employment and retired on the DROP Date (less the annuity withdrawal reduction as set forth in Subsection F and/or actuarial reductions as a result of the Employee electing an Optional form of benefit under the Plan, if applicable).

The calculation of the Employee's "Average Final Compensation" ("AFC") shall be based upon the contract provisions in effect on the Employee's DROP Date and to the extent applicable, shall include all monies which, if the Employee had terminated employment on their DROP Date, would have otherwise been included in calculating the Employee's AFC. The City's payment of "separation buyout monies" which have been included in AFC as provided herein and by Article 30 of this Agreement shall occur within 60 days of the Employee's effective DROP Date (i.e., retirement date). All vacation; sick, compensatory or personal time accruing after a Participant's effective DROP Date shall accrue and be governed by the provisions of this Agreement. It is expressly understood that the actual amount of "separation buyout monies" included in AFC and paid to the Employee at time of DROP election may be different in amount than the "separation buyout monies," if any, paid to the DROP Participant at actual termination of employment. The Participant's DROP Benefit shall be credited monthly to the Participant's individual DROP Account. A DROP Participant may either prior to his or her DROP date, or at the time of their termination of employment elect to receive his or her benefit in the form of the Police and Fire Retirement System's Option I or Option II benefit and nominate a named beneficiary in accordance with the Police

and Fire Retirement System provisions. A Participant's DROP Benefit that is credited monthly in to the Participant's DROP Account shall not change during the Participant's DROP Participation. A Participant desiring to change his or her form of benefit at termination of employment, must make such election prior to termination and will receive the actuarially computed revised benefit commencing on the Employee's effective date of termination.

The term "spouse" for purposes of survivorship benefit qualification of DROP Participants, shall mean:

- (1) the person to whom the Participant was legally married on the Participant's date of death if such death occurs during DROP Participation; or
- (2) the person to whom the retiree was legally married on both the effective date of termination of employment and the retiree's date of death in the event such death occurs after termination of employment. The definition of "spouse" herein may be amended pursuant to an Eligible Domestic Relations Order entered pursuant to Michigan Public Act 46 of 1991, as amended (MCL §38.1701 et seq.)

F. ANNUITY WITHDRAWAL

An Employee who elects to participate in the DROP (and correspondingly, ceases to accrue additional retirement benefits otherwise credited to active members of the Police and Fire Retirement System) may only elect the Annuity Withdrawal Option provided by the Police and Fire Retirement System at the time of electing DROP participation. Such election shall be made commensurate with the Participant's DROP election, but not thereafter, if the annuity withdrawal amount is withdrawn at the time of DROP election, said amount will be utilized to compute the actuarial reduction of the Participant's DROP Benefit, as well as his or her monthly retirement benefit from the Police and Fire Retirement System after termination of employment. If the Participant, pursuant to Subsection E, elects an Optional form of benefit upon termination of employment, or elected the annuity withdrawal option at the time of DROP participation, but did not withdraw their annuity at the time of DROP election, the Annuity Withdrawal reduction shall be re-determined upon termination of employment and the retiree's monthly retirement benefit adjusted. DROP Participants who do not elect the Annuity Withdrawal Option shall have their full unreduced benefit credited to their DROP Account.

G. DROP ACCOUNTS

For each individual DROP Participant, a DROP Account shall be created in which shall be accumulated the Participant's DROP Benefits, with interest described hereafter. All DROP Accounts shall be maintained for the benefit of each DROP Participant and will be managed by the Retirement Board in the same manner as the primary pension fund. DROP Interest for each DROP Participant shall be at a fixed rate of 4.0% per annum with interest credited on the first day of each month on the prior month's principal and interest balance. The Retirement Board shall provide each DROP Participant with an annual statement of his or her account activity. The reference to individual DROP Accounts shall be interpreted to refer to the accounting records of

the Police and Fire Retirement System and not to the actual segregation of moneys in the funds of the Police and Fire Retirement System.

H. CONTRIBUTIONS

The Employee's contributions to the Police and Fire Retirement System shall cease as of the Participant's DROP Date for each Employee entering the DROP. The payroll of DROP Participants will be included in the covered compensation upon which regular City contributions to the Police and Fire Retirement System are based. Employer contributions shall be credited to the Retirement System and not to any individual's DROP Account.

I. DISTRIBUTION OF DROP FUNDS

Upon termination of employment, the former DROP Participant must choose one, or a consistent combination, of the following distribution methods to receive payment(s) from his or her individual DROP Account:

- 1) A total lump sum distribution to the Participant or recipient;
- 2) A partial lump sum distribution to the Participant or recipient;
- 3) A lump sum direct rollover to another qualified plan to the extent allowed by federal law and in accordance with the Retirement Board's rollover procedures;
- 4) An annuity payable for the life of the Participant or recipient;
- 5) An optional form of annuity as established by Public Act 345 of 1937, as amended; or
- 6) No distribution, in which case the accumulated balance shall remain in the Plan to the extent allowed by federal law; Lump sum or partial lump sum distributions which would exceed Internal Revenue Code Section 415 limits will not be authorized. A former Participant may change his or her distribution method as may be applicable no more than once per year prior to June 30th of each year in accordance with such procedures and time guidelines as adopted by the Retirement Board. A former Participant may elect a total lump sum distribution for any remaining balance in his or her DROP Account at any time after termination of employment which will be paid within 90 days after receiving the former Participant's request. All benefit payments under the Plan shall be made (or commence in the case of an annuity) as soon as practical after entitlement thereto, but in no event later than the April 1st following the later of:
 - 1) The calendar year in which the Participant attains age 70 ½, or
 - 2) The calendar year in which the Participant's employment terminated.

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

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

J. DEATH DURING DROP PARTICIPATION

Except as otherwise provided in Subsection L, if a DROP Participant dies either before full retirement (i.e., before termination of service), or during full retirement (i.e., after termination of service), but before the DROP account balance has been fully paid out, the Participant's designated beneficiary or beneficiaries shall receive the remaining balance in the Participant's DROP Account in the manner in which they elect from the previously mentioned distribution methods (Subsection I). In the event the Participant has failed to name a beneficiary, the DROP account balance shall be payable to the Participant's beneficiary of benefits from the Police and Fire Retirement System. If there is no such beneficiary, the DROP account balance shall be paid in a lump sum to the Participant's estate. Benefits payable from the Police and Fire Retirement System shall be determined as if the DROP Participant had separated from service on the day prior to his or her date of death.

K. DISABILITY DURING DROP PARTICIPATION

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

L. SPECIAL PROVISION FOR DUTY DISABILITY AND DUTY DEATH

A DROP Participant who is found by the Retirement Board, in accordance with Retirement System provisions, to be totally and permanently incapacitated for duty by reason of a personal injury or disease occurring as the natural and proximate result of causes arising out of and in the course of the Employee's employment with the City, may retroactively revoke the Participant's DROP election if the revocation occurs before the payment of a distribution to the Employee from the Participant's DROP account or payment of disability or retirement benefits to the Employee from the Retirement System.

If a DROP Participant dies in the line of duty while in the employ of the City, the DROP Participant's eligible survivors (i.e., survivors qualified under Section 6(2) of Public Act 345 of 1937, as amended, and the Participant's applicable collective bargaining agreement) and the Participant's eligible DROP beneficiary or beneficiaries may, by unanimous agreement, retroactively revoke the Participant's DROP election if the revocation occurs within 90 days of Participant's date of death and before payment of a distribution from the Participant's DROP Account or payment of benefits from the Police and Fire Retirement System. If a DROP election revocation is made as prescribed by this Subsection, the Participant's DROP Account is not distributed and the Participant, or the Participant's beneficiary or beneficiaries as applicable, is entitled to

all benefits provided by the Police and Fire Retirement System as if a DROP election had not been made. In the event of revocation of DROP Participation as provided herein, there shall be no requirement for retroactive payment of employee contributions which would otherwise have been paid by the Employee to the Retirement System and the Employee shall receive service credit for all service rendered during DROP Participation or as otherwise provided in the applicable collective bargaining agreement.

M. PROMOTION

In the event a member of the Firefighters' Union is promoted to a position out of the bargaining unit, and has begun a DROP participation period, the member shall be allowed to complete the participation period.

N. INTERNAL REVENUE CODE COMPLIANCE

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

The DROP Account herein discussed shall be established as part of the Defined Benefit Plan of the Retirement System or such other plan as the Retirement Board and the Sterling Heights Fire Fighters Union shall agree upon (i.e., I.R.C. Section 415(m) benefit plan) after consultation with appropriate legal counsel.

O. BACK DROP PROVISION

Employees with more than 22 years of service credit shall have a sixty (60) day window period commencing January 1, 2008 through and including March 1, 2008 during which eligible employees (those on active payroll as of January 1, 2008) may file a retroactive DROP Election with the Retirement Board with a retroactive effective DROP date; provided the DROP period shall not exceed the greater of three (3) years or the employee's service credit in excess of twenty-five (25) years. Individuals with 25 or more years of actual service who elect to participate in the BACK DROP must terminate employment no later than March 1, 2008.