

STATE OF MICHIGAN
MICHIGAN EMPLOYMENT RELATIONS COMMISSION

In the Matter of Act 312 Arbitration between:

CHARTER TOWNSHIP OF WATERFORD,

Employer,

and

MICHIGAN ASSOCIATION OF POLICE,
WATERFORD TOWNSHIP DISPATCHERS
ASSOCIATION,

Union.

Case No. D11 I-1069

Arbitration Panel:

Jerold Lax, Chairperson
Stanley W. Kurzman, Employer Delegate
Fred Timpner, Union Delegate

Appearances:

For the Employer:
Stanley W. Kurzman
Stanley W. Kurzman PLLC
1090 W Huron St
Waterford, MI 48328

For the Union:
Fred Timpner, Executive Director
Michigan Association of Police
27704 Franklin Road
Southfield, MI 48034-8206

OPINION AND AWARD

I. Factual Background.

This arbitration proceeding under Public Act 312 of 1969 involves the Charter Township of Waterford (hereinafter "Employer") and the Michigan Association of Police, Waterford Township Dispatchers Association (hereinafter "Union"). The Union now represents 11 full-time and 2 part-time employees who dispatch Employer public safety personnel, including police and fire personnel.

The most recent collective bargaining agreement between the parties covered the period January 1, 2008 – December 31, 2011. While negotiations between the parties produced a

tentative successor agreement, this agreement was not ultimately ratified and a petition for Act 312 arbitration was filed on May 1, 2012. Formal hearings were held on September 13 and 18, 2012, and briefs were filed on October 25, 2012.

The parties have stipulated that tentative agreements reached on a number of issues, as reflected in Exhibit A attached hereto, should be included in the award, with certain modifications as specified below, and the panel agrees that the contract should include the attached provisions with these modifications: the contract resulting from this award should be a 4-year contract expiring December 31, 2015 rather than 2014 as specified in Exhibit A and the sick leave benefits contained in Exhibit A should commence with the date of the award. The following issues remain in dispute, and require resolution by the arbitration panel:

1. Wages, which the parties have stipulated should be dealt with separately for each of the years of the contract.
2. Retiree health contributions.
3. Employee pension contributions.
4. Drug testing.
5. Subcontracting.

The parties have stipulated that issues 1-3 are economic and issues 4 and 5 are to be regarded as noneconomic, and the panel accepts these designations. Hence, while the panel is required to accept the position of one of the parties with regard to issues 1-3, the panel is not bound by the offers of the parties regarding the remaining issues.

The last offers of the parties with regard to the disputed issues are as follows:

1. Wages:

The parties are in agreement as to wages for the first year of the contract ending December 31, 2012 as reflected in Exhibit A, but Employer offers no increases in any of the remaining three years of the contract. The Union proposes an increase of 2% effective January 1, 2013, a further increase of 1% effective January 1, 2014, a further increase of 1% effective July 1, 2014, and a further increase of 3% effective January 1, 2015.

2. Retire health contributions:

The Employer proposes that commencing with the date of the award, employees contribute 3% of their wages toward funding retiree health benefits. The Union proposes that employees hired after the date of this award contribute 3% of wages to retiree health benefits but that employees hired prior to the date of the award contribute 2% of wages to those benefits.

3. Employee pension contributions:

The Employer proposes that employees contribute 7% of wages into the pension system, while the Union proposes that the present pension contribution level of 5% be maintained.

4. Drug Testing:

The employer proposes that a program of random drug testing be instituted, while the Union proposes that the present program of drug testing based on reasonable suspicion be maintained.

5. Subcontracting:

The Employer proposes no limit on its ability to subcontract unit work, and the Union proposes that subcontracting be prohibited.

Section 9 of Act 312, as amended in 2011, sets forth the factors to be considered by the panel in rendering its award:

Sec. 9. (1) If the parties have no collective bargaining agreement or the parties have an agreement and have begun negotiations or discussions looking to a

new agreement or amendment of the existing agreement and wage rates or other conditions of employment under the proposed new or amended agreement are in dispute, the arbitration panel shall base its findings, opinions, and order upon the following factors:

(a) The financial ability of the unit of government to pay. All of the following shall apply to the arbitration panel's determination of the ability of the unit of government to pay:

(i) The financial impact on the community of any award made by the arbitration panel.

(ii) The interests and welfare of the public.

(iii) All liabilities, whether or not they appear on the balance sheet of the unit of government.

(iv) Any law of this state or any directive issued under the local government and school district fiscal accountability act, 2011 PA 4, MCL 141.1501 to 141.1531, that places limitations on a unit of government's expenditures or revenue collection.

(b) The lawful authority of the employer.

(c) Stipulations of the parties.

(d) Comparison of the wages, hours, and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours, and conditions of employment of other employees performing similar services and with other employees generally in both of the following:

(i) Public employment in comparable communities.

(ii) Private employment in comparable communities.

(e) Comparison of the wages, hours, and conditions of employment of other employees of the unit of government outside of the bargaining unit in question.

(f) The average consumer prices for goods and services, commonly known as the cost of living.

(g) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays, and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.

(h) Changes in any of the foregoing circumstances while the arbitration proceedings are pending.

(i) Other factors that are normally or traditionally taken into consideration in the determination of wages, hours, and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration, or otherwise between the parties, in the public service, or in private employment.

(2) The arbitration panel shall give the financial ability of the unit of government to pay the most significance, if the determination is supported by competent, material, and substantial evidence.

It is to be noted that the 2011 statutory amendments explicitly added internal comparables as a factor, though Act 312 panels have often taken such comparables into account in any event, and panels are instructed to give the financial ability of an Employer "the most significance."

The parties have stipulated that Bloomfield Township, West Bloomfield Township, Clinton Township, and White Lake Township are the appropriate external comparables which may be considered by the panel.

II. Resolution of disputed issues.

Particularly in light of the emphasis which Act 312 now places on employer ability to pay in the resolution of disputed issues, it should be noted at the outset that the Employer did produce pertinent testimony indicating significant limitations on its resources, particularly in comparison to the agreed-upon comparable communities. The Employer's outside auditor testified that property taxes are the principal source of the Employer's revenue, and that while property values increased rather steadily between 1994 and 2007, they began to decrease thereafter. This fact alone may not distinguish Waterford Township appreciably from other municipalities which suffered from a general downturn in economic conditions, but the auditor also testified that the

Employer's spendable net assets, as well as its per capita tax income, were notably lower than in comparable communities:

Exhibit 16 changes our focus from Waterford Township and its financial position, and these last two graphs will try to compare just a couple of key metrics to the other five communities that are potentially comparable communities. So the first item I look at when I'm comparing a financial health is the ability to bring in property taxes, since that is the most significant revenue, and to normalize it between communities, I—I look at it as on a per capita basis. So to get this calculation, I'm looking at the maximum authorized millage rate multiplied by the taxable value, that's the equation of the total property tax revenue, and dividing it by the population in the 2010 census. When I look at that, I can see Bloomfield Township over \$1,000.00 per capita, Clinton Township down a little before 400, West Bloomfield 600, White Lake about 250, and that average in the neighborhood of \$550.00. Waterford would be a bit lower than average; down around the \$300.00 range. And so that's the red graph off to the right is Waterford Township, to compare that to the average.

And page 17 is really looking at the same metric we had a minute ago of the net assets, adding in both the restricted and unrestricted net assets. So trying to take a little bit of a broader measure, the initial net assets that would be in a spendable form, and comparing that to these other four communities. We can see that Bloomfield Township—and—and again, I look at that as a percentage of annual expenses in order to normalize that. That Bloomfield Township has about 40 percent of one year's expenses, Clinton Township has about 100 percent, West Bloomfield about 40 percent, and White Lake over 120 percent. That average is somewhere around 65 percent. Waterford, which I have in red, is negative. Significant difference in Waterford Township's financial condition compared to any of these other four communities.

While the auditor testified that the Employer's financial situation was likely to improve over time, property values were not likely to return to 2007 levels until 2026.

The Union appropriately notes the possibility of the Employer enhancing its available resources through voter-adopted special assessments for such purposes as public safety, but it appears that the Employer's most recent effort to do so in November, 2012 was unsuccessful.

While Act 312 continues to permit a panel to take a number of factors into account, the foregoing facts are required to be given significant weight.

A. Wages

1. 2012. The parties, as indicated above, are in agreement that 2012 wages should be as specified in Exhibit A, which establishes an initial hourly rate of \$19.06 for a dispatcher, increasing to \$22.42 for employees who have been employed in that position two years. While the parties have characterized this as a zero increase, it appears from the terms of the recently-expired collective bargaining agreement that the rates specified in Exhibit A were in fact the rates that applied in 2010, and that by agreement of the parties the 2011 rates, at least for the major part of 2011, were at a somewhat reduced level. In any event, the panel agrees that the 2012 wages agreed to by the parties should be awarded.

2. 2013. While the Union argues with some persuasiveness that such factors as overtime pressures resulting from understaffing of the dispatchers unit and the willingness of unit employees to forgo wages increases voluntarily in 2011 would justify the Union's requested 2% wage increase for 2013, the majority of the panel concludes that the Employer's proposal of no increase for 2013 should be adopted, principally based on the evidence introduced by the Employer regarding its ability to pay and the absence of evidence that the unit employees are at any disadvantage based on internal or external comparables. Panel member Timpner dissents.

3. 2014. For much the same reasons as support the Employer's proposal with regard to 2013, the majority of the panel concludes that the Employer's proposal of no increase for 2014 also be adopted. Panel member Timpner dissents.

4. 2015. Act 312, although giving primacy to ability to pay, also permits a panel to consider such facts as the interests and welfare of the public and the overall compensation situation of the employees involved. Given that the parties have agreed that the duration of the contract should be four years, and in light of Employer testimony both that economic conditions

are likely to improve somewhat over time and that the staffing level of the unit has dropped below the optimal level of 15, the majority of the panel concludes that the Union's proposal of a 3% increase for 2015, rather than the Employer's offer of a continuing wage freeze, should be adopted. The public benefit resulting from the stability of a 4-year contract might well be somewhat undermined if employees who, according to the record, had earlier agreed to a reduction in benefits, have no prospect of economic improvement over the 4-year period. The Employer urges the panel to take note of the agreement of two other Employer bargaining units to accept contracts through 2016 with no wage increases, but there is insufficient evidence of the circumstances of these agreements, or of any history of the units in question having earlier agreed to decreases, to lead the majority of the panel to alter its conclusion. Panel member Kurzman dissents.

B. Retiree health care contributions.

The majority of the panel, in light both of the Employee's position with regard to limitations on its ability to pay and the panel's conclusion that a wage increase will be included in the final year of the contract, is of the view that the Employer's proposal that a 3% contribution to retiree health care by all employees, rather than combining this contribution level for new employees with a lower contribution for existing employees as proposed by the Union, should be adopted. Panel member Timpner dissents.

C. Employee pension contributions.

Principally as a result of the total benefit package provided in this award, which includes a 3-year wage freeze and a continuation of a uniform contribution toward retiree health care, the majority of the panel concludes that the Union's proposal of continuing a 5% contribution

toward the pension system, rather than increasing this contribution to 7% as proposed by the Employer, should be adopted. Panel member Kurzman dissents.

D. Drug testing.

The Employer's police chief testified in support of the Employer's proposal that a program of random drug testing, rather than the current program of drug testing based on reasonable suspicion, be adopted. He argued that random drug testing would enhance professionalism in the unit as well as public trust. He noted that the Employer's police command officers are subject to random testing. On cross-examination, however, he acknowledged that no unit members have ever been disciplined for substance abuse and that the Employer's patrol officers are not only not subject to random testing, but that the Employer failed in a prior effort to obtain random testing for patrol officers through Act 312 arbitration. The majority of the panel, while in full agreement that increased professionalism is desirable and that public trust must be maintained, is unconvinced that the evidence supports a change from testing based on reasonable suspicion to random testing, and the Union's position on this issue is therefore adopted. Panel member Kurzman dissents.

E. Subcontracting.

It appears from the record that the possibility of subcontracting dispatching work to the county sheriff's department may well have been the issue which resulted in non-ratification of the proposed collective bargaining agreement by the Employer, and that consideration of such subcontracting by the Employer motivates the Union's request that a prohibition against subcontracting be included in any agreement awarded by this panel. The panel is cognizant of the Employer's likely view that the ability to subcontract may be one viable method of reducing costs while resources are scarce, and also cognizant of the insecurity which the prospect of

subcontracting may produce in the Union. In resolving this issue, the panel notes that the recently –adopted agreement between the Employer and its patrol officers does include a no-subcontracting clause, but that the clause significantly allows subcontracting “in cases of emergency, but for no longer than 60 days.” While acknowledging the Employer’s argument that such a clause may serve a different function when the work of a large department is concerned, the majority of the panel is of the view that the clause included in the patrol contract, with its allowance of time-limited subcontracting in the event of emergency, is the appropriate resolution of the issue in the instant situation, in that it provides a measure of security to employees under a 4-year contract, but also allows subcontracting in emergency situations which could well develop in a unit which appears chronically understaffed. Panel member Kurzman dissents.

III. Summary.

A. Wages

1. 2012 – as provided in Exhibit A.
2. 2013 – 0% increase.
3. 2014 - 0% increase.
4. 2015 - 3% increase.

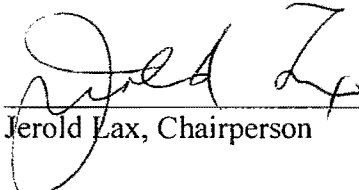
B. Retiree health care contributions – 3%

C. Employee pension contributions – 5%

D. Drug testing – Upon reasonable suspicion.

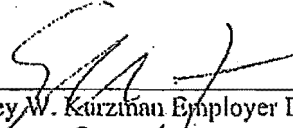
E. Subcontracting – prohibited other than in emergencies, for no longer than 60 days.

Date: 11/14/12



Jerold Lax, Chairperson

Date: 11-14-12


Stanley W. Kurzban, Employer Delegate

Date: 11-14-2012

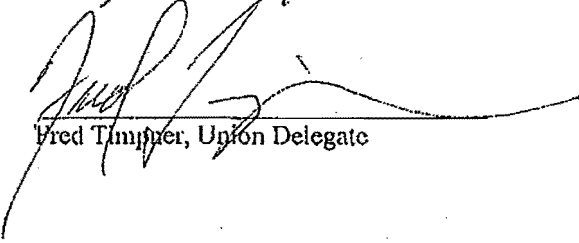

Fred Timmer, Union Delegate

EXHIBIT A

ARTICLE 1
AGREEMENT

- 1.1: This Agreement entered into as of January 1, 2012 between the Township of Waterford, Michigan, a Michigan Charter Township ("Employer" or "Township") and Michigan Association of Police ("MAP" or "Union"), a Michigan non-profit corporation, on behalf of the Waterford Township Dispatchers Association ("WTDA"; "employee" or "employees") as set forth in the recognition Article of this Agreement.
- 1.2: The headings used in this Agreement and exhibits neither add to nor subtract from the meanings but are reference only.

ARTICLE 2
PURPOSE AND INTENT

- 2.1: The general purpose of this Agreement is to set forth terms and conditions of employment and to promote orderly and peaceful labor relations for the mutual interest of the Employer, the employees and the Union and to provide to the Communities served efficient and courteous police dispatch services.

ARTICLE 3
RECOGNITION – EMPLOYEES COVERED

- 3.1 Pursuant and in accordance with all applicable provisions of Act 336 of the Public Acts of 1947, as amended, and Act 379 of the Public Acts of 1965, as amended, the Employer does hereby recognize the Union as exclusive bargaining agent in respect to rates of pay, wages, hours of employment and other conditions of employment during the term of this Agreement for all employees of the Employer employed by the Waterford Police Department in the positions or classifications defined as Dispatchers including Part-time Dispatchers.

ARTICLE 4
AGENCY SHOP

- 4.1: ***Union Membership*** Each employee who, on the effective date of this Agreement, is a member of the Union shall, as a condition of employment, maintain his/her membership in the Union. Each employee who is not a member of the Union or is hired on or after the execution of the Agreement shall, as a condition of employment, either become a member of the Union within thirty (30) days after his/her hiring date or the effective date of this Agreement, whichever is later, and maintain membership in the Union except as hereinafter provided or pay a service fee. Employees who fail to comply with this requirement shall be discharged by the Employer within thirty (30) days after receipt of written notice to the Employer from the Union.

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- 4.2: Service Fee In lieu of Union membership, any employee will pay to the Union a monthly service fee for the cost of negotiations, representation and administration of the contract not to exceed the amount of dues uniformly required of the Union members. Employees who fail to comply with this condition shall be discharged by the Employer within thirty (30) days after receipt of written notice of such default delivered to the Employer by the Union.

ARTICLE 5
UNION DUES AND/OR SERVICE FEES

- 5.1: Payment by Check-off Employees shall tender monthly membership dues and/or service fees by signing the "Authorization for Check-off of Dues" form.
- 5.2: The Township will deduct from each bi-weekly pay of each employee covered by this Agreement current Union membership dues or service fees, provided that at the time of such deduction there is in the possession of the Township a current written authorization by the employee, and will continue to make such deduction until the Township receives written instructions to the contrary from said employee, and shall remit all sums deducted to the Union no later than the 15th day of the month following deduction.
- 5.3 The Township shall not be liable for any errors or losses in the administration of this Article. The Township shall not be liable for the remittance or payment of any sum other than that constituting actual deductions made from the wages earned by the employees as authorized in writing. Further, the Union shall protect, indemnify and save the Township harmless against any and all claims, demands, costs, suits and any other forms of liability that may arise out of, or by reason or, action taken or not taken by the Township for the purpose of complying with this Article.

ARTICLE 6
REPRESENTATION

- 6.1: The employees of this unit shall be represented by the WTDA President or designee.
- A. Any employee who is called in to meet or confer with management for purposes of an investigative conference that could lead to disciplinary action has the right and may request to have the President or designee present.
- 6.2: The President or designee during their working hours, upon advising the Employer, shall be allowed, without loss of time of pay, to investigate and present grievances to the Employer, providing, however, that such action shall not create undue disruption to the Township Dispatch operations or require overtime. Any abuse of this privilege shall be proper subject for a special conference.
- 6.3 The Union President or his/her designated representative shall, upon notification to the appropriate department head, be given time off without loss of time or pay to investigate and present a policy grievance, or to attend to urgent union business that



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will affect the operation of the Township and which cannot be dealt with during non-working hours. Such activity shall not unreasonably hinder the conduct of the Township's operations or result in overtime assignment(s). Any abuse of this privilege shall be proper subject for special conference.

6.4 Contract Negotiations The Waterford Township Dispatch Association shall during their working hours, without loss of time or pay, be allowed three (3) employees present for contract negotiations with the Township. Negotiations shall be scheduled so that no overtime is required. No more than two (2) representatives from MAP may also be present.

6.5 Grievance Handling The President or designee, during their working hours without loss of time or pay, shall be allowed to investigate and present grievance to the Employer, providing, however, that such action shall not create undue disruption to the Township dispatch operations or result in overtime. Any abuse of their right shall be proper subject for special conference.

A. Policy Grievance, Discharges Shall be handled by the local President or his/her designee, during their working hours without loss of time or pay.

B. Step III Meetings Shall be handled by the local President and/or Vice President or their designee during their working hours without loss of time or pay.

In the event both Union Officers are working the same shift during a Step III meeting than only one Union Officer shall be released from their duties to attend such meeting. However, a designee for a Step III meeting can fill the second Union Officer position.

ARTICLE 7 PART-TIME DISPATCHERS

The Township shall be allowed to hire up to three (3) part time Dispatchers under the following provisions:

7.1 Definition: A Part-time Dispatchers is a Dispatcher that is a certified Dispatcher that works a maximum of 20-hours per each 7-day week. Part-time Dispatchers are only eligible for specific Articles in the Agreement.

7.2 Provisions of Contract applicable All provisions of this Contract shall be applicable to part-time dispatchers with the exception of the following Articles: Articles 8.1, 16, 18, 19, 20, 21.2, 22.2, 22.3.C, 23, 24, 25, 26, 28, 29, 30, 31, 32, 33, 34 & 35. ~~OPEN 2012-2014~~ *GW*

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7.3 Probationary period: Part time Dispatchers shall serve a probationary period of 4,000 hours worked and during such probationary period they shall be "at-will" employees.

7.4 Work week limitation: Part time Dispatchers shall work no more than forty (40) ~~twenty-~~ (20) hours per week, a work week being defined as 12:00 a.m. Monday through midnight of the following Sunday. ~~Part-time Dispatchers may work additional hours when filling in as a temporary replacement for a full-time Dispatcher who is off on STD/LTD or workers compensation leave.~~

7.5 Schedule: Part-time dispatchers shift selection is done after all full-time Dispatchers have made their shift selection as described in 21.2.

7.6 Seniority: Part time Dispatchers shall earn one month's seniority for every 174 hours worked.

7.7 Layoff: In the event of a reduction in force, part time Dispatchers shall be laid off prior to any full time dispatcher lay-offs regardless of seniority.

7.8 Rate of Pay: Part time dispatchers shall be paid as follows:

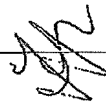
- First 1,000 hours 85% of dispatcher I
- 1,000 – 2,000 hours - 90% of dispatcher I
- 2,000 – 3,000 hours - 95% of dispatcher I
- 3,000 or more -100% of dispatcher I

7.9 Holiday Pay: Part time Dispatchers shall receive holiday pay at the rate of 1.5 times their regular pay if they work on any shift on any of the following nine (9) holidays: New Years Day, Easter Sunday, Memorial Day, July 4th, Labor Day, Thanksgiving, Christmas Eve, Christmas Day and New Years Eve.

7.10 Conversion to full time Dispatcher status: Part time employees shall have no automatic right to fill full time Dispatcher openings but such conversion shall be at Management's sole discretion without regard to seniority.

7.11 Death payment: Any unpaid salary shall be paid to an employee's estate upon death.

7.12 FMLA: A part-time employee that exceeds 1050 hours on an annual basis shall be covered under the Family Medical Leave Act. However, this is an unpaid status.



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ARTICLE 8
SENIORITY – PROBATIONARY EMPLOYEES

- 8.1: Newly hired dispatchers, or employees rehired after having quit, who are members of the bargaining unit as defined, shall serve a probationary period of one (1) full calendar year; provided, however, that all such employees shall begin to qualify for all benefits afforded regular seniority employees after sixty (60) actual working days worked. After completion of the full probationary period, the employee's seniority shall be retroactive to the first day worked.
- 8.2: The Union shall represent probationary employees for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment and other conditions of employment as set forth in Article I of this Agreement, except discharged and disciplined probationary employees, if such discharge or discipline was for reasons other than Union activity. Probationary employees shall be considered to be at-will employees and subject to discharge without cause at any time during their probationary period. However, the Union shall be will be notified prior to any discipline and will have the right to represent the probationary employee during any discipline procedure.
- 8.3: **Seniority List** A seniority list shall be posted on an appropriate bulletin board and kept up to date at all times. The seniority list will show the name and seniority date of all employees and shall not be grievable beyond ten (10) working days after posting, unless the employee was on leave during the time period, in which case such employee shall have ten (10) working days after return to work to grieve.

Errors not grieved within ten (10) working days shall be corrected when discovered but shall not subject the Township to any liability as a result of the error.

- 8.4: **Loss of Seniority** An employee shall lose seniority for the following reasons only:
- A. The employee quits or retires.
 - B. The employee is discharged and the discharge is not reversed through the grievance procedure set forth in this Agreement.
 - C. The employee is absent for three (3) consecutive working days without notifying the immediate supervisor or designate, provided, however, that an employee may be excused from the effect of this clause if he or she was unable to provide notification as a result of illness or accident. The Employer shall send written notification to the employee at the employee's last known address. Loss of seniority under this provision shall be subject to the grievance procedure.
 - D. The employee fails to return to work when recalled from layoff, as set forth in the recall procedure.



- E. The employee fails return to work within three (3) working days from sick leave or leaves of absence.
- F. The employee is on layoff for a period in excess of one (1) year.
- G. If the employee is unable to return to duty after 24 months from the first date of illness or injury.

~~8.5: Adjustment of Seniority The employee's seniority shall be adjusted for the following reasons:~~

- ~~A. Unpaid sick leave (except when such unpaid sick leave is prior to eligibility for sick benefits) or other unpaid absence.~~
- ~~B. Disciplinary layoff in excess of three (3) working days.~~

ARTICLE 9 GRIEVANCE PROCEDURE

9.1: Definition: A "Grievance" is a complaint by a member of the bargaining unit claiming a violation of a provision of this Agreement or a complaint involving its interpretation or application. A "Grievance" shall not apply to any matter which is prescribed by Law or State regulation. No management prerogative, as prescribed by law, shall be made the subject of a grievance. If a grievance arises, there shall be no stoppage of work because of such grievance.

9.2: Procedure: The grievance procedure provided in this Agreement shall be the sole and exclusive means of presenting and resolving alleged grievances. The number of days indicated at each step shall be considered the maximum and may be extended only by mutual written consent. An employee having an alleged grievance shall present it within ten (10) calendar days of its occurrence, or knowledge of its occurrence, in the following manner:

- A. STEP ONE – Informal Conference: An employee with an alleged grievance, either accompanied by the Union Representative, or without, shall present all facts related to the alleged grievance to the employee's immediate supervisor. Any settlement at this level shall not be inconsistent with the provisions of this Agreement and any settlement which is inconsistent shall be null and void. The Union may, in writing, request a written response from the supervisor. If requested, the supervisor shall give a written response within seven (7) calendar days of the request.
- B. STEP TWO: If the grievance is not resolved at Step One, the grievance, to be carried on, shall be submitted by the Union, in writing, to the Chief of Police, or his designee, within fifteen (15) calendar days of the Step One

meeting or written response if a written response was requested. A meeting shall be arranged between the designee of the Chief of Police, the grievant and a Union Representative within ten (10) calendar days from receipt of the grievance. All relevant facts will be presented by or on behalf of the grievant at this meeting. A written decision on the grievance shall be provided by the Chief of Police or his designee within seven (7) calendar days of the meeting. A failure to provide a written answer within the seven (7) calendar days shall be construed as a denial of the grievance and it can, at the option of the grievant, be carried to the next step.

- C. **STEP THREE:** If the grievance is not resolved at Step Two, the grievance to be carried on, shall be delivered in writing to the **Human Resources Director, within fifteen (15) calendar days** after receipt of the answer to Step Two or the failure of the Chief of Police or his designee to provide a timely written response. Within ten (10) calendar days after receipt of the grievance by the **Human Resource Director, the Human Resource Director** or designee shall hold a hearing at which such person or persons as required by the Union, including the grievant, shall be reimbursed by the Township for any time lost. A written decision shall be provided the grievant and the Union within seven (7) calendar days following the Step Three hearing. A failure to provide an answer within the prescribed seven days shall be construed as a denial of the grievance.
- D. **MEDIATION:** By mutual agreement the parties may agree to mediate any grievance either through a mediator selected by the Michigan Employment Relations Commission or a mediator chosen by mutual agreement. Any recommended decision by the Mediator shall not be binding upon either party.
- E. **STEP FOUR – Arbitration** If the grievance is not settled at Step Three or through Mediation, the Union may, within thirty (30) calendar days after the date of the written decision at Step Three or failure to provide a written decision or within thirty (30) calendar days after mediation, submit the grievance to arbitration under the following rules:
1. The Union shall give written notice to the **Human Resources Director** of its intent to arbitrate the grievance decision.
 2. Within fifteen (15) calendar days after receipt of the notice by the Human Resources Director, the parties, through their representatives, shall attempt to agree upon an arbitrator. If the parties cannot agree upon an arbitrator, the parties agree to abide by FMCS rules and procedures. Disciplinary and discharge cases shall be given priority and shall be heard on the selected arbitrator's first available date.
 3. **Powers of the Arbitrator:** It shall be the function of the arbitrator, and the arbitrator shall be empowered, except as the arbitrator's

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powers are limited below, after due investigation, to make a decision in cases of alleged violation of the specific articles and sections of this Agreement.

- a. The Arbitrator shall have no power to add to, subtract from, disregard, alter or modify any of the terms of this Agreement.
 - b. The Arbitrator shall have no power to establish or change salary scales.
 - c. The Arbitrator shall have no power to rule on any of the following:
 1. The termination of the services of, or failure to re-employ any probationary employee.
 2. Any practice, policy or rule of the Township or to substitute his judgment as to the reasonableness of any practice, policy or rule.
 - d. In discharge and discipline cases, the Arbitrator shall have no power to mitigate the punishment but shall have only the power to determine if discipline was warranted and, if so, the Arbitrator shall uphold the punishment determined by the employer.
 - e. If either party disputes the arbitrability of any grievance under the terms of this Agreement, the arbitrator shall decide if the grievance is arbitrable. In the event the Arbitrator determines the Arbitrator is without power to arbitrate the grievance, it shall be referred back to the parties without decision or recommendation on its merits.
3. The decision of the Arbitrator shall be final and binding if within the scope of the authority set forth above. It shall be binding upon the Union, its members, the employee or employees involved, and the Township.
 4. The fees and expenses of the Arbitrator shall be paid by the "losing" party. The determination as to which party is the "loser" shall be determined by the Arbitrator as part of the Arbitration Award. If neither party is determined by the Arbitrator to be the "loser", the fees and expenses of the Arbitrator shall be shared equally by the parties. 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.

5. The local President or designee and the grievant shall be allowed time off to attend any arbitration hearing.

ARTICLE 10
DISCHARGE AND DISCIPLINE

- 10.1: Should circumstances warrant, an employee may be disciplined for just cause. Disciplinary actions or measures may include the following:

Oral reprimand, written reprimand, suspension or discharge.

- A. Any employee who is called in to meet or confer with management for purposes of an investigative conference that could lead to disciplinary action, has the right and may request to have his/her Union Representative present.

- 10.2: **Notice of Discharge and Discipline:** The employer agrees that when effecting the discharge or discipline of any employee:

- A. The Dispatcher Supervisor or designee shall notify the employee verbally, not in front of other employees.

- B. The Dispatcher Supervisor or designee shall promptly present the employee and his/her Union Representative with a written notice of the discharge or discipline which states the reason or reasons for such discharge or discipline. The Dispatch Coordinator and Dispatcher II's shall not be responsible for issuing disciplinary actions to fellow employees in the unit.

- C. The written notice of discharge or discipline shall be presented to the local union President or his/her designee promptly after the employee has received the first written notice, stating fully and all reasons for discharge or discipline.

- 10.3: The discharged or disciplined employee will be allowed to discuss his/her discharge or discipline with the Union Representative of the unit, and the Employer will make available an area where he/she may do so before he/she is required to leave the property of the employer. Upon request, the employer or his/her designated representative, will discuss the discharge or discipline with the employee and the Union Representative in an attempt to resolve same if possible.

- 10.4: **Appeal of Discharge or Discipline:** Should the discharged or disciplined employee or the Union consider the discharge or discipline to be improper, a grievance shall be presented in writing through the Union to the Dispatcher Supervisor within seven (7) calendar days of the discharge or discipline. The Dispatcher Supervisor shall respond in writing to the Union within seven (7) calendar days after receipt of the grievance. If the decision is unsatisfactory to the Union, the Union may invoke the grievance procedure at the Step III level.

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10.5: Use of Past Record: In imposing any discipline, other than discharge, on a current charge, the Employer will not take into account any prior infractions contained in the employee's official personnel file, held at the Director of Human Resources Officer, the which occurred more than two (2) years previously nor impose discipline on an employee for falsification of his employment application after a period of two (2) years from the date of hire.

10.6: Whenever an employee in the bargaining unit is disciplined by the employer, and such discipline consists of a suspension of less than five (5) days, the parties agree that the disciplinary action will be held in abeyance ~~pending appeal~~ until completion of Step III.

~~10.7: The suspension of less than five (5) days shall be held in abeyance until completion of Step III of the grievance procedure.~~

10.7 Sections 10.6 and ~~10.7~~ will not apply to new hire probationary employees.

ARTICLE 11 COMPUTATION OF BACK WAGES

11.1: No claim for back wages shall exceed the amount of wages the employee would otherwise have earned at his/her regular rate. Any claim on the part of the employee against the Employer shall be limited to a claim for back wages, and shall be limited to the amount of the employee's cost of providing equivalent fringe benefits, but shall not exceed the Employer's cost for the benefits, and further provided that such benefits are maintained and evidence of such continuation and payments are submitted to the Township by the employee.

ARTICLE 12 SUPPLEMENTAL AGREEMENTS

12.1: All supplemental agreements shall be subject to the approval of the Employer and the Union. They shall be approved or rejected within a period of ten (10) working days following the date they are finalized by the Township and the Union.

12.2: The employer agrees not to enter into any agreement or contract with its employees, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement. Any such agreement shall be null and void.

ARTICLE 13 LAYOFF DEFINED

13.1: The word "layoff" means a reduction in the working force due to a decrease of work or lack of funds.

13.2: If a layoff becomes necessary, the following procedure will be mandatory:



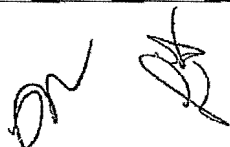
- A. In the event of a reduction in force, part time Dispatchers shall be laid off prior to any full time dispatcher lay-offs regardless of seniority.
- B. Probationary employees will be laid off prior to the layoff of any full time seniority employees.
- C. After all probationary employees are laid off, further layoffs shall be on the basis of seniority with the lowest seniority employees laid off first.
- D. Employees to be laid off shall be given seven (7) calendar days notice.

ARTICLE 14
RECALL PROCEDURE

14.1: When the working force is increased after a layoff, the employees will be recalled according to seniority in reverse order of layoff. Notice of recall shall be sent to the employee at his/her last known address by registered mail or certified mail. The employee shall notify the employer within five (5) days from the post mark date of mailing of the recall notice of the employee's intent to report to work and shall report to work within ten (10) working days after the post mark date of mailing of the recall notice. If the employee fails to notify the employer of intent to report to work within five (5) working days from the post mark date of the mailing of the recall notice and/or fails to report to work within ten (10) working days of the post mark mailing of the recall notice, the employee shall be considered a voluntary quit as provided in the notice.

ARTICLE 15
LEAVES OF ABSENCE

- 15.1:** Leaves of absence without pay and without loss or gain of seniority may be granted or extended at the discretion of the Chief of Police. Denial of leaves of absence by the Chief of Police are not appealable and not subject to the grievance procedure.
- 15.2:** To request a leave without pay, the employee shall, at least thirty (30) days prior to the start of the leave, submit a written request to the Chief of Police stating the date to begin, the duration and the reason for the requested leave.
- 15.3:** Unpaid leaves shall be granted only for the following reasons:
 - A. Physical or mental illness, subject to a two (2) year limitation and upon the submission of medical proof.
 - B. Prolonged illness of spouse, children or other members of household for a period of up to but not to exceed two (2) years.



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- C. Candidates for political office with the Township shall take an unpaid leave commencing at least sixty (60) days prior to the election for which they are a candidate.

ARTICLE 16

SICK LEAVE, SHORT TERM AND LONG TERM DISABILITY

- 16.1 Effective April 1, 2012 all current employees shall be granted *fifty-six (56)* hours of paid sick time. In addition to the initial 56 hours current employees shall earn two (2) hours of sick leave per pay period *starting with the first pay period after June 1, 2012.* *New employees shall earn two (2) hours of sick leave per pay period.*
- 16.2 Sick time shall be for paid time off for illness or injury of the employee or a family member under the care of an employee.
- 16.3 An employee on sick leave shall be deemed to be on continued employment for purposes of computing all benefits. Sick days and time on Short Term or Long Term Disability shall be construed as days worked.
- 16.4 Management shall have the right to verify an employee's illness or injury based on the following:
- A. An employee may be asked for the reason they are off using sick leave when they call in to the employer to report their absence.
 - B. Employees off for more than three (3) consecutive days may be required to provide reasonable documentation of the illness or injury.
 - C. Employees who have had more than four occurrences of sick leave without medical documentation in a six-month period may be required to provide medical documentation for a maximum period of six months. The employer shall document this requirement in writing to the employee.
 - D. The Township may require that an employee, who has a pattern indicating sick leave abuse, provide a medical verification of illness or injury by an M.D./D.O. for a maximum period of 90-days. After the 90-day period the employee's sick time use shall be reviewed. The Employer shall reimburse the employee for the cost of the office visit co-pay to obtain the medical verification. **The maximum Employer reimbursement shall be \$20.00.**
 - E. If any items b, c or d above occur, the Township may require that the employee be examined by a Township-designated physician in order to verify illness or injury and/or the potential for limited or restricted

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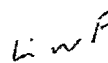
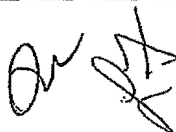
work. The Township shall pay the cost of the examination. The results of the examination shall be provided to the Human Resources Director only.

The employer shall document the reasons for the examination in writing.

- 16.5 Employees may use sick days as a Personal Leave Day subject to the same advance notice and approval process. Such use of sick days shall not be construed as a sick day "occurrence".
- 16.6 Any sick leave above 120 hours remaining after September 30th of each year shall be paid to the employee at the employee's full rate of pay on that date. Payments shall be made on the last payroll date in October.
- 16.7 Should the employee exhaust their paid sick time bank the employee shall be allowed to use vacation, personal leave or compensatory time off to cover an illness or injury. Employees on Family Medical Leave must use any available paid time off above 40 hours to cover their medical leave.
- 16.8 Employees shall be provided a Short-Term Disability (STD) benefit that shall go into effect after seven (7) consecutive calendar days off on a verifiable illness or injury. The illness or injury must prevent the employee from performing their normal work duties. The STD shall pay the employee eight percent (80%) of their normal base wage for a period of up to sixty (60) calendar days. From the sixtieth (60th) day through the one hundred and eightieth (180th) day of their STD benefit shall be paid at sixty percent (60%) of their normal base wage.
- 16.9 The Township shall provide an insured Long Term Disability (LTD) benefit that will cover disabilities beyond 180 days through normal social security age. This benefit shall be 60% of the employee's base wage at the time of disability. The benefit will coordinate with any duty or non-duty disability benefit provided to the employee through their pension system. The coverage summary for the LTD benefit program is included in Appendix ___.

ARTICLE 17
LEAVE FOR UNION BUSINESS

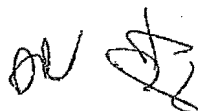
- 17.1: Up to three (3) executive board members of the Association may attend the annual MAP Executive Board Meeting at their own cost and expense without loss of pay or time. Time off to attend the meeting shall only be denied if allowing the employees off causes overtime.



ARTICLE 18
PERSONAL LEAVE

18.1: A seniority employee shall be entitled to a maximum of three (3) personal days per year, non-accumulative, under the following conditions:

- A. Personal days may be taken at the employee's own discretion, with no reason need be given the Employer.
- B. Three (3) work days advance notice must be given the Employer, and will be granted considering the wishes of the employees and efficiency of the operation of the department.
- C. Advance notification will be waived in those cases of medical emergency requiring hospitalization of spouse or child.
- D. Personal days may be taken in one (1) hour increments.



ARTICLE 19
BEREAVEMENT LEAVE

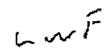
- 19.1: An employee may be allowed up to five (5) working days as may be required for each death in the immediate family, for tending to funeral arrangements and attending the funeral. The immediate family is defined as: parent, grandparent, spouse, child of the employee or spouse's child, mother-in-law or father-in-law.
- 19.2: An employee may be allowed up to three (3) working days as may be required as funeral leave days for each death of one of the following family members: sister, brother, grandchild, sister-in-law or brother-in-law.
- 19.3: An employee may be allowed one (1) funeral leave day to attend the funeral of the following: aunt, uncle, niece or nephew of blood relation.
- 19.4: An employee requested to be a pall-bearer for a deceased employee will be allowed up to one (1) working day to attend the funeral.
- 19.5: The employer may grant additional bereavement time for extenuating circumstances. These additional days shall be charged to the employee as vacation days or as days off without pay at the employee's option

ARTICLE 20
PROMOTIONS

- 20.1: The Township shall have the right to promote the most qualified employee to a higher classification within the bargaining unit.
- 20.2: The Township shall establish a testing procedure to determine the most qualified candidate for the higher classification. A written description of the procedure shall be available to the members of the unit. The township has the right to modify the testing procedure.
- 20.3: Promoted employees shall serve a six (6) month probationary period. Employees who are unable to satisfactorily perform the duties of the higher classification shall be moved back to their previous position without loss of seniority.

ARTICLE 21
HOURS OF WORK

- 21.1: The first shift is any shift that regularly starts on or after 3:00 a.m. but before 11:00 a.m. The second shift is any shift that regularly starts on or after 11:00 a.m. but before 7:00 p.m. The third shift is any shift that regularly starts on or after 7:00 p.m. but before 3:00 a.m. A shift shall be considered a regular shift if it is a duration of at least seven (7) calendar days.



21.2: Shift Selection

Shift Selection shall be based on seniority within classification provided that no more than one Dispatcher II shall select the same shift. The Dispatch Coordinator shall only be allowed to select the Day Shift or Day Flex Shift. Such shift preferences shall take place quarterly on the first Saturday of each January, April, July and October in the following manner:

- A. Two blank schedules shall be posted on the Union bulletin board four (4) weeks prior to the aforementioned quarters. All shift selections shall be completed one (1) week prior to the aforementioned quarters. The first schedule will allow for Dispatcher II's to select a shift based on seniority in classification. Those promoted on the same date shall be ranked by testing score. The second schedule will allow all employees to select a work schedule within the available shifts. Selection of work schedule within a shift shall be by overall seniority in the unit.
- B. During such quarterly period, an employee on a particular shift may, by mutual consent with another employee, of equal classification, on a different shift, exchange shift assignments for a period not exceeding one (1) month, during said three (3) month period. Such exchanges of shift must be requested of the Police Chief, who shall have the discretion to grant such mutual request if in his discretion such shift changes will not disrupt the efficient operation of the Police Department.
- C. Employees shall be permitted to trade or exchange work or leave time but no more than two times per pay period and subject to the Dispatch Supervisor or Supervisor in charge of the shift. Traded time must be repaid by working time, vacation or compensatory time but not sick time. All trades must be repaid in the same pay period. An employee shall not trade or exchange time with another employee so as to result in either employee having a sixteen (16) hour work day or that will result in either employee working in excess of a 40-hour week.

21.3: Breaks Employees may take up to 45 minutes in break time throughout their regular shift. Breaks are subject to supervisory approval and may be split no more than three times in a workday. Employees working beyond 10 hours in a day shall be allowed an additional 15 minutes of break time. Employees taking their break time may make a note of the break in the dispatch log. A reduction in shift personnel shall not prevent an employee from being able to take their contractually allowed breaks.

ARTICLE 22
OVERTIME AND/OR PREMIUM PAY

22.1: Employees who regularly work on the second or third shift shall receive in addition to their regular pay: eighty cents (\$.80) per hour second shift and one dollar and fifteen cents (\$1.15) per hour for third shift as additional compensation for assignment to said second or third shifts. An employee shall be considered on a regular shift after working the shift seven (7) consecutive calendar days. Shift premiums shall be included in overtime calculations.

22.2: Rate During Leaves Employees will be paid their current rate including shift premium based on their regular scheduled shift while on leave.

22.3: Time and one-half will be paid as follows:

- A. For all hours over eight (8) in any one shift.
- B. For all hours over forty (40) in the employee's regular workweek.
- C. For working the sixth (6th) or seventh (7th) day of an employee's regular work week.

22.4: Equalization of Overtime Hours The existing equalization of overtime chart will be adopted for the recording of overtime. It will be updated by the Dispatcher Supervisor or his designee in accordance with the following:

- A. On January 1st of each year all hours on the equalization chart will be set to zero.
- B. Overtime known two (2) days (48 hours) or more in advance shall be posted on the dispatch bulletin board and granted to the dispatcher who signs up with the lowest hours. If said overtime is not filled, forty-eight (48) hours prior to the opening the Supervisor or his designee will attempt to contact dispatchers, beginning with the dispatcher with the lowest hours and progressing upward. Only the dispatcher who accepts will be charged the hours on the chart.
- C. If no volunteers are located, a dispatcher will be ordered as follows:

The Supervisor will attempt to contact dispatchers in reverse order of seniority with the dispatchers who have previously been ordered (represented by a gold bar for each ordering) called last. A gold bar will be added on the equalization chart above the dispatcher's name and they will

not be charged the hours, but the space for that date will be marked in gold to indicate they were ordered that date.

- D. When overtime is needed with less than 72 hours notice, time off approval is subject to locating a volunteer unless time off is for an emergency or sick time as deemed necessary by management. An attempt shall be made by the employee requesting the time off, to contact eligible dispatchers beginning with the dispatcher with the lowest hours. Contacts and attempts made, and volunteer accepting overtime will be noted on back of the time off request.
- E. In the event of sick time or an emergency, overtime will be offered to **full-time** dispatchers working the shift prior or after the opening. If there are no volunteers, volunteers will be sought from other shifts. When attempting to contact employees by phone, in this circumstance, answering machines or employees not at home, will make the employee unavailable. If there are still no volunteers, then a dispatcher will be ordered as follows:

The dispatcher who has the lowest number of gold bars, on the shift prior or after the vacancy (or both), will be ordered to work. If dispatchers on that shift have equal number of gold bars (1 for each time ordered in past), then the least senior dispatcher is ordered. A gold bar will be added above their name. They will not be charged for the hours but the space under their name for that date will be marked in gold.

- F. Unless an emergency exists, no dispatcher should be allowed to work more than a twelve (12) hour shift, or more than sixteen (16) hours in a twenty-four (24) hour period.

22.5: Minimum Call-back An employee who is off duty and is called to return to work shall be paid a minimum of two (2) hours pay or actual time worked, whichever is greater, at one and one-half (1 ½) times the rate of his current hourly wage, except when Section 23.1 B would apply at the double-time rate.

ARTICLE 23 COMPENSATORY TIME

23.1: Compensatory Time: Employees working overtime have a choice of taking cash or compensatory time. Accumulated compensatory time over forty (40) hours shall be paid by the Township on a quarterly basis commencing on the first pay period after March 31, June 30, September 30 and December 31 of each year. At no time can any comp time accumulation exceed eighty (80) hours.

23.2 Use of Compensatory Time: Use of Compensatory Time shall be granted provided the request is made a minimum of four calendar days in advance (except in an unanticipated emergency which may be granted on a case-by-case basis) and provided the use does not cause a significant disruption of the Dispatch operations but shall not be denied simply because it creates overtime.

Once Compensatory Time is requested it cannot be withdrawn by the employee unless it is withdrawn a minimum of four calendar days prior to the intended use. Requests for Compensatory Time may be made in conjunction with vacation time, but such requested Compensatory Time cannot be withdrawn without the consent of the Police administration.

****If the compensator time request is withdrawn by the employee less than 4-day in advance then the request may be granted on a case-by-case basis.****

~~***Use of this language would resolve current grievance of Comp used combined with annual Vacation***~~

23.3 The maximum amount of compensatory time used in a calendar year shall be 120 hours.

ARTICLE 24
HOLIDAY PROVISION

24.1: The thirteen (13) paid holidays for seniority employees are designated as follows:

New Years Day	Washington's Birthday
Good Friday	Memorial Day
Fourth of July	Labor Day
Columbus Day	Veteran's Day
Thanksgiving Day	Friday after Thanksgiving
Christmas Eve Day	Christmas Day
New Year's Eve Day	

24.2: All police dispatchers, in lieu of having a designated holiday off, shall be paid one (1) day's regular pay on the pay period following December 1st for each holiday, whether worked or not, in the current fiscal year, based on their rate of pay as of November 30th, with the amount based on the number of holidays, times their daily rate of compensation, including any shift premium provided further, however, in the event of discharge or termination of any employee prior to December 1st, the pro-rated portion of the previous holidays shall be paid at the time of termination of employment. No employees shall be entitled to any additional holiday pay by virtue of this paragraph.

ARTICLE 25
VACATION

25.1: A seniority employee and a probationary employee who has completed 60 actual working days shall be credited with vacation time retroactive to date of hire, and shall earn credit toward vacation with pay in accordance with the following schedule:

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Start through 5 th year	96 hours per year earned at 8 hours per month.
6 th year through 10 th year	144 hours per year earned at 12 hours per month.
11 th year through 15 th year	192 hours per year earned at 16 hours per month.
16 th year and over	224 hours per year earned at 18.66 hours per month.

- 25.2: Vacation Requests A request for the current year's vacation shall be submitted by February 1st each year, and vacations will be granted at such times during the year as are suitable, considering both the wishes of the employees and efficiency of the operation of the department.
- 25.3: Posting The schedule of the current year's vacation shall be posted for the dispatchers no later than March 1st of each year covering the period from March 1st to March 1st the following year.
- 25.4: Seniority With regard to an employee's original request for a particular vacation period, where conflict exists with a department, preference shall be given the employee with seniority, but seniority shall not be considered on any subsequent request changing the time of vacation.
- 25.5: Scheduling Vacation days may be scheduled in any multiples considering both the wishes of the employee and the efficient operation of the Police Department.
- 25.6: Sick or Injured If an employee becomes ill and is under the care of a duly licensed physician during his vacation, his vacation will be rescheduled. In the event his incapacity continues through the year, he will be awarded payment in lieu of vacation.
- 25.7: Maximum Accumulation Employees' vacation banks shall be capped at 320 hours. Any vacation time in excess of 320 hours at the end of each calendar year shall be considered waived and not subject to carry over.
- 25.8: Separation The effective date of resignation, discharge or retirement shall be extended by the amount of days equal to the unused vacation days which the employee is entitled.

ARTICLE 26
MISCELLANEOUS

- 26.1: In case of death of an employee in this bargaining unit, the employee's beneficiary or estate will receive any salary and/or benefits that are contractually earned or accrued.

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26.2: All Family Medical Leave time must be taken as paid leave if available. Sick time shall be used if the employee has a medical condition, other paid time off including vacation, compensatory time and personal leave shall be taken to care for a family member. All leaves shall count towards FMLA entitlement. Family Medical Leave shall be based on the calendar year.

ARTICLE 27
UNION BULLETIN BOARD

27.1: The employer will provide a bulletin board in the Police Department which may be used by the Union for posting notices of the following:

- A. Notices of recreational and social events
- B. Notices of elections
- C. Notices of results of elections
- D. Notices of meetings
- E. MAP Union information

27.2: The bulletin board shall not be used by the Union for disseminating propaganda, and among other things shall not be used for posting or distributing pamphlets dealing with political matters.

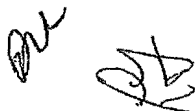
ARTICLE 28
JURY DUTY

28.1: Immediately upon receiving notice for jury duty, the employee shall notify his/her supervisor. The employee shall keep his/her supervisor informed about his/her jury duty status at all times, advising of scheduled days on and off jury duty when advised by the court.

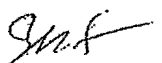
28.2: An employee who is summoned to serve jury duty will be paid their regular rate of pay and upon receipt of jury duty pay will promptly turn same over to the Township.

28.3: Jury duty will be handled according to the following shift assignments:

- A. An employee scheduled to work a midnight shift the day prior to the day scheduled for jury duty shall be excused from that shift and the jury duty will be their shift.
- B. An employee scheduled for the afternoon or night flex on the scheduled jury duty day shall be excused from that shift and the jury duty will be their shift.
- C. An employee scheduled for the day shift or early flex on the day of the scheduled jury duty shall be excused from that shift and the jury duty day will be their shift.



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D. In the event jury duty is scheduled on the employee's regular leave day, there will be no change in the employee's work schedule and in this case the employee may retain his/her jury duty compensation for serving on his/her leave day.

28.4: An Employee on jury duty cannot alter his/her regular work schedule and it shall not be used as a means of obtaining overtime.

ARTICLE 29
HOSPITALIZATION MEDICAL COVERAGE

29.1: Health

A. Employees shall be provided the following health insurance choices:

(TO BE DETERMINED)

Each eligible employee must select from the options above during the Township's open enrollment period.

B. Employees who have health insurance provided to them through a spouse or by other means may elect to waive coverage in lieu of a payment of \$80.00 per pay. Should the employee lose his/her alternative coverage, they may rejoin the Township plan as permitted by the carrier.

29.2: Retiree Health Insurance Medicare Supplement

A. Retirees who retired from the bargaining unit prior to January 1, 2008 shall be allowed to maintain the health insurance coverage provided them at the time of their retirement.

B. All retirees with at least twenty-five (25) years of service shall have base retiree health benefits defined as the base health care plan in the time of their retirement. Retirees may select any other plan by the Township, provided that the retiree pays to the Township, in advance, any additional premium (or illustrated rate) resulting from the selection. At social security Medicare eligibility the base coverage shall be BCBS M-65 2+1 or equivalent supplemental plan with a \$5/\$20 Rx Plan.

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Deleted: Community Blue 4 PPO
with a \$10/\$40 Rx and \$40 office visit.

~~***Not an Open Issue***?~~

C. Retiree coverage includes coverage for eligible dependants between the ages of nineteen (19) and twenty-five (25) as defined by the carrier.

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- D. A retiree who, as a result of disability, is eligible for medicare benefits prior to age 65 shall sign up for both Medicare Part A and Medicare Part B coverage. If the retiree fails to do so, the retiree will not be covered under the Township-provided health care coverage.
- E. All such coverage's will not be provided by the Township if available from another source.
- 29.3: **Dental** Employees shall be provided coverage based on the Township's agreement with Delta Dental. This includes the Point-of-Service plan described in Appendix E with a 100/90/75 co-pay on all levels of service and a \$2,000 annual maximum for all services except Orthodontics which shall have a \$2,000 lifetime maximum. The change in dental shall be effective within 3 months of ratification.
- 29.4: **Retiree Dental** Retirees shall be provided coverage based on the Township's agreement with Delta Dental. This includes the Point-of-Service plan described in Appendix F with a 100/60/50 co-pay on all levels of service and a \$1,500 annual maximum for all services and no Orthodontics.
- 29.5: **Flexible Spending Accounts** The Township shall establish Flexible Spending Accounts (FSAs) as governed by IRS Code 125 regulations. The FSA program year shall be from August 1 through July 31. Maximum contributions per employee are \$3,000 of medical accounts and \$5,000 for dependent care accounts. Upon completion of the program year, all funds remaining in either the medical or dependent care accounts shall revert to the Township to cover program costs as specified under IRS regulations
- 29.6: Probationary employees wishing to maintain Blue Cross/Blue Shield coverage from another contract, that is transferring to the Township contract, may do so by paying the full premium costs to the Township until the effective date of their Township paid coverage.

ARTICLE 30
WORKERS' COMPENSATION

- 30.1: **On The Job Injury:** For a maximum period of three (3) months from the date of compensable injury or illness, the Township shall supplement the Workers' Compensation payments until the employee returns to duty or receives a disability retirement, whichever occurs first. Since Workers' Compensation payments are exempt from payroll withholding taxes, the supplementary payment will be calculated by taking eighty-five percent (85%) of the employee's regular bi-weekly gross wages. It is the intention to have the sum of Workers' Compensation payment plus the after-tax amount of the supplement to closely equal the employee's after-tax disposable income. Such payment to be made from and after the first day for which the employee is legally entitled to weekly compensation under the Workers' Compensation Law.

- 30.2: It is understood that payment of the supplement for a twelve (12) months period is for each new distinct and separate work incurred injury under Workers' Compensation and not a re-occurrence, aggravation or continuation of a prior injury, which shall not be the basis for extending the twelve (12) month period or to re-qualify an employee for another twelve (12) month period of supplemental benefits.
- 30.3: The employer shall continue to pay the full premium for health insurance coverage as provided to regular employees, for an employee receiving Workers' Compensation for a period not to exceed twelve (12) months.
- 30.4: An employee on Workers' Compensation who returns to work shall not lose any seniority while off work.
- 30.5 Employee shall attempt to schedule any doctor visits and therapy sessions during non-working hours. If doctor visits or therapy sessions can not be scheduled during non-working hours the employee will be allowed to attend during their normal work schedule.


ARTICLE 31
LIFE INSURANCE COVERAGE AND AD&D

- 31.1: The Employer agrees to pay the full premium of term life insurance for each employee through age 69, face value of one and one-half (1 ½) times base salary while employed or for a period not to exceed three (3) months if laid off. An additional sum equal to the life insurance will be paid in case of accidental death.
- 31.2: At age 70, benefits will be reduced to sixty-five percent (65%) through age 74, and reduced to forty-five percent (45%) of benefits at age 75 and thereafter.

ARTICLE 32
PENSIONS

- ~~32.1: Except for employees hired after July 1, 2006, the existing "Pension Plan" shall~~ Deleted: 32.1. The
continue to be provided for the employees covered by this Agreement as adopted by the Board of the Charter Township of Waterford effective September 1, 1966, as amended, and as administered by the Pension Committee.
- 32.2: Credited service for retirement shall be governed by seniority under the provisions of the Retirement Systems Resolution.
 - A. **Final Average Compensation (FAC)** The parties agree that for purposes of computing retirement benefits the Average Final Compensation (FAC) shall be based on the highest three (3) of the last five (5) years of employment prior to retirement for all employees in the unit.

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- B. 2.5 Multiplier The pension multiplier used to calculate the annual pension shall be two and one-half percent (2.5%). There shall be no multiplier roll back when the employee becomes eligible for Social Security benefits.
- C. Military Service Credit Employees shall have the option of purchasing credited service toward pension rights herein for certain military service prior to employment with the Township. In order for an employee to be eligible the following requirements must be met:
1. The employee must have entered the armed service of the United States before June 1, 1980.
 2. The employee must have received an honorable discharge.
 3. The allowable time that can be purchased can equal active duty time or less (years and months), but in no event can it exceed five (5) years (60) months.
 4. An individual's purchase can be an amount less than actual military time, but cannot exceed actual time spent in military service (years and months).
 5. The employee must contribute five percent (5%) of their prior year's base salary and longevity pay for each year purchased and/or fraction thereof.
 6. The employee must make application with supporting documentation of military service prior to December 1st of the year in which they want the prior year's earnings used to determine their contribution amount.
 7. Employees making this election will not have this time credited unless or until they have a minimum of ten (10) years regular credited service. Employees making this election and terminating employment for any reason, with less than the ten (10) years will have this contribution refunded to them (or their beneficiary in the event of death).
 8. Payment for this election can be a lump sum payment or payroll deduction. Lump sum payments can be made at any time as long as they are paid in advance, but cannot be deferred. Payroll deductions will be over a period of time not to exceed the comparable time being purchased. (Example: An employee purchasing 24 months of Military time shall have a like number of months to pay for it through bi-weekly payroll deductions.)



9. In the event of the death or termination of an employee during this payroll deduction period, who has ten (10) or more years regular service, such employee will have any pension benefit computed on the basis of amount paid in up to the time of death or termination, along with regular credited service.
 10. In the event that all or a portion of the military service occurring prior to employment is, or would be, credited under any other federal, state, or local publicly supported retirement system, such service shall not be eligible for purchase herein by the employee.
- D. Employees shall contribute five percent (5%) of wages used in calculating Final Average Compensation (FAC) into the pension system. Contributions will be made through payroll deduction.
- E. Employees with twenty-five (25) years of service shall be allowed to retire with full benefits regardless of age.
- F. Annuity Withdrawal Dispatchers in the bargaining unit shall have available to them, in addition to the retirement options already in place, an annuity withdrawal option as follows:
1. Definition The annuity withdrawal is the option that allows members to withdraw their accumulated contributions (with interest) at retirement and thereby forfeit the portion of their retirement allowance which was financed by their contributions.
 2. Application A member wishing to elect this option must make written application to the General Employees Pension Board no later than one hundred twenty (120) days prior to the effective date of the members 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.
 3. Waiver of Notice The Pension Board shall issue the member's annuity payment within thirty (30) days of the date of the member's retirement.
 4. Computation of Annuity The parties agree that the Merrill-Lynch Bond Index will be used for the purposes of computing the annuity withdrawal option. The most current index prior to the member's retirement date shall be used. This option is only available for normal service retirement. A member who elects the annuity withdrawal option shall have their annual pension reduced accordingly as determined by the Pension Board Actuaries.

- G. Employees hired after July 1, 2006 shall be ineligible for the General Employees' Retirement System and covered by a defined contribution pension system established by the Township. The Township's contribution rate shall be set at 10% of base salary and the employee's contribution rate shall be set at 5% of base salary, provided, however that the employee may increase the employee's contribution up to the extent allowed by Internal Revenue Service rules and regulations.

The vesting schedule for the defined contribution system shall be as follows:

<u>Years of Service</u>	<u>% Vested</u>
After 3 Years	50%
After 4 Years	75%
After 5 Years	100%

33.3 **DEFERRED RETIREMENT OPTION PLAN (DROP)**

*****For Employees Hired Prior to January 1, 2012*****

A. OVERVIEW

Effective January 1, 2008, any Employee who is a member of the Waterford Township Dispatchers Association (Michigan Association of Police) hired on or before June 30, 2006 may at any time voluntarily elect to participate in the Waterford Township General Retirement System Deferred Retirement Option Plan (hereinafter "DROP") after attaining the minimum requirements for a normal service retirement/pension. 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, receives all future promotions and benefit/wage increases, and is considered an employee of the Township, not a retiree. The Participant's DROP Benefit shall be credited monthly to the Participant's DROP Account which shall be established within the Waterford Township General Retirement System (the "General Retirement System"). The Participant's DROP Account shall be maintained and managed by the Board of Trustees of the General 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

Any member of the bargaining unit hired on or before June 30, 2006 may voluntarily elect to participate in the DROP at any time after attaining the minimum requirements 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 shall cease DROP Participation within five (5) years from the date of their entering the DROP. Notwithstanding said five (5) year maximum participation period, it is expressly understood that DROP Participation shall be terminated no later than the first of the month following the DROP Participant's completion of his or her 33rd year of employment.

Upon expiration of the DROP Participation Period, the Participant's monthly pension benefit otherwise payable to their DROP Account shall be discontinued until termination of employment and they will accrue no additional retirement benefits in the General Retirement System. Interest on the DROP Account however, will continue to accrue during such forfeiture period. Upon termination of employment, the retiree shall receive the monthly retirement benefit previously credited to their DROP Account and shall be eligible for distribution of their DROP Account Balance in accordance with Section I herein.

D. ELECTION TO PARTICIPATE

Once commenced, participation in the DROP program is IRREVOCABLE (except as specifically provided in Subsection L 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. 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 accrue additional retirement benefits otherwise credited to active members of the General 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

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active or former DROP Participants (except as specifically provided in Subsection L). Except with regard to the retirement benefits expressly provided herein, DROP Participant's will continue with full employment status with all rights and privileges afforded to employees of the Fire Department and this bargaining unit, including, but not limited to, future promotions, benefit/wage increases, union membership and representation, as well as, retirement system membership and Board representation.

E. 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 terminated employment and retired on the DROP Date (less the annuity withdrawal reduction as set forth in Subsection F and/or actuarial reductions as a result of the Employee electing an Optional form of benefit under the Plan, if applicable). The Participant's DROP Benefit shall be credited monthly to the Participant's individual DROP Account. A DROP Participant may at the time of DROP Election 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 General Retirement System provisions.

The term "spouse" for purposes of benefit qualification of DROP Participants, shall mean: (1) the person to whom the Participant was legally married to 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 DROP Participation and the retirant's date of death provided such death occurs after termination of DROP Participation. 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.).

F. ANNUITY WITHDRAWAL

An Employee who elects to participate in the DROP (and correspondingly, cease to accrue additional retirement benefits otherwise credited to active members of the General Retirement System) may elect the Annuity Withdrawal Option provided by the General Retirement System at the time of electing DROP participation. The Annuity Withdrawal Option and all other retirement options under the General Retirement System which are available to Retirement System Members shall only be available to the DROP Participant at such time as he or she elects DROP Participation.

The Annuity Withdrawal Option election shall be made commensurate with the Participant's DROP election, but not thereafter, and the Annuity Withdrawal amount at time of DROP will be utilized to compute the actuarial reduction of the Participant's DROP Benefit, as well as the Employee's monthly retirement benefit from the General Retirement System after termination of employment. The Annuity Withdrawal amount (accumulated contributions) shall be withdrawn from the General Retirement System at the time of termination of employment and shall not be subject to withdrawal by a DROP Participant at the time of DROP Election.

DROP Participants who do not elect the Annuity Withdrawal Option shall have their full unreduced benefit credited to their DROP Account.

At the time of the Annuity Withdrawal Option election, if an Employee is electing a straight life form of benefit with no qualifying spouse, the annuity withdrawal reduction computation is based in-part upon the actuarial life expectancy of the Employee (rather than the life expectancies of both the Employee and qualified spouse). There shall be no adjustment to the benefits payable to the DROP Participant/Retiree upon the subsequent marriage of a qualifying spouse. In the event such spouse (i.e. qualified after calculation of the annuity withdrawal election), subsequently qualifies for benefits payable by the General Retirement System, said benefits shall not be adjusted based upon the Employees' Annuity Withdrawal Option election.

G. 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 based upon the prior calendar year's market rate of investment return on the total assets in the General Retirement System portfolio but in no event shall DROP Interest be greater than 4.0% or less than 0% per annum compounded monthly. If the Retirement System earns between 0% and 4.0%, then the DROP Interest will be the actual market rate of investment return. If the Retirement System earns more than 4.0% then DROP Interest will be 4.0% and if the Retirement System earns less 0% then DROP Interest will be 0%. DROP Interest will be credited on the first day of each month on the prior month's principal and interest balance. [By way of example, the following illustration is provided: The Retirement System's market rate of investment return for calendar year 2009 is 8.5%. The DROP Interest rate for calendar year 2010 will be 4.0% per annum compounded monthly (e.g. .3333% monthly). A

member's DROP Account Balance on February 1, 2010 is \$12,500 (including principal and interest). On March 1, 2010, the member's DROP Account will be credited with \$41.66 in interest.]

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 General Retirement System and not to the actual segregation of moneys in the funds of the General Retirement System.

H. CONTRIBUTIONS

The employee's contributions to the General Retirement System shall continue during DROP Participation for each employee entering the DROP irrespective as to whether the Annuity Withdrawal Option is elected at the time of DROP. These employee contributions shall be in the same amount and shall be credited with interest in the same manner as non-DROP members of the General Retirement System.

For those DROP Participant's that elected the Annuity Withdrawal Option at time of DROP, their total accumulated contributions (including employee contributions and interest paid during DROP Participation) shall be paid to the employee upon termination of employment. There shall be no further Annuity Withdrawal reduction applicable to the employee contributions and interest earnings thereon made during DROP Participation.

For those DROP Participant's that did not elect the Annuity Withdrawal Option at the time of DROP Participation, the employee contributions and interest earnings thereon shall be paid to the employee upon termination of employment without any reduction in benefits.

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

I. 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) No distribution, in which case the accumulated balance shall remain in the Plan to the extent allowed by federal law.

A former Participant may change their distribution method as may be applicable no more than once per annum prior to June 30th of each year in accordance with such procedures and time guidelines as adopted by the Retirement Board. A former Participant may elect a total lump sum distribution of any remaining balance in their DROP Account at any time after termination of employment which will be paid within 90 days after receiving the member's request. 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 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.

J. DEATH DURING DROP PARTICIPATION

Except as otherwise provided in Subsection L, 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 I). 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 General



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 General 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.

K. DISABILITY DURING DROP PARTICIPATION

Except as otherwise provided in Subsection L, in the event a DROP Participant becomes totally and permanently disabled from further performance of duty as a Dispatcher in accordance with the provisions of the General 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 General Retirement System provisions; however, the Participant shall not be eligible for disability benefits from the General Retirement System, except as specifically provided in Subsection L.

L. DISABILITY DURING DROP PARTICIPATION

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 Township, 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 Township, the DROP Participant's eligible survivors (i.e., survivors qualified under 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 before payment of a distribution from the Participant's DROP account or payment of benefits from the General Retirement System. If a 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 General 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.

M. RE-EMPLOYMENT

In the event a former DROP participant is re-employed by the Township in the capacity of a MAP Dispatchers member, the employee shall not be eligible for membership in the General Retirement System or participation in the DROP. Retirement benefits payable from General Retirement System shall continue during such period of re-employment. The Township may extend participation in an alternate retirement plan (e.g. Defined Contribution Plan) during such period of re-employment.

N. DROP COST

The Township and those applicable collective bargaining associations who agree to adopt the DROP Program intend for the DROP program to be essentially cost neutral (i.e., $\pm .2\%$ of covered payroll). The parties recognize the complexity in estimating the actuarial cost impact of the DROP on the General Retirement System. Accordingly, after a 10-year period from the establishment of the DROP, the Retirement Board will direct that the Retirement System's Actuary conduct an evaluation as to the cost impact of the DROP on the Retirement System. In the event that the actuary determines that the DROP has had a positive cost to the Retirement System (i.e., $> .2\%$ of covered payroll), the DROP shall be amended in such manner as recommended by the Actuary and approved by the parties to result in an essentially cost neutral program.

O. I.R.C. 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 Waterford Township General Retirement System consists of a defined benefit plan. The DROP Account shall be established as part of the defined benefit plan of the Retirement System or such other plan as the Retirement Board and the union shall agree upon (i.e., I.R.C. section 415(m) benefit plan) after consultation with appropriate legal counsel.

33.4: Employees hired after July 1, 2006 shall be ineligible for the General Employees' Retirement System and covered by a defined contribution pension system established by the Township. The

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Township's contribution rate shall be set at 10% of base salary and the employee's contribution rate shall be set at 5% of base salary.

The vesting schedule for the defined contribution system shall be as follows:

<u>Years of Service</u>	<u>% Vested</u>
After 3 Years	50%
After 4 Years	75%
After 5 Years	100%

****WILL BE AN OPEN ISSUE IF 312 IS REQUIRED****

ARTICLE 33
TUITION REIMBURSEMENT

33.1: The Township will reimburse an employee for costs of tuition and textbooks under the following terms and conditions:

- A. All courses must be approved in advance by the Human Resources Director.
- B. An employee must be enrolled in an educational program, from an accredited school, college or university, in a field related to their Township job, that will provide required expertise to the Township.
- C. An employee must satisfactorily complete the course with a "C" average or better (or the equivalent of a "C" average if a numerical grading system.)
- D. Reimbursement will be made upon submission of evidence of satisfactory completion of each course to the Township.
- E. Attendance at classes shall not, at any time, interfere with the normal work shift of an employee.
- F. An employee shall reimburse the Township for costs paid by the Township if the employee quits employment with the Township after completion of the course for which the employee is reimbursed in accordance with the following schedule:

One year or less	100%
Less than two years	80%
Less than three years	60%
Less than four years	40%
Less than five years	20%

ARTICLE 34
RATIFICATION

34.1: The Union agrees to submit this Agreement to the employees of the bargaining unit covered by this Agreement for ratification within ten (10) days of reaching a contract settlement, and that Michigan Association of Police and its local Union will recommend to the employees that it be ratified.

ARTICLE 35
CLASSIFICATIONS AND WAGES

35.1: Wages shall be as set forth in the attached Schedule "A".

35.2: Salary increments for all newly hired full time dispatchers shall be as follows:

Starting salary	85% of then current wage classification.
After six months	90% of then current wage classification.
After one year	95% of then current wage classification.
After two years	100% of then current wage classification.

ARTICLE 36
MANAGEMENT RIGHTS

36.1: It is understood and agreed that the employer has all the customary and usual rights, powers, functions and authority of management except as those rights, powers, functions and authority are specifically abridged or modified by this Agreement.

36.2: The Union recognizes the Employer's right to manage its affairs and direct its work force and within the existing framework of the Statutes of the State of Michigan to maintain the Township of Waterford in the County of Oakland as efficiently and at the lowest possible cost consistent with fair labor standards.

ARTICLE 37
MAINTENANCE OF STANDARDS

37.1 The employer agrees that all customary and usual conditions of employment in its individual operation relating to general working conditions and other customary and usual conditions of employment excluding wages and hours of work, shall be maintained at not less than the highest standards in effect at the time of the signing of this Agreement, and the conditions of employment shall be improved wherever specific provisions for improvement are made elsewhere in this Agreement. It is agreed that the provisions of this section shall not apply to inadvertent or bona fide

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errors made by the Employer or the Union in applying the terms and conditions of this Agreement if such error is corrected within ninety (90) days from the date of the error. No other employee shall be bound by the voluntary acts of another employee when he/she may exceed the terms of this Agreement.

- 37.2: Any disagreement between the Union and the Employer with respect to this matter shall be subject for the grievance procedure.
- 37.3: In negotiating and executing this Agreement, it is the intention of the parties to bargain in respect to all wages, working conditions and all other mandatory subjects of collective bargaining between the Township and the employees covered by this Agreement.

ARTICLE 38
DRUG TESTING

~~(The parties shall agree on a mandatory random drug testing program)~~

ARTICLE 39
SAVINGS CLAUSE

- 39.1: If any Article or section of this contract or any riders thereto should be held invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or section be restrained by such tribunal pending a final determination as to its validity, the remainder of this contract and any rider thereto, or the application of such Article or sections to persons or circumstances other than those as to which it has been held invalid or to which compliance with or enforcement of has been restrained, shall not be affected thereby.
- 39.2: In the event that any Article or section is held invalid or enforcement of or compliance with which has been restrained, as above set forth, the parties affected thereby shall enter into immediate collective bargaining negotiations, upon the request of the Union, for the purpose of arriving at a mutually satisfactory replacement for such Article or section during the period of invalidity or restraint. If the parties do not agree on a mutually satisfactory replacement, either party shall be permitted all legal or economic recourse in support of its demands notwithstanding any provisions of this contract to the contrary.

ARTICLE 40
DURATION

- 40.1: This Agreement shall become effective as of January 1, 2012 and shall continue in full force and effect until 11:59 p.m., December 31, 2014. Deleted: 201...
- 40.2: If either party desires to terminate this Agreement it shall, sixty (60) days prior to the termination date, give written notice of termination. If either party shall give

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notice of amendment, as hereinafter provided, or if each party giving notice of termination, withdraws the same prior to termination date, the Agreement shall continue in effect year to year thereafter subject to notice of termination of either party on sixty (60) days written notice prior to the current years termination date.

40.3: If either party desires to modify or change this Agreement, it shall, sixty (60) days prior to August 1st of each year, give written notice of amendment, in which event the notice of amendment shall set forth the nature of the amendment or amendments desired. If notice to modify or change this Agreement has been given in accordance with this paragraph, the Agreement may be terminated by either party on ten (10) days written notice of termination prior to termination date. Any amendments that may be agreed upon shall become and be a part of this Agreement without modifying or changing any other terms of this Agreement.

40.4: Notice of Termination or Modification Notice shall be in writing and shall be sufficient if sent by certified mail addressed to the Union, and if the employer addressed to Charter Township of Waterford, 5200 Civic Center Drive, Waterford, MI 48329; or to any such address as the Union or the Employer may make available to the other.

MICHIGAN ASSOCIATION
OF POLICE

CHARTER TOWNSHIP
OF WATERFORD

John Hasse, MAP representative Carl W. Solden, Township Supervisor

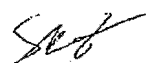
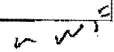
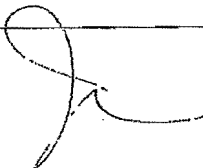
WATERFORD TOWNSHIP
DISPATCHERS ASSOCIATION

Kari Vlaeminck, Township Clerk

Joy Nick, President

Lisa Fritz, Vice President

Debbie Ryner, Secretary/Treasurer



SCHEDULE "A"

DISPATCHER START 6 MONTHS 1 YEAR 2 YEARS

1-1-12 \$19.06 \$20.18 \$21.30 \$22.42

DISPATCHER II

1-1-12 \$24.23

DISPATCHER COORDINATOR

1-1-12 \$26.72

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