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6/30/2003

COLLECTIVE BARGAINING AGREEMENT
BETWEEN
CITY OF STERLING HEIGHTS
AND
MAPE EXECUTIVE GROUP

EFFECTIVE JULY 1, 1998 - JUNE 30, 2003

Sterling Heights, City of

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I	Agreement 1
ARTICLE II	Recognition 1
ARTICLE III	Union Rights 2
ARTICLE IV	Dues Checkoff 2
ARTICLE V	Agency Shop 3
ARTICLE VI	Seniority 4
ARTICLE VII	Stewards 5
ARTICLE VIII	Grievance Procedure 5
ARTICLE IX	Management Rights 8
ARTICLE X	Hours of Work 9
ARTICLE XI	Bereavement Leave 9
ARTICLE XII	Vacation 10
ARTICLE XIII	Holidays 10
ARTICLE XIV	Health Insurance 11
ARTICLE XV	Life Insurance 12
ARTICLE XVI	Sick Leave 12
ARTICLE XVII	On-Duty Disability 14
ARTICLE XVIII	Off-Duty Disability 15
ARTICLE XIX	Pension and Retirement 15
ARTICLE XX	Jury Duty 18
ARTICLE XXI	Travel Expense Reimbursement 19

ARTICLE XXII	Scope of Agreement	19
ARTICLE XXIII	Severability Savings	19
ARTICLE XXIV	Additional Benefits	19
ARTICLE XXV	No Strike - No Lockout	20
ARTICLE XXVI	Educational Assistance	20
ARTICLE XXVII	Residency	21
ARTICLE XXVIII	Performance Pay	21
ARTICLE XXIX	Overtime/Compensatory Time	22
ARTICLE XXX	Wages	22
ARTICLE XXXI	General	23
ARTICLE XXXII	Termination of Agreement	23

APPENDIX A - WAGES

APPENDIX B - COVERAGE DESCRIPTION AND LIMITS

ARTICLE I
AGREEMENT

1.1 This Agreement is made and entered into by and between the CITY OF STERLING HEIGHTS, Macomb County, Michigan, (hereinafter referred to as the "Employer"), the persons holding the Sterling Heights Administrative Positions of Finance Director, Public Development Director, Police Chief, Fire Chief, Community Relations Director, and City Clerk/Administrative Operations Director (hereinafter referred to as the "Employees"), and the MICHIGAN ASSOCIATION OF PUBLIC EMPLOYEES (MAPE), (hereinafter referred to as the "Union").

1.2 MAPE is recognized by the City of Sterling Heights as the official sole bargaining agent to represent the Sterling Heights Administrators in the positions of Finance Director, Public Development Director, Police Chief, Fire Chief, Community Relations Director, and City Clerk/Administrative Operations Director.

1.3 The Employer and the Union are desirous of continuing to work harmoniously together to promote and maintain high standards of conduct, efficiency and service and to provide such high quality service for the benefit of the citizens of the City of Sterling Heights.

1.4 This agreement supersedes and cancels all previous agreements, verbal or written, or based on alleged past practices between the City and the Union and constitutes the entire agreement between the parties. Any amendment or agreement supplemental hereto shall not be binding upon either party unless executed in writing by the parties hereto.

ARTICLE II
RECOGNITION

2.1 The Employer recognizes MAPE as the exclusive bargaining representative of the persons holding the positions of Finance Director, Public Development Director, Police Chief, Fire Chief, Community Relations Director, and City Clerk/Administrative Operations Director, for the purposes of collective bargaining with respect to rates of pay, wages, hours of employment and other conditions of employment in that bargaining unit.

2.2 The purpose of this Agreement is to set forth in writing all of the understandings and agreements reached between the parties and to provide an orderly and equitable means of resolving all future differences which may arise.

2.3 The City must reserve the right to reassign duties to maintain the efficiency of the Management organization. However, if duties are added or reassigned to members of the Union, the City is willing to meet and negotiate rates of pay for those additional responsibilities.

ARTICLE III
UNION RIGHTS

3.1 The Union Chairperson shall be afforded reasonable time during regular working hours, without loss of pay, for the processing of grievances provided that this does not interfere with or disrupt the operations of his/her department.

3.2 The Union, in contract negotiations, may be represented by not more than two (2) local Union representatives. In addition, the Union may be represented in contract negotiations by counsel and MAPE Union representatives. Two (2) Union representatives per session will be paid for hours worked if negotiations occur during the representatives' regularly scheduled work hours.

3.3 All employees are "at will" and shall serve at the pleasure of the City Manager. Appointments to positions shall be a one time appointment by the City Manager and confirmation by City Council. In the event the City Manager determines that the Employees' services are to be involuntarily discontinued after the first year of service, the Employee shall be entitled to have their wages and benefits continued for 150 work days (150 days x 7.5 hours) Employees will be represented by the Union for collective bargaining purposes only not for any discipline or discharge proceedings.

The employer recognizes that those persons serving as Police Chief or Fire Chief, who have been promoted from within the ranks of employment with the City, have the right to request the Act 78 Commission demotion to their formerly held position and rank. All other rules or regulations under Act 78 do not apply while they are members of this Bargaining Unit. Further, if such a request for demotion is granted, they shall not be eligible for any continuation in wage and benefits as contained in this section. If an individual is hired for the position of Police Chief or Fire Chief, not due to promotion, they shall have no right to request a demotion or any other rights under Act 78.

3.4 The Union may schedule meetings on city property insofar as such that meetings are not disruptive of the efficient operation of the Employer's business subject to the approval of the City Manager or his/her designate, which approval shall not be arbitrarily or unreasonably withheld. These meetings will be held during times other than scheduled work hours.

ARTICLE IV
DUES CHECKOFF

4.1 After the effective date of this Article and thereafter during the life of the collective bargaining agreement, and to the extent the laws of the State of Michigan permit, the City agrees to deduct from the pay of employees who are Union members, the regular, usual, periodic and uniform dues of the Union levied in accordance with the Constitution and By-Laws of the Union and which are uniformly required, or in the alternative, the service fee

provided, however, that the Union shall first present to the Employer a certified checkoff list consisting of a statement of the amount of dues and/or service fees certified by the Treasurer of the Union together with written authorization on a suitable form signed by the employee allowing such deductions and payment to the Union at least thirty (30) days prior to the date on which the dues and/or service fees are to be deducted.

4.2 The Union shall be fully responsible for the validity and correctness of the certified checkoff list and authorizations, and the Union shall indemnify and save the Employer harmless against any and all claims, demands, suits or other forms of liability that may arise out of or by reason of action taken or not taken by the Employer in reliance upon such certified checkoff list and authorization.

4.3 Dues shall be deducted in amounts determined by the Union from each month and shall be remitted to the Treasurer of the Union within fourteen (14) days thereafter with a list of the employees from whom dues have been deducted. In cases where a deduction is made that duplicated a payment that an employee already has made to the Union, or where a deduction is not in conformity with the provisions of the Union's Constitution and By-Laws, refunds to the employee will be made by the Union.

4.4 An employee shall cease to be subject to checkoff deductions beginning with the month immediately following the month in which he is no longer a member of the bargaining unit.

4.5 The City shall not be liable to the Union by reason of the requirements of this collective bargaining agreement for the remittance or payment of any sum other than those constituting actual deductions made from wages earned by employees. Deductions shall be made only in accordance with the provisions of this Agreement.

4.6 Employees who tender the dues or service fee shall be deemed to have met the conditions of this Article if they are not more than thirty (30) days in arrears in payment.

4.7 The Union shall accept into membership each employee who becomes eligible to be a member of the collective bargaining unit and who tenders to the Union the periodic dues uniformly required as a condition of acquiring or retaining membership in the Union.

ARTICLE V

AGENCY SHOP

5.1 The City, upon receipt of a payroll deduction authorization form signed by the employee, will deduct from that employee's wages the amount due to the Union and will forward same to the Treasurer of the Union once monthly. Failure of an employee to complete the "Authorization for Checkoff of Dues" form shall result in the Employer automatically deducting dues from the employee's paycheck in compliance with MCL 408.477.

5.2 All members of the bargaining unit shall, as a condition of employment, become members of the Union within thirty (30) days of employment or entering or re-entering the bargaining unit or pay a service fee for designated chargeable costs to the Union incurred in its representation of non-members.

5.3 The City, upon receipt of a written notice from the Union that an employee who has not paid the required service fee, shall terminate the employment of said employee within thirty (30) days from the date of said notice unless said employee re-instituted the payment of his service fee prior to the thirty (30) days period.

ARTICLE VI

SENIORITY

6.1 All employees shall acquire seniority based on their most recent starting date of full time employment with the City of Sterling Heights.

6.2 An up-to-date seniority list shall be furnished to the Union after execution of this Agreement and annually thereafter.

6.3 An employee shall lose his/her seniority and thus shall be terminated for the following reasons:

A. If the employee quits, resigns or retires.

B. If the employee is discharged.

C. If the employee is absent from work for three (3) working days without properly notifying the Employer, unless the reason for such absence is a permitted absence under the provisions of this collective bargaining agreement. Upon expiration of the three (3) day period, the Employer will send written notice to the employee by registered mail (return receipt requested) to his/her last known address that his/her seniority has been forfeited and his/her employment has been terminated.

D. If the employee does not return to work at the end of an approved leave without a reasonable and valid excuse.

E. If an employee is unable to return to work after 18 months from the date of a non-duty connected disability or 24 months for a duty connected disability.

F. At the sole discretion of the Employer, Sections C, D or E above may be waived.

ARTICLE VII

STEWARDS

7.1 The Union shall designate one member of the Executive Board as steward. The authority of the steward shall be limited to, and shall not exceed, the following duties and activities:

- A. Investigation and presentation of grievances.
- B. Transmission of messages and information which shall originate with and are authorized by the local Union or its officers.
- C. Communicating with MAPE Representatives and/or legal counsel regarding Union business and/or grievances.
- D. Attending meetings which relate to grievances, mediation, arbitration, fact-finding, unfair labor practices hearings or court proceedings.

7.2 The Union steward and/or MAPE representative shall represent employees and shall be authorized to resolve grievances and other employee matters on behalf of such employees in any step of the Grievance Procedure provided for in this Agreement. Such resolved grievances shall be final and binding on the Employer, employees and the Union.

ARTICLE VIII

GRIEVANCE PROCEDURE

8.1 A grievance is defined as an alleged violation of a specific article of this Agreement. Only the following articles contained therein shall not be grievable:

*Disciplinary action taken against an employee, including discharge, shall not be grievable because they are "at-will" employees.

*Performance Pay

8.2 Procedure:

Step One Prior to filing a formal grievance. The employee or his/her steward shall attempt to settle the Grievance by discussing the issue with the City Manager within ten (10) business days or knowledge of its occurrence. If the parties are unable to informally resolve the matter, it shall proceed to Step Two.

Step Two A formal written grievance stating the specific article and section of this Agreement alleged to be violated, together with the facts giving rise to

the grievance, the relief requested and signed by the employee, must be filed with the City Manager, within ten (10) business days of the Step One meeting. The City Manager shall meet with the aggrieved employee and the Union at a time and date mutually agreeable to the parties. The City Manager shall consider the matter and will give a written reply within thirty (30) calendar days from the date of submission of the grievance to the City Manager or within seven (7) calendar days of the meeting, whichever is less.

Step Three

In the event the decision rendered in Step Two is not satisfactory to the employee or to the Union, either the employee or the Union (on behalf of the employee) may invoke binding arbitration by filing a demand with the City Manager. Such demand for arbitration shall be submitted within twenty-eight (28) calendar days after receipt of the Step Two answer or expiration of the Step Two time limits.

8.3 Any grievance not advanced to the next step by the Union within the time limit in that step shall be deemed abandoned. If the Employer does not answer a grievance within the time limits prescribed in this Article, the grievance will be considered automatically referred to the next step of the Grievance Procedure. Time limits may be extended by mutual agreement in writing.

8.4 Any agreement between the Employer and the Union is binding on all members affected and cannot be changed by an individual employee.

8.5 The parties will use Federal Mediation and Conciliation Service (FMCS) to mutually select an arbitrator who will utilize American Arbitration Association (AAA) rules, confer with the parties, hold a hearing promptly and will issue his/her decision, in writing, not later than thirty (30) days from the date the hearing is completed. The arbitrator will set forth his/her findings of fact, reasons and conclusions on the issue(s) submitted.

8.6 The Arbitrator shall limit his/her decision strictly to the interpretation or enforcement of this Agreement, and;

A. Shall have no authority to require the City to purchase buildings, equipment or material.

B. Shall have no power to add to, subtract from, alter or modify any of the terms of this Agreement.

C. Shall have no authority to grant a wage increase or decrease, except in cases of Arbitration of new positions established by the City between contract periods.

D. Shall have no power to substitute his discretion for the City's discretion in cases where the City has been given discretion by this Agreement.

E. Shall have no power to decide any question, which under this Agreement is within the responsibility of Management to decide. In rendering decisions, an Arbitrator shall have due regard to the responsibility of Management and shall so construe this Agreement that there would be no interference with such responsibilities except as it may be specifically limited by this Agreement.

F. Shall have no authority to grant any relief for any period of time whatsoever prior to the execution date of this Agreement. This shall not be the case, however, with regard to grievances over wages, hours or other terms or conditions of employment, which were timely filed prior to the execution date of this Agreement.

G. The Arbitrator shall be without authority to require the City to delegate, alienate or relinquish any powers, duties, responsibilities, obligations or discretion, which by state Law or City Charter the City cannot delegate, alienate or relinquish.

H. The decision of the Arbitrator in a case shall not require a retroactive wage adjustment in another case, except by express agreement of the parties.

I. The decision of the Arbitrator shall be final and binding upon the City, the Union and the affected employee(s) and there shall be no appeal of the Arbitrator's decision if made in accordance with his jurisdiction and authority under this Agreement.

J. In the event a case is appealed to the Arbitrator and the Arbitrator finds that he has no power to rule on such a case, the matter shall be referred back to the parties without decision or recommendation on the merits of the case.

8.7 Fees and Expenses at Arbitration. The fees and expenses of the arbitrator, except all filing fees, shall be equally shared by the parties. All other expenses shall be borne by the party incurring them, and neither party shall be responsible for the expenses of the witness called by the other.

8.8 There shall be no reprisals of any kind by the Union or the Employer taken against the grieving employee, any party in interest or the steward or the Union or any other participant in the procedure set forth here by reason of such participation, but the foregoing shall not be interpreted to mean that the Employer waives any discipline of the grieving employee for the transactions or occurrences out of which the grievance arose.

ARTICLE IX
MANAGEMENT RIGHTS

9.1 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 relinquished herein are reserved to and remain vested in the City, including but without limiting the generality of foregoing and right to:

A. Manage its affairs efficiently and economically, including the determination of quality and quantity of services to be rendered, the control of materials, tools and equipment to be used and the discontinuance of any services, material or methods of operation.

B. Introduce new equipment, methods, machinery or processes, change or eliminate existing equipment and institute technological changes, decide on materials, supplies, equipment and tools to be purchased.

C. Subcontract or purchase any or all work, processes or services, or the construction of new facilities or the improvement of existing facilities.

D. Determine the number, location, and type of facilities and installations.

E. Determine the size of the work force and increase or decrease its size.

F. Hire, assign and lay off employees to reduce the work week or the work day or effect reductions in hours worked.

G. Permit municipal employees not included in the bargaining unit to perform bargaining unit work in cases of emergency.

H. Direct the work force, assign work and determine the number of employees assigned to operations.

I. Establish, change, combine or discontinue job classifications and prescribe and assign job duties content and classification.

J. Determine lunch, rest periods and cleanup times, the starting and quitting time and the number of hours to be worked.

K. Establish work schedules.

L. Discipline and discharge employees.

M. Adopt, revise and enforce working rules and carry out cost and general improvement programs.

N. Transfer, promote and demote employees from one classification, department or shift to another.

O. To select employees for promotion or transfer to other positions and to determine the qualifications and competency of employees to perform available work.

9.2 Nothing in this Article is intended to limit any other rights of Management not expressly included in this Article where the exercise of such right is not in conflict with any other provisions of this Agreement.

ARTICLE X

HOURS OF WORK

10.1 The regular work week shall consist of five (5) work days commencing on Monday and ending on Friday. The employer reserves the right to deviate from the established work schedule in cases of emergency.

10.2 The normal work day consists of seven and one-half (7.5) hours of work with a one (1) hour unpaid lunch break. Normal hours are 8:30 a.m. to 5:00 p.m. daily. Management reserves the right to change work hours. The City will give prior written notice to the Union of any change of normal work week hours and, if requested, will meet with the Union to discuss the changes.

10.3 Flex time scheduling, including the starting and quitting time, may be utilized with prior approval by the City Manager.

10.4 Employees called into work during non-scheduled working hours, or who are required to continue work immediately after his/her regular quitting time, shall be allowed adequate uncompensated time off to eat while performing such duties.

ARTICLE XI

BEREAVEMENT LEAVE

11.1 An employee shall be entitled to be paid for up to five (5) calendar days, including scheduled leave days, per funeral, to take care of matters subsequent to the burial caused by the death of the following members of the employee's family: spouse, parents, children, step-children, brother, sister, mother-in-law, father-in-law, brother-in-law, sister-in-law, grandparents, spouse's grandparents, grandchildren, and step-father, step-mother, and any dependent member of the employee's family residing in the employee's household. Employee will not receive pay for any scheduled leave days that fall during a funeral leave.

ARTICLE XII

VACATION

12.1 Vacation Leave. All regular, full time employees shall be entitled to paid vacation time on their anniversary date as follows:

Years of Service	Days Credited
1 to 9	15
10 to 11	18
12 to 25	20
25 or more	25

Vacation days can only be accumulated in the amount not to exceed thirty (30) days, except that employees will have the following year to use the vacation credited for the year just earned or have the option of being paid for up to 10 days of unused vacation days in excess of 30 at 100%.

12.2 No employee shall be eligible to take vacation time until he has earned it. Vacation time may not be taken in the same year based upon monthly accrual except in emergencies as approved in writing by the City Manager.

12.3 Employees who lose time due to on-the-job disability under Worker's Compensation shall receive their vacation as though the time was worked up to a maximum of one year.

12.4 In the case of retirement, resignation or death of an employee, her or his estate will be paid for all vacation days which have accumulated to their credit, plus a pro-rata share of vacation earned for any months of the year of retirement, resignation, or death.

ARTICLE XIII

HOLIDAYS

13.1 All employees will be eligible to receive holidays off with pay under the following regulations;

Paid holidays are designated as:

New Year's Day
Good Friday
Memorial Day
Fourth of July
Labor Day
Veterans Day

Thanksgiving Day
Day after Thanksgiving
December 24th
Christmas Day
December 31st

13.2 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.

ARTICLE XIV
HEALTH INSURANCE

14.1 The City shall provide dental insurance at no cost to the employee. See Appendix B for coverage description and limits.

14.2 Medical and hospitalization benefits will be provided to employees, including family coverage, at no cost to the employee. The base coverage shall be the Blue Cross/Blue Shield Community Blue PPO with the CB-PCM, CB-ET \$25.00, CB-OV \$5.00, CB-MH 20%, Preferred RX \$5.00 and PDCM drug riders. Employees will have the option of choosing Blue Care Network, Health Alliance Plan or Blue Cross/Blue Shield Traditional coverage with the VST, PSA and Preferred RX (\$5.00) drug riders. Any additional costs in excess of the base coverage will be paid by the employee through payroll deduction. The illustrative rates determined by Blue Cross/Blue Shield for the Community Blue PPO shall be the rates used to determine the excess cost an employee will be responsible to pay.

14.3 The Master Medical annual deductible amount for the BC/ BS Traditional coverage shall be One Hundred (\$100) Dollars for single persons and Two Hundred (\$200) Dollars for two persons and family coverage.

14.4 Health Insurance Allowance. The Employer has a program to coordinate and to eliminate overlapping health care coverage. Each full-time employee or retiree who chooses not to join any Employer-sponsored health care plan (Blue Cross/Blue Shield or Community Blue PPO), and whose spouse or parent has coverage provided, shall be paid One Thousand (\$1,000.00) Dollars each year for every year that the spouse or parent has coverage. Payments will be made annually, in December, to each employee who has not been on any Employer-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.

14.5 Employees shall be required to show proof that a spouse or parent has health care coverage that includes the employee and their dependents before said employee will be declared eligible to receive the One Thousand (\$1,000.00) Dollars annual payment.

14.6 Employees or retirees whose spouse or parents' health care plans cease to cover the employee and their dependents, must re-enroll in an Employer-sponsored Health Care Plan. In such cases, the employee shall be allowed to enroll in an Employer sponsored plan immediately subject to the appropriate health insurance carrier's implementation.

14.7 Annual Physical Exam. Employees shall be required to submit to an annual physical check-up at a hospital facility designated by the City. The cost of the annual physical exam shall be borne by the Employer. The employee shall also have the option of having this exam performed by their own physician; however, the City's cost shall not exceed that paid to its provider.

14.8 The City will provide a maximum reimbursement of One Hundred and Fifty (\$150.00) Dollars to all employees in the bargaining unit for eye examinations and prescription eyewear every other fiscal year beginning with the 1998/99 fiscal year. Receipts must be provided to the City for processing the payment.

ARTICLE XV

LIFE INSURANCE

15.1 Life insurance and Accidental Death and Dismemberment Coverage will be carried for each employee by the Employer at no cost to the employee. Coverage will be as follows:

The coverage shall be in the amount of one and one-half (1-1/2) times the employee's annual salary for the Life Insurance and the same level of coverage for the Accidental Death and Dismemberment.

Reduction in benefit levels or coverage shall be determined by the policy. The City makes no assurances as to policy wording.

15.2 Life Insurance for Retirees. Members of this unit who have retired shall be provided Ten Thousand (\$10,000) Dollars worth of term life insurance. The premium for said policy shall be paid by the City. This coverage shall be maintained by the Employer until the retiree reaches the age of seventy (70).

ARTICLE XVI

SICK LEAVE

16.1 A. All full-time regular employees shall accrue sick leave at the rate of one (1) day (7-1/2 hours) for all classifications, for each full month paid status of employment. Maximum sick leave earned per year shall be twelve (12) days.

- B. Employees off sick shall be required to provide verification of an illness from a physician if requested by the City Manager. The Employer may require an examination of the employee following an illness or injury, by a doctor of Employer's choice on city time and city expense.
- C. At the end of the first bi-weekly pay period ending in June, employees will have all days in excess of 7 days in their sick bank converted to personal time. If the personal time is not used by the end of the first bi-weekly period ending in June of the next year, the employee will receive compensation on the basis of fifty percent (50%) of their hourly rate.
- D. Accumulated sick leave may be used in the following manner:
 - 1. Acute personal illness or incapacity over which the employee has no reasonable control.
 - 2. Absence from work because of exposure to a contagious disease which, according to public health standards, would constitute danger to health of others by the employee's attendance at work.
 - 3. Employees may utilize sick leave in one (1) hour increments based upon the following criteria: 1) employees must request the leave in advance, indicating on the request for leave the doctor's/dentist's name and address 2) the employee may be required to provide the Employer with a receipt from the doctor and/or dentist.
- E. Employees using 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.
- F. No employee can draw more than the 37-1/2 hours of sick leave during a weekly period.
- G. An employee absent for more than one month, with the exception of paid vacation and paid leave of absence, will earn a sick leave day for the first month only.
- H. Upon the employee's death, retirement, or resignation, the City will pay fifty (50%) percent of the accumulated unused sick bank.

ARTICLE XVII

ON-DUTY DISABILITY

17.1 For loss of time on account of injury or illness arising out of and in the course of employment with the City for which an employee is receiving Worker's Compensation disability benefits, an employee shall receive full pay for up to thirty (30) calendar days without drawing on his sick leave accumulation for any one injury or illness, but shall not be allowed on a recurrence of the same injury or illness.

17.2 During the first twenty-four (24) months of such a Worker's Compensation disability, the Employer will continue to provide hospitalization insurance, life insurance, and dental insurance at no cost to the employee. Sick leave will be earned only during the first month.

17.3 If an employee is unable to return to work after twenty-four (24) months from the date of the duty-connected disability, the Employer shall cease to provide the individual the benefits outlined in the paragraph above. If there is leave time remaining, such leave time shall be paid to the employee calculated at the rate the employee was paid at the time of the disability. Unused sick leave will be computed at fifty (50) percent. Accrued vacation time will be compensated at one hundred (100) percent.

17.4 Disrupted Injury/Illness. If there is a dispute as to the duty relatedness of an employee's disability, that issue shall be submitted to the Michigan Bureau of Worker's Compensation for a determination of whether the employee's disability arose out of and in the course of his/her employment as those terms are defined under the Worker's Disability Compensation Act. The parties recourse from that determination will be that provided by law and does not preclude any administrative or judicial appeals. In the event of a contested Worker's Compensation claim, disability insurance benefits may be available, depending on terms and conditions of the policy.

17.5 Employees who lose time on account of injury or illness arising out of and in the course of employment with the City shall continue as a seniority employee for a period of twenty-four (24) months from the date of such disability. An employee who is unable to return to work at the end of the twenty-four (24) month-period, shall cease to be a seniority employee.

17.6 Employees who lose time due to on-the-job disability under Worker's Compensation shall receive their vacation as though the time was worked up to a maximum of one (1) year.

ARTICLE XVIII

OFF-DUTY DISABILITY

18.1 At no cost to the full-time regular employee, the Employer will provide disability insurance. The terms of this insurance appear in Appendix C. The City provides no guarantees or assurances regarding the disability policy eligibility.

18.2 Employees who lose time from work on account of non-duty injury or illness may utilize their available sick leave and during the short term disability waiting period seven (7) days, vacation and/or compensatory time may be approved for utilization upon exhausting the available sick time. During the first six (6) months of a non-duty connected disability, the Employer will continue to provide hospitalization insurance, life insurance, and dental insurance. Sick leave and vacation leave will be earned only during the first month of non-duty connected disability.

18.3 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 set forth in the preceding paragraph, except as may be required by law.

18.4 The City will continue a non-duty disabled employee's health coverage, when they have filed a disputed Worker's Compensation claim, for a maximum of 18 months or until the disputed claim is decided, whichever is earlier. Should the injury be determined to be not work related, then the employee shall pay the cost for those excess months of coverage back to the City over a equal amount of time that the coverage was provided.

18.5 If an employee is unable to return to work after twelve (12) months from the date of the non-duty connected disability, all remaining leave time shall be paid to be employee based upon the hourly rate the employee was earning at the time of the disability. The remaining unused sick leave will be computed at fifty (50) percent. Accrued vacation and, if appropriate, personal time will be compensated at one hundred (100%) percent.

18.6 An employee who is unable to return to work after eighteen (18) months from the date of the non-duty connected disability shall cease to be a seniority employee.

ARTICLE XIX

PENSION AND RETIREMENT

19.1 For all employees who are hired by the City prior to October 1, 1997 and are members of the Bargaining Unit a Defined Benefit Pension Plan will be provided to employees in the Bargaining Unit as of the date of the signing of this Agreement, per Chapter 41 Article 2 of the City of Sterling Heights Code of Ordinances, including those benefits provided in Section 41-55 thereof. For the purposes of this article, the term "retiree" is defined as any employee who retires by virtue of fulfilling the age and service requirements for retirement and who immediately upon leaving the Sterling Heights employment receives

retirement benefits from the duly established City of Sterling Heights Retirement System. Employees who retire as a result of a duty-connected disability are likewise included. The age and service requirements for the above mentioned employees are as follows: attaining age 60 and having ten (10) or more years of service, attaining age 55 and having twenty-five (25) or more years of service, or thirty (30) years of service.

However, only those employees that were members of this Bargaining Unit on January 1, 1998 shall be eligible to fulfill the age and service requirements equal to years of service plus age totaling 70 or more for retirement.

19.1.A. All new employees of the City who are hired after October 1, 1997 and are members of the Bargaining Unit shall receive retirement benefits through a defined contribution plan established by the City of Sterling Heights per Chapter 41 Article 1 of the Sterling Heights Code. Such new members will not be entitled to the retirement benefits provided pursuant to Chapter 41 Article 2 of Sterling Heights Code of Ordinances. Such defined contribution plan benefits shall be in lieu of all pension entitlements provided in the City of Sterling Heights Charter or Chapter 41 of Sterling Heights Code of Ordinances. Employer's contribution to the Defined Contribution Plan shall be 7% of base wages. Employee's contribution to the Defined Contribution Plan shall be 5% based on gross employee earnings. While the defined contribution plans are mandatory for new hires of the City after October 1, 1997, it shall also be an option for existing members of this Bargaining Unit who may choose such benefits in lieu of those provided by the Sterling Heights Charter or Chapter 41 of Sterling Heights Code of Ordinances and for those City employees who are hired by the City prior to October 1, 1997 and become members of this Bargaining Unit as a result of a promotion or job transfer..

19.2 The pension multiplier is 2.3 for those members who retire under this agreement excluding the police and fire chief. Final average compensation shall be based on the best three (3) years of the last ten (10) years. Final average compensation shall include all taxable income received, excluding allowances and reimbursements, in computing employee contribution and final average compensation, and shall include income paid into any deferred compensation plan. Pension shall be vested after ten (10) years service.

19.3 In the event of an employee's death who has 10 or more years of service, survivor pension benefits will be provided to the deceased employee's spouse in accordance with Section 41-34 of the City of Sterling Heights Code of Ordinances.

19.4 A retiree who elects to receive a reduced retirement income based upon the joint and survivor method where in the retiree's spouse shall be eligible to receive said reduced pension income, for the remainder of his/her life should the retiree predecease said beneficiary, may on a one-time basis, revert to one hundred (100%) percent of the amount provided said retiree for a straight life pension should the designated beneficiary predecease the retiree. Any extra cost associated with a retiree's election of this "Pop-Up" provision,

will be paid by the employee, in the form of a further reduced pension amount determined by the G.E.R.S. Actuaries.

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

19.6 Annuity Withdrawal. Members in the Bargaining Unit shall have available to them, in addition to the retirement options already in place for the defined benefit pension plan, an annuity withdrawal option as follows:

- A. Definition. The annuity withdrawal is the option that allows members to withdraw their accumulated contribution (with interest) at retirement and thereby forfeit the portion of their retirement allowance which was financed by their contributions.
- B. A member wishing to elect this option must make written application to the General Employee Retirement System Pension Board no later than thirty (30) days prior to the effective date of their retirement. The thirty (30) day notice may be waived at the sole discretion of the Pension Board, however, under no circumstance can it be increased.
- C. The parties agree that the Merrill-Lynch Bond Index will be used for the purposes of computing the annuity withdrawal option. The most current index prior to the member's retirement date shall be used. This option is only available for normal service retirement. A member who elects that annuity withdrawal option shall have their annual pension reduced accordingly as determined by the Pension Board Actuaries.
- D. Employee Contributions for prior municipal service or military service buybacks are not included in an annuity withdrawal.
- E. Duty Disabled retirees shall be allowed the option to take their annuity withdrawal under this Section at the time of their duty disability retirement rather than at the time of conversion to a regular service retirement.

19.7 Health Insurance for Retirees. The Employer agrees to provide to any employee covered by this Agreement who retires on or after July 1, 1998, Blue Cross/Blue Shield health, comparable to the coverage employee and spouse were receiving at the time of retirement. However, the employer's cost shall not exceed the monthly cost to provide the base coverage Blue Cross/Blue Shield Community Blue PPO. Any additional cost shall be paid by the employee.

- A. Such coverage to be fully paid by the Employer and will be provided to the surviving spouse if the surviving spouse pension option is chosen by the

Command Officers for the Police Chief. The Police Chief and Fire Chief may have the option to convert to a defined contribution plan as provided under this Agreement. However, they are ineligible to receive the benefits set forth in this agreement for vacation time or holidays.

24.2 The City agrees to defend, indemnify and hold harmless employees covered hereunder, as to suits brought against those employees individually, for negligent acts committed during, out of, and in the course of their employment with the City.

24.3 For purposes of defining termination "in good standing," any employee covered by this agreement must have a minimum of one (1) year of employment with the City before qualifying for payout of any accrued time banks.

ARTICLE XXV

NO STRIKE - NO LOCKOUT

25.1 Under no circumstances will the Union cause or authorize or permit its members to cause, nor will any member of the bargaining unit take part in any strike, sit-down, stay-in or slowdown or any violation of any State law. In the event of a work stoppage or other curtailment, the Union shall immediately instruct the involved employees, in writing, that their conduct is in violation of the contract, and that all such persons shall immediately cease the offending conduct.

25.2 The Employer will not lock out any employees of the bargaining unit during the term of this Agreement.

ARTICLE XXVI

EDUCATIONAL ASSISTANCE

26.1 The Educational Assistance Program is offered to encourage employees to improve their present job skills, thereby increasing their productive value to the City. Such a program will also assure the establishment of a quality work force, assisting employees in preparing for future advancement within the City.

26.2 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.

26.3 The following provisions are established to govern the administration of the City's Educational Assistance Program:

- A. Applications for educational assistance may be made by any full-time employee and will be submitted to the City Manager for approval and be related to the employee's present job.

- B. Applications will not 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.).
- C. Reimbursement shall be made only for course work completed at accredited high schools, trade schools, colleges, and universities. .
- D. There shall be a 75 percent reimbursement for tuition, lab fees, and required textbooks to a maximum of \$3000/year based upon courses completed with a "C" or numerical equivalent, or for non-graded courses when the grade received is "satisfactory" or "passing."

ARTICLE XXVII

RESIDENCY

27.1 All members of the Bargaining Unit who are residents of the City as of July 1, 1993, must remain residents of the City of Sterling Heights. Any new employees appointed to any position in the Bargaining Unit must become a resident of the City within one year of their appointment. This provision supersedes any residency requirement set forth in the City Charter.

ARTICLE XXVIII

PERFORMANCE PAY

28.1 Effective July 1, 1998, and each year thereafter, all employees will receive a bonus based upon their job performance and their years of service. During the prior respective fiscal year, all employees shall have been evaluated by the City Manager. Those employees that receive a "meets expectations" or better shall be entitled to the performance pay the following July based upon the following schedule:

- 2 percent of base pay after 5 years of continuous service
- 4 percent of base pay after 10 years of continuous service
- 6 percent of base pay after 15 years of continuous service
- 8 percent of base pay after 20 years of continuous service
- 10 percent of base pay after 25 years of continuous service

28.2 Employees who receive a performance evaluation below "meets expectations" will not receive performance pay. Those employees not satisfied with their performance rating may appeal the decision in writing to the City Manager within five (5) days of the evaluation, outlining reasons for the appeal. A meeting will be held with the City Manager to discuss the issue and at the employee's option, a representative of MAPE may be present. A final written decision from the Manager will be rendered, within five (5) days of the meeting. This decision shall be final and binding.

ARTICLE XXIX
OVERTIME/COMPENSATORY TIME

29.1 At the Employer's discretion, Employees may be allowed compensatory time for all hours worked in excess of thirty-seven and one-half (37.5) hours in one work week. These hours are earned at the rate of one and one-half (1.5) hours for each additional hour worked. There shall be no maximum accumulation of compensatory hours.

29.2 Compensatory time may be taken by the employee subject to prior approval by the City Manager. Employees will be allowed to use compensatory time within a reasonable period after a request unless said time off would be unduly disruptive of normal work shift.

29.3 Employees shall be compensated at their regular hourly rate for all compensatory hours up to 120 hours. In addition, employees shall be compensated for up to 75 hours for compensatory time in excess of 225 hours. Example: An employee with 360 hours of compensatory time would receive pay for the first 120 hours, no pay for the next 105 hours (225 hours), an additional 75 hours pay (300 hours), and then no compensation for the last 60 hours. Upon death, retirement or resignation, the employee or their estate shall be paid for any unused hours up to the maximum established per this article.

29.4 An employee shall receive payment in lieu of their unused accumulated compensatory time calculated at the end of the first biweekly pay period in June each year, and paid as soon as reasonably possible thereafter. However, at the employee's option, they may elect to carry over into the next fiscal year up to twenty (20) hours of compensatory time in their compensatory bank. All hours not carried over into the next fiscal year, previously compensated or not used, shall be lost. Upon death, retirement or resignation, the employee or their estate shall be paid for any unused hours up to the maximum established per this article.

ARTICLE XXX
WAGES

30.1 Effective July 1, 1998, all positions shall receive a 3 percent increase. Effective July 1, 1999, all positions shall receive a 4 percent increase. Effective July 1, 2000, all positions shall receive a 3% increase. Effective July 1, 2001, all positions shall receive a 3% increase. Effective July 1, 2002, all positions shall receive a 2% increase. (See Appendix A).

The Police Chief and Fire Chief shall maintain a minimum salary of 5% more than the next subordinate position in their departments.

ARTICLE XXXI

GENERAL

31.1 The City agrees to produce and distribute to unit members and MAPE a copy of the ratified collective Bargaining Agreement and ten (10) additional copies.

31.2 Employees may submit a request for travel and/or training for conference or seminars that will increase the knowledge and expertise of the executive, in accordance with the City travel and training policy.

31.3 Wages, hours and conditions of employment, legally in effect at the execution of this Agreement, shall except as improved herein be maintained during the term of this Agreement.

ARTICLE XXXII

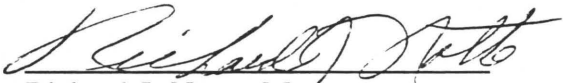
TERMINATION OF AGREEMENT

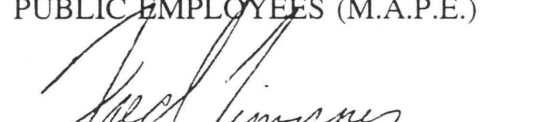
32.1 This Agreement shall remain in full force and effect from July 1, 1998, until midnight of June 30, 2003. The parties will commence negotiations 45 days prior to the contract expiration date.


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

CITY OF STERLING HEIGHTS

MICHIGAN ASSOCIATION OF
PUBLIC EMPLOYEES (M.A.P.E.)


Richard J. Notte, Mayor


Fred Timpriet, Labor Relations Specialist


Steve M. Duchane, City Manager


Jerry Verougstraete


Virginia W. Fette

Dated: 6-16-98

July 1, 1998

3%

POSITION	A	B	C	D	E	F	G
<u>Admin. Operations Director/City Clerk</u>							
ANNUAL	60,717	63,753	66,943	70,289	73,803		
hrly	31.137	32.694	34.330	36.046	37.848	0.000	0.000
bi-wk	2335.28	2452.05	2574.75	2703.45	2838.60	0.00	0.00
<u>Community Relations Director</u>							
ANNUAL	62,444	65,560	68,840	72,284	75,897		
hrly	32.023	33.621	35.303	37.069	38.922	0.000	0.000
bi-wk	2401.73	2521.58	2647.73	2780.18	2919.15	0.00	0.00
<u>Finance Director</u>							
ANNUAL	62,440	65,560	68,838	72,284	75,895		
hrly	32.021	33.621	35.302	37.069	38.921	0.000	0.000
bi-wk	2401.58	2521.58	2647.65	2780.18	2919.08	0.00	0.00
<u>Public Development Director</u>							
ANNUAL	62,440	65,560	68,838	72,284	75,895		
hrly	32.021	33.621	35.302	37.069	38.921	0.000	0.000
bi-wk	2401.58	2521.58	2647.65	2780.18	2919.08	0.00	0.00
<u>Police Chief</u>							
ANNUAL	63,893	67,089	70,445	73,967	77,664		
hrly	32.766	34.405	36.126	37.932	39.828	0.000	0.000
bi-wk	2457.45	2580.38	2709.45	2844.90	2987.10	0.00	0.00
<u>Fire Chief</u>							
ANNUAL	62,700	65,835	69,129	72,584	76,213		
hrly	32.154	33.762	35.451	37.223	39.084	0.000	0.000
bi-wk	2411.55	2532.15	2658.83	2791.73	2931.30	0.00	0.00

July 1, 1999

4%

POSITION	A	B	C	D	E	F	G
<u>Admin. Operations Director/City Clerk</u>							
ANNUAL	63,144	66,303	69,620	73,101	76,755		
hrly	32.382	34.002	35.703	37.488	39.362	0.000	0.000
bi-wk	2428.65	2550.15	2677.73	2811.60	2952.15	0.00	0.00
<u>Community Relations Director</u>							
ANNUAL	64,942	68,183	71,594	75,176	78,934		
hrly	33.304	34.966	36.715	38.552	40.479	0.000	0.000
bi-wk	2497.80	2622.45	2753.63	2891.40	3035.92	0.00	0.00
<u>Finance Director</u>							
ANNUAL	64,938	68,183	71,592	75,176	78,932		
hrly	33.302	34.966	36.714	38.552	40.478	0.000	0.000
bi-wk	2497.65	2622.45	2753.55	2891.40	3035.85	0.00	0.00
<u>Public Development Director</u>							
ANNUAL	64,938	68,183	71,592	75,176	78,932		
hrly	33.302	34.966	36.714	38.552	40.478	0.000	0.000
bi-wk	2497.65	2622.45	2753.55	2891.40	3035.85	0.00	0.00
<u>Police Chief</u>							
ANNUAL	66,450	69,772	73,263	76,925	80,770		
hrly	34.077	35.781	37.571	39.449	41.421	0.000	0.000
bi-wk	2555.78	2683.58	2817.83	2958.67	3106.58	0.00	0.00
<u>Fire Chief</u>							
ANNUAL	65,207	68,468	71,894	75,488	79,261		
hrly	33.440	35.112	36.869	38.712	40.647	0.000	0.000
bi-wk	2508.00	2633.40	2765.18	2903.40	3048.53	0.00	0.00

July 1, 2000

3%

POSITION	A	B	C	D	E	F	G
<u>Admin. Operations Director/City Clerk</u>							
ANNUAL	65,038	68,292	71,709	75,295	79,058		
hrly	33.353	35.022	36.774	38.613	40.543	0.000	0.000
bi-wk	2501.48	2626.65	2758.05	2895.98	3040.73	0.00	0.00
<u>Community Relations Director</u>							
ANNUAL	66,890	70,229	73,741	77,432	81,301		
hrly	34.303	36.015	37.816	39.709	41.693	0.000	0.000
bi-wk	2572.73	2701.13	2836.20	2978.18	3126.98	0.00	0.00
<u>Finance Director</u>							
ANNUAL	66,886	70,229	73,739	77,432	81,299		
hrly	34.301	36.015	37.815	39.709	41.692	0.000	0.000
bi-wk	2572.58	2701.13	2836.13	2978.18	3126.90	0.00	0.00
<u>Public Development Director</u>							
ANNUAL	66,886	70,229	73,739	77,432	81,299		
hrly	34.301	36.015	37.815	39.709	41.692	0.000	0.000
bi-wk	2572.58	2701.13	2836.13	2978.18	3126.90	0.00	0.00
<u>Police Chief</u>							
ANNUAL	68,443	71,865	75,461	79,232	83,194		
hrly	35.099	36.854	38.698	40.632	42.664	0.000	0.000
bi-wk	2632.42	2764.05	2902.35	3047.40	3199.80	0.00	0.00
<u>Fire Chief</u>							
ANNUAL	67,163	70,521	74,051	77,752	81,638		
hrly	34.443	36.165	37.975	39.873	41.866	0.000	0.000
bi-wk	2583.23	2712.38	2848.13	2990.48	3139.95	0.00	0.00

July 1, 2001

3%

POSITION	A	B	C	D	E	F	G
<u>Admin. Operations Director/City Clerk</u>							
ANNUAL	66,990	70,342	73,860	77,553	81,430		
hrly	34.354	36.073	37.877	39.771	41.759	0.000	0.000
bi-wk	2576.55	2705.48	2840.78	2982.83	3131.93	0.00	0.00
<u>Community Relations Director</u>							
ANNUAL	68,897	72,335	75,952	79,755	83,740		
hrly	35.332	37.095	38.950	40.900	42.944	0.000	0.000
bi-wk	2649.90	2782.13	2921.25	3067.50	3220.80	0.00	0.00
<u>Finance Director</u>							
ANNUAL	68,893	72,335	75,950	79,755	83,738		
hrly	35.330	37.095	38.949	40.900	42.943	0.000	0.000
bi-wk	2649.75	2782.13	2921.17	3067.50	3220.73	0.00	0.00
<u>Public Development Director</u>							
ANNUAL	68,893	72,335	75,950	79,755	83,738		
hrly	35.330	37.095	38.949	40.900	42.943	0.000	0.000
bi-wk	2649.75	2782.13	2921.17	3067.50	3220.73	0.00	0.00
<u>Police Chief</u>							
ANNUAL	70,496	74,022	77,725	81,609	85,690		
hrly	36.152	37.960	39.859	41.851	43.944	0.000	0.000
bi-wk	2711.40	2847.00	2989.43	3138.83	3295.80	0.00	0.00
<u>Fire Chief</u>							
ANNUAL	69,178	72,637	76,272	80,084	84,087		
hrly	35.476	37.250	39.114	41.069	43.122	0.000	0.000
bi-wk	2660.70	2793.75	2933.55	3080.18	3234.15	0.00	0.00

July 1, 2002

2%

POSITION	A	B	C	D	E	F	G
<u>Admin. Operations Director/City Clerk</u>							
ANNUAL	68,329	71,748	75,338	79,103	83,058		
hrly	35.041	36.794	38.635	40.566	42.594	0.000	0.000
bi-wk	2628.08	2759.55	2897.63	3042.45	3194.55	0.00	0.00
<u>Community Relations Director</u>							
ANNUAL	70,276	73,782	77,471	81,350	85,415		
hrly	36.039	37.837	39.729	41.718	43.803	0.000	0.000
bi-wk	2702.93	2837.78	2979.67	3128.85	3285.23	0.00	0.00
<u>Finance Director</u>							
ANNUAL	70,272	73,782	77,469	81,350	85,413		
hrly	36.037	37.837	39.728	41.718	43.802	0.000	0.000
bi-wk	2702.78	2837.78	2979.60	3128.85	3285.15	0.00	0.00
<u>Public Development Director</u>							
ANNUAL	70,272	73,782	77,469	81,350	85,413		
hrly	36.037	37.837	39.728	41.718	43.802	0.000	0.000
bi-wk	2702.78	2837.78	2979.60	3128.85	3285.15	0.00	0.00
<u>Police Chief</u>							
ANNUAL	71,906	75,502	79,279	83,241	87,404		
hrly	36.875	38.719	40.656	42.688	44.823	0.000	0.000
bi-wk	2765.63	2903.93	3049.20	3201.60	3361.73	0.00	0.00
<u>Fire Chief</u>							
ANNUAL	70,562	74,090	77,797	81,685	85,768		
hrly	36.186	37.995	39.896	41.890	43.984	0.000	0.000
bi-wk	2713.95	2849.63	2992.20	3141.75	3298.80	0.00	0.00

APPENDIX B

Blue Cross/Blue Shield Dental Plan

Coverage Description and Limits

The Blue Cross/Blue Shield of Michigan Dental Plan pay reasonable charges for covered expenses with NO deductible.

- Class I: Diagnostic services, preventive services, and palliative treatment are covered at 75 percent of reasonable charges.
- Class II: Restorative, endodontic, periodontic services, oral surgery, repairs, adjustments and relining of dentures and bridges and adjunctive general services are covered at 75 percent of reasonable charges.
- Class III: Construction and replacement of dentures and bridges are covered at 75 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.