

COLLECTIVE BARGAINING AGREEMENT

BETWEEN

CITY OF STERLING HEIGHTS



AND

**STERLING HEIGHTS POLICE COMMAND
OFFICERS ASSOCIATION**



JULY 1, 2007 - JUNE 30, 2012

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AGREEMENT

THIS AGREEMENT, made and entered into by and between the CITY OF STERLING HEIGHTS (hereinafter referred to as the "City") and the STERLING HEIGHTS POLICE COMMAND OFFICERS ASSOCIATION (hereinafter referred to as the "Association").

PURPOSE AND INTENT

The general purpose of this AGREEMENT is to set forth terms and conditions of employment and to promote orderly and peaceful labor relations for the mutual interest of the City, the employees and the Association.

The parties recognize that the interest of the community and the job security of the employees depend upon the City's success in establishing proper service to the community. To these ends, the City and the Association encourage, to the fullest degree, friendly and cooperative relations between the respective representatives at all levels and among all employees.

ARTICLE 1

Recognition - Unit - Security

1.1 The City recognizes and acknowledges that the Association is the exclusive representative in collective bargaining with the City of those classifications of employees covered by this Agreement. The only classifications covered are Police Sergeant, Police Lieutenant and Police Captain.

The City does hereby recognize the Association as the exclusive representative for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment, and other conditions of employment as listed in this Agreement for the term of this Agreement.

The Bargaining Unit shall include all full-time regular Police Sergeants, Lieutenants and Captains of the City of Sterling Heights.

1.2 This Agreement supersedes and cancels all previous agreements, verbal or written or based on alleged past practices, between the City and the Association and constitutes the entire Agreement between the parties. Any amendment or agreement supplemental hereto shall not be binding upon either party unless executed in writing by the parties hereto.

Date

09.22.08


Lt. Steven Jespersen
SHCOA Treasurer

LETTER OF UNDERSTANDING

BETWEEN

CITY OF STERLING HEIGHTS

AND

STERLING HEIGHTS POLICE COMMAND OFFICERS ASSOCIATION

City of Sterling Heights/Police Command Officers Association
July 1, 2007 - June 30, 2012

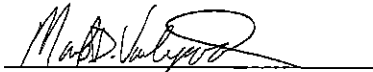
It is understood and agreed by both parties that Article 16.2 of the collective bargaining agreement between the City of Sterling Heights and the Sterling Heights Police Command Officers Association (July 1, 2007 - June 30, 2012) shall be amended to read as follows:

16.2 Court and Call-in Time. An employee whose appearance is required in Court, after he/she has reported off duty and before his/her next tour of duty, by virtue of his/her duties shall be paid for all overtime at the rate of one and one-half times his/her hourly rate. An employee who is required to report to Court after he/she has reported off duty and before his/her next tour of duty shall be guaranteed a minimum of three (3) hours credit at one and one-half times (1-½) times the base rate of pay for such call-in. However, if an officer is required to appear in Court for two separate cases within the same three (3) hour period, he/she shall be paid for only the minimum three (3) hour period. Any time in addition to three (3) hours shall be paid at the rate of time and one-half times the base rate of pay. This compensation may be taken by the employee in either overtime pay or compensatory time.

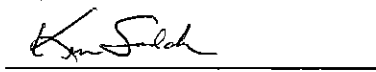
This action does not establish any past practice or precedent for any future related situation, for either party, nor shall it be used as evidence in any grievance arbitration, interest arbitration, or other proceeding.

CITY OF STERLING HEIGHTS

STERLING HEIGHTS COMMAND
OFFICERS ASSOCIATION



Mark D. Vanderpool
City Manager



Sgt. Ken Solak
SHCOA President



Dawn L. Demick
Human Resources Director



Sgt. David Smith
SHCOA Vice-President



Lt. Robert Hehigan
SHCOA Secretary

1.3 Membership in the Association is not compulsory. Regular employees have the right to join, not join, maintain or drop their membership in the Association, as they see fit. Neither party shall exert any pressure on or discriminate against an employee in regards to such matters.

To the extent that the laws of the State of Michigan permit, it is agreed that any employee, including probationary employees, covered by this Agreement who is not a member of the Association at the time the Agreement becomes effective, shall be required, as a condition of employment, to either become a member of the Association or pay a service fee to the Association, which shall be equivalent to the Association's monthly membership dues, including special assessments or voluntary contributions, for the duration of this Agreement.

1.4 If any provision of the article is invalid under Federal law or the laws of the State of Michigan, such provision shall be modified to comply with the requirements of Federal or State law, or shall be renegotiated for the purpose of adequate replacement.

1.5 All employees shall serve a probationary period in accordance with Act 78 of P.A. 1935, as amended, and, shall be placed on the regular seniority list, unless the City, in its discretion, returns the employee to his/her former classification during this period.

1.6 A. Wages, benefits, and working conditions of employment in effect at the execution of this Agreement shall be maintained during the term of this Agreement.

B. The City will make no unilateral changes in wages, benefits and working conditions during the term of the Agreement.

C. This Agreement shall supersede any existing rules and regulations inconsistent herewith. Rules and regulations not in direct conflict with this contract shall remain the right of the Chief of Police.

ARTICLE 2

Dues Check Off

2.1 The City shall deduct from the wages of each Association member in the Bargaining Unit, the amount as prescribed by the Association, as Association dues, initiation fees, assessments, and from non-Association members, a service fee as prescribed by the Association. These deductions shall be made by the City automatically for those already in the Unit and each time an employee is placed in the Unit or returns from a leave of absence. This will be done according to MCLA 408.477, without the need of authorizations by the individual employees, as long as the employee is receiving a paycheck from the City.

2.2 The City will deduct Association membership dues, initiation fees or service charges, service fees and assessments for each pay period. If an employee has no pay coming for such pay period or if such pay period is the first pay of a new employee, such deduction shall be withheld from the immediate subsequent pay period.

2.3 The City will withhold from the pay of employees in any month, only the deduction incurred while an employee has been in the employ of the City, and only such amounts becoming due and payable in such month.

2.4 In the event that a refund is due any employee for any sums deducted from wages and paid to the Association, it shall be the responsibility of such employee to obtain appropriate refund from the Association.

2.5 All sums deducted by the City shall be remitted to Command Officers Association of Michigan, 27056 Joy Road, Redford, MI 48239-1949, and the Employer shall do so as soon as possible.

2.6 The City shall not be liable for any remittance or payment of any sums other than those constituting actual deductions made; and if for any reason it fails to make the deduction, the City shall deduct the appropriate amount from the Employee's next pay in which such deduction is normally deducted, after the error has been called to its attention by the employee or the Association.

2.7 The Association shall indemnify and hold harmless the City against any and all liability which may arise by reason of the deduction by the City of money as Association fees, membership dues or other charges from the employees' wages.

DROP election revocation is made as prescribed by this Subsection, the Participant's DROP Account is not distributed, and the Participant or the Participant's beneficiary(ies), as applicable, is entitled to all benefits provided by the Police and Fire Retirement System as if a DROP election had not been made. In the event of revocation of DROP participation as provided herein, there shall be no requirement for retroactive payment of employee contributions which would otherwise have been paid by the Employee to the Retirement System and the Employee shall receive service credit for all service rendered during DROP participation or as otherwise provided in the applicable collective bargaining agreement.

N. INTERNAL REVENUE CODE COMPLIANCE

The DROP is intended to operate in accordance with Section 415 and other applicable laws and regulations contained within the Internal Revenue Code of the United States. Any provision of the DROP, or portion thereof, that is found by the Retirement Board to be in conflict with an applicable provision of the Internal Revenue Code of the United States is hereby declared null and void.

The City of Sterling Heights Police and Fire Retirement System consists of both defined benefit and defined contribution plans. The DROP Account herein discussed shall be established as part of the Defined Benefit Plan of the Retirement System or such other plan as the Retirement Board and the Command Officers Association shall agree upon (i.e., I.R.C. Section 415(m) benefit plan) after consultation with appropriate legal counsel.

K. DEATH DURING DROP PARTICIPATION

Except as otherwise provided in Subsection M, if an Employee participating in the DROP dies either: (i) before full retirement (i.e., before termination of service); or (ii) during full retirement (i.e., after termination of service), but before the DROP account balance has been fully paid out, the Participant's designated beneficiary(ies) shall receive the remaining balance in the Participant's DROP Account in the manner in which they elect from the previously mentioned distribution methods (Subsection J). In the event the Participant has failed to name a beneficiary, the account balance shall be payable to the Participant's beneficiary of benefits from the Police and Fire Retirement System. If there is no such beneficiary, the account balance shall be paid in a lump sum to the Participant's estate. Benefits payable from the Police and Fire Retirement System shall be determined as though the DROP Participant had separated from service on the day prior to the Participant's date of death.

L. DISABILITY DURING DROP PARTICIPATION

Except as otherwise provided in Subsection M, in the event a DROP Participant becomes totally and permanently disabled from further performance of duty as a police officer in accordance with the provisions of the Police and Fire Retirement System, the Participant's participation in the DROP shall cease and the member shall receive such benefits as if the member had retired and terminated employment during the Participation Period.

Application and determination of disability shall be conducted in accordance with the Police and Fire Retirement System provisions; however, the Participant shall not be eligible for disability benefits from the Police and Fire Retirement System, except as specifically provided in Subsection M.

M. SPECIAL PROVISION FOR DUTY DISABILITY AND DUTY DEATH

A DROP Participant who is found by the Retirement Board, in accordance with Retirement System provisions, to be totally and permanently incapacitated for duty by reason of a personal injury or disease occurring as the natural and proximate result of causes arising out of and in the course of the Employee's employment with the City, may retroactively revoke the Participant's DROP election if the revocation occurs before the payment of a distribution to the Employee from the Participant's DROP account or payment of disability or retirement benefits to the Employee from the Retirement System. If a DROP Participant dies in the line of duty while in the employ of the City, the DROP Participant's eligible survivors (i.e., survivors qualified under Section 6(2) of Public Act 345 of 1937, as amended, and the Participant's applicable collective bargaining agreement) and the Participant's eligible DROP beneficiary(ies) may, by unanimous agreement, retroactively revoke the Participant's DROP election if the revocation occurs within 90 days of Participant's date of death and before payment of a distribution from the Participant's DROP account or payment of benefits from the Police and Fire Retirement System. If a

ARTICLE 3

Extra-Contract Agreements

3.1 The City agrees not to enter into any agreement with another labor organization during the life of the Agreement with respect to the employees covered by this Agreement; or any agreement or contract with the said employees, individually or collectively which in any way affects wages, hours or working conditions of said employees, or any individual employees in the Unit covered by this Agreement. This is not to be construed to include the normal personnel actions as made by the Civil Service Commission such as recruitment or promotion, or classification due to changes in organizational functions.

ARTICLE 4

Seniority

4.1 Seniority For Layoffs.

A. Seniority as promulgated in the Act 78 Civil Service rules shall prevail in the layoff and rehiring of employees, in reducing the work force due to lack of work or other legitimate cause.

B. The City shall post a list of the employees arranged in order of seniority. This list shall be posted in a conspicuous position at the place of employment. Seniority date shall be the date hired.

C. Seniority shall be broken only by discharge, voluntary resignation or layoff for a period of more than two years, or if absent for three (3) consecutive work days without notifying the City. In case of emergency, exceptions may be made by the City.

D. In the event of a layoff, an employee so laid off shall be given one week's notice of recall to work, mailed to his/her last known address by certified mail. In the event the employee fails to be available for work at the end of said one week, all seniority rights under this Agreement shall be lost. However, in proper cases, the City will give consideration to the employee and grant exception in the sole discretion of the City.

4.2 Seniority Other Than Layoffs.

A. Seniority, as it pertains to other than layoff and rehiring, shall be based on the date of promotion to the employee's rank. Should conflicts occur relative to date of promotion, seniority shall be determined by the employee's placement on the Civil Service eligibility list for the current rank. The higher placement is senior. Rank seniority shall apply in the selection of:

Shift Assignment
Scheduled Leave Days
Vacations

B. Sergeants, lieutenants, and captains shall be treated separately. Sergeants shall exercise their seniority rights with other sergeants, lieutenants shall exercise their seniority rights with other lieutenants, and captains shall exercise their seniority rights with other captains.

ARTICLE 5

Education

5.1 Effective July 1, 2007, upon receipt of an Associate Degree from an accredited college or university, an employee shall be entitled to base pay at an annual rate that is \$350 above the rate specified in this Agreement.

Upon receipt of a Bachelor's Degree from an accredited college or university, an employee shall be entitled to base pay at an annual rate that is \$600 above the rate specified in this Agreement.

Upon receipt of a Master's Degree from an accredited college or university, an employee shall be entitled to base pay at an annual rate that is \$750 above the rate specified in this Agreement.

5.2 ~~Educational Assistance Program.~~ This program is offered to encourage employees to improve their job skills, to increase their value to the City, and to assist them in preparing for future advancement with the City.

The scope of the program does not include special seminars, or "short courses" of a few days duration which will continue to be considered on an individual and departmental training basis as in-service training. The following provisions are established to govern the administration of the City's Educational Assistance Program:

I. CONTRIBUTIONS

The Employee's contributions to the Police and Fire Retirement System shall cease as of the Participant's DROP Date for each Employee entering the DROP.

The payroll of DROP Participants will be included in the covered compensation upon which regular City contributions to the Police and Fire Retirement System are based. Employer contributions shall be credited to the Retirement System and not to any individual's Drop Account.

J. DISTRIBUTION OF DROP FUNDS

Upon termination of employment, the former DROP Participant must choose one, or a consistent combination of, the following distribution methods to receive payment(s) from his or her individual DROP Account:

- 1) A total lump sum distribution to the recipient.
- 2) A partial lump sum distribution to the recipient.
- 3) A lump sum direct rollover to another qualified plan to the extent allowed by federal law and in accordance with the Retirement Board's rollover procedures.
- 4) An annuity payable for the life of the recipient.
- 5) An optional form of annuity as established by Public Act 345 of 1937, as amended.
- 6) No distribution, in which case the accumulated balance shall remain in the Plan to the extent allowed by federal law.

Lump sum or partial lump sum distributions which would exceed Internal Revenue Code Section 415 limits will not be authorized. A former Participant may change their distribution method as may be applicable no more than once per annum. All benefit payments under the Plan shall be made (or commence in the case of an annuity) as soon as practical after entitlement thereto, but in no event later than the April 1 following the later of:

- 1) The calendar year in which the Premium Member attains age 70 ½, or
- 2) The calendar year in which the Participant's employment terminated.

If the Accumulated Balance in any former Participant's account becomes less than \$5,000 (or such other amount as provided in Internal Revenue Code Section 411(a)(11)(A)), then the Retirement Board, in its sole discretion, shall have the option of distributing the former Participant's entire account, in the form of a lump sum, to the Former Participant.

Any and all distributions from Participant's DROP Account shall not be subject to offset by any workers compensation wage loss payments received by the Participant, including any redemption amounts.

The term "spouse" for purposes of survivorship benefit qualification of DROP Participants, shall mean: (1) the person to whom the Participant was legally married on the Participant's date of death if such death occurs during DROP Participation; or (2) the person to whom the retirant was legally married on both the effective date of termination of employment and the retirant's date of death in the event such death occurs after termination of employment. The definition of "spouse" herein may be amended pursuant to an Eligible Domestic Relations Order entered pursuant to Michigan Public Act 46 of 1991, as amended (MCL §38.1701 et seq.).

G. ANNUITY WITHDRAWAL

An Employee who elects to participate in the DROP (and correspondingly ceases additional retirement benefits otherwise credited to active members of the Police and Fire Retirement System) may only elect the Annuity Withdrawal Option provided by the Police and Fire Retirement System at the time of electing DROP participation. Such election shall be made commensurate with the Participant's DROP election, but not thereafter, if the annuity withdrawal amount is withdrawn at the time of DROP election, said amount will be utilized to compute the actuarial reduction of the Participant's DROP Benefit, as well as his or her monthly retirement benefit from the Police and Fire Retirement System after termination of employment. If the Participant, pursuant to Subsection F, elects an Optional form of benefit upon termination of employment, or elected the annuity withdrawal option at the time of DROP participation, but did not withdraw their annuity at the time of DROP election, the Annuity Withdrawal reduction shall be redetermined upon termination of employee and the retirant's monthly retirement benefit adjusted. DROP Participants who do not elect the annuity withdrawal option shall have their full unreduced benefit credited to their DROP Account.

H. DROP ACCOUNTS

For each DROP Participant, an individual DROP Account shall be created in which shall be accumulated at DROP Interest the participant's DROP Benefits. All individual DROP Accounts shall be maintained for the benefit of each DROP Participant and will be managed by the Retirement Board in the same manner as the primary pension fund. DROP Interest for each DROP Participant shall be at a fixed rate of 4.0% per annum with interest credited on the first day of each month on the prior month's principal and interest balance. The Retirement Board shall provide each participant with an annual statement of their account activity. The reference to individual DROP Accounts shall be interpreted to refer to the accounting records of the Police and Fire Retirement System and not to the actual segregation of moneys in the funds of the Police and Fire Retirement System.

A. Application for Educational Assistance may be made by any full-time permanent employee.

B. Applications will be considered if the employee is eligible for or receiving funds for the same course from any other source (GI Bill, scholarships, vocational rehabilitation, etc.). However, reimbursement under this program shall be limited to the difference between the other funds for which eligible or received for the same course and reimbursement in accordance with this article.

C. Application will be approved by the Chief of Police and City Manager, only for courses related to the employee's present job or related to a promotional position within the organization, or to satisfy the general educational requirement for such a degree.

D. Reimbursement shall be made only for courses completed at accredited high schools, trade schools, colleges and universities.

E. There shall be a seventy-five (75%) percent reimbursement for tuition, lab fees, and required textbooks to a maximum of \$2,000/year for undergraduate courses and a maximum of \$3,000/year for graduate courses based upon courses completed with a "C" or numerical equivalent, or for non-graded courses when the grade received is "satisfactory" or "passing". There shall be a One Hundred (\$100) Dollar limitation per fiscal year for non-credit courses.

F. Employees must submit official school transcript showing final grade received. The employee shall be considered as having completed a class when they conclude the term for which the school quotes the tuition fee.

G. Expenses such as student fees, parking, and mileage shall not be part of the Educational Assistance Program.

H. The applicants under this program shall attend classes on their own time and without compensation from the City.

5.3 Attendance at Educational and/or Training Schools by Command Officers.

Mandatory training will not be arbitrary or disciplinary. Two weeks (14 calendar days) notice will be given prior to any school and attendance may be appealed to the Chief of Police because of personal hardship. Only the Chief of Police may give exceptions to attendance at scheduled training.

- A. Mandatory training shall be defined as training where all members of the Bargaining Unit shall be required to be trained. This includes training such as, but not limited to: self defense, CPR, firearms, or other training determined by the Department as necessary.

Mandatory training may include a training program that all Command Officers attend, or all persons of a particular rank, and/or a program that all in a certain Bureau or Division attend, not necessarily on the same date.

The City has the right to adjust the hours of an employee for mandatory training. Employees may be required to adjust their work hours for the particular days of training, but they shall not be required to adjust their scheduled leave days. Thus, for training that goes beyond the normal scheduled work day, employees shall be paid overtime for excess hours and those employees trained on their scheduled leave days shall receive overtime for all hours of training.

Non-mandatory training, training other than that listed above, determined to be necessary for the operational needs of the Department, but not punitive in nature, may be scheduled by the Chief or designate. All Command Officers are required to attend such training as scheduled and the City reserves the right to adjust the Command Officers' work hours for the days of training. If a dispute arises regarding the punitive nature of the assignment, the member will be afforded all rights to resolve the dispute through the grievance procedure. All non-mandatory training will be held within the State of Michigan and members will be provided with 14 calendar days notice to attend such training.

The Department reserves the right to deny vacation, compensatory or personal days to any member to maintain proper staffing; however, those employees who have prior approved vacation, personal or compensatory days shall not have those days canceled to accommodate training.

No interest shall be payable on any "separation buyout monies" for Employees electing Retroactive DROP Participation. Upon expiration of said sixty (60) day window period, Employees electing DROP Participation shall have an effective DROP Date no less than 30 days or more than 90 days after the employee's Date of Application. Employees electing retroactive DROP Participation shall receive a refund of their accumulated contributions in the Retirement System which were credited after their effective DROP Date. Said amount shall be treated as a lump sum payment payable at DROP election with no reduction in the member's retirement or DROP Benefit.

F. DROP BENEFIT

The Participant's DROP Benefit shall be the regular monthly retirement benefit to which the Employee would have been entitled if the Employee had actually retired on the DROP Date (less the annuity withdrawal reduction as set forth in Subsection G and/or actuarial reductions as a result of the Employee electing an Optional form of benefit under the Plan, if applicable). The calculation of the Employee's "Average Final Compensation" ("AFC") shall be based upon the contract provisions in effect on the Employee's DROP Date and to the extent applicable, shall include all monies which, if the Employee had terminated employment on their DROP Date, would have otherwise been included in calculating the Employee's AFC. The City's payment of "separation buyout monies" which have been included in AFC as provided herein and by Section 31.1(D) of this Article, shall occur within 60 days of the Employee's effective DROP Date (i.e., retirement date). All vacation, sick, comp or personal time accruing after a Participant's effect DROP Date shall accrue and be governed by the provisions of this Agreement except that any unused vacation time at the time of termination of employment will not be paid to any DROP Participant (i.e., must be used or is lost). It is expressly understood that the actual amount of "separation buyout monies" included in AFC and paid to the Employee at time of DROP election may be different in amount than the "separation buyout monies", if any, paid to the DROP Participant at actual termination of employment.

The Participant's DROP Benefit shall be credited monthly to the Participant's individual DROP Account. A DROP Participant may: (1) prior to their DROP date; or (2) at the time of their termination of employment; elect to receive his or her benefit in the form of the Plan's Option I or Option II benefit and nominate a named beneficiary in accordance with the Plan provisions. A Participant's DROP Benefit that is credited monthly in to the Participant's DROP Account shall not be changed during the Participant's DROP Participation. A Participant desiring to change their form of benefit at termination of employment, must make such election prior to termination and will receive the actuarially computed revised benefit commencing on the Employee's effective date of termination.

Upon termination of employment, the retiree shall commence receipt of the monthly retirement benefit previously credited to their DROP Account, unless an Optional form of benefit is elected pursuant to Subsection F. Failure to terminate employment at the expiration of the DROP Participation Period shall result in forfeiture of the Participant's monthly pension benefit otherwise payable to their DROP Account until termination of employment. Interest on the DROP Account however, will continue to accrue during such a forfeiture period.

D. ELECTION TO PARTICIPATE

Once commenced, participation in the DROP program is IRREVOCABLE (except as specifically provided in Subsection M herein). An Employee who wishes to participate in the DROP, shall complete and sign such application form or forms as shall be required by the Retirement Board no less than 30 days or no more than 90 days prior to their intended DROP Date. The Retirement Board shall review the application within a reasonable time period and make a determination as to the Employee's eligibility for participation in the DROP. On the Employee's effective DROP Date, he or she shall become a DROP Participant and shall cease to be an active member of the Police and Fire Retirement System. The amount of credited service, multiplier and average final compensation shall be fixed as of the Participant's DROP Date. Increases in compensation and accrual of additional service during DROP Participation will NOT be factored into the pension benefits of active or former DROP Participants (except as specifically provided in Subsection M). A Participant's DROP Date only applies to the Employee's retirement benefit provisions as provided herein and not to any other contractual benefits or retiree medical benefits in effect or accruing after a Participant's DROP Date.

E. BACK DROP (Grandfather Provision)

Employees otherwise qualifying for DROP Participation shall have a sixty (60) day window period commencing July 1, 2002 through and including August 29, 2002 during which eligible employees may file a retroactive DROP election with the Retirement Board with an effective DROP Date commencing July 1, 1997 or later at the Employee's election. The employee must otherwise qualify for DROP Participation on their effective DROP Date. An Employee electing Retroactive DROP Participation in accordance with this provision shall have DROP Benefits based upon the retirement provisions and computation formula in effect on their effective DROP Date. The inclusion of "separation buyout monies" in AFC for purposes of calculating a Participant's DROP Benefit as provided in Subsection F shall be governed by the contract provisions, and the Employee's applicable wage and accumulated banks, as of the Participant's retroactive DROP Date. The employee shall receive payment for said separation buyout monies included in calculation of the AFC (less applicable payments received after their DROP Date, if any) within 60 days of their DROP election.

An employee who requests or volunteers and is approved for a training school may have his scheduled leave days and/or work schedule adjusted, but will not be paid overtime for any hours of training in excess of their regular work hours for a given scheduled work day. The City shall continue its past practice of paying for various expenditures arising out of attendance at any educational and/or training schools, including, but not limited to transportation, food and lodging.

5.4 All Command Officers entering the bargaining unit after July 1, 2002, shall be required to attend a "Staff and Command School". Officers required to attend may be required to adjust their scheduled hours of work but not their leave days. Officers attending Staff and Command School on scheduled leave days shall be paid overtime (one and one-half times their normal rate) on those days. Command Officers required to attend Staff and Command School out of the tri-county area (i.e., Wayne, Oakland, or Macomb) shall have lodging provided for them at City expense. The current per diem rate will be paid for meals. If lodging is provided, the overtime paid on scheduled leave days will be waived and leave day adjustments will be made. This overtime will be paid based on an eight (8) hour, five (5) day work week for the attending week only.

ARTICLE 6

Leave of Absence

6.1 The City may give reasonable time off up to thirty (30) days without discrimination or loss of seniority rights or other benefits, without pay to employees designated by the Association to attend a labor convention, seminar, or school, provided 72 hours written notice is given to the City by the Association, specifying length of time off for Association activities; due consideration shall be given to the number of employees affected in order that there shall be no disruption of the City's operations due to lack of available employees.

DEFERRED RETIREMENT OPTION PLAN (DROP)

ARTICLE 7

Limitation of Authority and Liability

7.1 No employee, Association member, or other agent of the Association shall be empowered to call or cause any strike, work stoppage, or cessation of employment of any kind whatsoever. During the life of this Agreement, the Association shall not cause or permit its members to cause, nor shall any member of the Association take part in any sit-down, stay-in, or interference of the operations and services of the City. The Association shall not cause or permit its members to cause, nor shall any member of the Association take part in any strike or stoppage of any of the City's operations during the life of this Agreement.

7.2 The Association agrees it will take prompt affirmative action to prevent or stop unauthorized strikes, work stoppages, slow-downs or work, or work interference of any kind by notifying the employees that it disavows these acts. The Association further agrees that the City shall have the right to discipline (including discharge) any or all employees who violate this article.

7.3 The officers of the Association shall take prompt affirmative action to try to prevent any wildcat strike, work stoppage, slow-down of work, picketing, or work interference of any kind.

7.4 The City will not lock out any employee during the terms of this Agreement. If an employee is unable to work because equipment or facilities are unavailable, such inability to work shall not be deemed a lockout under the provisions of this section, and the employee will suffer no loss of wages or benefits unless formally laid off because of such inability to work.

ARTICLE 8

Election of Remedies

8.1 When the same remedies are available for a dispute which arises under this Agreement under the grievance procedure, which are available under any administrative or statutory scheme or procedure, such as, but not limited to, a veteran's preference hearing, civil rights hearing, or Department of Labor hearing, and the employee elects to utilize the statutory or administrative remedy, the Association and the affected employee shall not process the complaint through the grievance procedure provided for in this Agreement.

A. OVERVIEW

Effective July 1, 2002, any Employee who is a member of the City of Sterling Heights Police Command Officers Association (hereinafter the "Command Officers Association") may at any time voluntarily elect to participate in the Sterling Heights Police and Fire Retirement System Deferred Retirement Option Plan (hereinafter "DROP") after attaining 20 years of service credit regardless of age. Upon commencement of DROP participation, the Participant's DROP Benefit shall be the dollar amount of the Employee's monthly pension benefit computed by using the contractual guidelines and formula(s) that are in effect on the DROP Date. During participation in the DROP, the Participant continues with full employment status and receives all future promotions and benefit/wage increases. The Participant's DROP Benefit shall be credited monthly to the Participant's DROP Account which shall be established within the Defined Benefit Plan of the City of Sterling Heights Police and Fire Retirement System (the "Police and Fire Retirement System" or "Plan"). The Participant's DROP Account shall be maintained and managed by the Board of Trustees of the Police and Fire Retirement System (the "Retirement Board"). Upon termination of employment, the retiree shall begin to receive payment(s) from his/her individual DROP Account as described herein. The DROP payment(s) are in addition to all other contractual pension benefits. The Participant is solely responsible for analyzing the tax consequences of participation in the DROP.

B. ELIGIBILITY

Effective July 1, 2002, any member of the City of Sterling Heights Police Command Officers Association may voluntarily elect to participate in the DROP at any time after attaining 20 years of service credit regardless of age. The member's election to participate in the DROP shall not operate to change or in anyway modify the Retirement System's minimum requirement for a normal service retirement/pension.

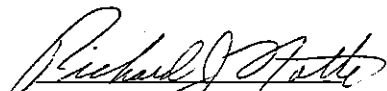
C. PARTICIPATION PERIOD

The maximum period for participation in the DROP is five (5) years (the "Participation Period"). There is no minimum time period for participation. An Employee must cease employment with the City of Sterling Heights Police Department within five (5) years from the date of their entering the DROP.

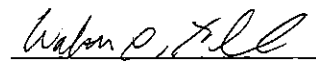
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representative as of the day and year first written.


CITY OF STERLING HEIGHTS

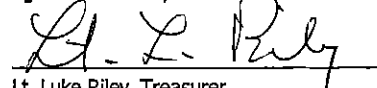
POLICE COMMAND OFFICERS ASSOC.

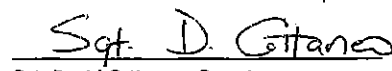

Richard J. Notte, Mayor


Lt. John Berg, President


Walter C. Blessed, City Clerk


Sgt. David Smith, Vice-President


Lt. Luke Riley, Treasurer


Sgt. David Cattaneo, Secretary

Date: 10-27-08

8.2 If any employee elects to use the grievance procedure in this Agreement and, subsequently, elects to utilize the statutory or administrative remedies to obtain the same remedy, then the grievance shall be deemed withdrawn and the grievance procedure provided for hereunder shall not be applicable, and any relief granted shall be forfeited.

8.3 Nothing herein shall be construed to eliminate the right of an employee or the Association to apply to the Courts to compel compliance with agreement terms, including the grievance procedure, by request for injunctive or other relief.

ARTICLE 9

Grievance Procedure

9.1 A grievance is defined as a difference, dispute, or complaint between the City and the Association as to the application or interpretation of this Agreement which includes all department rules and regulations, and it is mutually agreed that grievances shall only be allowed on items contained in this Agreement during the life of this Agreement and shall be settled in accordance with the procedure herein.

The parties agree there shall at no time be any strikes, intentional tie-ups of equipment, slow-downs, walkouts, or any other intentional cessation of work.

9.2 Grievances must be taken up promptly, and no grievance shall be considered or discussed which is presented later than fifteen (15) calendar days after grievant's knowledge of the alleged grievance. Should any grievance arise, there shall be an earnest effort on the part of the parties to settle such grievance through the following:

Step 1. By informal conference between the aggrieved employee, an Association representative, or both, and the Police Chief. If not resolved, then it shall be the responsibility of the aggrieved to reduce any grievance to writing on the regular grievance form provided by the Association within fifteen (15) calendar days of the alleged grievance.

Step 2. Upon receipt of the written grievance, a conference between Association and City representatives will be held within seven (7) calendar days, and a decision will be rendered within seven (7) calendar days after the conference. The employee's choice as to Civil Service or Arbitration relief shall be made at the time of the filing of the written grievance.

Step 3. In the event of failure of the above steps in the Grievance Procedure to resolve a dispute, the matter shall be referred to the next meeting of a grievance panel consisting of not more than three (3) Association representatives, and not more than three (3) City representatives. This grievance panel will meet monthly to settle unresolved grievances, if any, except for discharges, suspensions, or reduction in rank or pay, the panel will convene within seven (7) calendar days and a decision will be rendered within 48 hours after the meeting.

The Step 3 Grievance Panel may be waived if mutually agreed in writing between the City and the Association. In the event Step 3 is waived, either party may still pursue Step 4 of the grievance procedure.

Step 4. In the event the grievance is not resolved in Step 3, the Association or the aggrieved may within 20 days of the decision in Step 3, appeal on cases over which it has jurisdiction to the Civil Service Commission to seek relief in accordance with the provisions of Act 78 and the Civil Service rules or the Association may request that it be submitted to arbitration, in keeping with the employee's choice as set forth at Step 2, but the Association and/or the aggrieved may not invoke both the Civil Service procedure and arbitration. Arbitration shall be submitted as follows:

A. The arbitrator shall be a person mutually agreed to by both the City and the Association. The moving party may request the American Arbitration Association to appoint an arbitrator who shall have authority to hear and decide the case.

B. In the event of a refusal by either party to submit to or appear at the arbitration hearing, the arbitrator shall have jurisdiction to proceed ex parte and make an award. The fees and expenses of the arbitrator shall be borne by both parties equally. The decision of the arbitrator shall be rendered without undue delay, and all subsequent settlements made in the Grievance Procedure, including the decision of the arbitrator shall be final and binding on all parties, including the employees involved.

C. All claims for wages shall be limited to the amount of wages which the employee would otherwise have earned less compensation, if any, earned elsewhere during the period in question, which compensation is attributable to the discharge, suspension or layoff period in issue, and which would not have been earned otherwise. No economic benefits will be paid for any period before seven (7) calendar days prior to the date of Step 1 of the alleged grievance.

ARTICLE 42

Termination of Agreement

42.1 THIS AGREEMENT shall be in full force and effect from July 1, 2007 to and including June 30, 2012 and shall continue in full force and effect from year to year thereafter unless written notice of desire to cancel or terminate the Agreement is served by either party upon the other, at least sixty (60) days prior to the date of expiration.

42.2 It is further provided that where no such cancellation or termination notice is served and the parties desire to continue said Agreement, either party may serve upon the other a notice, at least sixty (60) days prior to June 30, 2012, or any period of any subsequent contract year, advising that such party desires to continue this Agreement but also desires to revise or change terms or conditions of such Agreement.

42.3 Should either party to this Agreement serve such notice upon the other party, a joint conference of the City and the Association shall commence not later than forty-five (45) days before the expiration date or amendment date of this Agreement.

ARTICLE 43

Distribution of Contract

The City agrees to provide one hundred (100) copies of this contract to the Sterling Heights Police Command Officers Association.

ARTICLE 39

Drug Testing Policy

39.1 The City and the Association have cooperatively joined in the development and implementation of an Employee Assistance Program (E.A.P.) to help employees who may develop problems that may render them unemployable. The Drug Testing Policy approved by the parties July 1, 1992, is hereby adopted by reference.

ARTICLE 40

Administrative Obligation

40.1 This Agreement shall be binding upon the parties hereto, their successors, administrators, executors and assigns.

ARTICLE 41

Detention Facility

41.1 It is specifically understood and agreed that the City, in its sole discretion, may cease to provide detention service entirely, may sell or lease the present or any other detention facility, may contract or subcontract for detention services, may operate the present facility with non-patrol officers, or civilians, or do any combination of the above. It is understood and agreed that should the City elect to operate the detention facility itself with non-patrol officers or civilians, supervision of those city employees will be maintained through the Sterling Heights Police Command Officers Association. The City further agrees that discontinuing of the detention duties shall not cause any layoffs of Command Officers.

D. The arbitrator's decision shall be final and binding on the Association, all employees covered by this Agreement and on the City, but the City or the Association may challenge the award if it was not made in accordance with the arbitrator's jurisdiction and authority under this Agreement.

E. It shall be the function of the Arbitrator, and he/she shall be empowered, except as such powers are limited below, after due investigation, to make a decision in cases of alleged violation of the specific terms and provisions of this Agreement.

1. All proceedings before the Arbitrator shall be conducted in accordance with the voluntary labor regulations and rules of the American Arbitration Association.

2. He/she shall have no authority to require the City to purchase buildings, equipment or materials.

3. He/she shall have no power to add to, or subtract from, alter or modify any of the terms of this Agreement.

4. He/she shall have no power to establish wage scales.

5. He/she shall have no power to substitute his/her discretion for the City's discretion in cases where the City is expressly given discretion by this Agreement.

6. In those arbitrations involving discipline or discharge of employees, the arbitrator shall determine if the discharge or discipline is for just cause. He/she may review the penalty imposed and is empowered to determine if the penalty is appropriate or unduly severe and he/she may modify it accordingly.

F. In the event that a case is appealed to an arbitrator on which he/she has no power to rule, it shall be referred back to the parties without decision or recommendation on its merits.

G. The fees and expenses of an arbitrator shall be shared by the City and the Association. All other expenses shall be borne by the party incurring them, and neither party shall be responsible for the expense of witnesses called by the other.

H. No decision in any one case shall require a retroactive wage adjustment in any other case.

I. Any grievance not advanced to the next step by the Association within the time limit in that step or if no time limit is specified, within seven (7) calendar days shall be deemed settled. Likewise, should the prescribed time limits for meetings not be met by the City, the grievance shall automatically proceed to the next level of the procedure. Time limits may be extended by the City and the Association in writing.

J. All agreements between the Association and the City shall be in writing.

ARTICLE 10

Military Service

10.1 Any employee on the seniority list inducted into military, naval, marine, or air service under the provisions of any Federal Selective Service Training Statute, and amendments thereto, or any similar act in time of national emergency, shall upon termination of such service, be reemployed in line with his/her seniority, at the then current rate of such work, provided he/she has not been dishonorably discharged from such service with the United States Government and is physically able to do work available, and further provided he/she reports for work within ninety (90) days of the date discharged from such service with the United States Government.

10.2 Employees inducted into the Armed Services of the United States, under the provisions of the Selective Service Act, shall be entitled to a leave of absence, without pay, for a period of service required by such original induction. Upon honorable discharge, and if physically fit to perform the duties of the position held prior to entering the military service, such employees shall be reinstated to their former positions or one comparable to it, provided they make formal application for reinstatement within ninety (90) days after the date of military service discharge. Military service, as above-defined, shall be credited to a reinstated employee's length of city service.

10.3 A probationary employee who enters the Armed Forces and meets the foregoing requirements, must complete the required probationary period and upon completing it, will have seniority equal to the time spent in the Armed Forces, plus ninety (90) days.

A. One (1) year for incidents or infractions not involving loss of time or wages.

Five (5) years for incident or infraction involving loss of time or wages equaling three (3) days or less.

Seven (7) years for incidents or infractions involving a loss of time or wages greater than three (3) days.

ARTICLE 36

Furnishing of Management Information

36.1 The City agrees to furnish the Association through the Office of the Chief of Police all current insurance policies, rules and regulations and revisions thereof.

ARTICLE 37

Jury Duty

37.1 An employee required to serve on jury duty shall be compensated and reassigned to day shift with Saturday and Sunday as scheduled leave days, until the termination of jury duty. Compensation is no more than the regular 40 hour work week.

37.2 If the employee is dismissed before the end of their shift, they will be required to return to work.

ARTICLE 38

Residency

38.1 All members of this bargaining unit shall reside in Macomb County and/or within 20 miles of the City's municipal boundaries within six months from date of hire and will remain as such as a condition of continued employment with the City.

38.2 This provision would not apply to any modification of the residency requirement which might result through arbitration.

ARTICLE 35

DISCIPLINE

- 35.1 The Employer shall not discipline command officers without just cause.
- 35.2 The parties agree that command officers shall have the rights guaranteed under the Weingarten Decision.
- 35.3 The Employer agree that before command officers can be disciplined by other than verbal reprimand:
- Written charges must be served upon the command officer to be disciplined within ninety (90) calendar days of the infraction or within ninety (90) calendar days of when the Employer had knowledge of the infraction.
- The Association must be served with the written charges within ninety-five (95) calendar days of the infraction or when the Employer had knowledge of the infraction.
- The Association will be notified of any discipline given other than verbal reprimands. In all cases, this shall be in writing and shall detail, exactly, the discipline that was given and shall be provided to the Association within four (4) calendar days of the discipline being given.
- 35.4 Command officers will have (4) calendar days to respond in writing to written questions from supervision regarding any incident that the command officer feels could result in disciplinary action. This is not to be interpreted to apply to the General Incident Report (G.I.R.) or supplements to the G.I.R. that officers are required to submit.
- 35.5 Command officers aggrieved by disciplinary action, may seek relief through the grievance procedure as outlined in Article 9 of this Agreement by going immediately to Step 2 of the procedure.
- 35.6 If a command officer or the Association grieves the discipline, the Chief shall release to the Association any and all write-ups, statements, investigations and reports relating to this specific discipline unless pending criminal proceedings prevent such disclosure. The above information shall be given to the Association before or at the very latest at the time of the grievance meeting at Step 2.
- 35.7 Documentation of discipline shall be removed from all Employer files after a period of not receiving any discipline from the date of infraction.

- 10.4 Except as hereinafter before provided, the reemployment rights of employees and probationary employees will be limited to applicable laws and regulations.

ARTICLE 11

Management Rights

- 11.1 The City, on its own behalf and on behalf of its electors, hereby retains, and reserves unto itself, without limitation, all powers, rights, authority, duties and responsibilities conferred upon and vested in it by the laws and the Constitution of the State of Michigan and of the United States. Further, all rights which ordinarily vest in and are exercised by employers except such as are specifically relinquished herein are reserved to and remain vested in the City, including but without limiting the generality of foregoing the right:
- A. To manage its affairs efficiently and economically, including the determination of quantity and quality of services to be rendered, the control of materials, tools and equipment to be used and the discontinuance of any services, material or methods of operation.
 - B. To introduce new equipment, methods, machinery or processes, change or eliminate existing equipment and institute technological changes, decide on materials, supplies, equipment and tools to be purchased.
 - C. To subcontract or purchase any or all work, processes or services, or the construction of new facilities or the improvement of existing facilities.
 - D. To determine the number, location, and type of facilities and installations.
 - E. To determine the size of the work force and increase or decrease its size.
 - F. To hire, assign and lay off employees to reduce the work week or the work day or effect reductions in hours worked by combining layoffs and reductions in work week or work day.
 - G. To permit municipal employees not included in the Bargaining Unit to perform bargaining unit work in cases of emergency.

H. To direct the work force, assign work and determine the number of employees assigned to operations.

I. To establish, change, combine or discontinue job classifications and prescribe and assign job duties, content and classification subject to Civil Service jurisdiction.

J. To determine lunch, rest periods and cleanup times, the starting and quitting time and the number of hours to be worked.

K. To establish work schedules.

L. To discipline and discharge employees for cause.

M. To adopt, revise and enforce working rules and carry out cost and general improvement programs.

N. To transfer, assign and reassign employees from one assignment, division or shift to another.

O. To determine the qualifications and competency of employees to perform available work subject to the terms of this Agreement.

11.2 This article shall not give authority to the City to vary terms of this agreement without mutual agreement of the parties hereto.

ARTICLE 34

Longevity

34.1 Effective July 1, 2007, longevity shall be paid on the following basis:

| | Sergeant | Lieutenant | Captain |
|----------|----------|------------|---------|
| 5 years | \$1,800 | \$2,100 | \$2,300 |
| 10 years | \$3,200 | \$3,400 | \$3,600 |
| 15 years | \$4,200 | \$5,200 | \$5,400 |
| 20 years | \$6,200 | \$7,200 | \$7,400 |
| 25 years | \$7,400 | \$8,200 | \$8,600 |

34.2 Computation of the amount of longevity pay shall be based upon the employee's anniversary date. Said longevity pay to be paid on or before the first pay after the employee's anniversary date.

34.3 Upon termination of employment for any reason, longevity will be prorated by months, for each month worked through the anniversary date. This means that an employee with a hire date of January 15th would get credit for a month if he/she works through the 15th of the following month. If an employee works past the monthly anniversary date, as illustration, an employee hired on January 15th works his last day on October 31st and retires, he would receive nine (9) months of longevity because he worked from January 15th through October 15th and he would receive an extra month because he worked from October 16th through October 31st which is 16 days.

ARTICLE 32

Clothing and Cleaning Allowance

32.1 As of July 1, 2008, all employees in the Bargaining Unit shall receive Fifteen Hundred (\$1,500) Dollars annually. Said payment shall be made in the second pay period in June for the previous twelve (12) month period (up to and including June 30th).

32.2 Upon the employee's death, retirement or resignation in good standing, the City shall pay the accrued clothing allowance pro-rated upon the number of fully completed months of employment. A fully completed month is achieved if the death, resignation or retirement occurs on or after the 15th of the month.

ARTICLE 33

Shift Allowance

33.1 All employees shall be paid a shift allowance on the basis upon the following rates:

| | | |
|-----------------|---|-----------------|
| Afternoon shift | - | \$1.40 per hour |
| Midnight shift | - | \$1.75 per hour |

33.2 If the preponderance of an employee's daily work hours fall into one shift, then the rate utilized for that shift will be utilized for pay for all hours of that day. If the time is equally split (e.g., four (4) hours one shift, and four (4) hours on a shift not providing for shift premium) then the payment will be computed on the appropriate rate for each four hour time period.

33.3 Shift allowance will be paid only for the normal shift and not for overtime worked.

ARTICLE 12

Separability and Savings Clause

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

12.2 In the event that any provisions of this agreement is held invalid, as set forth above, the parties shall enter into negotiations for the purpose of arriving at a mutually satisfactory replacement for the provision held invalid.

ARTICLE 13

General

13.1 Authorized representatives of the Association shall be permitted to visit the operation of the City during working hours to talk with officers of the Association, and/or representatives of the City concerning matters covered by this Agreement, without interfering with the progress of the work force.

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

13.3 The City shall provide pay periods every two weeks. Payment shall be made on Thursday for the period ending the previous Friday. Employees shall be provided with an itemized statement of earnings and of all deductions made for any purpose. All employees are required to participate in the City's direct deposit of payroll program.

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

13.5 The City shall provide a bulletin board in the facility where employees hereunder are employed for the posting of seniority and vacation lists and for the use of the Association. Official Association notices are to be posted and must have the signature of the Secretary of the Association.

13.6 In further consideration of the mutual promises contained herein, the parties hereto expressly agree that neither party shall bring or cause to be brought any legal or administrative action against the other until the dispute, claim, grievance, or complaint shall have been brought to the attention of the party against whom it shall be made.

13.7 The City shall allow up to two (2) members of the Bargaining Unit to be carried as working at full pay for the purposes of negotiations, grievances, classes, seminars, union business or other matters with City representatives. However, this shall not cover Association related activities including but not limited to preparation for the above referenced purposes and preparation for or attendance at hearings before an arbitrator, MERC, or the Courts. No shift adjustment shall be made as a result of negotiations or other meetings with the City for Association representatives meeting on their own time.

13.8 When an employee is required to provide their own transportation, the employee shall receive an allowance based upon the standard set by the Internal Revenue Service. The City will provide transportation whenever possible.

13.9 It is agreed between the City and the Association that the City has the option to utilize ten-hour shifts. When the employees are assigned to work a ten-hour shift, four-day work week, each employee shall receive overtime pay based upon time and one-half for all work in excess of 40 hours per week or work in excess of ten hours per day.

13.10 Both parties agree that compliance with the Michigan Handicap Act and the Americans with Disabilities Act takes precedence over any provision of this Agreement.

13.11 The City shall have the right to deduct from an employee's paycheck any overpayment the employee may have received that they were not entitled to under this Agreement, without the specific written approval of the employee. This overpayment will be deducted in amounts equal to the amount of overpayment, over the same amount of time the overpayments were received through payroll, pension or disability payment reductions.

13.12 Effective calendar year 2008, the City shall contribute \$1,500 to each employee's established deferred compensation account. Effective January 1, 2009 and for each subsequent year of this agreement, the City contribution shall be \$1,000. This payment will be prorated throughout the year and deposited in the employee's account at the time of each bi-weekly pay.

effective the day preceding the member's date of death. Creation of the trust, and the cost of its administration, shall be the responsibility of representatives of the minor children.

These benefits, if paid to a spouse, will continue for the surviving spouse's life. Upon the surviving spouse's death, if there are any surviving children under the age of 18 years and unmarried, such benefits shall continue to be paid to such surviving children until they reach age 18, marry or die. The benefit amount shall be that which was previously paid to the surviving spouse.

Any benefits payable shall be offset by any Worker's Compensation benefits or payments received, including any redemption amounts.

Disputes as to whether the death of the member was "in the line of duty" for purposes of this section, shall be resolved in accordance with the Worker's Compensation laws of the State of Michigan and not through the grievance process provided in this contract.

The existence of an EDRO shall not operate to increase the financial obligations of the City and Pension Fund in any case arising under this section. Any payments directed under an EDRO shall be offset against payments made to a surviving spouse, and the payments under the EDRO lapse, then the payments made to surviving spouse shall thereupon be increased to include the amounts previously directed by the EDRO.

OR

Option 2 – Service connected death benefits payable to surviving spouse and /or minor child (ren) as provided for in Section 6 (2) (a&b) of Act 345. (MCL 38.556 (2) (a&b)).

31.13 Vested Retirement Benefits. A vested employee who terminates employment with the City prior to the date of eligibility for receiving retirement benefits, shall upon the date he/she becomes eligible to receive such benefits be entitled to the pension benefits provided by this Agreement or the Agreement in effect at the time of their termination. However, those employees who terminate employment with the City prior to the date of eligibility for receiving retirement benefits will not be entitled to any health care, dental or life insurance benefits that are provided under the provision of this labor agreement or the agreement in effect at the time of their retirement.

31.14 Sixty Percent Survivor Benefit to All Retirees. Upon the death of a retirant receiving either a regular retirement of disability retirement pension, his/her spouse, if living, shall receive a pension equal to sixty (60%) percent of the pension the deceased retirant was receiving unless option I or II under Act 345 has been elected. As used in this section, "spouse" means the person identified on the retirant's pension application only.

31.15 Duty Disability Retirees. Retirees receiving a disability pension shall be allowed to convert to a regular service pension when they would have completed twenty-five (25) years of service or when they reach the age of fifty-five (55), whichever comes first.

31.16 If a member dies in the line of duty in the service of the Sterling Heights Police Department, leaving a surviving spouse and/or children, the spouse and/or children shall be allowed to select either of the two pension benefits listed below:

Option 1 – An automatic option 1 benefit, computed in the same manner as if the member had retired effective the day preceding the date of the member's death, elected option 1 provided for in Section 6 (1) (h) of Act 345 (MCL 38.556 (1) (h)), and nominated the spouse as survivor beneficiary. If the deceased member had less than 25 years of service credit at the time of death, the automatic option 1 benefits shall be computed as if the member had 25 years of service effective the day preceding the member's date of death.

If there is no surviving spouse at the time of a member's death in the line of duty, benefits under this option shall be paid into a trust fund for any surviving children and continue to be paid until each surviving child attains 18 years of age, marries or dies. The benefit amount shall be the straight life benefit amount which would otherwise have been paid to member until youngest child attains 18 years of age, married or dies. If the deceased member had less than 25 years of service effective credit at the time of death, benefits shall be computed as if the member had 25 years of service

13.13 For purposes of this Agreement, to qualify as a "dependent" over the age of 19, the following requirements must be met: 1. unmarried, 2. between the ages of 19 and 25, 3. dependent on the employee/retiree for more than one-half of the dependent's support, 4. a member of the employee/retiree's household (i.e., primary residence), 5. related to the employee/retiree by blood, marriage, or legal adoption, and 6. be a full-time student for at least five (5) months of the year, or had a gross income of less than four (4) times the IRS personal exemption for the year.

13.14 Effective with calendar year 2008 all Command Officers shall be eligible to participate in the City's Cafeteria Plan, including dependent care and medical savings accounts, as amended and restated in accordance with Federal law. Reimbursement to employees shall be made on a monthly basis for all participants.

ARTICLE 14

Promotions

14.1 Eligibility and Requirements for Promotion to the Ranks of Lieutenant and Captain. Promotion to the positions of Lieutenant and Captain shall be governed by Act 78. The effective date of the transfer/promotion shall be the date listed on the official Notice of Employee Transfer/Promotion form issued by the Office of City Management.

A. For promotion to the rank of Lieutenant, there shall be an assessment center weighted at 100% of the total score. Promotions to be made in numerical order following the results of the assessment center.

B. For promotion to the rank of Captain, the assessment center shall be weighted at 100%; however, the City Manager, after consultation with the Chief of Police, reserves the right to select and appoint from the top three (3) scorers from the assessment center.

C. Promotional testing shall take place every two (2) years for the rank of Lieutenant and Captain. The testing shall take place no earlier than May 2nd but no later than May 15th. Applicants must have completed two years in the lower rank prior to May 1st of the year in which the test is given. Tests may be given sooner if the need arises; however, not more than two years shall lapse without a test being given. In all cases, no test results will be released to anyone until the completion of the entire testing process.

14.2 ~~Eligibility for Promotion to the Position of Chief.~~ Any individual who holds the current rank of Police Lieutenant or greater in a Police Department, or has held such rank within 365 days from the date of posting, in a municipality with a population of 50,000 or greater with comparable budget and personnel staffing levels, shall be eligible for the position of Chief. All applicants must have a minimum of two (2) years in said rank. Minimum educational requirements include Bachelor's Degree in Criminal Justice or a related field, not limited to, Public Administration, Business Administration, etc., from an accredited college or university. All bargaining unit members meeting the minimum qualifications shall be allowed to participate in the promotional process. Those applicants outside the employ of the City who meet the minimum qualifications may be reviewed by the City Manager for elimination from the promotional process.

14.3 ~~General Provisions for Testing for the Position of Chief of Police~~

A. ~~Promotion Committee~~

1. A Promotion Committee is hereby established, to administer the promotional testing for the position of Police Chief. It shall consist of five (5) members: two (2) appointed by the City Manager and two (2) appointed by the Association's Executive Board. The fifth neutral member will be selected by the other four (4) members.
2. The neutral party will serve as chairman of the Committee.
3. All decisions of the Promotional Committee will be final and binding on the Association and the City.
4. The Promotional Committee shall have responsibility for:
 - a. The resolution of challenges to Assessment Center factors and exercises.
 - b. The overall administration of the promotional system.
 - c. Resolving disputes arising from the inability of the City and Association to reach agreement as to the items contained in this article.

B. ~~Qualifications~~

Assessment Center - 100 percent of total score.

on any Employer sponsored Health Care Program, except that payments will be prorated monthly to meet the dates the employee first participates and/or ends participation in this program.

Employee shall be required to show proof that a spouse has health care coverage that includes the employee and their dependents before said employee will be declared eligible to receive the One Thousand Five Hundred (\$1,500) Dollar amount.

E. Employees, whose spouse's health care plans cease to cover the employee and their dependents, must re-enroll in an Employer-sponsored Health Care Plan. In such cases, the employee shall be allowed to enroll in an Employer-sponsored plan immediately subject to the appropriate health insurance carrier's implementation.

F. Upon the job related death of any employee covered by this Agreement, the City shall provide, at no cost to the surviving family, a medical and hospitalization policy for the family of the deceased as was provided at the time of the death.

G. Command officers who retired under previous collective bargaining agreements may participate in open enrollment in June of each year. They will have the choice of continuing with the Blue Cross/Blue Shield traditional coverage or they may choose to receive the Blue Cross/Blue Shield Community Blue Plan 10 coverage with the same riders offered to employees under this collective bargaining agreement.

H. Effective with the signing of this Agreement or as soon thereafter as possible, the City will adopt a Post Employment Health Plan (PEHP) allowing employees hired by the City after July 1, 2006 to accumulate assets to pay for medical expenses in retirement on a tax-free basis. For eligible employees, the City will contribute One Thousand Two Hundred Fifty Dollars (\$1,250) on an annual basis (prorated with each biweekly pay) to this Plan.

31.12 ~~Dental Benefits for Retirees.~~ Effective July 1, 1997, the Employer agrees to provide to any officer/dependent, covered by this agreement who retires, dental benefits comparable to those received at the time of retirement, regular or duty disability.

Such base coverage to be fully paid by the City and will be provided to the surviving spouse if the surviving spouse pension option is chosen by the retiree. This benefit shall continue to exist for the retiree and/or surviving spouse for as long as they continue to receive retirement benefits under Act 345 (regular or duty-disability retirement).

B. Upon the injury of an employee covered by this Agreement as determined by the Sterling Heights Police and Fire Retirement System, to be either temporarily or permanently disabling, the City shall provide a medical and hospitalization policy for the injured employee and his/her family as was provided at the time of injury. Benefits shall be paid in full by the City.

Continuation of a duty disability retirement shall be subject to the medical review requirements set forth in Act 345. If there is a dispute as to the duty relatedness of an employee's disability, the employee shall file a claim with the Michigan Bureau of Worker's Compensation for a determination of whether the employee's disability arose out of and in the course of employment as those terms are defined under the Worker's Disability Compensation Act. A determination by the Bureau of Worker's Compensation that the injury or illness arose out of the course of employment, shall allow the employee to be eligible for duty disability retirement benefits. The parties' recourse from that determination will be that provided by law and does not preclude any administrative or judicial appeals.

C. Upon the attainment of eligibility for Medicare insurance, the retiree/spouse shall make application for said insurance. The City shall then provide a hospitalization and medical insurance exact fill coverage program to supplement Medicare to equal the hospitalization and/or medical insurance as provided at the time of the employee's retirement. In the event a retired employee or employee's spouse obtains employment from an employer who provides hospitalization and/or medical insurance, which is equal to or better than the coverage provided by the City's hospitalization, medical insurance, the employee shall not be covered by the City's hospitalization, medical insurance for the duration of said employment.

D. Each employee who is not required to drop coverage but voluntarily chooses not to join an employer sponsored health care plan (Blue Cross/Blue Shield or Health Maintenance Organization), and whose spouse has coverage provided, shall be paid One Thousand Five Hundred (\$1,500) Dollars each year for every year that the spouse has coverage. Payments will be made annually, in December, to each employee who has not been

C. Psychological and Physical Examination

The selected finalist must qualify under a basic psychological and physical examination prior to appointment. Psychological examination shall be conducted by an independent, neutral and licensed psychologist or psychiatrist. These examinations may be waived for internal candidates at the discretion of the Employer.

D. To determine applicant's eligibility to take the promotional examination, the closing date for determining his/her seniority in rank shall be the date the promotional announcement is posted.

E. Eligibility Lists

1. The Promotional Committee shall certify the eligibility list which will be maintained by the City Clerk's Office.

2. The eligibility list will be valid for a period of two (2) years after the list has been certified.

3. Eligibility lists which have been challenged, shall be held in abeyance pending final resolution of the challenge by the Promotional Committee.

F. Testing

1. Applicants shall have forty-five (45) calendar days from the announcement of a test in which to make written application with the City to participate in such test. Any employee who is absent from duty more than forty-five (45) days shall provide to the City an address where he/she can be contacted.

2. Testing and examination will be conducted no earlier than sixty (60) days from the posting of the announcement and no later than ninety (90) days from such posting. Due to extenuating circumstances, the ninety (90) day limit may be extended with the approval of the City and Association.

3. The announcement of assessment factors for testing shall be posted or otherwise communicated to all candidates at least 15 days before the Assessment Center.
4. There shall be at least two (2) applicants for the rank of Chief.
5. An applicant may challenge the validity of an assessment factor. Such challenge must be in writing, state the reasons, and be filed with the Promotional Committee within ten (10) calendar days after the test. Test scores will not be posted any earlier than the ten (10) day protest period.
6. If any assessment factor is held to be invalid, the entire examination will not be deemed invalid but scores will be adjusted to reflect the total points possible.

G. Assessment Center

1. All assessors shall be independent and neutral persons having no interest or connection, directly or indirectly, with the City or its representatives.
2. One-half of the assessors appointed shall have actual knowledge and experience in criminal justice and/or police administration.
3. One-half of the assessors appointed may have business, labor or professional background.
4. Assessors shall be selected by the testing agency after consultation with the Promotion Committee.
5. The Promotion Committee shall assist the testing agency in developing the factors and exercises for the Assessment Center.

H. The City Manager reserves the right to select and appoint from the top three (3) on the eligibility list for the position of Chief of Police.

G. Duty disabled retirees shall be allowed the option to take their annuity withdrawal at the time of their duty disability retirement rather than at the time of conversion to a regular service retirement.

H. An employee electing annuity withdrawal shall have the option to defer receipt of the withdrawal amount for up to one (1) year from the effective date of their retirement. However, notice of such election must be made at the time of the employee's original retirement application.

31.7 A private letter ruling by the IRS has recognized that the contributions made by employees are tax deferred and is hereby adopted by reference.

31.8 Optional Retirement. Section 6a (1) of Act 345 (MCL 38.556A (1)), which now provides for optional retirement pension to any member who continues in service on or after the date he or she acquires fifteen (15) years of service credit shall be modified to be applicable to any member who continues in service on or after the date he or she acquires ten (10) years of service credit.

31.9 Deferred Retirement Option Plan (DROP). Effective July 1, 2002, the City will offer a Deferred Retirement Option Plan (DROP) to members of this bargaining unit. Any employee may at any time voluntarily elect to participate in the DROP after attaining 20 years of service credit regardless of age. The Plan is adopted by reference as Appendix A of this agreement.

31.10 Life Insurance for Retirees. Employees who retire after July 1, 2008 shall be provided \$20,000 worth of term life insurance until age seventy (70). The premium for this policy shall be paid by the City.

31.11 Post-Retirement Medical Insurance.

A. An employee covered by this Agreement and his/her dependents shall, upon retirement, be provided at no cost the same base medical coverage as provided to employees under Section 26.1 of this agreement. New officers with an original City seniority date of July 1, 2006 or later will be required to pay 50% of the illustrative rate for medical coverage when they retire. Such payment will be invoiced by the City for the preceding month. If payment is not made by the 15th of the month, coverage shall be canceled effective the 1st of the following month. The retiree will have the option to choose Health Alliance Plan; however, any additional cost in excess of the base coverage will be paid by the retiree.

31.5 Straight Life (Regular) Pension Amount.

A. Upon retirement from service as provided in this subdivision, an employee shall receive a regular retirement pension payable throughout the employee's life of 2.8 percent of his/her average final compensation multiplied by the first 25 years of service credited to the employee, the appropriate fraction of one percent (1%) of the employee's average final compensation multiplied by the number of years, months and days of service rendered by the employee in excess of twenty-five (25) years.

B. Maximum pension received by employees of the Bargaining Unit shall be 75 percent of the average final compensation.

31.6 Annuity Withdrawal. Employees shall have available to them, in addition to the retirement options already in place, an annuity withdrawal option as follows:

A. Definition. The annuity withdrawal is the option that allows employees to withdraw their accumulated contribution (with interest) at retirement and thereby forfeit the portion of their retirement allowance which was financed by their contributions.

B. An employee wishing to elect this option must make written application to the Act 345 Pension Board no later than one hundred twenty (120) days prior to the effective date of their retirement.

D. The Pension Board shall issue the employee's annuity payment within forty-five (45) days of the date of the employee's retirement. The one hundred twenty (120) day notice may be waived at the sole discretion of the Pension Board, however, under no circumstances can it be increased.

E. The parties agree that Merrill Lynch Bond Index, not to exceed eight (8%) percent, will be used for the purposes of computing the annuity withdrawal option. The most current index prior to the employee's retirement date shall be used.

This option is only available for normal service retirement. An employee who elects the annuity withdrawal option shall have their annual pension reduced accordingly as determined by the Pension Board Actuaries.

F. Employee contributions for prior Municipal service, Military service or Cadet time buybacks are not included in an annuity withdrawal.

I. Miscellaneous Provisions

1. In the event that an individual on the eligibility list for promotion declines that promotion, that individual shall be removed from said eligibility list. The individual so removed may reapply when subsequent eligibility lists are to be established.

2. All costs, fees and expenses to maintain and administer the promotional system shall be borne by the City. No applicant shall be required to pay a fee for any examination required under the promotional system.

J. This promotional system supersedes Act 78 for promotion to the position of Chief of Police. Upon appointment, all provisions of Act 78 shall remain in full force and effect as to the position of Chief of Police; however, a Police Chief appointed from outside of the Bargaining Unit shall not have the right to demote to a position within the Bargaining Unit.

ARTICLE 15

Waiver Clause

15.1 The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in the Agreement. Therefore, the City and the Association, for the life of this Agreement, each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter referred to or covered by the Agreement and 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 and contemplation of either or both of the parties at the time they negotiated or signed this Agreement.

ARTICLE 16

Hours of Work, Overtime, Shift Time, Shift Preparation, Court Time, and Compensatory Time

16.1 Hours of Work. Shift Preparation. The normal work week schedule shall consist of a four (4) day - ten (10) hour work week. Any changes to the four (4) day - ten (10) hour schedule shall be at the mutual agreement of the parties. All Command Officers shall report to work thirty (30) minutes in advance of the start of his/her shift, in order to be prepared to assign personnel not later than 15 minutes prior to the start of the shift. This thirty (30) minutes shall be earned as compensatory time at time and one-half.

16.2 Court and Call-in Time. An employee whose appearance is required in Court, by virtue of his/her duties shall be paid for all overtime at the rate of one and one-half (1-1/2) times his/her base hourly rate. An employee who is required to report to Court after he/she has reported off duty and before his/her next tour of duty shall be guaranteed a minimum of three (3) hours credit at one and one-half (1-1/2) times the base rate of pay for each such call-in. Any employee who is called-in prior to, or after his/her scheduled shift shall be guaranteed a minimum of three (3) hours credit at time and one-half times the base pay rate of pay for such call-in. Any time in addition to three (3) hours shall be paid at the rate of time and one-half times the base rate of pay. This compensation may be taken by the employee in either overtime pay or compensatory time.

16.3 Overtime. Each employee shall receive overtime pay based upon time and one-half for all work in excess of forty (40) hours per week or eight (8) hours per day if on an eight (8) hour, five (5) day work schedule or ten (10) hours per day if on a ten (10) hour, four (4) day work schedule, except an employee shall not receive overtime pay for shift preparation time compensated for by compensatory time.

16.4 Compensatory Time. Employee is to designate his/her choice of compensatory time or pay at the time the overtime work is earned. Compensatory time may be taken by the employee subject to approval from the City in advance. Compensatory time used by the employee shall be deducted hour for hour. Upon death, termination or retirement, this compensatory time will be paid to the employee or the employee's estate.

A. The accumulated unused compensatory time for all employees shall be computed by the City at the end of the first biweekly pay period in June of each year, based upon the current rate of pay, and will be paid to the employee by June 30th. However, at the employee's option, they may elect

D. Employees shall notify the City two weeks prior to their chosen retirement date. Within two weeks of the employee's final work day, the employee shall receive a separation check which shall be inclusive of, but not limited to, any unused vacation time, compensatory time, sick time, holiday pay, longevity pay, personal leave time up to twenty-four (24) hours or any other monies owed to the employee by the City. These separation buyout monies due shall be included in calculating the employee's Average Final Compensation (AFC).

31.2 Military Service Credit. When computing an employee's service credit the employee shall be given service credit for not more than six (6) years active military service to the United States Government upon payment to the retirement system of 5 percent of his/her full time or equated full time base compensation for the fiscal year in which payment is made multiplied by the years of service that the employee elects to purchase up to the maximum. Service shall not be creditable if it is or would be creditable under any other federal, state, or local publicly supported retirement system, but this restriction shall not apply to those persons who have or will have acquired retirement eligibility under the Federal Government for the service in the reserve.

31.3 Purchase of Service Credit. At no cost to the City, employees may purchase up to three (3) years of prior municipal time or equivalent law enforcement service training attained from an accredited college or university as credit towards retirement (30 credits of prior law enforcement training experience shall equal one year). Should an employee have three (3) years of such time and exercises the option to purchase all three (3) years toward retirement credit, then the employee would only have to work twenty-two (22) years to satisfy the twenty-five (25) year service requirement for regular retirement. To satisfy this requirement, the employee shall pay 5% of their full time compensation plus any and all associated City costs to the pension system. Payments may be made through a payroll deduction plan. This privilege to buy back prior service time does not carry over to any subsequent collective bargaining agreement negotiated between the parties. Those employees exercising this option prior to July 31, 2008 shall be allowed to utilize the actuarial determined cost as of June 30, 2008. The base rate used shall be that of the 2007/08 fiscal year.

31.4 Age and Service Retirement Voluntary Retirement. An employee under age 50 who has 25 or more years of service, may leave the service and receive full retirement benefits payable throughout his/her life as provided by the straight life (regular) pension amount.

ARTICLE 30

Liability Coverage

30.1 Liability coverage shall be carried for each employee by the City at no cost to the employee to provide protection to the employee for false arrest, detention or imprisonment or malicious prosecution. Coverage will be in a minimum amount of \$300,000 for each occurrence. The parties specifically agree to a reopener on this issue should the City Council adopt a liability and/or indemnification ordinance providing for improved protection hereon.

ARTICLE 31

Pension Plan

A Pension Plan will be provided under the terms of Act 345 of the Public Acts of 1937, as amended, with the following improvements.

31.1 Average Final Compensation

A. "Average Final Compensation" shall mean the average of the three (3) years highest annual compensation received by an employee during his/her 10 years of service immediately preceding retirement or leaving service. If he/she has less than three (3) years of service, then average final compensation shall mean the annual average compensation received during total years of service.

B. As used in this section, "years" shall mean any fifty-two (52) consecutive week periods which shall not overlap, calculated backwards from any one of the four (4) option dates listed below:

1. Anniversary Date.
2. Calendar Year.
3. Fiscal Year.
4. Effective date of retirement as determined by the officer. The effective date of retirement shall be the day after the last day at work or on paid leave.

C. Average Final Compensation (AFC) shall include all monies received excluding allowances or reimbursements.

to carry over into the next fiscal year up to thirty (30) hours of compensatory time in their compensatory bank.

B. An employee may request payment of all or part of any accumulated compensatory time before the 15th of the month. Payment will be made as soon as reasonably possible thereafter.

16.5 Shifts. The selection of shifts shall be restricted to officers of the Uniform Division as it is known under the current organizational structure.

A. All other personnel assignments with the Bureaus, Divisions, Sections, and Squads, shall be made by the Department.

B. Officers shall be allowed to indicate their preference by seniority, the shift on which they prefer to work, once manpower allocations have been set by the Bureau Commander.

C. Seniority Selections.

1. The selections by seniority shall be between March 1 and March 20, and September 1 and September 20 of each year.

2. By April 1 and October 1 of each year, there shall be a posting of new shift rosters.

3. The effective date of transfer will always be the first day of the second pay period of each April and October.

D. Once a selection preference is granted, officers will remain on that shift, until transferred or until the next shift selection period.

16.6

Setting of Scheduled Leave Days

A. Prior to shift selection, the Division Commander will set up a scheduled leave day chart. The chart will show two full pay periods and graphically illustrate the allowed scheduled leave days by rank.

1. Each position shall have consecutive SLD's shown in the form of an "X" on the chart to indicate the days off.

- B. Selecting scheduled leave days (SLD's) shall be by date of rank.
1. The shift commander shall select his/her SLD's.
 2. Sergeants have a separate selection of SLD's.

ARTICLE 17

Distribution of Overtime

- 17.1 The Employer will make a reasonable attempt to equally distribute scheduled overtime. Scheduled overtime, for the purpose of this article, is any situation in which the department has at least seventy-two (72) hours advance notice and does not include overtime cause by shift shortages. The overtime will be distributed as follows:
1. Command officers who are able to report for full duty, shall be eligible for scheduled overtime.
 2. Only those Command officers who volunteer and sign-up for the scheduled overtime shall be eligible. The Command officer with the least amount of scheduled overtime hours will be given the assignment. Seniority shall prevail in the event that Command officers who sign up for the overtime have an equal amount of overtime.
 3. Scheduled overtime will be worked by Command officers who are assigned to the bureau or division where the scheduled overtime occurs. Example: Investigations Division Command officers will work Investigations overtime; Operations Division Command officers will work Operations overtime; etc.
 4. If enough Command officers do not sign up for the overtime, the overtime shall be opened to Command Officers throughout the entire Department by seniority in rank. If the overtime position is still not filled, the Division Commander shall assign the overtime to the lowest seniority command officer within the Division to which the overtime is assigned.
- 17.2 Scheduled overtime details shall be posted ten (10) days ahead of when needed when possible, along with a description of said detail and number of hours to be worked.

ARTICLE 28

Optical Insurance

- 28.1 The City will provide to the employee and his/her dependents an optical plan with coverage limits to include an annual eye exam and the purchase of lenses and frames (or equivalent) on a biennial basis.

ARTICLE 29

Life Insurance

- 29.1 Life Insurance and Accidental Death and Dismemberment will be carried for each employee by the City at no cost to the employee.
- 29.2 The only changes in policy coverage shall be changes made to all employees city-wide and the only difference shall be the amount of coverage. In addition, should there be any changes in the policy coverage, the City will provide notification of such change to the Union.
- 29.3 Coverage will be as follows:
- \$100,000 Face Value for Life.
 - \$100,000 Face Value Policy, for Accidental Death and/or Dismemberment.
- 29.4 All members of the Bargaining Unit shall receive a copy of their Life and Accidental Death & Dismemberment Policy.
- 29.5 The terms and conditions of the insurance policies are herein included by reference, and the City makes and presents no assurance beyond those terms and conditions.

ARTICLE 27

Dental Benefits

27.1 The City shall provide at no extra cost to each employee, and his/her dependents, Blue Cross/Blue Shield Dentemax Dental Plan, or a dental benefit as comparable as possible.

27.2 This coverage includes:

Class I - Diagnostic services, preventive services, and palliative treatment are covered at 100 percent (100%) of reasonable charges.

Class II - Restorative, endodontic, periodontic services, oral surgery, repairs, adjustments and relining of dentures and bridges and adjunctive general services are covered at 100 percent (100%) of reasonable charges.

Class III - Construction and replacement of dentures and bridges are covered at 100 percent (100%) of reasonable charges.

Class IV - Orthodontic services are covered at fifty (50%) percent of reasonable charges.

27.3 Each member is entitled to maximum benefits of One Thousand (\$1,000) Dollars every contract year.

27.4 Each member has a lifetime maximum of Two Thousand (\$2,000) Dollars available for orthodontic services.

27.5 The City reserves the right to provide benefits comparable to the coverage currently provided.

Out-of-Network coverage to mimic BC/BS dental benefit coverages provided in the 2002-2007 collective bargaining agreement between the parties (Class I, II, III at 75% and Class IV at 50%).

17.3 A grievance resulting in the finding of a violation of this Article by the Employer, shall be remedied only by granting the grievant officer the next opportunity for scheduled overtime in an equal or greater amount, and not entitle them to pay for time not worked, except in the event of a third such finding as to the decision/action of a single supervisor, in which case the grievant officer would be entitled, if they prevail in their grievance, to pay as a remedy.

17.4 Scheduled overtime accounts shall be posted and kept up to date by the Employer. These accounts will be maintained for the fiscal year (July 1 - June 30) and be renewed each year.

ARTICLE 18

Transfers

18.1 The Chief of Police shall provide each employee with job descriptions for the various command positions throughout the Police Department.

18.2 When assigning personnel to the various command positions within the department (except Road Patrol), the Chief of Police shall post on the department bulletin board the available positions at least ten (10) calendar days before the shift selections are posted (before March 1 and September 1). This posting shall include the job description and title. However, this language does not preclude the Chief of Police from making temporary assignments of 90 days or less due to leaves of absence, special events, or other emergency situations. If there are no volunteers for the assignment, then the least senior Command Officer of equal rank would be required to fill the temporary assignment.

18.3 Prior to the actual posting, as outlined in Section 2, the Command Officer who is being transferred from the position to be filled, shall be notified in writing.

18.4 Those employees desiring to be transferred from their present job assignment shall notify the Chief of Police, within the ten day posting period in writing, of their desire to be transferred on forms provided by the Police Department.

A. Department initiated transfer. Seniority shall be honored and transferred Command Officers have the right to go to the shift and scheduled leave days that their seniority allows. Other Command Officers shall not be affected by Department initiated transfers to the extent possible. If not

possible, the parties agree to meet before any transfers occur. Any Department initiated transfer or reassignment of a Command Officer outside the normal semi-annual April and October time frames shall be for cause. For the purposes of this Article, for cause shall be defined as follows: "reasons which law and public policy recognize as sufficient warrant for transfer and such cause is 'legal cause'. It does not mean transfer by arbitrary or capricious action as there must be some cause affecting and concerning the responsibilities and effectiveness of the Command Officer to perform the duty imposed on him." Sixty (60) days written notice shall be given to all affected members prior to the transfer.

- B. Self-initiated transfer. When a Command Officer requests an immediate transfer, the officer making the request will accept the shift and leave days of the officer whom he/she replaces. Any changes must be approved by the Division Commander prior to the change.
- C. A Command Officer can be transferred or reassigned to fill a position vacated by the termination or retirement of another Command Officer at that time without cause.

ARTICLE 19

Vacation

19.1 On July 1st of each year, all employees shall be credited vacation time with pay as indicated:

| | |
|--------------------------|--------------------------|
| 0 - 10 years of service | 21 days (168 duty hours) |
| 11 - 14 years of service | 22 days (176 duty hours) |
| 15 - 19 years of service | 23 days (184 duty hours) |
| 20 years and over | 25 days (200 duty hours) |

19.2 Upon termination of employment for any reason, the vacation credit shall be reduced on a pro-rata monthly basis at the appropriate earning rate of each full month remaining between the termination date and June 30th. For the purpose of this article, the 15th through the end of the month shall allow for full credit of vacation time for that month. If, for any reason, this reduction results in the employee owing to the City monies, the City may offset the monies owed from any other monies due to the employee including but not limited to pension contributions, sick time, clothing allowance, holiday pay, shift premium, compensatory time or any other monies owed the employee.

by the City. The City reserves the right to change the PBM with 90 days' notice. Employees selecting medical coverage through the U.S. Health and Life HSA shall have prescription coverage provided through the HSA.

The City has the right to offer cost saving health coverage options on a voluntary basis to the union.

26.4 Each employee who chooses not to join a City sponsored health care plan (Blue Cross/Blue Shield, Health Maintenance Organization, or HSA), and whose spouse has coverage provided, shall be paid One Thousand Five Hundred (\$1,500) dollars each year for every year that the spouse has coverage. Payments will be made annually, in December, to each employee who has not been on any City sponsored health care program, except that payments will be prorated monthly to meet the dates the employee first participated and/or ends participation in this program.

- A. Employees shall be required to show proof that a spouse has health care coverage that includes the employee and their dependents before said employee will be declared eligible to receive the One Thousand Five Hundred (\$1,500) dollar annual payment.
- B. Employees, whose spouse's health care plans cease to cover the employee and their dependents for any reason shall immediately be covered by a City sponsored health care plan. In such cases, the employee shall re-enroll in a City sponsored plan immediately subject to the appropriate health insurance carrier's implementation.

26.5 If an employee's spouse works for the Employer or the 41-A District Court, the employee will not be eligible for any medical coverage provided by this Agreement, but will instead be provided the health insurance allowance of One Thousand Five Hundred (\$1,500) dollars. If the employee's spouse elects to take the health insurance allowance, the employee covered by this Agreement may keep the health care coverage. In no case will married City employees both receive medical coverage. All employees/dependents shall be entitled to the dental coverage.

ARTICLE 26

Medical and Hospitalization Benefits

26.1 Medical and hospitalization benefits will be provided to the employee including family coverage at no cost to the employee.

For Command Officers with an original City seniority date prior to January 1, 2007, the base medical and hospitalization coverage shall be BC/BS Community Blue Plan 10, Appendix C titled "Community Blue PPO Benefits-at-a-Glance Plan 10-A" is a summary of covered services including deductibles, co-pays, and co-pay dollar maximums.

Employees have the option of choosing Health Alliance Plan (HAP) or U.S. Health and Life as optional health care providers. The illustrative rates determined by the base coverage, currently Blue Cross/Blue Shield Community Blue Plan 10-A, shall be the rates used to determine any excess cost an employee would be responsible to pay. Employees electing any option that becomes more expensive than the base coverage will have the difference in illustrative rate deducted from their payroll check on a monthly basis.

The medical coverage for Health Alliance Plan (HAP) remains the same. However, employees selecting this option will be responsible for co-pays as follows: \$10.00 office visit, \$10.00 urgent care, and \$25.00 emergency room. Employees also have the option to select U.S. Health and Life Health Savings Account (HSA) Plan 1200 as an option. Appendix E titled "U.S. Health and Life Health Savings Account" is a summary of covered services for this plan. The City will be responsible for the required contribution for this plan.

For all officers with an original City seniority date of January 1, 2007 or later, the basic medical and hospitalization coverage shall be Blue Cross/Blue Shield Community Blue Plan 7. Appendix D titled "Community Blue PPO Benefit-at-a-Glance Plan 10-B" is a summary of covered services, including deductibles, co-pays, and co-pay dollar maximum. Health Alliance Plan and U.S. Health and Life HSA will be available as options as indicated above. Employees electing any option that becomes more expensive than the base coverage, Community Blue Plan 10-B, will have the difference in illustrative rate or premium deducted from their payroll check on a monthly basis.

Prescription drug coverage will be provided to employees receiving medical and hospitalization coverage. The generic co-pay will be \$0.00 and the brand name co-pay will be \$15.00. The City will carve out the prescription drug benefit from the health plans available under this Agreement to the extent allowed by the health plan offered and place the administration of the benefit with a Pharmacy Benefit Manager (PBM) selected

19.3 At the beginning of the six (6) month shift period, a vacation list will be supplied to all Command Officers of each shift. The list will be maintained by the Shift Commander. Command officers will have the option of selecting their vacation in blocks of not less than one (1) week. This selection will be accomplished within ten (10) work days of the start of the second pay period of each April and October. Once vacation blocks are selected, officers must take their time off unless an emergency arise or with approval of the Shift Commander. The shift vacation list has priority over single vacation days. Each shift's vacation list shall be posted. In case of transfers within the six (6) month period, command officers transferred will be entitled to vacation time as originally approved and scheduled except in cases of extenuating circumstances. On single vacation days, requests must be submitted at least two (2) weeks prior to the requested date in order to exert seniority rights. The Shift Commander may waive the two (2) week rule at his discretion.

19.4 Employees may accumulate a maximum of 270 hours vacation as of June 30 of any year. If, as of June 30th of any year, an employee will have accumulated in excess of 270 hours vacation, his/her vacation bank shall be reduced to 270 hours as of June 30th.

19.5 Employees absent for more than one month for other than Worker's Compensation job disability will not earn vacation.

19.6 The City shall, as work loads permit, establish the available vacation periods for employees.

19.7 Vacation time can be taken in one hour increments with the prior approval of an immediate supervisor or designated representative.

ARTICLE 20

Disability Coverage

20.1 Off Duty Disability Benefit for Injuries and Illness.

At no cost to the full-time employee, the City will provide disability insurance as outlined below:

A. Short Term Disability Income for Accident or Sickness.

Short Term Disability Income Benefit - 60 percent
Elimination (Waiting) Period - 7 day accident/illness
Maximum Duration - 26 weeks

B. Long Term Disability Income Benefit

Long Term Disability Income Benefit - 60 percent
Elimination (Waiting) Period - 180 days
Maximum Duration - Sickness to age 65
Accident to age 65

The terms and conditions of the insurance policies are herein included by reference, and the City makes and presents no assurance beyond those terms and conditions.

C. Medical/Dental Coverage. An employee on off duty disability shall be provided with medical and dental coverage at no cost to the employee for a period of twelve (12) months for each occurrence.

D. Duration. An employee who continues to be ill or injured may remain on disability for up to twenty-four (24) months per occurrence where upon the employee shall be submitted for retirement, if eligible, or employment will be terminated. The employee will continue to be eligible for long term disability benefits under the conditions set forth in the policy coverage.

E. Use of Leave Banks. Employees may expend accumulated vacation, compensatory, personal and sick time in excess of forty (40) hours prior to utilizing off duty disability benefits if desired.

ARTICLE 25

Salary and Wages

25.1 Sergeant at top step (12 months) shall be 20 percent greater than Patrolman at top step.

| | | |
|--------------|-----------------|------------------|
| <u>Start</u> | <u>6 Months</u> | <u>12 Months</u> |
| 15% | 17.5% | 20% |

25.2 Lieutenant at top step (12 months) shall be 10 percent greater than Sergeant at top step (12 months).

| | | |
|--------------|-----------------|------------------|
| <u>Start</u> | <u>6 Months</u> | <u>12 Months</u> |
| 7.5% | 8.75% | 10% |

25.3 Captains at top step (12 months) shall be 7.5 percent greater than Lieutenant at top step (12 months).

| | | |
|--------------|-----------------|------------------|
| <u>Start</u> | <u>6 Months</u> | <u>12 Months</u> |
| 5.5% | 6.5% | 7.5% |

25.4 Out-of-Rank Pay (Acting Pay): When a Sergeant or Lieutenant temporarily performs the duties of a position of a higher rank, for reasons other than retirement or resignation, for a period of fifteen (15) consecutive calendar days or greater, he/she shall be paid the higher rank percentage increase. For example, a Lieutenant who temporarily performs the duties of a Captain would receive a 7.5% increase in rate of pay for the time worked in excess of fifteen (15) consecutive calendar days.

25.5 Captains appointed as Acting Police Chief shall be paid at the step in the Chief of Police's salary range that provides an increase for all time worked in excess of fifteen (15) consecutive calendar days.

prevail if a conflict arises. Current minimum staffing levels shall be maintained. All other employees shall be considered non-essential.

Police Administration Division including Office of the Chief: All employees shall be considered as "non-essential" on holidays.

Police Investigations Division: All employees shall be considered as "non-essential", except for the one Detective or Youth Bureau Sergeant who is the "on-call" Sergeant for the week that the holiday should fall.

Police Support Services Division: All employees shall be considered as "non-essential" on holidays.

20.2 On-Duty Disability Coverage. For the loss of time on account of injury or illness incurred out of and in the course of employment with the City, employees shall receive full pay and benefits for up to two (2) years for each injury or illness without drawing on sick leave credits, but shall not be allowed on recurrence of previous injury or illness. After the two (2) years, an injured employee may continue to receive benefits under the provisions of the Worker's Compensation Act.

A. Disputed Injury/Illness. If there is a dispute as to the duty relatedness of an employee's disability, the issue shall be submitted to the Michigan Bureau of Worker's Compensation for a determination of whether the employee's disability arose out of and in the course of employment as those terms are defined under the Worker's Disability Compensation Act. The parties recourse from that determination will be that provided by law and does not preclude any administrative or judicial appeals.

B. Duration. An employee may remain on an on-duty disability for up to twenty-four (24) months per occurrence, where upon the employee shall be submitted for retirement, if eligible, or employment will be terminated.

20.3 Proration for Injury or Illness. The City may prorate the clothing-cleaning allowance, vacation time accrual, longevity pay and holiday pay, for any employee in the Bargaining Unit who is off on an extended leave of absence that is not a duty-related injury or illness. For purposes of this section, extended leaves shall be defined as those in excess of thirty (30) consecutive calendar days. For computation of proration, an employee shall be credited with a month of service if they are actively at work beyond the 15th of the month.

20.4 Light Duty Assignments. Light duty assignments shall be available to employees on off-duty/on-duty disability under the following conditions:

A. On-duty disability shall take precedence over off-duty unless there is already an off duty employee assigned and the on-duty employee shall return to full duty within one month.

B. The City shall determine the obligation/availability of light duty assignments. There shall be no obligation on behalf of the City to create or continue any light duty assignments.

C. The City may send the disabled employee to a physician and receive proper recommendation that they can perform those light duties that may be available. This shall be on City time and at City expense.

ARTICLE 21

Sick Leave

21.1 All employees, probationary, provisional or permanent will be eligible to receive sick leave. Sick leave days will be earned at the rate of ten (10) hours for each full month paid status of employment. For employees hired the 1st through the 15th of the month, sick leave base date will be the first of that month, and if hired the 16th through the last day of that month, the base date will be the first of the next month. Maximum sick leave earned per year shall be 120 hours. Sick leave days may be accumulated to a maximum of 170 hours (see Section 10).

21.2 Accumulated sick leave may be used in the following manner:

A. Acute personal illness or incapacity over which the employee has no reasonable control.

B. Absence from work because of exposure to contagious disease which, according to public health standards, would constitute a danger to the health of others by the employee's attendance at work.

C. To act as a responsible caregiver for a member of the officer's immediate family.

D. If reported before the start of shift, sick leave shall be available for use by employees in units of four (4) hours or more. If taken after the start of shift, sick time shall be equal to the actual time taken, rounded to the next highest whole hour. For doctor and dental appointments, employees may utilize sick leave in one hour increments based upon the following criteria:

1. Employees must request the leave in advance indicating on the request for leave, the doctor's name and address.
2. The employees if requested by the City Manager will be required to provide the City with a receipt from the doctor.

holidays shall be prorated at the rate of 8.33 hours for each full month of employment projected through June 30. Said prorating to be commenced on the first calendar day of the month. For example, if an employee is promoted July 1st, said employee would receive 100 hours holiday pay at the appropriate rate paid in November. However, if the employee resigned January 5th, he/she would have to repay the City for 44 hours of holiday pay. Employees promoted after the date holiday pay is granted, shall receive the prorated share on or before June 30th.

24.2 Working on Holidays. Any employee who works on any of the holidays listed in Section 24.1, shall receive double time for each hour worked on said holiday. This is in addition to all other holiday pay provisions.

24.3 Work on Holidays. Any employee who works beyond his/her normal hours on a holiday, including thirty (30) minutes for shift preparation, shall be paid at three (3) times the regular hourly rate. Three times the regular hourly rate will not, however, be paid to employees in call-in situations because of sickness, vacation, or other absences of other employee. Rather, employees called into work on a holiday on other than their scheduled day will be paid only the normal holiday premium double time rate.

24.4 Definition. For purposes of this Section, the term "Essential Employee" shall mean any employee who works in a Unit, Bureau, or Division in which there is a minimum staffing requirement or the absence of said employee shall be detrimental to the operation of the Department as determined by the Chief of Police.

Only "essential employees" will work on holidays. All employees whose normal work schedule falls on a holiday, whose current assignment is not considered to be essential for holiday work purposes, and who is not required to work, will receive their normal rate of pay and will not expend any accumulated time. This is in addition to the holiday pay as described in Sections 24.1 and 24.2.

For this section, references to Police Operations, Police Administration, Police Investigations, and Police Support Services Divisions, along with the Office of the Chief shall constitute as they are currently structured at the time of this agreement.

Police Operations Division: Within the Police Operations Division, "essential employees" shall be those command officers assigned to the Patrol and Traffic Bureaus who would be regularly scheduled to work on that given day. If staffing levels permit, an employee may elect to avail himself/herself to a "non-essential" leave day. The same procedure and policy as outlined in regards to vacation requests shall be followed (see Section 19.3). Seniority within the Department shall

ARTICLE 23

Funeral Leave

23.1 Employees shall be entitled to pay for up to five (5) calendar days, including SLD's, per funeral to make preparations for and attend the funeral and to take care of matters subsequent to the funeral caused by the death of the following members of an employee's family: spouse, parents, children, step-children, brother, sister, mother-in-law, father-in-law, brother-in-law, sister-in-law, grandparents, spouse's grandparents, step-father, step-mother and any dependent member of an employee's family residing in the officer's household. Employees shall not receive pay for any SLD's that fall within a funeral leave. Employees shall be entitled to pay for one day to attend the funeral of the following members of an officer's family: aunt, uncle, niece, nephew, and spouse's step-parents.

23.2 For the purposes of the above paragraph, it is understood that the time off after the funeral under the provisions of paragraph 23.1 is only allowed if employees have to take care of personal or business matters which were caused by the death of the member of their immediate family.

23.3 Employees must attend services to be paid.

ARTICLE 24

Holidays

24.1 All probationary, provisional and regular status employees will be eligible to receive holiday pay for the following holidays:

| | |
|--|--|
| New Year's Day (Actual Day) | Veterans' Day (Actual Day) |
| Martin Luther King, Jr. Day (Actual Day) | Thanksgiving (Actual Day) |
| Easter (Actual Day) | Day after Thanksgiving (Actual Day) |
| Memorial Day (Day Observed) | December 24 th (Actual Day) |
| July 4 th (Actual Day) | December 25 th (Actual Day) |
| Labor Day (Day Observed) | December 31 st (Actual Day) |

Employees shall earn 100 hours paid holidays during each fiscal year. Said holidays are earned at a rate of 8.33 hours for each month from July 1 through June 30, to be paid in November of said fiscal year. The rate of holiday pay shall be based upon the employee's base rate of pay on date payment is made. For purpose of newly promoted employees, or employees whose employment is terminated, the earning of paid

21.3 Employees, if requested, will be required and will submit a report from a doctor following illness or injury indicating that he/she is physically able to do work available before return to active work.

21.4 Employees, absent for more than one (1) month, with the exception of paid leave, will earn a sick leave day for the first month only.

21.5 No employee can draw more than eighty (80) hours of sick leave during a two week pay period.

21.6 Employees off sick shall be required to bring in a doctor's slip if the City Manager requests it. The City may require an examination for any employee off sick upon return by a doctor of the City's choice on City time and expense.

21.7 The printed application of leave form furnished by the City must be filled out completely and properly signed and submitted by the applicant for absence of any cause.

21.8 Upon the employee's death, retirement, or resignation in good standing, the City will pay 50 percent of his/her accumulated unused sick leave.

21.9 All employees having in excess of 40 hours as of the end of the first bi-weekly pay period ending in June each year, will have the option of A. or B. below:

A. Converting all unused sick time to personal time to be used the following fiscal year. Should an employee fail to use all of the personal time, the remaining personal time shall be paid to the employee as follows:

1. 24 hours of the remaining personal time shall be paid at 100% of the regular hourly rate.
2. Any personal time in the excess of said 24 hours shall be paid at 50% (one-half) of the regular hourly rate. This compensation will be received by June 30th of the following fiscal year.

- B. Receive compensation computed on the basis of 50% (one-half) of their regular hourly rate of any remaining sick time exceeding 40 hours, as of the 1st pay period ending in June to be paid as of June 30th of the current fiscal year.

21.10 Employees shall have the option to draw upon vacation, personal and compensatory time banks in order to supplement disability to equal their normal full pay. Employees shall have the option to draw upon their sick leave bank after the vacation, personal and compensatory banks have been exhausted.

21.11 The use of "personal leave time" is subject to approval in advance, but may be requested for use for any reason by the employee. Personal time shall be available for use by the employee in units of one (1) hour or more.

ARTICLE 22

Subrogation

22.1 Where the injury or occupational disease for which compensation is payable under the provision of the contract was caused under circumstances creating a legal liability in some person other than a natural person in the same employ or the employer to pay damages in respect thereof, the acceptance of benefits or the taking of proceedings to enforce payments shall not act as an election of remedies, but such injured employee or his/her dependents or their personal representative may also proceed to enforce the liability of such third party for damages in accordance with the provisions of this section. If the injured employee or his/her dependents or personal representative does not commence such action within one (1) year after the occurrence of the personal injury or occupational disease, then the City or its Worker's Compensation Insurance Carrier or other insurance carrier may, within the period of time for the commencement of actions prescribed by statute, enforce the liability of such other person in the name of that person. Not less than thirty (30) days before the commencement of suit by any party under this section, such party shall notify, by registered mail at their last known address, the injured employee or, in the event of his/her death, his/her known dependents or personal representative or his/her known next of kin and his/her employer. Any party in interest shall have a right to join in said suit.

22.2 Prior to the entry of judgment, either the City or his/her insurance carrier or the employee or his/her personal representative may settle their claims as their interest shall appear and may execute releases therefor.

22.3 Such settlement and release by the employee shall not be a bar to action by the City or its compensation insurance carrier to proceed against said third party for any interest or claim it might have.

22.4 In the event the injured employee or his/her dependents or personal representative shall settle their claim for injury or death, or commence proceeding thereon against the third party before the payment of benefits, such recovery or commencement of proceedings shall not act as an election of remedies and any monies so recovered shall be applied as herein provided.

22.5 In the action to enforce the liability of a third party, the plaintiff may recover any amount which the employee or his/her dependents or personal representative would be entitled to recover in an action in tort. Any recovery against the third party for damages resulting from personal injuries or death only, after deducting expenses of recovery, shall first reimburse the City or its insurance carrier for any amounts paid or payable under the provisions of this article to the date of recovery and the balance shall be forthwith paid to the employee or his/her dependents or his/her personal representative and shall be treated as an advance payment by the City on account of any future payment of benefits.

Expenses of recovery shall be the reasonable expenditures, including attorney fees, incurred in effecting such recovery. Attorney fees, unless otherwise agreed upon, shall be divided among the attorneys for the plaintiff as directed by the Court. The expenses of recovery above-mentioned shall be apportioned by the Court between the parties as their interests appear at the time of said recovery.