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6/30/2005

AGREEMENT
BETWEEN
THE CITY OF MILAN
AND
LOCAL 3052
AMERICAN FEDERATION OF STATE,
COUNTY, AND MUNICIPAL EMPLOYEES, AFL-CIO
MILAN SUPERVISORY EMPLOYEES

Milan, City of

July 1, 2001 through June 30, 2005

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AGREEMENT

This Agreement is entered into between the City of Milan, a Michigan Municipal Corporation, hereinafter termed the "City" or "Employer" and the Milan City Chapter of Local 3052, AFL-CIO, affiliated with Michigan Council #25, American Federation of State, County & Municipal Employees, Milan Supervisory Employees, hereinafter termed 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 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 these ends the Employer and the Union encourage to the fullest degree friendly and cooperative relations between the respective representatives of all levels and among all employees.

ARTICLE 1 - RECOGNITION

Pursuant to and in accordance with all applicable provisions of Act 379 of the Public Acts of 1965, as amended, the Employer does hereby recognize the Union as the exclusive representative for the purpose of collective bargaining in respect to rates, wages, hours of employment, and other conditions of employment for the term of this Agreement of all employees of the Employer included in the bargaining unit certified by the Michigan Employment Relations Commission on May 8, 1989, in case no. R-89 C-90.

ARTICLE 2 - AGENCY SHOP, CHECKOFF OF DUES, AND SERVICE FEES

A. Employees who are members of the recognized bargaining unit who are not members of the Union may join the Union by initiating their union application form and dues deduction authorization form.

B. The City agrees to deduct from the wages of an employee, who is a member of the union, all monthly Union membership dues uniformly required, as provided in a written authorization in accordance with the standard form used by the City provided that the said form shall be executed by the employee. The written authorization for Union dues deduction shall remain in full force and effect during the period of this Agreement unless revoked by written notice. The revocation notice must be given to both the City and the Union.

C. Any person employed with the City and covered by this Agreement, who is not a member of the Union and does not make application for membership within thirty (30) days from the effective date of this Agreement or from the date he first became a member of the bargaining unit, whichever is later, shall as a condition of employment, pay to the Union a service fee as a contribution towards the administration of this Agreement, in the amount equal to the regular monthly membership dues of the Union. Employees who fail to comply with this requirement shall be discharged within thirty (30) days after receipt of written notice by the City from the Union unless otherwise notified by the Union in writing within said thirty (30) days and provided that the Union shall release the City from fulfilling the obligation to discharge if

during such 30-day period the employee pays the membership dues or service fee retroactive to the due date and confirms his intention to pay the required membership dues or service fee in accordance with this Agreement.

D. The City agrees to deduct from the wages of any employee covered by this Agreement, who is not a member of the Union, all monthly Union service fees uniformly required as provided in a written authorization in accordance with the standard form used by the City, provided that the said form shall be executed by the employee. The written authorization for Union service fee deduction shall remain in full force and effect during the period of this Agreement unless revoked by written notice. The revocation notice must be given to both the City and to the Union.

E. All Union membership dues and service fees will be authorized, levied, and certified in accordance with the by-laws of the Union. Each employee and the Union hereby authorizes the City to rely upon and to honor certification by the designated financial officer of the Union regarding the amounts to be deducted and the legality of the adopting action specifying such amounts of Union dues and service fees. The amounts of the Union dues and service fees may not be changed more often than once per year. The monies so deducted shall be remitted promptly to the designated financial officer of Council 25, American Federation of State, County, and Municipal Employees, AFL-CIO, along with an alphabetical list showing the names, addresses, seniority dates and amounts deducted for all employees from whose pay deductions were made.

F. The Union agrees to indemnify, save, and hold harmless the City from damages or other financial loss, which the City may be required to pay or suffer as a consequence of enforcing the above provisions.

ARTICLE 3 - AID TO OTHER UNIONS

The Employer will not aid, promote or finance any other labor group or organization which purports to engage in collective bargaining or make any agreement with any such group or organization for the purpose of undermining the Union.

ARTICLE 4 - CONTINUITY OF WORK

The Union, its officers and agents, and all employees in the bargaining unit agree that there shall be no strikes, work stoppages, slowdowns, or other interruptions of any kind with the full, faithful and proper performance of the duties of the employees covered by this Agreement, and further agree that the City of Milan shall not be bound to comply with the provisions of this Agreement in the event of a strike or other violation of this provision. The City will not lockout employees covered by this Agreement.

ARTICLE 5 - MANAGEMENT RIGHTS

A. The Union recognizes the prerogatives of the City to operate and manage its affairs in all respects in accordance with its responsibilities and powers consistent with its Charter.

B. The City has the right to determine hours of work, work schedules, and overtime work in a manner most advantageous to the City. The City has the right to determine the methods and processes by which such work is performed, and to solely determine if such work is to be performed. The City has the right to layoff personnel and to contract or subcontract all or part of the work in order to improve departmental efficiency or due to a lack of work or funds. In the event the City of Milan advertises for bids for a contract that would remove work and could cause a layoff in the bargaining unit, the City shall immediately notify the Union in writing.

C. The City has the right to promulgate reasonable rules and regulations affecting the employees covered by this Agreement.

D. The City shall retain as management rights any and all powers regarding wages, hours, and other terms and conditions of employment not restricted by the express terms of this Agreement.

E. The City has the right to hire, select, and direct the work force and to assign, promote, and transfer employees. The City has the right to determine the duties and work assignments of employees and to discipline and discharge for just cause employees covered by this Agreement.

ARTICLE 6 - REPRESENTATION

A. The Union has the right to designate a Chapter Chair and a Steward from among the employees in the bargaining unit. The names of the persons so designated shall be submitted in writing to their department heads and to the City Administrator of the City, and any changes in such designations shall also be promptly submitted in writing to the appropriate department heads and to the City Administrator.

B. The Chapter Chair or his or her designee is authorized to transmit and receive, on behalf of the Union, official written communications and written information.

C. The Chapter Chair or his or her designee, with the prior approval of such person's supervisor, shall be permitted time off without loss of time or pay from such person's scheduled work hours for the purpose of meeting with representatives of the Employer or to present written grievances in accordance with the Grievance Procedure contained in this Agreement. No overtime or other premium pay shall be paid for time spent meeting with representatives of the Employer in accordance with this Article.

D. Union Bargaining Committee

(1) Employees covered by this Agreement will be represented in negotiations by two (2) negotiating committee members.

(2) All bargaining by the parties shall commence during the regular workday.

(3) Members of the bargaining committee shall be paid by the Employer for all hours spent in negotiations, however, no overtime shall be paid for time spent in negotiations.

ARTICLE 7 - GRIEVANCE PROCEDURE

A. Definition of Grievance. A grievance shall mean a complaint filed by an employee or the Union concerning the application or interpretation of this Agreement as written. A written grievance shall name the employee(s) involved, state the facts giving rise to the grievance, identify all provisions of this Agreement alleged to have been violated by appropriate reference and state the contention of the employee

or Union with respect to those provisions, indicate the relief requested, and be signed by the employee affected or the steward if the grievance is filed by the Union.

A written grievance need not be processed if it fails in any of the foregoing respects.

B. Grievance Procedure. All grievances shall be processed in the following manner:

(1) Step 1 - Within five (5) working days after an employee knows or should have known of the events giving rise to the grievance, the employee and/or his steward shall discuss the matter with the Department Head. If the matter is not resolved, it shall be reduced to a written grievance and submitted to the Department Head within seven (7) working days of the verbal discussion. The Department Head shall give his/her answer in writing to the employee or steward within seven (7) working days following the Department Head's receipt of the written grievance.

(2) Step 2. If the grievance is not satisfactorily resolved at Step 1, it may be appealed by submitting the grievance to the City Administrator within five (5) days following receipt of the Employer's Step 1 answer. Within ten (10) working days after the grievance has been appealed, a meeting shall be held between the City Administrator and the Union Representatives. Either party may have non-employee representatives present, if desired. If the meeting cannot be held within the ten (10) day working period, it shall be scheduled for a date mutually convenient to the parties. The City Administrator shall respond in writing within ten (10) working days after the meeting.

(3) Step 3. If the answer at Step 2 is not satisfactory, and the Union wishes to carry it further, the Chapter Chair shall refer the matter to Council #25.

a. Within 30 calendar days after receipt of the City's answer at Step 2, the Union may move the grievance to arbitration by notifying the City and Council 25 of their intent to arbitrate. The parties shall then attempt to mutually select an Arbitrator. If, within 30 calendar days from the Union's notice of intent to arbitrate, an arbitrator has not been mutually selected, the grievance may then be appealed by Council 25 to the American Arbitration Association to be processed in accordance with its voluntary labor arbitration rules.

b. The arbitration proceedings shall be conducted in accordance with the

American Arbitration Association Rules and Regulations.

c. There shall be no appeal from any Arbitrator's decision. Each such decision shall be final and binding on the Union, its members, the employee or employees involved, and the Employer. The Arbitrator shall make a judgment based on the express terms of this Agreement, and shall have no authority to add to, or subtract from any of the terms of this Agreement. The expenses for the Arbitrator shall be shared equally between the Employer and the Union.

d. A grievance may be withdrawn without prejudice and if so withdrawn, all financial liabilities shall be canceled. If the grievance is reinstated as a result of a decision of the Council #25 Appeal Procedure, the financial liability shall date only from the date of reinstatement. If the grievance is not reinstated within sixty (60) working days from the date of withdrawal, the grievance shall not be reinstated. When one or more grievances involve a similar issue, those grievances may be withdrawn without prejudice pending the disposition of the appeal of the representative case by mutual agreement. In such event, the withdrawal without prejudice will not affect financial liability.

C. The time limits established in the Grievance Procedure shall be followed by the parties hereto. If the time procedure is not followed by either party, the grievance shall advance to the next step, except arbitration. The time limits established in the Grievance Procedure may be extended by mutual agreement; provided the extension is reduced to writing and the period of extension is specified.

D. Time Computation. Saturdays, Sundays, and holidays recognized by this Agreement shall not be counted under the time procedures established in the Grievance Procedure.

E. Grievance Form. The grievance form shall be supplied by the Union.

F. Lost time. For working time necessarily spent in investigating a grievance which an employee has already submitted to the Grievance Procedure above provided or in discussing such a grievance with a representative (or representatives) of the City, a steward (in his capacity as such or as a member of the Employee Committee) shall be paid at his regular straight time rate for those straight time hours during which he would otherwise have been at work for the City, it being agreed that such

investigation or discussion shall be performed with a minimum of interference with work assignments and loss of working time.

ARTICLE 8 - DISCHARGE AND SUSPENSION

A. Notice of Discharge or Suspension.

The Employer agrees, immediately upon the discharge or suspension of an employee, to notify, in writing, the employees, their steward and the Local President/Chapter Chairperson of the discharge or suspension. Said written notice shall contain the specific reasons for the discharge or suspension.

B. The employer shall not discharge employees or take other disciplinary action without just cause.

C. The discharged or suspended employee will be allowed to discuss their discharge or suspension with their union representative(s) and the Employer will make available a meeting room where they may do so before they are required to leave the property of the Employer. Upon request, the Employer or their designated representative will discuss the discharge or suspension with the employee and the steward or union representative.

D. Appeal of Discharge or Suspension.

Should the discharged or suspended employee and/or the local representative(s) consider the discharge or suspension to be improper, it shall be submitted to the second step of the grievance procedure.

E. Use of Past Record.

In imposing any discipline or discharge on a current charge, the Employer will not take into account any prior infractions, which occurred more than two (2) years previously.

ARTICLE 9 - TIME LIMIT ON MONETARY CLAIMS

A. The City shall not be required to pay back wages more than five (5) working days prior to the date a written grievance is filed except, in cases of extenuating circumstances which prevented the timely filing of a grievance, the limit shall be increased to fifteen (15) working days.

B. All claims for back wages shall be limited to the amount of wages that the

employee otherwise would have earned less any compensation received for temporary employment obtained subsequent to his removal from the City payroll, or from unemployment insurance.

C. In the case of a pay shortage in which the employee would not have been aware before receiving his pay, any adjustment made shall be retroactive to the beginning of the pay period covered by such pay, if a grievance is filed within the twenty (20) working days within receipt of such paycheck.

ARTICLE 10 - SPECIAL CONFERENCES

Special conferences for important matters other than grievances shall be arranged between the Local President or their designated representative, and the Employer or its designated representative upon the request of either party. Such conferences shall be between at least two (2) bargaining unit members and at least two (2) representatives of Management. Arrangements for such special conferences shall be made in advance and an agenda of the matters to be taken up at the conference shall be presented in writing at the time the conference is requested. Conferences shall be held within seven (7) working days after the request is received. Matters taken up in special conferences shall be confined to those included in the agenda. Conferences shall be held at mutually agreed upon times and hours. The members of the Union as set forth above shall not lose time or pay for time spent in such special conferences. These conferences may be attended by representatives of the Council and/or representatives of the International Union.

ARTICLE 11 - SENIORITY

A. New employees hired in the unit shall be considered as probationary employees for the first one hundred and eighty (180) calendar days of their employment. When an employee finishes the probationary period their name shall be entered on the seniority list of the unit and they shall rank for seniority from their date of hire. There shall be no seniority among probationary employees.

B. The Union shall represent probationary employees for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment, and

other conditions of employment as set forth in this Agreement, except for employees who are discharged or suspended for other than union activities.

C. Seniority is hereby defined as the length of continuous service from the initial date of hire.

ARTICLE 12 - LOSS OF SENIORITY

Employees shall lose their seniority for the following reasons only:

(a) They quit

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

(c) They are absent for five (5) consecutive working days without notifying the Employer, this will be deemed a voluntary resignation by the employee. In proper cases, exceptions shall be made. After such absence, the Employer will send written notification by registered certified mail to the employee at the last known address that they have lost their seniority and the Employer has accepted their resignation. If the disposition made of any such case is not satisfactory, the matter shall be referred to the final step of the grievance procedure.

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

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

(f) If laid off in excess of three (3) years or a period of time equal to his length of employment prior to the layoff, whichever is less, he/she shall lose seniority.

(g) They retire.

ARTICLE 13 - SENIORITY LISTS

A. The Employer will maintain an up-to-date seniority list. The names of all employees who have completed their probationary periods shall be listed on the seniority list in order of their last hiring dates, starting with the employee with

the greatest amount of seniority at the top of the list. If two (2) or more employees have the same last hiring date, the last four (4) digits of their Social Security numbers shall be used in determining their respective positions on the seniority list, with the employee having the lowest such four (4) numbers being assigned first to the seniority list, etc.

B. The employer will keep the seniority list up-to-date and will provide the Union with a copy and Council #25 AFSCME, AFL-CIO with one (1) up-to-date copy every six (6) months, upon request.

ARTICLE 14 - LAYOFF PROCEDURES

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

B. In the event it becomes necessary for a layoff, the Employer shall meet with the proper Union representatives at least fourteen (14) calendar days prior to the effective date of layoff. At such meeting the Employer shall submit a list of the number of employees scheduled for layoff, their names, seniority job titles, and work locations.

C. When a layoff takes place, temporary, seasonal, part-time and probationary employees shall be laid off first. Thereafter, employees having seniority shall be laid off in inverse order of their seniority, provided that no employee shall be allowed to bump into a position unless he or she is fully qualified to perform the duties of that position, i.e., the least-senior employee on the seniority list being laid off first.

D. Employees to be laid off will receive at least fourteen (14) calendar days' advance notice of the layoff.

E. During a layoff there shall be no scheduled overtime, only occasional, or emergency overtime will be worked.

F. A grievance concerning an alleged violation of this article may be submitted directly to Step 2 of the grievance procedure.

G. Employees who are laid off may, upon request, be paid for all or part of their accumulated vacation time and compensatory time.

ARTICLE 15 - RECALL PROCEDURE

When the working force is increased after a layoff, employees will be recalled in the reverse order of which they were laid off. Notice of recall shall be sent to the employee at his last known address by registered or certified mail. If an employee fails to report to work within ten (10) calendar days from the date of mailing of notice of recall, he shall be considered a "quit". In proper cases, exceptions may be made.

ARTICLE 16 - REINSTATEMENT OF VETERANS

The re-employment rights of employees returning from military service and probationary employees will be in accordance with all applicable laws and regulations.

ARTICLE 17 - TRANSFERS OUT OF BARGAINING UNIT

If an employee is transferred to a position under the Employer not included in the bargaining unit, he or she shall retain all rights accrued for the purpose of any benefits based on seniority provided in this Agreement. Employees may return to their former positions within a six- (6) month period. Thereafter, an employee returning to the bargaining unit will retain bargaining unit seniority.

ARTICLE 18 - JOB POSTING AND BIDDING

Permanent vacancies of positions within the bargaining unit shall be posted for a period of at least seven (7) days prior to filling the vacancy. Employees interested in filling the vacancy shall apply in writing to their Department Head. Permanent vacancies shall be filled on the basis of qualifications. In the event two or more employees are equal in qualifications, the vacancy shall be filled by the most senior employee who has applied for the position. The vacancy shall be filled within seven (7) working days of the end of the posting period.

There shall be a fifteen (15) working day trial period to determine the employee's desire to remain on the job and his ability to perform the job during which

period the employee may be returned to his former job. If the employee is unsatisfactory in the new position, notice and reasons shall be submitted to the employee and his steward in writing.

During the trial period employees will receive the rate of the job they are performing. Upon such a transfer, employees shall not receive a reduction in pay but, in no event, shall they be paid more than the maximum pay of the job to which they have transferred.

Employees may not bid on vacancies for a period of one-year following a successful bid on another job.

Upon request, the steward will be furnished with the names of all employees who bid for vacant jobs by the department head posting the position in accordance with this article.

ARTICLE 19 - TEMPORARY VACANCIES

A. In the event there is a temporary job or job opening due to illness, lack of manpower, leaves or emergencies, the City may fill such job by transferring another employee or employees to such temporary vacancies, not to exceed six (6) months unless a longer time is agreed to.

B. When employees are assigned to perform the duties of a higher paid classification for more than two consecutive working days, they shall be paid the rate of the higher paid classification from the beginning of the first day of the assignment.

C. In the event an employee is assigned to a lower classification they will retain their current rate of pay, but will perform the work of the position.

ARTICLE 20 - SAFETY

The City recognizes its responsibility to provide safe and healthful working conditions, and the Union recognizes its obligation to cooperate in the maintenance and improvement of those conditions.

A Safety Committee of the employees and City is hereby established. This Committee shall consist of one (1) representative from the Union and one (1)

representative from Management. Meetings may be called by either party as deemed necessary.

In the event an issue regarding safety cannot be resolved--it will become a proper subject for the grievance procedure and shall be commenced at Step 2 of the grievance procedure.

Employees who are covered by the new federal regulations regarding drug and alcohol testing (those who must have Commercial Driver's Licenses and certain other employees), who fail a drug or alcohol test shall be suspended without pay until such time as they are able, at their own expense, to obtain the necessary permission to resume the full range of their duties. Employees who are unable to do this within six months may be terminated.

ARTICLE 21 - DISTRIBUTION OF AGREEMENT

The Employer agrees to provide to each employee a copy of this Agreement and to provide a copy of the same agreement to all new employees entering the employment of the Employer.

ARTICLE 22 - SAVINGS CLAUSE

If any article or provision of this Agreement shall be held invalid by operation of law of any tribunal of competent jurisdiction, or if compliance with or enforcement of any article or provision should be restrained by such tribunal, the remainder of this Agreement shall not be affected thereby and the parties shall enter into collective bargaining negotiations for the purpose of arriving at a mutually satisfactory replacement for such article or provision.

ARTICLE 23- EXTENT OF AGREEMENT

The parties agree that this Agreement constitutes the entire Agreement between them relative to wages, hours and other terms and conditions of employment. The Union, for the life of this Agreement unqualifiedly waives the right to further collective bargaining with the City with respect to any subject or matter referred to

or covered in this Agreement or with respect to any subject or matter not referred to or covered in this Agreement, even though such subject matter may not have been within the knowledge or contemplation of either or both parties at the time that they negotiated or signed this Agreement.

ARTICLE 24 - HOLIDAYS

A. The following days shall be paid holidays:

- New Years Day
- Presidents' Day
- ½ day on Good Friday
- Memorial Day
- July 4th
- Labor Day
- Columbus Day
- Veteran's Day
- Thanksgiving Day
- Friday after Thanksgiving
- Christmas Eve Day
- Christmas Day

If a holiday falls on a Saturday, the preceding Friday shall be recognized as the holiday; if a holiday falls on a Sunday the following Monday shall be recognized as the holiday.

B. Eligible employees will be paid their regular, current straight time rate of pay for eight (8) hours for each holiday. To be eligible, employees must work their regular assigned workdays immediately preceding and following the holiday unless their absence has been excused by the Department Head.

C. If an employee is required to work on a holiday, he shall be given the choice of pay or compensatory time off with pay equal to time and one-half of all hours worked on the holiday.

D. If a holiday occurs during an employee's vacation, he shall be paid for the holiday and not charged with having used the vacation day; if a holiday occurs while an employee is on sick leave, he shall be paid for the holiday and not charged with using the sick leave.

E. In addition to the above holidays, all full-time employees not on probation shall be entitled to three (3) personal leave days, with pay, per fiscal year. Employees first becoming eligible for this benefit shall have such time prorated to the nearest one-half (1/2) day. Personal leave days may be taken at the mutual convenience of the employee and the Department. Such time may not be banked.

ARTICLE 25 - VACATIONS

A. All full time employees shall earn paid vacation credits based on the number of years of service they have with the City in accordance with the following schedule:

<u>Years of Service</u>	<u>Yearly Vacation</u>
1 - 5 years	12 working days
6 - 10 years	15 working days
11 - 15 years	18 working days
16 years	19 working days
17 years	20 working days
18 years	21 working days
19 years	22 working days
20 years	23 working days
21 years & over	24 working days (Maximum)

On the fifth, tenth, fifteenth, and each year thereafter the employee will be credited with the next higher level of vacation accrual.

B. Vacation days shall be credited to each employee's accumulated vacation bank on a monthly basis. Employees may not have accumulated as of December 1 of each year, more than two (2) years' worth of vacation. Time in excess of this limit will be permanently lost, unless management does not provide the employee a reasonable opportunity to use the vacation time, in which event the employee may, at his or her option, be paid in cash for such unused vacation. Each employee shall have the option of being paid in cash for up to five (5) days of unused vacation each year providing the employee gives written notice to the City prior to November 1. Such payment shall be made in December.

C. The Department Head will determine how many employees within each classification may be off on vacation at any given time. Subject to the Department Head's approval and the operating needs of the department, vacations will be granted at times most desired by employees. When two or more employees in the same classification desire to be off on vacation at the same time, but the Department Head cannot permit that many employees to be off at the same time, the employee with the greatest amount of seniority shall be given preference.

ARTICLE 26 - LEAVES OF ABSENCE

A. Unpaid leaves of absence for periods not to exceed one (1) year may be granted without loss of seniority for:

1. Physical or mental illness
2. Prolonged illness in immediate family

B. Unpaid leaves of absence for periods of up to thirty (30) days may be granted for personal reasons provided such leaves do not interfere with the operations of the department.

C. Unpaid leaves may be granted or extended for definite periods at the discretion of the City Administrator for good cause shown; such action must be in writing with a copy sent to the Union.

D. Employees shall accrue seniority while on leaves of absence granted in accordance with this Article, and shall be returned to the position they held at the time the leave of absence was granted if it is vacant or to another position for which he or she is qualified. Employees filling positions made temporarily available due to the granting of a leave of absence shall be considered to be probationary subject to the return to the job of the employee on the leave of absence. Employees do not accrue any benefits while on an unpaid leave of absence.

E. The Employer shall abide by all provisions of the Family and Medical Leave Act except in those areas where the existing contract provisions exceed those provided by the Act, in which case the contract language will take precedence. An employee must use their paid leave while on a FMLA leave.

ARTICLE 27 - SICK LEAVE

A. Employees covered by this Agreement shall accrue eight (8) sick leave hours for each month worked upon completion of their probationary periods. Such accrual shall be retroactive to the employee's date of hire, but probationary employees may not use paid sick leave. For purposes of this section, a month is defined as a calendar month during which the employee is paid for at least one hundred twenty-eight (128) hours.

B. Sick leave may be accumulated to a maximum of nine hundred sixty (960) hours. An employee who has accumulated sick leave over hundred sixty (960) hours, shall be allowed to continue accruing above the nine hundred sixty (960) which can be used as a source for the employee match for the Post Retirement Medical Savings Plan (MSP). Hours over nine hundred sixty (960), which are not used for the MSP, will be paid at a 50% rate on an annual basis. The remaining one-half (1/2) of unused sick leave shall be lost. The Department Head will requisition this to the payroll department as part of the annual optional and/or additional year-end payouts as provided in other section of this bargaining agreement. The employee will have on record with the Employer a completed form naming their beneficiary.

C. Sick leave may be used only upon approval of the Department Head who may require a doctor's certificate verifying illness. Sick leave is paid absence due to illness, injury, or exposure to contagious disease, which could be communicated to another employee, and medical appointments. Sick leave shall be charged in two- (2) hour increments. In absences occurring in blocks of time in excess of two- (2) hour increments, the employee's sick leave bank shall be charged by the higher two- (2) hour increment of time.

The department head may also approve the use of sick leave to enable an employee to attend to, or make arrangements for, the care of sick members of the employee's immediate family which is defined for this purpose to be the employee's spouse, children or parents; provided that no more than one (1) day of such sick leave use may be allowed in each instance.

D. To be eligible for paid sick leave an employee must notify his department head as soon as possible that he will be absent from work, but in no instance later than his scheduled starting time. In proper cases, exceptions may be made.

E. Improper use of sick leave will disallow payment and will subject the employee to disciplinary action up to and including discharge.

F. At the time of an employee's retirement or death, his unused accumulated sick leave, up to a maximum of sixty (60) days will be paid to the employee or his beneficiary. Unused sick leave will not be paid when employment is terminated for reasons other than retirement or death.

ARTICLE 28 - FUNERAL LEAVE

Each full time employee shall be entitled, at no loss of pay, to two (2) working days of funeral leave in the event of a death in his immediate family. The City Administrator may grant up to an additional three (3) days leave in the event that the employee needs more time to make funeral arrangements or travel a great distance to attend the funeral. For purposes of this article, immediate family is defined as: mother, father, sister, brother, wife or husband, son, daughter, grandparents, grandchildren, mother-in-law, father-in-law, or a member of the employee's household.

In the event of a death of a member of the bargaining unit, the Chapter Chairperson or his designee, will be entitled to one (1) day of leave, at no loss of pay, to attend the funeral.

ARTICLE 29 - JURY DUTY

The City of Milan shall pay any employee who is called for jury duty the difference between the amount paid by the court excluding mileage and the regular amount paid the employee. It is understood that if the employee is not selected and is released by the court, he or she shall report for work.

ARTICLE 30 - CONTINUING BENEFITS

Any employee wages, hours, and conditions of employment which were generally in effect prior to the effective date of this Agreement, which were not changed by this Agreement, will continue in force throughout the life of the Agreement unless altered by mutual consent of the Employer and the Union.

ARTICLE 31 - OVERTIME

A. Overtime is defined as assigned time worked in excess of eight (8) hours in one day or forty (40) hours in one (1) week. Paid time including paid sick leave, vacations, holidays and funeral leave and compensatory time off, shall be considered as time worked for the purpose of determining the number of overtime hours worked.

B. All overtime shall be compensated at the rate of time and one-half the

employee's basic hourly rate. The eligible employee shall have the choice, prior to working the overtime, whether to receive payment in cash or compensatory time off. There will be a limit of eighty (80) hours compensatory time that may be banked by any employee. Compensatory time off may be taken at a time that is mutually agreeable to employer and employee with twenty-four (24) hours notice. Eligible employees will be able to retain all accumulated compensatory time to the maximum of eighty (80) hours. Employees will be paid at the regular rate for any hours over the maximum.

C. If an employee is called back to work after having worked his regular scheduled hours, he shall receive a minimum of two (2) hours' pay.

D. For other than employees who are regularly scheduled to be on-call, overtime work opportunities shall be divided as equally as possible among employees in the same classification in their departments. All employees in the bargaining unit may be offered overtime at the discretion of management.

E. Employees eligible for overtime are full-time non-exempt employees or any other non-exempt employee who works more than forty hours in one week but does not do so on a regular basis.

ARTICLE 32 - RATES FOR NEW JOBS

When a new job that clearly falls within the bargaining unit is created or an existing job is changed and/or reclassified, the Employer will notify the Union of the classification, job content, (description) and rate structure prior to its becoming effective. In the event the Union does not agree that the classification, job content, (description) and rate are proper, it shall be subject to negotiations.

ARTICLE 33 - INSURANCE

Full time permanent employees covered by this Agreement shall participate in the insurance programs of the City of Milan. Current insurance plans are listed below. The City of Milan reserves the right to self-insure or to change carriers with respect to any of the plans, subject to the provision that insurance benefits shall remain equivalent to, or better than, the current coverage, and the City shall provide the Union with sixty (60) days' notice of such change, if possible. Full-time employees will have the option of selecting one health insurance plan from various plans.

1.a) Hospitalization, Medical, and Surgical Insurance - Employees shall be covered by the City of Milan insurance plan.

An eligible employee may elect to take this hospitalization/medical insurance plan after thirty (30) days of employment provided that such coverage shall terminate in the event that the employee does not successfully complete his probation period. Eligible employees may also elect to be covered by this plan during the annual enrollment period, which normally occurs during a two-week period in May, taking effect July 1. The City of Milan will assume the full cost of the employee's hospitalization/medical insurance premium including the cost of coverage for the employee's spouse and the employee's children who are under nineteen (19) years of age, but not for coverage for other dependents such as parents, parents-in-law, or children who are nineteen (19) years of age or older.

Children turning nineteen (19) years of age will be insured until December of the same year in which they reach their 19th birthday. If an employee wishes to have their children covered after such time, he/she must fill out the necessary documents with the City Clerk/Treasurer. If they do not wish to have their children covered after such time, they must also fill out the necessary paper work with the City Clerk/Treasurer. Employees who wish to have their children covered after such time, and after being billed, payment must be received by the City Clerk/Treasurer by the 15th day of each month prior to month of insurance coverage.

The City shall pay all increases in health insurance premiums that are effective prior to July 1, 1996. Effective July 1, 1996, to the extent that health insurance premiums are increased to levels that exceed those of the base year, the City shall pay two-thirds and the employee shall pay one-third of such excess. The base year premiums shall be the higher of those, which were first effective in fiscal 1994-95 or 1995-96.

1.b) Retirement Health Insurance - Employees who retire and are eligible to draw payment from retirement benefits shall be eligible for health insurance coverage under the City's health insurance plan. The City shall pay one hundred percent (100%) of the retirees cost for single coverage and the retired employees shall be responsible for one hundred percent (100%) of the cost for health insurance coverage of any spouse or dependant. The City shall pay 100% of an eligible retiree's cost for single premium health insurance coverage. This coverage will only

be available to the retiree if they are not eligible for health insurance coverage through another employer after City retirement, or eligible for health insurance coverage through their spouse. The retiree must provide annual certification to the City that they are not eligible for other health insurance coverage. If the retiree becomes ineligible for other coverage at any time they may return to the City plan at the next open enrollment period. All costs for spousal and dependent coverage will continue to be paid for by the retiree if that coverage is desired.

2) Dental Insurance - Employees shall be covered by the City's dental insurance plan. Such coverage is provided to new employees after they have achieved sixty (60) days of employment and shall terminate in the event the employee does not successfully complete the probation period.

3) Optical Insurance - Employees shall be covered by the City of Milan's optical insurance plan.

4) Life Insurance, Accidental Death and Dismemberment Benefit, and Weekly Indemnity Benefit - Employees shall be covered by the City of Milan's Group Insurance Plan which provides thirty thousand dollars (\$30,000) of group life insurance coverage and accidental death and dismemberment benefit as well as a weekly indemnity benefit.

5) Disability Income Insurance - Employees shall be covered by the City of Milan's short-term and long-term disability income protection insurance plan.

6) Workers' Compensation, Unemployment Compensation - Employees shall be covered by applicable laws providing workers' compensation and unemployment compensation benefits.

7) There shall be an overall City-wide joint committee including representatives from all City bargaining units that will investigate and discuss various health insurance options that address the problem of rising health insurance costs. This committee is to be organized as soon as possible.

8) Waiver of Insurance Coverage and Payment in Lieu of Coverage: An employee who is eligible for health, dental, and optical insurance may elect to waive these coverages, by completing a form provided by the City, and receive payment for this waiver. Such employee who has waived any or all insurance coverage shall receive payment from the City, in December and June, of an amount which is fifty (50%) percent of the cost of the plan the employee would have been able to receive, if they have not

opted out of the coverage provided. The employee will receive a check in December and June for the previous six calendar months, which the employee waived, specified coverages. In the event an employee voluntarily or involuntarily severs employment with the City they will receive a prorated amount for each full month (i.e., 8.33% of the 50% for each eligible month) on or about their last official work day. The cost of each individual insurance coverage changes annually, and therefore the corresponding opting out payment will fluctuate accordingly. The City annually in July will provide the opting out payment schedule for that fiscal year.

ARTICLE 34 - TUITION REIMBURSEMENT

The City shall reimburse employees up to seven hundred dollars (\$700.00) per calendar year for the costs of tuition and books for courses taken at accredited colleges or universities upon satisfactory completion of such courses with grades of "C" or better, provided such courses are job related and approved by the Department Head as such or are required courses of a degree program which is job related and approved as such by the Department Head.

ARTICLE 35 - POST RETIREMENT MEDICAL SAVINGS PLAN (MSP)

The City established a Medical Savings Plan as a savings vehicle for funding retiree health and medical expenses. The plan allows employees to accumulate assets to pay for qualified medical expenses in retirement on a tax-free basis. Each employee will annually, on a date determined by the City, be required to contribute forty hours (40) hours of accrued vacation or compensatory time to the MSP. An employee may contribute a maximum of one hundred and twenty hours (120) during any fiscal year. The City will match the monetary value of the employee's annual contribution. Newly hired employees, with less than six (6) months of service on the date determined by the City, that do not have a total of forty hours of accrued time to contribute, shall be required to contribute all of their accrued and unused vacation and compensatory time to the MSP. In the event that, on the date determined by the City, an employee doesn't have at least forty hours of accrued and unused vacation and compensatory time, the City shall require the

employee to utilize forthcoming monthly vacation accrual to supplement the existing vacation and compensatory time bank to equal the minimum forty (40) hour contribution to the MSP.

ARTICLE 36 - PENSIONS

For all full-time employees who were hired prior to the signing of the 2001 agreement and are covered by this agreement, the basic benefit program is the Michigan Municipal Employees Retirement System (MERS) B-4 benefit plan with the F-55 with 25 years rider. There shall be no employee contribution with all costs borne by the City. For all those full-time employees covered by the agreement, but hired after the signing of this agreement, shall be enrolled in a MERS defined contribution plan. The employee will contribute a minimum of three (3) or five (5) percent of their annual wages to the plan, which the City shall match. New employees under the defined contribution plan will vest after five years of service and can begin to draw retirement plan benefits when the employee is sixty (60) years of age or older.

ARTICLE 37 - SCHEDULED WORK HOURS

A. The City shall have the right to determine reasonable schedules of work based on the needs of its operations, the safety of employees, and the efficiency of operations. Currently, employees are assigned to work Monday through Friday schedules.

B. The normal working hours for employees are 7:00 a.m. - 3:30 p.m. except for the Deputy Clerk, whose normal hours of work shall be 8:00 a.m. to 5:00 p.m.

C. The City agrees that it will discuss, with the Union, upon request, changes in working hours and the desires of employees regarding preferred starting and quitting times.

D. The City agrees that it will not change normal starting or quitting times, except in situations of serious necessity, without giving the Union one-week prior notice and an opportunity to discuss the reasons for the change.

E. In the event that the City of Milan establishes work schedules involving

more than one shift per day, employees assigned to operations with more than one shift shall be allowed to select, within each job classification, their preferred shift assignment in order of their seniority. Exceptions to this selection of shifts by seniority rule may be made by the City for purposes of training employees and familiarizing them with the variations of work and procedures associated with the different shifts.

Once shift assignments are made in accordance with this provision, no reassignment of shifts based on seniority shall be made for the balance of the calendar year. Thereafter, reselection of preferred shifts within each job classification based on seniority shall be made annually.

ARTICLE 38 - LONGEVITY PAY

Employees covered by this Agreement shall continue to receive longevity pay based on years of services as follows:

After Years of Service Percentage of Annual Base Pay

5	3%
10	4%
15	5%

Longevity payment will be made on the payday, which falls most nearly to December 15 of each year, and shall only be made to those employees actively employed by the City on said payday. No right to longevity pay shall accrue to any employee until December 15 of each year.

ARTICLE 39 - WAGE RATES

Rates of pay for all employees covered by this Agreement shall be in accordance with the attached Schedule, A which indicates basic hourly and annual rates, by classification, for the effective periods shown.

ARTICLE 40 - DEFERRED COMPENSATION

The City will establish a Section 457 pre-tax savings program to be available to any employee interested in enrolling. All contributions to the 457 account will come from the employees, not the City.

ARTICLE 41 - USE OF CELLULAR PHONES PAGER REQUIRED

THE DPW foreman and WWTP Superintendent are provided with cellular phones with pagers, and in some cases, vehicles for emergency response. These employees are required to carry their cellular phones at all times. The pager provided by the City will include the ability to convey alphanumeric messages to the employee. The DPW foreman and WWTP Superintendent will not be required to carry the cellular phone when the employee is approved sick leave, vacation days and personal days.

ARTICLE 42 - EFFECTIVE DATE, DURATION, MODIFICATION

A. This Agreement shall become effective upon the effective date of its approval by the Milan City Council.

B. This Agreement shall remain in full force and effect until it expires at 11:59 p.m. on June 30, 2005.

C. If either party desires to extend or modify this Agreement upon its expiration, it shall so notify the other, in writing, at least sixty (60) days prior to the expiration date.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures below on this ___ day of _____, 2001.

Local 3052, American Federation of State, County, and Municipal Employees, AFL-CIO

Angela M. Tolo 9/17/01
Council 25 Staff Rep.

City of Milan
David P. Ludwig, Mayor
Sherry L. Steinwedel
Sherry L. Steinwedel, Clerk/Treasurer
Michael J. Czymbor, City Administrator

SCHEDULE A

The following rates of pay shall be in effect from July 1 through June 30 of each fiscal year as shown:

<u>Title</u>	<u>2001-02 (2%)</u>		<u>2002-03 (2%)</u>		<u>2003-04 (2%)</u>		<u>2004-05 (2%)</u>	
	<u>Annual</u>	<u>Hourly</u>	<u>Annual</u>	<u>Hourly</u>	<u>Annual</u>	<u>Hourly</u>	<u>Annual</u>	<u>Hours</u>
Superintendent of the Wastewater Treatment Plant	\$48,192.29	\$23.17	\$49,156.14	\$23.63	\$50,139.26	\$24.10	\$51,142.05	\$24.58
Department of Public Works Foreman	48,192.29	23.17	49,156.14	23.63	50,139.26	24.10	51,142.05	24.58
Deputy City Clerk	30,962.94	14.88	31,582.20	15.18	32,213.84	15.48	32,858.12	15.79