

MASTER AGREEMENT

BETWEEN THE

CITY OF DETROIT

AND THE

**International Union Of
Operating Engineers - Local 324
(DETROIT PRINCIPAL CLERKS Unit)**

2008 – 2012

**2008 - 2012 MASTER AGREEMENT BETWEEN THE CITY OF DETROIT AND THE
I.U.O.E., LOCAL 324 – DETROIT PRINCIPAL CLERKS UNIT**

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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 IUOE, Local 324 - Detroit Principal Clerks Unit (hereinafter referred to as the UNION).

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

PURPOSE AND INTENT

- A. 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 citizens of the City of Detroit.
- B. 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.
- C. To these ends, the City and the Union encourage to the fullest degree, friendly and cooperative relations between the respective representatives at all levels and among all employees.
- D. Basic rights and equities of employees are established through the City Charter, Executive Orders of the Mayor, Ordinances and Resolutions of the City Council, Rules of the Civil Service Commission, and the terms of this Agreement.

1. RECOGNITION

Pursuant to and in accordance with all applicable provisions of Act 336 of the Public Acts of 1947, as amended, the Employer does hereby recognize the IUOE, Local 324 - Detroit Principal Clerks Unit as the exclusive representative for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment and other terms and conditions of employment for the term of this Agreement for employees described in the attached Exhibit I.

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, which the City has not specifically abridged or modified by this Agreement. The Union recognizes the exclusive right of the City to establish and enforce reasonable work rules.

- B. The City has the right to schedule overtime work as long as it is not inconsistent with the terms of this agreement.
- C. It is understood by the parties that every incidental duty connected with operations enumerated in job descriptions is not always specifically described. Nevertheless, it is intended that all such duties be performed by such employees.
- D. The City reserves the right to discipline and discharge for just cause. The City shall have the right to establish hours and schedules of work and to establish the method and processes by which such work is performed, including revising for the purposes of standardizing policies and procedures and personnel and payroll practices throughout various and/or all groups of employees and departments.
- E. The City reserves the right to establish and periodically change reasonable rules governing the conduct of its employees and to affix penalties for the violation of such rules. The Union shall have fifteen (15) days to grieve the reasonableness of any such rules, together with the penalty attached thereto, after a copy is received by the Union President. Any grievance challenging the reasonableness of a rule or penalty assigned thereto shall be processed initially at Step 3 of the Grievance Procedure.
- F. The right of contracting or sub-contracting is vested in the City. The right to contract or sub-contract shall not be used for the purpose or intention of undermining this Union.
- G. Nothing in this agreement shall abridge any rights or privileges that any employee has under the Constitution and Laws of the State of Michigan nor under the Charter or Ordinances of the City of Detroit or resolutions of the Detroit City Council unless otherwise provided in this Agreement.
- H. Except as specifically abridged, delegated, granted or modified by this Agreement, all of the rights, powers, and authority the City had prior to the signing of this Agreement are retained by the City and remain exclusively and without limitations within the rights of the City.

3. RIGHTS OF EMPLOYEES

- A. Nothing in this Agreement shall abridge any rights or privileges that any employee has under the Constitution and Laws of the State of Michigan, nor under the Charter or Ordinances of the City of Detroit or Resolutions of the Detroit City Council unless otherwise provided in this Agreement.
- B. The Union may request the Job Analysis Section of the Human Resources Department to conduct a classification survey of any position in which an individual represented by the Union is the incumbent. The Human Resources Department will endeavor to complete such survey within ninety (90) calendar days after receipt of the incumbent's completed classification questionnaire. If for some reason a delay of more than ninety (90) calendar days is caused, the Union will be advised as to the reasons and cause of the delay.

- C. No employee represented by the Union shall be permanently assigned to supervise or be responsible for the work of any employee at a level of classification equal to or greater than his own in accordance with Exhibit I, unless he is in training for a reasonable specified term or undergoing reclassification.
- D. No member whose position has been allocated to its appropriate class shall be required to perform duties generally performed by persons holding positions in other classes except in cases of emergency. Emergency assignments shall be construed to be those assignments which are necessitated by factors beyond the control of management which cannot be anticipated or planned for in the normal course of department operations.
- E. In the event a department finds it necessary to change the scheduled work day or work day schedule for any employee, it will give the employee as much advance notice of such change as is reasonable under the circumstances.

4. 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, creed, color, religion, national origin, sex, sexual orientation, age, political orientation, marital status, or disability, in accordance with applicable state and federal laws.

5. INTERFERENCE WITH WORK

- A. The Union agrees to refrain from engaging in any strike, work stoppage, slowdown or interference of any kind with the operations of the City during the term of this Agreement.

The City will not lockout any employee during the term of this Agreement. However, if any employee is unable to work because equipment or facilities are not available due to a strike, work stoppage, slowdown or other interference by other employees, such inability to work shall not be deemed a lockout under the provisions of this Section.

- B. It shall not be a violation of this Agreement and it shall not be 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, except that the City shall not be required to pay the wages of employees who shall refuse to report for and be willing to work on City property. Provided, however, that such refusal shall in no way be detrimental to the public health or safety. However, the employee cannot be ordered to cross a picket line if such action could result in an adverse affect of the personal safety of the employee.

6. AGENCY SHOP

- A. Employees who are members of the recognized bargaining unit but who are not members of the Union may join the Union by initiating their Union application form and dues deduction authorization form.
- B. The City agrees to deduct from the wages of an employee, who is a member of the Union, all Union membership dues uniformly required, as provided in a written authorization in accordance with the standard form used by the City provided that the said form shall be executed by the employee. The written authorization for Union dues deduction shall remain in full force and effect during the period of this Agreement unless revoked by written notice. The revocation notice must be given to both the Finance Department and to the Union.
- C. Any person certified and employed with the City on/or after October 11, 1947, who is not a member of the Union and who does not make application for membership within ninety (90) working days from the effective date of this Agreement or from the date they first become a member of the bargaining unit, whichever is later, shall as a condition of employment, pay to the Union a service fee as a contribution towards the administration of this Agreement, in an amount determined by the Union in accordance with applicable law. Employees who fail to comply with this requirement shall be discharged within thirty (30) working days after receipt of written notice by the employing Department from the Union, unless otherwise notified by the Union in writing within said thirty (30) working days, and provided that the Union shall release the Department from fulfilling the obligation to discharge if during such thirty (30) working day period the employee pays the membership dues or service fee retroactive to the due date and confirms his intention to pay the required membership dues or service fee in accordance with this Agreement.
- D. The City agrees to deduct from the wages of any employee covered by this Agreement, who is not a member of the Union, all Union service fees uniformly required as provided in a written authorization in accordance with the standard form used by the City, provided that the said form shall be executed by the employee. The written authorization for Union service fee deduction shall remain in full force and effect during the period of this Agreement unless revoked by written notice. The revocation notice must be given to both the Finance Department and to the Union.
- E. All Union membership dues and service fees will be authorized, levied, and certified in accordance with the by-laws of the Union. Each employee and the Union hereby authorize the City to rely upon and to honor certifications by the Treasurer of the Union regarding the amounts to be deducted and the legality of the adopting action specifying such amounts of Union dues and service fees, which dues and service fees shall be sent reasonably promptly to the Treasurer of the Union. The Treasurer of the Union shall not request the City to change the amounts so deducted more often than four times each City fiscal year.
- F. The Union 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 Union, the City and its officers and employees shall be released from all liability to the employee assignors, and to the Union under such assignments. (Chapter 13, Article 4, Section 4 of the Municipal Code of the City of Detroit.)

- G. The Union shall refund to employees, dues and service fees erroneously deducted by the City and paid to the Union. The City may offset any amount erroneously or improperly deducted and paid to the Union from any subsequent remittance to the Union.
- H. The Union agrees to save and hold harmless the City from any damages or other financial loss which the City may be required to pay or suffer as a consequence of enforcing the above provisions.
- I. In the event the City fails to respond within the time limits specified, the appropriate Union representative may appeal the grievance to the next step of the grievance procedure within the time allowed for appeals of adverse decisions to that step of the procedure.

7. UNION REPRESENTATION

- A. The Union shall be entitled to four (4) representatives who shall be regular employees of the City in the bargaining unit. Each of these representatives shall have the responsibility of representing employees in the bargaining unit. The Union shall promptly notify each employing Department with a copy to the Human Resources Department; the names and locations of representatives selected.
- B. The representatives, during their working hours, may attend Special Conferences or scheduled negotiation sessions without loss of time or pay, after arrangements have been made with the immediate supervisor. This privilege shall not be abused.
- C. The Union President (or member of the bargaining unit, in addition to the grievant, designated in the contract) shall be permitted to take time off to handle special conferences, grievances and participate in arbitration cases. Other duties associated with being an Union President and directly related to wages, hours and working conditions of bargaining unit members may arise, which may be addressed in the capacity of Union President during business hours. In this regard, upon request, a meeting will be convened between the Union and the appropriate department representative to discuss this matter and resolve any difficulties being experienced.

8. GRIEVANCE PROCEDURE

The grievance procedure contained in this Agreement shall be the exclusive grievance procedure for all members of the bargaining unit during the term of this Agreement.

- A. 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.
- 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. A Union grievance is a difference between the Employer and the Union concerning the interpretation or application of any provision of this Agreement and affecting a number of

employees. Union grievances must be in writing and signed by the President of the Union and may be submitted directly to the Third Step of the grievance procedure.

Step 1 Any employee who feels aggrieved should discuss the matter with his/her supervisor. The employee has the right to have his/her Union representative present. All parties will discuss the matter in a friendly and business-like manner, and will make every effort to reach a satisfactory settlement.

Step 2 If the grievance is not satisfactorily resolved in Step 1, the Union representative may appeal in writing to the division head or his/her designated representative. A meeting with the Union will be promptly arranged to take place within five (5) working days from the date of the appeal between no more than two (2) representatives of the City and no more than two (2) representatives of the Union. The division head or his/her designated representative shall give his/her decision in writing within five (5) working days. If the subject grievance is not appealed to Step 3 within five (5) working days from the date of the division head's written decision, management's last disposition shall be considered the settlement of the grievance.

Step 3 If the grievance is not satisfactorily resolved in Step 2, the Union representative may appeal in writing to the department head or his/her designated representative. A meeting with the Union will be promptly arranged to take place within five (5) working days from the date of the appeal between no more than two (2) representatives of the City and no more than two (2) representatives of the Union. The department head or his/her designated representative shall give his/her decision in writing within ten (10) working days. Management's written answer after the Third Step meeting shall briefly state the factors considered by management in its decision regarding the grievance. If the subject grievance is not appealed to Step 4 within five (5) working days from the date of the department head's decision, management's last disposition shall be considered the settlement of the grievance.

Step 4 If the grievance is not satisfactorily settled at Step 3, the Union representative may appeal the decision in writing to the Labor Relations Division. The Union's written appeal to the Fourth Step shall state the facts in dispute and/or reasons for dissatisfaction with management's Third Step answer. A meeting will be arranged within five (5) working days between no more than three (3) representatives of the City and no more than three (3) representatives of the Union, to attempt to settle the grievance.

The grievant must not be present at this meeting. A written decision shall be rendered by the Labor Relations Division within five (5) working days from the date of the meeting. The decision of the Labor Relations Division shall be considered as settlement of the grievance unless the decision is appealed to arbitration according to Step 5, within five (5) working days from the date of the decision of the Labor Relations Division.

Step 5 (Arbitration) Any unresolved grievance which relates to the interpretation, application or enforcement of any specific Article and Section of this Agreement which has been fully processed through the Grievance Procedure, may be submitted to arbitration in strict accordance with the following:

- A. Arbitration shall be invoked by written notice to the other party of intention to arbitrate. If the parties are unable to agree upon an ad hoc arbitrator within seven (7) working days of

such notice, the City shall secure a list of arbitrators from the Federal Mediation and Conciliation Service. The parties will then meet to mutually agree upon an arbitrator from the list. If the party desiring arbitration fails to refer the matter to the Federal Mediation and Conciliation Service within a reasonable time, not to exceed ninety (90) days of the notice of intention to arbitrate, the matter shall be considered settled on the basis of the last answer to the grievance.

- B. The arbitrator shall limit his/her decision strictly to the interpretation, application or enforcement of this Agreement and he/she shall be without power and 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 discharge of employee(s) for engaging in a strike, slowdown or stoppage of work, who exercises his/her right under Section 6 of Act 336 as amended by Act 379 of the Public Acts of 1965, or concerning grievances of employees appealed to the Mayor pursuant to provisions of the Detroit City Charter or applicable State Law.
 3. Granting any wage increases or decreases.
 4. Granting any right or relief for any period of time whatsoever prior to the execution date of this Agreement.
 5. Relative to position classification whether permanent or temporary.
- C. The Arbitrator shall be without 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. 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 future arbitration proceeding.
- E. All claims for back wages shall be limited to the amount of wages that the employee otherwise would have earned less any compensation received for temporary employment obtained subsequent to his/her removal from the City payroll, and payments from Unemployment Insurance, Social Security Disability, Welfare, Family Independence Agency, and City funded 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.
- F. The decision of the arbitrator in a case shall not require retroactive wage adjustment in another case except by express agreement of the parties.
- G. There shall be no appeal from the arbitrator's decision if made in accordance with his/her jurisdiction and authority under this agreement. The arbitrator's decision shall be final and binding on the City, on the employee or employees, and on the Union.

- H. In the event a case is appealed to an arbitrator and he/she finds that he/she 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.
- I. The expenses of the arbitrator shall be shared equally by the parties. The aggrieved and his/her local representative shall not lose pay for time off the job while attending the arbitration proceedings. Arbitration wherever possible, shall be conducted on the location where the grievance originated.
- J. 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.

9. STIPULATIONS TO THE GRIEVANCE PROCEDURE

- A. All grievance 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.
- B. Any grievance under this Agreement, which is not filed in writing within ten (10) working days after the grievance arises, shall not be considered a grievance. The period of "optional holiday closing" (established under the Holiday Article of this Agreement) will be excluded from the grievance procedure time limits.
- C. "Working Days" as used in the grievance procedure, shall include Monday through Friday and exclude Saturdays, Sundays, and Holidays.
- D. The Union may withdraw a grievance without prejudice at any step of the grievance procedure.
- E. The time elements in the first four (4) steps of the grievance procedure may be shortened or extended or steps may be eliminated by mutual agreement.
- F. The City shall not be required to pay back wages more than five (5) working days prior to the date a written grievance is filed.
- G. All claims for back wages shall be limited to the amount of wages that the employee otherwise would have earned less any compensation received for temporary employment obtained subsequent to his/her removal from the City payroll, and payments from Unemployment Insurance, Social Security Disability, Welfare, Family Independence Agency, and City funded 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.
- H. In the case of a pay shortage in which the employee would not have been aware before receiving his/her pay, any adjustment made shall be retroactive to the beginning of the pay

period covered by such pay, if a grievance is filed within the ten (10) working days within receipt of such paycheck.

- I. In the event the City fails to respond within the time limits specified, the appropriate Union representative may appeal the grievance to the next step of the grievance procedure within the time allowed for appeals of adverse decisions to that step of the procedure.

10. DISCHARGE OR SUSPENSION

- A. **Notice of Discharge or Suspension:** The Employer agrees upon the discharge or suspension of any member of the bargaining unit to promptly notify the Union in writing that a discharge or suspension has taken place.
- B. The discharged or suspended employee must be allowed to discuss his/her discharge or suspension with his/her designated Union representative and the Employer will make available an area where he/she may do so before he/she is required to leave the property of the Employer. Upon request, the Employer or his/her designated representative will discuss the discharge or suspension with the employee and his/her designated Union representative. Exceptions to this procedure would be in situations where the suspended or discharged employee is absent without leave or the parties agree that such discussion is not beneficial at this time.
- C. **Appeal of Discharge or Suspension:** Should the discharged or suspended employee or his/her designated Union representative consider the discharge or suspension to be improper, a written grievance shall be filed directly with Step 3 of the Grievance Procedure within five (5) working days of the notice of discharge or suspension.
- D. **Use of Past Record:** In imposing any discipline on a current charge, Management will not take into account any prior infractions which occurred more than fourteen (14) months previously. However, this period shall be extended to twenty-four (24) months when the current charge is a repetition of a prior infraction involving workplace violence, sexual harassment, theft, willful destruction of City property, or being under the influence of alcohol or controlled substances at work.

If length of service is to be given consideration as a mitigating factor in imposing or reviewing discipline on a current charge, the employee's entire employment history may be considered.

- E. The City and the Union agree that all disciplinary action taken against an employee shall be for just cause. The issuance of disciplinary action shall take place in a timely manner.

11. SPECIAL CONFERENCE

- A. A Special Conference for important matters will be arranged between the Union President and the department head or his/her designated representatives upon the request of either party. Such a meeting shall be between no more than three (3) and at least two (2) representatives

of the department and no more than three (3) and at least two (2) representatives of the Union. In addition to the above, a representative of the Labor Relations Division may attend.

Arrangements for such a special conference 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 a special conference shall be confined to those included in the agenda. Such a conference shall be held within seven (7) working days after the request is made unless extended by mutual agreement.

- B. A conference shall be held between the hours of 9:00 a.m. and 4:00 p.m. The members of the Union shall not lose time nor pay for time spent in such a special conference.
- C. The Union representatives may meet at a place designated by the City on the City's property for not more than one (1) hour immediately preceding a meeting with the representatives of the City for which a written request has been made.
- D. Within ten (10) working days of the date of the special conference, upon request of either party, the other shall submit a written position statement on the matters taken up in special conference.

12. SENIORITY

- A. **SENIORITY** is hereby defined as the length of continuous service beginning on the date of legal certification to a position in the classified service of the City of Detroit, or the date of induction into such classified service as provided by law. Effective July 1, 1978, employees who are certified for employment but not hired within thirty (30) calendar days of such certification, shall have their date of hire recorded as their date of seniority and certification.

Seniority, as defined above and in accordance with the Rules of the Human Resources Department incorporated herein by reference, is established primarily to serve as a basis for determining the order of demotion or layoff in the event of a reduction in force and the re-employment rights of employees.

NOTE: Seniority is not the same as "service time" as utilized for the various economic benefit provisions.

- B. **SENIORITY LISTS:** The City will furnish to the Union, once a year, a seniority list showing each Bargaining Unit employee's name, address, department, classification, pension number, and total City seniority date. This information shall be organized in a format mutually agreeable to the Union and the City. When the City has the capability, such lists will be provided to the Union on compact disks (CDs).
- C. **LOSS OF SENIORITY:** An employee shall lose his/her seniority for the following reasons only:
 - 1. The employee resigns or quits.
 - 2. The employee retires on regular service retirement.

3. The employee is discharged or permanently removed from the payroll and the separation is not reversed through the grievance procedure.
4. The employee does not return at the expiration of a leave of absence.
5. The employee does not return to work when recalled from layoff as set forth in the recall procedure.

D. **SUSPENSION OF SENIORITY CREDIT:** An employee shall not lose his/her accrued seniority but shall not accumulate additional seniority credit during the following periods:

1. Layoffs resulting from reduction in force not exceeding four (4) years.
2. Leaves of absence which exceed one (1) year.
3. Non-duty disability retirements which exceed one (1) year.
4. Voluntary layoffs.

Any employee who is absent from duty for three (3) consecutive work days without specific leave from his/her department and who fails to notify the employer within those three (3) days (except in cases of proven disabling emergency), shall be deemed to have quit his/her employment from City service and to have vacated his/her position. Any such absence shall be without pay unless otherwise approved by a subsequent action by the employer.

13. PROBATION PERIODS

- A. Probation periods are recognized as "working test" periods used to supplement other evaluations to determine whether the employee fully meets the qualifications of the class. Probation periods are required in all cases of initial certified hire, transfer and promotions in the classified service and other cases as provided in Human Resources Department Rules.
- B. The Union shall represent probationary employees for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment and other conditions of employment.
- C. The probation period or "working test" for a six (6) month period shall be served by all employees promoted, transferred, or hired into classifications represented by this bargaining unit (See Exhibit I).
- D. Except in instances where a discharge for cause is appropriate, an unsatisfactory employee who has classified status may by departmental action, subject to Human Resources Department Rules, have his/her probation period extended or be reverted to his/her former classification. During an employee's initial hire probation period a department may, in accordance with Human Resources Department Rules, extend the probation period or take action to discharge the employee.
- E. When an employee satisfactorily completes the probation period, he/she shall be entered on the Seniority List of the bargaining unit for the classification in which he/she is employed.

14. REDUCTION IN FORCE

The City reserves the right to reduce the work force for lack of work, lack of funds, or the occurrence of conditions beyond the control of the City, or where such continuation of work would be wasteful or unproductive; provided such actions do not conflict with the terms of this Agreement.

SECTION 1 - REDUCTION IN FORCE TERMS DEFINED

- A. A reduction in force is a reduction in the number of employees in a given class in a department of the City for lack of work, lack of funds, or reasons other than the acts or delinquencies of employees.

The expiration of a limited-term certification or change of status shall not be considered a reduction in force.

- B. A lay off due to reduction in force is the removal of an employee from a position in a department and from the classified service of the City of Detroit, subject to the recall rights provided in this Article.
- C. A demotion due to reduction in force is the removal of an employee from a position in a class in a department by change of status to a position in a lower class.
- D. A transfer due to reduction in force is the removal of an employee from a position in a class in a department by change of status to a position in another class which is at the same level.
- E. A voluntary lay off is a removal of an employee from the classified service of the City of Detroit which is made at the request of and for the convenience of the employee.
- F. Unless otherwise indicated, seniority shall mean total City seniority as determined in accordance with Human Resources Department Rules.
- G. An employee acquires status in the classified service by certification in accordance with Section 6-510 of the City Charter and Human Resources Department Rules III and IV.
- H. An employee who is certified, promoted, transferred, or demoted to a position in a class on a regular permanent basis or permanent subject to continuing availability of program funding, acquires permanent status in the class, provided he/she has satisfied all qualification requirements of the class including completion of any required probation period. An employee can have permanent status in only one class at a time.
- I. An employee who is certified, promoted, transferred or demoted to a position in a class only for a specified term or conditional event, or where the certification or status change states that such employment is limited to assignment on a particular project, acquires limited-term status in the class.

SECTION 2 - ORDER AND MANNER OF REDUCTION

Reduction in force shall be by class in a department and shall be made from among all employees in the same class in that department.

- A. Within the department, the following categories of employees shall be removed first:

Provisional employees shall be separated by terminating their services; provided, however, that employees provisionally employed in the class who hold permanent status in some other class shall revert to the class in the department from which they were provisionally promoted or transferred.

Employees who have not completed their initial probationary period shall be laid off in accordance with their seniority, the least senior employee being laid off first.

Employees hired on a limited-term basis shall be laid off in accordance with their seniority, the least senior employee being laid off first.

- B. In the event it is necessary to reduce the number of permanent status employees in the class, the order of removal shall be as follows:

Employees in the class on a limited-term basis and employees in the class on a permanent basis who have not completed the required probationary period, but who hold permanent status in some other class, shall revert to the class in the department from which they were promoted or transferred. Removal shall be in accordance with their total City seniority, the least senior employee to be removed first.

Employees in the class on a permanent basis shall be removed in accordance with their total City seniority, the least senior employee to be removed first. Such employees shall be laid off subject to the following demotion or transfer rights within the department:

(1) **Demotion in Series**

If the employee is in a class in an occupational series, the employee shall have the right to be demoted to a position in a lower class in the department having less total City seniority. (The least senior employee displaced as a result shall be subject to demotion, transfer or layoff in accordance with applicable provisions of this Article.)

An employee who waives his/her rights to demotion to the next lower class in series and is laid off, shall lose all rights to City-wide displacement as provided for in Section 3 and restoration rights as provided for in Paragraph A of Section 4.

(2) **Demotion or Transfer to a Formerly-Held Class**

If the employee has held permanent status in another class not in series which is at the same or lower level, the employee may elect demotion or transfer to such class, provided there are one or more employees in the class in the department having less total City seniority. (The least senior employee displaced as a result shall be subject to demotion, transfer or layoff in accordance with applicable provisions of this Article.)

An election to accept a demotion or transfer to a formerly-held class is optional for employees who also have the right to a demotion in series.

(3) **Change of Status to Vacant Positions in Other Classes**

If the employee has exhausted his/her rights to demotion or transfer under (a) and (b) above, the department may, in so far as the interests of the service permit, propose transfer or demotion of the employee to an available vacant position in any other class in the department for which the department believes the employee is qualified.

Such proposed change of status shall be subject to the approval of the Human Resources Director.

SECTION 3 - CITY-WIDE DISPLACEMENT

Employees with permanent status who have been laid off in a class from a City department shall displace employees of the same classification in those categories listed in Paragraph A of Section 2 on a City-wide basis. In addition, laid off permanent employees who have one or more years of classified service shall displace other permanent employees in the same classification of lesser seniority on a City-wide basis; and if there are no lesser seniority employees in the same classification, shall have the right to displace lesser seniority employees in a lower class in the same occupational series. Employees who fail to exhaust their eligibility for demotion to the next lower class in series in their department shall lose their eligibility for City-wide displacement. (Least senior employees displaced under this section shall be subject to demotion, transfer or layoff in accordance with applicable provisions of this Article.)

Employees with permanent status who have been demoted/to a lower classification due to a reduction in force shall displace employees in the class from which they were demoted in those categories listed in Paragraph A of Section 2 on a City-wide basis. In addition, such demoted permanent employees who have one or more years of classified service shall displace other permanent employees in the class from which they were demoted of lesser seniority on a City-wide basis.

Displacement of lesser seniority employees across departmental lines shall be accomplished by layoff and displacement certification and shall coincide with the effective date of the layoff, if possible, but in any event within sixty (60) days of the effective date of layoff of employees having displacement rights.

SECTION 4 - RE-EMPLOYMENT PROCEDURES

- A. Employees with permanent status in the class who were laid off, demoted, transferred, or laid off and certified to a lower class as a result of a reduction in force shall have their names maintained in order of their total city seniority on a special register ("blocking list") in the Human Resources Department. Such employees shall be entitled to re-certification, promotion or transfer from the register to any vacancy in the class from which they were demoted, transferred or laid off, or any lower class in the same series in any City department, before any such vacancy can be filled by certification, promotion, or transfer.

An employee's name shall remain on the special register until he/she is restored to the classification (or equivalent level) from which he/she was demoted, transferred or laid off, or waives an offer of such restoration.

- B. Laid off employees who elect layoff in lieu of demotion in series shall be placed on the preferred eligible list for the class in which they were laid off and shall be re-certified to available vacancies in this class in the order of their total City seniority from the list.
- C. Laid off employees shall be placed on preferred eligible lists for all other classes in which they have held permanent status and shall be offered certification to available vacancies in these classes in the order of their total city seniority from such lists, provided that employees who were laid off in such classes have been first recalled.

Should a laid off employee on a preferred eligible list waive an offer of employment to a position in the class, his/her right to remain on that list shall terminate.

- D. In the absence of a preferred eligible list for a class, laid off employees shall be certified to requisitions for positions in such class from higher, equivalent or allied lists which have been determined to be appropriate by the Human Resources Director.
- E. Re-employment provisions in this Article do not apply to persons laid off and separated from City employment for a period of four (4) years.

SECTION 5 - EFFECT OF JURISDICTIONAL LINES

The order of lay off, demotion and re-employment shall not be altered by bargaining unit jurisdictional lines and employees shall carry their total City seniority across jurisdictional lines for reduction in force purposes.

SECTION 6 - EMPLOYEES HOLDING MULTIPLE TITLES

In determining an employee's rights under this Article, an employee can have permanent status in only one class at a time. An employee who carries a multiple title shall have permanent status in the lowest class of his/her multiple title or the class in which he/she last held permanent status on a single title basis, unless there is a contractual agreement which otherwise identifies the class in which the employee has permanent status, or official action is taken designating such class based upon the nature and history of the employment. Such agreement or official action must be completed at least ninety (90) days prior to the announcement of the reduction in force.

SECTION 7 - CONDITIONAL WAIVER OF EMPLOYEE RIGHTS

Where the City anticipates that a reduction in force will not exceed thirty (30) days, an employee in a class subject to reduction in force and his/her employing department may agree to a conditional waiver of the employee's seniority rights for a specified period not to exceed thirty (30) days. This conditional waiver must be in writing and be approved by the Human Resources Director. It is recognized that an out-of-seniority layoff resulting from such waiver is for the benefit of the City and the employee retains the right to exercise all rights to restoration, demotion, transfer and displacement at the end of the specified period.

SECTION 8 - PREEMPTIVE LAY OFF REQUESTS

If a reduction in force in a department is imminent or taking place over an extended period of time, any employee who has been identified as being subject to layoff, may request in writing that he/she be laid off prior to the date when he/she would be reached for such layoff. Such request is subject to approval of the employing department and the Human Resources Director.

Employees who are granted an effective date of layoff earlier than the scheduled layoff date shall retain the same rights which they would have had they been laid off as scheduled.

SECTION 9 - STATUS CHANGES IN ANTICIPATION OF LAY OFFS

Where the Human Resources Department shall find that any status change were made either to avoid the layoff of or to cause the layoff of any employee, upon finding by the Human Resources Director that such status change was made for reasons other than the good of the service such status change shall be set aside and proper layoff made; provided, however, this section shall not apply to status changes of more than six months standing.

15. OUT-OF-CLASS

A. OUT OF CLASS ASSIGNMENTS

Out-of-class determinations and compensation shall be made in accordance with the provisions of Human Resources Department Rule XI.

B. TEMPORARY PLACEMENT OF EMPLOYEES INTO OTHER DUTIES AND/OR DEPARTMENTS

The employer may temporarily place an employee into other duties/departments in another department once per year, unless additional temporary placements are otherwise agreed to by the City and the Union. The employer shall first seek volunteers and if additional employees are required, the employee(s) may be placed by inverse seniority.

Such a temporary placement, if made by inverse seniority, shall be limited to forty-five (45) days. An employee that volunteered for such a temporary placement may continue in the placement beyond the forty-five (45) day limit until such time that the employee or the City requests the placement to be ended.

Employees temporarily placed under these provisions shall not be required to perform work out of their class, except that the provisions for out-of-class assignments shall be available for operation in these cases of temporary placement, provided that out-of-class opportunities at the transferred-in location must be preserved and first made as available to any qualified employee regularly assigned at the transferred-in location. Regardless, if the work performed at the transferred-in location is an upgrade, the subject temporarily placed employee shall be paid the out-of-class rate.

Employees temporarily placed under these provisions shall not lose his/her promotional opportunity at the transferred-out location and shall be treated as if he or she had not been temporarily placed in other duties/department.

The Union at the transferred-out and transferred-in locations shall be notified of the proposed move and the reasons therefore, at least thirty (30) days before the planned placement. The City will consider any Union responses to its originally planned placement(s) for the possibility of choosing to modify said plans.

Any vacation period the moved employee had approved at the transferred-in location will continue to be honored at the transferred-out location.

16. COOPERATION IN VALIDATION STUDIES

- A. The City and the Union recognize the need for and the responsibility of the Human Resources Department in taking steps to insure that written tests and other selection devices and procedures used in selecting persons for positions in City service be validated, i.e., that such devices and procedures be shown to be predictive of, or significantly related to, important elements of work behavior of the position or positions for which applicants are being evaluated. The Human Resources Department agrees to inform the Union of all validation studies and projects directed toward development of validated tests in which the Union or Union members are asked to participate and upon request, to meet the Union representatives to discuss any aspects of such studies or projects.
- B. The Union agrees to cooperate and provide assistance in validation studies and test development projects conducted by the Human Resources Department, and to use its good offices to secure the cooperation and participation of Union members in such studies or projects.

17. AFFIRMATIVE ACTION

- A. The Employer and the Union agree to cooperate in a policy of equal opportunity for all employees, to continue to prohibit discrimination because of race, creed, color, religion, national origin, sex, sexual orientation, age, political orientation, marital status, or disability, and to promote a full realization of equal employment opportunity through a positive and continuing effort.
- B. The Employer agrees to periodically provide the Union, with copies of statistical minority employment information reports and such reports concerning policies and programs for equal opportunity in employment regarding employees of the City of Detroit.
- C. The Employer further agrees that a crucial part of an effective affirmative action program is a development of an effective training and education program designed to provide existing minority employees maximum opportunity to advance so as to perform at their highest potential.
- D. Representatives of the Human Resources Department shall be available to meet with representatives of the Union to exchange information and discuss affirmative action activities.

18. WAGES

A. GENERAL WAGE INCREASES:

1. Effective July 1, 2008 0%
2. Effective July 1, 2009 0%
3. Effective July 1, 2010 0%
4. 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.

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.

The mandatory budget furlough days will impact the following economic provisions as specified below:

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 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.

19. OVERTIME

- A. The City has the right to schedule overtime work as required by the City in a reasonable manner. Such overtime shall not be scheduled so as to reduce the work force.

B. Time and One-Half Overtime

Salary Rated Employees: Time and one-half shall be credited or paid to salary employees as follows:

1. Cash payment for all hours worked over forty (40) in one (1) service week except if such time is worked on a seventh day or a holiday.
2. Cash payment or credit for all hours worked on the sixth day, provided the employee has worked his/her assigned forty (40) hours in the work week.

C. Double Time Overtime

Double Time (two-hundred per cent [200%] of the basic or hourly rate) will be paid to hourly rated and salary rated employees for work on the seventh day of the work week schedules as defined by Chapter 13, Article 2, Section 12 of the Municipal Code of the City of Detroit.

Double time (200 % of the basic rate) shall be paid for all time worked in excess of sixteen (16) hours from the employee's assigned starting time.

- D. Premium payments shall not be duplicated for the same hours worked.
- E. When an employee works overtime, meal periods and coffee breaks are unpaid time. For employees working in twenty-four (24) hour operations, compensation will be in accordance with past practice.
- F. Except as herein provided, the provisions regarding overtime shall be in accordance with Chapter 13, Article 2 of the Municipal Code of the City of Detroit and the State Minimum Wage Law.

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

20. WORK WEEK, WORK DAY, SHIFT PREMIUM

- A. **Standard Service Week:** The standard payroll work week shall begin at 12:01 a.m. Monday, and end at 12:00 p.m. Sunday. It shall consist of five (5) regularly scheduled eight (8) hour work periods, exclusive of the lunch break. The two (2) remaining days in the payroll work week shall be known as “off days.”
- B. 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.”
- C. When an employee is called to work, he/she shall be guaranteed no less than four (4) hours of pay for “show up” time at the straight time rate.

- D. **Afternoon and Night Shifts:**

Employees who work regularly scheduled afternoon and night shifts shall receive in addition to their regular pay, a premium of seventy (70¢) cents per hour for the afternoon shift and a premium of seventy-five (75¢) cents per hour for the night shift according to Chapter 13, Article 2, Section 13 of the Municipal Code of the City of Detroit.

- E. **Shift Premium Times**

1. The afternoon shift shall be any full-time shift commencing at the hour of 11:00 a.m. or between the hours of 11:00 a.m. and 6:59 p.m.
2. The night shift shall be any full-time shift commencing at the hour of 7:00 p.m., or between the hours of 7:00 p.m. and 3:59 a.m. in accordance with Chapter 13, Article 2, Section 12, of the Municipal Code of the City of Detroit.

Except as provided for differently herein, all of the provisions of this Section shall be in accordance with Chapter 13, Article 2 of the Municipal Code of the City of Detroit.

21. MISCELLANEOUS

- A. **Deferred Compensation Plan:** Employees shall be eligible for a Deferred Compensation Plan made available by the City. Participation in the Plan shall be optional with each employee.
- B. **Direct Deposit Plan:** Employees shall be eligible for a direct deposit of paycheck plan made available by the City. Participation in the Plan shall be optional with each employee.

- C. The Income Protection Insurance Plan, also known as Long-Term Disability, shall be available to all eligible employees.
- D. Effective July 1, 1980, employee benefits for those employees sixty-five (65) years of age and 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).
- E. 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 Office.

For overpayment recoveries the City is authorized to deduct up to fifty dollars (\$50.00) weekly or one hundred dollars (\$100.00) 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.

- F. When it is administratively feasible, the paycheck for all employees shall be transmitted via direct deposit.

22. LAYOFF BENEFIT PLAN - SUPPLEMENTAL UNEMPLOYMENT BENEFITS

A. UNEMPLOYMENT COMPENSATION:

Employees covered by this Agreement shall receive unemployment benefits in accordance with the unemployment insurance plan administered by the Michigan Unemployment Insurance Agency (MUIA) under the Michigan Employment Security Act (MESA).

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 (S.U.B.)

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 (MUIA) as required by the MESA;
 - 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 applicant has no option to refuse under the Collective Bargaining Agreement;
 - 5) has not failed to report for interview within five (5) working days after notice of recall from the City.
 - 6) 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.
 - 7) 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;
 - 8) was not in military service;
 - 9) 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;
 - 10) must have been on continuous layoff from the City for thirty (30) consecutive calendar days; whereupon he/she will be eligible retroactively for benefits commencing after the second week of lay-off;
 - 11) 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;
 - 12) 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 of 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:

- 1) 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;
- 2) to investigate the correctness and validity of information furnished by any person who applies for a benefit;
- 3) to make appropriate determinations pursuant to this Article;
- 4) 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 MESA unemployment benefit.

Section 4. Amount of Weekly Supplement 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 (\$45.00) 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. Offset of Back Wages: All compensation received under this Article shall be offset against any claim for back wages.

23. 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 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 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 fifteen (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 a time most desired by employees according to their seniority and in accordance with departmental practice.
2. When an official holiday occurs during a scheduled vacation, the employee shall be entitled to an additional vacation day.
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. 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.

5. 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 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 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 separate 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 ½ day) will be posted to an employee's bank after he/she has accumulated sixteen hundred (1600) straight time hours in a fiscal year. In the event an employee has been credited with more time than he/she has earned, on the succeeding July, or date of separation, whichever comes first, the employee will have any vacation time credited but not earned charged first against his/her existing vacation bank, then to his/her swing holiday bank, or failing sufficient time in those two banks, he/she 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 Article 23, Section D.

A recalled employee who received a lump-sum bonus credit at the time of layoff for the current fiscal year will have such credit deducted from the total vacation earned in the fiscal year in which he/she 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/her 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/she may request his/her check in advance before going on vacation and such request shall be granted.

I. Employees will have two (2) 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)

24. HOSPITALIZATION, MEDICAL, DENTAL AND OPTICAL CARE INSURANCE

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. If the City continues to offer the Blue Cross/Blue Shield Traditional Plan as an option the employee contribution will be based on the Blue Cross/Blue Shield ward service rate under the Michigan Variable Fee coverage (MVF 2) and the Prescription Drug Group Benefit Certificate with two dollar (\$2) co pay (Certificate #87)¹, known as the two dollar (\$2) deductible Drug Rider.

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 (50%) of any premium charges that exceed the above amounts shall be paid by the employees and fifty percent (50%) 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 pay the premium for 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) co-pay (Certificate #87)¹ known as the two dollar (\$2) 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 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 (50%) of any increase over these amounts shall be paid by the retiree and fifty percent (50%) shall be paid by the City. 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.

- 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).

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).

- 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 twenty-five percent (25%) co-pay basis and Class II and III benefits on a fifty percent (50%) co-pay basis. Class I, II, and III benefits shall not exceed \$1,000 per person per year. In addition, Orthodontic coverage shall be on a fifty percent (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 (1st) 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.

- H. The City will provide Optical Care Insurance through the Employee Benefit Board. Such benefit will include case hardened lenses.

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 care enrollments will occur at two (2) year intervals.

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 Care Law is enacted, the parties shall enter into immediate collective bargaining negotiations over the impact of such a law on the existing arrangement for funding and providing health care benefits.
- 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. 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 (3) 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 the 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 month following completion of the applicable enrollment forms. The cash payments will cease upon the employee resuming 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.

- M. 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.

- N. When the City's payroll system has the capability of allowing employees to pay their medical contribution amounts through the pre-tax IRS code 125K mechanism, all bargaining unit members shall be entitled to participate.
- O. **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.
- P. 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.
- Q. 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 hospitalization-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 hospitalization/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 re-enrollment 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).

- R. 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.
- S. 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.
- T. Effective February 11, 2010, employees who retire 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.
- U. Health Habits and Reproductive Prescription Drugs: Effective February 11, 2010, all health habits, reproductive (fertility), and lifestyle prescription drugs will no longer be covered under the City's prescription drug program.
- V. 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 with the coverage year that begins on July 1, 2010, the age requirement for family continuation dependents shall be changed from age 19 through 25 to age 19 through 22.
- W. 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.
- X. Consistent with current practice, all employees, retirees, and their dependents, who received 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.

- Y. 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)
- Z. 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)

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.)

25. 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 in which they have worked 80% of their scheduled hours, not to exceed twelve (12) sick leave days in any one fiscal year. Those employees hired on or after February 11, 2010 who 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 schedule 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 to each employee hired prior to February 11, 2010 who was on the payroll the preceding July and who has earned at least sixteen hundred (1600) hours of straight time pay during the fiscal year. 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. Employees hired prior to February 11, 2010 who have accumulated a total of fifty (50) or more unused sick leave 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 day	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

- F. Employees hired prior to February 11, 2010 who have accumulated a total of at least twenty-five (25) 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>Total Sick Leave Days Used In Previous Fiscal Year</u>	<u>Bonus Vacation Days To Be Credited on July 1</u>
0 to 2 days	3
2 ½ or 3	2 ½
3 ½ or 4	2
4 ½ or 5	1 ½
5 ½ or 6	1
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.

- G. Reserve Sick Leave is not available for usage as Departmental Leave Days. Employees will have access to Departmental Leave Days in accordance with the Municipal Code and the Manual of Standard Personnel Practices. Permission will not be unreasonably withheld.

H. The above 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 Article.

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

26. 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 or 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.

27. 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 an 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. When an employee receives sick leave pay from the City for a time period for which he/she subsequently receives Workers' Compensation benefits the resulting overpayment shall be immediately recoverable by the City notwithstanding any limitations set forth elsewhere in this Agreement pertaining to the recovery of overpayments which are due to payroll error.
- F. 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.
- G. 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.

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.

While employed in the alternate job classification, whether temporary or permanent, the employee shall be represented by the local Union or Union having jurisdiction over employees 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 or 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.

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.

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.

28. 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, the Employee Benefit Board 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 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 of Employee

70¢ per week

Amount of Insurance

\$5,000 each dependent

D. **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.

29. FUNERAL LEAVE

- A. If a death occurs among members of the employee's immediate family or household, the employee, provided he/she attends the funeral or memorial service and submits documentation of such upon return to work, will be granted three (3) days leave not to be charged to sick leave; provided that such leave will be extended to five (5) days if the funeral or memorial service which the employee attends is more than 300 miles from the City of Detroit. When an employee is entitled to three (3) days leave under this provision, and the funeral or memorial service is within 300 miles of the City of Detroit, he/she shall be granted two (2) days to be charged against current sick leave and then reserve sick leave upon his/her request.
- B. **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.

- C. If a death occurs among the relatives of the employee, the employee will be granted one (1) day leave, not to be charged to sick leave provided he/she attends the funeral and submits documentation of such upon return to work. If the funeral which the employee attends is more than 300 miles from the City of Detroit, the employee may extend the leave by two (2) days to be charged against current sick leave and then reserve sick leave upon his/her request.
- D. **Definition of Relatives:** Relatives are defined as grandson, granddaughter, brother-in-law, sister-in-law, uncle, aunt, mother-in-law, and father-in-law.
- E. The Union president or his/her designee, with proper notification to the department head, shall be allowed one (1) funeral day, not to be charged to sick leave, in order to attend the funeral of a City employee who was a member of his/her Union on the day prior to his/her death. Documentation of such must be submitted upon return to work.

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

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

30. JURY DUTY

- A. An employee who serves on jury duty will be paid the difference between his/her pay for jury duty and his/her regular pay for all days he/she is required to serve on jury duty.
- B. In the event that an employee reports for jury duty but does not actually serve on a jury, he/she will be paid the difference between the jury pay received and his/her regular day's pay and be excused for the day.
- C. In order to receive payment for jury duty supplementation, an employee must have been regularly scheduled to work on a non-overtime basis, must give reasonably prompt prior notice to his/her supervisor that he/she has been summoned for jury duty, and must furnish satisfactory evidence that he/she reported for or performed jury duty on the days for which he/she claims such payment, provided that the department head shall have discretion in seeking to have the employee excused where his/her services are essential.

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

If selected to serve on a jury, which requires the employee to be off work for more than one day, the employee will advise the employing department of whatever information as to length of the trial is conveyed by the Court.

- D. When properly notified by an employee under the terms of Section C, the department shall, if necessary, reschedule the work assignment of the employee 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 employee must notify the department of his/her desires to exercise this option prior to the first date of jury service.
- F. An employee on jury duty will be continued on the payroll and be paid at his/her straight time hourly rate for his/her normally 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 paid for the jury service, from the employee's pay.

31. 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 or 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, the department head shall have the option of paying for the holiday or granting equivalent time off with pay. When the City elects to give the employee time off, said time shall be granted at the request of the employee with the approval of the department head.
- 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 lay 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 either equal time off for hours worked or additional pay at straight time for such hours at the option of the department head. 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 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 (6) or seven (7) 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 (6) or seven (7) 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 City shall have the option to close all or part of its facilities for the Christmas and New Year’s holiday season consistent with operating needs and the public service. Employees 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. If an employee has no paid time accrued, and

wishes to work, the City will make every attempt to place an employee in his/her department on a job assignment consistent with their job classification and ability to perform the work. In the event a department requires additional personnel during the period, the Human Resources Department will be so advised. Employees who are without accrued time and are desirous of working during this period will contact their department Human Resources officer for available placement in another department.

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

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

- L. The Holiday Schedule during the term of this Agreement is set forth in Exhibit II.

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

32. RETIREMENT

- 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.

The above paragraph 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.

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.

- 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. 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.

- 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, 1992 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 for the second 10 years and 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.

The AFC period shall be the highest 3 consecutive years out of the last 10 years of service.

- 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 33 of this labor agreement or 2) choose to receive payment of twenty-five percent (25%) of the unused accrued sick leave bank provided in Article 33 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 33.
- 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.
- 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.

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 to \$9,000 per annum.

- 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. Employees shall have the option of selecting from two additional surviving beneficiary options of 25% and 75%.
- P. 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% contribution.
- Q. Members of the bargaining unit shall have the option of belonging to the City's current defined benefit/defined contribution retirement plan or new defined contribution retirement plan in accordance with the rules the City will issue for a defined contribution plan. The parties agree the DC 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 by the Executive Branch in November-December, 1997.
- R. 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.
- 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."

33. UNUSED SICK LEAVE ON RETIREMENT

- A. Employees shall be entitled to payment for unused sick leave on retirement as follows:

Upon retirement, or death with twenty (20) years of service, an employee shall be entitled to payment of sixty percent (60%) of their unused sick leave.
- B. The payments will be made as part of the Employee's Pension Program, or the Employee's Benefit Plan, or through the Finance Department.
- C. At the employee's option, he/she can elect to have up to the amount permitted by law of his/her unused sick leave payment deposited in his/her deferred compensation account with the balance paid to the employee.

34. FLEX-TIME

The City agrees that a flex-time work schedule may be established for bargaining unit employees represented by this Union. The format of this system will be developed on a departmental basis. Special conferences will be held with three (3) Union representatives, the various departments and the Labor Relations Director and/or his/her designated representative within thirty (30) days of the reaching of tentative Agreement on this provision to establish a program. If agreed to by the department the program shall be effectuated within thirty (30) days thereafter.

In the event problems arise in any flex-time program, the department or operating division involved shall request a meeting thereon, and the Union President and the Labor Relations Director and/or his/her designated representative will meet in special conference within fifteen (15) days of notification of the request. Upon approval of the Labor Relations Director, the City reserves the right to suspend the flex-time system where appropriate based on department needs.

35. TUITION REFUND

- A. 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:

- A. An eligible employee will be entitled to receive a maximum of \$2,000 per fiscal year to be applied toward 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 toward payment for participation in employee development programs.

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

36. FRINGE BENEFITS

Fringe benefits and working conditions except as otherwise expressly provided herein, shall be in accordance with the City Charter, Ordinances, Resolutions and Human Resources Department Rules as adopted by the Civil Service Commission.

37. RATES FOR NEW POSITIONS

When the Human Resources Department establishes a new classification or materially changes the specifications of an existing classification, the rate of pay shall be determined by the Labor Relations Division, subject to the approval of the department involved. Recommendation for the establishment of such rates shall be directed by the Labor Relations Division to the City Council.

When the new classification clearly falls within bargaining unit covered by the Agreement, the Union will be advised as to the classification, the departments, the rate and anticipated number of employees affected before any action will be taken by the City Council. In the absence of any appeal by the Union within ten (10) working days of the date of the notice to the Union, action on the position will be submitted to the City Council. In the event of an appeal the interested bargaining agent may negotiate for a suitable rate with the proper department or departments and the Labor Relations Division and the matter shall be handled in accordance with the procedure for special conference.

If the parties fail to reach an Agreement on a new rate within forty-five (45) days after notice is given to the Union, the City may implement its last offer to the Union. Any subsequent settlement shall have retroactivity to the date the offer is implemented.

38. MAINTENANCE OF CONDITIONS

Wages, hours, conditions of employment, and current proper practices which are beneficial to the employees at the execution of this Agreement, shall, except as provided and improved herein, be maintained during the term of this Agreement. Changes must be mutually agreed upon by the City and the Union.

NOTE: During the course of negotiations there was considerable discussion as to the interpretation and intent of this Article.

The parties agree that this Article is intended to include those proper practices and minor benefits not covered by specific language in the contract.

The parties agree that this Article is not intended to conflict with the City's ability and responsibility to manage its affairs.

The parties further agree that this Article is not intended to maintain improper practices, which may exist in the various operating departments nor is it intended to prevent the City from taking appropriate corrective action.

39. SAVINGS CLAUSE

If any Article or Section of this Agreement should be held invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any Article of this Agreement shall be affected thereby, the parties shall enter into immediate collective bargaining negotiations for the purpose of arriving at a mutually satisfactory replacement for such Article or Section.

40. WAIVER OF BARGAINING RIGHTS

The parties acknowledge that for the life of this Agreement they have each voluntarily and unqualifiedly waived the right, and agreed that the other shall not be obligated, to bargain collectively with respect to any subject or matter referred to, or covered in this Agreement, or with respect to any subject or matter not specifically referred to, or covered in this Agreement, even though such subject or matter may not have been within the knowledge or contemplation of either or both of the parties at the time that they negotiated or signed this Agreement.

41. SAFETY

The City shall provide reasonably safe working conditions. A dispute as to safety shall be referred to the Grievance Procedure at the Third Step.

42. VETERAN'S PREFERENCE

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

43. SUCCESSOR CLAUSE

In the event that any operation covered by this Collective Bargaining Agreement is contracted out, sold, 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.

44. DURATION, MODIFICATION AND TERMINATION

This Agreement shall become effective upon the effective date of Resolution of Approval of the City Council as provided by law and shall remain in full force and effect until 11:59 P.M., June 30, 2012.

If either party desires to modify this Agreement, it may give notice to the other party as early as April 30, 2012.

In the event the parties fail to arrive at an Agreement on wages, fringe benefits, other monetary matters, and non-economic items by June 30, 2012, this Agreement will remain in effect on a day-to-day basis. Either party may terminate the Agreement by giving the other party a ten (10) calendar day written notice on or after June 20, 2012.

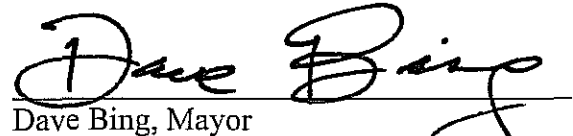
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on

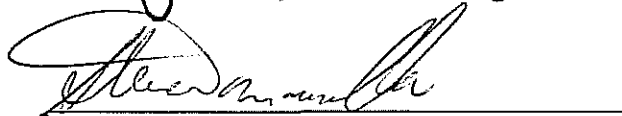
Dated This 19th Day of August, 2010.


**I.U.O.E. LOCAL 324 – DETROIT
PRINCIPAL CLERKS UNIT:**

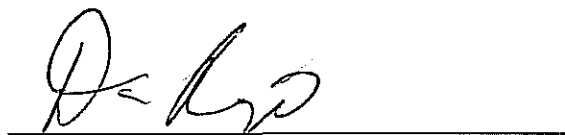
CITY OF DETROIT:



John H. Hamilton, Business Manager


Dave Bing, Mayor



Steve Minella, President

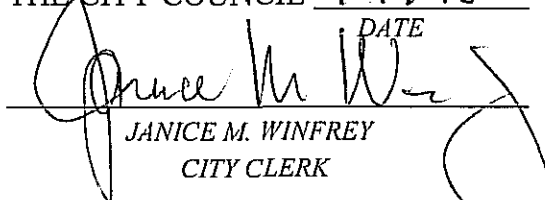

Joseph P. Martinico, Director
Labor Relations


Dan Ringo,
Recording Corresponding Secretary


Gail A. Oxendine, Director
Human Resources Department

APPROVED AND CONFIRMED BY
THE CITY COUNCIL 9-14-10


Krystal A. Crittendon, Corporation Counsel
Law Department


DATE
JANICE M. WINFREY
CITY CLERK


Norman L. White, Chief Financial Officer
Finance Department

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND THE
I.U.O.E. - DETROIT PRINCIPAL CLERKS UNIT**

RE: Private Car Mileage Reimbursement

A. Rates of Payment

When an employee covered by this Agreement is assigned to use his automobile to perform his/her job, he/she 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/her 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 or 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 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 eighteen (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/her 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/her 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/her normal working hours, he/she shall be required to furnish said car.
- G. In order to receive mileage reimbursement an employee must actually use an automobile on City business.
- H. When an employee is ordered to report to a work location outside the Detroit Metropolitan Area (as defined in the Budget Memo of June 5, 1991) he/she shall be entitled to reimbursement for actual travel expenses only, in accordance with the Budget Directive on Travel Policy (79-3) and the Budget Memo of June 5, 1991.

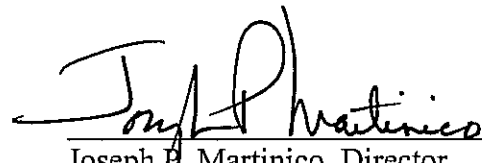
Dated This 19th Day of August, 2010.

FOR THE UNION:



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

FOR THE CITY:



Joseph P. Martinico, Director
Labor Relations

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND THE
I.U.O.E. - DETROIT PRINCIPAL CLERKS UNIT

RE: Labor/Management Committee

The parties acknowledge a need to establish a means for 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 citizens of Detroit. Accordingly, the parties have agreed to establish a Labor/Management Committee.

Composition of the Committee shall consist of the Union Representative and up to three (3) other bargaining unit members, and up to three (3) 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.

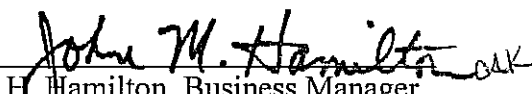
The proper subjects to be discussed by the Labor/Management Committee shall include employment issues that are unique or of special concern to a specific department or a bargaining unit, or how provisions of the Master Agreement shall be applied in a department. Proper issues for discussion may include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

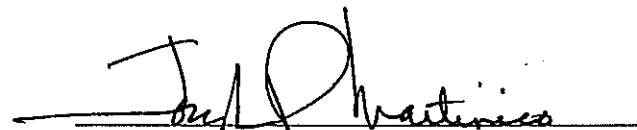
The parties agree that to increase effectiveness of Committee discussions, relevant training in specific subject areas should be made available to committee members. Provisions may be made to send selected committee members to seminars, workshops or in-service training.

Dated This 19th Day of August, 2010.

FOR THE UNION:

FOR THE CITY:


John H. 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
I.U.O.E. - DETROIT PRINCIPAL CLERKS UNIT

RE: Precedent of ADA and MHCRA Obligations to Disabled Persons

WHEREAS the City of Detroit and the Detroit Principal Clerks Unit will each become subject to the provisions of the Americans with Disabilities Act of 1990 (ADA), Title 1, on July 26, 1992; and

WHEREAS provisions of the Michigan Persons with Disabilities Civil Rights Act (MPDCRA) although already applicable, were not enacted prior to the negotiation of any present or prior labor Agreements between the parties, and

WHEREAS these pieces of legislation are new 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 legislations' 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

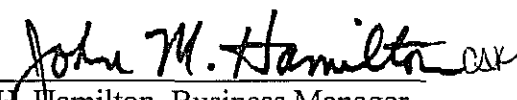
WHEREAS the Congressional history the EEOC-written Federal Regulations also encourage employers and labor Unions to agree to the type of provisions set forth in this Memorandum and elsewhere in the Master Collective Bargaining Agreements;

NOW, THEREFORE, in recognition of the forestated obligations and anticipated uncertainties attendant the MPDCRA, 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 19th Day of August, 2010.

FOR THE UNION:


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

FOR THE CITY:


Joseph P. Martinico, Director
Labor Relations

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND THE
I.U.O.E. - DETROIT PRINCIPAL CLERKS UNIT

RE: City Alternative Health Care Plan

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.

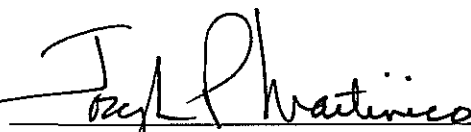
Dated This 19th Day of August, 2010.

FOR THE UNION:

FOR THE CITY:



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



Joseph P. Martinico, Director
Labor Relations

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

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

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

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND THE
I.U.O.E. - DETROIT PRINCIPAL CLERKS UNIT


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.

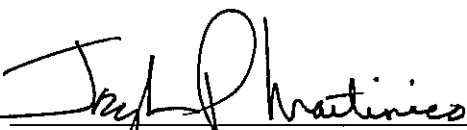
Dated This 19th Day of August, 2010.

FOR THE UNION:

FOR THE CITY:



John H. 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
I.U.O.E. - DETROIT PRINCIPAL CLERKS UNIT

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-Principal Clerks-Unit 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 agreed to several economic concessions in the 2008 – 2012 Collective Bargaining Agreement 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 a subsequent agreement on the 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 19th Day of August, 2010.

FOR THE UNION:

FOR THE CITY:

John H. Hamilton CMK
John H. 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 THE
I.U.O.E. - DETROIT PRINCIPAL CLERKS UNIT

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 issue that may arise with the implementation of the 2008-2012 payroll/benefit negotiated changes.

The City agrees to meet with the 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 19th Day of August, 2010.

FOR THE UNION:

FOR THE CITY:

John H. Hamilton CAK
John H. 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 THE
I.U.O.E. - DETROIT PRINCIPAL CLERKS UNIT

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 19th Day of August 2010.

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

Joseph P. Martinico
Joseph P Martinico, Director
Labor Relations

EXHIBIT I
REPRESENTATION AND WAGE RATES

Union Name: I.U.O.E. - Detroit Principal Clerks Unit

Representation: City-Wide EXCEPT Human Resources, Library, Public Housing Administrative Services and Transportation (except Transportation Engineering Division – I.U.O.E., Principal Clerks Unit represents employees in the Transportation Engineering Division)

Bargaining Unit Code Number: 6600

CLASS CODE	CLASSIFICATION	EFFECT 6/30/08 11:59 p.m. through 6/30/2012	
		MIN	MAX
01-20-41	Principal Clerk	\$34,200	\$36,900
01-40-51	Condemnation Award Specialist	\$35,900	\$39,300
01-92-10	Office Management Assistant	\$34,200	\$36,900
02-70-41	Supervising Duplicating Devices Operator	\$34,200	\$36,900

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

**EXHIBIT II
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.