

4220

6/30/2001

LABOR AGREEMENT

BETWEEN

ALCONA COUNTY ROAD COMMISSION

AND

TEAMSTERS UNION LOCAL 214

EFFECTIVE

FROM JULY 1, 1997 THROUGH JUNE 30, 2001

Alcona County Road Commission

INDEX

<u>ARTICLE I - MANAGEMENT</u>	<u>Page 1</u>
<u>ARTICLE II - RECOGNITION - UNIT SECURITY</u>	<u>Page 2</u>
<u>ARTICLE III - STEWARDS</u>	<u>Page 4</u>
<u>ARTICLE IV - PROTECTION OF RIGHTS</u>	<u>Page 5</u>
<u>ARTICLE V - LIMITATION OF AUTHORITY AND LIABILITY</u>	<u>Page 5</u>
<u>ARTICLE VI - DEDUCTION OF DUES</u>	<u>Page 5</u>
<u>ARTICLE VII - SENIORITY</u>	<u>Page 6</u>
<u>ARTICLE VIII - DISCHARGE OR SUSPENSION</u>	<u>Page 7</u>
<u>ARTICLE IX - GRIEVANCE PROCEDURE</u>	<u>Page 8</u>
<u>ARTICLE X - WAGES - CLASSIFICATIONS</u>	<u>Page 10</u>
<u>ARTICLE XI - RETIREMENT</u>	<u>Page 10</u>
<u>ARTICLE XII - GENERAL</u>	<u>Page 11</u>
<u>ARTICLE XIII - JOB OPENINGS</u>	<u>Page 13</u>
<u>ARTICLE XIV - PART TIME, TEMPORARY, AND SEASONAL EMPLOYEES</u>	<u>Page 15</u>
<u>ARTICLE XV - EQUIPMENT, ACCIDENTS AND REPORTS</u>	<u>Page 16</u>
<u>ARTICLE XVI - LEAVES</u>	<u>Page 17</u>
<u>ARTICLE XVII - VACATIONS</u>	<u>Page 21</u>
<u>ARTICLE XVIII - HOLIDAYS</u>	<u>Page 22</u>
<u>ARTICLE XIX - INSURANCE</u>	<u>Page 23</u>
<u>ARTICLE XX - SEPARABILITY AND SAVINGS CLAUSE</u>	<u>Page 25</u>
<u>ARTICLE XXI - TERMINATION OF AGREEMENT</u>	<u>Page 25</u>
<u>SCHEDULE "A" - OVERTIME AND HOURS OF WORK</u>	<u>Page 26</u>
<u>SCHEDULE "B" - WAGES</u>	<u>Page 28</u>

AGREEMENT

This Agreement is made and entered into this 25th day of November, 1997, by and between the ALCONA COUNTY ROAD COMMISSION (hereinafter referred to as the Employer), and LOCAL UNION NO. 214, affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, (hereinafter referred to as the Union).

PURPOSE AND INTENT: The general purpose of this Agreement is to set forth terms and conditions of employment, and to promote orderly and peaceful labor relations for the mutual interest of the Employer, the employees, and the Union.

The parties to this Agreement recognize that the interest of the community and the job security of the employees depend upon the Employer's success in establishing a proper service to the community. To this end the Employer and the Union encourage, to the fullest degree, friendly and cooperative relations between the respective representatives at all levels and among all employees.

ARTICLE I - MANAGEMENT

The Employer shall remain vested with all management functions, including, but not limited to the direction of the staff, the full and exclusive right to hire, promote, demote, discharge, and discipline employees; to promulgate rules and regulations governing the conduct of employees, and to require their observance; to make temporary job assignments necessary to insure the efficient performance of work; to control the use of vacations so as not to jeopardize the functions of the Employer; to establish and direct the locations and methods of work; to make job assignments and work schedules; to maintain order and efficiency; to determine the hours of work, including starting and quitting times, and the length of work week; to accomplish reductions of the work force for efficiency or economy purposes; and to control, direct, and supervise all equipment; all subject to the terms of this Agreement. Management functions of the Employer shall be exercised through the duly authorized representatives of the Employer.

ARTICLE II - RECOGNITION - UNIT SECURITY

Section 1.

(A) Pursuant to, and in accordance with all applicable provisions of Act 336 of the Public Acts of 1947 (known as the Hutchinson Act), as amended, the Employer does hereby recognize the Union as the exclusive representative, for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment, and other conditions of employment for the term of this Agreement, for all employees of the Employer included in the bargaining units described as follows:

All permanent hourly rated employees, excluding engineering personnel, office clerks, foremen and supervisors.

This recognition clause shall be construed to apply to employees and not to work.

(B) The Employer agrees not to enter into any agreement with another labor organization during the life of this Agreement with respect to the employees covered by this Agreement; nor any agreement or contract with the said employees, individually or collectively, which in any way affects hours, wages, or working conditions of said employees or of any individual employee in the unit covered by this Agreement.

Section 2.

(A) Membership in the Union is not compulsory. Regular employees have the right to join, not join, or drop their membership in the Union, as they see fit. Neither party to this Agreement shall exert any pressure upon nor discriminate against any employee as regards such matters.

(B) Membership in the Union is separate, apart and distinct from the assumption by one of his equal obligations to the extent that he has received equal benefits. The Union is required under this Agreement to represent all of the employees of the bargaining unit fairly and equally without regard to whether or not an employee is a member of the Union. The terms of this Agreement have been made for all employees of the bargaining unit and not only for members of the Union, and this Agreement has been executed by the Employer after it has satisfied itself that the Union is the choice of a majority of the employees in the bargaining unit. Accordingly, it is fair that each employee in the bargaining unit pay his own way and assume his fair share of the obligation along with the grant of equal benefit contained in this Agreement.

ARTICLE II - RECOGNITION - UNIT SECURITY Cont'd

(C) In accordance with the policy set forth in paragraphs (A) and (B) of this Section, all employees in the bargaining unit shall, as a condition of continued employment, pay to the Union, the employees' exclusive collective bargaining representative, an amount of money equal to that paid by other employees in the bargaining unit who are members of the Union, which shall be limited to an amount of money equal to the Union's regular and usual initiation fees, and its regular and usual dues. For present employees, such payments shall commence thirty-one (31) days following the date of employment.

(D) If any provision of this Article is found to be invalid under federal law or the laws of the State of Michigan, such provision shall be modified to comply with the requirements of federal or state law, or shall be renegotiated for the purpose of adequate replacement.

Section 3. The employer further agrees that it will not replace regular employees or require persons other than employees in the bargaining unit to perform work which is recognized as the work of the employees in said unit, except as provided above and in case of emergencies.

Section 4. The Employer will not subcontract any work which is customarily performed by bargaining unit employees where the effect of such subcontract is to cause bargaining unit employees to be laid off.

Section 5. The Employer agrees that all conditions of employment in its individual operation relating to wages, hours of work, overtime, differentials, and general working conditions shall be maintained at not less than the highest minimum standards in effect at the time of the signing of this Agreement, and the conditions of employment shall be improved wherever specific provisions for improvement are made elsewhere in this Agreement. It is agreed that the provisions of this Article shall not apply to inadvertent or bona fide errors made by the Employer or the Union in applying the terms and conditions of this Agreement if such error is corrected within ninety (90) days from the date of error.

Section 6. Supervision may operate road commission equipment for the purpose of training bargaining unit employees and in emergency situations which have the potential to threaten life or property. Supervision may also operate road commission equipment to supplement work crews for regular employees for limited durations not to exceed four hours for employees called away or otherwise authorized to leave assigned duties or while waiting for assigned operator to reach the job site.

Section 7. Supervision may operate snow removal equipment in responding to or investigating citizen complaints. Supervision may also operate snow removal equipment to supplement regular employees after all available regular employees have been assigned to snow removal activities. Supervision shall not operate snow removal equipment outside of regular work hours when bargaining unit employees are available to provide this service on an overtime basis.

ARTICLE III - STEWARDS

The Employer recognizes the right of the Union to designate a Union Steward and Alternates. The employees shall be represented by the Steward who must also be a regular employee. The authority of the Steward and Alternates so designated by the Union shall be limited to and shall not exceed the following duties and activities:

1. The investigation and presentation of grievances to the Employer or the designated Employer's representative, in accordance with the provisions of this collective bargaining agreement.
2. The transmission of such messages and information, which shall originate with and are authorized by the Union and its Officers, provided such messages and information:

(a) Have been reduced to writing; or

(b) If not reduced to writing, are of a routine nature and do not involve work stoppages, slow-downs, refusal to handle goods, or any other interference with the Employer's business.

The Steward during working hours, without loss of time or pay, may in accordance with the terms of this article investigate and present grievances to the Employer, upon having advised his foreman of same. The foreman will grant permission and provide sufficient time to the Steward to leave his work for these purposes. The privilege of the Steward leaving his work during working hours without loss of time or pay is subject to the understanding that the time will be devoted to the proper handling of grievances and will not be abused; and the Steward will perform his regularly assigned work at all times, except when necessary to leave his work to handle grievances as provided herein. Any alleged abuse will be a proper subject for an Employer grievance. The authority of the Union Steward shall be limited to acts or functions which said Steward is expressly authorized to perform in this Agreement.

ARTICLE IV - PROTECTION OF RIGHTS

Section 1. It shall not be a violation of the Agreement, and it shall not be cause for discharge or disciplinary action in the event any employee refuses to enter upon any property involved in a primary labor dispute, or refuses to go through or work behind any primary picket line, including the primary picket line of the Union party to this agreement, and including primary picket lines of the Employer's place of business, except in the case of emergency.

Section 2. Within five (5) working days of filing a grievance claiming violation of this Article, the parties to this Agreement shall proceed to Step 3 of the grievance procedure, without taking any intermediate steps and other provisions of this Agreement notwithstanding.

ARTICLE V - LIMITATION OF AUTHORITY AND LIABILITY

Section 1. No employee, Union member or other agent of the Union, shall be empowered to call or cause any strike, work stoppage or cessation of employment of any kind whatsoever, without the expressed approval of the Executive Board of the Local Union through its President. The Union shall not be liable for any activities unless so authorized.

Section 2. Any individual employee or group of employees who willfully violate or disregard the grievance procedure set forth in Article VIII of this Agreement may be summarily discharged by the Employer without liability on the part of the Employer or of the Union.

ARTICLE VI - DEDUCTION OF DUES

Section 1. During the period of time covered by this Agreement, the Employer agrees to deduct from the pay of any employee all dues and/or initiation fees of the Union, and to pay such amount deducted to the Union; provided, however, that the Union shall present to the Employer authorizations, signed by each employee, allowing such deductions and payments to the Union.

Section 2. The amounts of initiation fees and dues shall be certified to the Employer by the Secretary-Treasurer of the Union.

Section 3. Monthly agency fees and initial agency fees will be deducted by the Employer and transmitted to the Union in the same manner as prescribed above for the deduction and transmission of Union dues and initiation fees.

ARTICLE VII - SENIORITY

Section 1. Strict seniority shall prevail in the layoff and rehiring of employees. In the selection of employees for layoff, the Employer shall be obligated to retain those employees with the greatest seniority, providing such employees are properly qualified, have the ability, and are physically able to perform the duties of the jobs remaining open. The Union Steward shall be the last employee laid off.

Section 2. A seniority list showing the accumulated seniority of each employee shall be prepared by the Employer in January of each year and posted on the Bulletin Board. This list shall show the current classification and wage rate of each employee. This list shall be approved by the Union Steward prior to posting. Seniority dates used shall be the date hired on a permanent basis.

Section 3. Seniority shall be broken only by discharge, by voluntary quit, or by layoff for a period of more than two years.

Section 4. In the event of a layoff, an employee so laid off shall be given two weeks notice of recall to work, mailed to his last known address by registered mail. In the event the employee fails to make himself available for work by the end of said two weeks, he shall lose all seniority rights under this Agreement.

Section 5. Any employee in a classification subject to the terms of this Agreement, who has been or is transferred to outside the bargaining unit shall not accumulate seniority while working in a supervisory position. The employee who is so transferred shall commence work in a job generally similar to the one he held at the time of his original transfer, and he shall retain the seniority rank he held at that time. It is further understood that no temporary demotions of supervisory personnel will be made during temporary layoffs.

Section 6. A new permanent employee shall work under the provisions of this Agreement, but shall be employed only on a one hundred and eighty (180) day trial basis, during which period he may be discharged without further recourse; provided, however, that the Employer may not discharge or discipline for the purpose of evading this Agreement. After one hundred and eighty (180) days, the employee shall be placed upon the regular seniority list. In the case of discipline within the one hundred and eighty (180) day period, the Employer shall notify the Union Steward, in writing, of the disciplinary action taken. Days as used in this section shall be calendar days.

Section 7. Seniority shall be accrued by an employee in the normal manner during a temporary layoff due to lack of work or lack of funds, or during an approved sick leave due to illness or injury.

ARTICLE VIII - DISCHARGE OR SUSPENSION

Section 1. - Discharge or Suspension

The Employer shall not discharge or suspend any employee without just cause, but in respect to discharge or suspension, shall give at least one warning notice of the complaint against such employee, to the employee in writing, and a copy of the same to the Union and the Union Steward affected, except that no warning notice need be given to an employee before he is discharged if the cause of such discharge is dishonesty or drunkenness or recklessness resulting in serious accident while on duty or other serious offenses which traditionally justify immediate discharge. The warning notice as herein provided shall not remain in effect for a period of more than twelve (12) months from the date of said warning notice. Discharge must be by proper written notice to the employee and the Union. Any employee may request an investigation as to his discharge or suspension. Should such investigation prove that an injustice has been done an employee, the employee shall be reinstated and compensated at his usual rate of pay for the period he was out of work. A request by an employee for an investigation as to his discharge or suspension must be made in writing within five (5) days from the date of discharge or suspension. Appeal from discharge or suspension must be heard within ten (10) days and a decision reached within fifteen (15) days from the date of discharge or suspension. If no decision has been rendered within fifteen (15) days, the case shall then be taken up as provided for in Article IX hereof.

Section 2. Drug-Free Workplace

The Alcona County Road Commission is a drug-free Workplace. No employee shall work while his ability to do so is visibly impaired through the use of alcohol or controlled substances (as defined in the Drug-Free Workplace Act). No employee shall manufacture, distribute, use, or possess any alcohol or controlled substance during working hours.

ARTICLE IX - GRIEVANCE PROCEDURE

Section 1. It is mutually agreed that all grievances, disputes, or complaints arising under and during the terms of this Agreement shall be settled in accordance with the procedure herein provided, and that there shall at no time be any strikes, tie-ups of equipment, slowdowns, walkouts, or any other cessation of work through the use of any method of lockout or legal proceedings. Every effort shall be made to adjust controversies and disagreements in an amicable manner between the Employer and the Union.

Section 2. Should any grievance, dispute or complaint arise over the interpretation or application of the contents of this Agreement, there shall be an earnest effort on the part of the parties to settle the problem promptly through the following steps:

- Step 1. By conference between the employee, the union steward or both, and the foreman. If the problem cannot be resolved, it shall be reduced to writing by the aggrieved on the regular grievance form provided by the Union and it becomes a grievance. A written grievance shall be filed within five working days after the employee has knowledge of the occurrence giving rise to the grievance.
- Step 2. A conference will be held between representatives of the union and the superintendent within five working days of the receipt of the written grievance. The decision of the Superintendent shall be rendered in writing within five working days after the conference.
- Step 3. In the event the grievance is not satisfactorily settled, the union may refer it to a conference between the Union Representative and the Engineer Manager or his designated representative, which conference shall be held within ten working days after the Step 2 decision. The Engineer Manager or his designated representative shall render a written decision within seven working days of the conference.
- Step 4. In the event the grievance is not satisfactorily settled in step 3, the Union shall have ten (10) days in which to submit the grievance to binding arbitration in accordance with the procedures set forth below or to the Teamsters Local 214 Grievance Panel for its review. Notice of the Union's intent to proceed to the Grievance Panel must be submitted to the Employer in writing. The decision of the Grievance Panel shall be made within thirty (30) days of the notice to the Employer of submission to the grievance panel. Should the Grievance Panel recommend that the matter be submitted to arbitration in accordance with the procedures set forth below. If the grievance is not so submitted within ten (10) days, it will be considered closed on the basis of the last disposition.

ARTICLE IX - GRIEVANCE PROCEDURE Cont'd

Step 5. If the matter is not satisfactorily settled the President or Executive Board of the local union or the Employer may demand arbitration in writing within thirty working days of the Step 3 Response which shall state the requesting party's final position on the grievance. Failure to do so shall constitute settlement on the basis of the written Step 3 response. Both parties shall promptly take the necessary steps to select an arbitrator according to the procedures established by the American Arbitration Association. The costs and expenses of the Arbitrator and the American Arbitration Association shall be split equally between the parties.

The arbitrator shall have no power to add to, or subtract from, or modify this agreement or to declare any provision of this agreement illegal.

Time limits may be extended or waived by mutual agreement of the parties.

Section 3. (A) It is further agreed that in all cases of any unauthorized strike, slow-down, walkout, or any unauthorized cessation of work, the Union shall not be liable for damage resulting from such unauthorized acts of its members. While the Union shall undertake every reasonable means to induce such employees to return to their jobs during any such period of unauthorized stoppage of work mentioned above, it is specifically understood and agreed that the Employer, during the first twenty-four (24) hours of such unauthorized work stoppage shall have the sole and complete right of reasonable discipline short of discharge. Such employee shall not be entitled to or have any recourse to any other provisions of this agreement.

(B) After the first twenty-four (24) hour period of such stoppage, however, the Employer shall have the right to immediately discharge any employee participating in any unauthorized cessation of work, and such employee shall not be entitled to or have any recourse to any other provisions of this agreement.

ARTICLE X - WAGES - CLASSIFICATIONS

Attached hereto and marked "Schedule B" is a schedule showing the classification and wage rates of the employees covered by this Agreement. Said "Schedule B" further sets forth the hours of work, regular working conditions, and other details of employment. It is mutually agreed that said "Schedule B" and the contents thereof shall constitute a part of this Agreement.

ARTICLE XI - RETIREMENT

Section 1. The Employer makes available a defined contribution employee's retirement plan to all full-time employees with six (6) months service. Beginning July 1, 1990, the Employer will contribute 4% of all employees' basic income to the plan.

Section 2. Except under emergency circumstances or where notice is not possible, employees shall give employer 60 days notice of intent to retire.

Section 3. The Employer makes available a deferred compensation (457) employee's retirement plan for all regular employees with six (6) months service. Beginning July 1, 1997, the Employer will match up to 2% of employee's basic income to this plan for those employees contributing at least an equal amount to the plan. The employer will increase its match by 1% each of the years beginning July 1, 1998, July 1, 1999, and July 1, 2000, for those employees contributing at least an equal amount to the Employee's deferred compensation (457) plan. The result being that on July 1, 2000, the Employer will be matching up to 5% of employees' basic income to a deferred compensation employee's retirement plan for those employees contributing at least 5% to the plan.

ARTICLE XII - GENERAL

Section 1. Any authorized representative of the Union shall be permitted to visit the operation of the Employer during working hours to talk with the Steward and/or representatives of the Employer concerning matters covered by this Agreement, without interfering with the progress of the work force.

Section 2. The Union shall have the right to examine time sheets and other records pertaining to the computation of compensation of any employee whose pay is in dispute or any other records of the Employer pertaining to a specific grievance, at reasonable time, at the discretion of the Employer.

Section 3. The Employer agrees to provide for bi-weekly pay periods. Each employee shall be provided with an itemized statement of his earnings and of all deductions made for any purpose.

Section 4. Should the Employer require any employee to give bond, cash bond shall not be compulsory, and any premium involved shall be paid by the Employer.

Section 5. The Employer agrees that if any employee is required to wear any kind of uniform as a condition of his continued employment, such uniform shall be furnished and maintained by the Employer, free of charge, at the standard required by the Employer.

Section 6. Employees working in the tar gang shall be provided with gloves, overshoes, and overalls, which shall be provided and maintained by the Employer. The Employer will also replace one (1) pair of eyeglass lenses and frames, if necessary, per year, damaged by welding spots, for each of three (3) welder-mechanics, two (2) crusher men, and one (1) utility welder. Such eyeglass replacement specifically does not include cost of eye examination.

Section 7. It is recognized that changing conditions and circumstances may from time to time require the installation of new wage rates or adjustments of existing wage rates due to the creation of new jobs, the acquisition of new equipment, or changes in the duties of existing jobs. When such a condition exists, the Employer shall set a temporary rate for same and put it into effect, such rate being subject to review by the Union to the following manner:

ARTICLE XII - GENERAL Cont'd

(a) At the time of putting such temporary rate into effect, the Employer shall notify the Local Union and the Steward of its action. If the Union wishes to negotiate for the revision of such rate, it shall notify the Employer within five (5) days after such notice has been given, and a meeting of Union and Employer representatives shall be held within an additional five (5) days. If, after such meeting, no agreement is reached, the Union may file grievance within five (5) days after such meeting, the basis of such grievance being the question of fairness of the rate to be established.

(b) The rate determined at the conclusion of negotiations or grievance procedure shall be retroactive to the original date the temporary rate was put into effect. If the Union fails to take the required action within the time limits specified above, the temporary rate established by the Employer shall be permanent and not subject to change for the remaining term of this Agreement.

Section 8. There shall be a fifteen (15) minute wash-up period at the end of each work day and disinfected soap will be provided where needed.

Section 9. The Employer will provide a bulletin board in the facility where employees hereunder are employed, for the posting of seniority and vacation lists and for the use of the Union. Only official Union notices are to be posted and must have the signature of the Union Business Representative or the Union Steward.

Section 10. In the event an Employee is requested or required to perform a service for the Employer which requires the use of his personal automobile for the Employer's business, he shall be reimbursed for such use at the current IRS reimbursement rate per mile. However, approval by the Employer's representative for such use and reimbursement is required in advance of such use. It is also further agreed that any fines and charges incurred by the employee resulting from violations of traffic laws while on such Employer business will not be reimbursed by the Employer.

Section 11. In further consideration of the mutual promises contained herein, the parties hereto expressly agree that neither party shall bring or cause to be brought in any court or other legal or administrative agency, action against the other until the dispute, claim, grievance, or complaint shall have been brought to the attention of the party against whom it shall be made, and the said party after actual notice of same, shall within a reasonable time, not to exceed two (2) weeks, fail to take steps to correct the cause of circumstances giving rise to such dispute, claim, grievance, or complaint.

ARTICLE XIII - JOB OPENINGS

Section 1. - Job Posting

Permanent vacancies in a classification (other than truck driver) which are going to be filled, shall be filled by posting a notice of the vacancy on the bulletin board for a three day period. The posting shall state the classification and number of positions which are vacant. Employees who wish to be considered for such vacancies shall inform their supervisor in writing. A permanent vacancy is defined as a newly created position or one created when an employee quits, dies, retires, or is promoted or demoted to another permanent position.

Section 2. - Selection

The employer shall select a person to fill the posted vacancy based according to seniority, if all other matters, such as ability, experience and physical qualifications are equal in the opinion of the Employer and the Union. The Employer reserves the right to hire from outside the bargaining unit if, in the opinion of the Employer, no employee can fill the vacancy or no bids are received from qualified employees.

Section 3. - Driver Vacancies

Notice of a permanent vacancy in a truck driver classification shall be posted on the bulletin board which show the vacant truck and its normal route, for at least two days. After the two day period, the Superintendent shall fill the vacancy through an informal process through a show of hands among interested employees from all classifications. If two or more employees desire the position, the most senior shall be assigned to it, provided that the individual selected can adequately perform the job in the superintendent's judgment. If another truck driver takes the vacant truck, then the truck which he vacates shall be filled at the same time by show of hands, without further notice. The parties intend that vacancies in the truck driver position shall be filled informally and at one time according to this procedure.

Section 4. - Lateral Transfers

An employee who transfers to a job at the same or lower rate of pay may not bid on another transfer for twelve months thereafter. Management may delay the effective date of the transfer of such employee if his skills are needed in his former classification until a replacement can be trained.

ARTICLE XIII - JOB OPENINGS Cont'd

Section 5.

The successful bidder for a job opening (other than truck driver) shall be given a probationary period of sixty (60) days to qualify on the job. Failure of the employee to qualify in the judgment of management at any time within the probationary period shall cause the job to be posted again, and the employee shall return to his former classification without prejudice. The employee will receive the top rate of the classification during such probationary period. The employee (other than truck driver) may request that he be returned to his former classification within sixty days. If he does, he is barred from any further bid for one year from the date of return.

Section 6. - Temporary Vacancies

The employer may fill temporary vacancies from among regular employees without regard to the bidding procedure.

Section 7. - Job Assignments

Employees are transferable from classification to classification and to assignments within a classification by their immediate supervisor based upon the availability of work, the skills of the employee, and the needs of the Road Commission. An employee may be assigned to any work in his classification. If the employee is required to work outside of his classification for a full day or more he shall be paid the rate for the classification in which he works or his regular classification, whichever is higher.

Section 8. - Snow Plowing and Grading

It shall be the policy of the Road Commission that employees shall be assigned to a particular truck or piece of heavy equipment (except that some operators shall not have assigned equipment but shall operate various equipment) and shall normally plow snow or grade roads within a particular area. Whenever practical, a man shall operate his assigned equipment. Management reserves the right to change the equipment assigned or alter the area in which a particular piece of equipment or truck will normally plow snow or grade. When such changes are made on a permanent basis, the superintendent will review the assigned equipment and areas and change such assignments in accordance with the seniority of the drivers or operators, provided that the person assigned shall always be able to efficiently operate the equipment assigned and perform the work required in the area.

ARTICLE XIII - JOB OPENINGS Cont'd

Section 9. The Employer reserves the right to fill temporary or seasonal assignments, without following the bidding procedure, for a period of six (6) months.

Section 10. If an employee is required at any time to have a physical examination as a condition of employment, the Employer shall pay the cost of such examination.

Section 11. The employer shall reimburse employees for the cost of any special driver's license fees required over and above the customary operators license.

Section 12. Newly hired or promoted mechanics must be certified master mechanics.

ARTICLE XIV - PART TIME, TEMPORARY, AND SEASONAL EMPLOYEES

The employer may hire part-time or temporary employees to fill in for regular employees who are absent due to vacations, sick leave or any other reason. In addition the employer may hire seasonal employees to supplement the crew during the months of May through September. Part-time, temporary and seasonal employees shall not be subject to the terms of this agreement and shall receive no fringe benefits. After 120 days temporary employees shall receive the light truck driver rate. The employer shall not use this provision to dilute the bargaining unit. In the event of layoff, part-time, temporary and seasonal employees shall be laid off first.

Temporary, Part-Time, Seasonal Employees are defined as follows:

Temporary - employees hired to work full time for a definite period or reason such as to cover for extended sick leave or vacation for a regular employee.

Part-time employees are defined as employees hired to work less than 40 hours per week.

Seasonal employees are hired to work full time to supplement regular employees during the months of May through September.

ARTICLE XV - EQUIPMENT, ACCIDENTS AND REPORTS

Section 1. The Employer shall not require employees to take out on the streets or highways any vehicle which is not in safe operating condition, or which is not equipped with the safety appliances prescribed by law. It shall not be a violation of this Agreement if any employee refuses to operate such equipment unless such refusal is unjustified.

Section 2. Under no circumstances will an employee be assigned to or required to engage in any activity involving dangerous conditions of work or danger to person or property or in violation of any applicable statute or court order or governmental regulations relating to safety of person or equipment.

Section 3. Any employee involved in an accident shall immediately report such accident and any physical injury sustained. An employee, before starting his next shift, shall make out an accident report in writing on forms furnished by the Employer, and shall turn in all available names and addresses of witnesses to any accident. Failure to comply with this provision shall subject such employee to disciplinary action by the Employer.

Section 4. It is the duty of the employee and he shall immediately, or at the end of his shift, report all defects of equipment. Such reports shall be made on a suitable form furnished by the Employer, and shall be made in multiple copies, one copy to be retained by the employee. The Employer shall not ask nor require any employee to take out equipment which has been reported by any other employee as being in unsafe operating condition until same has been approved as being safe by the mechanical department.

When the occasion arises where an employee gives written report on forms in use by the Employer of a vehicle being in unsafe working condition, and receives no consideration from the Employer, he shall take the matter up with the Union, who will take the matter up with the Employer.

ARTICLE XVI - LEAVES

Section 1. - Leaves of Absence

(a) Any employee desiring a leave of absence from his employment shall secure written permission both from the Union and the Employer. The maximum leave of absence shall be for thirty (30) days, and may be extended for like periods. Permission for extension must be secured from both the Union and the Employer. During the period of absence, the employee shall not engage in gainful employment in the same industry in classifications covered by this Agreement. Failure to comply with this provision shall result in the complete loss of seniority rights. Any leave of absence taken shall be deducted from the vacation credits of the employee taking such leave. Any employee desiring leave of absence must, prior to taking leave, pay to the Employer or make proper arrangements for payment to the Employer of any premiums for insurance payable by or through the Employer.

(b) At the discretion of the Employer, reasonable time off, without discrimination or loss of seniority rights, and without pay, will be granted to an employee designated by the Union to attend a labor convention or serve any capacity on other official Union business, provided forty-eight (48) hours written notice is given to the Employer by the Union, specifying length of time off for Union activities. Due consideration shall be given to the number of men affected in order that there shall be no disruption of the Employer's operations due to lack of available employees. In the event of prolonged absence under the terms of this subsection, the employee shall make arrangements for the payment of insurance premiums as set forth in sub-section (a) above.

Section 2. - Military Leave

(a) Any employee who is inducted into, or enlists in, the Armed Forces of the United States, including any employee called to active duty as a member of a reserve component of the Armed Forces, and who is entitled to re-employment rights under the Selective Service Acts of 1940 and 1948 as amended and extended, or any other applicable federal law, shall be deemed on leave of absence during the period required for such military service, and his seniority shall continue to accumulate during such period of service.

ARTICLE XVI - LEAVES Cont'd

(b) Upon termination of military service, he shall be restored to the position he held at the time he left to enter service, or to a position of like seniority, status, and pay which he is able to perform, provided that the Employer's circumstances have not changed so as to make such restoration impossible or unreasonable; and, further provided that the employee meets all qualifications for re-employment rights required by the Selective Service Acts of 1940 and 1948, or any other applicable Federal Law

Section 3. Court Leave

(a) Any employee who is subpoenaed as the result of an accident witnessed while on duty, or who is involved in an accident while on duty and must attend court as a result thereof, shall suffer no loss in pay.

(b) Any employee required to serve on jury duty shall suffer no loss in pay, but shall be paid the difference between the jury pay and his regular pay. Any employee reporting for jury duty who is dismissed from such duty for the day, before noon, shall report to work for the remaining portion of that day.

Section 4. Funeral Leave

(a) Any permanent full-time employee will be permitted, upon proper notice to the Employer, to be absent from work without loss of pay for up to three (3) consecutive working days upon the death of the following members of the employee's immediate family; Spouse, Child, Father, Mother, Brother, Sister.

(b) An employee shall be permitted to be absent for one (1) working day without loss of pay upon the death of the father, mother, brother, or sister of the employee's spouse.

(c) Proof of death may be required at the discretion of the Employer. Such proof may be in the form of newspaper clippings, death certificates or obituary notices.

ARTICLE XVI - LEAVES Cont'd

Section 5. Sick Leave

(a) all employees, probationary or regular, will be eligible to receive sick leave. Sick Leave credit will be earned at the rate of one (1) day for each full month of employment. For employees hired the 1st through the 15th of any month, their sick leave base date shall be the first day of that month; and for employees hired the 16th through the last day of the month, their base date shall be the first day of the next month.

(b) Sick leave days may be accumulated to one hundred and fourteen (114) days.

(c) Sick leave shall be available for use by employees in the bargaining unit for the following purposes:

1. Acute personal illness or incapacity over which the employee has no reasonable control.
2. Absence from work because of exposure to contagious disease which, according to public health standards, would constitute a danger to the health of others by the employee's attendance at work.
3. Dental or medical appointments.
4. When an employee becomes ill on the job.

(d) For the purpose of administering sick leave, one (1) day of sickleave earned shall be equivalent to 8 hours.

(e) For loss of time on account of injury incurred in the line of duty, regular employees shall receive full pay for up to one full work week after the accident without drawing on their sick leave credits for any one injury; provided that such pay shall not be allowed for a recurrence of a previous injury.

(f) A regular employee who suffers an injury which is compensable after the first week under the Worker's Compensation Act, may elect to be paid the difference between his regular wages and the payment received under the provisions of the Act, such payment to be deducted from his sick leave credit accumulation. When an employee's sick leave credits are exhausted through this procedure, he may remain on Worker's Compensation until its benefits are also exhausted.

(g) An employee using sick leave during a period which includes a scheduled holiday will be paid for the holiday and will not be charged for a day of sick leave.

ARTICLE XVI - LEAVES Cont'd

(h) An employee absent for more than one (1) month due to injury or illness will earn an additional day of sick leave credit for the first month only.

(i) Each Foreman shall be responsible for reviewing and approving employee requests for sick leave. Employees are required to give prompt and daily notification to his Foreman of the necessity for taking sick leave. Notification must be given before the start of the regular shift of the employee requesting sick leave. The Foreman shall refuse to allow sick leave where, in his judgment, there is insufficient evidence to support the employee's claim, or where he believes the employee has not exercised reasonable effort to promptly notify him of his absence. A physician's report may be requested and must be submitted by the employee when so requested, to substantiate the employee's claim. If no report is submitted when so requested, no sick leave will be granted.

(j) An employee who separates from the Employer for retirement purposes, in accordance with the provisions of the retirement program presently in effect, shall at the time of retirement be paid seventy-five (75%) percent of their sick leave credits accumulated in the bank.

(k) In case of death of an employee, payment shall be made of fifty (50%) percent of what is left in the bank. In case of quit or layoff after ten (10) years of seniority an employee shall receive twenty-five (25%) percent of what is left in the bank. With less than ten (10) years of service, employees shall receive twenty-five (25%) percent of his sick leave credits accumulated in excess of one hundred and fourteen (114) days which shall be paid to him or his beneficiary or estate, whichever the case may be.

(l) At the end of each employee's anniversary year, each employee shall be paid one-half (1/2) his sick leave credits accumulated in excess of one hundred and fourteen (114) days.

(m) Any employee who enters the military service of the United States, either voluntarily or through induction under the applicable Federal Laws, shall, at the time of such entry into the military service, be paid one-half (1/2) his sick leave credits accumulated in excess of one hundred and fourteen (114) days.

(n) The present practice, any employee using none of his accumulated sick leave during the course of any one leave year shall be granted an additional three (3) days annual leave, shall remain in effect for all employees.

ARTICLE XVII - VACATIONS

Section 1. All regular full-time employees shall be entitled to vacation time with pay under the following schedule:

Employees who have completed one (1) year of service shall receive ten (10) days per year;

Employees who have completed five (5) years of service shall receive fifteen (15) days per year;

Employees who have completed ten (10) years of service shall receive twenty (20) days per year;

Employees who have completed twenty (20) years of service shall receive twenty-five (25) days per year.

Section 2. Employees who lose time, up to a maximum of one (1) year due to on-the-job disability shall receive their vacation as though the time were worked.

Section 3. Employees who have been on military leave of absence shall be given seniority credit for vacation purposes for the full calendar year in which they return to active employment.

Section 4. Vacation days can only be accumulated in the amount of not to exceed ten (10) days at the end of each vacation year.

Section 5. Vacation shall be requested and approved in writing a minimum of one week in advance. Preference will be given to vacations in the order of date received. The employer may restrict the number of employees in any classification who are on vacation at any one time.

Section 6. In case of retirement, resignation, discharge, or death of an employee, he or his estate will be paid for the unused vacation days which have accumulated to his credit on a prorated basis.

Section 7. Vacation days shall be taken in increments of a full day at a time except that forty (40) hours of vacation time per year may be taken by the hour upon approval by immediate supervisor and requested at least 24 hours in advance. Supervision may permit leave with less than 24 hours notice in those instances where the employee gives satisfactory explanation as to why prior notice could not be given

Section 8. Employees absent for more than one (1) month for other than on-the-job disability, will earn a vacation day for the first month only, and their vacation will then be figured on a pro rated basis upon their return to work.

ARTICLE XVIII - HOLIDAYS

Section 1. All probationary and regular employees will be eligible to receive holiday pay. Employees will be paid their current rate for said holidays, based upon the length of work day in effect as of the date of said holiday.

Section 2. Paid Holidays are designated as:

New Year's Day	Christmas Day
July 4th	The day after Thanksgiving
Thanksgiving	December 24
Memorial Day	December 31
Labor Day	Good Friday
Floating Holiday	

Section 3. The employee must work the preceding scheduled work day before a holiday and the succeeding scheduled work day following a holiday, or be on an approved leave, before holiday pay will be granted.

Section 4. Employees working on an approved holiday will be paid for hours worked at the rate of one and one-half (1-1/2) times their regular rate, in addition to holiday pay.

Section 5. No Union employee shall be required to work on Labor Day, except in case of emergency.

Section 6. Should a paid holiday fall on Saturday, then the Friday preceding that day shall be taken as a paid holiday and, if the holiday falls on Sunday, then the Monday following shall be taken as a paid holiday.

Section 7. Holidays recognized in Section 2 of this Article which fall within an employee's vacation period will not be considered as part of this vacation, and shall be taken by extending the vacation period one (1) day for each such holiday.

ARTICLE XIX - INSURANCE

Section 1. Every regular employee shall be provided a term life insurance policy in the amount of \$20,000.00 with double-indemnity provision, and the Employer shall pay the full premium due on such policy.

Section 2. Hospitalization Plan

The Road Commission agrees to pay monthly premiums necessary to provide each employee and/or family year-around full-family hospital-surgical coverage equal to as currently provided, including Major Medical and a \$2.00 Prescription Drug Rider, which is described in the Blue Cross-Blue Shield Certificate MVFII, MM IV, all of the above, as written, as of July 1, 1983.

Section 3. The employer agrees to pay into the Michigan Conference of Teamsters Welfare Fund, for each employee covered by this agreement who is on the regular seniority list, unless otherwise specified, a Dental and Optical contribution of:

\$9.35 per week Effective as of July 1, 1997

Contribution to the Health and Welfare Fund must be made for each week on each regular employee, even though such employee may work only part-time under the provisions of this contract, including paid vacations and weeks where work is performed for the Employer but not under provisions of this contract, and although contributions may be made for those weeks into some other Health and Welfare Fund.

Employees who work either temporarily or in cases of emergency under the terms of this contract shall not be covered by the provisions of this Article.

If an employee is absent because of illness or off-the-job injury and notifies the Employer of such absence, the Employer shall continue to make the required contributions to the Health and Welfare Fund for a period of four (4) weeks. If an employee is injured on the job, the Employer shall continue to pay the required contributions until such employee returns to work; however, such contributions shall not be paid for a period of more than twelve (12) months.

ARTICLE XIX - INSURANCE Cont'd

Notwithstanding anything herein contained, it is agreed that in the event any Employer is delinquent at the end of a monthly period in the payment of his contribution to the Health and Welfare Fund, in accordance with the rules and regulations of the Trustees of such Fund and after the proper official of the Local Union shall have given 72 hours notice to the Employer of such delinquency in the Health and Welfare Fund payments, the Union shall have the right to take such action as it deems necessary until such delinquent payments are made, and it is further agreed that in the event such action is taken, the Employer shall be responsible to the employees for losses resulting therefrom.

It is agreed that the Welfare Fund will be separately administered jointly by Employer and Union in compliance with all applicable laws and regulations, both State and Federal.

By the execution of this Agreement, the Employer authorizes the Employers Associations who are signatories to collective bargaining agreements with Teamsters Unions containing similar provisions, to enter into appropriate trust agreements necessary for the administration of such fund, and to designate the Employer Trustees under such Trust Agreements, hereby waiving all notice thereof and ratifying all actions already taken or to be taken by such Trustees within the scope of their authority.

Section 4. If an employee elects to take early retirement by retiring at age 62, 63 or 64, the Employer agrees to pay up to Four Hundred (\$400.00) Dollars per year for hospital, medical and life insurance for such employee until said employee reaches age 65.

Section 5. The Employer agrees to cooperate toward the prompt settlement of employee's on-the-job injury and sickness claims when such claims are due and owing. The Employer shall provide Worker's Compensation protection for all employees.

ARTICLE XX - SEPARABILITY AND SAVINGS CLAUSE

Section 1. In the event any provision of this Agreement shall at any time be declared invalid by any court or competent jurisdiction, the decision shall not invalidate the entire Agreement, it being the express intention of the parties that all other provisions shall remain in full force and effect.

Section 2. In the event 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 provisions held invalid.

ARTICLE XXI - TERMINATION OF AGREEMENT

Section 1. This Agreement shall be in full force and effect from July 1, 1997, to and including June 30, 2001, and shall continue in full force and effect from year to year thereafter unless written notice of desire to cancel or terminate the Agreement is served by either party upon the other at least sixty (60) days prior to the date of expiration.

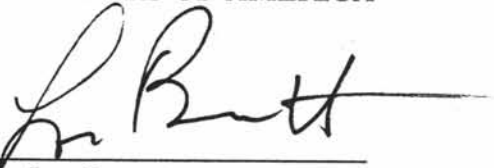
Section 2. It is further provided that where no such cancellation or termination notice is served and the parties desire to continue said Agreement, but also desire to negotiate changes or revisions in this Agreement, either party may serve upon the other a notice at least sixty (60) days prior to June 30, 1997, or June 30th of any subsequent contract year, advising that such party desires to continue this Agreement, but also desires to revise or change terms or conditions of such Agreement.

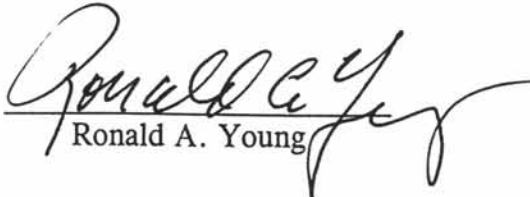
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representatives on the day and year first written above.

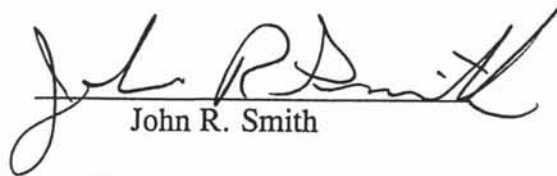
BOARD OF COUNTY ROAD
COMMISSIONERS, COUNTY OF
ALCONA, MICHIGAN


LOCAL UNION NO.214 AFFILIATED WITH
THE INTERNATIONAL BROTHERHOOD OF
TEAMSTERS, CHAUFFEURS, WAREHOUSEMEN
AND HELPERS OF AMERICA

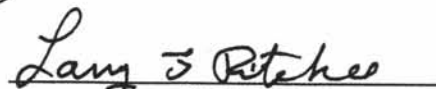
By: 
Richard A. Karsen, Sr.

By: 
Les Barrett


Ronald A. Young


John R. Smith


Maureen G. Goslee


Larry W. Ritchie

SCHEDULE "A" - OVERTIME AND HOURS OF WORK

Section 1. The regular work week is established as eight (8) hours a day, Monday through Friday. The regular work day on Monday through Friday shall commence at 7:30 A.M. and end at 4:00 P.M. daily with a lunch period from 11:30 A.M. until 12:00 noon. The Employer reserves the right to change starting and quitting times of the regular work day, if such change does not exceed one (1) hour from the regular work day scheduled above, and will notify the employees and Union one (1) week in advance of any change. The Employer further reserves the right to make permanent or seasonal changes in starting and quitting times of the regular work day when such changes are necessitated by time zone changes brought about by Federal, State or Local legislation.

Section 2. The employer shall annually present a plan to the union and other affected employees for what the employer determines will be an appropriate period of time, and number of employees which the employer believes would be appropriate to schedule for mandatory four (4) day - ten (10) hour work shifts. Those members of bargaining unit and other employees actually affected by the plan shall vote upon this plan within two (2) weeks after it is received. If the those members of the bargaining unit and other employees affected by the plan approve the plan by a majority of those entitled to vote, the employer may effectuate the plan, with mandatory scheduling. The employer may schedule men to a four (4) day - ten (10) hour schedule on a volunteer basis, for other projects in addition to the plan, without vote of the employees.

Section 3. Overtime shall be paid for hours worked over eight (8) or ten (10) hours per day (whichever is regularly scheduled) or for hours worked over forty (40) in one week, at the rate of one and one-half (1 1/2) times the regular rate of pay.

Section 4. One and one-half (1-1/2) times the regular rate will be paid for all hours worked on Saturday and Sunday except for regularly scheduled watchmen, janitors and custodians.

Section 5. Any employee ordered and reporting for work after completion of his regular work day or on his regular day off shall be paid for a minimum of four (4) hours at the rate of time and one-half (1-1/2) his regular hourly rate of pay.

Section 6. Overtime work will be permitted only when authorized by a Foreman, or by the Superintendent.

SCHEDULE "A" - OVERTIME AND HOURS OF WORK Cont'd

Section 7. An employee required to work more than two (2) hours overtime shall be granted a fifteen (15) minute coffee break. In the event that such overtime is extended into the twelfth (12th) hour, the employee will be granted a paid meal period of thirty (30) minutes before the end of the 12th hour. The time of the coffee break and meal period will be determined by the Employer.

Section 8. When overtime is required outside of normal working hours for snow plowing, management shall first attempt to call the individual who normally plows the route or routes where overtime is needed. If that individual is not readily available, then management shall call individuals in the same classification as the individual who normally plows the route who are readily available, in order of seniority. If an individual cannot be readily contacted by telephone, management shall contact the next most senior person.

In the event of emergency situations, such as slippery conditions on US 23, management may call employees who can report to the scene quickly, without regard to the above procedures.

Individuals who are on vacation shall be contacted for overtime during the period from the last day worked prior to going on vacation to the first day worked after return from vacation, unless they inform management otherwise.

When an individual is performing work and his job will continue on overtime after regular working hours, that individual shall continue to perform the job on overtime and this paragraph shall not apply.

SCHEDULE "B" - WAGES

All new permanent employees shall receive sixty cents (60¢) per hour below the rate of the contract for one hundred and eighty (180) days with a ten cent (10¢) raise each thirty (30) days until they reach the rate of the contract at the end of one hundred and eighty days (180) days. Days as used in this paragraph shall be calendar days.

<u>JOB CLASSIFICATION</u>	<u>BASE HOURLY RATE EFFECTIVE July 1, 1997</u>
Light Truck Driver	10.99
Heavy Truck Driver	11.09
Tandem Truck Driver	11.19
Mechanic Helper	11.19
Heavy Equipment Utility Man	11.34
Heavy Equipment Operator	11.34
Mechanic-Welder	11.44
Stock Clerk	11.34
Janitor	11.19

All light truck drivers with five (5) years seniority will receive five cents (5¢) per hour increase after a total of eight years (8) seniority in addition to these above rates.

The base hourly wage rates for the job classifications listed above shall be the base rates below which no adjustments will be made during the term of this agreement.

In addition to the above base wage rates, the employees are being paid a floating amount which totaled fifty cents (50¢) per hour as of July 1, 1997. This "float" is subject to adjustment according to the formula set forth below.

Effective July 1, 1997, the hourly wage rate shall be adjusted on the basis of the monthly revenue the employer received from the Michigan Transportation Fund during the preceding calendar year, including revenues commonly referred to as Build Michigan Funds, and including 75% of the increase in revenue which the employer may receive due to increases in the amount of weight and gas taxes levied by the state of Michigan or due to changes in the way weight and gas taxes are allocated among or between the counties. Twenty-five percent (25%) of the increases attributable to such changes in the tax or its allocation, together with payments for snow funds, critical bridge funds, or any other special payment or new or different payment which has not been part of the regular monthly payment for the Road Commission during the years 1989 through 1992 shall be excluded from the revenue received by the Employer for purposes of this wage adjustment. The adjusted total of the monthly payments received shall be referred to as the Transportation Fund Revenue (TFR).

The method of determining the percentage increase or decrease in employer revenue will be as follows:

SCHEDULE "B" - WAGES Cont'd

Using the employer's twelve (12) month Transportation Fund Revenue for 1995 as the base and the total Transportation Fund Revenue for 1996, the 1997 adjustment shall be computed as follows:

$$\frac{1996 \text{ TFR} - 1995 \text{ TFR}}{1995 \text{ TFR}} \times 100\% = \% \text{ change effective July 1, 1997}$$

The % change shall be rounded to the nearest whole percentage number, with fractional percentages less than one-half (1/2) being rounded down and fractional percentages of one-half (1/2) and greater being rounded up. The amount of the increase or decrease shall be determined in accordance with the following table:

<u>REVENUE PERCENTAGE CHANGE</u>	<u>CHANGE IN HOURLY RATE</u>
- 5%	-20 cents
- 4%	-16 cents
- 3%	-12 cents
- 2%	-08 cents
- 1%	-04 cents
less than -1/2% or less than +1/2%	00 cents
+ 1%	+04 cents
+ 2%	+08 cents
+ 3%	+12 cents
+ 4%	+16 cents
+ 5%	+20 cents

and so forth, with four cents (4¢) per hour adjustments thereafter for each one (1%) percent change in revenue but subject to a maximum change of fifty cents (50¢) per hour either way as set forth herein. Increases for subsequent years shall be computed in a similar manner provided that no increases or decreases shall be granted under the formula after the expiration of this contract unless and until a new contract has been agreed to.

If the change in hourly rate is an increase, seventy five percent (75%) of the increase (rounded to the nearest cent) shall be applied to increase the float, and the amount paid to the employee, on the effective date of the increase provided that the increase shall not exceed fifty cents (50¢) per hour in any one year. Twenty-five percent (25%) of the increase shall be applied by the employer to offset the costs of any increases in the cost of benefit plans (excluding retirement and life insurance) provided by the employer from the levels of contribution in the previous contract. In the event that such offset shall be insufficient to fully pay such increases, then the employer shall bear any deficiency until the next annual wage adjustment. If funds received exceed the amount needed to offset the benefit plan increase, such excess shall be first applied against any deficiency from a previous year's accumulation, until the next contract negotiations between the parties.

SCHEDULE "B" - WAGES Cont'd

Further, the parties intend that the minimum increase in actual wages produced by the formula (after the 25% diversion for benefit plans) shall be 25¢ per hour and, if a decrease in wages is produced by the formula, such decrease shall first reduce the 25¢ per hour annual minimum increase. Thus the amount of change in hourly rate as determined above which will be applied to the actual wage rate shall be determined as follows:

- 1) If the calculated wage adjustment (after the 25% diversion for benefit plans) is zero or an increase less than or equal to twenty five cents (25¢) per hour the actual wage adjustment shall be an increase of twenty five cents (25¢) per hour.
- 2) If the calculated wage adjustment (after the 25% diversion for benefit plans) is an increase greater than twenty five cents (25¢) per hour the actual wage adjustment shall be as calculated but not greater than fifty cents (50¢) per hour.
- 3) If the calculated wage adjustment is less than zero then the wage adjustment shall be determined by subtracting the calculated wage adjustment from twenty five cents (25¢) per hour to determine the actual wage adjustment which may be either an increase less than twenty five cents (25¢) per hour or a decrease of not more than fifty cents (50¢) per hour.

Effective July 1, 1998, fifty percent (50%) of the amount added to the float on July 1, 1997, shall be applied to the base hourly rates and this result shall become the new base hourly rate. The remaining fifty percent (50%) shall become part of the new float. The parties intend that every year, fifty percent (50%) of the increase in the float will become part of the base hourly rate and the remaining fifty percent (50%) shall become part of the new float.

On July 1, 1997, an additional twenty five cents (25¢) per hour shall be added to the wage float and the hourly rate paid. This shall be in addition to the ten cents (10¢) per hour determined by the wage adjustment formula for July 1, 1997.

State maintenance revenue will be included in the wage adjustment formula in the same manner as Michigan Transportation Fund revenue if changes in funding allocations to Alcona County occur because of legislative action on Road Jurisdiction or Act 51 that result in a decrease in Michigan Transportation Fund allocations and an increase in state maintenance revenue.