

MASTER AGREEMENT

BETWEEN THE

CITY OF DETROIT

AND

**INTERNATIONAL UNION OF
OPERATING ENGINEERS,
LOCAL 324 AFL-CIO**

2008-2012

**2008-2012 Master Agreement between the CITY OF DETROIT and the
INTERNATIONAL UNION OF OPERATING ENGINEERS - LOCAL 324**

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AGREEMENT

This Agreement is entered into between the City of Detroit, a Michigan Municipal Corporation, (hereinafter referred to as the EMPLOYER or the CITY) and the International Union of Operating Engineers, Local #324, AFL-CIO, 500 Hulet Drive, Bloomfield Township, Michigan 48304 (hereinafter referred to as the UNION).

NOTE: The headings used in this Agreement and the headings used in exhibits neither add to nor subtract from the meaning but are for reference only.

PURPOSE AND INTENT

The general purpose of this Agreement is to set forth terms and conditions of employment and to promote orderly and peaceful labor relations for the mutual interest of the City of Detroit in its capacity as an Employer, the Employees, the Union, and the people of the City of Detroit.

The parties recognize that the interest of the community and the job security of the employees are dependent upon the parties working together toward achieving the goal of customer service excellence for citizens, businesses and visitors of Detroit; and accomplishing the Employer's initiatives of effective community policing, safe and stimulating programs for young people, and improving the environment in neighborhoods to instill civic pride and encourage new development.

To these ends the Employer and the Union encourage to the fullest degree, friendly and cooperative relations between the respective representatives at all levels and among all employees.

1. RECOGNITION OF UNION

Pursuant to and in accordance with all applicable provisions of Act 336 of the Public Acts of 1947, as amended by Act 379 of the Public Acts of 1965, the Employer does hereby recognize the Union as the exclusive representative for all employees holding the classifications listed in Schedule A, for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment and other conditions of employment for the term of this Agreement.

2. MANAGEMENT RIGHTS AND RESPONSIBILITIES

- A. The Union recognizes the prerogatives of the City to operate and manage its affairs in all respects in accordance with its responsibilities and powers of authority.
- B. The City has the right to determine when overtime work is required and schedule such overtime consistent with the terms of this Agreement.
- C. The City reserves the right to discipline and discharge for just cause. The City reserves the right to lay off for lack of work or funds; or the occurrence of conditions beyond the control

of the City; or where such continuation of work would be wasteful and unproductive. The City shall have the right to determine reasonable schedules of work and to establish the methods and processes by which such work is performed.

- D. It is understood by the parties that every incidental duty connected with operations enumerated in job descriptions is not always specifically described.
- E. The City has the right to establish reasonable practices, policies or rules, provided the same do not conflict with the express terms of this Agreement and are applied equally.

3. NON-DISCRIMINATION

The Employer and the Union both recognize their responsibilities under Federal, State and local laws pertaining to fair employment practices as well as the moral principles involved in the area of Civil Rights.

Accordingly, both parties re-affirm by this Agreement the commitment not to discriminate against any person or persons because of race, color, religion, creed, national origin, age, political orientation, sex, sexual orientation, marital status or non-disabling handicap except where based on a bona fide occupational qualification.

(The parties agree that whenever a gender specific pronoun is used, it is intended that the provisions of this Agreement cover both male and female employees.)

4. UNION SECURITY

Employees not members of the Union who desire membership in the recognized bargaining unit shall confirm their desire to join for the duration of this Agreement by initiating their union application form and dues deduction authorization forms.

Any person certified and employed with the City on or after October 11, 1947, and covered by this Agreement who is not a member of aforesaid Union and does not make application for membership within ninety (90) calendar days from the effective date of this Agreement or from the date of employment, whichever is later shall, as a condition of employment, pay to the Union each month a service charge as a contribution towards the administration of this Agreement, in an amount determined by the Union in accordance with applicable law. Such service charge shall be paid on or after his 91st day of employment or ninety (90) calendar days after the effective date of this Agreement, whichever is later. Employees who fail to comply with this requirement shall be discharged by the Employer within thirty (30) calendar days after receipt of written notice to the Employer from the Union within said thirty (30) calendar days and provided, that the Union shall release the employing department from fulfilling the obligation to discharge, if during the 30-day period following notice to the Employer from the Union, the employee pays membership dues or service fee retroactive to the due date and confirms his intention to pay the required membership dues or service fee in accordance with this Agreement.

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

The Union agrees that in the event of litigation against the City, its agents or employees, arising out of this provision, it will co-defend and indemnify and hold harmless the City, its agents or employees from any monetary award arising out of such litigation, provided, that the Union will be free of this obligation in the event a legal ruling against the City is made on the basis that the application of this Article is discriminatory toward employees who have been hired on or after October 11, 1947.

5. DUES CHECK OFF

The Employer agrees to deduct from the wages of any employee, who is a member of the Union, all union membership dues and initiation fees uniformly required, if any, or service fees as provided in a written authorization in accordance with the standard form used by the Employer, provided that the said form shall be executed by the employee. The written authorization for Union dues deduction and initiation fees or service fees shall remain in full force and effect unless revoked as provided in such authorization form, or until termination of employment.

All deductions under this Article shall be subject to revocation by the employee who executed such assignment, upon giving a thirty (30) calendar day written notice to assignees and the Finance Director. The Finance Director and the City Treasurer shall thereafter cease withholding any money whatever under such assignments.

Assignees shall have no right or interest whatsoever in any money authorized withheld until such money is actually paid over to them. The City or any of its officers and employees shall not be liable for any delay in carrying out such deductions, and upon forwarding a check in payment of such deductions by mail to the assignees' last known address, the City and its officers and employees shall be released from all liability to the employee assignors and to the assignees under such assignments (Chapter 13, Article 4, Section 4 of the Detroit City Code).

Such fees will be authorized, levied and certified in accordance with the Constitution and By-laws of the International and the Local #324 IUOE. Each employee and the Union hereby authorize the City to rely upon and to honor certifications by the Financial Secretary of the Local Union, regarding the amounts to be deducted and the legality of the adopting action specifying such amounts of Union dues or service fees, together with a copy of such authorization from Local #324 of the International Union of Operating Engineers, AFL-CIO.

If any provision of the Article is invalid under federal law or the laws of the State of Michigan, such provision shall be modified to comply with the requirements of federal or state law or shall be re-negotiated for the purpose of adequate replacement.

All of the above provisions shall be in accordance with Chapter 13, Article 4 of the Municipal Code of the City of Detroit.

The Employer agrees to deduct from the wages of any employee who is a member of this Union a Political Action Committee deduction as provided for in a written authorization in accordance with the standard form used by the Employer, provided, that the said form shall be executed by the employee. This deduction may be revoked by the employee at any time by giving written notice to both the Finance Department and to the Union.

6. STEWARDS

- A. In each City department, employees in the department may be represented by one Chief Steward and a steward whose identity shall be made known to the department.

Note: At the Mistersky Power Plant, the union will be allowed a total of two (2) stewards.

- B. The Chief Stewards, during their working hours, without loss of time or pay, may investigate and present grievances to the Employer, after arrangements have been made with their supervisors. When the Chief Steward is unavailable or when a task requiring two (2) stewards exists, the two stewards shall be released. This privilege shall not be abused.
- C. Any new employee shall be introduced to the steward before starting to work to be added to the steward's record or the steward shall be supplied the following information within the employee's first week of employment: name, address, pension number, classification, plant and shift assignment.
- D. It is further mutually agreed that the Union will, within two (2) weeks of the date of the signing of this Agreement, serve upon the City a written notice listing the Union's authorized representatives employed by the City who are to deal with the City on behalf of the Union, and who are authorized to make commitments for the Union. The Union shall notify the City of any changes of these representatives during the term of this Agreement. This clause will not relieve the Union of liability if the President or Executive Board of the Union calls, leads or authorizes a strike.
- E. Notwithstanding their position on the seniority list, all Union stewards of record who are involved in the grievance procedure shall in the event of a layoff or demotion be continued in the following order as long as there is:
1. work in their classification in their department;
 2. work in any lower class in their series in their department;
 3. work in a classification within the bargaining unit which they formerly held in their department;
 4. work in a lesser class within the bargaining unit in their department in which they can do the job; and,
 5. if laid off, shall be recalled whenever there is work in any such class in the department from which they are laid off.

Layoff and demotion resulting from this procedure shall apply as long as no employee outside the Operating Engineers Union jurisdiction is affected except as otherwise agreed upon between other labor organizations, Operating Engineers and the City.

The provisions of this Article shall apply as long as employees continue to hold their Union office.

Should a Union representative lose his/her office, the former Union representative shall be subject to displacement by employees with greater seniority and who have been laid off or demoted as a result of reductions in force made prior to the loss of office.

Upon written notice from the Local Union to the Certification Division of the Human Resources Department that such loss of office has occurred, the City shall have thirty (30) days to investigate and make any required displacements.

7. GRIEVANCE PROCEDURE

Should differences arise between the City and the Union during the term of this Agreement, an earnest effort shall be made to resolve such differences promptly and the following procedure shall be adhered to:

The time elements in the steps of the grievance procedure can be shortened or extended by mutual agreement. If a grievance is not scheduled or answered by management within the prescribed time limits, the Union may move the grievance to the next step.

Working days shall be those days the supervisor is available to receive the grievance.

A grievant shall have the right to be present in any grievance hearing up to and including Step Three and the arbitration hearing.

SECTION 1

- A. A Union grievance is a difference between the Employer and the Union concerning (1) working conditions or (2) the interpretation or application of any provision of this Agreement and may be processed directly to Step 3 of the Grievance Procedure.
- B. An employee grievance is a difference between the Employer and the employee concerning the interpretation or application of any provisions of this Agreement.
- C. The grievance procedure contained in this Agreement shall be the exclusive grievance procedure for all members of the bargaining unit. Bargaining unit members must process a grievance with union representation which is in accordance with the decision in Avondale Public Schools 1967 MERC decision 680.

SECTION 2

- A. Any employee grievance or Union grievance not presented for disposition through the grievance procedure in five (5) working days of the occurrence of the condition giving rise to the grievance, or within five (5) working days of the date it is reasonable to assume that the employee became aware of the conditions giving rise to the grievance, unless the circumstances made it impossible for the employee, or for the Union, as the case may be, to

know prior to that date that there were grounds for such a claim, the grievance shall not hereafter be considered a grievance under this Agreement.

B. A grievance concerning alleged safety hazards may be processed directly to Step 3.

C. **GRIEVANCE STEPS:**

1. An employee having a grievance may present it orally to his supervisor. In the event an employee desires that his steward be present, he shall make his request through the supervisor, and the supervisor shall send for the steward.
2. In the event the grievance is not settled orally by the supervisor, the steward shall submit the grievance in writing to the supervisor within five (5) working days from the oral presentation. The employee and the steward shall sign the grievance forms. The grievance forms must indicate (1) a statement of the grievance and the facts upon which it is based and citing the alleged violation(s) of this Agreement, and (2) the remedy or correction requested. The supervisor shall give his decision in writing to the Union office within five (5) working days. If the subject grievance is not appealed within five (5) working days from the date of the supervisor's decision, management's last disposition shall be considered as settlement of the grievance.
3. If the grievance is not satisfactorily resolved in Step 2, the decision may be appealed to the Department Head or his designated representative. The notice of appeal must be submitted within five (5) working days from the supervisor's decision in Step 2. A meeting will be promptly arranged with the Union within ten (10) working days from the date the referred grievance is received by the Department Head or his designated representative, between not more than three (3) representatives of the Union and not more than three (3) representatives of the City. A representative of the Labor Relations Division may also attend if requested by either party. A written decision will be rendered within ten (10) working days of said meeting. Management's written answer after the Step 3 meeting shall briefly state the factors considered by management in its decision regarding the grievance. The decision rendered by management in Step 3 shall be final and the case shall be considered settled on the basis of the Employer's decision unless notice of intent to appeal to the Labor Relations Director is filed in writing within ten (10) working days after management has rendered its decision in Step 3.
4. Within ten (10) days after notice of intent to appeal the grievance to the Labor Relations Director, a meeting will be arranged between the Labor Relations Director, the department head or his designated representative and the Union, to attempt to settle the grievance. Present at the Step 4 meeting shall be not more than three (3) Union representatives and not more than three (3) City officials. The Union's written appeal to Step 4 shall state the facts in dispute and/or reasons for dissatisfaction with management's Step 3 answer. A decision shall be rendered by the Labor Relations Director within twenty (20) working days of the date of the meeting.
5. **Arbitration:** Any unresolved grievance which relates to the interpretation, application, or enforcement of a provision of this Agreement or any written supplementary agreement and which has been fully processed through the last step of the grievance procedure may be submitted to arbitration by either party in strict accordance with the following:

- a. Arbitration shall be invoked by written notice to the other party of intention to arbitrate within thirty (30) calendar days from the date of the receipt of the City's answer at Step 4. All grievances not referred to Step 5, arbitration, within the prescribed time limits shall be considered settled on the basis of the City's last answer. If the parties are unable to agree upon an ad hoc arbitrator within fifteen (15) working days of such notice, the City will secure a list of arbitrators from the Federal Mediation and Conciliation Service (FMCS). The parties will then meet to mutually agree upon an arbitrator from the list.
- b. 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 or authority to make any decision:
 - (1) Contrary to, or inconsistent with or modifying or varying in any way, the terms of this Agreement.
 - (2) Concerning the discipline or discharges of employees for engaging in a strike, slowdown or stoppage of work if the employee exercises his right under Section 6 of Act 336 of the Public Acts of 1947, as amended or if the discipline or discharge of an employee has been appealed to the Mayor pursuant to applicable State law relating to Veterans rights.
 - (3) Granting any wage increases.
 - (4) Granting any right or relief for any period of time whatsoever prior to the execution date of this Agreement.
 - (5) Granting any transfer to another department as relief in a discipline review case.
- c. The Arbitrator shall have no authority to require the City to delegate, alienate or relinquish any powers, duties, responsibilities, obligations or discretions which by State law or City Charter the City cannot delegate, alienate or relinquish.
- d. The right of either party to demand arbitration over an unadjusted grievance is limited to a period of 30 calendar days from the final action taken on such grievance under the last step in the grievance procedure immediately prior to arbitration and any grievance not submitted within such period shall be deemed settled on the basis of the last answer given by the party against which the grievance is brought. No settlement at any stage of the grievance procedure shall be a precedent in any arbitration and shall not be admissible in evidence in any arbitration proceeding unless the parties agree to the contrary in writing.
- e. The City in no event shall be required to pay back wages for more than ten (10) working days prior to the date a written grievance is filed. In the case of a pay shortage of which the employee could not have been aware before receiving his pay, any adjustment shall be retroactive to the beginning of the pay period covered by such pay, if the employee files his grievance within ten (10) working days after receipt of such pay.

- f. All claims for back wages shall be limited to the amount of wages that the employee otherwise would have earned, less any direct monetary compensation received for temporary employment obtained subsequent to his/her removal from the City payroll, and payments from Unemployment Insurance, Social Security Disability, Welfare, Family Independence Agency, and City funded programs such as Long Term Disability Insurance, Sickness and Accident Insurance and Automobile Accident Income Replacement Insurance. Where appropriate, the City shall reimburse those agencies and insurance funds so as to not affect the employee's equity therein. (**NOTE** - It is the understanding of the parties that deductions from back wages exclude all forms of income existing at the time the employee was suspended or discharged and which were not the direct result of the loss of employment.)
- g. The decision of the Arbitrator in a case shall not require a retroactive wage adjustment in another case.
- h. The Arbitrator's decision shall be final and binding on the Union, all employees covered by this agreement and on the City. But the City or the Union may challenge the award if it was not made in accordance with the Arbitrator's jurisdiction and authority under this Agreement.
- i. In the event a case is appealed to an Arbitrator and he finds that he has no power to rule on such case, the matter shall be referred back to the parties without decision or recommendations on the merits of the case.
- j. The expenses of each Arbitrator shall be paid by the non-prevailing party. Each Arbitrator shall specify in his/her award the non-prevailing party. If there is none, the expenses shall be shared equally. The aggrieved, one witness, a steward and the business representative shall not lose pay from time off the job while attending the arbitration proceedings.
- k. Except as specifically provided, the parties understand and agree that in making this contract they have resolved for its term all bargaining issues which were or which could have been made the subject of discussion. The arbitral forum here established is intended to resolve disputes between the parties only over the interpretation or application of the matters which are specifically covered in this contract and which are not excluded from arbitration.

Note: Within ninety (90) days of the ratification of this Agreement, the parties will agree upon a list of no less than five (5) arbitrators to hear grievances appealed to Step 5 (Arbitration). Preference in scheduling hearings will be given to grievances involving discharge of bargaining unit members.

8. INTERFERENCE WITH WORK

The Union agrees to refrain from any interference with work that would be in violation of the Public Employment Relations Act.

It shall not be a violation of this Agreement and it shall not be a cause for discharge or disciplinary action if any employee refuses to enter upon any property involved in a primary labor dispute, or refuses to go through or work behind any primary picket line, including the primary picket line of the Union party to this Agreement if such action could result in adverse effect on the personal safety of the employee.

The City shall not be required to pay the wages of employees who refuse to report and work on City property because of the existence of a labor dispute or picket line.

9. DISCHARGE, SUSPENSION AND DISCIPLINE

- A. The City and the Union agree that all disciplinary action taken against an employee shall be for just cause and subscribe to the general philosophy that the primary purpose of disciplinary action is to correct employee behavior or conduct, that the disciplinary action procedure should be progressive in nature, and that selection of discipline in any specific case should be appropriate based on the circumstances of the offense and the employee. When the City feels disciplinary action is warranted, such action must be initiated within five (5) working days from the date of the occurrence of the condition giving rise to the action or in any event within a reasonable time after investigation of the conditions giving rise to the discipline.
- B. **Notice of Discharge, Suspension or Discipline:** The employing department agrees, upon the discharge or suspension or discipline of any employee to promptly notify, in writing, the Union office, of the discharge, suspension or discipline.
- C. The discharged or suspended employee will be allowed, upon request, to discuss his discharge or suspension with the designated Union representative and the Employer will make available an area where he may do so before he is required to leave the property of the Employer. Upon request, the Employer or his designated representative will discuss the discharge or suspension with the employee and the designated Union representative.
- D. **Appeal or Discharge:** Grievances filed concerning suspension or discharge shall be initiated at Step 3 of the grievance procedure.
- E. In imposing any discipline on a current charge, the City shall not take into account any prior infractions which occurred more than 18 months ago.

NOTE: It shall be the responsibility of the grievant to keep the Union and the City informed of his/her mailing address and telephone(s) at which he/she may be reached for purposes of notification. The grievant shall comply with this requirement by notifying the department officer and Union, in writing, of any changes. Certified mail to the address of record shall constitute proper notification to the grievant.

10. SPECIAL CONFERENCES

Special Conferences for important matters will be arranged between the Local Union and the department head or his designated representative upon the request of either party. Such meetings

shall be between no more than five (5) and at least two (2) City representatives, one of whom shall be from the Labor Relations Division, and no more than five (5) and at least two (2) representatives of the Union. Arrangements for such special conferences shall be made in advance and an agenda of the matters to be taken up at the meeting shall be presented at the time the conference is requested. Matters taken up in special conferences shall be confined to those included in the agenda.

Conferences shall be held between the hours of 9:00 a.m. and 4:00 p.m. The employee members of the Union shall not lose time or pay for the time spent in such special conference.

11. SENIORITY DEFINITIONS

A. **City Seniority:** is hereby defined as the length of continuous service after date of legal certification to a position in the classified service of the City of Detroit and subject to completion of the required probation period.

Department Seniority: shall be the length of time an employee is continuously employed in the department.

Plant Seniority: shall be the length of time an employee is continuously employed at one plant.

Classification Seniority: shall be the length of time an employee is assigned and continuously employed in the same classification after effective date of legal certification or promotion to the classification.

Continuous Service: shall mean employment by the City in a classified position without interruption or break; except that the following shall not be considered as breaks in service:

1. Service in the armed forces of the United States.
2. Layoffs for lack of work or lack of funds, not exceeding four (4) years in length.
3. Absence from work due to injuries compensated for under the Worker's Compensation Act of the State of Michigan.
4. A former City employee who is receiving duty disability pension.
5. Appointment or election to an exempted non-classified position of the City of Detroit.
6. A former City employee who is receiving non-duty disability pension for a period not exceeding one (1) year.
7. Leave of absence for a period not to exceed two (2) years or the term of office, whichever is shorter, for employees elected or appointed to a full-time position in the Union.
8. Other leaves of absence not exceeding one (1) year in length for reasons approved by the Human Resources Department.

An employee promoted from one classification to a higher classification within a series (as defined in Schedule B) shall continue to accrue seniority in the classifications he previously held.

NOTE: Seniority is not the same as “service time” as utilized in the various economic benefit provisions.

- B. **Probationary Employees:** All employees, except apprentices, initially hired or placed into the bargaining unit shall be considered as probationary employees for the first three (3) months of their employment. The three (3) month probationary period herein set forth shall mean a working period of not less than 480 hours worked and shall be accumulated within not more than twelve (12) consecutive months. This probationary period can be extended for up to an additional three (3) months after prior notice and discussion with the designated Union representative. When an employee finishes the probationary period, he shall be entered on the seniority lists of the unit as provided in the seniority provisions.

All entering probationary employees shall be informed as to their duties, standards of performance, and factors to be evaluated during the probationary period. Reason(s) for the extension shall be given to an employee whose probation has been extended.

The Union shall represent probationary employees for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment and other conditions of employment except separation from City service or reversion to the formerly held title for reasons other than Union activities.

- C. **Seniority Lists:** A city-wide and departmental seniority list will show the names, classification and seniority date for such classification, department and pension numbers of all employees of the unit within sixty (60) days of the effective date of this agreement and by September 1 of each year thereafter. When the City has the capability, such lists will be provided to the Union on compact disks (CDs).

Plant, Department, and Classification seniority ties will be broken by total City seniority. However, for purposes of promotional eligibility within a department, ties in classification seniority shall be broken first on the basis of date of entry into the bargaining unit.

Notices of status changes and new hires will be sent to the Union within thirty (30) calendar days of the change.

- D. **Loss of Seniority:** Employees shall lose their seniority status for the following reasons only:

They resign or quit.

They are discharged or permanently removed from the payroll and the separation is not reversed through the grievance procedure.

If they do not return to work when recalled from a layoff as set forth in the recall procedure as contained in Article 12.

If they do not return to work at the expiration of a leave of absence as specified in Article 15, Leaves of Absence.

They retire on regular service retirement.

12. REDUCTION IN FORCE, LAYOFFS AND RECALL

A. **Definitions.** A reduction in force is the removal of an employee from a position in a department of the City for lack of work, lack of funds or reasons other than the acts or delinquencies of the employee. A *layoff* is the separation of an employee from City employment as the result of a reduction in force. Reductions in force and layoffs of bargaining unit members shall take place by class on a bargaining unit wide basis and shall be governed by classification seniority.

B. **Reduction in Force Procedure.** When as a result of a reduction in force in a department it is necessary to remove a seniority employee from a position in a classification covered by this agreement, the employee shall be status-changed to an available vacancy in another department or displace (“bump”) the employee with the least seniority in the classification in the bargaining unit. If there is no lesser seniority employee in the classification, the employee subject to the reduction in force shall be laid off or have the right to displace the least seniority employee in the next lower classification(s) in the same series covered by this agreement. Such series are shown in Schedule C.

An employee displaced by a more senior employee as the result of a reduction in force shall be laid off or have the right to displace the least senior employee having less seniority in the next lower classification(s) in the same series covered by this Agreement. Such series are shown in Schedule C.

An employee demoted, due to a reduction in force, to a lower classification not previously held, shall be given seniority credit in the lower classification for his seniority accumulated in the higher classifications.

C. In the event of a reduction in force from the class of Building Control Station Operator, employees in that class shall have the option of demoting to a formerly held class in the bargaining unit, or to the position held by the least senior Building Operator II (or Building Operator I), provided that the Building Control Station Operator has more seniority in classes covered by this bargaining unit.

D. **Recall Procedure:** Employees laid off or demoted, who were hired for a temporary period of not less than ninety (90) calendar days or for permanent employment, shall be placed on a re-employment list referred to in Human Resources Department Rules as the Special Preferred Eligible List (“blocking list”) in accordance with their seniority as defined in this agreement. The Union will be provided with an updated list each ninety (90) calendar days if requested.

The names of eligibles shall remain on the Special Preferred Eligible List until offered restoration to the classification from which they were laid off, demoted or transferred, but not to exceed four (4) years after layoff and separation from City service, provided however, that eligibles who have been employed by the City of Detroit for a period of less than one (1) year shall remain on such list for a period not to exceed two (2) years after layoff and separation.

When a vacancy occurs after a reduction in force and/or layoff, employees will be recalled by the reverse of the reduction in force and/or layoff procedure from the Special Preferred Eligible List prior to the granting of any promotions or hiring of new employees. Notice of recall shall be sent to the employees at their last known address of record by certified mail. It shall be the employee's responsibility to notify the Certification Office of the Human Resources Department in writing of any change of address immediately after such change and the Employer shall issue a change of address receipt to the employee and the Union upon request. A change of address form is available.

If an employee fails to report for work within fifteen (15) working days from the date of mailing of notice of recall, he shall be considered a voluntary quit and his name removed from the recall list. Exceptions to this may be made by the City on grounds of good cause for failure to report.

- E. **Requirement of Notice:** Employees to be laid off will have at least seven (7) calendar days written notice of layoff, and wherever possible a two week notice shall be given. Such notice shall be delivered personally to the employee at the work site or sent by certified mail to the employee's last known address of record. The local Union shall be mailed a list from the Employer of the employees being laid off on the same date the notices are issued to the employees.

13. PROMOTIONS AND TRANSFERS

- A. In accordance with the provisions of this Article, the order of filling vacancies in a classification after honoring shift preference and plant transfers shall be as follows:
1. Promotion of bargaining unit members within the department.
 2. Inter-departmental transfers in grade.
 3. Inter-departmental transfer-promotions.
 4. Promotion or hiring of non-bargaining unit persons.
- B. **PROMOTIONS WITHIN THE DEPARTMENT:**
1. Promotions to classifications by employees in the unit to which this Agreement applies shall be made on the basis of classification seniority of the next lower classification in the series, among candidates qualified by written examination (except as otherwise provided in this Article), which shall include a review of the employee's disciplinary and work performance record which shall be limited to the preceding eighteen (18) months.

In the cases of promotions to the class of Building Control Station Operator, employees in the bargaining unit shall be given the first promotional opportunity based upon total seniority in classes covered by the bargaining unit.

Announcements of intent to establish promotional lists by means of written examinations will be posted on official and union bulletin boards for a minimum period of fourteen (14) calendar days so that eligible candidates shall have the opportunity to make appropriate application.

Establishment of promotional lists shall be announced on official and Union bulletin boards.

2. Promotions to classifications requiring a license shall have the written portion of the examination waived upon presentation of the required license.

The procedure to be followed by an employee seeking a promotion to a licensed operating engineer position within a department shall be as follows:

- a. The employee must notify his or her departmental human resources office at least two weeks prior to the date scheduled for the written portion of the license examination. A departmental leave day or vacation day may be used for taking the examination irrespective of the shift the employee is assigned.
 - b. Upon notice of such intent, the departmental human resources office shall inform the employee within fourteen (14) calendar days of the notice whether a status change will be prepared or the employee will be given written reasons why the department is unwilling or unable to recommend the employee for promotion.
 - c. If a status change is to be prepared, it shall be submitted forthwith to the Human Resources Department indicating all pertinent information and requesting the promotion.
 - d. Upon receipt of the license the employee should immediately register the license with the Recruitment and Selection Division of the Human Resources Department (currently located on the third floor of the Coleman A. Young Municipal Center Building).
 - e. The Human Resources Department shall complete its investigation and upon its approval, the effective date of promotion shall coincide with the date the license was issued or the date when the employee is assigned to the licensed position, whichever is later. In the event the employee is assigned subsequent to receipt of the license the employing department shall notify the Human Resources Department so that the effective date can be properly adjusted.
 - f. Employees who fail to follow the above procedure shall have no claim to a classification seniority date prior to the approval of the Human Resources Department.
3. Provisional (out-of-class) promotions in excess of one (1) calendar week will be made among employees in the plant who are deemed capable of performing the work based upon department seniority in the next lower classification of the series. If the most senior employee does not receive the provisional promotion, the reason for the denial will be given to the employee in writing if requested.

All employees who are provisionally promoted to classes which require licenses that they do not possess must take the required licensing exam six months after they have the necessary experience needed to sit for the exam. If unable to pass, they must sit for the exam each three (3) months thereafter*. Failure to obtain the required license within one year after eligibility will subject the provisional employee to being bumped by a less senior employee in the same certified class as the provisional employee provided that the lesser senior employee has a minimum of six (6) months of experience in the plant.

* Employees who fail to apply and sit for the licensing exam for a period of six (6) months will receive a pay rate equal to the average of the pay rate of their permanent classification and the pay rate for the higher title to which they have been provisionally promoted and will continue to receive this pay rate until they obtain the required license.

4. **Supervisory Promotions:** If employees within the bargaining unit are promoted to a position of supervisor over employees of the unit, they shall continue to accumulate seniority in the classification they were promoted from for a period of one (1) year.

In the event such promoted employees return to the bargaining unit, they shall not exercise bumping rights to their previous job but shall be placed in an open position if available. If an open position is not available, the returning employee may bump the least senior employee in his previous classification.

C. **INTER-DEPARTMENTAL TRANSFERS AND TRANSFER-PROMOTIONS:**

1. Departmental vacancies shall be filled first from within the department. If, after a maximum of thirty (30) calendar days, the promotion of an eligible employee has not been initiated, the vacancy shall be open for an inter-departmental transfer or inter-departmental transfer-promotion.
2. The City agrees that senior employees will be given consideration in inter-departmental transfers. It is also recognized that for the ultimate job security of all employees, the exercise of preference for inter-departmental transfers shall not impair the efficient operation of the departments and, therefore, seniority alone cannot be the sole determining factor in the assignment of inter-departmental transfers.

Employees will indicate their preference for inter-departmental transfers in writing to the placement division of the Human Resources Department on forms provided by the Human Resources Department and whenever possible, the City will honor such individual preference by the application of the employee's seniority within the classification. (Attached in Schedule H is a copy of the form used to request an inter-departmental transfer.) Requests will be honored which are on file for at least ten (10) working days prior to receipt by the Human Resources Department of official notification of a vacancy in a department by personnel requisition or proposed status change. If an employee's request cannot be honored, the City will provide the employee and the union, in writing, the reasons for their refusal and the employee shall have the right to grieve.

Requests for inter-departmental transfers shall remain on file for the duration of the Agreement.

3. Promotional inter-departmental transfers shall be granted on the basis of seniority in accordance with the promotional procedure after transfer requests within classification have been honored. The procedure for applying for a transfer-promotion shall be the same as that for applying for an inter-departmental transfer as described in paragraph 2.
4. Employees who transfer from one department to another at their own request will continue to accumulate seniority on the seniority list of the department from which they transferred for a period of six (6) months from the date of transfer. During this six (6) month period they will be on trial to demonstrate their qualifications and abilities for the assignment in the new department. If their work performance is found unsatisfactory by the department during this period, they will be returned to an open position in their classification, but if there is a vacancy in their classification in their former department, they must revert to their former department. However, if there are no vacant positions in their classification, they will remain in their current position and will be transferred to the next open position in their classification when it occurs and will be subject to the six (6) month trial period with the same limitation as above.

At the end of this six (6) month trial period, if retained, they shall be placed on the seniority list of the new department retroactively to the date of transfer and their seniority in the previous department will lapse.

An employee will be allowed only one (1) inter-departmental lateral transfer within a twelve month period.

The City will notify the Union, in writing, within ten (10) work days if the City elects not to fill a position vacancy. A position vacancy is one that results from the death, retirement, resignation or discharge of an employee and not one that results from an absence, vacation, a sick leave, etc.

An employee qualified in accordance with Section A of this Article for the vacancy shall be immediately processed for a promotion.

When a promotion requires an inter-departmental transfer of the promoted employee, the effective date of the promotion may be delayed up to sixty (60) calendar days from the date of vacancy, or thirty (30) calendar days from the date the employee qualifies as set forth above, whichever shall be later.

A shift, departmental or plant transfer delayed because of a shortage of personnel shall be consummated as soon as a qualified replacement is made available.

Vacancies created by either a provisional promotion or a grant of a leave of absence may be filled only on a temporary basis pending the return of the employee who has been provisionally promoted or granted a leave that does not constitute a break in service.

D. **PLANT TRANSFERS:**

1. The City agrees that senior employees will be given consideration in plant transfers within a department when vacancies occur prior to granting of any inter-departmental transfers.

However, in the event it is necessary to immediately fill a vacancy, the new employee may be placed in the vacancy subject to displacement by senior employees exercising their transfer rights. It is also recognized that for the ultimate job security of all employees, the exercise of preference for plant transfers shall not impair the efficient operation of the department and therefore seniority alone cannot be the sole determining factor in the assignment of plant transfers.

Notice of all vacancies shall be posted on each plant bulletin board for fourteen (14) calendar days and the employees shall make written application to fill the vacancy within the posting period. Notice of the vacancy shall contain the following information:

- (a) Plant
- (b) Starting date
- (c) Shift hours
- (d) Operating schedule where more than five (5) days

The City will honor such individual preference by the application of the employee's departmental seniority within the classification. If an employee's request cannot be honored, the City will provide the employee and the Union, in writing, the reason for their refusal and the employee shall have the right to grieve.

E. **SHIFT PREFERENCE:**

The City agrees that senior employees will be given consideration in assignment of shifts. It is also recognized that for the ultimate job security of all employees, the exercise of preference for shifts should not impair the efficient operation of the plant and therefore seniority alone cannot be the sole determining factor in the assignment of shifts.

Notice of all vacancies shall be posted on the plant bulletin board for fourteen (14) calendar days and the employees shall make written application to fill the vacancy within the posting period. Notice of the vacancy shall contain the following information:

- (a) Starting Date
- (b) Shift Hours

The City will honor such individual preference by the application of the employee's plant seniority within classification. If an employee's request cannot be honored, the City will provide the employee and the Union, in writing, the reasons for their refusal and the employee shall have the right to grieve.

Acceptance of a shift shall be permanent until a new vacancy occurs.

The only manner in which an employee may be granted an extended change of shifts or schedules of work in whole or in part other than the one he is entitled to, through either work assignment or seniority will be due to a real personal emergency, or extenuating circumstances and only after the request has been approved by the Union and the designated department officer.

Provisional employees in a classification shall be granted shift preference for any vacancies remaining following the selection of shifts by the certified employees. The selection shall be made in accordance with this section by the application of the employee's plant seniority in the next lower classification of the series. However, any certified employee shall have the right to displace any provisional employee within the classification.

Newly-hired employees and employees transferring or promoting into a higher classification shall receive a reasonable break-in period which may involve alternate shift assignments. This is generally understood to be approximately two (2) weeks except at the Mistersky Power Station where this period may be extended.

- F. **SCHEDULES:** Normal established hours and days of shift schedules shall not be changed without seventy-six percent (76%) concurrence of the employees involved. However, when changes in shift schedules are necessary due to operating conditions, the matter will be discussed with the Union and if agreement cannot be reached, the schedule proposed by the department shall be worked subject to the Union's right to grieve.

Employees may exchange schedules of work, in whole or in part, provided the changes are approved by the supervisor in writing. Such changes shall not extend further than a period of two (2) weeks.

- G. **BUMPING RIGHTS:** There shall be no bumping rights except in event of a layoff or as provided in this Article.

- H. **TEMPORARY TRANSFER:** Temporary transfers for the purpose of filling permanent vacancies shall be made by transferring the least senior department employee in the classification in which the vacancy exists unless a more senior employee requests the temporary transfer within five (5) working days of the temporary transfer.

- I. **TEMPORARY ASSIGNMENT:** Employees shall be regularly assigned to perform duties commensurate with their job classifications and shall not be assigned work outside of their current classifications except in cases of emergency or temporary absences of other employees, and where reassignment of duties is necessary to effectively carry out departmental operations. Employees shall not be assigned to work in a higher classification to avoid the payment of overtime provided an employee in the proper classification is readily available.

For purposes of this Article, an employee is deemed to be working "out-of-class" if he is reassigned by management from his regularly assigned duties to perform duties and responsibilities not normally performed and characteristic of and requiring the qualifications of a higher classification.

If an employee is so assigned to replace an absent employee for more than one regular shift (8 hours), he shall be compensated on an out-of-class basis at the rate for the appropriate classification for all such out-of-class hours worked. Where it is anticipated that an employee is to be assigned to work out-of-class for an extended period because of an absent employee or vacancy in the higher class, the department shall submit a request for pre-approved out-of-class for the fiscal year for the employee.

Employees temporarily assigned on an out-of-class basis or provisionally promoted shall not accrue seniority in the higher classification for the purpose of lay-off, recall or transfer rights except as specifically provided for in this Article. An employee temporarily assigned to a lower classification shall suffer no reduction in pay.

Provisional promotions or out-of-class assignments as used herein are those necessitated by this Section. A temporarily assigned employee may be displaced by an employee who has been certified in a higher title in the series than that of the currently assigned temporary employee.

14. VETERANS PREFERENCE

Nothing in this Agreement shall abridge the rights and preference of veterans as provided by federal, state and local laws.

15. LEAVES OF ABSENCE

- A. **FAMILY AND MEDICAL LEAVE ACT OF 1993 (FMLA):** The Act is intended to allow employees to balance their work and family life by taking reasonable leaves of absences for reasons set forth in the Act. The City is committed to the two (2) fundamental concerns of FMLA-the needs of the American workforce, and the development of high-performance organizations.

The Human Resources (HR) Department is responsible for developing and disseminating policy directives which detail how the City will implement the provisions of the Act and any amendments promulgated during the life of this agreement. The City agrees to meet and confer with the Union on any administrative change that may impact the benefits bargaining unit members currently receive under FMLA prior to the issuance and implementation of any new Policy Directive.

Currently, for employees of the City, the twelve month period for FMLA is the fiscal year. Effective July 1, 2010, for employees of the City, the twelve month period for FMLA will be a rolling 12-month period measured backward from the date an employee uses any FMLA.

A full explanation of the employee's FMLA rights shall be included in the New Employee Orientation.

- B. **CITY LEAVES OF ABSENCES:** Leaves for purposes covered under the FMLA may be extended, and leaves for other purposes may be granted, under the City's leave of absence policies and procedures as set forth below:
1. Leaves of absence without pay may be granted for reasonable periods for the purposes listed below:

- a. physical or mental illness;
 - b. election or appointment to full-time position in the Union;
 - c. training relating to an employee's regular duties in an approved educational institution;
 - d. prolonged serious illness in the immediate family.
2. Leaves may be granted at the discretion of the City for reasons other than those listed above when they are deemed beneficial to the municipal government. Such leaves granted in accordance with existing Human Resources Department Rules, may be extended for periods up to two (2) years after which time the employee may be placed on a preferred eligible list for an additional two (2) years. To be eligible for a leave of absence the employee must have one (1) year of City service. These limitations do not apply for leaves granted for military service or health leaves for maternity. To be eligible for health leaves for maternity the employee must have six (6) months of City service.
 3. Any employee who is absent from duty for three (3) consecutive work days without a specific grant of leave of absence and who fails to notify the employer within those three (3) work days (except in cases of proven unabling emergency), shall be deemed to have resigned from the City service and to have vacated their position.
 4. The supervisor shall have five (5) working days to make a recommendation on a Civil Service leave of absence request. Failure to make such recommendation within five (5) days shall be the basis for a Special Conference. The Special Conference will be convened within five (5) working days of the union's request.

- C. **PARENTING LEAVES:** A parent of a newborn or newly-adopted infant who is eligible for a leave of absence may request a personal leave without pay for purposes of providing parental care or making child care arrangements. Such absence from work shall not exceed a maximum period of six (6) months including any optional use of accrued vacation or other earned time.

In the case of employees who have been off work on sick leave or health leave of absence due to maternity, the optional leave for parenting purposes shall not begin until after the employee has been adjudged physically able to return to work.

- D. **LEAVES FOR UNION BUSINESS** - Members of the Union elected to Local Union positions or selected by the Union to do work which takes them from their employment shall, at the written request of the Union, submitted ten (10) days in advance, receive formal Human Resources Department leaves of absence for the term of office, and upon their return shall be re-employed at work with accumulated seniority. Employee leave requests or any extensions shall be on forms provided by the City.
- E. A member of the Union selected to attend or serve on committees beneficial to City business may be allowed casual time off without loss of time or pay upon written request. Approval shall be granted if the request for absence shall be directly related to the business of the committee. If the request is approved, the member shall be paid by the City for his regularly assigned shift less any premiums. There shall not be any charge to the employee's vacation, sick leave or compensatory time accounts. The City reserves the right to withhold approval if

personnel shortages are so critical that the absence of the employee would seriously affect the operation of the plant (department).

- F. One member of the Union elected to attend a county, state or national convention shall be allowed time off without loss of time or pay to attend such conventions.

16. FUNERAL LEAVE

- A. If a death occurs among members of the employee's immediate family, the employee, provided he/she attends the funeral and submits documentation of such upon return to work, will be granted three work days leave, with pay, not to be charged to sick leave. Such leave may be extended to five (5) work days based on individual circumstances.
- B. **A definition of immediate family:** The immediate family is defined as wife, husband, son, daughter, brother, sister, father, mother, step-father, step-mother, step-son, step-daughter, grandmother and grandfather or other members of the household.
- C. If a death occurs among any of the relatives of the employee, the employee, provided he/she attends the funeral and submits documentation of such upon return to work, will be granted one (1) work day leave, with pay, not to be charged to sick leave.
- D. **Definition of relative:** Relatives are defined as a grandson, granddaughter, brother-in-law, sister-in-law, uncle, aunt, mother-in-law or father-in-law.
- E. If circumstances warrant additional funeral time over and above the provisions outlined in paragraph 16-A, the department head may grant the request and may charge the additional time to the employee's sick leave bank, not to exceed five (5) personal days charge each fiscal year.
- F. The local union president or his representative, with the approval of the department head, shall be allowed one (1) funeral leave day, with pay, not to be charged to sick leave, in the event of the death of a member of his local who is an employee of the City, to attend services, provided he/she attends the funeral and submits documentation of such upon return to work.
- G. All of the above provisions shall be in accordance with Chapter 13, Article 5, Section 4 of the Detroit City Code.

Note: Employees hired on or after February 11, 2010 are not eligible to receive reserve sick leave.

The two-tier system for new hires referenced in this Note will be implemented when the City's Payroll System has the capability. (See Memorandum of Understanding RE: HR/Payroll Systems.)

17. LONGEVITY

- A. Employees hired prior to February 11, 2010, shall qualify for longevity pay as follows:
1. Employees may qualify for the first step of longevity pay, provided they have served as City employees for an accumulated period of five (5) years.
 2. Employees may qualify for the second step of longevity pay, inclusive of the first step, provided they have served as City employees for an accumulated period of eleven (11) years.
 3. Employees may qualify for the third step of longevity pay, inclusive of the first and second steps, provided they have served as City employees for an accumulated period of sixteen (16) years.
 4. Employees may qualify for the fourth step of longevity pay, inclusive of the first, second and third steps, provided they have served as City employees for an accumulated period of twenty-one (21) years.
 5. Employees may qualify for the fifth step of longevity pay, inclusive of the first, second, third and fourth steps, provided they have served as City employees for an accumulated period of twenty-six (26) years.
 6. The first step of longevity increment shall be one hundred and fifty dollars (\$150). The second step of longevity increment, inclusive of the first step, shall be three hundred dollars (\$300). The third step of longevity increment, inclusive of the first and second steps, shall be four hundred and fifty dollars (\$450). The fourth step of longevity increment, inclusive of the first, second and third steps, shall be six hundred dollars (\$600). The fifth step of longevity increment, inclusive of the first, second, third and fourth steps, shall be seven hundred and fifty dollars (\$750).
- B. Effective with the qualifying period that begins December 1, 2009, and all subsequent longevity payments issued on or after December 1, 2010, employees who have qualified for longevity pay but have received a suspension of ten (10) work days or greater during the year immediately preceding any December 1 date or other day of payment shall not qualify for a longevity payment for that year.
- In the event an employee has been disqualified for a longevity payment due to receipt of a ten (10) work day suspension or greater, and said disciplinary action is rescinded or reduced below the ten (10) work day threshold, the employee shall receive payment of the disallowed longevity payment.
- C. Employees who have qualified for longevity pay and have accumulated at least sixteen hundred (1600) hours of straight time regular payroll hours of paid time during the year immediately preceding any December 1 date or other day of payment will qualify for a full longevity payment provided they are on the payroll on the December 1 date or any other date of qualification. Except for employees first qualifying for increments, the payment will be made in a lump sum annually on the first pay date after December 1.

No employee will be denied a full longevity payment on December 1 because of a temporary unpaid absence of twenty (20) continuous days or less extending through the December 1 date in question, or because he/she failed to meet the qualifying hours specified in Paragraph C above due to being on Workers' Compensation.

- D. Employees who first qualify for longevity pay increments in any month after any December 1 date shall be paid such increment on a pro-rata basis upon attaining such qualification in the amount of a full increment less one-twelfth (1/12) thereof for each calendar month or fraction thereof from the previous December 1 date to date of such qualification.
- E. Prorated longevity payments may be made between December 1 dates to qualified employees and officers who separate or take leave from City service, excluding those who are discharged, those who resign and those who resign with a vested pension. Such prorated longevity increment shall be paid for time served on a full calendar month basis since the date of their last longevity payment; provided, that each month shall contain at least 160 straight time regular payroll hours of service.
- F. In no event shall those employees hired on and after February 11, 2010 be entitled to Longevity Pay.
- G. All of the above provisions except as modified herein shall be in accordance with Chapter 13, Article 7 of the Municipal Code of the City of Detroit.

18. WORKING HOURS

- A. **Standard Service Week:** The standard payroll work week shall begin at 12:01 A.M. Monday, and end at 12:00 midnight Sunday. It shall consist of five (5) regularly scheduled eight-hour work periods on as many workdays. The two (2) remaining days in the payroll work week shall be known as "off-days" and shall, within the limits of reasonable operating procedure, be scheduled consecutively. The first scheduled "off-day" within the payroll work week shall be designated as the "sixth day" and the second scheduled "off-day" within the payroll work week shall be designated as the "seventh day".
- B. **Service Day:** The service day shall begin at 12:01 A.M., and extend to 12:00 midnight.
- C. **Afternoon and Night Shift:**
 - 1. For the purpose of determining shift premium, the day shift is any shift that regularly starts at or after 4:00 A.M., but before 11:00 A.M. The afternoon shift is any shift that regularly starts at or after 11:00 A.M. but before 7:00 P.M. The night shift is any shift that regularly starts at or after 7:00 P.M., but before 4:00 A.M.
 - 2. Employees who work on afternoon shifts shall be paid a seventy cents (\$.70) per hour premium and those working night shifts shall be paid a seventy-five (\$.75) per hour premium. Employees working a relief schedule shall be paid a minimum of sixty (\$.60) per hour premium for all hours worked on the day shift and the applicable shift premium for all hours worked on the afternoon or night shift.

Relief shift employees shall be defined as those employees whose assigned shifts, excluding overtime shifts, in any work week, includes any mixture of day, afternoon or night shifts as defined in 18-C-1. The relief shift premium shall not be paid for assignment changes made by mutual consent of the employee and Employer to accommodate the employee.

3. Afternoon shift premium shall be paid for all overtime following the afternoon shift. Night shift premium shall be paid for all overtime following the night shift. Where overtime constitutes a complete additional shift, the premium paid shall be determined either by construing the assignment as a new shift or continuation of the old shift, whichever would provide the greater premium. Shift premium shall be taken into consideration in computing overtime pay.
 4. When an employee is called in to fill a vacancy on a regularly assigned afternoon or night shift, in whole or in part, he shall be paid the appropriate shift premium.
 5. Employees who work when most employees are generally excused during an "emergency" period declared by the Mayor shall be granted eight (8) hours compensatory time off for any regularly scheduled non-overtime shift, in addition to their regular pay in accordance with Articles 18, 19 and 20 of this Agreement.
- D. **Two Coffee Breaks** of not less than fifteen (15) minutes per shift shall be permitted according to departmental policy.
- E. Clean-Up Time - Those employees in the Bargaining Unit who are assigned to maintenance functions shall be permitted a 15 minute clean-up prior to the end of their shift to clean up, lock up tools, and complete paperwork. This clean up provision is extended to maintenance functions only. This provision will not permit an employee to leave the work site prior to the actual end of his shift nor will it cause the Department to pay overtime.
- F. When an employee is called to work, he shall be guaranteed no less than four (4) hours of pay for "show up" time at the appropriate rate.
- G. Employees unable to report for work or returning to work after an absence of up to one week shall call in a minimum of one (1) hour prior to the start of their shift. Employees who have been absent for a period in excess of one (1) week will be required to give a minimum of twenty-four (24) hours notice prior to start of their shift. Failure to call may result in the employee being denied the right to work that day and possible disciplinary action, unless justifiable cause existed for failure to call. Tardiness of less than thirty (30) minutes shall not result in the employee being denied the right to work that day. All employees will be given a proper telephone number and title of the supervisor or designee to be notified.
- H. An employee who reports to work at his scheduled starting time when he has not been notified that no work is available shall be entitled to work his scheduled hours or receive pay for his scheduled hours provided that he complies with the reporting rules in Paragraph G. This paragraph shall apply only to regularly scheduled working hours and shall not apply to overtime hours.

- I. Courtesy Relief of not more than 30 minutes shall be allowed. No overtime shall be incurred by the City because of this privilege. An employee shall be considered relieved on a shift assignment when the replacement arrives and is dressed and ready for work and has reported to the workstation. When properly relieved, an employee shall be entitled to leave the work location. If the City incurs any cost because of this provision, it shall be void.
- J. Except as otherwise provided in this Agreement, the above provisions of this Article shall be in accordance with Chapter 13, Article 2 of the Municipal Code of the City of Detroit.

19. OVERTIME

- A. Time and one-half (one hundred and fifty percent (150%) of basic or hourly rate) will be paid for hourly rated employees as follows:
 - 1. All hours worked over forty (40) in one service week except if such time is worked on a seventh day or a holiday. Overtime hours worked (not to be credited at premium time) in excess of four (4) hours and not exceeding sixteen (16) hours in one service week may be substituted in lieu of an equal amount of an employee's regularly assigned forty (40) hours.
 - 2(a). All hours worked on the 5th scheduled work day in a week when a holiday or excused time day falls on an employee's scheduled day off, if the employee has worked each of his scheduled work days in the week, or otherwise has been excused and paid for absences. This same provision shall apply to the 4th scheduled work day in a week as well, if holidays or excused time days fall on both of an employee's scheduled off days.
 - 2(b). If an employee is off on vacation, or sick leave, or excused time off which constitutes one entire payroll period the provisions of paragraph 4(a) shall not apply.
- B. Double time (two hundred percent (200%) of basic hourly rate) will be paid for hourly rate employees for all hours worked on a seventh day.
- C. Premium payments shall not be duplicated for the same hours worked.
- D. Employees who have worked sixteen (16) consecutive hours and who are scheduled to work an additional consecutive eight (8) hour shift shall not work this shift, but shall receive four (4) hours straight time pay at their regular rate.
- E. The City shall endeavor to distribute relative equal amounts of overtime within classification among employees in a plant.
- F. In the event notice of overtime scheduling cannot be resolved at the department level, the Union shall have the right to request Labor Relations to participate in a Special Conference in order to resolve the issue.
- G. Except as otherwise provided in this Agreement, the above provisions in this Article shall be in accordance with Chapter 13, Article 2, of the Detroit City Code and the Michigan Minimum Wage Law.

- H. All overtime under this contract shall be computed solely on the basis of time actually worked by the employee.
- I. Notwithstanding the above paragraph, vacations and holidays shall be counted as time worked for the purpose of computing overtime.

20. HOLIDAYS AND EXCUSED TIME OFF

- A. Employees shall be entitled to the following seven (7) holidays: New Year's Day, Martin Luther King's Birthday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Employees hired prior to February 11, 2010 shall be entitled to three (3) swing holidays in each fiscal year. Employees hired on and after February 11, 2010 shall not be entitled to swing holidays.

- B. Employees shall receive eight (8) hours straight time pay for the above mentioned holidays. Where a holiday is concurrent with the employee's sixth or seventh work day, he shall be paid eight (8) hours pay for the holiday.
- C. An employee shall be eligible for Holiday Pay or Excused Time Day Pay provided he/she shall have received at least eight (8) hours of pay exclusive of overtime and sick leave pay the day before and the day after the holiday or excused time day; provided the employee continues on the payroll through the holiday or excused time day in question and would otherwise be qualified for the holiday or excused time day.

For the purpose of this section, an employee shall be considered off the payroll if he/she is fired, quits, is on a formal leave of absence granted by the Human Resources Department (generally over 30 days), is on workers' compensation, or is laid off. An employee's payroll status not covered by the above shall be subject to a Special Conference. Criteria to be used to determine payroll status will be if the absence of the employee shall be for more than thirty (30) days.

- D. If an employee is absent without just cause on a holiday or excused time day on which he/she is scheduled to work, he/she shall receive no pay for the holiday.
- E. Double time will be paid for all hours worked on a holiday in addition to the straight time holiday pay due for a holiday as such.
- F. Premium payments shall not be duplicated for the same hours worked.
- G. Employees shall be granted eight (8) hours of "Excused Time" on Good Friday or eight (8) hours on the last scheduled paid day prior to Good Friday, and eight (8) hours of "Excused Time" on the last scheduled paid day before Christmas Day and before New Year's Day and for Veteran's Day, and the day after Thanksgiving, and Election Day as designated by the City Council. For employees hired prior to February 11, 2010, an additional Swing Holiday shall

be granted in the event there is no designated Election Day, provided they are on the payroll through the excused time day in question. Employees required to work any portion of the "Excused Time" on these days will receive additional pay at straight time for such hours. No holiday premium will be paid for work on these days. When an employee is absent without good cause for the non-excused portion of the day, he/she shall forfeit this excused time for the day.

- H. For the purpose of this Article, an employee shall be considered off the payroll if he/she engages in a work stoppage which extends through a holiday or excused time day. All benefits under this Article will be forfeited for the holiday or excused time in question.
- I. If a holiday or excused time day falls on Saturday it shall be observed on the preceding Friday, and if a holiday or excused time day falls on Sunday it shall be observed on the following Monday for all employees except those assigned to six and seven day operations. Should two (2) consecutive holidays or excused time days occur on a Friday and Saturday, or on a Sunday and Monday, Friday and Monday, respectively, shall be designated as the official holidays.
- J. If an employee engaged in six or seven day operations works either the actual calendar holiday or the substitute holiday, he/she shall receive the holiday premium, but he/she will not be allowed to pyramid holiday premium for working both days.
 - 1. An employee assigned to a six or seven day operation may be scheduled off for the holiday on either the calendar holiday or the substitute holiday.
 - 2. When an employee works both the calendar holiday and the substitute holiday, the day selected as a holiday for pay purposes shall be the day which allows the employee the maximum pay credit for working both days.
 - 3. If an employee works either the calendar holiday or the substitute holiday, but not both, he/she shall be paid holiday premium for the day worked.
 - 4. If an employee is off sick on the calendar holiday, or the substitute holiday, or both, he/she shall receive sick pay. If he/she works either of the two days he/she shall receive holiday premium.
 - 5. If an employee is AWOL on the actual calendar holiday, but works the substitute holiday, he/she shall not be entitled to holiday pay or holiday premium.
- K. The calendar holiday shall be the holiday for employees assigned to six and seven day operations. When two or more employees in the same class normally work the day of the holiday and the City elects to schedule one or more off, the more senior employee on that shift shall be given the opportunity to work. If the senior employee elects not to work the shift, the least senior employee shall be required to work.
- L. City departments shall have the option to close all or part of their facilities, or reduce operations affecting bargaining unit members, during the Christmas and New Year's holiday season consistent with operating needs and the public service, and provided such departmental

action affecting bargaining unit members is consistent with legal requirements. Where operations are reduced, employees will be given the opportunity for the available work in their classification by seniority preference.

Employees who do not work the days of the optional holiday season shall have the option of using vacation, swing holidays, compensatory time or no-pay for any days off during this period. If an employee has none of the above listed accrued time, departmental leave may be used if available.

The optional holiday season closing dates during the period of this agreement shall be:

December 26, 29, 30, 2008
December 21, 22, 23, 28, 29, 30, 2009
December 21, 22, 23, 28, 29, 30, 2010
December 19, 20, 21, 22, 27, 28, 29, 2011

Any scheduled time off or uses of departmental leave days during these periods shall not be counted against the employees' attendance records nor (except for bonus vacation) adversely affect their benefits.

The City reserves the right to use mandatory budget required furlough days for any of the dates during the optional holiday closing season.

M. The Holiday Schedule during the term of this Agreement is set forth in Schedule F.

Note: The two-tier system for new hires referenced in this Article will be implemented when the City's Payroll System has the capability. (See Memorandum of Understanding – RE: HR/Payroll Systems.)

21. VACATIONS

A. **ELIGIBILITY:**

Employees inducted during the course of the fiscal year shall not be eligible for vacation leave without deduction of pay until they shall have earned at least one-thousand hours of paid time, exclusive of overtime or premium time, and until they have attained status as City employees for at least six (6) months. When employees qualify, as above stated, they shall be entitled to five (5) days of vacation leave. Once employees have earned at least sixteen hundred (1600) hours of paid time, exclusive of overtime, and have attained status as employees for at least twelve (12) months, they are entitled to five (5) additional vacation days. In order that an employee's time may be computed on a fiscal year basis, on the July 1 following his first year anniversary date of employment the employee will be entitled to a prorated vacation leave, computed by multiplying the number of months remaining from the anniversary date, to the end of the fiscal year by 8.3 percent of ten (10) days and rounding the product to the nearest whole number. Thereafter, his vacation shall be computed on a fiscal year basis.

Employees hired on or after February 11, 2010, shall not be eligible for vacation leave without deduction of pay until they shall have earned at least one thousand (1000) hours of paid time, exclusive of overtime or premium time, and until they have attained status as City employees for at least six (6) months. When employees qualify, as above stated, they shall be entitled to five (5) days of vacation leave. In order that an employee's time may be computed on a fiscal year basis, on the July 1 following his first year anniversary date of employment the employee will be entitled to a prorated vacation leave, computed by multiplying the number of months remaining from the anniversary date, to the end of the fiscal year by 8.3 percent of five (5) days and rounding the product to the nearest whole number. Thereafter, his vacation shall be computed on a fiscal year basis.

The maximum vacation days to be earned in a fiscal year for an employee hired on or after February 11, 2010 with fifteen (15) or more years of service shall be (15).

B. VACATION SCHEDULE:

The vacation schedule for employees hired prior to February 11, 2010 shall be as follows:

| | |
|---------------------|-------------------|
| 0-6 months | No vacation |
| 6 months | 5 days |
| 1 year | Additional 5 days |
| 2 through 5 years | 10 days |
| 6 years | 11 days |
| 7 years | 12 days |
| 8 years | 13 days |
| 9 years | 14 days |
| 10 through 12 years | 17 days |
| 13 years | 18 days |
| 14 years | 19 days |
| 15 years or more | 20 days |

The vacation schedule for employees hired on or after February 11, 2010 shall be as follows:

| | |
|--------------------------|-------------|
| 0-6 months | No vacation |
| 6 months through 5 years | 5 days |
| 6 years | 6 days |
| 7 years | 7 days |
| 8 years | 8 days |
| 9 years | 9 days |
| 10 through 12 years | 12 days |
| 13 years | 13 days |
| 14 years | 14 days |
| 15 years or more | 15 days |

C. VACATION PERIOD:

1. Vacations will, insofar as possible, be granted at times most desired by employees according to their seniority as follows: Vacation requests shall be submitted during the

last two weeks of February. The annual vacation schedule shall be posted prior to March 31. Choice of vacation shall be honored on a basis of plant seniority within classification unless otherwise agreed to by the Union. There shall be no forced vacations except those necessary to prevent a carry-over of vacation time in excess of forty (40) days on any October 1st (see below). Un-posted vacation time may be taken provided the Employer approves and there is no conflict with posted vacation time, except that only posted vacation time may be taken on the days preceding or following a paid holiday unless otherwise agreed to between the City and the Union. Posted vacation time of an employee temporarily transferred for purpose of relief shall be honored.

2. Vacations may be taken in a period of consecutive days or split into one or more weeks.
3. If an employee becomes ill while on his vacation, or prior to, his vacation shall be re-scheduled after proof of such illness.
4. When an official holiday occurs during an employee's posted vacation, the employee shall not be charged a vacation day for the holiday.
5. Employees who are on extended sick leave of one (1) month or more on any October 1 date, shall, upon prior written application to the department head and the Finance Director be entitled to a lump sum payment in lieu of time off for all vacation leave earned during the preceding fiscal year.
6. An employee's vacation bank may not exceed more than forty (40) days, or 320 hours, on any October 1.

D. **VACATION PRORATION:**

Employees who fail to accumulate the required sixteen hundred (1600) straight time regular payroll hours, those who die and those who are separated from the service, either temporarily or permanently, so that it is apparent at the time of separation that they will not accumulate sixteen hundred (1600) hours of straight time pay, shall be entitled to vacation leave before such separation computed as follows: 8.3 percent of the vacation credit of the previous July 1 multiplied by the number of calendar months in which employees have been paid for not less than one hundred and sixty (160) straight time regular payroll hours, and rounded to the nearest whole number. After sixteen hundred (1600) straight time hours are worked in a fiscal year, employees will be entitled to one-hundred percent (100%) of their next July 1 vacation. Employees who have attained status for at least twelve (12) months but have not yet been placed on a fiscal year basis, and who are separated from the service, shall be entitled to prorated vacation leave, computed by multiplying the number of months worked from the one year anniversary date to the date of separation by 8.3 percent of ten (10) days and rounding the product to the nearest whole day. Current rules governing vacation shall otherwise continue to apply. This paragraph does not apply to part-time, seasonal or temporary employees.

New employees hired on or after February 11, 2010 who have attained status for at least twelve (12) months but have not yet been placed on a fiscal year basis, and who are separated from the service, shall be entitled to prorated vacation leave, computed by multiplying the number of months worked from the one year anniversary date to the date of separation by 8.3

percent of five (5) days and rounding the product to the nearest whole day. Current rules governing vacation shall otherwise continue to apply. This paragraph does not apply to part-time, seasonal or temporary employees.

E. **CREDITING VACATION:**

One hundred percent (100%) of anticipated annual vacation leave (rounded down to the nearest 1/2 day) will be posted to an employee's bank after he has accumulated 1600 straight time hours in a fiscal year. In the event an employee has been credited with more time than he has earned, on the succeeding July 1st, or date of separation, whichever comes first, the employee will have any vacation time credited but not earned charged first against his existing vacation bank, then to his swing holiday bank, or failing sufficient time in those two banks, he will be docked for the time.

F. **VACATION PRORATION - LAYOFFS:**

An employee who is laid off for an extended period of time beyond sixty (60) calendar days, will receive a lump sum bonus payment in lieu of any unused vacation credit including that accrued in the current fiscal year on a pro-rata basis according to Section D.

A recalled employee who received a lump sum bonus credit at the time of lay-off for the current fiscal year will have such credit deducted from the total vacation earned in the fiscal year in which he is laid off.

An employee who is laid off for sixty (60) days or less shall have the option of receiving a lump sum bonus payment in lieu of vacation or leaving his vacation intact.

G. **RATE DURING VACATION:** Employees will be paid their current base rate while on vacation. Employees with multiple classifications shall be paid an average current rate of pay computed from the ratio of time worked in each classification over the fiscal year immediately preceding such vacation.

H. If a regular pay day falls during an employee's vacation of one (1) week or more, he may request his check in advance before going on vacation and such request shall be granted. Advances for other purposes may be granted at the option of the department.

I. Employees will have two days of vacation converted to "Prior Compensatory Time" in July of each year. Liquidation will be in accordance with the rules for compensatory time. Employees must liquidate this time by the end of the fiscal year in which it is credited.

Note: The two-tier system for new hires as referenced in this Article will be implemented when the City's Payroll System has the capability. (See Memorandum of Understanding – RE: HR/Payroll Systems.)

22. WAGES

A. WAGE INCREASES:

1. General Wage Increases:

- | | |
|---------------------------|----|
| a. Effective July 1, 2008 | 0% |
| b. Effective July 1, 2009 | 0% |
| c. Effective July 1, 2010 | 0% |
| d. Effective July 1, 2011 | 0% |

Members of the bargaining unit will be required to take twenty-six (26) mandatory budget required furlough (BRF) days without pay for three (3) consecutive 12-month periods. To achieve uniformity among its various bargaining units and equitable treatment of employees, the City has the right to determine the date that the BRF three (3) consecutive 12-month periods will commence. It is understood by the parties that the completion of the three (3) consecutive 12-month periods will exceed the contract period of the Master Agreement.

If for any reason an employee is required to work on any mandatory budget furlough day, a substitute furlough day without pay must be scheduled by the Department and taken by the employee to ensure that the twenty-six (26) mandatory budget furlough days without pay requirement will be met during each twelve month period.

OVERTIME

If an employee is scheduled to work less than 40 hours in a work week due to mandatory budget furlough time off, overtime for that work week shall not be payable until the employee works 40 hours in that work week.

RETIREMENT

The period of reduced regular wages due to mandatory budget furlough time off shall not be recognized for pension computation purposes and appropriate calculations will be made to have any pension benefits equal the same amount the member would have earned had his or her regular pay not been reduced.

Employees who retire during this period shall continue to have their vacation, swing holiday and compensatory time banks run-out in forty (40) hour per week increments.

VACATIONS

Qualifications for earning time are proportionally reduced, and other appropriate modifications are agreed to as necessary to comport with the mandatory budget furlough 10% hours reduction.

SICK LEAVE

Qualifications for earning time are proportionally reduced, and other appropriate modifications are agreed to as necessary to comport with the mandatory budget furlough 10% hours reduction.

LONGEVITY

The minimum number of hours needed to qualify for this pay is proportionally reduced.

WORKERS' COMPENSATION

Employees who are working a 10% reduced work period at the time that they go off on Workers' Compensation shall have their formula for supplementation out of their sick leave banks calculated upon 100% of their take-home pay under the mandatory budget furlough schedule.

B. MISCELLANEOUS:

1. Employees shall be eligible for a Deferred Compensation Plan made available by the City. Participation in the Plan shall be optional with each employee.
2. Effective July 1, 1980, employee benefits for those employees sixty-five (65) years of age or older may be modified as permitted by law but shall not result in any additional cost to the employee (e.g. coordination of Medicare/Medicaid coverage with City hospitalization coverage).
3. Where by payroll error an employee is underpaid or overpaid, the City is expressly authorized to correct the underpayment or overpayment by payroll adjustment. The City shall notify an employee in writing fourteen (14) days prior to making any overpayment recovery.

The correction of the underpayment shall be made within 60 days after notification to the department human resources officer.

For overpayment recoveries the City is authorized to deduct up to fifty dollars (\$50) weekly or one hundred dollars (\$100) bi-weekly. If the employee separates from City service, the entire unpaid balance shall be recoverable immediately.

If the amount owed by the employee is over \$2,600, the City reserves the right to seek immediate recovery through the appropriate legal proceedings.

4. The pay rates of hourly-rated employees shall be rounded up to the nearest cent.
5. When it is administratively feasible, the pay check for all employees shall be transmitted via direct deposit.

23. UNIFORM AND CLOTHING ALLOWANCE

- A. Employees who are required to furnish a specific uniform at their own expense will be paid a \$350 annual uniform allowance. An employee will not be eligible for this allowance if his/her uniform is provided by the City.
- B. All eligible employees shall be paid their uniform and clothing allowance as close to September 1 of each year as is administratively possible. Newly hired eligible employees will receive their allowance only upon completion of ninety (90) days of City service.
- C. All members of the bargaining unit who are eligible for a clothing allowance based on the guidelines set forth in the Closing Resolution shall receive an annual clothing allowance of \$170 per year (see Schedule G).

24. MILEAGE AND TRAVEL ALLOWANCE

A. Rates of Payment:

When an employee covered by this Agreement is assigned to use his automobile to perform his job, he shall be paid mileage at the current IRS per mile rate subject to change when that rate changes higher or lower. In addition, effective September 27, 2006, \$3.00 per day is to be paid for each day an employee is required to use his car for City business.

The City will continue to reimburse employees for the difference in premiums between business and pleasure insurance according to the formula approved by City Council for that purpose.

B. Definition of Reimbursable Mileage:

1. Trips from home to headquarters and back home shall not constitute reimbursable mileage.
2. Trips in either direction between home and any officially designated point (when there is no specific headquarters) shall not constitute reimbursable mileage.
3. Trips from headquarters (or from the designated starting point if he has no headquarters) to a job, from job to job, and if directed, back to headquarters or starting point, shall constitute reimbursable mileage.
4. For those employees who do not report to a specific headquarters, or starting point on any given day, mileage in excess of 15 miles from home directly to a job at other than headquarters or starting point at the start of the work day and mileage in excess of 15 miles from a job located at other point than headquarters or starting point to home at the end of work day shall constitute reimbursable mileage.

C. For City employees residing in Detroit and who report for work outside of Detroit on a regularly assigned basis the travel allowance shall be as follows:

1. For employees reporting for work at North Service Center - \$5.00 per day travel allowance.
2. For employees reporting for work at Southwest Station - \$3.00 per day travel allowance.
3. For employees reporting for work at Ford Road Booster Station - \$1.50 per day travel allowance.
4. For employees assigned to Lake Huron Station - \$18.00 per day travel allowance. Employees permanently assigned to Lake Huron Station shall be ineligible for this payment 18 months after their assignment to this location.

D. Accident Payments:

When an employee is involved in an accident while on City business resulting in damage to his automobile in excess of \$50.00, the City will pay for unrecoverable collision damage in excess of \$50.00 not to exceed \$250.00. Employees must furnish proof to their department of

the time of an accident and the extent of the damages. Automobile accidents will be excluded from the City's regular small claims program.

- E. In the event of an automobile breakdown during regular working hours, the time which an employee is allowed for servicing and repairing his automobile is to be determined in supplemental agreements.
- F. When an employee covered by this Agreement is regularly assigned to a job which requires the use of an automobile during his normal working hours, he shall be required to furnish said car.
- G. In order to receive mileage reimbursement an employee must actually use an automobile on City business.

25. POSITION ALLOCATIONS, NEW JOBS AND CHANGED ASSIGNMENTS

- A. The Employer shall have the right to establish, evaluate, change or obsolete jobs, provided such action on the part of the employer shall not be directed toward reducing the rate of a job or removing a position from the bargaining unit in which no substantial change in the job or the qualifications itself has occurred.
- B. Attached as Schedule E is a list of the current position allocations in the bargaining unit recognized by the parties to meet current operational needs of the departments at the indicated work locations. When equipment requiring licensure is not in operation, and in the case of allocated positions not requiring a license, it is at management's discretion as to whether or not to call in additional employees to temporarily replace absent employees regularly assigned to a shift. No changes in these position allocations can be made without prior discussion with the Union. Additional bargaining unit positions may be added to meet departmental operating needs.
- C. Whenever, new equipment or a new job involving work allocated to classifications in the bargaining unit is made operational, the Employer shall establish the position allocation. In the event a new or changed classification is required, the Employer will notify the Union within thirty (30) days after such new or changed classification is established and meet with the Union to negotiate the rate.
- D. Any changes in work assignments in existing positions which may affect the proper classification of the position or positions shall be a proper subject for special conference. If after discussion with the Employer, the Union considers such changes to be inconsistent with the terms of this Agreement, it may initiate a grievance or request a classification survey by the Human Resources Department. The Union will be given opportunity to participate in any such survey.

The Human Resources Department will endeavor to complete a position classification survey within ninety (90) calendar days. If for any reason the survey can not be completed within this period, the Union will be advised as to the reasons and cause of the delay.

26. JURY DUTY

- A. Employees who serve on jury duty will be paid the difference between their pay for jury duty and their regular pay for all days they are required to serve on jury duty in accordance with the Common Council Resolution of March 16, 1965, J.C.C. page 459, as amended.
- B. In the event that employees report for jury duty but do not actually serve on a jury, they will be paid the difference between the jury pay received and their regular day's pay and be excused for the day.
- C. In order to receive payment for jury duty supplementation, employees must have been regularly scheduled to work on a non-overtime basis, must give reasonably prompt prior notice to their supervisor that they have been summoned for jury duty, and must furnish satisfactory evidence that they reported for or performed jury duty on the days for which they claim such payment.

The jury duty supplementation shall not apply to special service, contractual, temporary or other employees with less than one year of seniority.

- D. When properly notified by employees under the terms of Section C, the department shall, if necessary, reschedule the work assignment of the employees so as to coincide as closely as possible with the jury duty schedule. This reassignment shall take precedence over other conflicting sections of this contract.
- E. Employees shall have the option when called to jury duty, to use vacation or compensatory time for such service. However, the employees must notify the department of their desire to exercise this option prior to the first date of jury service.
- F. Employees on jury duty will be continued on the payroll and be paid at their straight time hourly rate for their normal scheduled hours of work. Upon return from jury duty, the City will deduct the amount received or due from such jury duty, less any mileage allowance paid for the jury service, from the employee's pay.

27. HOSPITALIZATION, MEDICAL, DENTAL AND OPTICAL CARE

- A. The City shall continue to provide hospitalization and medical insurance for employees and their legal dependents, duty disability retirees and their legal dependents, duty death beneficiaries and their legal dependents. Non-duty disability retirees are not eligible for hospitalization-medical or prescription drug insurance coverage.

Hospital/Medical insurance coverage for employees hired/re-instated prior to February 11, 2010 shall begin on the first day of the first full pay period, and end on the last day of the month that employment ends.

Hospital/Medical insurance coverage for employees hired/re-instated on or after February 11, 2010 shall begin on the first day of the month following three (3) months of service, and end on the last day of the month that employment ends. For the first five (5) years of employment hospital/medical insurance enrollment opportunity shall be limited to Community Blue PPO and HMO plan options available under the City Medical Design Plan II (formerly known as the "Mercer Design Plan"). The Blue Cross Traditional Plan is not an available plan option. Eligibility to apply for enrollment in the Alternative Health Care option design plans will begin at the open enrollment period following the end of the five (5) years of service with an effective date of July 1st of that year.

- B. The City's contribution for the cost of Blue Cross/Blue Shield Traditional Plan hospitalization/medical coverage on a monthly basis shall be as follows:

| | |
|----------------------|-----------------|
| Single person | \$100.06 |
| Two person | \$238.29 |
| Family | \$253.54 |

Fifty percent of any premium charges that exceed the above amounts shall be paid by the employees and fifty percent shall be paid by the employer.

- C. Effective February 11, 2010, the City will no longer provide employees the option to insure sponsored dependents.
- D. The City will provide regular retirees and their spouses who are enrolled in the Blue Cross/Blue Shield Traditional Plan hospitalization and medical insurance based on the Blue Cross/Blue Shield ward service under the Michigan Variable Fee coverage (MVF-2) and the Prescription Drug Group Benefit Certificate with two dollar (\$2.00) co-pay (Certificate #87)¹, known as the two dollar (\$2.00) deductible Drug Rider as provided by City Council in the 1977-78 Closing Resolution. The City will pay this premium for regular retirees and their spouses for only as long as they receive a pension from the City. For employees who retire (except for vested retirees) on or after May 1, 1996, the co-pay for the prescription drug benefit shall be increased to three dollars (\$3.00).

For employees who retire (except for vested retirees and non-duty disability retirees) on or after July 1, 1986, the City will pay up to the following amounts per month for Blue Cross/Blue Shield Traditional Plan hospitalization and medical insurance:

| | |
|----------------------|-----------------|
| Single person | \$100.06 |
| Two person | \$238.29 |

Fifty percent of any increase over these amounts will be paid by the retiree. The City will pay this premium for regular retirees and their spouses at the time of retirement only for as long as they receive a pension from the City.

¹ The \$2 deductible Drug Rider (Certificate #87 as referenced above, reflects the benefit at the time the premium sharing arrangement was instituted. Currently, the co-pay for the Prescription Drug benefit is \$5 for generic and \$15 for brand name drugs (retail – 30 day supply). In July 2004 the City made available to retirees who are eligible for health care coverage the option of choosing the Blue Cross Community Blue PPO plan. From the inception the prescription drug co-pays for the Blue Cross Community Blue PPO plan was \$10 for generic and \$20 for brand name drugs (retail – 30 day supply).

- E. The City Blue Cross/Blue Shield Traditional hospitalization plan for active employees and their dependents and retirees and their spouses shall include Blue Cross Master Medical insurance with a twenty percent (20%) co-pay benefit and a one hundred seventy five dollar (\$175.00) per person annual deductible three hundred fifty dollars (\$350.00) for two or more in a family).
- F. Employees and retirees shall have the option of choosing alternative hospitalization medical coverage from plans or programs made available by the City. The City's contribution to the alternative plans or programs shall be limited to the following:

Alternative Health Care Design Plans (AHCD) – Blue Cross Community Blue PPO 90% of the monthly premium; all HMO plans 80% of the monthly premium.

City Medical Design (CMD) Plan II options (formerly known as the “Mercer Plan”) – Blue Cross Community Blue PPO and all HMO plans 80% of the monthly premium.

The employee's contribution toward the component premiums (i.e., one person, two persons, family) for Blue Cross Community Blue PPO (AHCD) plan shall be capped at 10% of the monthly premium; and for Blue Cross Community Blue PPO (CMD Plan II) and all HMO plans shall be capped at 20% of the monthly premium.

If at the end of any fiscal year an alternative hospitalization plan or program has failed to enroll 50 employees city-wide, the City shall have the option of removing that plan from the list of eligible plans or programs. Effective with the 1987-88 fiscal year, all alternate carriers must account for their premium charges without distinguishing between active and retired employees using the following format:

Single Person
Two Persons
Family

- G. The City shall provide for all active employees and their dependents, and duty disability retirees and their dependents, a Dental Plan which shall be equivalent to the Blue Cross/Blue Shield program which provides Class I benefits on a 25% co-pay basis and Class II and III benefits on a 50% co-pay basis. Classes I, II, and III benefits shall not exceed \$1,000 per person per year. In addition, Orthodontic coverage shall be on a 50% co-pay basis with a \$1,000 life time maximum. Other terms and conditions regarding these plans shall be in accordance with the standard Blue Cross/Blue Shield policies regarding administration of such programs.

The City will make available cost-effective alternative dental plans.

Effective February 11, 2010, coverage for employees hired or reinstated shall begin on the first day of the month following the employee completing six months of service. Coverage ends on the last day of the month that employment ends.

- H. The City will provide Optical Care Insurance through the Employee Benefit Board, such benefit will include case hardened lenses. Employees will make a carrier selection during the

enrollment period which will be effective for the following two (2) years. Effective July 1, 2006, the City will contribute \$6.42 per month for employees covered by CO/OP Optical and \$6.27 per month for employees covered by Heritage Optical.

Optical coverage for employees hired/re-instated prior to February 11, 2010 shall begin on the first day of the month following the employee completing 60 days of service. Coverage ends on the last day of the month that employment ends.

Optical coverage for employees hired/re-instated on or after February 11, 2010 shall begin on the first day of the month following the employee completing six (6) months of service. Coverage ends on the last day of the month that employment ends

- I. If, during the term of this Agreement, a Federal Health Security Act (National Health Insurance) is enacted, the parties agree to reopen discussions with respect to health care benefits if there is need to do so due to the impact of such a Federal program.
- J. No insurance carrier shall be allowed to underwrite City Health Care Benefits unless it offers coordination of benefits. All carriers will be required to provide group specific utilization and cost data as a condition of doing business with the City. Copies of all information will be provided to Union and City representatives as directed.
- K. The City reserves the right to implement Health Care Cost Containment Programs during the term of the Contract. Said Cost Containment Program shall not diminish the levels of benefits provided in the basic plans but may require the insured to follow procedures prescribed by the carrier in order to be eligible for benefits.
- L. The City will continue to develop the Pre-Tax Premium Conversion Account for payment of the employees' portions of Health Care fringe benefits and will make this program available to Local 324 members at the time it is available through the City's data processing system.
- M. Employees on the active payroll who are covered by a health care plan offered by an employer other than the City, and can furnish proof of such coverage, may elect to take a \$950 cash payment, (opt-out stipend) payable quarterly at the end of each three month period, in lieu of the hospitalization-medical coverage offered by the City. Effective with the implementation of the new HR/payroll system this opt-out stipend will be paid equally during each applicable pay cycle. This opt-out election shall take place annually during the open enrollment period.

Once an employee elects that cash payment, the employee will not receive hospitalization-medical coverage until the next year's enrollment period. If the employee loses his eligibility for the alternate coverage, the employee, upon submitting appropriate proof of loss of coverage, will be able to resume the City's hospitalization-medical coverage.

The City shall have the sole discretion to offer this opt-out provision to current and future retirees who are eligible for the City's hospitalization-medical coverage. This discretion shall extend to the determination of the amount of the cash payment, the method of payment, the eligibility requirements, and the continuance of the opt-out plan itself.

N. The Union and the City are in agreement on the escalating costs of health care in the health care industry. In recognition of the above and in an attempt to take positive steps to control costs and improve delivery systems, the City has formed and will continue to meet with the multi-union Health Care Committee comprised of selected representatives from the Unions and from the City. The International Union of Operating Engineers shall be one of the unions selected to participate on the committee.

O. A spouse who is or becomes divorced from an employee or a retiree (divorced spouse) is not entitled to healthcare coverage under this Agreement under any circumstances.

If a retiree marries or remarries after retirement, the new spouse is not entitled to healthcare coverage under this Agreement under any circumstances.

The child, of a divorced spouse or a new spouse of a retiree who is neither the biological, legally adopted nor legally guardian child of the employee or retiree is ineligible for dependent healthcare coverage under this Agreement.

P. When the City's payroll system has the capability of allowing employees to pay these amounts through the pre-tax IRS code 125K mechanism, all bargaining unit members shall be entitled to participate.

Q. Mandatory Generic Drugs: Prescription drug coverage under all City of Detroit health care plans shall require the use of generic drugs, unless determined that a brand name drug is medically required or a generic equivalent is not available. If the brand name drug is requested, but is not medically required or a generic drug is available, the employee, retiree or covered dependent must pay the applicable brand name co-pay amount plus the difference between the cost of the generic drug and the brand name drug. This requirement applies even if the prescribing physician has indicated "dispense as written" or "DAW" on the prescription. This mandatory generic drug requirement shall be administered by BCBSM for BCBSM-administered or insured plans, and for other City carriers by their medical insurer or administrator. Final resolution to any appeal will be handled by the medical insurance carrier or administrator.

R. Enrollment for medical coverage for retirees who are Medicare-eligible shall be limited to the Medicare Advantage option plans offered by the City. In the event, such Medicare Advantage plans are no longer offered or cost effective, enrollment in alternate plans will be permitted as determined by the City.

S. Effective with the coverage plan year that begins on or after July 1, 2006, in order to be eligible for coverage under all City of Detroit health care plans, all active employees and their dependents who are eligible for Medicare, due to certain medical conditions defined by Medicare that permits the employer to be a secondary payee for insurance, must enroll in Medicare Parts A and B. Such enrollment in Medicare shall not result in any reduction in benefits or additional cost to the employee, in that the employee shall be reimbursed the amount paid for Medicare after submission of required proof of enrollment and payment. This reimbursement for the cost of Medicare provision only applies to employees and their eligible dependents, while the employee is on the active payroll. This benefit does not apply to retirees or dependents covered under the City retiree's health care contract.

Currently, all retirees and their dependents that are eligible for Medicare regardless of age must enroll in Medicare Parts A and B at their own expense to be eligible for continued coverage, and this provision shall remain unchanged and applicable to all persons who retire in the future.

Accordingly, any person who is eligible for hospital/medical coverage under this agreement and who is Medicare-eligible shall furnish the City's Benefits Administration Office a copy of his/her Medicare card which confirms that he/she has obtained Medicare Parts A and B or documentation from the Social Security Administration that verifies ineligibility in order to continue to receive any hospital/medical coverage under this Agreement. Failure to enroll in Medicare, provide required Medicare documentation or maintain Medicare Parts A and B coverage will result in coverage termination. If coverage is terminated, re-enrollment will not be permitted until the next scheduled open enrollment period. Required documentation, i.e., proof of Medicare coverage, must be presented with the enrollment application. If reenrollment is approved, the coverage shall be reinstated prospectively only. (Generally, open enrollment occurs in the spring of the year, with a July 1st coverage effective date).

Consistent with current practice, all employees, retirees, and their dependents, who receive healthcare coverage under this Agreement, must disclose to the City the existence of any other source of healthcare benefits. In all such cases, full coordination of benefits will apply at all times.

Effective July 1, 2010, if an employee/retiree's spouse has hospitalization-medical coverage available to him/her under a plan offered by his/her employer (other than the City of Detroit), said spouse must enroll in that employer's hospitalization/medical plan for employees or retirees in order for the spouse to be eligible for medical coverage through the City of Detroit. In such cases, if the spouse of the employee or retiree is also enrolled in the City's hospitalization-medical plan, the City will be the secondary insurer/payer. This provision does not apply in those instances where the employee/retiree and spouse are both employed by the City of Detroit. (See Paragraph W as referenced above)

- T. Consistent with current practice, if an employee retires with 25 years of credited service but less than 30 and receives an actuarially reduced pension, (referred to as the Actuarially Reduced 25 Year Option of the Retirement Plan) he/she may participate in the City's group retiree hospital-medical plans at full cost for the coverage. The City shall make no contribution to the monthly premiums for this hospital-medical coverage until such time as this retiree reaches what would have been his/her 30th year anniversary which would have qualified him/her for a regular service retirement. Upon reaching his/her 30th year, the City will contribute to the cost of the retiree and spouse's health care based on the contribution formula and rules in effect at time of qualification for regular retirement at the 30th year.
- U. Employees hired on or after February 11, 2010, hospital/medical and prescription benefits shall cease for retirees and their spouses after the retiree (or medical contract holder) becomes Medicare eligible by age; the current Medicare eligible age requirement is 65.
- V. Effective February 11, 2010, employees who retire after the effective date of this Agreement, and who are qualified to receive the City's hospitalization-medical insurance as a retiree shall at any time the retiree is receiving said coverage, be entitled to the same coverage

opportunities then available to the active employees (plus, Medicare Advantage plans as specified in P above) and utilizing the same co-premium calculation formula to determine amounts payable by retirees for the retiree and his/her spouse.

- W. Health Habits and Reproductive Prescription Drugs: Effective February 11, 2010, all health habits, reproductive (fertility), and lifestyle prescription drugs EXCEPT FOR SMOKING CESSATION AND WEIGHT LOSS will no longer be covered under the City's prescription drug program.
- X. Effective with the Family Continuation Verification Period for the coverage plan year beginning July 1, 2006, in addition to the existing family continuation requirements, employees insuring family continuation dependents (19 – 25 year old dependent children) must also provide proof that the dependent is enrolled in an accredited school as a full-time student (carrying 12 credit hours each Fall and Winter term) in order for that dependent to be eligible for continued coverage. Effective February 11, 2010, the age requirement for family continuation dependents shall be changed from age 19 through 25 to age 19 through 22.
- Y. There shall be no duplicate hospitalization-medical insurance coverage or payments in lieu thereof provided employees or future retirees of the City. If the City employs more than one member of a family, or the family unit includes a retiree of the City, all of whom could be eligible for coverage under one hospital-medical insurance policy or plan as a spouse or eligible dependent, the spouses or eligible dependents of that family shall be covered by only one spouse or the other. It is the responsibility of the family to select a single hospitalization carrier. Under no circumstances shall the City be obligated to provide more than one hospitalization-medical policy or plan.
- Z. Coalition Bargaining: In addition to the above noted provisions, the parties agree to continue to bargain and to work collaboratively toward establishing cost saving measures for Healthcare benefits as well as resolve issues that may arise with the implementation of the new HR/Payroll and Benefit System. If the parties agree to further changes during the course of this Agreement, such changes shall be implemented upon ratification of the bargaining unit and approval by City Council, and thereafter, incorporated into this Master Agreement. Examples of Continued Cost Saving Measures for medical, dental, optical and life insurance plans include, but are not limited to:
 - 1. Post-Retirement Employment (City is Not Responsible for Retiree Healthcare if Employee is Eligible for Healthcare Through His/Her Post Retirement Employer, that is Substantially the Same as the City's Plan, During the Period of Other Employment)
 - 2. Auto-Related Accidents Coverage (Primary Insurer—Automobile Insurance Plan; Secondary Insurer—City Medical Plan)

Note: The two-tier system for new hires referenced in this Note will be implemented when the City's Payroll System has the capability. (See Memorandum of Understanding – RE: HR/Payroll Systems.)

28. WORKERS' COMPENSATION

- A. All employees shall be covered by the applicable Workers' Compensation laws and related benefits. An employee sustaining injury or occupational disease arising out of and in the course of City employment shall be continued on the payroll and his/her time shall be charged to his/her sick leave reserve for all days not covered by Workers' Compensation payments; provided that in the absence of any sick leave reserve he/she shall be paid regular wages or salary to the extent of two-thirds of his/her daily wage or salary but for a period not to exceed seven (7) days; provided also that where the employee has off-time banks and receives income under the Workers' Compensation Act, such income shall be supplemented by the City from his/her off-time banks in amount sufficient to bring it up to ninety-five percent (95%) of his/her weekly take-home pay. For the purposes of this Article, take-home pay is defined as gross pay from the City less Social Security deductions, and less Federal, State and City income tax withholding amounts based on the employee's actual number of dependents. Employees shall be eligible to earn current sick leave.
- B. Employees who are unable to supplement their Workers' Compensation benefit from their off-time banks because the amount of overtime worked causes the benefit to meet or exceed ninety-five (95%) percent of weekly take-home pay, shall be treated like employees who are able to supplement for the purposes of hospitalization, life insurance and current sick leave. This provision does not apply to those employees who are unable to supplement because they have no time available in their off-time banks.
- C. Employees shall not be eligible for holiday pay nor earn additional vacation or reserve sick leave when they are being paid Workers' Compensation benefits.
- D. The City agrees to continue hospitalization and life insurance benefits for employees with one or more years of seniority who have been approved for Workers' Compensation benefits for a period of 9 months after they go off the payroll. Thereafter employees will be entitled to benefits which accrue to them through the Pension Plan and the Income Protection Plan.

NOTE: In order to continue hospitalization and life insurance benefits, employees are responsible for their portion of the premium as required by the Contract. Those deductions will be made automatically while they remain on the payroll because they are supplementing. Once they leave the payroll, they must make arrangements with the Pension Bureau to pay those premiums in order to continue coverage.

E. **Return to Active Employment:**

- (1) Consistent with the Workers' Compensation Act and current City practices, the City shall continue its program of returning workers who suffered job injuries back to active employment to perform work tasks which are compatible with their current physical capabilities. To the maximum extent possible, employees will be returned to their former job classification in their former department, or if no such position is available, in another City department if they are presently able to perform the essential duties with or without reasonable accommodations.

- (2) If the employee is presently able to perform some but not all of the essential duties, but there is competent medical documentation that he/she will be able to perform all such duties within ninety (90) days, he/she may be placed conditionally in an available position in the classification subject to review at the end of this period. Work tasks assigned will be those compatible with present work restrictions.
- (3) If the employee cannot presently be returned to his/her former job classification, he/she will be placed in an appropriate available position in another classification on a temporary basis until such time as the employee is able to return to his/her former job classification or acquires permanent status in the alternate classification by action of the Human Resources Department. The duration of the temporary status shall be in accordance with the Workers' Compensation Act. During the temporary period, efforts will be made to place the employee in available positions consistent with their training and experience and current physical capabilities.
- (4) While employed in the alternate job classification, whether temporary or permanent, the employee shall be represented by the local union having jurisdiction over employee's in that classification and at that location. However, residual seniority rights to the employees former classification shall remain with his/her former local or other union. An employee in an alternate classification on a permanent basis continues to have a right to return to his former job classification in his former department when physically able to do so.
- (5) Employees returned to work under these provisions shall not be charged with absences for disciplinary purposes where there is medical documentation that such absences were caused and necessitated by the former job injury.
- (6) All Workers' Compensation benefits and overtime compensation shall be paid in accordance with the Workers' Compensation Act. Employees will be eligible for wage increases granted to their alternate job classification.
- (7) Should a medical dispute arise between the employee's physician and the Employer's physician, a third physician will be mutually selected by the doctors and the third doctor's opinion shall be final and binding on the City and Union.

29. UNEMPLOYMENT COMPENSATION- SUPPLEMENTAL BENEFITS

- A. **UNEMPLOYMENT COMPENSATION:** Employees covered by this Agreement shall receive unemployment benefits in accordance with the unemployment insurance plan administered by the Michigan Employment Security Commission under the Michigan Employment Security Act.
- B. **SUPPLEMENTAL UNEMPLOYMENT PLAN:** Subject to all of the following rules and qualifications, employees shall be entitled to Supplemental Unemployment Benefits.

SECTION 1. Application for Supplemental Unemployment Benefits.

No employee shall be eligible for S.U.B. unless and until he/she shall have made due application therefore in accordance with the procedure established by the City and shall have met the eligibility requirements of Section 2 of this Article. Such an employee shall be considered as an applicant.

SECTION 2. An applicant shall be eligible for S.U.B. only if he/she is on layoff from the City with respect to the week for which application is made, and he/she did not work for another employer during such week, and if

- a) such layoff
 - 1) was from the Bargaining Unit;
 - 2) occurred in a reduction in force;
 - 3) was not for disciplinary reasons and was not a consequence of (i) any strike, slowdown, work stoppage, picketing (whether by his/her bargaining unit or any other), or concerted action, or any dispute of any kind involving City employees, or (ii) any fault attributable to the applicant, or (iii) any war or hostile act of a foreign power (but not government controls or regulation connected therewith), or (iv) sabotage or insurrection, or (v) any act of God and
 - 4) was not self elected.

- b) with respect to such week, the applicant:
 - 1) had sufficient seniority to be eligible for one week's benefit;
 - 2) has registered at and has reported to an employment office of the Michigan Unemployment Insurance Agency as required by the MUIA;
 - 3) has received unemployment compensation from MUIA not currently under protest;
 - 4) has not refused to accept work when recalled pursuant to the Collective Bargaining Agreement and has not refused an offer by the City of other available work which the
 - 5) applicant has no option to refuse under the Collective Bargaining Agreement;
 - 6) has not failed to report for interview within five (5) working days after notice of recall from the City;
 - 7) has not failed through any fault of his/her own to report for hire at the employing department within five (5) working days after certification;
 - 8) was not eligible for and was not claiming any accident or sickness or other disability benefit (other than a disability benefit which would be payable to the applicant whether he/she was working full time or not or a survivor's allowance under Workers' Compensation laws), whether publicly or privately financed, or a pension or retirement benefit financed in whole or in part by the City;
 - 9) was not in military service;
 - 10) did not receive any unemployment benefit from, or under any contract, plan or arrangement of, any other employer, and he/she was not eligible for such a benefit from, or under any contract, plan or arrangement of, any employer with whom he/she has greater seniority than with the City;
 - 11) must have been on continuous layoff from the City for a period of thirty days; whereupon he/she will be eligible retroactively for benefits commencing after the second week of lay-off;

- 12) must not be on layoff from a classification designated as special service, limited term, part-time, provisional, contractual, limited status, or for which the duration of employment is listed as seasonal;
 - 13) must have at least eighteen (18) months total City seniority.
- c) an employee shall forfeit permanently all eligibility for S.U.B. if he/she shall misrepresent any material fact in connection with an application by him/her for any S.U.B. or other unemployment compensation. Furthermore, he/she shall be subject to disciplinary action upon his/her return to active status.

SECTION 3. Powers and Authority to the City

The City shall have such powers and authority as are necessary and appropriate in order to carry out its duties under this Article, including without limitation the following:

- a) to obtain from employees, persons filing applications for benefits, eligible persons and elsewhere such information as the City shall deem necessary in order to carry out its duties under this Article;
- b) to investigate the correctness and validity of information furnished by any person who applies for a benefit;
- c) to make appropriate determinations pursuant to this Article;
- d) to require an applicant to exhibit his/her MUIA Unemployment Benefit check for the week with respect to which application for S.U.B. is made, or to submit evidence satisfactory to the City of receipt or entitlement to receive a MUIA unemployment benefit.

SECTION 4. Amount of Weekly Supplemental Benefit

An applicant who meets all the eligibility requirements of this Article shall be entitled to a weekly Supplemental Unemployment Benefit in the amount of forty-five (\$45) dollars.

SECTION 5. Duration of Supplemental Benefit

An eligible applicant shall be entitled to one week of S.U.B. for every month of total City seniority, not to exceed in any case a maximum of twenty-six (26) weeks duration for any continuous layoff.

SECTION 6. All compensation received under this Article shall be offset against any claim for back wages.

30. SICK LEAVE

- A. All employees hired prior to February 11, 2010 who shall have completed three (3) months of continuous service shall be granted one (1) day of sick leave for every service month of not less than eighteen (18) normal service days, not to exceed twelve (12) sick leave days in any one fiscal year. Those employees hired on or after February 11, 2010 who shall have

completed three (3) months of continuous service shall be granted one (1) day of sick leave for every service month in which they have worked 80% of their scheduled hours, not to exceed ten (10) sick leave days in any one fiscal year. Sick leave earned after July 1, 1971, may accumulate without limitation. These days shall be known as current sick leave and shall be kept in the Current Sick Leave Bank.

All employees must be on the payroll for the entire month to be credited with sick leave.

- B. Reserve sick leave of five (5) service days shall be granted on July 1st to all employees hired prior to effective date of approval by City- Council with a full year of service on an annual basis. All reserve sick leave earned after July 1, 1971, may accumulate without limitation. Reserve sick leave shall be kept in the Reserve Sick Leave Bank. Those employees hired on or after February 11, 2010 shall not be eligible for reserve sick leave.
- C. Sick leave may not be granted in anticipation of future service.
- D. Sick leave balances shall be expressed in terms of hours and shall be posted on the employee's check stub.
- E. Sick leave shall be granted for the following purposes:
 - 1. Absence due to personal illness.
 - 2. Absence not to exceed three (3) days due to exposure to contagious disease and/or attendance upon immediate members of the family within the household of the employee where necessary.

The term "immediate family" shall be construed to include husband, wife, children, father, mother, brothers and sisters and also relatives living in the same household.
 - 3. Absence not to exceed five (5) days in a fiscal year, for personal business which cannot be taken care of outside of working hours. Request for personal business absence shall be made to the supervisor two (2) days in advance except in cases of emergency. Personal business days may be requested and granted in one-half (1/2) day increments.
- F. Evidence of illness must be provided by medical certificate or the proof required by the supervisor for any sick leave granted beyond three (3) consecutive days. At the discretion of the department head, employees may be required to furnish proof of one (1) day illnesses for the following reasons:
 - 1. When they are placed on attendance review as required by the City's Attendance Control Program.
 - 2. When they wish to take a sick leave day on;
 - a. the day before, the day of, or the day after a holiday
 - b. the day before or the day after a scheduled vacation day

- c. days on which there is a strike by this bargaining unit or another bargaining unit which affects the work locations of employees in this bargaining unit.
- d. days on which there is an “emergency” because of weather or other circumstances and essential employees are required to report to work.

Verification may include examination by physician selected by the department head.

G. Employees off due to illness or injury shall be required to call in each day of their absence unless in the judgment of the supervisor, the illness or injury is severe enough or of a continuing nature to limit calling in on other than a daily basis.

H. **Bonus Vacation Days:**

1. Employees hired prior to February 11, 2010 who have accumulated a total of fifty (50) or more unused sick days on July 1 shall receive up to six (6) bonus vacation days based upon their sick leave usage in the previous fiscal year. Such time shall be credited according to the following table:

| <u>Sick Leave Days Used In Previous Fiscal Year</u> | <u>Bonus Vacation Days To be Credited on July 1</u> |
|--|--|
| 0 | 6 |
| ½ or 1 | 5 ½ |
| 1 ½ or 2 | 5 |
| 2 ½ or 3 | 4 ½ |
| 3 ½ or 4 | 4 |
| 4 ½ or 5 | 3 ½ |
| 5 ½ or 6 | 3 |
| 6 ½ or 7 | 2 ½ |
| 7 ½ or 8 | 2 |
| 8 ½ or 9 | 1 ½ |
| 9 ½ or 10 | 1 |
| 10 ½ or 11 | ½ |
| 11 ½ or more | 0 |

2. Employees hired prior to February 11, 2010 who have accumulated a total of at least twenty-five (25) days but less than fifty (50) or more unused sick days on July 1 shall receive up to three (3) bonus vacation days based upon their sick leave usage in the previous fiscal year. Such time shall be credited according to the following table:

| <u>Sick Leave Days Used In Previous Fiscal Year</u> | <u>Bonus Vacation Days To Be Credited on July 1</u> |
|--|--|
| 0 - 2 | 3 |
| 2 ½ or 3 | 2 ½ |
| 3 ½ or 4 | 2 |
| 4 ½ or 5 | 1 ½ |
| 5 ½ or 6 | ½ |
| More than 6 | 0 |

Those employees hired on or after February 11, 2010 shall not be eligible for bonus vacation days.

This section shall otherwise be in accordance with Chapter 13-5-1 of the Municipal Code.

I. Income Protection Plan:

See Attached Schedule D for details.

- J. All of the above provisions shall be in accordance with Chapter 13, Article 5, Section 2 of the Municipal Code of the City of Detroit, except as modified by this agreement.

Note: The two-tier system for new hires referenced in this Article will be implemented when the City's Payroll System has the capability. (See Memorandum of Understanding – RE: HR/Payroll Systems.)

31. RETIREMENT PROVISIONS

- A. Eligibility for Service Retirement Allowance - Any employee who is covered by the provisions of this Agreement and who is a member of the General Retirement System of the City of Detroit who has thirty (30) or more years of credited service may retire upon his/her written application filed with the Board of Trustees setting forth the date, which shall not be less than thirty nor more than ninety days, subsequent to the execution and filing of said written application, he/she desires to be retired. On the date so specified for his/her retirement he/she shall be retired, notwithstanding that pending such period of notification he/she may have separated from City service. Upon his/her retirement he/she shall receive a Retirement Allowance as provided by the City Charter and Municipal Code. Employees may retire on or after July 1, 1992, with 25 years of credited service but less than 30 and receive an actuarially reduced pension which shall be known as the Actuarially Reduced 25 Year Option of the Retirement Plan. Employees who are receiving a duty or a non-duty disability pension or Income Protection benefits may elect to convert to this new option if they otherwise meet the qualifications.

Employees who have resigned with 25 or more years of service since July 1, 1992, shall have ninety (90) days to submit an application for this option from the date they are officially notified by the Pension Bureau that said application can be processed.

After the initial enrollment of applicants by the Pension Bureau, employees who subsequently leave City employment shall have ninety (90) days from their last paid date on the City payroll to select this option.

Retirees who began receiving a Duty or Non-Duty Disability Pension after July 1, 1992, may convert to this option no later than ninety (90) days after they would have had twenty-five (25) years with the City and have been notified by the Pension Bureau of the availability of this option.

Employees who began receiving Income Protection Benefits after July 1, 1992, may convert to this option anytime after they have had twenty-five (25) years of service with the City.

The above paragraphs notwithstanding, employees hired after January 1, 1996, shall not be eligible for a Service Retirement until they shall have attained fifty-five (55) years of age. This age requirement shall apply to both the Regular Service Retirement with thirty (30) years of service and for pension calculation purposes to the Early Service Retirement (actuarially reduced) with twenty-five (25) or more years of service.

- B. Retirement benefits shall be modified to include an optional coordination of benefits between regular retirement benefits and Social Security benefits for those employees who retire from the City with a regular retirement or the Actuarially Reduced 25 Year Option prior to becoming eligible for Social Security payments. Such coordination of benefits shall cause an approximate leveling of total monthly benefits derived from both the City's retirement system and Social Security without creating any additional actuarial costs.
- C. For employees hired on or after July 1, 1980, the vesting provisions of the City Retirement Plan shall require ten (10) years of service regardless of age in lieu of the "40 and 8" age and service requirement.
- D. For employees who separate from City service with a vested pension prior to reaching eligibility for a regular service retirement, time earned after July 1, 1986, shall not be factored into the formula for determining their pension benefit until they shall have attained age 62. This provision will not affect the current practice governing disabled employees.

In the event that any law, state or federal is passed during the term of this agreement which permits employees to vest their pension prior to meeting the vesting requirements set forth in this contract, any employee who vests his/her pension in such a manner shall not be eligible for any pension benefits until his/her sixty-second (62nd) birthday.

- E. Employees who become eligible for a pension under the vesting provisions of the plan, shall be ineligible for any of the hospital, medical, optical or dental benefits provided for other retirees, spouses, dependents or beneficiaries.
- F. Subject to the provisions in Section N, employee contributions to the general retirement annuity fund shall be optional. Balances in the fund standing to the individual credit of employees discontinuing contribution shall be maintained with accumulated interest to be paid out to the employee upon separation from the City. Employees qualified under the pension vesting provision of the general retirement system may withdraw their annuity with accumulated interest upon separation.

Upon attainment of twenty-five (25) years of service, an employee shall be eligible to withdraw, one time only prior to retirement, all or part of his/her annuity savings.

Non-Duty and Duty Disability Retirees shall be eligible to withdraw, one time only, all or part of their annuity savings.

- G. At the time of retirement, members of the general City pension system may elect an option which shall entitle them to change their pension option from either option 2 or option 3 to a straight life pension after they have commenced collection of the pension if the member's beneficiary predeceases the member. This shall be known as the Pop-Up Option. The actuarial cost of the change in benefit shall be borne by the member who selects this change in his/her option election.
- H. Employees who retire on or after July 1, 1998, shall have their pensions computed according to the following formula. Using the highest paid 36 consecutive months out of the last 120, including longevity payments, as Average Final Compensation; 1.6% of Average Final Compensation for each year of service for the first 10 years; 1.8% of Average Final Compensation for each year of service greater than 10 years up to 20 years, 2.0% of Average Final Compensation for each year of service greater than 20 years up to 25 years; and 2.2% of Average Final Compensation for each year of service greater than 25 years; plus \$12 for each year of City service not to exceed \$120. In no case shall benefits paid by the Retirement System exceed ninety percent (90%) of Average Final Compensation except in the case where a higher pension amount has been earned in accordance with the provisions in effect prior to July 1, 1992.
- I. Effective for bargaining unit members who retire on or after July 1, 1999, they shall have the option to 1) select the Unused Sick Leave On Retirement payment benefit provided for elsewhere in Article 40 of this labor agreement or 2) chose to receive payment of twenty-five percent (25%) of their unused sick time and have that sum included in the average final compensation used to compute the membership service pension portion of their retirement allowance. For any member choosing to exercise this option, the lump sum payment the member will receive will be the remaining value of the unused accrued sick leave bank as provided in Article 40.
- J. Effective January 1, 1999, the maximum annual amount payable to an individual on a Duty Disability pension shall be increased to \$9,000 and for Non-Duty Disability pension to \$6,000.

The maximum amount of the Accidental Death Benefit as found in Chapter VI, Article VI, Part C, Section 1, Paragraphs B and C of the City Charter shall be increased from \$2,400 to \$5,700 per annum.

- K. Effective February 11, 2010, any employee covered by this agreement, who is seeking a duty disability retirement, shall have an examination conducted by an independent medical examiner (IME). If the IME concludes that the employee's physical or medical condition does not relate to his/her employment with the City of Detroit, the employee shall not be eligible for the duty disability retirement.
- L. Effective January 1, 1999, minor dependents under age 19 or permanently mentally or physically impaired dependent children who become impaired prior to age 19 of employees who die with 20 years of service without a surviving spouse shall receive a payment of \$9,000 per year which shall be divided equally amongst all eligible dependents. The payment will cease when the last minor attains age 19 or for mentally or physically impaired children at death. There shall be no retirement escalator for this payment.

- M. In addition to in-service death pension benefits which already exist for employees with 20 or more years of service, effective July 1, 1998, if a bargaining unit member dies after having attained 15 or more but less than 20 years of creditable service at any age below 60, the surviving spouse will be paid a 50% joint and survivor election. Dependent children, if there is no eligible surviving spouse, are to be paid a total of \$6,000 which shall be divided equally amongst all eligible dependents until the youngest child reaches age 19, or for life if a child is permanently physically or mentally impaired.
- N. The post retirement escalator factor shall increase from 2.0% to 2.25% of original base pension effective July 1, 1992.
- O. Annuity Contribution Amounts: The City will offer employees who choose to contribute to the annuity plan the option of 3% up to the Social Security maximum salary which would then be increased to 5%, a straight 5%, or a straight 7% annuity contribution.
- P. Members of the bargaining unit shall have the option of belonging to the City's current defined benefit/defined contribution retirement plan or a new defined contribution retirement plan in accordance with the rules the City will issue for a defined contribution plan. The parties agree that the defined contribution plan the Executive Branch will propose for acceptance by the City Council, although not specifically detailed at this time, is intended to be primarily in accordance with the provisions which were last advocated in the Executive Branch in November-December, 1997.
- Q. Pension - Employer Contribution (414h Plan)

Upon notification by the Union to the City of its desire to activate a 414(h) Plan, the City will take steps to implement the provisions contained in the following paragraphs. The Union initiated the discussions and proposed the provisions contained in the paragraphs and the parties recognize and agree that it will take some time before this program can become operational due to the necessity of making changes in the City's computerized payroll system.

It is hereby agreed that every member of this bargaining unit shall be required to make contributions in the amount of 5% of their annual compensation to the Annuity Savings Fund of the General Retirement System. The said 5% employee contribution to the Retirement System Annuity Fund, although designated as employee contributions, shall be paid by the City of Detroit in lieu of contributions by the employee. The employee shall not have the option of choosing to receive the contributed amount directly instead of having them paid by the employer to the annuity fund. There shall be no additional contribution expense to the City of Detroit, and the amounts so contributed by the employer on behalf of the employee shall be treated, for tax purposes, as employer contributions and thus shall not be taxable to the employee until these amounts are distributed or made available to the employee.

These provisions shall not affect the amount or benefit level of the retirement allowance, or the City of Detroit's obligation thereto.

The wage rate for members of the bargaining unit shall not be altered or changed in any way as a result of these contract provisions. Consequently, these provisions shall not affect the basis upon which Longevity, Sick Leave Payoff, Holiday Day, Overtime pay, Recall pay, Final Average Earnings, etc., or any wage-based benefit is computed.

The Union agrees to indemnify and hold the City harmless with respect to any adverse ruling, if any, and monetary penalty, judgment, or damages to the City as a consequence of the City's compliance with the provisions of this agreement.

- R. Employees shall have the option of selecting from two additional surviving beneficiary options of 25% and 75%.
- S. Effective August 1, 1999, or the earliest date thereafter when all required agreements are reached between the City and other parties, the membership of the General Retirement System, Board of Trustees [Article II, Section 2, Subsection (1)] shall be modified to provide that one of the trustees is: "The Mayor of the City or his/her designated representative, ex-officio. Such designated person shall be a full time appointive or classified City employee."
- T. All Retirement and Pension Plan Provisions provided for by the City Charter and Municipal Code are incorporated herein by referral unless otherwise specifically modified by this Agreement and Ordinance 2-93, J.C.C. Page 133.

NOTE: All of the above provision changes will be presented to the Internal Revenue Service and are subject to being final only upon a determination that they are acceptable and approved and will not harm the current favorable tax-exempt status of the General Retirement System.

32. JURISDICTION

- A. Employees of the City not covered by the terms of this Agreement shall not perform work allocated to classifications in the bargaining unit except for the purposes of instruction, training, experimentation or in cases of emergency. This provision shall not apply to employees in other classifications where they perform some work performed by bargaining unit members but where such work is incidental to other duties and is currently recognized in their job classifications.
- B. The right of contracting or subcontracting is vested in the City. The right to contract or subcontract shall not be used for the purpose or intention of undermining the Union nor to discriminate against any of its members nor shall any seniority employee be laid off or demoted as a direct and immediate result of letting a contract. Union representatives will be advised of the nature, scope and approximate days of work to be performed.

33. BULLETIN BOARDS

The City will furnish for this local union one (1) glass enclosed bulletin board with provisions for lock and key at each of the agreed locations. The boards shall be used only for the following notices:

1. Recreational and social affairs of the Union.
2. Union meetings.
3. Union elections.

4. Reports of the Union.
5. Rulings or policies of the International Union.

Notices and announcements shall not contain anything political or controversial, or anything reflecting upon the City, any of its employees, or any labor organization among its employees, and no material, notices or announcements which violate the provisions of this section shall be posted.

34. MAINTENANCE OF CONDITIONS

Wages, hours and conditions of employment legally in effect at the execution of this Agreement, shall, except as improved herein, be maintained during the term of this Agreement. No employee shall suffer a reduction in such benefits as a consequence of the execution of this Agreement. It is understood that conditions maintained are those of minor benefit only.

35. SUCCESSOR CLAUSE

In the event that any City operation covered by this Collective Bargaining Agreement is contracted out, sold, leased, transferred or taken over by sale, transfer, lease or assignment to an outside entity, this Agreement shall be binding upon the new entity until such time as a new agreement covering wages, hours and other terms and condition of employment are reached with the new entity.

Any employee who chooses not to leave City employment for employment with the new entity may exercise his/her seniority rights to in accordance with the reduction in force provisions of this Agreement.

36. SUPPLEMENTAL AGREEMENTS

The parties agree that supplemental agreements involving matters not covered herein and peculiar to a specific department are attached hereto and are part of the entire agreement by reference. Such supplemental agreements shall be approved by Labor Relations and terminate in the manner specified in Article 42, herein.

37. SAVINGS CLAUSE

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

Insofar as any provisions of this Agreement shall conflict with any rule, ordinance or resolution of the City, appropriate City amendatory or other action shall be taken to render such rule, ordinance or resolution compatible with this Agreement, subsequent to the approval and execution of this Agreement.

38. SAFETY

The Employer agrees that he will not assign any employee to any known unsafe operation or to operation of unsafe equipment. It shall be the responsibility of the employee to report any unsafe operation to his immediate supervisor and the steward.

A complaint regarding safety shall be investigated by the supervisor and discussed at a meeting between the steward and the supervisor of the operation involved within twenty-four (24) hours of the complaint.

If the complaint is not resolved by the supervisor, the Union steward and/or the employee may submit the complaint in writing to the department's safety officer or his representative.

If the complaint is not resolved within forty-eight (48) hours after being submitted in writing to the department's safety representative, it shall become a proper matter for the Grievance Procedure at Step 3.

A joint departmental safety committee, hereinafter referred to as a Departmental Safety Committee, will be established in each department where the Union has jurisdiction. The committee shall consist of one member of the department and one member of the Union who shall meet on health and safety problems and any training related thereto.

The City recognizes the need for additional safety training to ensure compliance with MIOSHA Standards. The City's Risk Management Division will work with the departments to schedule training and will contact City departments when safety equipment is needed.

Safety Glasses: The City shall provide prescription safety glasses for bargaining unit members where Federal or State regulations require wearing of safety glasses by employees in carrying out work assignments. Such prescription safety glasses shall be provided through the City's optical plans.

39. CENTRAL PENSION FUND

The City agrees to contribute five cents (5¢) per hour, to the Central Pension fund of the International Union of Operating Engineers and Participating Employers. The contribution will be based only on actual hours worked and shall exclude any time paid as a premium for working holidays or overtime.

40. UNUSED SICK LEAVE ON RETIREMENT

- A. Upon retirement, or death with twenty (20) years of service, an employee shall be entitled to a payment of sixty percent (60%) of their unused sick leave.
- B. All the above shall otherwise be in accordance with the City Council Resolution of November 8, 1961, J.C.C. p. 2292 as amended.
- C. The payments will be made as part of the Employee's Pension Program, or the Employee's Benefit Plan, or through the Finance Department.

41. DEATH BENEFITS AND LIFE INSURANCE

A. DEATH BENEFITS:

Death benefits for all regular City employees are authorized by the City Charter, Title IX, Chapter VIII. The City Code, Chapter 13, Article 8, Section 8, currently provides a death benefit of \$10,000.

1. MEMBERSHIP:

Mandatory for regular employees.

2. CONTRIBUTIONS:

By the City - \$13.30 per year per employee.

By the employee 20¢ per week or \$10.40 per year.

If during the term of this Agreement, City Council approves an increase in the death benefit eligible for payment to members of the plan, the parties agree that this increased benefit will be applicable to employees covered by this agreement.

B. Payment for employees killed or permanently disabled in line of duty:

- 1. A lump sum duty death benefit of \$10,000 will be paid to the beneficiaries or estate of employees who are killed or who die as a direct result of injuries sustained in the actual performance of their duties.
- 2. A lump sum payment of \$10,000 will be made to any employee who is totally and permanently disabled from illness or injury arising solely out of the actual performance of their duties. "Totally and permanently disabled" shall be defined exclusively as follows:
 - a. Total and permanent loss of sight of both eyes.
 - b. Loss of both legs or both feet at/or above the ankle.
 - c. Loss of both arms or both hands at/or above the wrist.
 - d. Loss of any two of the members or facilities enumerated in (a), (b), (c).
 - e. Permanent and complete paralysis of both legs or both arms or one leg and one arm.
 - f. Incurable insanity or imbecility.

A claimant to benefits under this Paragraph shall have the right to present any written information in support of the claim which shall become part of the records reviewed by the physician appointed by the Finance Director and the Medical Board of Inquiry, should a Board of Inquiry be formed.

The Finance Director shall appoint a physician who shall examine the medical records and findings and with respect to rights of claimants, the physician may also personally examine the claimant. Said physician shall within sixty (60) days of appointment file a written report regarding his medical findings, which report shall include a recommendation as to whether or not the claimant is entitled to the benefits.

Should either the claimant or the Finance Director disagree with the medical findings of the physician so appointed and the claim for benefits is denied, the claimant or the Finance Director must so indicate to the other in writing the demand for a Medical Board of Inquiry.

The Medical Board of Inquiry shall consist of three physicians or surgeons appointed by the Wayne County Medical Society. The Medical Board of Inquiry shall examine all medical findings and within sixty (60) days of its formation shall file with the Finance Director a written report of its findings, which as to the benefits provided herein shall be final and binding as to the medical finding. The Finance Director shall pay the fees of the physician named by him and the fees of any Medical Board of Inquiry formed.

3. Employees who receive a permanent disability payment under this Article shall be ineligible for the \$10,000 Duty Death Benefit described in Section B-1 above.

C. **GROUP LIFE INSURANCE:**

A group life insurance program for the employee and his/her family is available for all members of the Employees Benefit Plan on an optional basis, under the provisions of the City Code, Chapter 13, Article 9.

1. **Membership** - Optional for members of the Employees Benefit Plan.
2. **Contributions** - The City shall pay approximately sixty percent (60%) of the premium for insurance up to and including \$12,500. The employee shall pay forty percent (40%) of the premium for insurance up to and including \$12,500. The employee shall pay the full cost of any insurance in excess of \$12,500.
3. **Benefits - Employees:**

| <u>Yearly Pay</u> | <u>Amount of Insurance</u> |
|--------------------------|-----------------------------------|
| Under \$5,000 | \$ 3,750 |
| \$5,000 to \$7,500 | \$ 6,250 |
| \$7,500 to \$10,000 | \$ 9,375 |
| Over \$10,000 | \$12,500 |

4. **Benefits - Dependents:**

Cost to Employee

\$.70 per week

Amount of Insurance

\$5,000 each dependent

D. **OPTIONAL ADDITIONAL INSURANCE:**

1. Employees will be able to purchase insurance which is approximately equal to their annual salary or they may choose to purchase insurance which is approximately equal to two times their annual salaries in accordance with the following:

| <u>Yearly Pay</u> | <u>Amount of Insurance Option 1</u> | <u>Amount of Insurance Option 2</u> |
|---------------------------------------|--|--|
| \$12,500 to \$15,000 | \$15,000 | \$ 30,000 |
| \$15,000 to \$17,500 | \$17,500 | \$ 35,000 |
| \$17,500 to \$20,000 | \$20,000 | \$ 40,000 |
| \$20,000 to \$22,500 | \$22,500 | \$ 45,000 |
| \$22,500 to \$25,000 | \$25,000 | \$ 50,000 |
| \$25,000 to \$27,500 | \$27,500 | \$ 55,000 |
| \$27,500 to \$30,000 | \$30,000 | \$ 60,000 |
| \$30,000 to \$32,500 | \$32,500 | \$ 65,000 |
| \$32,500 and above | \$35,000 | \$ 70,000 |
| And so forth in \$2,500 Increments | And so forth in \$2,500 Increments | And so forth in \$5,000 Increments |

2. Subject to the agreement of and conditions determined by the current life insurance carrier, retirees shall have the option of converting all or part of their group life insurance to a life insurance policy at their own expense. Also, subject to the above conditions, employees who resign may continue their current coverage at their own expense. For retirees who elect to retain this coverage, the City shall deduct the premiums from their retirement checks on a monthly basis.

42. DURATION

This Agreement when executed by the parties hereto shall become effective upon the effective date of the Resolution of Approval of the City Council as provided by law.

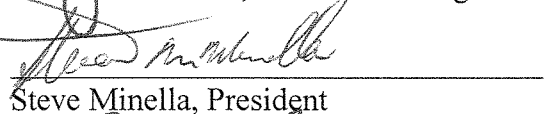
- A. This Agreement shall continue in full force and effect until 11:59 p.m., September 30, 2012.
- B. If either party desires to terminate this Agreement, it shall give written notice ninety (90) days prior to the termination date.
- C. If either party desires to modify or change this Agreement it shall, ninety (90) days prior to the termination date or any subsequent termination date, give written notice of amendment in which event the notice of amendment shall set forth the nature of the amendment or amendments desired. If notice of amendment of this Agreement has been given in accordance with this paragraph, this Agreement may be terminated by either party on ten (10) days written notice of termination. Any amendments that may be agreed upon shall become and be part of this Agreement without modifying and changing any of the other terms of this Agreement.
- D. Notice of termination or modification shall be in writing and shall be sufficient if sent by certified mail addressed to the Union, International Union of Operating Engineers, Local 324, AFL-CIO, 500 Hulet Drive, Bloomfield Township, Michigan 48304 and if to the City addressed to Labor Relations Director, 332 Coleman A. Young Municipal Center, Detroit, Michigan 48226 or to any other such address the Union or the City may make available to each other.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement

Dated This 14th Day of June, ~~2010~~ ²⁰¹¹.

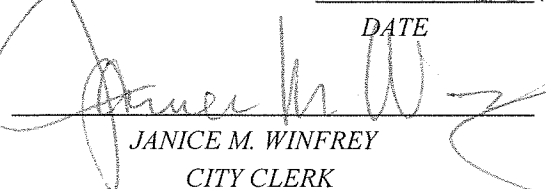
I.U.O.E. - Local 324


John H. Hamilton, Business Manager

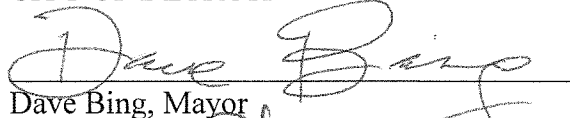

Steve Minella, President

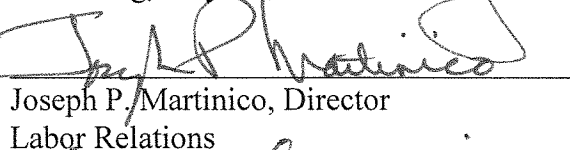

Dan Ringo, Corresponding Secretary

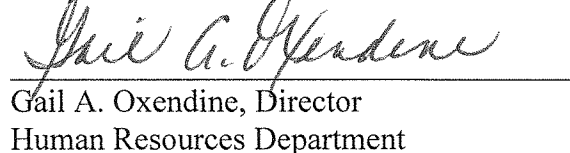
APPROVED AND CONFIRMED BY
THE CITY COUNCIL 07/19/2011


DATE
JANICE M. WINFREY
CITY CLERK

CITY OF DETROIT


Dave Bing, Mayor


Joseph P. Martinico, Director
Labor Relations


Gail A. Oxendine, Director
Human Resources Department


Krystal A. Crittendon, Corporation Counsel
Law Department


Thomas J. Lijana, Finance Director
Finance Department

SCHEDULE A - WAGE RATES

| Class Code | Classification | October 1, 2008 Through September 30, 2011 | |
|------------|--|--|---------|
| | | | |
| 74-42-21 | Assistant Heating Plant Operator | \$18.57 | \$19.30 |
| 74-22-21 | Assistant Power Plant Operator | \$18.57 | \$19.30 |
| 74-40-21 | Boiler Operator - High Pressure | \$16.70 | \$17.00 |
| 74-40-11 | Boiler Operator - Low Pressure | \$14.71 | \$15.02 |
| 73-53-36 | Building Control Station Operator | \$20.24 | \$20.61 |
| 74-20-25 | Building Mechanic | \$19.26 | \$19.63 |
| 62-20-31 | Building Operator I | \$14.71 | \$15.02 |
| 62-20-33 | Building Operator II | \$17.32 | \$17.64 |
| 74-50-20 | Climate Control Operation Technician | \$27.63 | \$28.67 |
| 74-42-31 | Heating Plant Operator | \$21.51 | \$22.34 |
| 74-20-27 | Plant Equipment Operation Mechanic | \$19.26 | \$19.63 |
| 74-22-31 | Power Plant Operator | \$22.59 | \$23.46 |
| 74-22-11 | Power Plant Trainee | \$14.16 | \$16.30 |
| 62-20-35 | Recreation Facilities Operator | \$16.21 | \$16.51 |
| 74-20-42 | Refrigeration Equipment Operator - 1st Class | \$22.48 | \$22.90 |
| 74-20-32 | Refrigeration Equipment Operator - 2nd Class | \$19.75 | \$20.12 |
| 74-20-24 | Refrigeration Equipment Operator - 3rd Class- General | \$16.49 | \$16.80 |
| 74-20-23 | Refrigeration Equipment Operator - 3rd Class - Ice Rinks | \$16.49 | \$16.80 |
| 74-20-26 | Rink and Boiler Operator - Skating Season | \$18.63 | \$18.96 |
| 74-42-41 | Senior Heating Plant Operator | \$25.32 | \$26.27 |
| 74-22-41 | Senior Power Plant Operator | \$27.63 | \$28.67 |

This document represents pay rates resulting from wage increases negotiated this labor agreement. See Official Compensation Schedule for official pay rates.

SCHEDULE B - APPRENTICE RATES

Schedule of Pay Rates for Operating Engineer Apprentice

Step 1 \$13.74 / hr

Step 2 (12 months)\$15.86 / hr

Step 3 (24 months)\$17.97 / hr

Step 4 (36 months)\$20.08 /hr

SCHEDULE C - PROMOTION SERIES

[Required Licenses for Classifications are shown]

POWER PLANT SERIES

Senior Power Plant Operator [License: First Class Stationary Engineer]
Power Plant Operator [License: Second Class Stationary Engineer]
Assistant Power Plant Operator [License: Third Class Stationary Engineer]

HEATING PLANT SERIES

Senior Heating Plant Operator [License: First Class Stationary Engineer]*
Heating Plant Operator [License: Second Class Stationary Engineer]
Assistant Heating Plant Operator [License: Third Class Stationary Engineer]

* For placement at Herman Kiefer Complex, the minimum required is a Second Class License.

CLIMATE CONTROL OPERATIONS

Climate Control Operations Technician [Licenses: Refrigeration & Mechanical Contractor]
Plant Equipment Operation Mechanic [License: Third Class Stationary Engineer]

REFRIGERATION EQUIPMENT

Refrigeration Equipment Operator - First Class [License: First Class R.E.O.]
Building Control Station Operator (See Note 2) [License: Third Class R.E.O.]
Refrigeration Equipment Operator - Second Class [License: Second Class R.E.O.]
Building Mechanic [License: Third Class R.E.O.]
Rink and Boiler Operator - Skating Season [Licenses: Third Class R.E.O. and
Boiler Operator - Low Pressure]
Refrigeration Equipment Operator - Third Class [License: Third Class R.E.O.]
Refrigeration Equipment Operator - Third Class (Ice Rinks) [License: Third Class R.E.O.]

BOILER/BUILDING OPERATOR SERIES

Building Operator II [No License Required]
Boiler Operator - High Pressure [License: High Pressure B.O.]
Recreation Facilities Operator [License: Low Pressure B.O.]
Boiler Operator - Low Pressure [License: Low Pressure B.O.]
Building Operator I [No License Required]

NOTES:

1. For purposes of Article 13 (Promotions and Transfers) and Article 12 (Layoffs and Recall) classifications in the Boiler/Building Operator Series are considered to be in-series with the classifications in the Power Plant, Heating Plant, Refrigeration Equipment Series and Climate Control Operations provided the employee possesses the required licensure and meets other requirements of the classification.
2. Promotions to the classification of Building Control Station Operator shall be in accordance with the provisions of Article 13 (Promotions and Transfers). Laid-off employees can displace persons in this classification only if they previously held the title.
3. The classification of Climate Control Operations Technician has unique training and licensure requirements. Promotional opportunities to this classification shall be based upon total seniority in classes in the bargaining unit among those persons meeting the training and licensure requirements.

SCHEDULE D - LONG TERM DISABILITY BENEFITS (INCOME PROTECTION PLAN)

NOTE: IT IS IMPORTANT FOR EMPLOYEES TO APPLY FOR THIS BENEFIT AS SOON AS THEY BELIEVE THAT THEY WILL BE DISABLED FOR AN EXTENDED PERIOD OF TIME IN ORDER TO RECEIVE THE BENEFITS. (SEE PROVISIONS I-C & II-B).

I. PROVISIONS RELATING TO ELIGIBILITY

A. Employees Eligible

All full time classified and appointed civilian employees will be eligible for benefits upon completion of three (3) years of continuous employment.

B. Effective Date

The effective date of the benefits is the date he becomes eligible.

Employees not performing each and every duty of their occupation on the last work day immediately before the date they would become eligible, shall become eligible on the date they resume such duties.

C. Applying for Benefits

Eligible employees who become disabled must apply through their department to the City Pension Bureau within sixty (60) days after becoming disabled.

II. DETERMINING THE AMOUNT OF THE DISABILITY BENEFIT

A. Monthly Accident-Sickness Benefit: The benefit shall be \$200 per month unless:

1. When added to the following benefits: (i) workmen's compensation; (ii) social security disability insurance; and (iii) city disability pension, if the total exceeds 90% of "take home" pay, as defined, this benefit will be reduced to provide that this benefit plus the other above mentioned benefits equal 90% of "take home" pay; or
2. When added to the following benefits; (i) workers' compensation; (ii) social security disability insurance; and (iii) city disability pension, if the total is less than 75% of "take home" pay, as defined, this benefit will be increased to provide that this benefit plus the other above mentioned benefits equal 75% of "take home" pay; but this benefit shall not exceed \$1,500 per month.

Benefits payable under this plan are determined as percentages of "take home" pay. The following definitions shall be used in determining "take home" pay:

- (1) Take-home pay is defined as gross pay per month from the City less Social Security deductions, and less federal, state and city income tax withholding.

- (2) Gross pay per month is an employee's annual rate of pay from the City as of the date of disability, divided by twelve (12).
- (3) Social Security deductions - shall be one-twelfth (1/12) of the maximum annual Social Security tax payable by an employee based on the employee's annual rate of pay as determined in (b) above.
- (4) Federal, state and city withholding - These amounts are determined as the normal amount of withholding applicable to an individual's gross pay per month for the actual number of dependents an employee has as of the date of disability. Dependents include all members of the immediate family who are deductible for income tax purposes.

B. Waiting Period Before Benefits Are Payable

There is a waiting period of two hundred and seventy (270) days of continuous total disability, or the employee's accumulated sick leave time, whichever is greater. Sick leave time as used herein, will include vacation and compensatory (unpaid overtime credits) time. For purposes of this elimination provision the election of a lump sum payment for a period of vacation and for compensatory time shall be considered to be paid as though such time were run out on normal payroll time.

C. Maximum Period of Benefits

A period equal to one-half the employee's service with the City, rounded to the nearest month; except that benefits payable due to psychiatric disorders not requiring confinement shall be limited to not more than two (2) years.

D. Conditions for Payment

A period of disability for which coverage is provided must commence within thirty (30) days of an accident or, if due to sickness, while coverage is in force as to the employee. A disability which commences more than thirty (30) days after an accident shall be deemed the result of a sickness.

Benefits are payable from the first day following the expiration of the waiting period subject to the maximum period of benefits. The applicable waiting period shall neither commence nor continue, nor will benefits be paid for any period of disability during which the employee is not under the regular care and attendance of a currently licensed physician or surgeon other than himself unless waived by the Insurance Company and the City.

If a disability recurs as a result of the same or related cause or causes, it shall be deemed a continuation of the prior period of disability unless an intervening period of nine months has elapsed in which event the subsequent period shall be deemed the result of a new sickness and subject to a new waiting period and maximum period of benefits.

Termination of benefits for any reasons shall be without prejudice to any claim originating prior to the date of termination.

E. **Rehabilitative Employment Benefits**

When, immediately following satisfaction of the waiting period or immediately following any period during which total disability benefits are payable, the employee engages in Rehabilitative Employment, the City will pay for each month of such employment, the applicable monthly benefit less 80% of the amount of compensation or income the employee received from such rehabilitative employment (not to exceed, in the aggregate, 24 months as the result of any one accident or sickness).

F. **Partial Month Benefits**

Benefits payable hereunder for periods which are less than one month will be paid on the basis of the 1/30th of the monthly benefit for each day of disability.

G. **Definitions**

“Total Disability” means the continuous inability of the employee to engage in each and every occupation or employment for wage or profit for which he is reasonably qualified by education, training or experience. However, during the applicable waiting period and the first 24 months thereafter the employee shall be deemed totally disabled while he is (1) unable to perform each and all the material duties pertaining to his occupation with the City, and (2) not engaged in any occupation or employment for wage or profit for which he is reasonably qualified by education, training or experience.

“His occupation” means any and every occupation or employment engaged in by the employee immediately prior to the date of the commencement of any loss covered hereunder.

“Rehabilitative Employment” means any occupation or employment for wage or profit, for which the employee is reasonably qualified by education, training or experience, engaged in by the employee while unable to fully perform his occupation as a result of injury or sickness.

“Regular care and attendance” means observation and treatment to the extent necessary under existing standards of medical practice for the condition causing disability.

“Injury” means bodily injury caused by an accident occurring while the plan is in force as to the employee and resulting directly and independently of all other causes in loss covered by the plan.

“Sickness” means sickness or disease causing loss commencing while the policy is in force as to the employee whose sickness is the basis of claim.

H. **Pre-Existing Conditions**

Any other provisions to the contrary, any disability commencing within 12 months immediately following the effective date of eligibility of an employee, for which treatment was rendered during the 6 months prior to such employee’s effective date of eligibility shall not be considered as a disability hereunder.

I. **Waiver of Premiums**

With respect to any employee who is totally disabled and receiving benefits hereunder for total disability, the City will waive payment of any premiums with respect to such employee for any period during which such benefits are payable. For any employee who is in the waiting period, and no longer on the City's payroll and awaiting the completion of the waiting period, the City will waive payment of any premium.

J. **Proof of Disability**

The City of Detroit may require an applicant, as a condition of eligibility, to submit to examinations by a physician designated by it for the purpose of determining their initial and continuing disability.

K. **Choice of Physician and Surgeon**

The employee shall have the right to select any physician or surgeon and a physician-patient relationship will be maintained. If the City wishes to review the opinion presented by the doctor, the two doctors shall mutually select a third doctor, in accordance with provisions of the policy, whose opinion shall be binding on the case.

III. **MINIMUM BENEFIT PERIOD FOR SPECIFIC ACCIDENTS**

A. If more than one loss listed results from one accident, the provisions of this section shall be applicable to only one of such losses, that for which the greater period is provided. If the employee dies before receiving the applicable monthly accident benefit for the minimum period provided, the balance remaining unpaid at the time of his death shall be paid to his beneficiary or his estate.

B. **Dismemberment and Loss of Sight**

When injury results in any of the following losses within one hundred days after the date of the accident, the City will pay the applicable monthly accident benefit for the period the employee is totally disabled and entitled to payment, but in no event will such payments be made after the date of such loss for less than the number of months set opposite the loss. In any event the waiting period must be satisfied. If death occurs before the waiting period is satisfied, no payment will be made.

| | |
|--|-----------|
| Loss of both hands | 46 months |
| Loss of both feet | 46 months |
| Loss of the entire sight of both eyes | 46 months |
| Loss of one hand and one foot | 46 months |
| Loss of one hand and the entire sight of one eye | 46 months |
| Loss of one foot and the entire sight of one eye | 46 months |
| Loss of one hand | 23 months |
| Loss of one foot | 23 months |
| Loss of the entire sight of one eye | 15 months |
| Loss of thumb and index finger of either hand | 12 months |

“Loss” as above used with reference to hand or foot means complete severance through or above the wrist or ankle joint, as used with reference to eye means the irrecoverable loss of the entire sight thereof and as used with reference to thumb and index finger means complete severance through or above the metacarpophalangeal joints.

IV. LIMITATIONS AND EXCLUSIONS

No Benefit will be payable under this coverage for any total disability:

1. Prior to the satisfaction of the waiting period;
2. Resulting from suicide or any attempt thereat while sane, or self-destruction or any attempt thereat while insane;
3. Resulting from declared or undeclared war or any act thereof, or from participating in a riot, or as the result of the commission of a felony by the employee;
4. Resulting from service in the Armed Forces of any country;
5. Resulting from injury sustained in consequence of riding as a passenger or otherwise in any vehicle or device used for aerial navigation.

V. DISABILITY COMMENCING DURING 12 MONTH PERIOD PRIOR TO AGE TERMINATION OF BENEFITS

If the disability commences prior to the claimant attaining the age of sixty (60) years, but after the claimant attains the age of 58 years and 3 months (or prior to attainment of age 55 years, but after 53 years and 3 months with respect to those employees with 30 or more years of service with the City), benefits will be paid for the period of such disability not to exceed one year, except that benefits under this provision shall also be reduced by the amount of any service retirement allowance paid by the City to the claimant pursuant to Provisions of Title IX, Chapter VI of the City of Detroit Charter and policies of the General Retirement System.

VI. TERMINATION OF INDIVIDUAL BENEFITS

The benefits of any employee shall terminate on the happening of any of the following events:

- a. Upon attaining eligibility for a service retirement.
- b. If benefits are provided on contributory basis and the employee fails to make the required contribution, then such benefits shall automatically terminate at the end of the period for which contribution has been made.
- c. The date the employee leaves, due to leave of absence or voluntary layoff as defined by the City, or is dismissed from employment in a class eligible for benefits hereunder,

except that absence from work due to involuntary layoff, as defined by the City, shall not be considered as termination of employment for a period of thirty (30) days next following the commencement of such involuntary layoff.

- d. The date the employee becomes eligible to receive a service retirement allowance. A Service Retirement Allowance is that amount consisting of the total of a pension and an annuity (if any) paid to an employee who withdraws from the City employ as a service retirant pursuant to the provisions of Title IX, Chapter VI of the City of Detroit Charter.
- e. For non-payment of premiums by the City on behalf of an employee in which event such benefits shall automatically terminate at the end of the period for which premium has been paid.

Such termination shall be without prejudice to any claim of the employee originating prior thereto.

VII. OTHER BENEFITS INCLUDED IN THE CITY'S INCOME PROTECTION PLAN

Separate from the Long-Term Disability Benefit Plan, the City will be continuing medical insurance coverage for disabled employees who qualify for Long-Term Disability Benefits, and will also pay a \$2,500 death benefit in lieu of the City of Detroit Death Benefit Plan to employees qualified for Long-Term Disability Benefits. The medical insurance and death benefit are payable without the elimination period required of the Long-Term Disability Plan. Since these two benefits are available sooner than 9 months it is doubly important that employees file for Long-Term Disability Benefits prior to 60 days after becoming disabled.

SCHEDULE E
CURRENT POSITION ALLOCATIONS

IN BARGAINING UNIT

| <u>DEPARTMENT</u> | <u>POSITIONS</u> |
|---|---|
| General Services@ (Civic Center) | 4 Refrigeration Equipment Operator - 1st Class 2 Building Control Station Operator |
| General Services@ (Elections) | 1 Building Operator I |
| General Services@ (Fire) | 2 Boiler Operator - Low Pressure |
| General Services@ (Health) | 1 Building Operator II |
| Municipal Parking | 1 Building Operator I |
| General Services@ (Police) | 1 Building Operator I |
| Public Lighting Herman Kiefer Plant | 4 Senior Heating Plant Operator 0 Boiler Operator – High Pressure |
| General Services@ (Grinnell Plant) | 1 Boiler Operator - High Pressure |
| Mistersky Power Station | 7 Senior Power Plant Operator 8 Power Plant Operator 11 Assistant Power Plant Operator 2 Boiler Operator - High Pressure |
| Department of Public Works Coleman A. Young Municipal Building | 5 Refrigeration Equipment Operator - 1st Class 0 Refrigeration Equipment Operator - 3rd Class |

NOTE: Herman Kiefer Plant may be shut down during part of the year. Assigned employees may be transferred to other positions in the department, given alternate assignments and/or be required to liquidate some accrued vacation time during such period.

General Services@
(Vehicle Management)
Russell Ferry
Livernois
Southfield

5 Boiler Operator-Low Pressure/Building Operator I

General Services@
(Recreation)

Belle Isle Power Plant
and Fountain

1-2 Recreation Facilities Operator

Butzel Family Center

1 Refrigeration Equipment Operator - 1st Class

Hart Plaza

4 Refrigeration Equipment Operator - 3rd Class

*These positions may be transferred to another City department. Upon such transfer, the Human Resources Department shall survey these positions and allocate the positions to an appropriate classification based upon the duties and responsibilities to be assigned employees.

Recreation Centers, Swimming Pools and Skating Rinks:

2 Rink and Boiler Operator
11-16 Recreation Facilities Operator

Historic Fort Wayne

1 Building Mechanic

Notes: (1) Work location selections for Recreation locations under the General Services Department shall be as agreed to between the Union and the General Services Department.
(2) When cooling equipment not in operation at Butzel Family Center, department reserves the right to temporarily reassign an REO to other department projects or operations.
(3) Department reserves the right to close facilities and/or programs which would affect the number of employees required.

Department of Transportation

Central

3 Building Operator II

Detroit Water & Sewerage Department

Water Board Building

3 Building Operator I

Wastewater Treatment Plant

10 Plant Equipment Operation Mechanic*

* These former Boiler Operator – High Pressure positions have been allocated to the new classification of Plant Equipment Operation Mechanic effective January 1, 2004. The class

specification adopted on June 2, 2004 was revised in 2006 to require a Third Class Steam Stationary Engineer license instead of a High Pressure Boiler Operator's license. Duties include operation and maintenance of heating, refrigeration, ventilation and other mechanical building equipment at the Plant.

Additional Information

1. Also assigned to the above operating departments may be Operating Engineer Apprentices and Climate Control Operations Apprentices. At this time, apprentices were assigned in the Civic Center, Public Lighting and Public Works departments.
2. In the event the Buildings and Safety Engineering Department determines that current staffing at work locations is inadequate to meet licensure requirements, the parties shall meet in Special Conference to discuss this matter.
3. Positions in the newly-established classification of Climate Control Operations Technician may be budgeted and allocated in some operating departments.

SCHEDULE F
2008 – 2012 HOLIDAY SCHEDULE

| HOLIDAY | 2008 - 2009 | 2009 - 2010 | 2010 - 2011 | 2011 - 2012 |
|--------------------------------------|------------------------------|------------------------------|-----------------------------|-----------------------------|
| Independence Day | Friday, July 4, 2008 | Friday, July 3, 2009 | Monday, July 5, 2010 | Monday, July 4, 2011 |
| Labor Day | Monday, September 1, 2008 | Monday, September 7, 2009 | Monday, September 6, 2010 | Monday, September 5, 2011 |
| Election Day* | Tuesday, November 4, 2008 | Tuesday, November 3, 2009 | Tuesday, November 2, 2010 | Extra Swing Holiday |
| Veterans Day* | Tuesday, November 11, 2008 | Wednesday, November 11, 2009 | Thursday, November 11, 2010 | Friday, November 11, 2011 |
| Thanksgiving Day | Thursday, November 27, 2008 | Thursday, November 26, 2009 | Thursday, November 25, 2010 | Thursday, November 24, 2011 |
| Day After Thanksgiving* | Friday, November 28, 2008 | Friday, November 27, 2009 | Friday, November 26, 2010 | Friday, November 25, 2011 |
| Christmas Eve (eight hours)* | Wednesday, December 24, 2008 | Thursday, December 24, 2009 | Friday, December 24, 2010 | Friday, December 23, 2011 |
| Christmas Day | Thursday, December 25, 2008 | Friday, December 25, 2009 | Monday, December 27, 2010 | Monday, December 26, 2011 |
| New Year's Eve (eight hours)* | Wednesday, December 31, 2008 | Thursday, December 31, 2009 | Friday, December 31, 2010 | Friday, December 30, 2011 |
| New Year's Day | Thursday, January 1, 2009 | Friday, January 1, 2010 | Monday, January 3, 2010 | Monday, January 2, 2012 |
| Martin Luther King's Birthday | Monday, January 19, 2009 | Monday, January 18, 2010 | Monday, January 17, 2011 | Monday, January 16, 2012 |
| Good Friday (eight hours)* | Friday, April 10, 2009 | Friday, April 2, 2010 | Friday, April 22, 2011 | Friday, April 6, 2012 |
| Memorial Day | Monday, May 25, 2009 | Monday, May 31, 2010 | Monday, May 30, 2011 | Monday, May 28, 2012 |

* Excused Time Holiday for all City employees. No holiday premium to be paid.

NOTE: Special rules on holiday observance may apply to employees engaged in unusual work assignments such as shift work and/or six (6) or seven (7) day operations.

SCHEDULE G

CLASSIFICATIONS ELIGIBLE FOR CLOTHING ALLOWANCE

| CLASS CODE | CLASS TITLE |
|-------------------|---------------------------------|
| 74-40-21 | Boiler Operator - High Pressure |
| 74-40-11 | Boiler Operator - Low Pressure |
| 62-20-31 | Building Operator I |
| 74-20-23 | REO - 3rd Class - Ice Rinks |

Other employees in the bargaining unit, except for those required to wear a specific uniform, will be eligible for a clothing allowance as recommended by their employing department.

Employees who are required to wear a specific uniform will be paid a \$350 annual uniform allowance if they are required to furnish a uniform at their own expense. An employee will not be eligible for an allowance if his/her uniform is provided to him/her by the City.

SCHEDULE H
APPLICATION FOR PERMANENT INTER-DEPARTMENTAL TRANSFERS

This application is available in the Employment Certification Office in the Human Resources Department. In accordance with Article 13 B, this form must be filed with the Human Resources Department for a member to be eligible for an inter-departmental transfer based on seniority within a classification.

CITY OF DETROIT HUMAN RESOURCES DEPARTMENT
333 COLEMAN A. YOUNG MUNICIPAL CENTER
DETROIT, MI 48226
PHONE: (313) 224-3736
Fax: (313) 224-1692

APPLICATION FOR PERMANENT INTER-DEPARTMENTAL TRANSFER

Section 1

Requested Title: _____

NAME: _____ SSN: _____

Work Phone: _____ Work Fax: _____ Department: _____

Current Title: _____ Division: _____

HAVE YOU EVER HELD THE REQUESTED TITLE YES NO. If YES, what department? _____

Dates (from): _____ (to): _____

HAVE YOU EVER BEEN DETERMINED QUALIFIED FOR THIS TITLE BY THE HUMAN RESOURCES DEPARTMENT? TITLE YES NO. If YES, when? (Date): _____

Are you a member of AFSCME? Yes No

Are you a member of Teamsters? Yes No

Are you a member of Operating Engineers? Yes No

I will consider transfer to any department.

I will consider transfer to any department EXCEPT: _____

I will ONLY consider transfer to: _____

Signature: _____ Date: _____

An approved request will be effective **30 calendar days** from the date it is received by the Human Resources Department and will expire on **June 30** of the current fiscal year, **unless otherwise specified by your union contract.**

Section 2 **HRD OFFICE USE ONLY**

Received By: _____ Date: _____

Is Employee Eligible? Yes No Seniority Date: _____

Section 3 **HRD OFFICE USE ONLY**

Is Employee Qualified? Yes No. Request is Approved Denied

Effective Date: _____ Expiration Date: _____ Approval Date: _____

Approver's Signature: _____

Comments: _____

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL #324


RE: Full Time Representative

- A. The City and the Union hereby agree that for the duration of their Master Agreement to which this Memorandum is attached, the Business Manager of this Local Union shall designate one (1) City employee to devote full time to Union duties and responsibilities subject to the following conditions:
1. The name of the Local Union Representative covered by this Memorandum shall be certified in writing by the Business Manager and any subsequent changes shall be certified in like manner and shall include the effective date of each change.
 2. The Local Union Representative shall work full time solely on matters pertaining to this respective City local union. Other members of the local union will not be excused to attend meetings or grievance hearings as a substitute for the Local Union Representative.
 3. The City reserves the right to withhold approval of this full time employee if personnel shortages are so critical that the absence of the employee would seriously affect the operation of the Department.
 4. The Full Time Representative must notify the Department, from which he is assigned, that he is on duty on each regular City business day. He must furnish said Department representative with a phone number where he can be contacted. In the event he is not available for duty he must notify said department representative of the manner he wishes his time to be charged. The Representative shall not be considered available for duty if he is not in the City or area covered by his jurisdiction.
 5. The Full Time Representative is eligible to apply for promotional opportunities in the bargaining unit for which he is qualified, in accordance with the provisions in Article 13 Promotions and Transfers.
- B. The compensation for the Local Union Representative qualifying above shall be the obligation of the City and shall be administered subject to and in accordance with the following:
1. The Local Union Representative shall be paid a salary equivalent to the straight time weekly or biweekly rate which he would have received had he not assumed his elected position. His salary shall be adjusted in accordance with Article 22 of the Master Agreement. Said salary shall be full compensation for all time spent in his duties as Local Union Representative.
 2. The City will provide fringe benefits in the same manner and to the same extent as other employees covered by this Agreement. Vacation and other off time benefits (excluding

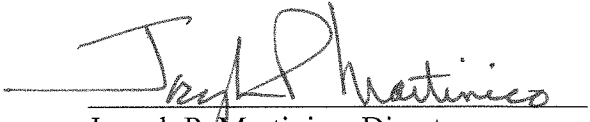
sick leave) must be liquidated in the fiscal year in which it is credited. Vacation earned and credited after 1600 hours in a fiscal year shall be considered credited in the succeeding fiscal year.

3. Any expenses (including the use of automobiles) incurred by the Representative in the performance of his duties shall not be the responsibility of the City.
- C. One of the primary purposes of this memorandum is to promote labor harmony between the City and its employees. When necessary either party may request a special conference to achieve this end. If circumstances warrant immediate attention, the parties will meet as soon as possible after the request is made.
- D. Except as specifically stated above, the Union agrees to reimburse the City for all legal liabilities, if any, assessed against the City in the event that this City of Detroit Local Union Representative incurs such liability when functioning in duties or areas unrelated to his Local Union Representative.

Dated This 14th Day of June, 2011, 2010.



John M. Hamilton, Business Manager
I.U.O.E., Local 324



Joseph P. Martinico, Director
Labor Relations

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL #324

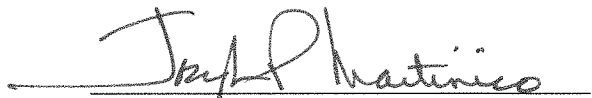
RE: Assignment of Licensed Operators to Other Duties

During the off season or other times when licensed operators are not required to be responsible for overseeing operation of equipment because heating or cooling equipment is not in operation, such employees may be required to liquidate vacation and other paid time off; to conduct preventive maintenance, repair or replace worn parts, and prepare equipment for inspection; and to perform other assigned maintenance, service, or miscellaneous duties in buildings or department facilities duties without reduction in their pay rates.

Dated This 14th Day of June, 2011, 2010.



John M. Hamilton, Business Manager
I.U.O.E., Local 324



Joseph P. Martinico, Director
Labor Relations

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL #324

RE: Apprenticeship and Training Programs

During negotiations on the 2008-2012 Master Agreement, there was much discussion pertaining to programs for training persons for positions in the bargaining unit. Discussion included the multi-employer apprenticeship programs established and sponsored by participating employers and Local #324. The City has participated in the Operating Engineer Apprentice program and expects to participate in the new Climate Control Operation Apprentice program. The Apprenticeship Standards to implement the programs were reviewed by the parties.

1. The City of Detroit's agrees to participation in the Apprenticeship Programs shall be as follows:
 - a. To provide a representative to serve as a member or alternate member of the Joint Apprenticeship Committee (JAC).
 - b. To provide a minimum of two training assignments at the Mistersky Power Plant of the Public Lighting Department for apprentices in the Operating Engineer Apprentice program.
 - c. The employment status of assigned program apprentices, methods of compensation and conditions of employment shall be determined through further discussion between the City, Local #324 and the JAC.
 - d. The parties agree to continue discussions concerning the feasibility of hiring, employing or utilizing program apprentices in bargaining unit positions in various City departments.
 - e. It is the desire of the parties to establish a procedure to transfer apprentices between Departments for the purposes of obtaining diverse work experience and assist them in obtaining the licensure required to become journeypersons, as well as utilizing the current procedure of multiple-employer assignments to obtain such experience.
 - f. The Operating Engineer Apprentice program is directed towards the apprentice obtaining the A First Class Stationary Engineer's license. The Climate Control Operations Apprentice program is directed towards the apprentice obtaining the licenses required for the classification of Climate Control Operations Technician. Persons completing their apprenticeship programs are required to apply for the necessary licenses for the journeyman classification within ninety (90) days of completion of the apprenticeship program.
2. The parties agree that the multi-employer apprenticeship programs shall be administered in accordance with an approved Affirmative Action Plan and shall meet all requirements of Title 29, Part 30 of the U.S. Department of Labor regulations.

3. Current City employees may apply and be given consideration for apprentice positions in the multi-employer apprenticeship programs.
4. In no event shall the City be obligated to pay a JAC Apprentice a higher rate than the maximum rate for the City classifications of Operating Engineer Apprentice and Climate Control Operations Apprentice.
5. The City shall have the option to continue the current Power Plant Trainee Program and may develop and institute additional programs to train employees for bargaining unit positions provided such trainee programs are discussed with Local #324 prior to implementation.
6. The City agrees to contribute fifteen cents (15¢) per hour into the Local #324 Operating Engineers Educational Trust Fund.
7. Apprentices trained with City of Detroit sponsorship shall have the costs of their training borne by the City. Such payment shall constitute a loan to the apprentice. This loan shall be repaid by working for the City in the trade for which he or she was trained for the same length of time as the apprenticeship program. If a journeyman should voluntarily leave the trade before the prescribed length of time, they shall reimburse the City on a pro-rated basis for their training costs. As an example, a journeyman who completed a four year apprenticeship but only worked two years in the trade would pay the City for half of their training costs. Training cost include trade-related tuition refund, in-house training or tools. Training cost does not include wages paid for on-the-job training time.

No language herein shall be interpreted as requiring journeymen working for the City in their trade to repay any costs of their apprenticeship. Nor shall journeymen be required to repay their training costs if the City offers them a job outside their trade.

Details relating to the administration and interpretation of the above language shall be handled by the parties through the Joint Apprenticeship Committee.

Dated This 14th Day of June, ~~2010~~ ²⁰¹¹.

John M. Hamilton
John M. Hamilton, Business Manager
I.U.O.E., Local 324


Joseph P. Martinico
Joseph P. Martinico, Director
Labor Relations

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL #324


RE: Copies of the Contract

The City and the Union agree that the Union will make provisions to have 275 copies of the contract printed. Fifty (50) of these copies will be furnished to the City. The City will duplicate all copies and the Union will bind the copies and furnish the covers.

Dated This 14th Day of June, ~~2010~~²⁰¹¹.



John M. Hamilton, Business Manager
I.U.O.E., Local 324



Joseph P. Martinico, Director
Labor Relations

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL #324


RE: Staffing of City Facilities: Schedule E

During negotiations, there was considerable discussion between the parties concerning Schedule E which lists bargaining unit positions in the various City departments. The parties agreed that proper staffing for City facilities is very important in effectively carrying out departmental operations and in providing adequate levels of service. Discussed were management's responsibilities in determining staffing, fiscal realities which affect levels of activity and staffing, safety standards and legal requirements established by state or local agencies, and other considerations of safety in determining proper staffing. Also discussed were employee workloads, physical plant, operating conditions and trade practices which may contribute to determining proper staffing levels.


Schedule E contained in the 2008-2012 Master Agreement is intended to be a guide to staffing of City facilities. It lists those bargaining unit positions which management regards as constituting current minimum staffing levels. The parties agreed that no current employees occupying positions listed in Schedule E shall be selectively laid off or demoted nor shall such employees be transferred out of their current assignments, in an attempt to undermine Schedule E, provided there are no changes in operations or closing of present facilities. Any contemplated changes by a department in the number or classification of bargaining unit positions based upon operational or organizational changes shall be discussed by the parties in accordance with Article 25. Any transfer of current employees or removal of positions which involve issues of safety or licensure shall occur only after review by the Review Board as provided in the following paragraph. During the period prior to submission to the Review Board, should a vacancy caused by departure of a current employee occur, the parties will meet to discuss staffing of the position.

At the request of either party, a review board procedure shall be convened to review and evaluate situations where the Union and the operating department disagree as to proper staffing requirements at a given City facility. The Review Board shall consist of one representative of the Union, one representative of department management and a representative of the Building and Safety Engineering Department. In each case, the Review Board shall issue a statement of facts and recommendation for action which shall be sent to the Union, operating department, Labor Relations Director and the Mayor's Office.

Dated This 14th Day of June, ~~2010~~ ²⁰¹¹.



John M. Hamilton, Business Manager
I.U.O.E., Local 324



Joseph P. Martinico, Director
Labor Relations

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL #324

RE: Tuition Refund Program

Effective January 1, 2010, the City's Tuition Refund Program is suspended for the balance of the 2008-2012 contract period. No reimbursement/payment shall be made for course work or employment development program ending after December 31, 2009. Effective July 1, 2012, bargaining unit members with a minimum of three (3) years of service may participate in the City's Tuition Refund Program in accordance with the policies as administered by the Human Resources Department. Employees requesting a tuition refund should submit the applications to the Human Resources Consultant/Manager servicing their department. Eligibility to participate in the tuition refund program will begin after attaining three (3) years of service, prior to the start of the course or employment development program.


The maximum amount of the tuition refund shall be as indicated below in accordance with the Tuition Refund Program policies as administered by the Human Resources Department:

- A. An eligible employee will be entitled to receive a maximum of \$2,000 per fiscal year to be applied towards tuition and applicable registration fees in seeking a graduate degree from an accredited university.
- B. An eligible employee will be entitled to receive a maximum of \$1,500 per fiscal year to be applied toward tuition and applicable registration fees in seeking an undergraduate degree from an accredited university.
- C. An eligible employee will be entitled to receive a maximum of \$1,200 per fiscal year to be applied towards payment in participation in employee development programs.


The above amounts cannot be pyramided to permit any employee to receive more than a total amount of \$2,000 in any fiscal year.

NOTE: Paragraph B would apply to persons enrolled in an Associate degree program in a community college since the course credits generally can be transferred to a Bachelor's degree program in a university.

Dated This 14th Day of June, 2011, ~~2010~~



John M. Hamilton, Business Manager
I.U.O.E., Local 324




Joseph P. Martinico, Director
Labor Relations

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL #324

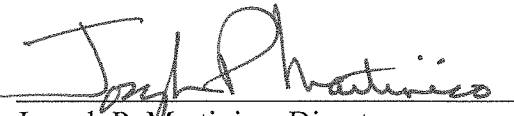
RE: 1992-1994 Concession Agreements Effect on Pensions

It is agreed by the parties that a factor shall be used to adjust Average Final Compensation so as to negate the effect of the Concession Agreement which was in effect from November 21, 1992 through November 21, 1994.

Dated This 14th Day of June, 2011, ~~2010~~.



John M. Hamilton, Business Manager
I.U.O.E., Local 324



Joseph P. Martinico, Director
Labor Relations

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL #324

RE: Obligations Under ADA and MHCRA

WHEREAS the City of Detroit and the International Union of Operating Engineers, Local 324, each became subject to the provisions of the Americans with Disabilities Act of 1990 (ADA), Title I, on July 26, 1992; and

WHEREAS the parties are also subject to the provisions of the Michigan Handicappers' Civil Rights Act (MHCRA); and

WHEREAS these pieces of legislation are comprehensive civil rights acts providing for non-discrimination of persons who, in accordance with the standards and contents of said acts, are disabled and yet fully-qualified to perform applicable City jobs; and

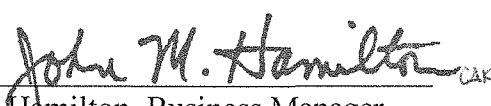
WHEREAS the full impact of the legislation's application to City of Detroit employment policies, present and future, and the changes that will necessarily have to be made to past practices, including those that grew out of the operation of the provisions of prior labor agreements between the parties, cannot be fully determined at this time; and

WHEREAS the Congressional history of the EEOC-written Federal Regulations also encourage employers and labor unions to agree to the type of provisions set forth in this Memorandum and elsewhere in the Master Collective Bargaining Agreements;


NOW THEREFORE in recognition of the aforesated obligations and anticipated uncertainties attendant to the MHCRA, and the ADA in particular, the parties hereby agree that:

1. Non-Discrimination - Include "persons with disabilities" in the classes in the contract's discrimination clause.
2. General Compliance – "This contract shall comply with the Americans with Disabilities Act."
3. Union Representation – "During the process to identify a reasonable accommodation, the employee has the right to have union representation, if he or she so chooses."

Dated This 14th Day of June, ~~2010~~, 2011.



John M. Hamilton, Business Manager
I.U.O.E., Local 324




Joseph P. Martinico, Director
Labor Relations

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL #324

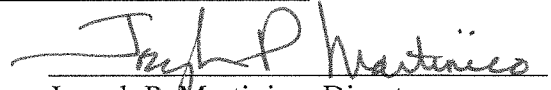
RE: Recreation Facilities Operator

1. Those positions which are dual titled shall be paid as a Recreation Facilities Operator or where licenses are required as Rink and Boiler Operator, REO, or REO - Ice Rink whichever is higher during periods when the additional equipment is in operation for the season, plus one week for start-up and one week for shutdown. [The "Shift & Location Preference Picks" for Recreation Facilities Operators at the time of negotiation of the Master Agreement to which this Memorandum is attached is shown in Attachment A.]
2. Employees in the class of Recreation Facilities Operator may be assigned to any tasks listed in the class specification and will be required to furnish tools in accordance with the attached list (see Attachment B). The City will pay a tool allowance of \$100 per year to each employee in the class of Recreation Facilities Operator for the purpose of maintaining their tool obligation. The department shall have the right to require an employee who fails to report with the appropriate tools to punch out, go home without pay to obtain the required items, and return to work. Repeated failure to have the required tools may result in other forms of progressive discipline.
3. The Department will require employees in the class of Recreation Facilities Operator to wear uniforms. The Department will issue one uniform. The employee will then be required to purchase any further uniforms as needed. The City will pay the standard uniform allowance beginning in 1992 to all Recreation Facilities Operators. The Department shall have the right to require an employee who fails to report with the appropriate uniform to punch out, go home without pay to obtain the required items, and return to work. Repeated failure to have the required uniform may result in other forms of progressive discipline.
4. Recreation Facilities Operators at 6500 East Jefferson shall be a relief pool to fill vacant positions at Recreation facilities. Employees may be assigned from this pool to a temporary vacancy (less than 30 working days) in a location in accordance with the current practice; except that both parties recognize the need to have an employee familiar with the Center to ensure continuity of operations. Therefore, a new employee, unfamiliar with the center, will not be assigned without assistance, or a break-in period; or another employee may be assigned. If the vacancy is for more than 30 working days, the position will be posted within 15 days and the position filled within 5 days after the end of the posting in accordance with the seniority provision of the contract. Operators in the pool who are not needed for vacancy relief will continue to be assigned other maintenance duties in accordance with the class specifications.

Dated This 14th Day of June, ~~2010~~ 2011.



John M. Hamilton, Business Manager
I.U.O.E. Local 324



Joseph P. Martinico, Director
Labor Relations

ATTACHMENT A

Shift & Location Preference Picks*

| Location | Operation | Staffing |
|-----------------|---|--|
| Adam/Butzel | Six-day operation in the summer and seven day operation during ice skating season; currently 2 Operators per shift. | A.M. Operators (2) P.M. Operators (2) |
| Heilmann | Five-day operation (M-F) with 1 Operator. | P.M. Operator |
| Kemeny | Five-day operation (M-F) with 1 Operator. | P.M. Operator |
| Patton | Six-day operation requiring 2 Operators. | A.M. Operator P.M. Operator |
| Williams | Six-day operation requiring 2 Operators. | A.M. Operator P.M. Operator |
| Young | Six-day operation requiring 2 Operators. | A.M. Operator P.M. Operator |

NOTES: Lipke: Currently not in operation. If this facility is reactivated during the term of this Contract, the parties shall meet to discuss staffing.

Clark Park: Building and rink operated by non-profit "Clark Park Coalition". Department employee(s) with the required refrigeration operator's license may be assigned responsibilities at this location.

| | | |
|--------------------------|--|--|
| Belle Isle Heating Plant | Seven-day, 24-hour operation utilizing 4 Operators; includes Scott Fountain during Summer season. | A.M. Operator P.M. Operator Midnight Operator Relief Operator |
| 6500 Jefferson ("Shop") | Traveling crew under direction of Head Operator making service call and routine maintenance at unmanned centers; act as Relief pool to replace absent Operators. | 4-5 Operators |

* Employees must possess the license(s) required by the Buildings & Safety Engineering Department at the work locations which they pick.

ATTACHMENT B

Tool List for Recreation Facilities Operators

Tool Box (Metal)
Utility Knife w/Blades
Wire Brush
Small Propane Torch*
Assorted Open-end Wrenches
Pipe Wrenches - Large 18" & Small 14"
Pliers - Needle Nose, Lineman Side Cut, Channel Lock
Screw Drivers - Large & Small Philips/ Straight
Combination Wrench - Large 12" & Small 6"
Ball-Peen Hammer - 20 oz.
3/4" x 12' Steel Measuring Tape
Hack Saw*
3/4" Cold Chisel
Electrical Tester

* Fuel and Extra Blades to be Available from Department


MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL #324

RE: Employee Training

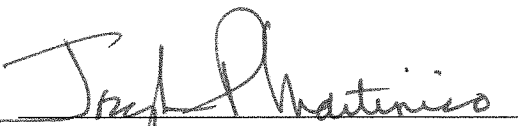
During negotiations toward the Master Agreement to which this Memorandum is attached, the parties discussed the desirability of providing initial training to new employees and supplemental training to current bargaining unit members to improve employee skills, raise the level of performance and insure consistency in operations. The Union also expressed a need for specific training for bargaining unit members which should be part of any contract involving installation of new equipment which bargaining unit will be expected to operate or be responsible for.

Recognizing that the type and availability of training appropriate for bargaining unit members will vary among the several City departments, the parties concur that specific provisions for training of bargaining unit members shall be proper matters for Department Supplemental Agreements as provided for in Article 36 of Master Agreement. If a Department Supplemental Agreement does not exist, Employee Training shall be a subject for a Special Conference.

Dated This 14th Day of June, 2011, 2010.



John M. Hamilton, Business Manager
I.U.O.E., Local 324



Joseph P. Martinico, Director
Labor Relations

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL #324

RE: Vacation Scheduling at Mistersky Power Plant

The parties agree that vacation scheduling at Mistersky shall be in accordance with the following established practice:

The Procedure for Un-Posted Vacation

1. Limit number of requests to 50% of vacation earned yearly.
2. The new schedule must be posted prior (two weeks) for the request to be granted.
3. One day, two day, three day and four day requests must be submitted two days prior to first day off.
4. Operators may not volunteer for more than two consecutive double shifts.
5. Employees cannot ask for a vacation day over the phone. The correct procedure is:
 - a. Submit request to supervisor (H.P.P.O.E.)
 - b. He will return the request with instructions on how the vacancy will be filled, either overtime or vacation relief pool.
 - c. If overtime is required it will be the steward's responsibility to fill vacancies.
 - d. The steward will return the request with the name and signature of the employee who will fill the vacancies.
 - e. The supervisor will approve if everything is in order.

Dated This 14th Day of June, 2011, 2010.

John M. Hamilton
John M. Hamilton, Business Manager
I.U.O.E., Local 324

Joseph P. Martinico
Joseph P. Martinico, Director
Labor Relations

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL #324

RE: Labor/Management Committee

The parties acknowledge a need to establish a means for a continuing dialogue between management and union representatives to discuss and resolve matters that are of mutual concern, and to work cooperatively toward improving services, and the effective delivery of such services, to the citizen of Detroit. Accordingly, the parties have agreed to establish a Labor/Management Committee within each Department.


Composition of the Committee shall consist of the Business Representative, and up to three (3) other bargaining unit members, and up to three (3) management persons. Appointment of the union and management representatives shall be on an ad hoc basis; that is, committee members can be chosen based on the item(s) on the meeting agenda.

The proper subjects to be discussed by Labor/Management Committees shall include employment issues that are unique or of special concern to a particular department and the Council, or how provisions of the Master Agreement shall be applied in the department. Proper issues for discussion may include methods of increasing productivity, implementing of technological changes, and training employees in the department.


The parties agree that to increase effectiveness of Committee discussions, relevant training in specific subject areas should be made available to committee members. Provisions may be made to send selected committee members to seminars, workshops or in-service training.

City-Wide Labor Management Committee: When appropriate and mutually agreed between the parties, IUOE, Local 324, will participate in Labor/Management Committee meetings involving representatives of other City labor organizations. The composition of this multi-union Labor/Management Committee will be determined at the time of the formation of said committee.

Dated This 12th Day of June, ²⁰¹¹ 2010.



John M. Hamilton, Business Manager
I.U.O.E., Local 324



Joseph P. Martinico, Director
Labor Relations


MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL #324

RE: Rotating Shifts at Mistersky Power Plant

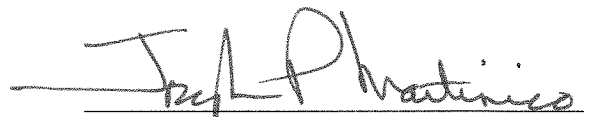
The parties agree that the City shall have the right to implement a rotating shift for a limited period of time for those operators who are to be assigned to new gas turbines or other comparable installations at the Mistersky Power Plant This shall be for training purposes, in an effort to familiarize the operators on all aspects of the job assignment.

The parties agree to meet in a Special Conference prior to the implementation of the rotating shift to determine the overall duration of the rotating shift assignments, the length of time an operator will spend in a shift prior to rotating, and to work out other related problems.

Dated This 14th Day of June, ~~2010~~ ²⁰¹¹.



John M. Hamilton, Business Manager
I.U.O.E., Local 324



Joseph P. Martinico, Director
Labor Relations

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL #324


RE: Mistersky Power Plant/Limited Early Retirement

During negotiations, the parties again discussed the possible change in operations at the Mistersky Power Plant which would result in the displacement of a number of bargaining unit members by reassignment or transfer. The parties agree to continue to negotiate the opportunity for a limited early retirement program for bargaining unit members affected by this change in the operation and/or modernization of the Mistersky Power Plant.

Dated This 14th Day of June, ~~2010~~ ²⁰¹¹.



John M. Hamilton, Business Manager
I.U.O.E., Local 324



Joseph P. Martinico, Director
Labor Relations


MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND THE
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL #324


RE: City Alternative Health Care Plan

- A. Effective with the implementation of the new HR/Payroll and Benefit System:
1. **Life Insurance and Death Benefit:** Coverage begins on the first day of the first full pay period, and ends on the last day of the month that employment ends.
 2. **Supplemental Life Insurance Coverage:** Employees may opt for additional coverage up to either their actual salary or double their actual salary, rounded up to the nearest thousand. This would replace the Option 1 and Option 2 schedules for additional life insurance found in the Death Benefit and Life Insurance article of the Master Agreement.
 3. **Pre-Tax Medical Premiums:** The employee's share of medical premiums will be shown and paid on a pre-tax basis.
 4. **Employee Payroll Deductions:** Payroll deductions will be taken out equally during every pay cycle.

In addition to the above noted provisions, the parties will continue to work collaboratively toward establishing cost saving measures for medical, dental, optical and life insurance plans as well as resolve issues that may arise with the implementation of the new HR/Payroll and Benefit System.

Dated This 14th Day of June, ~~2010~~ ²⁰¹¹.


John M. Hamilton, Business Manager
I.U.O.E., Local 324


Joseph P. Martinico, Director
Labor Relations

| City of Detroit Alternative Health Care Plan Design BCBSM PPO Plan | | | | |
|---|----------------------------|--------------------------|--------------------------------|--------------------------|
| | In-Network Benefits | | Out-of-Network Benefits | |
| Plan Design | Current Plan | Alternative Plan | Current Plan | Alternative Plan |
| General Plan Information | | | | |
| Annual Deductible/Individual | \$0 | \$175 | \$250 | \$425 |
| Annual Deductible/Family | 2x individual deductible | 2x individual deductible | 2x individual deductible | 2x individual deductible |
| Coinsurance (Outpatient only) | 100% | 90% | 80% | 70% |
| Office Visit/Exam | \$5 copay | \$10 copay, then 100% | D&C | D&C |
| Outpatient Mental Health/Substance Abuse | 90%/50% | 90%/50% | 80%/50% | 70%/50% |
| Annual Out-of-Pocket Limit/Individual | None | \$1,000 | \$1,000 | \$2,000 |
| Annual Out-of-Pocket Limit/Family | None | \$2,000 | \$2,000 | \$4,000 |
| Inpatient Hospitalization | 100% | 100% | 80% | 70% |
| Emergency Room (copay waived if admitted) | \$50 copay | \$75 copay, then 100% | \$50 copay | \$75 copay, then 100% |
| Urgent Care Facility | 100% | \$10 copay, then 100% | D&C | D&C |
| Hospital Admission Deductible | None | None | None | None |
| Prescription Drug Benefits Retail | | | | |
| Generic | \$5 | \$5 | 75% less copay | Not covered |
| Brand (Singlesource/Formulary) | \$10 | \$15 | 75% less copay | Not Covered |
| Brand (Multisource/Non-formulary) | \$10 | \$15 | 75% less copay | Not Covered |
| Number of Days Supply | 30 days | 30 days | 30 days | 30 days |
| Mail Order | | | | |
| Generic | \$5 | \$10 | Not covered | Not Covered |
| Brand (Singlesource/Formulary) | \$10 | \$30 | Not covered | Not Covered |
| Brand (Multisource/Non-formulary) | \$10 | \$30 | Not covered | Not Covered |
| Number of Days Supply for Mail Order | 90 days | 90 days | 90 days | N/A. |

| City of Detroit Alternative Health Care Plan Design BCN, HAP and THC HMO Plans | | |
|---|---------------------|-------------------------|
| Plan Design | Current Plan | Alternative Plan |
| General Plan Information | | |
| Office Visit Copay | None | \$ 10 Copay |
| Inpatient Admission Copay | None | None |
| Emergency Copay (Waived if admitted) | None | \$ 75 Copay, then 100% |
| Urgent Care Copay | None | \$10 Copay |
| Outpatient MH/SA Copay | None | \$10 Copay |
| Prescription Drug Benefits Retail | | |
| Generic | \$3 | \$5 |
| Brand (Single Source/Formulary) | \$3 | \$15 |
| Brand (Multi-Source/Non-Formulary) | \$3 | \$15 |
| Number of Days Supply | 30 days | 30 days |
| Mail Order | | |
| Generic | \$3 | \$10 |
| Brand (Single Source/Formulary) | \$3 | \$30 |
| Brand (Multi-Source/Non-Formulary) | \$3 | \$30 |
| Number of Days Supply for Mail Order | 90 days | 90 days |


| City of Detroit Alternative Health Care Plan Design BCBSM Traditional Plan | | |
|---|-------------------------------|-------------------------------|
| Plan Design | Current Plan | Alternative Plan |
| General Plan Information | | |
| Annual Deductible/Individual | \$50 | \$175 |
| Annual Deductible/Family | 2x individual deductible | 2x individual deductible |
| Office Visit/Exam | 80% | 80% |
| Outpatient Mental Health Substance Abuse | 100% first 6 visits, then 50% | 100% first 6 visits, then 50% |
| Annual Out-of-Pocket Limit/Individual | \$1,000 | \$1,000 |
| Annual Out-of-Pocket Limit/Family | \$2,000 | \$2,000 |
| Lifetime Plan Maximum | \$1,000,000 | \$1,000,000 |
| Inpatient Hospital Services | | |
| Inpatient Hospitalization | 100% | 100% |
| Semi-Private Room & Board; Including Services and Supplies | 100% | 100% |
| Emergency Room (co-pay waived if admitted) | 100% | \$75 copay then 100% |
| Urgent Care | 100% | 80% |
| Hospital Admission Deductible | None | None |
| Prescription Drug Benefits | | |
| Retail | | |
| Generic | \$3 | \$5 |
| Brand (Singlesource/Formulary) | \$3 | \$15 |
| Brand (Multisource/Non-Formulary) | \$3 | \$15 |
| Number of Days Supply | 30 days | 30 days |
| Mail Order | | |
| Generic | \$3 | \$10 |
| Brand (Singlesource/Formulary) | \$3 | \$30 |
| Brand (Multisource/Non-formulary) | \$3 | \$30 |
| Number of Days Supply for Mail Order | 90 days | 90 days |

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND THE
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL #324


RE: Grievance Settlements

The parties agree that all settlements shall be in accordance with the terms and spirit of this agreement. Further, Labor Relations is authorized to make settlements on behalf of the City regarding any unresolved grievance properly appealed to Step 4 or Step 5 of the grievance procedure.

Dated This 14th Day of June, ~~2010~~²⁰¹¹



John M. Hamilton, Business Manager
I.U.O.E., Local 324




Joseph P. Martinico, Director
Labor Relations

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND THE
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL #324


RE: Defined Contribution Retirement Plan

During the 2008 negotiations, there was discussion between the parties concerning a requirement for all newly hired employees to be placed in a Defined Contribution Plan (DCP) in lieu of the current Defined Benefit Plan (DBP). The parties agree to have an actuarial study performed on the retirement plan, which the City will initiate. During the term of this agreement, the parties agree to continue collective bargaining negotiations on this issue.

Dated This 14th Day of June, ~~2010~~ 2011.



John M. Hamilton, Business Manager
I.U.O.E., Local 324



Joseph P. Martinico, Director
Labor Relations

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND THE
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL #324


RE: HR/Payroll Systems

The parties agree that the effective date for the two-tier systems, referenced throughout the 2008-2012 agreement, shall be effective February 11, 2010; however, not implemented until the HR/Payroll/Benefit system can accommodate each specific change.


Furthermore, the parties will continue to work collaboratively toward resolving issues that may arise with the implementation of the 2008-2012 payroll/benefit negotiated changes.

The City agrees to meet the with Union in Special Conference to discuss such payroll issues which may result due to the negotiated changes as well as the two-tier systems prior to implementation.

Dated This 14th Day of June, 2011, 2010.



John M. Hamilton, Business Manager
I.U.O.E., Local 324



Joseph P. Martinico, Director
Labor Relations

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND THE
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL #324

RE: Employee Loan Program

In fulfillment of their collective bargaining obligations under the Michigan Public Employees Relations Act ("PERA") MC423.215, the parties agree that a Participant Loan Program will be available to bargaining unit members. Its terms will be as follows:

- (a) **Established:** Any loans granted or renewed shall conform with the requirements of Section 72(p) of the Internal Revenue Code, 26 U.S.C.1 et seq. Such loan program shall be established in writing by the Board of Trustees, and must include, but need not be limited to the following:
1. The identity of the administrator of the Participant Loan Program;
 2. A procedure to apply for loans, the amount of loan that will be approved or denied, and limitations, if any, on the types and amount of loans offered;
 3. The procedure under the program for determining a reasonable rate of interest; and
 4. The events constituting default and the steps that will be taken to preserve plan assets.
- (b) **The Loan Program:** The Loan Program shall be contained in a separate written document copies of which shall be made available in the offices of the City of Detroit General Retirement System for prospective participants in the program. The Board of Trustees is authorized to adopt rules and regulations, from time to time, to govern the administration and the operation of this program. Copies of the rules shall also be made available to prospective participating members of the system in the offices of the General Retirement System.
- (c) **Eligibility:** Subject to the rules and procedures established by the General Retirement System Board, loans will be made to bargaining unit members. Former participants, spouses of participants, and beneficiaries are not eligible to receive any loans from the Plan. Subject to rules and procedures established by the Board, a participant who has been in the plan for twelve (12) months or more is eligible to apply for a loan from this plan.
- (d) **Amount of Loan:** A participant who has satisfied applicable rules and procedures may borrow from his or her account an amount, which does not exceed fifty percent (50%) of the participant's vested accumulated balance, or ten thousand dollars (\$10,000.00) reduced by the excess, if any, of: 1) the highest outstanding balance of loans from the trust during the one (1) year period ending on the day before the date on which the loan is made, or 2) the outstanding balance of loans from the trust on the date on which the loan is made, whichever is less. The minimum loan amount shall be one thousand dollars (\$1,000.00).


- (e) **Terms and Conditions:** In addition to such rules and procedures that are established by the Board, all loans shall comply with the following terms and conditions:
1. Loan applications shall be in writing;
 2. Loan shall be repaid by equal payroll deductions over a period not to exceed five (5) years, or, where the loan is for the purpose of buying a principal residence, a period not to exceed fifteen (15) years. In no case shall the amount of the payroll deduction be less than twenty dollars (\$20.00) for any two-week period;
 3. Each loan shall be made against the assignment of the participant's entire right, title, and interest in and to the trust supported by the participant's collateral promissory note for the amount of the loan, including interest payable to the order of the trustee;
 4. Each loan shall bear interest at a rate determined by the Board. The Board shall not discriminate among participants in its determination of interest rates on loans. Loans initiated at different times may bear different interest rates, where, in the opinion of the Board, the difference in rates is supported by a change in market interest rates or a change in the pension system's current assumed rate of return. The loan interest rate shall bear a reasonable relationship to market rates for secured loans of a similar duration and shall bear a reasonable relationship to the costs to the pension trust of administering the trust. The loan interest rate shall be calculated in a manner that will not negatively affect the City's costs to the trust or the return to trust members.
 5. Loan repayments shall be suspended under this plan as permitted by Section 414(u)(4) of the Internal Revenue Code, 26 U.S.C. 414(u)(4). A participant who has an outstanding loan balance from the plan who is absent from employment with the employer, and who has satisfied the requirements of 26 USC 414(u) of the Internal Revenue Code shall not be required to make loan repayments to the fund during said periods of absence.
- (f) **Renewal of Loan:** Any loans granted or renewed shall be made pursuant to the participant loan program and Section 72(p) of the Internal Revenue Code, 26 U.S.C. 72 (p) and the regulations thereunder.
- (g) **Loan Balance:** A participant's outstanding loan balance shall be considered a directed investment by the participant and interest payments, shall be credited to the participant's account balance, and shall not be part of net investment income or part of the participant's account balance for the purpose of allocation of net investment income under Section 47-2-18 of the City Code.
- (h) **Distribution:** No distributions shall be made to a participant, former participant, or beneficiary until all loan balances drawn on the applicable vested accumulated balance and applicable accrued interest have been liquidated.
- (i) **Annual Report:** The General Retirement System shall include, in their annual report to all members, an accounting of the loan program established by this section, which


contains the number and amount of loans made, the costs of administering the program, the amount of payments made including interest received by the trust, the amount of loans outstanding, including any defaults or delinquencies, and an evaluation as to whether the interest charged in the fiscal year covered the costs of administering the program.

Based on the request of the union, in recognition of what it views as the severest of economic hardships now being experienced by its bargaining unit members, the parties agree that eligibility for participation in said loan program will be in accordance with the provisions contained herein, and shall be effective immediately upon the signing of this Memorandum of Understanding and ratification by City Council. All necessary steps shall be taken to ensure that the implementation date of the Employee Loan Program for members of this bargaining unit shall occur as soon as administratively possible so that it coincides with the initial implementation date established by the General Retirement System.

The parties agree that this Memorandum of Understanding represents the sole and complete agreement regarding the Participant Loan Program for members of this bargaining unit, that this Agreement in full text shall be incorporated in the successor Labor Agreement and shall remain in full force for the duration of said successor agreement, and in recognition that the Participant Loan Program is a mandatory subject of bargaining, no modifications can be made unless collectively bargained and mutually agreed between the parties hereto.

Dated This 14th Day of June, 2011, 2010.


John M. Hamilton, Business Manager
I.U.O.E., Local 324


Joseph P. Martinico, Director
Labor Relations

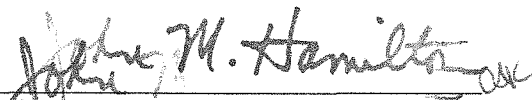
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND THE
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL #324

RE: Miscellaneous

It is the City's goal to achieve a 10% reduction in scheduled work hours with all of our labor organizations. The parties understand, however, that certain bargaining units provide services to the public that on occasion must be delivered in an immediate or emergency manner or on a twenty-four (24) hour seven (7) day per week basis, and/or services that generate funds or revenue for the City, or are covered by Act 312. So under these circumstances the 10% reduction in scheduled work hours may not occur.

Finally, the City and the International Union of Operating Engineers Local 324 mutually agree to resolve the 2008 – 2012 Master Agreement with the understanding that this Agreement had to be resolved expeditiously due to the current dire economic status of the City of Detroit. The City proposed and the International Union of Operating Engineers Local 324 agreed to several economic concessions to reduce personnel and benefit costs in an effort to avoid massive layoffs of members of this bargaining unit. While it is understood that due to the tenuous economic condition of the City, the City cannot guarantee to this union that there will be no lay offs as a result of the concessions made in this agreement, the City does promise to give consideration to the economic concessions made by this bargaining unit should there be a need for a reduction in force as a result of lack of funds or lack of work, or other circumstance beyond the control of the City. The City further agrees that should the City reach subsequent agreement on its 2008 – 2012 economic concession concepts with another non-Act 312 labor organization that is more economically advantageous to the employees such economic provision(s) for members of this bargaining unit will be implemented, except in cases where the City and one of its bargaining units tentatively agreed to (TA'd) and signed the applicable provision of the collective bargaining agreement prior to May 5, 2009.

Dated This 14th Day of June, 2011.


John M. Hamilton, Business Manager
I.U.O.E., Local 324


Joseph P. Martinico, Director
Labor Relations



May 26, 2010

John H. Hamilton, Business Manager
I. U. O. E - Local #324
500 Hulet Drive
Bloomfield Township, Michigan 48304

RE: Selection of Health Insurance Carrier

Dear Mr. Hamilton:

The City agrees to continue to allow your Union to have the option of selecting an insurance carrier to provide health care insurance to your bargaining unit members. Any such health insurance plan and carrier must be approved by the City and must adhere to the following guidelines:

1. The implementation of any proposed insurance plan would take place on either a July 1 date, or any other date the City changes providers.
2. The Union will notify the City of the name of the proposed carrier selected at least ninety (90) days in advance of the July 1st date that the new insurance would take effect.
3. The City would pay to the Union or its designated representative its share of the amount charged per person not to exceed the premium charged for the lowest insurance carrier with riders and with cost containment on the effective date that the new insurance would take effect, and its portion of all increases as described in Article 27. The City agrees to pay not to exceed the lowest insurance carrier's rate for elected coverage, i.e. single, 2 person, full family, including all status changes.

In the event the Union proposes health care which includes dental, and/or optical coverages, the City would pay the Union or its designated representative its share of the medical health insurance premium as described above and an amount equivalent to the then current rate for dental and optical.*

*If said premium contributions are insufficient to cover the cost of said coverages, the remaining cost shall be paid by payroll deduction by the employee.

4. The City will not approve a potential insurance carrier if such carrier is not financially responsible or if such carrier does not provide for coordination of benefits with other insurance carriers.
5. There would be no additional cost to the City as a result of City approval of the implementation of this option for health care coverage initiated by the Union.

Very truly yours,

Joseph P. Martinico
Labor Relations Director



City of Detroit
Human Resources Department
Labor Relations Division

COLEMAN A. YOUNG
MUNICIPAL CENTER
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DETROIT, MICHIGAN 48226
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WWW.CI.DETROIT.MI.US

May 26, 2010

John H. Hamilton, Business Manager
I. U. O. E - Local #324
500 Hulet Drive
Bloomfield Township, Michigan 48304

RE: Outside Employment

Dear Mr. Hamilton:

The issue of the City's policy on outside employment for City employees was discussed during the negotiations of the Master Agreement. This policy was originally published May 23, 1977, and most recently reissued by the Human Resources Department on January 23, 2009. The prepared *Notice to Employees* of this outside employment policy is attached as Exhibit A. Under this policy, employees must notify and obtain permission from their department head to begin or continue employment with an outside employer. This would also include self-employment where the person solicits work for profit. Failure to provide notice of outside employment, or continuing outside employment after the request is denied, shall subject the employee to discipline up to and including discharge.

A *Request for Approval for Outside Employment* form can be obtained from the Human Resources Office in the employee's department. On this form, the employee must give the name of the proposed outside employer, nature of the work, and the expected work hours. Any changes in such outside employment must also be reported.

Two points concerning the City's policies were brought out during the discussion: Not included as reportable self-employment would be occasional work requested by other persons where such work does not conflict with an employee's City work schedule; and approval for outside employment will not be unreasonably denied to an employee with a good work and attendance record provided there is no conflict with nor demonstrated adverse effect on his/her City employment.

Sincerely,

Joseph P. Martinico
Labor Relations Director

EXHIBIT A

TO: ALL DEPARTMENT DIRECTORS, DEPUTIES AND AGENCY HEADS

FROM: Shannon A. Holmes, Director
Human Resources Department

DATE: Reissued – January 23, 2009

RE: **OUTSIDE EMPLOYMENT POLICY HUMAN RESOURCES DIRECTIVE #2009-1**

The Outside Employment Policy provides that City employees must notify and obtain permission from their department or agency head to begin or continue employment with an outside employer. This would include self-employment where the person solicits work for profit, or if the individual has any ownership or managerial interest in any business. Failure to provide notice of outside employment or continuing outside employment after the request is denied shall subject the employee to discipline up to and including discharge.

A "Request for Approval of Outside Employment" form must be completed by the employee to notify his/her department or agency management of any current or future expected outside employment. The Human Resources Office for the department or agency will maintain a supply of this form.

Personnel Directive #77-3 states that in determining whether or not to approve the request, the department or agency head should insure that the outside employment request complies with the following terms:

1. That the outside employment will not adversely affect the reputation and good name of the City service.
2. That there is no conflict of interest of either a personal or financial nature between the City employment and the outside employment. See Sec. 2-106 of the Charter of the City of Detroit.
3. That such outside work is not performed during the employee's scheduled hours of service in City employment and that travel to such outside employment does not create a similar time conflict.
4. That specific inquiry be made to determine that the outside work is not so burdensome as to impair the efficiency of the employee in his/her City position, or likely to cause absence or tardiness.
5. That the type of conditions or the requested outside employment shall not be contrary to departmental rules, City Ordinances, City Charter, State or Federal Law.

That any approval shall be made subject to annual renewal or earlier if approval for a lesser time, and, in any case shall be required each time the employee makes a request for other outside employment.