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AGREEMENT

BETWEEN

CHARTER TOWNSHIP OF HARRISON

AND

SUPERVISORY EMPLOYEES ASSOCIATION

**JANUARY 1, 1996 -
DECEMBER 31, 1997**

Harrison Township

Michigan State University
Lansing, Michigan 48906
Telephone 313/487-2000

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AGREEMENT

This agreement entered into as of October 17, 1996 by and between the Charter Township of Harrison, Macomb County, Michigan, a Municipal Corporation, hereinafter referred to as the "Township" or "Employer" and the Harrison Township Supervisory Employees Association, hereinafter referred to as "Association" or "Employees".

PURPOSE AND INTENT

It is recognized by both parties that the best interests of the Charter Township of Harrison Supervisory Association are of paramount concern and that any labor disputes between the bargaining unit and the Township will be resolved in an orderly manner without interruption of public services, as provided under the provisions of this agreement.

The parties recognize that the interests of the community and the job security of the members of the bargaining unit depend upon the Township's success in establishing a proper service to the community.

NOW, THEREFORE, in consideration of their mutual covenants, and the benefits therefrom, the parties respectively agree:

ARTICLE 1. RECOGNITION

Section 1. The Township recognizes the Association as the sole and exclusive collective bargaining representative for the following of its Supervisory Employees:

Foreman and Assistant Foreman of the Water and Sewer Department, Assessor, Building Official, Water & Sewer Superintendent, and Parks & Recreation Director.

(a) The Township shall not enter into any agreements with any Employee or with any other collective bargaining organization on behalf of Employees, nor will the Employer aid, promote or finance any other labor group or organization which purports to engage in collective bargaining on behalf of Employees, or make any agreement with any such group or organization for any purpose during the term of this Agreement. Covered Employees (members of the bargaining unit) are sometimes referred to herein as "Employees".

ARTICLE 2. NON-DISCRIMINATION

Section 1. The Charter Township of Harrison, either in hiring, promoting, disciplining, assigning to jobs, or in reference to any other term or condition of employment, agrees not to discriminate against any Employee because of religion, race, color, national origin, age, sex, height, weight, marital status, or unrelated handicap as defined by law, membership in or activity on behalf of the Association or participating in the grievance

procedure. The Association agrees to admit any persons to its membership and to represent all Employees without discrimination by reason of religion, race, color, national origin, age, sex, height, weight, marital status, or unrelated handicap as defined by law.

ARTICLE 3. UNION SECURITY

Section 1. As a condition of continued employment, each member of the bargaining unit who has completed his probationary period shall establish and maintain membership in the Association, or shall tender to the Association a service fee equivalent for periodic Association dues uniformly assessed to the members of the Association.

Section 2. Service fees shall not include initiation fees or special assessments. Newly hired transferred or rehired Employees shall, as a condition of employment, join the Association or pay the service fees beginning at the conclusion of their probation. All Employees shall execute an authorization for the deduction of Association dues or service fees.

Section 3. Employees shall be deemed to be members of the Association in good standing, within the meaning of this Article, if they are not more than sixty (60) days in arrears in payment of initiation fees, dues, assessments or service charges.

Section 4. Employees who fail to remain in good standing in the Association shall be terminated within thirty (30) days

following receipt of notice from the Association to the Employer when a member of the bargaining unit is in violation of this Article.

ARTICLE 4. ASSOCIATION DUES

Section 1. An Employee may tender the monthly membership dues for service fees by the signing of the authorization for check-off form set forth below. During the life of this Agreement and in accordance with the terms of the form of authorization of check-off hereinafter set forth, the Employer agrees to deduct dues or service fees from the pay of each Employee who executes or has executed the authorization for check-off form and has filed the same with the Employer.

HARRISON TOWNSHIP SUPERVISORY EMPLOYEES ASSOCIATION

Authorization For Payroll Deduction

By: _____

(last name)

(first name)

(middle initial)

TO: Charter Township of Harrison

Effective _____, I hereby request and authorize you to deduct from my earnings, each month, the current dues, or equivalent service fees, being charged to me by the Harrison Township Supervisory Employees Association, after ninety (90) days of employment. The amount so deducted shall be paid to the Secretary-Treasurer of the Association. This authorization shall

remain in effect unless terminated by me by written notice, or by termination of my employment.

Dated: _____
(employee)

Section 2. The Union shall indemnify, defend and save the Employer harmless from any and all claims, dividends, suits or other forms of liability that may arise out of or by reason of action taken by the Employer for the purpose of complying with this Article. The Employer will not construe this paragraph as a means of avoiding the collection of dues or service fees.

Section 3. Beginning of Deductions. Check-off deductions under all properly authorized authorization for check-off forms shall become effective the ninetieth (90th) day after the employment date and the authorization is held with the Employer. The amount shall be deducted, if possible, from the second pay of the month and from the second pay period of each month thereafter.

Section 4. Remittance of Dues or Service Fees. Deductions for any calendar month shall be remitted to the designated Treasurer of the Association with a list of those for whom dues or service fees have been deducted as soon as possible, after the second pay period of each month.

Section 5. Termination of Check-Off. An Employee shall cease to be subject to check-off deductions beginning with the month

immediately following the month the Employee requests the Employer that his authorization and request for check-off be terminated.

ARTICLE 5. ASSOCIATION ACTIVITIES

Section 1. Purpose of the Association. Employees shall have the right to join the Association, to engage in lawful concerted activities for the purpose of collective negotiation or bargaining or other mutual aid and protection, to express or communicate any view, grievance, complaint or opinion related to the conditions or compensation of public employment or their betterment, all free from any and all restraint, interference, coercion, discrimination or reprisal.

Section 2. The Employees shall be represented by the Local President in the administration of this Agreement. In the absence of the Local President, an alternate may be appointed by him. The Local President, in order to hold such office, must have a minimum of one (1) year seniority with Employer.

The Local President (or his alternate, in his absence) will be allowed reasonable time off during working hours without loss of pay to (a) investigate grievances, (b) present written or verbal grievances, and (c) discuss written grievances with the employee(s), and with the assistance of one (1) other member of the bargaining unit, plus the grievant, otherwise attend meetings and hearings under the Grievance Procedure involved with designated

representatives of the Employer. Management agrees to the scheduling of proper meetings with Union representatives after working hours, on a reasonable basis.

Section 3. The Association President and not to exceed two (2) other Employees will be allowed reasonable time off, without loss of pay, during the last sixty (60) days of the term of this Agreement or during any period of extension of this agreement following its specified termination date to engage in collective bargaining with representatives of the Employer concerning a successor collective bargaining agreement.

Section 4. Association Meetings. The Association may schedule meetings to be held after normal working hours on Township property insofar as such meetings are not disruptive of the duties of the Township employees or the efficient operation of the Township.

Section 5. The Association shall be provided suitable bulletin board space for the posting of Association notices or other materials.

ARTICLE 6. MANAGEMENT RIGHTS

Section 1. Except as specifically and expressly limited by this Agreement, the Employer shall have the customary and regular functions of management and the right to manage and direct the Township operations and its employees, including the right to hire, promote, assign, transfer, suspend, discipline, discharge, layoff

and recall personnel, to publish and enforce work rules that are not arbitrary or capricious and to establish penalties for violation of such rules, to determine reasonable work loads, to schedule overtime on a reasonable basis, to establish and change work schedules, to provide and assign relief personnel, to establish, modify or eliminate job functions, to inaugurate new and expanded programs, and to perform and exercise all other rights and authority heretofore vested in the Employer. The exercise of the foregoing management rights shall in no case be arbitrary, capricious, discriminatory, inconsistent or in conflict with the express provisions of this Agreement.

ARTICLE 7. GRIEVANCE PROCEDURE

Section 1. Definitions. A grievance shall mean a complaint, by an Employee or group of Employees, based on an alleged violation, misinterpretation or misapplication of any provision of this Agreement.

Section 2. Procedure. Grievances shall be presented and adjusted according to the following procedure:

Note: All references to Township Supervisor will allow a designated representative when mutually agreed.

VERBAL PROCEDURE. An Employee and/or the Union Representative shall discuss his grievance with the

Township Supervisor or designated representative (when mutually agreed), in an effort to resolve the problem.

STEP ONE: In the event the matter is not resolved informally, a written grievance may be filed by the Association with the Township Supervisor within ten (10) working days following the discussion with the Township Supervisor provided for in the next preceding paragraph. The written grievance shall set forth all relevant facts and specify the Section of this Agreement alleged to have been violated, and the relief requested.

Within ten (10) working days after receipt of the written grievance, the Township Supervisor shall communicate his/her decision, in writing, together with supporting reasons, to the aggrieved party and to the Association President or his designated representative.

STEP TWO: Within ten (10) working days after receiving a reply, if the Employee or the Union still feels aggrieved, appeal by the Employee or the Union may be taken to the Township Supervisor. The appeal must be in writing and filed within that period. A meeting between the Association President and one (1) other Employee (and/or the grievant) and the Township Supervisor, along with the Township Clerk, the Township Treasurer, will be arranged to discuss the grievance within ten (10) working days from the date the

grievance is received by the Township Supervisor. Within ten (10) working days after the date of the said meeting, the Supervisor shall communicate the decision of the Supervisor, Clerk and Treasurer, in writing, signed by two of the three, together with the supporting reasons, to the aggrieved party and to the President of the Association. The Township Supervisor may seek assistance at the STEP TWO meeting when required.

STEP THREE: If the Township and the Association shall be unable to resolve any grievance, the grievance may be appealed to arbitration within thirty (30) calendar days after the decision or reply of the Township. Such appeal shall be in writing, and shall be delivered to the Michigan Employment Relations Commission and the Township within the said thirty (30) calendar day period, and if not so delivered, the grievance shall be deemed abandoned, except in an emergency which is beyond the control of either party. If the parties are unable to agree upon an arbitrator, he shall be appointed under the rules of the Michigan Employment Relations Commission.

The arbitrator so selected will confer with the parties and hold hearings promptly, and will issue his decision not later than thirty (30) calendar days from the date of the close of the hearing. The Arbitrator's decision shall be in writing, and will

set forth his findings of fact, reason and conclusion on the issues submitted. The Arbitrator's findings shall be final, and unappealable and binding on all parties to the dispute. The Arbitrator shall have sole responsibility of determining whether or not the dispute is "arbitrable" or not. It is the specific intent of the parties that each of the parties waives any further right of appeal from the finding or award of the Arbitrator. It is the understanding that the parties may not set aside and/or modify the Arbitrator's award unilaterally. The cost of arbitration shall be shared equally between the Township and the Association. Each party shall be responsible for compensating its own representatives and witnesses.

Section 3. General Provisions.

A. The primary purpose of this procedure is to secure, at the lowest level possible, solutions to any grievances. Both parties agree that these proceedings shall be kept as informal and confidential as may be appropriate.

B. The number of days indicated at each level of the Grievance Procedure should be considered as maximum and every effort should be made to expedite the Grievance Procedure; however, time limits may be extended by mutual agreement of the Township Supervisor and the President of the Association in writing. In the event either party

fails to answer or respond, the grievance shall be considered decided in favor of the opposite party.

C. It shall be the general practice of all parties to process grievances during times which do not interfere with assigned duties.

D. No grievance shall be considered unless it is presented to and discussed with the Township Supervisor (or in the case of grievances involving economic issues or discipline, presented in writing to the Township Supervisor), within the ten (10) working days following the occurrence which is the subject matter of the grievance.

E. The arbitrator shall limit his decision strictly to the interpretation, application or enforcement of the provisions of this Agreement, and he shall be without power and authority to make any decision contrary to or inconsistent with or which adds to, modifies, or varies in any way, the terms of this Agreement, and he shall be subject to, in all cases, the rights, responsibilities and authorities of the parties under the Constitution of the United States and of the State of Michigan, and all other applicable State and Federal laws. The Arbitrator shall not usurp the function of the Employer or the proper exercise of the judgment and discretion of the Employer under the law and this Agreement.

F. It shall be the continued practice of the Township to assure to every employee, an opportunity to have the unobstructed use of this grievance procedure without fear of reprisal or without prejudice in any manner to his professional status.

G. The Association, recognizing the importance of the employee's occupation, expects its members to conduct themselves, in all aspects of their employment, in an ethical and proper manner; and will, upon receipt of the Township or its representatives, of any Employee who has abused any privilege granted in this agreement, exert all reasonable efforts to rectify any abuse.

H. A grievance may be withdrawn at any level of the grievance procedure without prejudice.

I. All grievances involving either economic issues or discharge shall be initiated and processed starting at Step Two of the grievance procedure.

J. All claims for back salary under the grievance procedure shall be limited to the salary or compensation the Employee otherwise would have earned from the Township, and shall be reduced by any compensation he shall have earned from any gainful employment or unemployment compensation benefits he may have received during the period of back pay. The Employee shall be required to certify receipt of such

amounts to the Employer in writing as a condition to receiving any back pay award.

ARTICLE 8. NO STRIKE CLAUSE

Section 1. The members of the bargaining unit and the Association agree that there shall be no strikes, or stoppages of work, or any other acts that interfere in any manner with the operation of the Township, so long as this Agreement is in force. The Association and its representatives shall process grievances only through the grievance procedure provided for in this Agreement, and will not call, participate in, encourage or condone any of the aforesaid types of work stoppages while this Agreement remains in force. In the event of any such work stoppage by any Employee(s), the Association will take immediate necessary steps to end such activity. The Employer shall have the right to discipline or discharge any Employee who violates the foregoing.

Section 2. During the term of this Agreement, the Employer agrees there shall be no lockout of Employees (provided, a disciplinary suspension or discharge, a layoff of an Employee(s) in a necessary reduction of force, or a discontinuance of any operation by the Employer in the legitimate exercise of its management rights, shall not be deemed a lockout).

ARTICLE 9. DISCIPLINE

Section 1. The Employer agrees that all disciplinary action or discharge action will be taken on the basis of just cause.

Section 2. The Union shall have the right to process disciplinary or discharge cases commencing at Step Two of the grievance procedure.

Section 3. In imposing any discipline, the employer will not take into account any disciplinary action which occurred more than two (2) years previously.

Section 4. Any disciplinary action or measure imposed upon an Employee who has attained seniority may be processed as a grievance through the regular grievance procedure. If the Employer has reason to reprimand an Employee, it shall be done in a manner that will not embarrass the Employee before other Employees or the public.

Section 5. It is the intent of the parties that if the Township Supervisor requires a meeting with an Employee for the primary purpose of determining whether the Employee has violated established rules of conduct, or has performed his assignments in an unsatisfactory manner, the Township Supervisor will first inform the Employee of that fact and permit the Employee the opportunity of having a representative of the Association present. Where the Employee expresses a desire for such representation, the meeting will not be held without a representative of the Association being present. Provided, the foregoing shall in no way be applicable to or restrict or interfere with the normal day-to-day dialogue or

normal conferences which are held between the Township Supervisor and any Employee in the performance of the latter's duties.

ARTICLE 10. SAFETY CLAUSE

Section 1. A Safety Committee shall be composed of a designated Association Representative and a Township Representative, who will meet when necessary for the purpose of discussing safety conditions affecting Employees. If a safety matter cannot be resolved by the Committee, an outside agency, such as O.S.H.A. may be called in to recommend corrections. No Employee shall be penalized for reporting unsafe conditions.

Section 2. The Township shall consider the personal safety of the Employees in establishing operational procedures. The Township shall meet with the Association to discuss any new work rules pertaining to safety.

ARTICLE 11. SEPARATION AND VOLUNTARY TERMINATION

Section 1. All Employees will notify the Employer, in writing, at least two (2) weeks prior to voluntarily terminating employment with the Township.

Section 2. Employees shall have the responsibility of turning in all Township property and equipment at termination of employment for whatever reason. The Employee shall be charged for all items not returned.

ARTICLE 12. PROBATIONARY EMPLOYEES

Section 1. New Employees hired by the Township shall be on probation for the first ninety (90) consecutive calendar days of their employment; provided that a new Employee whose employment is terminated before the said ninety (90) days must serve a new probationary period of ninety (90) consecutive calendar days if re-hired. After such ninety (90) day period, the Employee shall be entered on the seniority list and his seniority shall be computed from the date of his employment with the Township. There shall be no seniority among probationary Employees. The Association shall be the exclusive collective bargaining representative for probationary Employees in respect to rates of pay, wages, hours of employment, and other conditions of employment; provided, however, the Employer shall have the sole discretion in matters of discharge and discipline affecting probationary Employees and any discharge or discipline of such Employees shall not be subject to the grievance procedure.

ARTICLE 13. SENIORITY AND CLASSIFICATION LISTS

Section 1. The Employer shall maintain up-to-date seniority and classification lists, containing the names and job titles of all Employees in the bargaining unit entitled to seniority and copies of such lists shall be furnished to the Association upon execution of this Agreement. The Association shall be notified in writing within

five (5) working days of any changes in said list during the term of this Agreement.

Section 2. Seniority shall be on a unit-wide basis and shall apply only for purposes of layoff and recall and wherever else specifically provided for in this Agreement.

Section 3. In all cases, however, the application of seniority is expressly subject to and conditional upon a senior Employee exercising bumping rights having the ability, without retraining, of being able to perform the available work in a satisfactory manner.

Section 4. A description of each of the jobs presently held by bargaining unit Employees is attached hereto as Exhibit A to this Agreement.

ARTICLE 14. LAYOFF AND RECALL

Section 1. No Supervisory Employee covered by this Agreement shall be laid off until all Employees under his supervision (whether or not part of this bargaining unit) have already been laid off, subject to the following conditions:

- (a) The member of the bargaining unit remaining on the job, and the other remaining persons working under him, agree to be responsible for seeing that the required work of the department is adequately performed with no adjustment of salaries or compensation paid; and

The Foreman of the Water & Sewer Department shall not be laid off until the Assistant Foreman of that Department is laid off, regardless of relative seniority.

In the event of a layoff, the Employer will notify the affected Employees as soon as possible. Employees will be given the opportunity in cases of layoff to individually pay premiums for all insurance coverage carried by the Employer, as permitted by the insurance carriers.

Section 2. A laid off seniority Employee, if recalled to a job, shall be required to take the recall. Failure to take such offered work shall result in loss of seniority and discharge.

Section 3. The order of recalling of laid off Employees shall be in the inverse order in which the Employees are laid off and shall be subject to the same conditions of layoff.

Notices of recall shall be sent by certified or registered mail, or telegram to the Employee's last known address as shown on the Employer's records, and it shall be the obligation of the Employee to provide the Employer with a current address and telephone number. A recalled Employee shall notify the Employer, within three (3) consecutive days after receipt of recall, of his intent to return to work and will return to work within seven (7) consecutive calendar days after notifying the Employer of the same, or his employment shall be terminated without recourse to this Agreement, unless the time is extended by the Employer.

ARTICLE 15. LOSS OF SENIORITY

Section 1. An Employee shall forfeit his seniority for the following reasons:

(a) He voluntarily quits.

(b) He is discharged and the discharge is not reversed under the grievance procedure.

(c) He is absent from work without notice to the Employer for three (3) consecutive working days. Upon the expiration of such period, the Employer will send written notice to the Employee by registered mail, return receipt requested, to his last known address that his seniority has been forfeited and his employment terminated.

(d) He fails to return to work when recalled after layoff as set forth in the recall procedure of this Agreement.

(e) He fails to return to work after having been on sick leave or leave of absence, in which event such failure shall be subject to and handled in the same manner as specified in sub-paragraph "c".

(f) He retires.

(g) He accepts employment elsewhere during a period of time while he is on approved leave from Harrison Township, with the exception of employment during approved vacation periods.

Section 2. The establishment of residency in Harrison Township is encouraged, however, it is not a condition of employment.

ARTICLE 16. CHANGE IN PERSONAL STATUS

Section 1. Employees shall notify the Employer of any change of name, address, telephone number, marital status and number of dependents, within seven (7) calendar days after such change has been made. The Employer shall be entitled to rely on the Employee's last name, address, telephone number, marital status, and number of dependents shown on its records for all purposes involving his employment and this Agreement.

ARTICLE 17. PAY DAY

Section 1. Pay day shall be every fourteen (14) days, on Wednesday, for an annual total of twenty-six pay periods per year. Such pay shall constitute the total annual wage. Barring unforeseen circumstances, the Treasurer or his designee shall deliver pay checks to the Employees covered by this Agreement by, or before, 10:00 a.m. on pay day. Pay checks will be enclosed in an envelope for each Employee covered under this Agreement.

ARTICLE 18. TEMPORARY ASSIGNMENTS

Section 1. On temporary assignments where an Employee is required to work in a higher classification, the Employee will be paid the rate for the higher classification for all hours worked in an upgraded job after an Employee has accumulated during the term of

this Agreement, fifteen (15) days of working in the higher classification; provided the Employee is performing a majority of the duties and responsibilities of the higher classification.

Provided, further, when the Foreman of the Water & Sewer Department is off work and the Assistant Foreman is doing his work, the Assistant Foreman shall be paid the Foreman's rate for all such days. On temporary assignments to lower-rated jobs, the Employee shall suffer no diminution in pay.

ARTICLE 19. LEAVE OF ABSENCE AND MATERNITY LEAVE

Section 1. An Employee with seniority who becomes pregnant shall be entitled to a non-paid leave of absence, following the exhaustion of her accrued sick time or annual leave, for the duration of her disability resulting from such pregnancy, but not to exceed a period of twelve (12) months.

Section 2. The Employer may grant a non-paid leave of absence to an Employee with seniority for a period not exceeding twelve (12) months for any purpose (such as a non job-related injury not covered by sickness or annual leave benefits) which the Employer deems to constitute reasonable cause. However, if complications occur for the Employee, additional time may be granted, but in no event shall the total time granted for leave exceed two (2) years. Upon return of an Employee from an approved leave, the Employee shall be re-employed at the original position and classification at

the time of such leave of absence. It is agreed that no fringe benefits shall accrue during leave of absence; however, seniority shall accrue. It is also agreed that when an Employee returns to work after approved leave of absence, annual and sick leave benefits will be prorated according to a full years service less time of the approved leave.

Section 3. Any disability leave will be granted only for periods when the Employee is no longer able safely to perform the normal responsibility of his/her job and will end when the employee is again fit to perform his/her normal duties as determined by the employee's physician. The Township may require medical opinions confirming the existence of disability. In case of conflicting medical opinions, the Township physician and Employee's physician shall choose a third physician whose opinion shall be final and conclusive as to the existence of a disability. If at the end of the original leave, the Employee is unable to return to work because of disability reasons, additional non-paid leave, not to exceed twelve (12) months, may be granted in the sole discretion of the Employer.

Section 4. Federal and state laws, where applicable shall only supersede those specific items in this article that are nonconforming.

Section 5. All Employees on any extended leave of absence lasting in excess of thirty (30) days must give the Township at

least two (2) weeks written notice of intent to return to work prior to terminating the leave of absence.

ARTICLE 20. DISABILITY - SICK TIME

Section 1. The Township shall provide both short and long term accident and sick liability coverage for each employee (Appendix B).

A. If an employee becomes entitled to the benefits of the disability plan, he/she shall have the option of using accrued sick, personal, and vacation hours in conjunction with the disability period.

B. Providing an employee receives Disability Payments for the insurance carrier, the Township agrees to make payment to the employee, an amount equal to twenty (20%) percent of all payments received from the insurance carrier. Payment to the employee are to be made on a monthly basis, and determined from reports received by the Township from the insurance carrier.

Section 2. Commencing January 1, 1990, each employee shall be credited with thirteen (13) sick days each year. Employees hired after January 1, of the fiscal year shall be immediately entitled to sick leave to be prorated at a rate of four (4) hours of sick leave for each two (2) week pay period remaining in said fiscal year. Unused sick days/hours at December 31, of each year shall not be accumulative.

Sick time may be utilized by an Employee only in the event of the Employee's disability, illness, injury, pregnancy or exposure to contagious disease endangering others (and for which he is not eligible for Worker's Compensation benefits), or for illness or injury in his immediate family, which necessitates his absence from work. "Immediate family" in such cases shall include any relative for whose financial and/or physical care the Employee is responsible. Sick time also may be utilized by an Employee for appointments with a doctor, dentist, or other recognized practitioner, to the extent of the time required to complete such appointments when it is not possible to arrange such appointments during non-duty hours.

Section 3. Any utilization of sick time allowance by an Employee must have the approval of the Township for accounting purposes only. The Township will provide suitable forms for the above. Accounting for the use of sick time allowance will be in no less than one quarter (1/4) hour periods of time.

Section 4. If an Employee has insufficient sick time credits to cover a period of absence, no allowance for sick time shall be posted in advance or in anticipation of future sick time credits. In the absence of applicable sick time credits, a payroll deduction for the time lost shall be made for the work period in which the absence occurred.

Section 5. All sick time used shall be certified by the Employee accompanied by such other medical evidence of disability as the Township may require. Falsification of such evidence shall be cause for dismissal.

Section 6. The Township, after the prolonged disability of an Employee, may require that the Employee present medical certification of his physical or mental fitness to return to work. If the disability has lasted in excess of thirty (30) days, the Employee must give the Township at least one (1) week written notice of intent to return to work prior to terminating the use of sick time.

Section 7. No sick time shall be payable to an employee on layoff for a continuous period of less than six (6) months. Any bank sick leave will be frozen for a period of six months, providing the layoff does not go beyond December 31st of any Calender year. An employee returning from a layoff within the same Calender year will have accrued sick hours restored. An employee returning from a layoff in a new Calender year will have sick hours pro rated equal to number of pay periods remaining. No sick time shall be payable to an Employee during any period he is on an unpaid leave of absence.

Section 8. All Employees shall be granted two (2) bonus days, to be taken at the employee's discretion providing he/she does not use more than two (2) sick days during a fiscal year. Said bonus days must be taken during the ensuing twelve (12) month

period, subject to manpower requirements of the respective department. Said days to be taken as personal and/or vacation days, not chargeable to the employee.

ARTICLE 21. FUNERAL ATTENDANCE

Section 1. An Employee will receive three (3) days off with pay, not chargeable to sick or vacation time accumulation, for attendance at the funeral of the employee's spouse, children, and step-children, parents, step-parents, grandparents, grandchildren, brothers, sisters, in-laws, uncles, aunts, and cousins.

For immediate family members, the employee may take two (2) additional days off chargeable to sick or vacation leave.

The definition of immediate family members are all persons listed in paragraph one above, except uncles, aunts and cousins.

ARTICLE 22. ANNUAL LEAVE

Section 1. Every continuing full-time Employee shall be entitled to vacation time with pay equivalent to one-half (1/2) work day (four (4) hours) for each completed bi-weekly work period of service. "Completed bi-weekly work period" means any pay period in which the Employee receives pay for not less than the whole number of hours that he is scheduled to work. To be credited with a completed bi-weekly work period, a full-time employee must receive pay for eighty (80) straight time hours (excluding periods of overtime) worked or otherwise compensable under this Agreement. In addition, sixteen (16) hours of vacation time shall be credited to

each continuing full-time Employee upon employment by the Township and shall be immediately available, upon approval of the Township, for personal purposes including time off for voting, religious observance, and necessary personal business. Thereafter, two (2) additional days of vacation time shall be credited each year during the pay period which includes the Employee's anniversary date, except that no more than sixteen (16) hours shall be credited in any calendar year. No other vacation time shall be credited until the Employee has completed thirteen (13) bi-weekly pay periods.

Section 2. Beginning January 1, 1973, such Employees who have completed five (5) years of currently continuous service shall earn bonus vacation time with pay according to length of total employment with the Township, including military leave, subsequent to January 1, 1973, as follows:

- (a) For five (5) or more, but less than ten (10) years - twenty-four (24) hours annually.
- (b) For ten (10) or more, but less than fifteen (15) years - forty (40) hours annually.
- (c) For fifteen (15) or more, but less than twenty (20) years - fifty-six (56) hours annually.
- (d) For twenty (20) or more, but less than twenty-five (25) years - seventy-two (72) hours annually.
- (e) For twenty-five (25) or more years - eighty (80) hours annually.

An Employee shall be credited with such additional earned (bonus) vacation time during the pay period which includes his respective anniversary date of each year, except that at the time of retirement or death, such additional (bonus) vacation time shall be credited on a prorated basis according to the number of bi-weekly work periods completed during the year. In no event shall any Employee be paid for more than a total of two hundred forty (240) hours of regular and additional (bonus) vacation time at death or retirement or other termination of employment.

Section 3. Regular and bonus vacation time shall not be accumulated or credited in excess of a total of two hundred forty (240) hours. The Township shall give written notice to its Employees of their accrued regular and bonus vacation time credits with every pay check. Under extenuating circumstances, the Township Supervisor may, in his/her sole discretion, permit an accumulation of over 240 hours where the taking of a given vacation becomes impossible on a scheduled date.

Section 4. When an Employee who has completed at least thirteen (13) bi-weekly work periods is separated from the Township for any reason, or has completed a continuous period of six (6) months on layoff, he shall be paid at his current rate of pay his unused credited regular and bonus vacation time, but in no case in excess of two hundred forty (240) hours.

Section 5. Regular and bonus vacation time shall not be allowed in advance of being earned. If an Employee has insufficient vacation time credits to cover a period of absence, no allowance for vacation time shall be posted in advance or in anticipation of future vacation credits. In the absence of applicable vacation credits, payroll deductions for the time lost shall be made for the work period in which the absence occurred.

Section 6. An Employee may only utilize regular or bonus vacation time subject to the particular department manpower needs, in accordance with past practice.

Section 7. If a regular pay day falls during an employee's vacation of a week or more, he/she may receive that check in advance before going on vacation.

Any such early paycheck, cashable on date of issuance, requests shall be approved and submitted by the Department Head in writing, to the Accounting Department on the pay ending and paid prior to beginning the vacation.

To be eligible for the vacation pay advance, all vacation hours must be accumulated prior to the vacation request.

Any adjustments to an employee's wages due to overtime, etc. will be made on the first pay period following the return to work.

ARTICLE 23. HOLIDAYS

Section 1. The following shall be paid holidays:

New Years Day

Good Friday

Memorial Day

Fourth of July

Labor Day

Veteran's Day

Columbus Day

Thanksgiving Day

Day after Thanksgiving

Christmas Eve Day

Christmas Day

The three working days between Christmas Day and New Year's Eve day.

New Year's Eve Day

If any of the foregoing holidays shall fall on a Saturday, the preceding Friday shall be observed as the holiday. When holidays fall on Sunday, the holiday will be observed on the following Monday. When Christmas Eve falls on a Sunday and Christmas Day on Monday, Christmas Eve holiday shall be observed on Tuesday.

Section 2. In order to qualify for holiday pay, an Employee must work his last scheduled shift prior to the holiday and his first scheduled shift after the holiday. Excused absences, such as bona fide sickness or approved annual leave (vacation), will not disqualify the Employee for holiday pay under this paragraph.

Section 3. Employees required to work on a holiday will receive holiday pay as scheduled, plus double their regular rate of pay for all hours worked on the holiday.

Section 4. Emergency Weather Conditions. In the event that two (2) of the three (3) full time elected officials, Supervisor, Clerk and Treasurer, determine that the Township Offices should be closed due to emergency weather conditions, Employees covered by the terms of this Agreement shall not be required to report to work or may leave early from work (except such Employees as are required to perform essential functions of the Township) and the loss of time shall not be charged against the Employee's regular pay or leave days; provided, regular pay shall continue during the hours the Employee would otherwise have been required to work except for the emergency weather conditions.

If, notwithstanding the closing of the Township Offices, certain Employees are required to report to work, such Employees shall be compensated at the rate of two (2) times (double time) their regular hourly rate for each hour worked during the period the offices are otherwise closed. In no event shall more than double time be paid therefor.

ARTICLE 24. REIMBURSEMENT OF EDUCATIONAL EXPENSES

Section 1. If the Employer requires an Employee to take certain college classes or schooling, (with or without the ultimate

goal of attaining an Associate or Bachelor of Science degree), relative to the Employees job, upon successful completion of said schooling, in accordance with the standards for completion by the school, the Employer shall reimburse the expenses of schooling, including books, tuition and loss of wages resulting from lost time from work for said schooling, but excluding travel time. The Employer shall consider in terms of promotion and reclassification the successful completion of said schooling as well as the other criteria provided in this Agreement for promotion and reclassification. In the event the Employee voluntarily terminates his employment with the Township within twenty-four (24) months after having been reimbursed by the Township for such educational expenses, he shall be obligated to return to the Township fifty (50%) per cent of all such payments made to the Employee.

Section 2. All attendance at seminars approved by the Employer shall be fully paid for by the Township and not be subject to reimbursement by the Employee. Seminars shall include those (but not limited to) administered by the Michigan Municipal League, Michigan Township Association and American Water Works Association.

Upon the request of the employee, the Employer may reimburse the employee for tuition and books expended for university or community college courses in fields where the employer anticipates some benefit to be derived from the additional education.

Section 3. Any licenses or certificates, that are job related and previously paid for by the township will continue to be paid for during the term of this contract. Any new licenses or certifications required by township or state law shall also be paid for by the township.

ARTICLE 25. WORKING HOURS

Section 1. The regular work week shall consist of forty (40) hours per week consisting of five (5) eight (8) hour days, with thirty (30) unpaid minutes allowed for lunch not included in the eight (8) hour day. The normal workday will be from 8:00 a.m. to 4:30 p.m. with one (1) hour for lunch, of which one-half (1/2) hour is paid. Provided, for Employees classified as the Foreman and Assistant Foreman of the Water & Sewer Department, the normal workday will be from 7:30 a.m. to 4:00 p.m. with one-half (1/2) hour for lunch which is unpaid. Provided, for Employees in the Parks & Recreation Department will work a total of 40 hours per week. On days when a special event or program is scheduled, the Parks & Recreation Director will work 8 hours on a flex schedule. All other workdays will be from 8:00 a.m. to 4:30 p.m..

ARTICLE 26. OVERTIME PREMIUM

Section 1. Employees working in the Assessor, Building Official, Parks & Recreation, and the Water and Sewer Superintendent classifications shall receive overtime premium, and are expected to

work emergencies and be on-call. Overtime will be paid only when authorized in writing by the township Supervisor.

Section 2. Employees in this Bargaining Unit shall be entitled to overtime premium as follows:

(a) Time and one-half such Employee's normal rate of pay will be paid for all hours worked for or otherwise compensable by the Township beyond eight (8) hours per day or forty (40) hours per week. Double such Employee's normal rate of pay will be paid for all hours worked on paid holidays, as defined by this Agreement, and Sundays. Any job started before midnight on Sunday will stay on double time instead of reverting back to time and one-half (1½) after midnight. Overtime will be paid only when authorized in advance by the Township Supervisor or in the case of the Foreman or Assistant Foreman in the Water/Sewer Department by the Superintendent of the Water & Sewer Department, for essential emergency hours of duty. Overtime premiums will not be duplicated or pyramided.

(b) Overtime shall be granted to the Employees working in Association classifications that are qualified to perform necessary duties before temporary employees are used, except in the case of emergency.

Section 3. No Employee shall be required or permitted to work in excess of twelve (12) continuous hours in any twenty-four

(24) hour period, except in serious emergency situations where his continuing presence is necessary, in which event he shall be relieved from work as soon as conditions permit.

If, after working twelve (12) continuous hours, an Employee is required to continue working for any period, or if he is called back and works at any time within the next eight (8) hours following the end of that twelve (12) hour shift, he shall be given, if possible, a four (4) hour work break as soon as possible and receive as pay for such break (whether or not he is able to take all of it), four (4) hours pay at the applicable premium rate. If the Employee is relieved from work after working twelve (12) continuous hours, or less, he shall not be eligible for any such break, or additional pay therefor, following the end of the work period.

Section 4. The Superintendent of the Water & Sewer Department shall use reasonable efforts to equalize overtime between the Foreman and Assistant Foreman of that Department.

Section 5. The Foreman and the Assistant Foreman of the Water & Sewer Department shall be required to perform reasonable overtime; and further, to service Emergencies Tours of Duty (reachable by telephone or beeper) as assigned by the Superintendent of that Department, on a rotation basis, on Mondays through Thursdays, between the end of the regular scheduled work day at 4:00 p.m. and the next scheduled work day at 7:30 a.m., normally consisting of two (2) such shifts per week per employee. Such

Employees shall be paid for each hour or portion thereof actually called out, excluding travel time to or from the job (or the Township Shop), at the applicable rate of pay; provided, when called out, an Employee shall be paid not less than two (2) hours of pay. Such Employees shall also be paid twenty-five (\$25.00) Dollars for each regular scheduled workday shift, and thirty (\$30.00) dollars for each holiday shift where they are required to be reachable, by telephone or beeper, regardless of whether they are called out or not.

Section 6. Employees called out on emergencies after 10:00 p.m., Monday through Thursday, and the job lasts more than four (4) hours, but less than six (6) hours, the Employee will be allowed the next four (4) hours of regular scheduled time off without loss of pay and benefits. Employees called on Sunday through Thursday and after 10:00 p.m. and the job lasts more than six (6) hours, Employee will be allowed the entire day off, without loss of pay and benefits.

The above will not apply if a paid holiday precedes the emergency.

Further, if an additional emergency arises during the Employee off-time, the Employee called in will work at straight time wages until 4:00 p.m.

The Association understands that either the Foreman or Assistant Foreman shall be on duty at all times during regular working hours.

ARTICLE 27. LONGEVITY PAY

Section 1. For the following grand personed employees and any others hired into the Township on January 3, 1995 or prior, the longevity pay as calculated in Section 1 of this Article shall prevail:

Eric Olson	Building Official
Donald Meldrum	Foreman - Water/Sewer Dept.
William Kinney	Asst. Foreman - Water/Sewer Dept.
Marilyn Trombly	Superintendent - Water/Sewer Dept.
Joann Uthes	Assessor

Section 2. Each eligible employee indicated in Section 1 shall receive longevity pay in accordance with the following schedule, in addition to the regular salary. The percentage below is to be applied to annual base salary in effect during the work period preceding the anniversary of hire date. Upon completion of three (3) or more continuous years of service with the Township, as of the anniversary date of employment in each year as follows. The employee shall be entitled to the annual longevity payment indicated:

<u>Years of Continuous Service With The Township</u>	<u>Percent of Base Pay</u>
--	----------------------------

Third & fourth years	1 1/2%
Five, six & seven years	2 1/2%
Eight & nine years	4%
Ten, eleven & twelve years	5%
Thirteen & fourteen years	6 1/2%
Fifteen, sixteen & seventeen years	7 1/2%
Eighteen & nineteen years	9%
Twenty years	10%

Section 3. New Employees hired into the Township after January 3, 1995, shall be entitled to an annual longevity payment based on the following schedule:

<u>Years of completed Continuous Service With The Township</u>	<u>Percent of Base Pay</u>
Fifth through Ninth Year	2%
Tenth through Fourteenth Year	4%
Fifteenth through Nineteenth Year	6%
Twentieth Year and above	8%

Section 4. Longevity pay shall be payable (in a lump sum payment) to an eligible Employee on the first pay day subsequent to his anniversary date of hire during the terms of this Agreement. Upon the death or other termination of employment with the Township (excluding layoffs lasting less than six (6) months), of an Employee, he, or his legal representative in the case of death, shall be paid his longevity pay for the current period on a prorate basis computed from the anniversary hire date to the date of death or retirement as the case may be.

Section 5. For the above purpose, "continuous service" with the Township shall be interrupted by any period of inactive employment lasting in excess of six (6) months, including, without

limitation, such a period caused by layoff, unpaid leave of absence, suspension, discharge, retirement or quit.

ARTICLE 28. JURY DUTY

Section 1. An Employee who serves on jury duty or as a subpoenaed witness will be paid the difference between his regular pay and the amount actually received for each such service.

Section 2. All days served are to be considered regular working days and not deducted from accumulated sick leave or vacation days.

ARTICLE 29. HOSPITALIZATION, DENTAL, MEDICAL & OPTICAL COVERAGE

Section 1. Each employee in the Bargaining Unit is covered by insurance only as an employee and not as a dependant. If a member of the Bargaining Unit is married to another member of the Bargaining Unit, only one claim may be filed for a given treatment. A child is regarded as a dependant of only one employee and not both. No coordination of benefits is applicable between the plans of both employees. Hospitalization, dental, optical (excluding safety glasses), included in sections 2,3,4, include coverage for the employee, spouse (excluding spouse that is also an employee), and eligible dependents.

Section 2. Dental. The Employer agrees to pay the full premium for a Michigan Blue Cross Dental Plan (50/50) for employees

with a maximum policy participation of \$800.00 per person per year. In its sole discretion, the Township may in lieu thereof, provide at least equivalent coverage with another carrier. Employees have the option to apply for coverages under the Dental Care Network Plan, with a maximum policy participation of \$1,200 per person per year.

Section 3. Optical.

A. The employer agrees to pay the full premium for the current optical program modified to annual examination and glasses for the one (1) year period from the date of this agreement. The maximum contribution by the township in subsequent years of their contract is the then current price plus ten (10%) per cent per year. The current optical program may be substituted, for equal or better benefits, by another carrier during the life of this contract at the option of the employer.

B. The glasses will be provided by Sterling Vision Center, or future carrier. Employees will submit to carrier, Safety Glass Authorization form, provided by the Accounting Office. The employee will be given credit up to \$42.00 toward safety glasses, depending on lens type. The Township will no longer replace personal glasses worn on the job site.

Safety glass coverage will include Titmus 70F, Sp-83 frame, single or bifocal lenses, detachable flat fold side shields. Sterling Vision will bill the Township up to \$42.00. The employee

will be responsible for any dollar difference at time of picking up glasses.

Section 4. Medical and Hospitalization. Each current full time member of the Bargaining Unit hired by the Township prior to January 3, 1995 will be entitled to health insurance coverage. The insurance coverage will include Blue Cross/Blue Shield preferred provided option; Health Maintenance Organization, a contributory Blue Cross/Blue Shield traditional program or \$1,500.00 as incentive in lieu of Health Insurance.

a. The Blue Cross preferred provider option as per Appendix A.

b. The Health Maintenance Agreements will be as published by Blue Care Network (present option).

c. Members may select the traditional Blue Cross/Blue Shield program as currently existing in the contract dated 30th November 1989 upon payment of the following:

The dollar difference between the PPO and the cost of the traditional BC/BS program as billed by Blue Cross to the township. This payment to be deducted from the Employee's first pay check of each month.

d. In its sole discretion, the township may in lieu thereof, provide at least equivalent (hospital-medical-

surgical-drug) coverage from another carrier and which will guarantee no loss of coverage or benefits to any employee during any period.

e. Full-time eligible bargaining unit employees electing not to take a health insurance plan of any kind during the annual open enrollment period, may receive an annual sum of \$1,500 dollars to be paid at the end of each calendar year that said employee elects not to have health insurance. The sum will be prorated on a monthly basis for any portion of a calendar year that an employee maintains health insurance.

Any employee covered by this compensation option will not be allowed to resume health insurance with the township except during the open enrollment period or some future time when his/her insurance coverage is terminated elsewhere, which will allow the employee to resume coverage with the township the month following his/her completion of a health insurance application and transfer form. Furthermore, only employees who have health insurance elsewhere will be eligible for this plan. The employee must show proof of health insurance elsewhere prior to qualifying for this plan and agree to sign the township insurance waiver form.

f. Employees hired by the Township after January 3, 1995 may only receive hospital and medical benefits as determined by the township from the various plans as indicated in 4 a, b, and c above, based on cost to the township.

Section 5. Coverage for an Employee provided in this Article shall terminate upon the layoff, or other termination of employment (except retirement), of the Employee at the end of the month in which the layoff or such termination occurs. Such coverage shall also terminate at the end of the calendar month in which a non-paid leave of absence (continuing after that date) for the Employee begins. The Township will continue coverage for the maximum period thereafter required by law, (or in the case of a non-paid leave of absence, until the end of such leave, if permitted by the carrier involved) provided the Employee pays monthly in advance to the Township, by a date designated by the Township, the full monthly premium cost thereof. The Employer agrees to comply with the requirements of Section 1001, Title X of the Federal Consolidated Omnibus Budget Reconciliation Act and any other Federal or State act affecting unpaid leaves of absence.

Section 6. The hospital medical insurance indicated in Section 4, a, b or c above will also be provided those employees and

spouses who retire under the employee's retirement plan at prior to age sixty-five (65). The coverage so provided will continue until such retired employee becomes eligible for Blue Cross-Blue Shield M-65 coverage at age sixty-five (65). Retirees and spouse age 65 must file for Medicare and BC/BS M-65 coverage.

a. All members entering the unit and retiring after January 3, 1995 will receive upon retirement hospital medical benefits as follows;

Program	Completed Time	Contribution	
		EMPLOYEE	TOWNSHIP
As indicated in Section 4, a, b, and c.	10 years and under	75%	25%
	11th year thru 14th	50%	50%
	After completion		
	Of 15 or more years	0%	100%

The retiree may receive upon request the township's contribution as indicated above at the lowest single rate of the various programs indicated in the programs above and frozen. Once payment is selected as an option, the retiree may not again become a member of any program.

b. Retirees that move out of state for more than nine (9) months a year and establish permanent residency out of state shall have the option to be covered with BC/BS traditional insurance, paid by the employer in accordance

with Section 6a above. Coverage will be equal to the traditional insurance supplied by the Township under Section 4,c, above at the time of permanent relocation. Retirees who chose to reside in Michigan will have the option of traditional insurance as stated in Section 4,c, above.

Section 7. Medicare Reimbursement

The Township shall reimburse all current and future retirees (including spouse) for all Medicare premiums deducted by Social Security. All refunds shall be made in January and July of each year, and shall cover premium deductions for the previous six (6) month period. It shall be the responsibility of the retiree and spouse to submit to the Township, proof (notice from Social Security) of such premium deductions, prior to reimbursement being made.

Section 8. Prescriptions

The prescription co-pay for employees electing the PPO coverage, will have an option of a \$5.00 co-pay, paid by the employer, or a \$3.00 co-pay, paid for by the employee. The cost is approximately \$180.00 per year and will be deducted by payroll deduction on the first pay of each month. Employees electing the \$3.00 co-pay understands that any increases in premium will be passed on to the employee.

Section 9. Cafeteria Plan

The members of the Association are eligible to participate in the Cafeteria Plan, (known as the Plan), established by the Township Board September 9, 1996.

The Plan consists of the following:

1. Cafeteria Plan - allows for choice of medical benefits or cash value payment.
2. Medical Expense Reimbursement Plan - allows reimbursement of participants for eligible medical care expenses. Reimbursements are paid from participant's gross income, before taxes.
3. Dependent Care Assistance Plan - allows reimbursement of participants for eligible dependent care expenses. Reimbursements are paid from participant's gross income, before taxes.

Participation in the Plan is voluntary on an individual basis, and not dependent on the entire Association. Any other benefits added to the plan in the future, are subject to collective bargaining.

The Plan is attached in Appendix C.

ARTICLE 30. TERM LIFE INSURANCE

Section 1. a. The Employer will provide each Employee with a term group insurance policy through such insurance company as the Employer may designate in the amount of fifty thousand (\$50,000.00) dollars, with accidental death and dismemberment double indemnity coverage. After the 70th birth date of an active Employee, this coverage shall be reduced to twenty thousand (\$20,000.00) dollars, and further reduced on the employees 75th birth date (if still working) to fifteen thousand (\$15,000.00) dollars. Upon retirement of an Employee from employment with the Township, who is eligible for retirement benefits under the Michigan Public Employees Retirement Act, until his death, the Employer will continue Group Life Insurance coverage for the retiree (only) with no AD&D coverage, in the amount of fifteen thousand (\$15,000.00) dollars.

b. Providing seventy-five (75%) percent of the Supervisor Association eligible members opt to participate, they will be allowed to pay (payroll deduction) for dependent life insurance coverage in the following amounts: Spouse five-thousand (\$5,000.00) dollars. Each child (after fourteen days to nineteen (19) years) two thousand (\$2,000.00) dollars. Premiums determined each year by insurance carrier.

Section 2. Coverage for an Employee provided in this Article shall terminate upon the layoff or other termination of employment (except retirement) of an Employee at the end of the month in which the layoff or termination occurs. Such coverage shall also terminate at the end of the calendar month in which a non-paid leave of absence (continuing after that date) for the Employee begins. Subject to the approval of the insurance carrier involved, the Township will continue coverage for a maximum period of six (6) months thereafter, (or in the case of an unpaid leave of absence, until the end of such leave) provided the Employee pays monthly in advance to the Township by a date designated by the Township, the full monthly premium cost thereof.

Subject to the approval of the insurance carrier, the employee may ask for and carry additional insurance, the extent approved by the carrier, upon reimbursement to the township of the additional cost of said insurance.

ARTICLE 31. WORKER'S COMPENSATION

Section 1. Each Employee covered by this Agreement is subject to the Michigan Worker's Compensation laws. In addition, when an Employee suffers an occupational disability compensable thereunder:

(a) Such Employee shall receive his full compensation from the Employer for the first seven (7) working days after the disability arises. When the Employee becomes eligible for worker's compensation benefits, he shall assign or otherwise repay the Employer for this period of time.

(b) The Employer shall pay the Employee the difference between his worker's compensation weekly benefits and his regular pay under Article 35 of this Agreement for the period of his disability not to exceed six (6) calendar months from the date of injury (or onset of the disability) and the days of his disability shall not be credited against his accumulated sick leave reserve for such a maximum period. During this period, the Township will pay hospital, medical and life insurance premiums for the Employee, but no other benefits listed in the Agreement will accrue to the Employee, except accrual of retirement time credit and seniority. At the expiration of such six (6) months, if the Employee is still disabled, the Employer shall pay only the required premium for his hospitalization and term life insurance for an additional period of his disability until he is determined to be totally disabled under the provisions of the Michigan Worker's Compensation Law, but in no event

exceeding two (2) years from the date of injury (or onset of disability).

Section 2. On the expiration of two (2) years from the date of injury (or onset of disability), all obligations hereunder of the Employer as to such Employee shall terminate and the Employee shall not be entitled to any further benefits under this Agreement; provided, that in the discretion of the Employer, any benefits under this Agreement may be extended for such additional periods as the Employer may determine.

ARTICLE 32. WORK CLOTHING

Section 1. The Employer will provide the Foreman and Assistant Foreman of the Water & Sewer Department eight (8) sets of uniforms (shirts and Pants) and five (5) one pocket t-shirt each calender year. Uniforms shall be ordered before August 1 st. The employees listed above will receive a cash allowance of \$300.00 per calender year by August 1st. In addition, the Building/Ordinance Official, Water/Sewer Superintendent, Assessor, and Parks & Recreation Director shall receive a clothing allowance of \$400.00, payable on August 1st. of each calendar year. Any Employee listed in Section 1., shall provide their own outer gear, except items which are covered by Section 2. Below.

Section 2. Foul weather gear (raincoat, hat, rubber boots, hip boots, and regular and rubber work gloves) when needed.

Section 3. It is understood that any clothing allowance received will not be included in final average compensation for retirement benefits, but is taxable to the employee, unless, original receipts equal to or greater than the allowance are turned into the Accounting Department before December 31st of the current tax year.

ARTICLE 33. TRAVEL EXPENSE REIMBURSEMENT

Section 1. Employees required to use their own car in the pursuit of their duties will receive the following reimbursement on a monthly basis:

(a) The Township agrees to pay the amount of mileage which is approved by the Harrison Township Board; however, in no case will it be less than twenty-eight cents (0.28) per mile during the term of this Agreement, or the cents per mile allowed by the Internal Revenue Service, if higher; provided that employees required to drive 1,500 miles or more per year shall be reimbursed at the rate of twelve cents (\$0.12) cents per mile and one-hundred-thirty dollars

(\$130.00) per month for each year required to drive in excess of 1,500 miles by the Employer.

(b) All requests for reimbursement of necessary expenses incurred will be documented and supported on the forms to be furnished by the Employer. It is agreed that if the Employer provides vehicles, this provision shall become null and void.

(c) Reimbursement of other travel expenses (conventions, etc.) for travel directed by the Township shall be made at the time of approval of the assignment.

ARTICLE 34. RETIREMENT

The parties mutually recognize that all Employees covered by this Agreement are entitled to and shall receive retirement benefits in accordance with the Public Employees Retirement Act #27 of the Michigan Public Acts of 1960, as amended by Act #73 of the Public Acts of 1961 and Act #103 of the Public Acts of 1965. The Township agrees to pay the cost of an annual retirement based on the following:

1. The first twenty-five (25) years of service calculated at 2.5% of final average compensation of the Thirty-six (36) highest months of credited service with the Township. Years of service in excess of twenty-five (25) shall be calculated at 1.0% of final

average compensation for each year in excess of twenty-five (25) years of service. The Employees covered by this Agreement shall contribute five percent (5%) of their gross compensation per year to the retirement system by payroll deduction.

2. Normal retirement age shall be (a) age 55 after completion of eight (8) years of credited service, or (b) completion of thirty (30) years service, whichever is earliest.

3. The spouse, of any member who dies after acquiring at least eight (8) years of credited service shall receive a pension for life or until remarriage, computed in the same manner in all respects as if said member had retired the day preceding the date of his/her death, and elected "Option A" and named his widow/widower as beneficiary (Refer to 12.341 of Retirement System Resolution).

4. Upon retirement from employment with the Township, an Employee eligible for immediate retirement benefits under the Michigan Public Employee's Retirement Act, the retiree shall be entitled to the following benefits, for his remaining lifetime, at the expense of the Township.

(a) Dental Insurance in accordance with Article 29, Section 2.

(b) Optical Insurance in accordance with Article 29, Section 3.

c. Medical and hospital insurance in accordance with Article 29, Section 4 thru 6.

d. Medicare reimbursement in accordance with Article 29, Section 7.

e. Term life insurance, (retirees only) with a death benefit of \$15,000 (without AD & D coverage), in accordance with Article 30.

ARTICLE 36. SALARY SCHEDULE

A. EFFECTIVE JANUARY 1, 1996 THROUGH DECEMBER 31, 1996

	START	YEAR 1	YEAR 2	YEAR 3	YEAR 4
ASSESSOR	37,669.60	39,745.60	43,206.60	46,667.60	48,054.03
per hour	18.11	19.11	20.77	22.44	23.10
W/S SUPERINTENDENT	37,669.60	39,745.60	43,206.60	46,667.60	48,054.03
per hour	18.11	19.11	20.77	22.44	23.10
BUILDING OFFICIAL	37,669.60	39,745.60	43,206.60	46,667.60	48,054.03
per hour	18.11	19.11	20.77	22.44	23.10
PARKS & REC DIRECTOR	37,669.60	39,745.60	43,206.60	46,667.60	48,054.03
** per hour	18.11	19.11	20.77	22.44	23.10
FOREMAN W/S	31,850.93	33,239.93	34,628.93	36,017.93	38,799.69
per hour	15.31	15.98	16.65	17.32	18.65
ASSIST FOREMAN	30,529.89	31,751.09	32,972.29	34,193.49	36,212.12
per hour	14.68	15.26	15.85	16.44	17.41

** See Letter of Understanding regarding retro pay for Parks and Recreation Director

B. EFFECTIVE JANUARY 1, 1997 THROUGH DECEMBER 31, 1997

	START	YEAR 1	YEAR 2	YEAR 3	YEAR 4
ASSESSOR	38,799.78	40,937.97	44,502.80	48,067.63	49,509.66
per hour	18.65	19.68	21.40	23.11	23.80
W/S SUPERINTENDENT	38,799.78	40,937.97	44,502.80	48,067.63	49,509.66
per hour	18.65	19.68	21.40	23.11	23.80
BUILDING OFFICIAL	38,799.78	40,937.97	44,502.80	48,067.63	49,509.66
per hour	18.65	19.68	21.40	23.11	23.80
PARKS & REC DIRECTOR	38,799.78	40,937.97	44,502.80	48,067.63	49,509.66
per hour	18.65	19.68	21.40	23.11	23.80
FOREMAN W/S	32,806.46	34,237.13	35,667.80	37,098.47	39,963.68
per hour	15.77	16.46	17.15	17.84	19.21
ASSIST FOREMAN	31,445.79	32,703.62	33,961.46	35,219.29	37,298.49
per hour	15.12	15.72	16.33	16.93	17.93

ARTICLE 38. GENDER

Section 1. Reference to the male gender shall apply equally to the female gender and vice versa.

ARTICLE 39. WAIVER

Section 1. It is the intent of the parties hereto that the provisions of this Agreement, which supersede all prior agreements and understandings between such parties, shall govern their relationship and shall be the source of any rights or claims which may be asserted.

Section 2. The provisions of this Agreement can be amended, supplemented, rescinded, or otherwise altered, only by mutual agreement in writing hereafter signed by the parties hereto. The parties acknowledge that during negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining and that the understandings and agreements arrived at by the

parties after the exercise of that right and opportunity are set forth in this Agreement. Therefore, the Employer and the bargaining unit, for the life of this Agreement, each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter whether or not specifically referred to or covered by this Agreement.

ARTICLE 40. SAVINGS CLAUSE

Section 1. If, during the life of this Agreement, any of the provisions contained herein are held to be invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with, or enforcement of, any provisions herein contained is so rendered invalid, upon written request by either party hereto, the Township and the Association shall enter into collective bargaining for the purpose of negotiating a mutually satisfactory replacement for such provision.

ARTICLE 41. SEVERABILITY

Section 1. This Agreement and each of the terms and conditions hereof is subject to the laws

of the State of Michigan in all respects and in the event that any provision hereof is at any time held to be invalid by a court of competent jurisdiction, each determination shall not invalidate the remaining provisions of this Agreement and the parties hereby agree that insofar as possible, each of the terms and provisions hereof are severable.

ARTICLE 42. EFFECTIVE DATE AND DURATION

Section 1. Duration. This Agreement shall be effective the 1st. day of January, 1996 and shall remain in effect to and including the 31st. day of December, 1997.

Section 2. Notification. In the event either party wishes to terminate this Agreement, it shall give written notice to the other party prior to the termination date. In the event notice is not given, the contract shall continue on a year to year basis. The termination of this contract is December 31, 1997.

Section 3. Extensions. In the event that this Agreement is terminated but negotiations over a successor Agreement extend beyond the said

expiration date of the Agreement, the terms and provisions of this Agreement shall remain in full force and effect pending any agreement on a new contract.

Date 10/21/96

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives the day, date and year first above written at the Charter Township of Harrison, Macomb County, Michigan.

CHARTER TOWNSHIP OF HARRISON
Macomb County, Michigan

HARRISON TOWNSHIP
SUPERVISORY ASSOCIATION

By: Pamela A. Weeks
Pamela A. Weeks
Supervisor

By: Eric Olson
Eric Olson

By: Kathleen M. Lyon
Kathleen M. Lyon
Clerk

By: Donald C. Meldrum
Donald C. Meldrum
Vice-President

By: Patricia D. Switzer
Patricia D. Switzer,
Treasurer

By: Joann Uthes
Joann Uthes,
Secretary

HARRISON TOWNSHIP SUPERVISORY EMPLOYEES ASSOCIATION

CHARTER TOWNSHIP OF HARRISON
JOB DESCRIPTION

TITLE: BUILDING OFFICIAL AND ORDINANCE ENFORCEMENT OFFICER

SUMMARY: Supervises the planning, permitting and inspection of all building construction, and enforces Township Ordinances through permits and licenses as well as Court appearances on behalf of the Township whenever necessary. A builder's license ("O" examination) is required, along with evidence of successful practical experience in the building trades and good communication, organizational, and administrative skills.

JOB DUTIES:

1. Conduct plan review and issue licenses or permits for heating and air conditioning, accessory use structures, waterfront construction, as well as all other building construction.
2. Evaluate construction insuring adherence to BOCA building codes, zoning requirements and Township Ordinances.
3. Supervise the inspection of buildings at various stages of construction including trench, finish footing, walls, rough, insulation, sheeting and finish.
4. Responsible for maintenance of inspection reports within the office, review, and comment on written reports submitted by inspectors; Inform other agencies concerning construction in the Township.
5. Approve Certificates of Occupancy.
6. Coordinate and enforce demolition of unsafe structures.
7. Meet with various boards including those above and the Condemnation Board, Department of Licensing and Regulation and Township Board.

8. Work to arbitrate disputes between the Township and residents based on Township Ordinances and policies.
9. Supervise the work of others in department by setting priorities and assigning duties, assuring necessary training, evaluating quantity and quality of work, correcting work performance or disciplinary problems, and motivating and leading employees.
10. Must update professional knowledge and meet continuing education requirements of the State of Michigan to maintain licensing.
11. Perform other duties as assigned, which member(s) of the classification have performed in the past, or which are required to meet emergencies, or to provide necessary services when other employees are absent or not available.

The above statements are intended to describe the general nature and level of work being performed by people assigned this classification. They are not to be construed as an exhaustive list of all job duties performed by personnel so classified.

CHARTER TOWNSHIP OF HARRISON
JOB DESCRIPTION

TITLE: FOREMAN OF WATER AND SEWER DEPARTMENT

SUMMARY: Performs as a "working supervisor" in the Water and Sewer Department. Under the general direction of the Superintendent organizes work, assigns tasks, issues equipment, trains, and corrects the work of others. Requires five years experience as a Utility Worker, plus demonstrated ability to exercise leadership and communicate well with others.

JOB DUTIES:

1. Meet with the Superintendent as requested, to review work assignments for utility crews.
2. Supervise the work of individuals or crews by giving orientation to new employees; training employees in new duties; giving directions; reviewing quality and quantity of work; enforcing work rules as directed by the superintendent and the Township Board; correcting errors; assisting employees in their performance; providing safety instructions; and providing motivation and leadership.
3. Schedule work on water taps, meter readings, broken water mains, service lines, fire hydrants, lift stations, etc., work orders, repairs and complaints based on information provided from the clerical staff or from others; maintain repair records and production reports as required by the superintendent.
4. Participate in all pre-construction meetings and assign employee to serve as inspector; review work when completed.
5. Assign Assistant foreman to supervise crews when work load or other duties require.
6. Take water samples for testing.
7. Take place in 24-hour on-call rotation.

8. May respond to emergency situations in the Township and to determine actions to be taken and to supervise activities of repair crews.
9. Coordinate crews during diking and sand distribution operations.
10. Check combined Water and Sewer systems and implement established preventative maintenance programs.
11. Must meet continuing education requirements of the State of Michigan to maintain licensing.
12. Maintain perpetual inventory of operating supplies used by the department.
13. Perform other duties as assigned, which member(s) of the classification have performed in the past, or which are required to meet emergencies, or to provide necessary services when other employees are absent or not available.

The above statements are intended to describe the general nature and level of work being performed by people assigned this classification. They are not to be construed as an exhaustive list of all job duties performed by personnel so classified.

HARRISON TOWNSHIP

JOB DESCRIPTION

TITLE: Assessor

SUMMARY: Performs administrative and technical work in the inspection, appraisal and assessment of real and personal property. Supervises and prepares assessment records and rolls. Interprets state and local tax laws and assessment principles to the public, represents the township in appeals, and performs related work. Must possess required state certification.

PRIMARY JOB DUTIES:

1. Perform and supervise the performance of inspection, appraisal, recording and verification of real and personal property assessments.
2. Make field inspections of property, analyze structural and location value, and establish property values.
3. Collect and interpret real estate market data.
4. Levy and record real and personal property assessments in field books and assessment rolls.
5. Conduct sales assessment ratio studies and make decisions regarding residential, industrial and commercial property in need of reassessment.
6. Supervise the preparation of tax rolls.
7. Assist the Board of Review as required.
8. Prepare a variety of reports and records as required by state and county equalization departments.
9. Prepare and monitor, in cooperation with the Controller, an annual departmental budget.

10. Communicate with the public in a friendly, helpful and professional manner to interpret, explain and resolve disputes over tax assessments.
11. Monitor and implement changes in laws or regulations affecting assessment practices.
12. Ongoing update of professional knowledge and acquisitions of sufficient credits to maintain license required by the State of Michigan is mandatory.
13. Discharge other related duties as assigned, which member(s) of the classification have performed in the past, or which are required to meet emergencies, or to provide necessary services when other employees are absent or not available.

The above statements are intended to describe the general nature and level of work being performed by people assigned this classification. They are not to be construed as an exhaustive list of all job duties performed by personnel so classified.

CHARTER TOWNSHIP OF HARRISON
JOB DESCRIPTION

TITLE: Assistant Foreman

SUMMARY: Performs as a working assistant to the Foreman in organizing and directing specific on-site work projects in the Water and Sewer Department. Requires a minimum of three years on the job experience as a Utility Worker and demonstrated ability to exercise leadership and directions effectively. Work is performed under the direction of the Foreman who reviews work for efficiency and conformance to established policies and procedures.

JOB DUTIES:

1. Assist the foreman in scheduling and coordinating work for utility workers and, when assigned by the Foreman or Superintendent, maintain work flow on assigned job site, communicate instructions, direct the work of others, and inspect finished job.
2. Help schedule and perform required maintenance on combined water and sewer system and equipment.
3. Perform inspections of new sewer and water lines.
4. Collect water samples from various assigned areas on a regular basis for testing.
5. Must meet continuing education requirements of the State of Michigan to maintain licensing.
6. Assist Foreman with inventory control.
7. Perform other duties as assigned, which member (s) of the classification have performed in the past, or which are required to meet emergencies, or to provide necessary services when other employees are absent or not available.

The above statements are intended to describe the general nature and level of work being performed by people assigned this classification. They are not to be construed as an exhaustive list of all job duties performed by personnel so classified.

HARRISON TOWNSHIP
JOB DESCRIPTION

TITLE: Superintendent of Water and Sewer

SUMMARY: Responsible for maintaining potable water system and sanitary sewer system for township residents and commercial customers. Performs duties by supervising others, advising township officials, conferring with governmental agencies, retaining outside contractors when necessary, and monitoring and implementing changes in laws, regulations, etc. Training beyond high school in mathematics, accounting, chart drawing, print reading or related courses required, as well as S-1 water distribution license and minimum five years experience as a supervisor of water and sewer distribution systems.

JOB DUTIES:

1. Responsible for the efficient operation of Township Water and sewer systems, insuring the health and safety of the Township residents as related to the delivery of potable water and operation of the sanitary sewer collection system.
2. Prepare and monitor the Department budget.
3. Supervise a staff of clerical, semi-skilled workers and skilled inspectors, in the Water and Sewer Department, by assigning priorities and duties, assuring necessary training, evaluation quantity and quality of work, correcting work performance or disciplinary problems, motivating and leading employees.
4. Review or supervise the review of reports, readings, lists, bills, samples, charts and other documents to assure effective delivery of department services.
5. Communicate orally and in writing with township officials and keep them appraised of conditions affecting water and sewer services.

6. Communicate with the public in a friendly, helpful and professional manner to explain township policies and procedures and resolve complaints or disputes.
7. Communicate with other governmental and health agencies as required by law or circumstances in the township.
8. Create and monitor a safety program to keep on-the-job injuries and illnesses to a minimum.
9. Monitor through professional meetings and seminars any changes in laws, regulatory standards or procedures and implement same.
10. Must meet continuing education requirements of the State of Michigan to maintain licensing.
11. Perform other related duties as assigned, which member(s) of the classification have performed in the past, or which are required to meet emergencies, or to provide necessary services when other employees are absent or not available.

The above statements are intended to describe the general nature and level of work being performed by people assigned this classification. They are not to be construed as an exhaustive list of all job duties performed by personnel so classified.

CHARTER TOWNSHIP OF HARRISON
JOB DESCRIPTION

TITLE: Parks & Recreation Director

SUMMARY: Responsible for planning, organizing, directing and supervising all parks and recreation facilities and programs for the Township. The scope of this position includes the maintenance and capital improvement of parks located in Harrison Township. Reports directly to the Township Supervisor. The position requires a minimum of 5 years of progressive responsible experience in designing , implementing and supervising recreational programs. The job requires a Bachelor's Degree from an accredited college, in Park Management, Outdoor Recreation, Community Recreation Administration or related field.

JOB DUTIES:

1. Determines staffing needs. Responsible for over all recruiting, orientation, training, scheduling and evaluation of all regular and seasonal department personnel.
2. Plans, organizes, implements and directs all recreation and related educational programs.
3. Maintains a current level of knowledge of changes and developments in the recreation field by attending professional meetings and reading professional publications.
4. Reviews and approves Recreation and park schedules.
5. Chairs the Parks & Recreation Committee meetings. Communicates current and future plans to members. Involves volunteers as much as possible.
6. Interacts with community members, Township departments, and outside agencies in order to answer questions, resolve problems and to coordinate efforts. Makes presentations and speeches to various civic organizations.
7. Develops and monitors department budget, revenues, and expenditures.
8. Research and write grants to promote expansion of park facilities for Harrison Township parks.

9. Responsible for the opening and closing of all parks within the Township. Maintains all facilities at park locations, including, bathrooms, sports equipment, permanent equipment, picnic tables, etc.
10. Prepares notices of events, press releases, and cable notices.

The above statements are intended to describe the general nature and level of work being performed by people assigned to this classification. They are not to be construed as an exhaustive list of all job duties performed by personnel so classified.

LETTER OF UNDERSTANDING

Date: 10/21/96

This Letter of Understanding between the Harrison Township Supervisory Association and the Charter Township of Harrison, entered into on 10/21/96 shall be made part of the collective bargaining agreement for the period of January 1, 1996 through December 31, 1997.

1. All current members of the association will be entitled Retro pay at 3%, and will be paid for the period of January 1, 1996 through the signing of the this letter, in accordance to Article 35. Salary Schedule, at the applicable rate. The 1996 clothing allowance will be paid with retro pay.
2. The Parks & Recreation Director will become member of this Bargaining Unit and contract, as of the signing of this agreement. The Parks & Recreation Director will be placed at the Start Level of pay , (Article 35. Salary Schedule, \$37,669.60). On her anniversary date of November 1, 1997, moving to Year 1, etc.. The Parks & Recreation Director will be eligible for retro pay at 3% of current base salary.

CHARTER TOWNSHIP OF HARRISON
MACOMB COUNTY, MICHIGAN

HARRISON TOWNSHIP
SUPERVISORY ASSOCIATION

By: Pamela A. Weeks
Pamela A. Weeks
Supervisor

By: Eric Olson
Eric Olson
President

By: Kathleen M. Lyon
Kathleen M. Lyon,
Clerk

By: Donald C. Meldrum
Donald C. Meldrum
Vice-President

By: Patricia D. Switzer
Patricia D. Switzer,
Treasurer

By: Joann Uthes
Joann Uthes,
Secretary

LETTER OF UNDERSTANDING

DATE: 10/21/96

This Letter of Understanding between the Harrison Township Supervisory Association and Charter Township of Harrison, entered into on 10/21/96, shall be made part of the Collective Bargaining Agreement for the period of January 1, 1996 through December 31, 1997 only and attached thereto.

1. Upon the effective date of the signing of this Letter of Understanding, members of the Harrison Township Supervisory Employees Association working for the Charter Township of Harrison may retire at full pensions and benefits under the following terms and conditions:
 - a. The member has twenty (20) years of active full time service with the Township.
 - b. The multiplier as indicated in Article 34, shall be 2.8% for all years of service.
 - c. The member shall have thirty (30) days from the date of the signing of this Letter of Understanding to make their intentions as to retiring known. If the member notifies the Township of their intent to retire, the member shall be allowed to retire and receive the above benefits anytime prior to December 23, 1996.
 - d. Any member not expressing their intent to retire within thirty (30) days of the signing of this letter will revert to the terms and conditions as contained in Article 34.

CHARTER TOWNSHIP OF HARRISON
MACOMB COUNTY, MICHIGAN

HARRISON TOWNSHIP
SUPERVISORY ASSOCIATION

By: Pamela A. Weeks
Pamela A. Weeks
Supervisor

By: Eric Olson
Eric Olson
President

By: Kathleen M. Lyon
Kathleen M. Lyon
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Donald C. Meldrum
Vice-President

By: Patricia D. Switzer
Patricia D. Switzer,
Treasurer

By: Joann Uthes
Joann Uthes,
Secretary

HARRISON TOWNSHIP

APPENDIX A

BLUE CROSS/BLUE SHIELD ? ? 0 COVERAGE

GROUP #18956-002

Certificate/Rider	Number	Benefit Description
Comprehensive Hospital Care Certificate	0959	Basic hospital services are covered at 100% of the BCBSM payment amount when received by participating hospitals or approved facilities. Coverage is provided for: <ul style="list-style-type: none"> n 120 inpatient days for general medical conditions n 30 inpatient days for mental health care n inpatient hospital services n outpatient hospital care
Rider D45NM	2288	Increases the number of inpatient hospital days to 365 days for general medical conditions and 45 days for mental health care.
Rider HMN, Hospital Medical Necessity	5227	Defines hospital medical necessity.
Rider PTB, Pulmonary TB Days	5687	Eliminates day limits on inpatient treatment of pulmonary tuberculosis (TB) and defines this illness as a general medical condition.
MVF-1 Certificate	1879	Basic medical and surgical care by a physician including laboratory, pathology, diagnostic radiology, and therapeutic radiology.
Rider FAE-RC, Emergency First Aid	0218	Initial examination and treatment of emergency first aid and life-threatening medical emergencies.
Rider ML, Waiver of Member Liability	1892	Waives the member liability of 55 or 10% (whichever is greater) for laboratory, pathology, and radiology services.
Rider PLUS-15, Prudent Laboratory Use System	6701	Converts laboratory benefits under a traditional plan to a Preferred Provider Organization (PPO) plan. Services received by non-network providers are subject to a 15% sanction. Benefits are also subject to Rider ML if included under a group coverage.
Rider BMT, Bone Marrow Transplants	4398	Bone marrow transplant benefits for specific conditions. Donors must meet genetic marker criteria. Requires prior approval by BCBSM.

Rider CNM, Certified Nurse Midwife	6600	Allows for specific services provided by a Certified Nurse Midwife including normal vaginal delivery in an inpatient hospital setting or BCBSM approved birthing center. Pre- and post-natal care and PAP smear during the six week visit are covered when these services are a part of the member's coverage.
Rider COB-3, Coordination of Benefits	0540	Coordinates the benefits provided by BCBSM with benefits available to a member under another health benefit plan.
Rider FC, Family Continuation	4655	Continuation of group coverage for dependant children between the ages of 19-25 when certain eligibility requirements are met. An additional charge per contract will apply.
Rider GLE-1, General Limitations and Exclusions	9930	Excludes benefits for services, care, devices, or supplies considered experimental or research in nature.
Rider HCB-1, Hospice Care Benefits	7021	Specific hospice care benefits for terminally ill individuals when certain conditions are met and services are provided in an approved hospice program.
Rider PPNV-1, Pre- and Post-natal Visits	4639	Physician care benefits for pre- and post-natal care visits.
Rider RAPS, Reimbursement Arrangement for Professional Services	7469	Establishes reimbursement levels for covered services.
Rider RAPS-2, Reimbursement Arrangements for Professional Services	7057	Establishes reimbursement levels for covered professional services.
Rider SAT-2, Substance Abuse Treatment Program Benefits	4081	Rehabilitation care for substance abuse when performed in BCBSM approved facilities. Inpatient services are limited to the available number of unused inpatient mental health care days. Outpatient facility services are payable up to the dollar minimum as determined by state law.
Rider SOT-PE, Specified Organ Transplants in Approved Facilities	9909	Specific benefits for human organ transplants of the liver, heart, heart-lung, and pancreas in approved facilities. Requires prior approval by BCBSM. Benefits not available for pre-existing conditions until the member has been enrolled for nine consecutive months.
Rider SD, Sponsored Dependents	4651	Continuation of group coverage for dependants over 19 years of age who do not meet eligibility requirements for riders FC or DC. An additional charge per contract will apply.
Rider TRUST-15, Contracting Network Providers	6908	Hospital and physician benefits are converted from a traditional Comprehensive Hospital Medical/Surgical plan to a Preferred Provider Organization (PPO) plan. A 15% sanction for non-network hospital and physician services is required.

Rider XTMJ, Excluded TMJ Conditions	7103	Clarifies benefits for temporomandibular jaw joint disorders.
Master Medical Certificate Option V	4834	Supplements basic hospital medical/surgical program coverage and provides additional benefits for services not covered under the basic program. Benefits are subject to a \$150 per member and \$300 per family deductible each calendar year. Members are also responsible for an 20% copayment for general medical services and a 50% copayment for outpatient mental health care and private duty nursing.
Rider MMC-POV, Physician's Office Visits	7933	Once the deductible has been met, provides 100% payment for home, outpatient, and office visits and physician outpatient consultations including: <ul style="list-style-type: none"> n Well-baby care n Immunizations n Allergy testing n Medical Emergency Treatment <p>The waiver on copayments does not apply to mental health care services, physical therapy, or services rendered for manipulation of the spine.</p>
Rider MMC-PTB, Pulmonary TB Days	5366	Eliminates day limits on inpatient treatment of pulmonary tuberculosis (TB) and defines this illness as a general medical condition.
Rider MMC-XTMJ, Excluded TMJ Conditions	7106	Clarifies benefits for temporomandibular jaw joint (TMJ) disorders.
Rider MMC-PD, Exclusion of Prescription Drugs Prescription Drug Coverage Certificates and Riders	4786	Excludes Master Medical benefits for prescription drugs.

Certificate/Rider	Number	Benefit Description
Prescription Drug Group Benefit Certificate (PD \$5.00)	9560	Provides benefits for prescription drugs and injectable insulin payable at 100% of the BCBSM approved amount, minus a member copayment of \$5.00. Excludes benefits for contraceptive drugs and drugs dispensed for cosmetic purposes.
Rider APDBP, Alternative Prescription Drug Benefit Program	7851	Converts traditional Prescription Drug Program benefits to a Preferred Provider Organization (PPO) plan.

Rider PD-MAC, Maximum Allowable Cost

5013

Requires the dispensing of generic equivalent drugs. Brand name drugs will be dispensed only under the following circumstances:

- n If the physician indicates "Dispense As Written" (DAW) on the prescription; and
- n If the member requests a brand name medication. In such cases, the member pays the additional cost for the brand name drug.

This is intended as an easy-to-read guide. It is not a contract. An official description of benefits is contained in applicable Blue Cross and Blue Shield of Michigan certificates and riders. This coverage is provided pursuant to a contract entered into in the State of Michigan and shall be construed to the laws of the State of Michigan.

APPENDIX B

DISABILITY INSURANCE COVERAGE

Short Term Disability

Coverage begins first (1st) day of accident, fifteenth (15th) day of illness.

Employee is entitled to a maximum of \$550.00 per week or 60% of gross base wage (whichever is less), for a period of twelve weeks.

An employee eligible for benefits must get a form from the Accounting Office, complete the employee section, submit to Doctor, and have the form returned to the Accounting Office.

Long Term Disability

Coverage begins after exhaustion of short term disability.

Employee is entitled to a maximum of \$3,000.00 per month or 60% of gross base wage (whichever is less), until eligible for Social Security benefits, to a maximum of age 65.

An employee eligible for benefits must get a form from the Accounting Office, complete the employee section, submit to Doctor, and have the form returned to the Accounting Office.

In all instances, it is the employees responsibility to make sure the forms are picked up and filled out. The employees medical coverage will continue while on disability, unless eligible for Social Security Disability Insurance.

CHARTER TOWNSHIP OF HARRISON
CAFETERIA PLAN
MEDICAL EXPENSE REIMBURSEMENT PLAN
AND
DEPENDENT CARE ASSISTANCE PLAN



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GENERAL INFORMATION

NAME OF PLANS: Charter Township of Harrison Cafeteria Plan
Charter Township of Harrison
Medical Expense Reimbursement Plan
Charter Township of Harrison
Dependent Care Assistance Plan

NAME OF SPONSOR: Charter Township of Harrison,
a Michigan governmental entity

ADDRESS OF SPONSOR: 38151 L'anse Creuse
Harrison Township, MI 48045

TELEPHONE NUMBER: (810) 466-1406

EMPLOYER ID NUMBER: 38-6005518

PLAN NUMBERS: 511, 512 and 513, respectively

TYPES OF PLANS: Cafeteria Plan, Medical Expense Reimbursement Plan and
Dependent Care Assistance Plan

PLAN YEAR: Begins January 1 and ends on December 31

**PLAN ADMINISTRATOR
AND AGENT FOR SERVICE
OF LEGAL PROCESS:** Mary Kay Case

This one document includes three separate plans: a Cafeteria Plan, a Medical Expense Reimbursement Plan and a Dependent Care Assistance Plan.

These Plans are government plans, and, therefore, are not subject to Titles I and IV of ERISA.

**CHARTER TOWNSHIP OF HARRISON
CAFETERIA PLAN
MEDICAL EXPENSE REIMBURSEMENT PLAN
DEPENDENT CARE ASSISTANCE PLAN**

The Charter Township of Harrison, a Michigan government entity (the "Employer"), has approved of a Cafeteria Plan, a Medical Expense Reimbursement Plan and a Dependent Care Assistance Plan (all three plans are collectively referred to as the "Plans"), as set forth in this single document, this ___ day of September, 1996, to become effective September 19, 1996.

**ARTICLE I
INTRODUCTION**

1.1 Cafeteria Plan Status. This document is intended to constitute a written plan qualifying as a Cafeteria Plan under §125 of the Code. The purpose of this document as a Cafeteria Plan is to provide each Participant the choices described in Section 4.1 below. It is intended that the Participant's choices will not constitute "constructive receipt" of income to the Participant.

1.2 Medical Expense Reimbursement Plan Status. This document is also intended to constitute a written plan qualifying as a Medical Expense Reimbursement Plan within the meaning of §105(b) of the Code. The purpose of this document as a Medical Expense Reimbursement Plan is to reimburse Participants who elect this Benefit for Eligible Medical Care Expenses incurred by the Participant for the Participant and his/her Dependents. It is also intended that the reimbursements under the Medical Expense Reimbursement Plan be eligible for exclusion from the Participant's gross income under §105(b) of the Code.

1.3 Dependent Care Assistance Plan Status. This document is also intended to constitute a separate written plan qualifying as a Dependent Care Assistance Plan within the meaning of §129 of the Code. The purpose of this document as a Dependent Care Assistance Plan is to reimburse Participants who elect this Benefit for Eligible Employment Related Expenses incurred by the Participant. It is also intended that the reimbursements under the Dependent Care Assistance Plan be eligible for exclusion from the Participant's gross income under §129(a) of the Code.

**ARTICLE II
ELIGIBILITY AND PARTICIPATION**

2.1 Eligibility. Each Employee is eligible to participate in the Plans set forth in this document upon his/her date of employment with the Employer; provided, however, any Employee whose employment is subject to a collective bargaining agreement between the Employer and any collective bargaining group/unit (a union) will only be eligible to participate in the Plans when and to the extent so provided and acknowledged through the collective bargaining process.

2.2 Commencement of Participation. After becoming eligible, each Employee will commence participation in the Plans on the first day of the calendar month coincident with or following his/her date of becoming eligible pursuant to Section 2.1 above. However, commencement of coverage and Benefits under the Medical Plan, Dental Plan and Vision Plan is as stated in each such plan.

2.3 Cessation of Participation. A Participant will cease to be a Participant in the Plans as of the earlier of: (a) the date on which such Plan terminates, (b) the date on which he/she ceases to be an eligible Employee under Section 2.2; provided, however, a Participant may continue to participate in the Medical Expense Reimbursement Plan and Dependent Care Assistance Plan until the end of the Plan Year as specifically provided below in Sections 6.3 and 7.3, respectively.

ARTICLE III DEFINITIONS

3.1 "Benefits" mean the amounts paid to, or coverage received by, Participants under the Plans established in this document, as reimbursement, compensation or coverage, whichever the Participant elects.

3.2 "Code" means the Internal Revenue Code of 1986, as amended from time to time. Reference to any section of the Code includes reference to any comparable or succeeding provisions of any legislation which amends, supplements or replaces such section.

3.3 "Dental Plan" means the group dental plan sponsored by the Employer, as more particularly described in the group contract/policy, and may simply be a part of the coverage provided under the Medical Plan.

3.4 "Dependent", for purposes of the Medical Plan, Dental Plan and Vision Plan, has the same meaning as given such term under such Plans. For purposes of the Medical Expense Reimbursement Plan, "Dependent" means and includes a Participant's spouse and those individuals who qualify as a "dependent" for income tax purposes under §152 of the Code. For purposes of the Dependent Care Assistance Plan, "Dependent" means and includes any individual who is (i) a "dependent" of the Participant who is under the age of 13 and with respect to whom the Participant is entitled to a deduction under §151(c) of the Code, or (ii) a "dependent" (within the meaning of §152 of the Code) or the Spouse of the Participant who is physically or mentally incapable of caring for himself/herself. For purposes of determining whether an individual is a Dependent of the Participant under the Dependent Care Assistance Plan, the special rules of §21(e)(5) of the Code apply with respect to treating a child under the age of 13 as the dependent of the custodial parent in the case of divorced parents.

3.5 "Dependent Care Assistance", for purposes of the Dependent Care Assistance Plan, means the payment or provision of those services which if paid for by the Participant would be considered "employment-related expenses" under §21(b)(2) of the Code (relating to expenses for

household and dependent care services necessary for gainful employment), and is determined in accordance with §129(e)(1) of the Code.

3.6 "Earned Income", for purposes of the Dependent Care Assistance Plan, means all income derived from wages, salaries, tips, self-employment and other employee compensation (such as disability benefits), but such term does not include any amounts received: (i) under the Plans established hereunder or any other dependent care assistance program under §129 of the Code; (ii) as a pension or annuity; or (iii) as unemployment or workmen's compensation.

3.7 "Educational Institution", for purposes of the Dependent Care Assistance Plan, means any educational organization, the primary function of which is the presentation of formal instruction, and which normally maintains a regular faculty and curriculum, and normally has a regularly enrolled body of students at the place where its educational activities are regularly carried on.

3.8 "Effective Date" for all Plans established by this document is September 19, 1996.

3.9 "Eligible Employment Related Expenses", for purposes of the Dependent Care Assistance Plan, means all Employment Related Expenses incurred by a Participant which are paid to an individual who is not: (i) a Dependent of the Participant, or (ii) a child of the Participant under the age of 19.

3.10 "Eligible Medical Care Expense", for purposes of the Medical Expense Reimbursement Plan, means any Medical Care Expense which was not allowed as a deduction to the Participant under §213 of the Code for any prior calendar year, and which is paid to the Participant (directly or indirectly) as reimbursement for such expense incurred by the Participant for himself/herself and/or his/her Dependent.

3.11 "Employee" means any individual employed by the Employer, and does not include independent contractors or leased employees.

3.12 "Medical Care Expense", for purposes of the Medical Expense Reimbursement Plan, has the same meaning as defined in §213(d) of the Code, and includes amounts paid for the diagnosis, cure, mitigation or prevention of disease, or for the purpose of affecting any structure or function of the body; and any amounts paid for transportation primarily for, and essential to, such medical care; but does not include certain cosmetic surgery or expenses for premium payments for other health coverage for the Participant's spouse or Dependents.

3.13 "Medical Plan" means the group medical hospitalization plan sponsored by the Employer for its Employees, as more particularly described in the group contract(s)/policy(ies) issued by the insurance company(ies), and may include dental and vision care coverages.

3.14 "Participant" means any Employee who is eligible to participate in the Plans set forth in this document in accordance with ARTICLE II.

3.15 "Plan Administrator" means the person(s) or committee as may be appointed from time to time by the Township Supervisor of the Employer to supervise the administration of the Plans. The initial Plan Administrator is Mary Kay Case.

3.16 "Plan Year" for all Plans established by this document means the 12-month period beginning on January 1 and ending on December 31 of each calendar year. However, the first Plan Year shall begin on September 19, 1996 and end on December 31, 1996.

3.17 "Qualifying Day Care Center", for purposes of the Dependent Care Assistance Plan, means a day care center which: (i) complies with all applicable laws and regulations of the State and town, city or village in which it is located; (ii) provides care for more than six individuals (other than individuals who reside at the day care center); and (iii) receives a fee, payment or grant for services for any of the individuals to whom it provides services (regardless of whether such facility is operated for a profit).

3.18 "Qualifying Individual", for purposes of the Dependent Care Assistance Plan, means a Dependent of the Participant who is under the age of 13; or a Dependent of the Participant who is physically or mentally incapable of caring for himself/herself.

3.19 "Qualifying Services", for purposes of the Dependent Care Assistance Plan, means household services and services for the care of a Qualifying Individual which are performed (i) in the home of the Participant; or (ii) outside of the home of the Participant for (a) the care of a Dependent of the Participant under the age of 13, or (b) the care of any other Qualifying Individual who spends at least eight hours a day at the Participant's home. Qualifying Services do not include expenses incurred for services outside of the Participant's home at a camp where the Qualifying Individual stays overnight.

3.20 "Spouse", for purposes of the Dependent Care Assistance Plan, means the husband/wife of the Participant, subject to the special rules of §21(e)(3) and (4) of the Code. Thus, a spouse who is legally separated from the Participant under a decree of separate maintenance or legal separation is not considered "married".

3.21 "Student", for purposes of the Dependent Care Assistance Plan, means an individual who during each of five calendar months during a Plan Year is a full-time student at an Educational Institution.

3.22 "Vision Plan" means the group vision plan sponsored by the Employer, as more particularly described in the group contract/policy, and may simply be a part of the coverage provided under the Medical Plan.

ARTICLE IV
CAFETERIA PLAN BENEFITS

4.1 Benefit Options. Each Plan Year, a Participant may elect to receive one or more of the Benefits described below:

A. Medical Plan Premium Conversion Option. Each Participant who receives coverage under the Medical Plan, and who is required to pay for a portion of the premium cost for such coverage, may elect to reduce his/her compensation (through payroll deduction) and pay his/her portion of such premium cost with pre-tax dollars. The amount of payroll reduction will automatically be adjusted to take into account any change in the premium cost for Medical Plan coverage that occurs during the Plan Year.

B. Dental Plan Premium Conversion Option. Each Participant who receives coverage under the Dental Plan, and who is required to pay for a portion of the premium cost for such coverage, may elect to reduce his/her compensation (through payroll deduction) and pay his/her portion of such premium cost with pre-tax dollars. The amount of payroll reduction will automatically be adjusted to take into account any change in the premium cost for Dental Plan coverage that occurs during the Plan Year.

C. Vision Plan Premium Conversion Option. Each Participant who receives coverage under the Vision Plan, and who is required to pay for a portion of the premium cost for such coverage, may elect to reduce his/her compensation (through payroll deduction) and pay his/her portion of such premium cost with pre-tax dollars. The amount of payroll reduction will automatically be adjusted to take into account any change in the premium cost for Vision Plan coverage that occurs during the Plan Year.

D. Cash in Lieu of Medical Plan Coverage. Each Participant who is eligible for coverage under the Medical Plan may elect to (i) receive coverage for himself/herself and his/her Dependents under the Medical, Dental and Vision Plans; or (ii) waive all coverage for himself/herself and his/her Dependents (where applicable) under the Medical Plan, Dental Plan and Vision Plan, if otherwise available to such Participant and receive additional compensation in lieu thereof, in the amount specified on the Election Form for such Plan Year; provided, however, the Participant must be covered under some other medical/hospitalization plan or policy and must provide proof, satisfactory to the Plan Administrator, of such other coverage, in order to waive coverage. The additional compensation will be paid pro-rata throughout the Plan Year in accordance with the Employer's normal payroll practice. Any Participant who is subject to a collective bargaining agreement that does not require him/her to have other medical/hospitalization insurance coverage in order to waive coverage under the Medical Plan may waive such coverage without having other coverage in place.

E. Medical Expense Reimbursement Plan. Each Participant may elect to reduce his/her compensation by a specified amount set forth on the Election Form, not to exceed the limitations set forth in Section 6.3 of the Medical Expense Reimbursement Plan, and become eligible to receive reimbursement for Eligible Medical Care Expenses incurred by such Participant for himself/herself and/or his/her Dependents during the Plan Year.

F. Dependent Care Assistance Plan. Each Participant may elect to reduce his/her compensation by a specified amount set forth in the Election Form, not to exceed the limitations set forth in Section 7.3 of the Dependent Care Assistance Plan, and become eligible to receive reimbursement for Eligible Employment Related Expenses incurred by the Participant during such Plan Year.

4.2 New Participants. Any Participant who becomes eligible for one or more of the Benefits under Section 4.1 on a date other than the first day of the Plan Year is entitled to Benefits, on a prospective basis only, during the remaining months in the Plan Year after his/her Election Form is filed with, and accepted by, the Plan Administrator.

4.3 Compensation Reduction. Each Participant who elects any Premium Conversion Option, or elects to become eligible for a reimbursement under the Dependent Care Assistance Plan and/or the Medical Expense Reimbursement Plan, must consent, in writing on the Election Form, to have his/her compensation reduced for such Plan Year by the total of the employee portion of the premium cost for his/her coverage, plus the Annual Dependent Care Assistance Amount and the Annual Medical Expense Reimbursement Amount chosen by such Participant for such Plan Year, in accordance with the Employer's normal payroll practices. In addition, each Participant who elects a Premium Conversion Option must agree on the Election Form to have such payroll reduction automatically adjusted during the Plan Year for any increase or decrease in the premium cost for his/her coverage. Such payroll reduction is irrevocable during the entire Plan Year, unless a "change in family status" occurs, as defined in Section 5.5 below.

4.4 Coverages Provided Under Separate Plans. Coverage and Benefits under the Medical Plan, Dental Plan and Vision Plan is provided under the separate group contract(s)/plan(s) sponsored by the Employer, and not under this Cafeteria Plan. The type and amount of Benefits available under the Medical Plan, Dental Plan and Vision Plan (including deductibles and co-pays), and the eligibility and coverage requirements thereunder (including pre-existing illness rules, coverage limits and coordination of benefit rules), are as provided for in such separate contracts. Similarly, if a Participant elects to become eligible for reimbursement under the Medical Expense Reimbursement Plan and/or under the Dependent Care Assistance Plan, such reimbursement/coverage will be provided under such respective Plans, and not under the Cafeteria Plan.

ARTICLE V
ELECTION PROCEDURES

5.1 Election Form. Approximately 30 days prior to the first day of the Plan Year, or upon commencement of participation, the Plan Administrator will provide to each Participant an Election Form similar to the sample attached hereto, which form will reflect the Participant's choice(s) under Section 4.1 for such Plan Year.

5.2 Election Procedure. To be effective as of the first day of the Plan Year, or the first day he/she becomes eligible in the case of a new Participant, or a new Benefit to which he/she becomes eligible, each Election Form must be completed and returned to the Plan Administrator on or before such date as the Plan Administrator specifies, which date will be no later than the beginning of the Plan Year or the effective date of participation in the case of a new Participant or new Benefit.

5.3 Failure to Complete Election Form. Any Participant who fails to complete an Election Form for any Plan Year in a timely manner is deemed to have elected to receive (1) coverage under the Medical Plan, Dental Plan and Vision Plan; (2) his/her full compensation in lieu of any Premium Conversion Option; and (3) his/her full compensation in lieu of eligibility for reimbursement under the Medical Expense Reimbursement Plan and the Dependent Care Assistance Plan for such Plan Year.

5.4 Change of Election by Plan Administrator. If the Plan Administrator determines, at any time during the Plan Year, that any Plan may fail to satisfy any nondiscrimination rule imposed by the Code or any limitation on Benefits provided to certain Employees, the Plan Administrator may take such action as the Plan Administrator deems appropriate, under rules uniformly applicable to similarly situated Participants, to assure compliance with such requirement or limitation.

5.5 Change of Election by Participant. A Participant's election (or failure to elect) is irrevocable by the Participant during the Plan Year, subject to the following exceptions:

A. Change in Family Status. A Participant may revoke his/her election for the balance of a Plan Year and file a new Election Form only if both the revocation and the new election are on account of, and consistent with, a "change in family status". A "change in family status" for this purpose has the same meaning as given such term in the Income Tax Regulations under §125 of the Code, and, generally, includes the marriage or divorce of the Participant, the death of a spouse or other Dependent, the birth or adoption of a child, the termination or commencement of employment of a spouse, the switching from part-time to full-time employment, or vice versa, of the Participant or his/her spouse, the taking of an unpaid leave of absence of the Participant or his/her spouse, and such other events that the Plan Administrator determines will permit a change or revocation of an election during a Plan Year under the Income Tax Regulations and rulings of the Internal Revenue Service. Any new election under this Section will be effective at such time as the Plan Administrator prescribes, in accordance with applicable rules of the Internal Revenue Service.

B. Family and Medical Leave Act (FMLA) Changes. A Participant may revoke his/her election for the balance of a Plan Year, if the Participant is on an unpaid leave of absence under the Family and Medical Leave Act ("FMLA"). A Participant who is returning from an unpaid FMLA leave is entitled to be reinstated in the group health plan(s) (i.e., medical/dental/vision plans) and in the Medical Expense Reimbursement Plan, if such Participant's group health plan coverage and/or participation in the Medical Expense Reimbursement Plan terminated while such Participant was on an unpaid FMLA leave (either by revocation or non-payment of premiums/contributions). Such Participant is entitled to be reinstated on the same terms as prior to taking the unpaid FMLA leave (including family or dependent coverage). However, such a Participant will have no greater rights to benefits for the remainder of the Plan Year than a Participant who has been continuously working during the Plan Year, as provided in the Income Tax Regulations under §125 of the Code. The following additional rules apply to a Participant who is on an unpaid FMLA leave:

(1) A Participant who was making premium payments or contributions under the Cafeteria Plan or Medical Expense Reimbursement Plan, who chooses to continue the group health plan coverage(s) and/or his/her participation in the Medical Expense Reimbursement Plan while on the unpaid FMLA leave, is required to continue to pay/make his/her share of the premium payments/contributions for such continued coverage/participation, in the same amount as he/she was paying/making prior to the unpaid FMLA leave. In the event such a Participant elects to continue group health plan coverage and/or participation in the Medical Expense Reimbursement Plan, and continues to pay his/her portion of the premium for such coverage and make his/her contribution under the Medical Expense Reimbursement Plan, the Employer will continue to make the same contribution to the cost of such coverage/participation as it was making prior to the unpaid FMLA leave. The Participant may either pre-pay his/her premium amount/contributions for the remainder of the calendar year in which the unpaid FMLA leave commences, or may continue to pay/make such premium amounts/contributions on the same periodic basis as existed prior to the unpaid FMLA leave. However, no premium amount/contributions may be pre-paid beyond the end of the calendar year in which the pre-payment is made.

(2) Unless otherwise required by law or provided in a collective bargaining agreement covering such Participant, the group health coverage and participation in the Medical Expense Reimbursement Plan will cease upon failure of the Participant to make the required premium payments/contributions while on the unpaid FMLA leave.

(3) If a Participant's participation under the Medical Expense Reimbursement Plan terminates while the Participant is on an unpaid FMLA leave, the Participant is not entitled to receive reimbursements for claims incurred during the period when the participation is terminated. If the Participant subsequently elects to be reinstated in the Medical Expense Reimbursement Plan upon return from the unpaid FMLA leave for the remainder of the Plan Year, the Participant may not retroactively elect participation for claims incurred during the period when the participation was terminated. In addition, in the case of a Participant whose participation in the Medical Expense Reimbursement Plan terminated during an unpaid FMLA leave, which participation

is reinstated for the remainder of the Plan Year upon return from the unpaid FMLA leave, the Participant's annual Medical Expense Reimbursement Limitation for such Plan Year will be prorated for the period during the unpaid FMLA leave for which no contributions were paid, and reduced by prior reimbursements.

(4) A Participant who returns from an unpaid FMLA leave may make a new election for the remainder of the Plan Year, if such return from leave without pay constitutes a change of family status under paragraph A. above.

(5) These rules do not apply to a Participant who is on a paid FMLA leave.

C. **Significant Cost or Coverage Changes.** A Participant who has chosen a Premium Conversion Option, or who has chosen a particular coverage under Section 4.1 which requires him/her to pay a portion of the premium cost, may revoke his/her election for the balance of the Plan Year, and make new election which is both on account of and consistent with such revocation, if a significant increase in the cost or type of such coverage occurs with respect to such group insurance plan during the Plan Year. The interpretation of this paragraph will be made in a manner that is consistent with the Income Tax Regulations under §125 of the Code.

5.6 Election Period. The "Election Period" for all Benefits under all Plans established in this document is the Plan Year.

ARTICLE VI

MEDICAL EXPENSE REIMBURSEMENT PLAN BENEFITS

6.1 Description of Medical Care Expense Reimbursement Benefits. Each Participant who elects Medical Care Expense Reimbursement will be entitled to receive Benefits for the Eligible Medical Care Expenses incurred by the Participant during the applicable Plan Year for himself/herself and/or his/her Dependent(s); provided, however, the total reimbursements paid to a Participant for expenses incurred in a single Plan Year may not exceed the lesser of: (i) the Participant's elected Annual Medical Expense Reimbursement Amount (described in Section 6.2 below) for such Plan Year, or (ii) the Annual Medical Expense Reimbursement Limitation (described in Section 6.3 below) for such Plan Year. The Participant's elected Annual Medical Expense Reimbursement Amount for any Plan Year will be allocated to an account (referred to as the Participant's "Medical Expense Reimbursement Account") for his/her benefit during such Plan Year under the Medical Expense Reimbursement Plan.

6.2 Electing Annual Amount of Medical Care Expense Reimbursement. A Participant who elects to contribute under the Medical Expense Reimbursement Plan and become eligible for reimbursement for Eligible Medical Care Expenses incurred during such Plan Year must: (1) specify the maximum amount of reimbursement for which he/she is applying for such Plan Year prior to the commencement of the Plan Year (pursuant to ARTICLES IV and V), to be indicated on the Election Form as a total amount for the entire Plan Year (referred to as the Participant's "Annual

Medical Care Expense Amount"), and (2) agree to have his/her compensation for such Plan Year reduced by such amount.

6.3 Limitation on Benefits. The maximum reimbursement for which any Participant may apply for any Plan Year is \$2,500. This amount is referred to as the "Annual Medical Expense Reimbursement Limitation". In addition, each Participant is entitled to reimbursement only for Eligible Medical Care Expenses incurred during the applicable Plan Year, and incurred during the period that he/she is a Participant under the Medical Expense Reimbursement Plan. If a Participant becomes ineligible to participate in the Medical Expense Reimbursement Plan or ceases to be an eligible Employee thereunder, such Participant may continue to be eligible for reimbursement of Eligible Medical Care Expenses incurred after the date he/she becomes ineligible or ceases to be an Employee, but only to the extent of the then remaining balance of the Annual Medical Expense Reimbursement Amount actually deducted from such Participant's compensation and allocated to his/her Medical Expense Reimbursement Account until the end of the Plan Year. In addition, such Participant may elect to have the balance of his/her elected Annual Medical Expense Reimbursement Amount for such Plan Year which has not already been contributed to his/her Medical Expense Reimbursement Account deducted from his/her final paycheck, and continue to be eligible for reimbursement of Eligible Medical Care Expenses incurred after the date he/she becomes ineligible or ceases to be an Employee, until the end of said Plan Year to the maximum amount of reimbursement for which such Participant applied for such Plan Year. Any unused (unreimbursed) portion of such Participant's Medical Expense Reimbursement Account for each Plan Year will be forfeited as provided in Section 6.5 below.

6.4 Application for Reimbursement. In order to be entitled to Benefits under the Medical Expense Reimbursement Plan, the Participant must deliver, or cause to be delivered, to the Plan Administrator reasonable proof, satisfactory to the Plan Administrator, of the incurrence of the Eligible Medical Care Expenses during the applicable Plan Year. In addition, a properly completed Request for Reimbursement Form, with the proper invoices/receipts attached thereto, must be signed by the Participant and submitted to the Plan Administrator in order for the Participant to be entitled to a reimbursement. Reimbursements will be paid no later than the end of the calendar month following the month in which the Reimbursement Form is properly submitted to the Plan Administrator. Any Request for Reimbursement Form relating to expenses incurred in a Plan Year must be received by the Plan Administrator within 60 days following the close of such Plan Year or the Participant's termination of participation in the case of the Plan Year in which such Participant's eligibility or employment terminates, unless the Participant elects to continue his/her participation through the end of the Plan Year, as provided above.

6.5 Forfeiture of Unused Medical Expense Reimbursement Amount. Upon the completion of each Plan Year, the total unused (unreimbursed) portion of each Participant's Medical Expense Reimbursement Account will be forfeited (lost) by the Participant; and the Employer, in its sole discretion, may use such forfeited amounts to help defray the expense of administering the Plans, or apply such amounts to reduce the cost of participation in the Plans for all Participants for any subsequent Plan Year, or for any other purpose.

ARTICLE VII
DEPENDENT CARE ASSISTANCE PLAN BENEFITS

7.1 Description of Dependent Care Assistance Benefits. Each Participant who elects to receive a Benefit under the Dependent Care Assistance Plan is eligible to receive reimbursement for all Eligible Employment Related Expenses incurred by such Participant or such Participant's Spouse during the applicable Plan Year; provided, however, the total reimbursements made to any Participant for expenses incurred in a single Plan Year may not exceed the lesser of: (i) the Participant's elected Annual Dependent Care Assistance Amount (described in Section 7.2 below) for such Plan Year, or (ii) the Annual Dependent Care Assistance Limitation (described in Section 7.3 below) for such Plan Year. The Participant's elected Annual Dependent Care Assistance Amount for any Plan Year will be allocated to an account (referred to as the Participant's "Dependent Care Assistance Account") for his/her benefit during such Plan Year under the Dependent Care Assistance Plan.

7.2 Electing Annual Amount of Dependent Care Reimbursement. A Participant who elects to contribute under the Dependent Care Assistance Plan and become eligible for reimbursement for Eligible Employment Related Expenses incurred during such Plan Year must: (1) specify the maximum amount of reimbursement for which he/she is applying for such Plan Year prior to the commencement of the Plan Year (pursuant to ARTICLES IV and V), to be indicated on the Election Form as a total amount for the entire Plan Year (referred to as the Participant's "Annual Dependent Care Assistance Amount"), and (2) agree to have his/her compensation for such Plan Year reduced by such amount.

7.3 Limitation on Benefits. The maximum reimbursement for which any Participant may apply for any Plan Year is \$5,000. Each Participant is entitled to reimbursement only for Eligible Employment Related Expenses incurred during the applicable Plan Year and incurred during the period that he/she is a Participant in the Dependent Care Assistance Plan. If a Participant becomes ineligible to participate in the Dependent Care Assistance Plan or ceases to be an eligible Employee, such Participant has the choice to either (1) continue to be eligible for reimbursement of Eligible Employment Related Expenses incurred after the date he/she becomes ineligible or ceases to be an eligible Employee to the extent of the then remaining balance of his/her Dependent Care Assistance Account under the Dependent Care Assistance Plan until the end of the Plan Year, or (2) have the balance of his/her elected Annual Dependent Care Assistance Amount for such Plan Year which has not been contributed to his/her Dependent Care Assistance Account deducted from his/her final paycheck, and continue to be eligible for reimbursement of Eligible Employment Related Expenses incurred after the date he/she becomes ineligible or ceases to be an Employee, to the maximum amount of reimbursement for which such Participant applied for such Plan Year. Any unused (unreimbursed) portion of such Participant's Dependent Care Assistance Account for each Plan Year will be forfeited as provided in Section 7.5 below.

The maximum reimbursement for which any Participant may apply under the Dependent Care Assistance Plan for any Plan Year is further limited as follows:

A. A Participant who is not married as of December 31 of any calendar year may not receive reimbursement for Eligible Employment Related Expenses incurred by him/her for such calendar year in excess of his/her Earned Income for such calendar year. A Participant who is married as of December 31 of any calendar year may not receive reimbursement for Eligible Employment Related Expenses incurred by him/her for such calendar year in excess of the lesser of: (i) the Participant's Earned Income for such calendar year; or (ii) the Earned Income of such Participant's Spouse for such calendar year. In addition, no Participant may receive more than (i) his/her elected Annual Dependent Care Assistance Amount for any Plan Year, or (ii) the amount excludable with respect to such Participant under §129(a) of the Code for any calendar year. In general, this excludable amount is \$5,000 (\$2,500 for a married Participant filing a separate return) for the calendar year. The limitation described in this Section is referred to as the "Annual Dependent Care Assistance Limitation".

B. For purposes of the foregoing limitations, a Spouse of a Participant who is not employed during the calendar year in which the Participant incurs Eligible Employment Related Expenses, and which Spouse is either incapacitated or a Student, is deemed to have Earned Income for each month during which such Spouse is either incapacitated or a Student of: (i) \$200, if there is one Qualifying Individual for whom the Participant incurs Eligible Employment Related Expenses; or (ii) \$400, if there is more than one Qualifying Individual for whom the Participant incurs Eligible Employment Related Expenses.

7.4 Application for Reimbursement. In order to be entitled to Benefits under the Dependent Care Assistance Plan, the Participant must deliver, or cause to be delivered, to the Plan Administrator reasonable proof, satisfactory to the Plan Administrator, of the incurrence of the Eligible Employment Related Expenses for a Qualifying Individual during the applicable Plan Year. Each Participant who desires to receive Benefits for Eligible Employment Related Expenses incurred for Qualifying Services must submit to the Plan Administrator a statement containing the following information:

- A. The Qualifying Individual(s) for whom the Qualifying Services were performed;
- B. The nature of the Qualifying Services performed for which the Participant seeks reimbursement or payment;
- C. The relationship, if any, of the person performing the Qualifying Services for the Participant;
- D. If the Qualifying Services were performed by a Dependent of the Participant, the age of the Dependent;
- E. A statement as to where the Qualifying Services were performed;

- F. If any of the Qualifying Services were performed outside of the Participant's home, a statement as to whether the Qualifying Individual for whom such Qualifying Services were performed spends at least eight hours a day in the Participant's home;
- G. If the Qualifying Services were performed in a day care center, a statement that: (i) the day care center complies with all applicable laws of the State of Michigan and the town, city or village in which it is located; (ii) the day care center provides care for more than six individuals (other than individuals residing at the center); and (iii) the amount of the fee paid to the center; and
- H. If the Participant is married and the Participant's Spouse is unemployed, a statement that the Spouse is either incapacitated or a full-time Student attending an Educational Institution, and the months during the year in which said Spouse will attend such Educational Institution.

In addition, a properly completed Request for Reimbursement Form, with the additional information identified above attached thereto, must be completed and signed by the Participant, and submitted to the Plan Administrator, in order for the Participant to be entitled to a reimbursement. Reimbursements will be paid no later than the end of the calendar month following the month in which the Reimbursement Form is properly submitted to the Plan Administrator. Any Request for Reimbursement Form relating to expenses incurred in a Plan Year must be received by the Plan Administrator within 60 days following the close of such Plan Year or the Participant's termination of participation in the case of the Plan Year in which such Participant's employment terminates, unless the Participant elects to continue his/her contributions and participation through the end of the Plan Year.

7.5 Forfeiture of Unused Dependent Care Reimbursement Amount. Upon the completion of each Plan Year, the total unused (unreimbursed) portion of each Participant's Dependent Care Assistance Account will be forfeited (lost) by the Participant; and the Employer, in its sole discretion, may use such forfeited amounts to help defray the expense of administering the Plans established hereunder, or apply such amounts to reduce the cost of participation in the Plans for all Participants for any subsequent Plan Year, or for any other purpose.

7.6 Statement of Expenses. On or before January 31 of each calendar year, the Plan Administrator will furnish to each Participant a written statement showing the amounts paid, or expenses incurred by the Dependent Care Assistance Plan in providing Eligible Employment Related Expenses to such Participant during the previous calendar year.

ARTICLE VIII
ADMINISTRATION OF PLANS

8.1 Plan Administrator. The administration of the Plans established in this document is under the supervision of the Plan Administrator. The Township Supervisor of the Employer has the right to appoint and remove the Plan Administrator at any time. It is a duty of the Plan Administrator to see that the Plans are carried out, in accordance with their terms, without discrimination. The Plan Administrator has the full power to administer the Plans, subject to any applicable requirements of law and a Participant's rights to a review and appeal as set forth in ARTICLE X. For this purpose, the Plan Administrator's powers include, but are not limited to, the following authority, in addition to all other powers provided in this document:

A. To make and enforce such rules and regulations as the Plan Administrator deems necessary or proper for the efficient administration of the Plans;

B. To interpret the Plans, the Plan Administrator's interpretation to be final and conclusive on all persons claiming reimbursement or Benefits under any Plan;

C. To decide all questions concerning any Plan and the eligibility of any person to participate in any Plan and his/her commencement and termination of participation dates;

D. To appoint such agents, counsel, accountants, consultants and other persons as may be required to assist in administering any Plan; and

E. To allocate and delegate the Plan Administrator's responsibilities under any Plan, and to designate other persons to carry out any of the Plan Administrator's responsibilities under any Plan, any such allocation, delegation or designation to be in writing.

Any decisions to be made with respect to the eligibility, entitlement, payment or reimbursement of Benefits to, or for the benefit of, the acting Plan Administrator will be made or ratified by an individual authorized by the Employer who is not the Plan Administrator.

8.2 Examination of Records. The Plan Administrator will make available to each Participant such records under any Plan established in this document as pertain to him/her, for examination at reasonable times during normal business hours.

8.3 Reliance on Receipts, Etc. In administering any Plan, the Plan Administrator is entitled, to the extent permitted by law, to rely conclusively on all receipts, papers, statements, certificates, opinions and reports which are made or furnished by any Employee, Participant, accountant, counsel or other agent employed or engaged by the Plan Administrator.

8.4 Funding. The coverage under the Cafeteria Plan, Medical Plan, Dental Plan and Vision Plan is funded in part by the Employer and in part by the Employee. The Medical Expense

Reimbursement Plan and Dependant Care Assistance Plan are funded solely through Employee contributions (through payroll reductions).

8.5 Information to be Furnished. Participants must provide the Employer and the Plan Administrator with such information, and must sign such documents, as may reasonably be requested from time to time for the purpose of administration of the Plans.

8.6 Limitation of Rights. Neither the establishment of any Plan nor any amendment thereof, nor the payment of any Benefits, is to be construed as giving to any Participant or other person any legal or equitable right against the Employer or the Plan Administrator, except as specifically provided herein. In the event that the Employer fails to obtain coverage for any Participant or Dependent under the Medical Plan, Dental Plan or Vision Plan, as elected by the Participant, the Employer is only liable for the premium cost that it would have paid for the months that such coverage should have been in force, and is not liable for the cost of any Benefit that would have been received had the coverage been in force.

8.7 Nature of Benefits. The Benefits provided hereunder are in the form of compensation to the Participant in return for services rendered, or to be rendered, by the Participant to the Employer.

8.8 Non-Alienation. No Benefit may in any manner be alienated, sold, transferred, assigned, pledged or subjected to attachment, garnishment or encumbrance of any kind.

8.9 Severability. The invalidity of any provision of this document does not invalidate the remainder hereof.

8.10 Gender. As used herein, the masculine includes the feminine and neuter, and the singular, the plural, and vice versa, whenever such meanings would be appropriate.

8.11 Governing Law. This document, the Plan and any matter relating hereto, is to be governed by, and interpreted in accordance with, the laws of the State of Michigan.

8.12 Employment Relationship. Nothing in this document is to be construed to create, continue or modify the employment relationship of any Employee. Nothing in this document is deemed to change or amend any collective bargaining agreement, or is to be interpreted to add or change any employee benefit not approved by any such collective bargaining agreement.

ARTICLE IX AMENDMENT AND TERMINATION OF PLANS

Notwithstanding anything herein to the contrary, the Employer reserves the right to alter, amend, terminate or revoke any Plan or Benefit established by this document, at any time and from time to time, and to change the provider of any coverage under the Medical Plan, Dental Plan and Vision Plan, and no Employee, Participant, Dependent or any other person (whether or

not then absent from work because of illness, personal injury, disability or sickness, and whether or not then under medical, dental, psychiatric, surgical or hospital treatment or care) will have any further right, title, interest or claim, legal or equitable, in or to any reimbursement or Benefit payable under such Plan beyond the Plan Year in which such Plan or Benefit is terminated.

ARTICLE X **CLAIMS PROCEDURE**

Upon the receipt of a copy of this document or an Election Form from the Employer or upon the initial receipt of reimbursement or Benefits under any Plan which, in the opinion of the Participant, is of a different amount, or paid pursuant to a method different, than what the Participant believes he/she is entitled to:

The Participant may make a formal written claim for Benefits to the Plan Administrator explaining in detail the reasons for the claim. Within 90 days from the receipt of the Participant's claim for Benefits, the Plan Administrator must by written response inform the Participant of a decision to allow or disallow, in whole or in part, such claim for Benefits, attaching thereto the detailed reason(s) for such decision and the rules for requesting a review. In a special case, the Plan Administrator may take up to an additional 90 days to decide; provided notice is given to the Participant explaining why more time is needed.

In the event the Plan Administrator's decision is to disallow, in whole or in part, the Participant's claim for Benefits, the Participant has the right, within 60 days from the receipt of the Plan Administrator's decision, to request a review of such decision. As part of the review, the Participant must be allowed to see all Plan documents and other papers which affect his/her claim, and must be allowed to have a representative present at the review. If a claim is denied because the Plan Administrator needs more information to make a decision, the Plan Administrator must notify the Participant of the additional information needed.

Within 60 days after the request for review is filed with the Plan Administrator, the review must be conducted and a decision rendered. The review must be conducted by the Plan Administrator or any other person or persons designated by the Employer, and such reviewing person(s) has the authority to make a final decision on the claim. In a special case, the person(s) conducting the review may take up to an additional 60 days to render a decision; provided that notice is given to the Participant explaining why more time is needed.

IN WITNESS WHEREOF, the Employer has caused this document to be executed in its name and behalf as of the day and year first above written.

CHARTER TOWNSHIP OF HARRISON,
a Michigan governmental entity,

By: _____

Its: _____

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MKM:09/05/96:C



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