

CITY EMPLOYMENT TERMS FOR ALL NON-UNIFORM EMPLOYEES

AGREEMENT

Pursuant to the Financial Stability Agreement (“FSA”) entered into between the City of Detroit and the State of Michigan on April 4, 2012, these City Employment Terms (“CET”) sets forth the terms and conditions of employment of certain employees and the terms of representation by the Union of those employees. Any provisions in the most recently expired Collective Bargaining Agreements, memorandums of understandings, practices, and/or supplemental agreements that are not expressly referenced in this CET or any addendum and are inconsistent with the terms in this CET or any addendum are null and void as of the effective date of this CET. Arbitration awards or other dispositions relating to such inoperative provisions shall be deemed not binding or precedential with respect to the terms of this CET. The relevant provisions of the FSA, and all modifications thereof, are incorporated herein.

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

1. PURPOSE AND INTENT

- A. The purpose of this CET is to set forth wages, hours, terms and conditions of employment for the duration of this CET and to promote orderly and peaceful employment relations in the interest of serving the citizens of the City of Detroit.
- B. To effectuate this purpose, this CET serves to establish employment relations and workplace processes and functions that serve the interest of the community and achieve the goal of customer service excellence for citizens, businesses and visitors of Detroit and achieve financial stability for the government of the City of Detroit and provide effective community policing, safe and stimulating programs for young people, and improving the environment in neighborhoods to instill civic pride and encourage new development.
- C. The City is legally and morally obligated to provide equality of opportunity, consideration, and treatment of all employees of the City and, accordingly, to establish policies, practices and rules that insure such equality of opportunity, consideration and treatment of all persons employed in all phases of the employment process, without regard to race, color, creed, national origin, age, political orientation, sex, sexual orientation, marital status, or disability in accordance with applicable State and Federal laws. The City shall continue to comply with all other applicable state federal and laws and regulations.

2. UNION RECOGNITION

- A. The Employer recognizes the bargaining unit(s) as set forth in Addendum _ as the representative, for the purposes set out in this CET, of the employees who hold the classified positions described in Exhibit I attached to this document.
- B. The classified positions listed are subject to change in title, duties, responsibilities and

qualifications pursuant to the Employer's rights under the Management Rights provision of this CET. The positions may also be added to or eliminated. The Employer will give the Union reasonable notice and the opportunity to discuss and provide input with respect to proposed permanent changes prior to implementation. Positions listed shall be realigned consistent with current practice.

3. MANAGEMENT RIGHTS AND RESPONSIBILITIES

- A. The City has the right and obligation to operate and manage its affairs in all respects in accordance with its responsibilities and powers of authority in accordance with applicable law and the FSA.
- B. Every incidental duty connected with operations enumerated in job descriptions is not always specifically described.
- C. The City shall have the right and obligation to determine and establish the policies, goals and scope of its operations. Consistent with this right the City has the right to determine and implement work schedules/shifts, vacation schedules, and flex time and to establish the goals, methods and processes by which such work is performed and the qualifications of employees assigned to do the work. These rights and obligations include, but are not limited to:
 - 1. Implement changes in the structure of Department operations, including establishment or consolidation of service areas and work locations within the Department;
 - 2. Cease or outsource functions or operations;
 - 3. Initiate new functions or operations;
 - 4. Achieve uniformity of employment terms across the Department;
 - 5. Provide appropriate training, education, performance evaluation and job assignments for employees;
 - 6. Establish wage and benefits for new and existing employees that achieve the goal of financial stability in City Government;
 - 7. Establish qualifications and methods for hire, transfer, assignment, position retention and promotion in employment;
 - 8. Revise, create, combine, and/or eliminate classifications, duties and/or positions;
 - 9. Determine classification, status and tenure of employees;
 - 10. Initiate promotions and disciplinary actions;
 - 11. Determine personnel hiring and reductions;

12. Discipline and discharge employees for just cause;
 13. Recruit, assign, transfer employees to positions within the Department;
 14. Suspend, demote, discharge or take other disciplinary action against employees for just cause;
 15. Establish rules and policies; adopt and enforce work rules and policies applicable to this unit and/or all employees, including but not limited to, the Universal Work Rules promulgated by the City;
 16. Determine the requirements and payments related to an employee's job functions including, but not limited to, equipment, tools, clothing and uniforms;
 17. Suspend past practice;
 18. Enforce state and local licensing and other requirements;
 19. Assign employees to any function or duties in the Department involving direct supervision of other bargaining unit members;
 20. Assign employees to any function or duties in the Department not involving direct supervision of other bargaining unit members without payment of "out-of-class" compensation;
 21. Relieve employees from duties because of lack of work, lack of funds or for disciplinary reasons;
 22. Determine methods, means and employees necessary for departmental operations;
 23. Control the departmental budget;
 24. Determine and implement such other actions deemed appropriate to achieve the City's goals and objectives.
- D. The City reserves the right to amend or modify this CET and any addendums, supplements, MOUs, letters of agreement, and all other writings and practices. The City, where practical, shall provide reasonable notice and an opportunity to discuss changes with the Union.

4. UNION RIGHTS AND OBLIGATIONS

- A. Any member shall have the right to discussion or services of Union Representative. When such a request is made to the supervisor, permission for services or discussion shall be granted without undue delay unless such request adversely impacts operations. Permission shall not be unreasonably withheld. This right shall not be abused. If the employee's requested Union Representative is unavailable, the Union will promptly substitute another union representatives in the represented unit, if on duty and available.

- B. The Union shall have the right and obligation to assist and cooperate with the City in effectuating the provisions of this CET and to encourage its members to do the same.
- C. The Union shall have the right and obligation to educate its members regarding the intent of this CET and the terms contained herein.
- D. The Union shall have the right to grieve the interpretation and application of the terms herein and to exercise such other rights as are set forth in this CET.
- E. Activities involving internal management of the Union such may be conducted during non-working hours. These activities shall not interfere with normal work operations of any department or work area of the City.
- F. Requests for meetings by Union officials other than Special Conferences shall be scheduled at a mutually agreeable time.
- G. When a union representative goes into a City operation for the purpose of conducting Union business, the Division Head must be notified of his/her presence and the nature of their business, prior to arrival, and obtain permission from the Division Head. If it is necessary for a Steward or Union President to speak to an employee about a grievance, management will notify the employee's immediate supervisor and arrangement will be made to accommodate the meeting with due regard for Departmental operations.

5. AGENCY SHOP

- A. All full-time employees in the bargaining unit shall be required, as a condition of employment, to pay the periodic dues and initiation fees uniformly required as a condition of acquiring or retaining membership in the Union for the duration of this Agreement. Such requirement shall be in effect 31 days after the effective date of the Agreement, and for new full-time employees, 31 days after they commence full-time employment.
- B. Any full-time employee or part-time employee who must maintain membership as the result of determining to become a Union member shall be deemed to be in compliance within the meaning of this section, if they are not more than sixty (60) days in arrears in payment of membership dues.
- C. Once the Employer receives written notice of the Union's intent to seek the discharge of an employee for failure to meet his/her financial obligations to the Union, the employee shall have a ten (10) day grace period to meet their financial obligations or the Union's demand shall be honored.
- D. The Union agrees that, in the event of litigation against the City, its agents or employees arising out of this provision, it will co-defend, indemnify, and hold harmless the City, its agents or employees from any monetary award arising out of such litigation.

6. DUES CHECK-OFF

- A. The Employer agrees to deduct from the wages of any employee who is a member of this Union, all union membership dues and initiation fees uniformly required, if any, as provided in a written authorization executed by the employee. The written authorization for union dues deduction shall remain in full force and effect during the period of this contract and may be revoked only by written notice given during the period thirty (30) days immediately prior to expiration of this CTE. The termination notice must be given both to the Employer and to the Union.
- B. Dues and initiation fees will be authorized, levied and certified in accordance with the constitution and By-Laws of the local union. Each employee and the Union hereby authorize the City to rely upon and to honor certifications by the Secretary-Treasurer of the local union, regarding the amounts to be deducted and the legality of the adopting action specifying such amounts of union dues and/or initiation fees.
- C. The Employer shall continue the dues check-off except that the union shall reimburse the City an amount equal to 2% for all union dues amounts remitted to the Union. If the Union fails to reimburse the City within 45 days of the dues remittance by the City to the Union, the City shall have no further obligation to continue dues check-off.
- D. The Dues Deduction Check-Off Card shall be presented to the bargaining unit member within thirty (30) days of his or her arrival in the employing department. If the dues deduction is stopped during the term of this CET because the employee left the payroll, the employing department shall have the bargaining unit member resubmit a Dues Deduction Check-Off Card on each occasion that the employee returns to the payroll.
- E. The Employer agrees to deduct from the wages of any employee who authorizes a deduction for a Union Political Action Committee as provided for in a written authorization in accordance with the standard form used by the Employer, provided that the said form shall be executed by the employee. This deduction may be revoked by the employee at any time by giving written notice to both the Finance Department and to the Union. Article 4-E, F and G shall apply to this section.

7. SERVICE FEE CHECK-OFF

- A. The Employer agrees to deduct from the wages of any employee who is not a member of the Union, all Union service fees as provided in a written authorization executed by the employee. The written authorization for service fee deduction shall remain in full force and effect during the period of this Contract and may be revoked only by written notice given during the period thirty (30) days immediately prior to expiration of this CTE. The termination notice must be given both to the Employer and to the Union.
- B. The amount of such fees will be as provided and determined by Article 4 and 5 of this CTE.
- C. The Employer shall continue the existing service fee check-off structure except that the union shall reimburse the City an amount equal to 2% for all service fee amounts

remitted to the Union. If the Union fails to reimburse the City within 45 days of the dues remittance by the City to the Union, the City shall have no further obligation to continue dues check-off.

- D. The Service Fee Check-Off Card shall be presented to the bargaining unit member within thirty (30) days of his or her arrival in the employing department. If the service fee check-off is stopped during the term of this CET because the employee left the payroll, the employing department shall have the bargaining unit member re-submit a Service Fee Check-Off Card on each occasion the employee returns to the payroll.

8. UNION REPRESENTATION

- A. It is mutually recognized that the principle of proportionate representation is a sound and sensible basis for determining the number of Union representatives.
- B. In each Department, district, building, work location, unit, area, site, division or floor (“Work Unit”), the employees on each shift shall be represented by one Union representative who shall be a regular employee working in that work unit on that shift. Work Units shall be defined by the Employer. Where such work unit is permanently or temporarily discontinued in its current form, union representation shall be adjusted consistent with this paragraph. In the absence of the union representative, an alternate Union representative shall represent the employees in that work unit. The Union shall promptly notify each employing department with copy to the Human Resources Department of the names and locations of representatives selected. At the request of the Union, the Labor Relations Division may agree to exceptions to this provision.

In the absence of a Union representative and his alternate, the Union will notify the department of a designated representative and shall promptly confirm such designation in writing.

- C. The number of Union representatives and districts shall be that number negotiated between the Union and the City’s representatives for each department. Absent agreement between the parties, the City shall designate the number of Union representatives and districts.
- D. The Union shall reimburse the Employer for all full-time and part-time paid Union officials, including any additional compensation arrangements (including un-worked overtime) paid to employees holding union positions. If the Union fails to reimburse the City within 45 days of the end of a calendar month the City shall have no further obligation to pay such officials for union time thereafter until all reimbursement obligations and arrears are satisfied. Union representatives may elect to use vacation or compensatory time for attendance at Union meetings, conferences, conventions and other time on union activities, or take unpaid time off.
- E. Working Stewards and Chief Stewards shall request time off for Weingarten representation duties or grievance processing from their supervisor and the supervisor shall grant or deny such requests in writing.

9. GRIEVANCE AND ARBITRATION PROCEDURES

- A. Should any dispute arise between the City and the Union concerning the application or interpretation of this CET, an earnest effort shall be made to settle such dispute promptly in accordance with the following Grievance Procedure:

Step 1. Employee, Supervisor and Steward

Any employee having a grievance may report the same to his Supervisor and an endeavor shall be made to adjust the grievance between the employee and the Supervisor. If a satisfactory adjustment is not obtained, the employee may request a Steward, and the three will attempt to resolve the matter. Where the matter involves imposition of disciplinary suspension or above, Step 1 does not apply and grievances shall be filed at Step 2.

Step 2. Department Head Level

If a satisfactory adjustment is not obtained under Step 1, the grievance shall be reduced to writing on a standard grievance form setting forth all facts believed to be relevant to the dispute, and the grievance shall be signed by the employee or employees involved. The written grievance must then be submitted to the Department Head. A meeting shall be held at a mutually convenient date and time to discuss the grievance. Up to two (2) Union Representatives, other than the Grievant, may attend the Step 2 meeting. Any resolution reached at this meeting shall be reduced to writing. The Department Head shall endeavor to furnish the Union with his/her written decision within fifteen (15) working days of the Step 2 meeting, excluding Saturdays, Sundays and holidays.

Step 3. Labor Relations Division Level

If a satisfactory adjustment is not obtained under Step 2, the Union may request a Step 3 meeting with the Labor Relations Director. Such appeal and request for a Step 3 meeting must be submitted in writing to the Labor Relations Director within five (5) working days from the receipt of the Department Head's Step 2 answer. Not more than two (2) Union Representatives may attend the Step 3 meeting, and the Labor Relations Director may designate members of his staff to represent the City. Any resolution reached at this meeting shall be reduced to writing. The Labor Relations Director or his or her designee shall endeavor to furnish the Union with his/her decision within thirty (30) working days of the Step 3 meeting.

Step 4. Arbitration

- a. If a grievance is not settled after it has gone through Step 3 of the Grievance Procedure, the Union must file a written notice with the Labor Relations Director of appeal and intent to submit the dispute to

arbitration. The Notice of Intent to Arbitrate must be filed within fourteen (14) calendar days of its receipt of the Labor Relation Director's Step 3 answer. If the Union fails to request arbitration in writing within this time limit, the grievance shall be deemed settled on the basis of the Step 3 answer and not eligible to go to arbitration.

- b. Arbitrations shall generally be heard by a member of a permanent umpire panel consisting of individuals mutually agreed-to by the City and the Union. Arbitrators will hear cases on a rotating basis. In non-disciplinary contract interpretation cases, however, the City may, at its election, choose to have the dispute arbitrated pursuant to the Labor Arbitration Rules of the American Arbitration Association. The Arbitration's fees and expenses shall be borne equally by the parties, and all other expenses shall be borne by the party incurring them. The Grievant, one (1) witness, and one (1) Union Representative shall not lose pay for time off the job while attending the arbitration proceeding.
- c. The decision of the Arbitrator shall be final and binding on the Union and its members, the employees involved and the City. The Arbitrator shall have no power to add to, subtract from, or modify any of the terms of this CET, and shall have due regard for the rights and responsibilities of the Employer set forth in Article 2 of the CET "Management Rights." The Arbitrator shall have no power to grant any wage increases or decreases, and shall not uphold any grievance against the City on the basis of past practice. The Authority of the Arbitrator is limited to interpretation and application of the provisions of this CET. The Arbitrator shall have no authority to apply or interpret the provisions of the expired collective bargaining agreement between the Union and the City, unless the grievance at issue was submitted during the term of that agreement, or grant any right or relief for any alleged grievance under the terms of the expired collective bargaining agreement between the Union and the City, unless the grievance at issue was submitted during the term of that agreement.

- B. A grievance shall be deemed untimely, settled and withdrawn unless a written Step 2 grievance is filed with the Department Head within five (5) working days (excluding Saturdays, Sundays and holidays) after the Grievant first knew, or should have known, of the facts giving rise to the grievance. Grievances concerning a continuing practice or continuing act of the Employer must be grieved within ten (10) working days of the date the Grievant first knew, or should have known, of the act or practice. Any extensions of these time limits must be agreed to by the City in writing.
- C. In the event the Employer fails to respond to a grievance or schedule a meeting within the time periods provided in any steps of the Grievance Procedure, said grievance shall be denied and the Union may make a written request that the grievance be referred to the next step.

- D. Any agreement reached between the Employer and the Union under the Grievance Procedure shall be binding upon the Employer, the Union and the employees concerned and cannot be changed by any individual. No settlement at any stage of the grievance procedure, except an arbitration decision, shall be a precedent in any arbitration and shall not be admissible in evidence in any future arbitration proceeding.
- E. The City shall not be required to pay back wages more than five working days prior to the date a written grievance is filed.
- F. All claims for back wages shall be limited to the amount of wages that the employee would have earned, less any compensation received for temporary employment obtained subsequent to his/her removal from the City payroll, and payments from Unemployment Insurance, Social Security Disability, Welfare, Family Independence Agency, City-Funded Long-Term Disability Insurance, Sickness and Accident Insurance or Automobile Accident Income Replacement Insurance. Where appropriate, the City shall reimburse those agencies and insurance funds so as to not affect the employee's equity therein.
- G. In the case of a pay shortage in which the employee would not have been aware before receiving his pay, any adjustment made shall be retroactive to the beginning of the pay period covered by such pay, if a grievance is filed within the twenty (20) working days within receipt of such paycheck.
- H. Exchanging, pertinent information regarding a grievance is beneficial to both parties in attempting to resolve the grievance.

The Union shall be advised of the factors considered in the imposition of discipline and shall have the right to request copies of available written documents or statements pertaining thereto. If the Union requests information regarding a grievance from an employee's personnel file, the Union must present written authorization from the employee to release the information. Management shall be advised of the basis of the grievance and have the right to request copies of available written information or statements pertaining thereto and which the Union proposes to present in support of the grievance.

It is agreed that any information requested in accordance with the above provisions which is not made available to the other party shall not be admissible as evidence in any arbitration hearing provided that a written request has been made to the appropriate Local Union President or Departmental Representative.

- I. The grievance procedure contained in this CET shall be the exclusive grievance procedure and remedy for all members of the bargaining unit claiming a violation of this CET.

10. DISCIPLINARY PROCEDURE

- A. The City retains the right to promulgate, amend and modify disciplinary rules, procedures and penalties.

B. All disciplinary action taken against an employee shall be for just cause and subscribe to the general philosophy that the primary purpose of disciplinary action is to correct employee behavior or conduct. The City will make an effort to utilize a progressive discipline process; however, the City reserves the right to invoke more severe discipline, up to and including, termination. The issuance of disciplinary action shall take place in a timely manner with due regard for the Employer's right to conduct workplace investigations of employee misconduct. Any dispute regarding the timeliness of the discipline shall be resolved through the grievance procedure.

C. **NOTIFICATION REQUIREMENTS:** Notification shall be given to the appropriate union representative of any disciplinary action taken against any member which may result in any official entries being added to the employee's personnel file. Both employee and the Union representative shall be given a copy of such official entry.

In all cases when a supervisor contemplates issuance of disciplinary action, the supervisor shall inform the employee and allow the employee the opportunity to have union representation. If the employee's requested representative is unavailable, the Union shall promptly substitute other union representatives in the represented unit, if on duty and available. If the employee declines union representation, he/she shall indicate so in writing and a copy shall be given to the Union.

When the department has decided to issue discipline, the employee will be allowed adequate time and an available area to discuss the discipline with his/her steward, or in the absence of a steward an appropriate union representative. In the case of a suspension or discharge, where Union representation is available, this discussion will take place prior to the employee leaving City property. Upon request the management representative who is present and issuing the action will discuss the disciplinary action with the employee and his/her steward. Exceptions to this procedure would be in situations where the suspended or discharged employee is absent without leave, or the parties agree that such discussion would not be beneficial at this time.

In the case of an oral reprimand, a notation by date and subject only shall be placed in the employee's personnel file.

D. All disciplinary actions shall be subject to the grievance procedure. It shall be the responsibility of the grievant to keep the Union and City informed of his/her mailing address and telephone number(s) at which he/she may be reached for purposes of notification. Certified mail to the address of record shall constitute proper notification to the grievant.

E. During investigation, an employee shall have the right to request to have his/her steward present if the employee reasonably believes that his/her statements may lead to disciplinary action. Before an employee is required to make any statements pertaining to his/her possible misconduct, the employee shall have the opportunity to discuss the matter first with his/her steward.

F. **PERSONNEL RECORDS:** All employees within the bargaining unit shall have the

right to review his/her personnel records pursuant to applicable law.

G. **USE OF PAST RECORD:** In imposing any discipline on a current charge or in evaluating an employee for promotion or transfer, management will not take into account any prior infractions or disciplinary action taken which occurred more than three years previously.

H. **GUIDELINES FOR ADMINISTRATION OF A CORRECTIVE DISCIPLINE PROGRAM:**

1. Disciplinary action should be appropriate and take into account both the offense and the employee.

Factors which should be considered in imposing discipline in each case are:

- a. The seriousness and circumstances of the particular offense.
- b. The employment history of the employee involved including length of service.
- c. The recency and nature of prior disciplinary action taken with respect to the employee.
- d. Prior departmental action in comparable stipulations.

2. Any published departmental standards or rules governing employee conduct or expected work performance should be fairly and consistently applied.

11. SPECIAL CONFERENCE

Special Conferences for important matters including problems of health and safety and periodic discussions of substantial issues which are of concern to Union members will be arranged between the Union President and the Department Head or his/her designated representative upon the request of either party. Such meeting shall be between representatives of the department, and no more than three (3) and at least two (2) representatives of the Union

12. HEALTH AND SAFETY

- A. The City recognizes its responsibility to provide safe and healthful working conditions, and the Union recognizes it's their obligation to cooperate in the maintenance and improvement of those conditions.
- B. All existing safety practices and provisions in expired agreements shall remain in effect until such time as amended by the City.
- C. All protective equipment and devices, first aid kits or similar provisions, physical examination or other tests required by the Employer shall be provided at no cost to the employee.
- D. The City shall act in compliance with Federal, State and Local legislation relating to use or storage of hazardous materials and incidence of contagious disease in the work place.

Union representatives will be informed of any testing of employees or precautionary steps taken because of exposure to hazardous materials or a contagious disease which has occurred within the worksite where members of his/her Union are employed.

13. SENIORITY

- A. **SENIORITY** is hereby defined as the length of continuous service beginning on the date of legal certification to a position in the classified service of the City of Detroit. Seniority, as defined above and in accordance with Human Resources Department Rules incorporated herein by reference, is established to serve as a basis for determining employee seniority rights provided for in this CET including the order of demotion or lay off in the event of a reduction in force and the reemployment rights of employees. Note: Seniority is not the same as “service time” as utilized for the various economic benefit provisions.

The seniority date of employees in the bargaining unit who were initially hired into Federal Economic Opportunity Act (FEOA) Service classes shall be made retroactive to the date of placement to a position in such FEOA Service class.

- B. **CONTINUOUS SERVICE** shall mean employment by the City of Detroit without interruption or breaks. The following shall not be considered breaks in service.

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

1. Service in the Armed Forces of the United States up to four (4) years, or five (5) years if requested by the Government as provided under Federal law.
2. Absence from work due to injuries compensated for under the Workers' Compensation Act of the State of Michigan.
3. Duty-disability retirement.
4. Appointment or election to an exempt non-classified position of the City of Detroit.
5. Lay off as a result of a reduction in force for a period not exceeding two (4) years.
6. Leave of absence to serve in a qualifying employee labor organization for the term of said employment.
7. Leaves of absence for Peace Corps service up to two (2) years.
8. Other approved leaves of absence for a period not exceeding one (1) year.
9. Non-duty disability retirement for a period not exceeding one (1) year.

Employees may be granted a personal leave by the City for up to one (1) year. Seniority accrued prior to the leave will be retained but employees will not accumulate additional seniority for the period of the leave, except that this provision shall not apply to leaves related to military or Peace Corps.

- C. **LOSS OF SENIORITY:** An employee shall lose his/her seniority for the following reasons only:

1. Discharge or permanent removal from the payroll and the separation is not reversed through the grievance procedure.
2. Regular service retirement.
3. Resignation or voluntary quit, which shall include:
 - a. Failure to report within five (5) working days after receiving notice of recall from lay off.
 - b. Failure to report back to work within five (5) working days after expiration of an approved leave of absence or extension thereof.
 - c. Absence from work for three (3) consecutive working days without notice to the Employer unless he/she can demonstrate that he/she was physically or mentally incapable of notifying the department of his/her inability to come to work.
4. For Seasonal Employees, failure to report for work in any given season within five (5) days of the date of notice to report for work for that season.

D. ADJUSTMENT FOR SEASONAL, TEMPORARY OR PART-TIME EMPLOYMENT: If an employee in a special service classification employed on a seasonal, temporary or part-time basis is subsequently placed in a regular full-time classified position the following adjustments to seniority shall be made:

1. In the case of the seasonal or temporary employee, for each twelve (12) month period of employment in which the employee worked six (6) months or less, six (6) months shall be deducted from the length of continuous employment.
2. In the case of the part-time employee, for each period of employment in which the employee worked on a half-time or less basis, the employee shall be awarded one-half seniority credit and the length of continuous employment adjusted accordingly.

Any adjustment of seniority under this section shall be made from the employee's certification date as a seasonal, temporary or part-time employee.

E. RESOLVING TIES IN SENIORITY:

1. Where two or more persons have the same seniority date, the employee with the highest standing (examination rating) on the eligible register from which the employees were certified shall be deemed as having the greater seniority. In the event of identical examination ratings, the employee with the earliest examination date shall be deemed as having the greater seniority. In the further event of identical examination dates, the employee who first submitted his/her employment application (as measured by the examination number) shall be deemed as having the greater seniority.

2. In the case of inducted employees with the same seniority date, employees will be ranked in accordance with their length of continuous service in the department, agency or activity in which they were employed when inducted into the classified service. Insofar as possible to determine, such continuous service shall include any adjustments in accordance with procedures outlined in this Article.
3. Notwithstanding the above, in all cases of identical seniority dates, persons entitled to preference under the Michigan Veteran's Preference Act shall be deemed as having greater seniority than those employees without such preference.

- F. **PROBATIONARY EMPLOYEES:** New employees hired by the City and others initially placed into the bargaining unit shall be considered as probationary employees for the first six (6) months of their employment depending on the classification except as provided below. The City may extend this probationary period for up to an additional six (6) months. The reasons for the extension will be given in writing to the employee, and a copy given to the Union upon request.

The Union shall represent probationary employees for the purposes set forth in this CET except separation from City service or reversion to the formerly held title for reasons other than union activities. For probationary employees with prior City service, the Union shall represent such employees when a department issues a suspension or discharge for cause instead of taking action to revert the employee to his/her prior status.

- G. **SENIORITY LISTS:** The City will furnish to the Union quarterly, a seniority list and a separation list showing each employee's name, address, department, classification, , and total City seniority date. Upon request, the City will annually furnish a Union its relevant city wide seniority list by classification. These computer generated lists will be based on official Human Resources Department documents which have been approved and processed as of the date submitted. Any questions concerning this information or alleged errors should be submitted to the Administrative Services Division of the Human Resources Department. When the City has the capability, such lists will be provided to the Union on compact disks (CDs).
- H. **CLASSIFICATION SENIORITY:** Classification seniority shall be preserved where it is utilized in prior agreements.

14. SENIORITY OF UNION REPRESENTATIVES

- A. Except as follows and as provided in Section 21 Overtime, there shall be no exceptions or special seniority provisions for Union officers. Notwithstanding their position on the seniority list, all Union Representatives who provide "Weingarten" representation to employees in the bargaining unit, or who are responsible for the adjustment of grievances, shall in the event of a layoff or reduction in force, be retained in employment so long as there are:
1. Full-time positions remaining in their current classification in their respective Department;

2. Full-time positions remaining in their current classification in any other Departments within the bargaining unit; and
 3. Full-time positions remaining in any classification other than their current one in which the employee has had prior year service or occupational series and be able to perform the duties and functions of the new job as determined by the Employer.
- B. The provisions of this Article shall apply only so long as Union Representatives engage in the representation and grievance adjustment functions set forth above.
- C. Should a Union Representative lose his/her Weingarten representation or grievance adjustment functions, they shall be subject to displacement by employees with greater seniority who have been laid off or demoted as a result of reductions in force made prior to the former representative's loss of representation or grievance adjustment functions.

15. REDUCTION IN FORCE, LAY OFF, DEMOTION, AND RECALL

- A. The City reserves the right to reduce the work force.
- B. **NOTICE TO THE UNION:** Where practical, the City will provide advance notice to the Union who may receive such notice fourteen (14) days prior to issuance of any layoffs.
- C. **ORDER OF REMOVAL:** Reduction in force shall be by job classification in a City department. Within the department, the following categories of employees in the class shall be removed first in the following order.
1. Provisionally-hired employees.
 2. Newly-hired employees who have not completed the probationary period.
 3. Employees hired on a seasonal, temporary or other limited term basis.
 4. Seniority employees who have recently been promoted into the class and have not completed the required trial period, and employees promoted to the class on a limited-term basis. Such employees shall revert to the classification in the department from which they were promoted.
 5. Seniority employees who are in the class on a permanent basis and have completed the required trial period. Such employees shall be removed from the class in accordance with their total City seniority and have those displacement rights described below.
- D. **DEPARTMENTAL DISPLACEMENT RIGHTS:** Permanent seniority employees who are being removed from a given class shall have the following optional displacement rights in their department:
1. To displace the least seniority employee in a lower class in the same occupational series, provided that they have prior year service in such classification and can perform the duties of the new position.

2. To displace the least seniority employee in some other classification which the senior employee previously held, provided that they can perform the duties of the new position.

In addition, employees who are unable to displace lesser seniority employees in their department may be transferred or demoted to other available vacant positions in the department for which they are adjudged to be qualified.

Those employees who are unable to displace lesser seniority employees or are not status-changed to other available vacancies in the department shall be laid off by issuance of a layoff notice from their department. Such laid off employees shall then have those City-wide displacement rights described below.

Employees who have an opportunity to displace a lesser seniority employee in the next lower class in their occupational series, but elect not to exercise such displacement rights and request to be laid off instead, shall not be eligible for these City-wide displacement rights. However, such employees will have those recall, reemployment and restoration rights set forth in Section F.

- E. **CITY-WIDE DISPLACEMENT RIGHTS:** Permanent seniority employees laid off from a department or demoted to a lower classification due to reduction in force shall have the following displacement rights on a City-wide basis:

1. To displace provisional hires, probationary employees and limited term employees in the laid-off class in any other City department in that order.
2. If the employee was laid off, to displace the least seniority employee in the laid-off class in any other City department; and, if there are no lesser seniority employees in the class, to displace the least seniority employee in a lower class in the same occupational series, provided that they have prior year service in such classification and can perform the duties of the new position.
3. If the employee was demoted to a lower class, to displace the least seniority employee in the class from which he/she was demoted in any other City department, provided that they have prior year service in such classification and can perform the duties of the new position.

Such displacement across departmental lines shall coincide with the effective date of the layoff of the employees having such displacement rights, if possible, but, in any event shall be implemented within sixty (60) calendar days of the layoff date. Where two or more laid-off employees have City-wide displacement rights, employees will be given a choice of available displacement opportunities in their class, in order of their seniority. However, employees who do not report for displacement as instructed will waive this right.

- F. **EMPLOYEE RECALL, REEMPLOYMENT AND RESTORATION RIGHTS:**

Employees will be recalled by seniority for available positions either: (a) in their current classification, or (b) in the classification in the same occupational series; provided they have

prior year service in such classification and can perform the duties in the position they are recalled into. Specific recall and notification procedures shall be determined and modified by the Human Resources Department, which are incorporated herein.

- G. **MULTIPLE TITLES:** In determining an employee's rights under this Article, an employee can have permanent seniority in only one (1) class at a time. An employee who carries a multiple title shall be treated as having permanent seniority in the lowest part of his/her multiple title.

Exceptions to this general rule would be where the employee previously held a higher part of the multiple title on a single title basis, or where the parties agree that the employee's permanent seniority should be in a higher part of the multiple title based on the employee's nature and history of employment. Such agreement must be in effect no later than ninety (90) days prior to the announcement of a reduction in force.

- H. **NOTICE REQUIREMENTS:** Following notice, a representative of the department shall meet with the Union to discuss the circumstances of the department's reduction in force.

1. Employees to be laid off shall receive notice of layoff no less than two (2) calendar weeks prior to the effective date of the separation. A union representative will be permitted to attend the notification meeting. A copy of such notice will be sent to the Union.
2. Employees displaced as a result of a reduction in force, including those displaced and laid off as a result of City-wide displacements, shall receive notice of displacement and/or layoff no less than one (1) calendar week prior to the demotion or separation. A union representative will be permitted to attend the notification meeting. A copy of such notice shall be sent to the Union.
3. Notice of recall or offer of reemployment to laid off employees shall be sent by certified mail to the person's last address of record. It shall be the responsibility of the laid off employee to notify the Human Resources Department immediately of any change of address. Failure of the laid off employee to report to Human Resources within five (5) calendar days of the date of the notice shall be considered a voluntary quit and result in loss of seniority unless good cause for the employee's failure to report is shown.
4. Exceptions to the above notice requirements shall be allowed in individual cases where the failure to give timely notice resulted from error or unforeseen circumstances beyond the control of management.

- I. To exercise bumping rights, an employee must have current or prior years service in the classification or occupational series into or in which they are bumping and can perform the duties of the new position. Employees shall be permitted to work outside their classification.

16. TRANSFERS AND PROMOTIONS

The City shall have the right to transfer and/or promote employees within any department or to any new department in its sole discretion that must take into account an employee's seniority, training, education, expertise, performance, attendance, and work/discipline history. Such transfer and/or promotion shall be on a three (3) month probationary period, during which time the City may determine that the transferred employee is unable to perform the duties and functions of the new position and may exercise its right to transfer that person back to their old position or to another position. Such transfers, promotions and reversions shall occur in accordance with Human Resource Policies.

17. CONTRACTUAL WORK

- A. The right of contracting or subcontracting is vested in the City.
- B. In cases of outsourcing, contracting or subcontracting city operations affecting employees represented by the Union, the City will provide advance notice to Union prior to letting the contract. Union representatives will be advised of the nature and scope of the work or operations to be outsourced or contracted. The Union will be permitted to participate in the competitive bidding process for the work under the same terms and conditions as all other bidders.

18. LEAVES OF ABSENCE

- A. **FAMILY AND MEDICAL LEAVE ACT OF 1993 (FMLA):** The City will promulgate MLA policies in accordance with the current state of the law. A full explanation of the employee's FMLA rights shall be included in the New Employee Orientation.
- B. **CITY LEAVES OF ABSENCES:** Leaves for purposes covered under the FMLA may be extended, and leaves for other purposes may be granted, at the City's sole discretion pursuant to policies promulgated and modified by Human Resources.
- C. **UNION LEAVES OF ABSENCE:** Members of the Union elected or selected by the Union to do work which takes them from their employment shall, at the written request of the Union, receive leaves of absence without pay for the period of employment with the Union, and upon return shall be re-employed without any loss of seniority.

19. FUNERAL LEAVE

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

he/she shall be granted two (2) days to be charged against current sick leave and then reserve sick leave upon his/her request.

- B. **DEFINITION OF IMMEDIATE FAMILY:** The immediate family is defined as wife, husband, son, daughter, brother, sister, father, mother, step-father, step-mother, step-son, step-daughter, grandmother and grandfather.
- C. If a death occurs among the relatives of the employee, the employee will be granted one (1) day leave, not to be charged to sick leave provided he/she attends the funeral and submits documentation of such upon return to work. If the funeral which the employee attends is more than 300 miles from the City of Detroit, the employee may extend the leave by two (2) days to be charged against current sick leave and then reserve sick leave upon his/her request.
- D. **DEFINITION OF RELATIVES:** Relatives are defined as grandson, granddaughter, brother-in-law, sister-in-law, uncle, aunt, mother-in-law, and father-in-law.
- E. If the Local Union President is not available to attend the funeral of a City employee who is a member of his/her local, a representative of the Union, with proper notification to the department head, shall be allowed one (1) funeral day, not to be charged to sick leave, to attend the funeral, provided he/she submits documentation of such upon return to work.

NOTE: Employees hired on or after September 28, 2010 are not eligible to receive reserve sick leave.

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

20. SICK LEAVE

- A. All employees hired prior to September 28, 2010 who shall have completed three (3) months of continuous service shall be granted one (1) day of sick leave for every service month in which they have worked 80% of their scheduled hours, not to exceed twelve (12) sick leave days in any one fiscal year. Those employees hired on or after September 28, 2010 who shall have completed three (3) months of continuous service shall be granted one (1) day of sick leave for every service month in which they have worked 80% of their scheduled hours, not to exceed ten (10) sick leave days in any one fiscal year. Sick leave earned after July 1, 1971, may accumulate without limitation. These days shall be known as current sick leave and shall be kept in the Current Sick Leave Bank.

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

- B. Sick leave may not be granted in anticipation of future service.

C. Sick leave balances shall be expressed in terms of hours and shall be posted on the employee's check stub.

D. **QUALIFIERS FOR BONUS VACATION DAYS:**

1. **Fifty Day Qualifier:** Employees hired prior to September 28, 2010 who have accumulated a total of fifty (50) or more unused sick days on July 1 shall receive up to four (4) bonus vacation days based upon their sick leave usage in the previous fiscal year. Such time shall be credited according to the following table:

<u>Total Sick Leave Days Used In Previous Fiscal Year</u>	<u>Bonus Vacation Days To Be Credited on July 1st</u>
0	4
½ or 1 day	3 ½
1 ½ or 2	3
2 ½ or 3	2 ½
3 ½ or 4	2
4 ½ or 5	1 ½
5 ½ or 6	1
6 ½ or 7	½
7 ½ or more	0

2. **Twenty-Five Day Qualifier:** Employees hired prior to September 28, 2010 who have accumulated a total of at least twenty-five (25) but less than fifty (50) or more unused sick days on July 1 shall receive up to two (2) bonus vacation days based upon their sick leave usage in the previous fiscal year. Such time shall be credited according to the following table:

<u>Total Sick Leave Days Used In Previous Fiscal Year</u>	<u>Bonus Vacation Days To Be Credited on July 1st</u>
0 to 2 days	2
2 ½ or 3	1 ½
3 ½ or 4	1
4 ½ or 5	½
5 ½ or more	0

Those employees hired on or after September 28, 2010 shall not be eligible for bonus vacation days.

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

- E. Reserve sick leave is not available for usage as Departmental Leave Days. Employees will have access to Departmental Leave Days in accordance with the Municipal Code and the Manual of Standard Personnel Practices. Permission will not be unreasonably withheld.
- F. The above shall otherwise be in accordance with Chapter 13, Article 5, Section 2 of the Municipal Code of the City of Detroit except as modified by this Article.

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

21. WORK WEEK, WORK DAY, SHIFT PREMIUM

A. STANDARD SERVICE WEEK:

1. The standard payroll work week shall begin at 12:01 a.m. Monday, and end at 12:00 p.m. Sunday. It shall consist of five (5) regularly scheduled eight (8) hour work periods on as many work days. The two (2) remaining days in the payroll work week shall be known as "off days." In accordance with the Management Rights Clause, the City reserves the right to determine, and change start and quit times, as well as modify employee schedules.
2. The first scheduled "off day" within the payroll work week shall be designated as the "sixth day" and the second scheduled "off day" within the payroll work week shall be designated as the "seventh day."
3. Off days in the work week shall be scheduled consecutively unless such scheduling shall adversely affect or add cost to operations of the department.
4. The City and the Union will review departmental work schedules which currently do not provide for consecutive off days. If the parties can agree that scheduling changes which allow for consecutive off days are feasible, such changes will be implemented, provided that such changes do not result in increased costs or loss of productivity.
5. The City and the Union will also review those departmental operations which currently require rotating shifts. If the parties can agree that a more productive schedule can be established without an increase in cost, the City will take the steps necessary to implement such schedules.
6. Employees will be allowed to submit shift preferences within locations for any

new work schedules established pursuant to reviews made in accordance with Section A-3 and A-4.

B. SERVICE DAY AND WORK DAY:

1. The thirty five hour work week shall be eliminated.
2. Two (2) coffee breaks of not less than fifteen (15) minutes per shift shall be permitted.
3. When an employee is called to work, he/she shall be guaranteed no less than four (4) hours of pay for "show up" time at the appropriate rate.
4. A flex-time work schedule may be established in certain departments where the appropriate working conditions exist.
5. Employees assigned to seven day operations shall be required to call in two (2) hours prior to the start of their shift when requesting a sick day.

C. AFTERNOON AND NIGHT SHIFTS:

1. **Shift Premium Rates:** Employees who work regularly scheduled afternoon and night shifts shall receive, in addition to their regular pay, a premium of twenty-five cents (25¢) per hour for the afternoon shift and a premium of fifty cents (50¢) per hour for the night, if the employee works their entire regularly scheduled shift. .
2. **Shift Premium Times:** The afternoon shift shall be any full-time shift commencing at the hour of 11:00 a.m. and 6:59 p.m.

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

- D. Unless provided for otherwise within this labor agreement, all of the provisions of this Article shall be in accordance with Chapter 13. Article 2, Section 12, of the Municipal Code of the City of Detroit.
- E. Currently, all hourly paid employees shall receive their pay for regularly scheduled hours not later than Friday following the payroll week in which it is worked. When the City's payroll system has the capability, such employees will be paid on a bi-weekly basis.

22. OVERTIME

- A. The City has the right to schedule overtime work and to require employees to work mandatory overtime.

In any represented unit where overtime is not equalized, overtime work shall be offered starting with the senior employee. When there are not enough volunteers, overtime

assignments shall be made according to inverse seniority. Seniority-based overtime offers shall not be required where an unexpected emergency arises or it is impractical to seek volunteers. Existing super seniority practices for Union stewards who engage in activities defined in Section 13 for purposes of overtime shall be maintained.

In any represented unit where the City currently equalizes overtime, the Department shall determine the equalization scheme and the sole remedy for a violation of the equalization scheme shall be working the next available overtime opportunity and not payment of any back pay. In no circumstance shall employees be paid for time not worked. Departments may discontinue equalization of overtime with prior notice to the union and approval of Labor Relations Director.

In certain cases, Departments, with the written approval of the Labor Relations Director may use the following factors in overtime assignments: experience, work performance, demonstrated abilities and seniority.

B. TIME AND ONE-HALF OVERTIME:

1. **Hourly Rated Employees** – Time and one-half (one-hundred and fifty percent (150%) of the basic or hourly rate) will be paid to hourly-rated employees for all hours worked over forty (40) in one (1) service week inclusive of a seventh day or a holiday. Overtime hours worked (not to be credited at premium time) in excess of four (4) hours and not exceeding sixteen (16) hours in one (1) service week may be substituted in lieu of an equal amount of an employee's regularly assigned forty (40) hours.
 2. **Salary Rated Employees** – Time and one-half shall be credited or paid to salary employees for all hours worked over forty (40) hours in one service week.
- C. When a schedule indicates a lunch period but conditions make it impractical to enjoy same, the employee or employees involved will be paid the prevailing overtime rate in lieu of his/her lunch period. The provisions of this section shall not apply to employees whose work day is designated on a measured task basis. In no instance shall payments be made for lunch periods not worked.
- D. Premium payments shall not be duplicated for the same hours worked.
- E. The Employer shall not be required to pay any overtime compensation that is not required by the Fair Labor Standards Act or other applicable law.
- F. Except for any contrary provisions above, all of the above shall be in accordance with Chapter 13, Article 2 of the Municipal Code of the City of Detroit and the Michigan Minimum Wage Law.

23. HOLIDAYS AND EXCUSED TIME OFF

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

Day, and Christmas Day, during which premium time will be paid for time worked as set forth below. Employees will also be paid holiday pay for Good Friday, Christmas Eve, New Years Day, and the day after Thanksgiving. But if employees are required to work on such days, only straight time pay will be paid for hours work, plus the holiday pay.

Employees hired prior to September 28, 2010 shall be entitled to three (3) swing holidays in each fiscal year. Employees hired on and after the implementation date of the CET shall not be entitled to swing holidays.

- B. Employees shall receive eight (8) hours straight time pay for the above mentioned holidays. Where a holiday is concurrent with the employee's sixth or seventh work day, the Department Head shall have the option of paying for the holiday or granting equivalent time off with pay. When the City elects to give the employee time off, said time shall be granted at the request of the employee with the approval of the Department Head.
- C. An employee shall be eligible for holiday pay or excused time day pay provided he/she shall have received at least eight (8) hours of pay exclusive of overtime and sick leave pay the workday before and the day after the holiday or excused time day provided the employee continues on the payroll through the holiday or excused time day in question and would otherwise be qualified for the holiday or excused time day.

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

- D. If an employee is absent without just cause on a holiday or excused time day on which he/she is scheduled to work, he/she shall receive no pay for the holiday.
- E. Time and one half (1.5) will be paid for all hours worked on a holiday in addition to the straight time holiday pay due for a holiday as such.
- F. Premium payments shall not be duplicated for the same hours worked.
- G. For election years in which the election of the United States President, Governor of Michigan, or Detroit Mayor occurs, employees will receive holiday pay for election day. If they work on such days, only straight time pay plus holiday pay will be paid. In election years when none of the above officials are elected, an additional swing holiday will be granted.
- H. Employees who are scheduled to work on any holiday, but who fail to report to work, shall not be eligible for holiday pay.
- I. For the purpose of this Article, an employee shall be considered off the payroll if he/she engages in a work stoppage which extends through a holiday or excused time day. All

benefits under this Article will be forfeited for the holiday or excused time in question.

- J. If a holiday or excused time day falls on Saturday it shall be observed on the preceding Friday, and if a holiday or excused time day falls on Sunday it shall be observed on the following Monday for all employees except those assigned to six and seven day operations. Should two (2) consecutive holidays or excused time days occur on a Friday and Saturday, or on a Sunday and Monday, Friday and Monday, respectively, shall be designated as the official holidays.
- K. If an employee engaged in six or seven day operations works either the actual calendar holiday or the substitute holiday, he/she shall receive the holiday premium, but he/she will not be allowed to pyramid holiday premium for working both days.
1. An employee assigned to a six or seven day operation may be scheduled off for the holiday on either the calendar holiday or the substitute holiday.
 2. When an employee works both the calendar holiday and the substitute holiday, the day selected as a holiday for pay purposes shall be the day which allows the employee the maximum pay credit for working both days.
 3. If an employee works either the calendar holiday or the substitute holiday, but not both, he/she shall be paid holiday premium for the day worked.
 4. If an employee is off sick on the calendar holiday, or the substitute holiday, or both, he/she shall receive sick pay. If he/she works either of the two days he/she shall receive holiday premium.
 5. If an employee is AWOL on the actual calendar holiday, but works the substitute holiday, he/she shall not be entitled to holiday pay or holiday premium.
- L. The City shall have the option to close all or part of its facilities for the Christmas and New Year's holiday season consistent with operating needs and the public service. Employees shall have the option of using vacation, swing holidays, compensatory time or no-pay for any days off during this period. If an employee has none of the above listed accrued time, departmental leave may be used if available. If an employee has no paid time accrued, and wishes to work, the City will make every attempt to place an employee in his/her department on a job assignment consistent with their job classification and ability to perform the work.

In the event a department requires additional personnel during the period, the Human Resources Department will be so advised. Employees who are without accrued time and are desirous of working during the period will contact their department Human Resources Officer for available placement in another department.

The City shall determine optional holiday season closing dates and shall notify the Union by November 1st of each year of whether it intends to implement a holiday closedown.

Any scheduled time off or uses of departmental leave days during these periods shall not

be counted against the employees' attendance records nor (except for bonus vacation) adversely affect their benefits.

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

24. UNUSED SICK LEAVE ON RETIREMENT

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

Upon retirement, or death with twenty (20) years of service, an employee shall be entitled to payment of sixty percent (60%) of their unused sick leave.

B. The payments will be made as part of the Employee's Pension Program, or the Employee's Benefit Plan, or through the Finance Department.

C. Upon retirement, a member may elect to receive payouts from their sick leave banks as follows: (a) lump sum payment one hundred and twenty (120) days after separation, or (b) semi-annual installments for a period of three (3) years after separation, with no interest unless payment is not made on the date it is due. This option shall not be available to members in the ERIP established as part of this CET.

D. The City reserves the right, for purposes of retirement payouts, to cap the number of hours a member may accumulate in their sick leave and compensatory time banks or, to the extent allowed by law, cap the amounts of payout from such banks upon retirement.

E. **240-Hour Limitation on Unused Accumulated Sick Leave Inclusion in Final Average Compensation.** Unused accumulated sick leave included in final average compensation shall be limited to 240 hours

25. VACATIONS

A. **ELIGIBILITY:**

Employees inducted during the course of the fiscal year shall not be eligible for vacation leave without deduction of pay until they shall have earned at least one thousand (1000) hours of paid time, exclusive of overtime or premium time, and until they have attained status as City employees for a least six (6) months. When employees qualify, as above stated, they shall be entitled to five (5) days of vacation leave. Once employees have earned at least sixteen hundred (1600) hours of paid time, exclusive of overtime, and have attained status as employees for at least twelve (12) months, they are entitled to five (5) additional vacation days. In order that an employee's time may be computed on a fiscal year basis, on the July 1 following his first year anniversary date of employment the employee will be entitled to a prorated vacation leave, computed by multiplying the number of months remaining from the anniversary date, to the end of the fiscal year by 8.3 percent of ten (10) days and rounding the product to the nearest whole number.

Thereafter, his vacation shall be computed on a fiscal year basis.

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

The maximum vacation days earned in a fiscal year for an employee hired on or after September 28, 2010 with fifteen (15) or more years of service shall be fifteen (15).

B. VACATION SCHEDULE: The vacation schedule for employees hired prior to September 28, 2010 shall be as follows:

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

VACATION SCHEDULE: The vacation schedule for employees hired on or after September 28, 2010 shall be as follows:

0-6 months	No vacation
6 months through 5 years	5 days
6 years	6 days
7 years	7 days

8 years	8 days
9 years	9 days
10 through 12 years	12 days
13 years	13 days
14 years	14 days
15 years or more	15 days

C. VACATION PERIOD:

1. Vacation will, insofar as possible, be granted at a time most desired by employees according to their seniority and in accordance with Departmental procedures and work needs.
2. When an official holiday occurs during a scheduled vacation, the employee shall be entitled to an additional vacation day.
3. If an employee becomes ill while on his vacation, or prior to, his vacation shall be re-scheduled after proof of such illness.
4. Employees who are on extended sick leave of one (1) month or more on any October 1st date, shall, upon prior written application to the department head and the Finance Director be entitled to a lump sum payment in lieu of time off for all vacation leave earned during the preceding fiscal year.
5. An employee's vacation bank may not exceed more than forty (40) days, or 320 hours, on any October 1.

D. VACATION PRORATION:

Employees who fail to accumulate the required sixteen hundred (1600) straight time regular payroll hours, those who die and those who are separated from the service, either temporarily or permanently, so that it is apparent at the time of separation that they will not accumulate sixteen hundred (1600) hours of straight time pay, shall be entitled to vacation leave before such separation computed as follows: 8.3 percent of the vacation credit of the previous July 1 multiplied by the number of calendar months in which employees have been paid for not less than one hundred and sixty (160) straight time regular payroll hours, and rounded to the nearest whole number. After sixteen hundred (1600) straight time hours are worked in a fiscal year, employees will be entitled to one hundred percent (100%) of their next July 1 vacation.

Employees who have attained status for at least twelve (12) months but have not yet been placed on a fiscal year basis, and who are separated from the service, shall be entitled to prorated vacation leave, computed by multiplying the number of months worked from the one year anniversary date to the date of separation by 8.3 percent of ten (10) days and

rounding the product to the nearest whole day. Current rules governing vacation shall otherwise continue to apply. This paragraph does not apply to part-time, seasonal or temporary employees.

Employees hired on or after September 28, 2010 who have attained status for at least twelve (12) months but have not yet been placed on a fiscal year basis, and who are separated from the service, shall be entitled to prorated vacation leave, computed by multiplying the number of months worked from the one year anniversary date to the date of separation by 8.3 percent of five (5) days and rounding the product to the nearest whole day. Current rules governing vacation shall otherwise continue to apply. This paragraph does not apply to part-time, seasonal or temporary employees.

E. CREDITING VACATION:

One hundred percent (100%) of anticipated annual vacation leave (rounded down to the nearest ½ day) will be posted to an employee's bank after he/she has accumulated sixteen hundred (1600) straight time hours in a fiscal year. In the event an employee has been credited with more time than he/she has earned, on the succeeding July 1st, or date of separation, whichever comes first, the employee will have any vacation time credited but not earned charged first against his/her existing vacation bank, then to his/her swing holiday bank, or failing sufficient time in those two banks, he/she will be docked for the time.

F. VACATION PRORATION – LAYOFFS:

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

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

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

G. RATE DURING VACATION:

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

H. ADVANCE CHECKS:

1. If a regular pay day falls during an employee's vacation of one (1) week or more, he/she may request his/her check in advance before going on vacation and such request shall be granted, but no more than once per calendar year.

2. All requests must be submitted in writing at least ten (10) working days prior to the first day of vacation.

I. COMPENSATORY TIME CONVERSION:

Employees will have two (2) days of vacation converted to “Prior Compensatory Time” in July of each year. Liquidation will be in accordance with the Human Resource Rules for compensatory time. Employees must liquidate this time by the end of the fiscal year in which it is credited.

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

26. TEMPORARY ASSIGNMENTS

A. GENERAL PROVISIONS:

The Employer reserves the right to assign employees to positions outside their classification on a temporary basis.

B. OUT-OF-CLASS ASSIGNMENTS:

1. For purposes of this Article, an employee is deemed to be working “out-of-class” if he/she is reassigned by management from his/her regularly assigned duties to perform duties and responsibilities not normally performed and characteristic of and requiring the qualifications of a higher classification. Assignment of some duties normally performed by an absent employee shall not constitute an out-of-class assignment if such duties are appropriate to the classification of the person assigned.
2. If an employee is so assigned the duties of a higher classification to replace an absent employee for fifteen (15) or more consecutive work days, he/she shall be compensated on an out-of-class basis at the rate for the appropriate classification for all such out-of-class hours worked.
3. For out-of-class assignments, the most senior pre-qualified employee shall be offered the out-of-class work provided he/she is readily available and able to do the work. Pre-qualified shall mean being on the most recent promotional list for the class. If there is no pre-qualified employee in the work unit, the out-of-class assignment shall be offered to the most senior person provided he/she is readily available and able to do the work.
4. The parties recognize that out-of-class work assignments shall not be used to circumvent established procedures for filling vacant positions by transfer or promotion as provided in this CET, nor shall supervisors avoid out-of-class payment by arbitrarily alternating out-of-class assignments.

5. If the Union or the employee believes that the employee is regularly assigned duties outside of his/her current job classification, the Union or the employee may request the Human Resources Department to conduct a classification survey of the employee's position.
6. Health and Safety issues arising from out-of-class assignments shall be handled in accordance with procedures set forth in this CET regarding Health and Safety.

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

1. Employees temporarily placed under these provisions shall not lose his or promotional opportunity at the transferred-out location and shall be treated as if he or she had not been temporarily placed in other duties/department.
2. Any vacation period the moved employee had approved at the transferred-in location will continue to be honored at the transferred-out location so long as the vacation does not adversely impact operations.

27. JURY DUTY

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

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

- D. When properly notified by an employee under the terms of Section C, the department shall, if necessary, reschedule the work assignment of the employee so as to coincide as closely as possible with the jury duty schedule. This reassignment shall take precedence over other conflicting sections of this contract (except Article 7-F).
- E. Employees shall have the option when called to jury duty to use vacation or compensatory time for such service. However, the employee must notify the department of his/her desire to exercise this option prior to the first date of jury service.
- F. An employee on jury duty will be continued on the payroll and be paid at his/her straight time hourly rate for his/her normally scheduled hours of work; however, jury duty time

shall not be counted as time worked for the purpose of computing overtime.

- G. Upon return from jury duty, the City will deduct the amount received or due from such jury duty, less any mileage allowance paid for the jury service, from the employee's pay.

28. HOSPITALIZATION, MEDICAL, DENTAL AND OPTICAL CARE INSURANCE

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

Hospital/Medical insurance coverage for employees shall begin on the first day of the month following ninety-one (91) days of continuous employment, and end on the last day of the month that the employee makes their final employee health care contribution payment.

The Employer shall provide hospitalization and medical insurance in accordance with the plan design set forth in the attached Exhibit III. The Employer reserves the right to make changes in plan design, providers, coverage, physician networks, deductibles, co-pays and other provisions of its insurance programs. Employee contributions shall be at least twenty per cent (20%) of the illustrative rate or premium, whichever is applicable.

Employees in the bargaining unit shall have the option of participating in the BCBSM/CVS Caremark plan, Option 3 (or any successor health care plan made available to City employees generally); provided, that the City's maximum contribution for any health plan shall be no more than 80% of the Option 3 plan offered by BCBSM/CVS Caremark.

- B. The City will no longer provide employees the option to insure sponsored dependents.

Regular retirees shall have the same plan options and contribution structure as active employees and will also be subject to such changes as may be determined by the Employer.

Employees and retirees shall have the option of choosing alternative hospitalization medical coverage from plans or programs made available by the City.

The City shall provide for all active employees and their dependents, and duty disability retirees and their dependents, a dental plan in accordance with the plan design set forth in the attached Exhibit II. The Employer reserves the right to make changes in plan design, providers, coverage, dental networks, deductibles, co-pays and other provisions of its insurance programs. Employee contributions shall be at least twenty per cent (20%) of the illustrative rate or premium, whichever is applicable. Regular retirees shall have the same plan options and contribution structure as active employees and will also be subject to such changes as may be determined by the Employer. Dental insurance coverage for

employees shall begin on the first day of the month following six (6) months of continuous employment, and end on the last day of the month that the employee makes their final employee health care contribution payment.

- C. The City will provide Optical Care Insurance for all active employees and their dependents, and duty disability retirees and their dependents, a optical plan in accordance with the plan design set forth in the attached Exhibit II. The Employer reserves the right to make changes in plan design, providers, coverage, optical networks, deductibles, co-pays and other provisions of its insurance programs. Employee contributions shall be at least twenty per cent (20%) of the illustrative rate or premium, whichever is applicable. Regular retirees shall have the same plan options and contribution structure as active employees and will also be subject to such changes as may be determined by the Employer. Optical insurance coverage for employees shall begin on the first day of the month following six (6) months of continuous employment, and end on the last day of the month that the employee makes their final employee health care contribution payment. Optical care enrollments will occur at two (2) year intervals.
- D. No insurance carrier shall be allowed to underwrite City health care benefits unless it offers coordination of benefits. All carriers will be required to provide group specific utilization and cost data as a condition of doing business with the City. Copies of all information will be provided to Union and City representatives as directed.
- E. Employees on the active payroll who are covered by a health care plan offered by an employer other than the City, and can furnish proof of such coverage, may elect to take a \$950 cash payment (opt-out stipend), payable quarterly at the end of each three month period, in lieu of the hospitalization-medical coverage offered by the City. Effective with the implementation of the new HR/payroll system this opt-out stipend will be paid equally during each applicable pay cycle. This opt-out election shall take place annually during the open enrollment period.

Once an employee elects the cash payment, the employee will not receive hospitalization-medical coverage until the next year's enrollment period. If the employee loses his eligibility for the alternate coverage, the employee, within 30 days of that loss and upon submitting appropriate proof of loss of coverage, will be able to resume the City's hospitalization-medical coverage the month following completion of the applicable enrollment forms. The cash payments will cease upon the employee resuming the City's hospitalization-medical coverage.

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

- F. Except as may be required by COBRA, a spouse who is or becomes divorced from an employee or a retiree (divorced spouse) is not entitled to healthcare coverage under this CET under any circumstances.

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

The child, of a divorced spouse or a new spouse of a retiree who is neither the biological, legally adopted nor legal guardian child of the employee or retiree is ineligible for dependent healthcare coverage under this CET unless coverage under such circumstances is required by law.

- G. **Mandatory Generic Drugs:** Prescription drug coverage under all City of Detroit health care plans shall require the use of generic drugs, unless determined that a brand name drug is medically required or a generic equivalent is not available. If the brand name drug is requested, but is not medically required or a generic drug is available, the employee, retiree or covered dependent must pay the applicable brand name co-pay amount plus the difference between the cost of the generic drug and the brand name drug. This requirement applies even if the prescribing physician has indicated “dispense as written” or “DAW” on the prescription. This mandatory generic drug requirement shall be administered by City carriers by their medical insurer or administrator. Final resolution to any appeal will be handled by the medical insurance carrier or administrator.
- H. Enrollment for medical coverage for retirees who are Medicare-eligible shall be limited to the Medicare Advantage option plans offered by the City. In the event, such Medicare Advantage plans are no longer offered or cost effective, enrollment in alternate plans will be permitted as determined by the City.
- I. To be eligible for coverage under all City of Detroit health care plans, all active employees, retirees, and their dependents who are eligible for Medicare due to certain medical conditions defined by Medicare that permits the employer to be a secondary payer for insurance, must enroll in Medicare Parts A and B.

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

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

- J. Consistent with current practice, if an employee retires with 25 years of credited service

but less than 30 and receives an actuarially reduced pension, (referred to as the Actuarially Reduced 25 Year Option of the Retirement Plan) he/she may participate in the City's group retiree hospitalization-medical plans at full cost for the coverage. The City shall make no contribution to the monthly premiums for this hospitalization-medical coverage until such time as this retiree reaches what would have been his/her 30th year anniversary which would have qualified him/her for a regular service retirement. Upon reaching his/her 30th year, the City will contribute to the cost of the retiree and spouse's health care based on the contribution formula and rules in effect at time of qualification for regular retirement at the 30th year.

- K. For employees hired on or after September 28, 2010, hospital/medical and prescription benefits shall cease for retirees and their covered dependents after the retiree (or medical contract holder) becomes Medicare eligible by age; the current Medicare eligible age requirement is 65.
- L. All health habits, reproductive (fertility), and lifestyle prescription drugs EXCEPT FOR SMOKING CESSATION AND WEIGHT LOSS will not be covered under the City's prescription drug program.
- M. There shall be no duplicate hospitalization-medical insurance coverage or payments in lieu thereof provided employees or future retirees of the City. If the City employs more than one member of a family, or the family unit includes a retiree of the City, all of whom could be eligible for coverage under one hospital-medical insurance policy or plan as a spouse or eligible dependent, the spouses or eligible dependents of that family shall be covered by only one spouse or the other. It is the responsibility of the family to select a single hospitalization carrier. Under no circumstances shall the City be obligated to provide more than one hospitalization-medical policy or plan.
- N. Consistent with current practice, all employees, retirees, and their dependents, who receive healthcare coverage from the Employer must disclose to the Employer the existence of any other source of healthcare benefits. In all such cases, full coordination of benefits will apply at all times.
- O. If an employee/retiree's spouse has hospitalization-medical coverage available to him/her under a plan offered by his/her employer (other than the City of Detroit), said spouse must enroll in that employer's hospitalization/medical plan for employees or retirees in order for the spouse to be eligible for medical coverage through the City of Detroit. In such cases, if the spouse of the employee or retiree is also enrolled in the City's hospitalization-medical plan, the City will be the secondary insurer/payer. This provision does not apply in those instances where the employee/retiree and spouse are both employed by the City of Detroit. (See Paragraph V as referenced above).
- P. 125k Plan. The City provides health care plan participants with a pre-tax premium or illustrative rate contribution, which ever is applicable. The City will implement Flexible Spending accounts for medical, dependent care and commuter accounts. Eligibility for participation in these Flexible Spending Accounts is consistent with Health Care Plan enrollment eligibility. This plan will permit employees to contribute to these accounts,

pre-tax.

- Q. The City reserves the right to annually or more frequently amend, modify, replace or otherwise alter its health, optical and dental plans including, but not limited to, co-pays, deductibles, premiums, providers and cost-share.

Note: The two-tier system for new hires referenced in this Article will be implemented when the City's Payroll System has the capability.

29. WORKERS' COMPENSATION

- A. All employees shall be covered by the applicable Workers' Compensation laws and related benefits. An employee sustaining injury or occupational disease arising out of and in the course of City employment shall be continued on the payroll and his/her time shall be charged to his/her sick leave reserve for all days not covered by Workers' Compensation payments; provided that in the absence of any sick leave reserve he/she shall be paid regular wages or salary to the extent of two-thirds of his/her daily wage or salary but for a period not to exceed seven (7) days; provided also that where the employee has off-time banks and receives income under the Workers' Compensation Act, such income shall be supplemented by the City from his/her off-time banks in an amount sufficient to bring it up to ninety-five percent (95%) of his/her weekly take-home pay. For the purposes of this Article, take-home pay is defined as gross pay from the City less Social Security deductions, and less Federal, State and City income tax withholding amounts based on the employee's actual number of dependents. Employees shall be eligible to earn current sick leave.
- B. Employees who are unable to supplement their Workers' Compensation benefit from their off-time banks because the amount of overtime worked causes the benefit to meet or exceed ninety-five (95%) percent of weekly take-home pay, shall be treated like employees who are able to supplement for the purposes of hospitalization, life insurance and current sick leave. This provision does not apply to those employees who are unable to supplement because they have no time available in their off-time banks.
- C. Employees shall not be eligible for holiday pay nor earn additional vacation or reserve sick leave when they are being paid Workers' Compensation benefits.
- D. The City agrees to continue hospitalization and life insurance benefits for employees with one (1) or more years of seniority who have been approved for Workers' Compensation benefits for a period of nine (9) months after they go off the payroll. Thereafter employees will be entitled to benefits which accrue to them through the Pension Plan and the Income Protection Plan.

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

- E. The City may implement “favored work” and light duty programs for employees who suffer work-related injuries in its discretion and in accordance with applicable law.

30. DEATH BENEFITS AND LIFE INSURANCE

A. DEATH BENEFITS:

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

1. Membership:

Mandatory for regular employees.

2. Contributions:

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

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

If during the term of this CET, the Employee Benefit Board approves an increase in the death benefit eligible for payment to members of the plan, the parties agree that this increased benefit will be applicable to employees covered by this CET.

B. PAYMENT FOR EMPLOYEES KILLED OR PERMANENTLY DISABLED IN LINE OF DUTY:

1. A lump sum duty death benefit of \$10,000 will be paid to the beneficiaries or estate of employees who are killed or who die as a direct result of injuries sustained in the actual performance of their duties.

2. A lump sum payment of \$10,000 will be made to any employee who is totally and permanently disabled from illness or injury arising solely out of the actual performance of their duties. “Totally and permanently disabled” shall be defined exclusively as follows:

- a. Total and permanent loss of sight of both eyes.
- b. Loss of both legs or both feet at/or above the ankle.
- c. Loss of both arms or both hands at/or above the wrist.
- d. Loss of any two of the members or facilities enumerated in (a), (b), (c).
- e. Permanent and complete paralysis of both legs or both arms or one leg and one arm.
- f. Incurable insanity or imbecility.

A claimant to benefits under this Paragraph shall have the right to present any

written information in support of the claim which shall become part of the records reviewed by the physician appointed by the Finance Director and the Medical Board of Inquiry, should a Board of Inquiry be formed.

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

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

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

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

C. GROUP LIFE INSURANCE:

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

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

<u>Yearly Pay</u>	<u>Amount of Insurance</u>
Under \$5,000	\$ 3,750
\$5,000 to \$7,500	\$ 6,250

\$7,500 to \$10,000	\$ 9,375
Over \$10,000	\$12,500

4. Benefits – Dependents:

<u>Cost to Employee</u>	<u>Amount of Insurance</u>
\$.70 per week	\$5,000 each dependent

D. ADDITIONAL INSURANCE:

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

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

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

E. OPTIONAL LIFE INSURANCE:

The City agrees to deduct premiums for whole life insurance coverage for a carrier selected by the Union and approved by the City. A minimum of 400 employees must sign up for the deduction before the plan will be implemented. A charge of fifteen (15) cents per deduction, per employee will be made by the City. The carrier shall pay the

City fifteen (15) cents per deduction, per employee.

31. UNION BULLETIN BOARD

- A. The City will furnish adequate space for the Union one (1) adequate bulletin board at locations to be agreed on by the Union and the Employer. The boards shall be used only for the following notices:
1. Recreational and social affairs of the Union.
 2. Union meetings.
 3. Union elections.
 4. Reports of the Union.
 5. Rulings or policies of the Union.
- B. Notices and announcements shall not contain anything political or of a libelous nature. All notices shall be signed by a union representative or his/her designated representative.

The Union's right to bulletin boards shall be contingent on its adherence to the requirements of paragraph A.

32. STRIKES AND LOCKOUTS

- A. **Interference with Work:** Employees shall not engage in any strike, work stoppage, slowdown, refusal to cross picket lines, sympathy strike or otherwise neglect of, or interference of any kind with, the operations of the City.
- B. The City will not lockout any employee in furtherance of a labor dispute. However, if any employee is unable to work because equipment or facilities are not available due to a strike, work stoppage, slowdown or other interference by other employees, such inability to work shall not be deemed a lockout under the provisions of this section.

33. SEVERABILITY CLAUSE

If any Article or Section of this CET or any Supplement thereto, should be held invalid by operation of Law or by any Tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Section should be restrained by such Tribunal, the remainder of this CET and supplements shall not be affected thereby, and Employer may implement a satisfactory replacement for such Article or Section.

34. WAGES

- A. **WAGE DECREASE:** All classifications and positions shall receive a 10% wage reduction, effective the date of implementation of this CET.
- B. **LONGEVITY:** all longevity payments are hereby eliminated effective the date of this CET.
- C. **BUDGET REQUIRED FURLOUGHS:** All budget required furloughs are hereby

eliminated effective the date of this CET; however, the City reserves the right to reinstitute future furloughs as a means of cost containment.

D. **MERIT & STEP INCREASES:** All employees will no longer be eligible for merit and step increases effective the date of this CET, except that all formal certified apprenticeship programs shall not be effected.

E. **MISCELLANEOUS:**

1. All salaried employees will have their hourly rate computed by dividing their annual salary by 2080 hours.
2. Salary and Rate Adjustments:
 - a. The pay rates of hourly-rated employees shall be rounded up to the nearest whole cent.
 - b. Each employee covered by this CET, whose wages are classified as a yearly salary with minimum and maximum rates more than \$20,000 annually, and which rates, as a result of any required change to be made to their wages causes the resulting amounts to fall between even hundred-dollar levels, shall have these rates adjusted to the next higher hundred dollar level.
3. Employees benefits for those employees sixty-five (65) years of age and older may be modified as permitted by law but shall not result in any additional cost to the employee.
4. Deferred Compensation Plan: Employees shall be eligible for a Deferred Compensation Plan made available by the City. Participation in the plan shall be optional with each employee.
5. Credit Union Deductions: In the event that the Union organizes a Credit Union, the City will permit payroll deductions in the same manner and form it is now doing for the Detroit Municipal Employees Credit Union.
6. Public Service Credit Union: Following full and complete deployment of all of the applicable DRMS modules, or other computerized payroll processing systems, the City will meet with the labor organization and Public Service Credit Union representatives with the goal of establishing payroll deductions in the same manner and form, or as closely as possible, that it does for the Detroit Municipal Employees Credit Union.
7. When it is administratively feasible, the pay check for all employees shall be transmitted via direct deposit.

F. CORRECTION OF PAYROLL ERRORS:

Where by payroll error an employee is underpaid or overpaid the City is expressly authorized to correct the underpayment or overpayment by payroll adjustment pursuant to applicable law.

The City reserves the right to seek immediate recovery through appropriate legal proceedings.

35. CLOTHING AND UNIFORM ALLOWANCES

- A. For employees who are required to wear and maintain specific clothing and/or shoes, the clothing allowance shall be \$170 per year.
- B. For employees who are required to furnish a specific uniform at their own expense, the allowance will be \$350 per year.
- C. Clothing and uniform allowances will be paid by the last pay period in September.
- D. This Article shall be administered according to the Resolution of the City Council of May 9, 1974 (J.C.C. p. 1107).

36. SUCCESSOR CLAUSE

This CET, nor any other terms and conditions of City employment regardless of source shall not be binding upon the successors and assignees of the Employer by the consolidation, merger, sale, transfer, lease, or assignment of the Employer in any respect whatsoever by a change of any kind of the ownership or management of either party hereto of any separable, independent segment of either party hereto.

37. EMPLOYEE ASSISTANCE PROGRAM

- A. The City and the Union recognize and acknowledge that behavioral-medical problems have an adverse effect on the employee's job performance and merits special attention. Examples of these problems include but are not limited to substance abuse, including alcohol and drugs, physical illness, mental or emotional illness, marital or family maladjustments and other personal problems. These behavior-medical problems impair the employee's ability to function, and contribute to increased absenteeism and tardiness, and violations of other rules, regulations, and procedures. The combination of factors is recognized as having potentially damaging effects on the employee, the work site and the well-being of co-workers. The City and Union believe most behavioral-medical problems are treatable. The Employee Assistance Program is designed to provide assistance to employees who are experiencing behavior-medical problems that may result in deteriorating job performance.
- B. The Employer may continue to provide an Employee Assistance Program through a third party vendor.
- C. Nothing in this statement is to be interpreted as constituting any waiver of management's

responsibility to maintain discipline or the right to invoke progressive disciplinary measures when applicable in the case of misconduct which may result from or be associated with the abuse of any substance or other personal problem; the union may exercise its right to process grievances concerning such matters in accordance with the CET.

- D. During or following treatment, the employee should not expect any special privileges or exemptions from standard personnel practices; however, employees with substance abuse problems or personal problems will be allowed to liquidate sick leave for the purpose of treatment or rehabilitation upon presentation of satisfactory medical evidence.
- E. When a leave of absence is necessary so that an employee may undergo behavioral-medical treatment for alcoholism, drug abuse, or other personal problems in or from an appropriate facility in accordance with this program, and when the employee has voluntarily submitted himself for such treatment, he/she may be granted a leave of absence if the employee has completed one (1) year of continuous classified service immediately prior to the leave.
- F. The confidential nature of medical records of affected employees will be preserved in the strictest manner as all other medical records. To the extent feasible, employee assistance facilities will be located in areas separate from other City activities.

38. CAREER DEVELOPMENT AND TRAINING

- A. The City and the Union recognize the need to provide training and career development opportunities for employees which will develop their skills, knowledge, and abilities to effectively carry out duties and responsibilities of their current classification, and to qualify for more responsible positions in the future.
- B. The City subscribes to the principle of promotion from within, and, in keeping with that principle, the City agrees to focus some of its resources toward those employees in lower job classifications in order to provide opportunities to train and enter new careers.
- C. The City and the Union agree that a major goal of training and career development is improvement of the status of female and minority employees in order to fulfill the City's and Union's commitment to effective affirmative action programs, and to make the work force at all levels reasonably representative of the sex and ethnic composition of the City.
- D. The City and the Union recognize that technological or other changes may occur during the term of this CET. Whenever such changes occur, bargaining unit members may be offered opportunity for training, retraining or reassignment whenever possible. (Example: Detroit Resource Management System [DRMS]).
- E. To insure that employees are adequately trained, The Human Resources Department may conduct periodic training need assessments and employee performance reviews.

39. EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION STATEMENT

- A. The City will adhere to a policy of equal opportunity for all employees and continue to prohibit discrimination because of race, color, creed, national origin, age, political orientation, sex, sexual orientation, or disability, continue to comply with all federal state and local civil rights laws, ordinances and regulations and promote a full realization of equal employment opportunity through a positive and continuing effort.
- B. The City may, upon request, provide the Union with copies of statistical minority employment information reports and such reports concerning policies and programs for equal opportunity in employment regarding City employees.

40. RETIREMENT

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

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

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

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

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

The above paragraphs notwithstanding, employees hired after January 1, 1996, shall not

be eligible for a Service Retirement until they shall have attained fifty-five (55) years of age. This age requirement shall apply to both the Regular Service Retirement with thirty (30) years of service and for pension calculation purposes to the Early Service Retirement (actuarially reduced) with twenty-five (25) or more years of service.

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

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

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

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

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

- G. At the time of retirement, members of the general City pension system may elect an option which shall entitle them to change their pension option from either option 2 or

option 3 to a straight life pension after they have commenced collection of the pension if the member's beneficiary predeceases the member. This shall be known as the Pop-Up Option. The actuarial cost of the change in benefit shall be borne by the member who selects this change in his/her option election.

- H. Employees who retire on or after July 1, 1998, shall have their pensions computed according to the following formula. Using the highest paid 36 consecutive months out of the last 120 including longevity payments, as Average Final Compensation; 1.6% of Average Final Compensation for each year of service for the first 10 years; 1.8% of Average Final Compensation for each year of service for the second 10 years; 2.0% of Average Final Compensation for each year of service greater than 20 years up to 25 years; and 2.2% of Average Final Compensation in excess of 25 years; plus \$12 for each year of City service not to exceed \$120. In no case shall benefits paid by the Retirement System exceed ninety percent (90%) of Average Final Compensation except in the case where a higher pension amount has been earned in accordance with the provisions in effect prior to July 1, 1992. For all years of credited service accrued by Union members after July 1, 2012, the multiplier shall be reduced to 1.5% of Average Final Compensation per year.
- I. Effective for bargaining unit members who retire on or after July 1, 1999, they shall have the option to 1) select the Unused Sick Leave On Retirement payment benefit provided for in Article 25 of this CTE, or 2) choose to receive twenty-five percent (25%) of the unused accrued sick leave bank provided in Article 29 and have that sum included in the average final compensation used to compute the membership service pension portion of their retirement allowance. For any member choosing to exercise this option the lump sum payment the member will receive will be the remaining value of the unused accrued sick leave bank as provided in Article 29.
- J. Effective January 1, 1999, the maximum annual amount payable to an individual on a Duty Disability pension shall be increased to \$9,000 and for Non-Duty Disability pension to \$6,000.

The maximum amount of the Accidental Death Benefit as found in Chapter VI, Article VI, Part C, Section 1, Paragraphs B and C of the City Charter shall be increased from \$2,400 to \$5,700 per annum.
- K. Effective September 28, 2010, any employee covered by this CTE, who is seeking a duty disability retirement, shall have an examination conducted by an independent medical examiner (IME). If the IME concludes that the employee's physical or medical condition does not relate to his/her employment with the City of Detroit, the employee shall not be eligible for the duty disability retirement.
- L. Effective January 1, 1999, minor dependents under age 19 or permanently mentally or physically impaired dependent children who become impaired prior to age 19 of employees who die with 20 years of service without a surviving spouse shall receive a payment of \$9,000 per year which shall be divided equally amongst all eligible dependents. The payment will cease when the last minor attains age 19 or for mentally or

physically impaired children at death. There shall be no retirement escalator for this payment.

- M. In addition to in-service death pension benefits which already exist for employees with 20 or more years of service, effective July 1, 1998, if a bargaining unit member dies after having attained 15 or more but less than 20 years of creditable service at any age below 60, the surviving spouse will be paid a 50% joint and survivor election. Dependent children, if there is no eligible surviving spouse, are to be paid a total of \$6,000 which shall be divided equally amongst all eligible dependents until the youngest child reaches age 19, or for life if a child is permanently physically or mentally impaired.
- N. The post retirement escalator factor shall increase from 2.0% to 2.25% of original base pension effective July 1, 1992. Pension benefits earned based on service rendered after July 1, 2012 will no longer receive the 2.25% per annum escalation.
- O. Pension – Employer Contribution (414h Plan):

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

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

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

The City shall not be responsible for any adverse ruling, if any, and monetary penalty, judgment, or damages to the City as a consequence of the City's compliance with the provisions of this CET.

- P. Employees shall have the option of selecting from two additional surviving beneficiary options of 25% and 75%.
- Q. Annuity Contribution Amounts: The City will offer employees who choose to contribute

to the annuity plan the option of 3% up to the Social Security maximum salary which would then be increased to 5%, a straight 5%, or a straight 7% contribution.

- R. Members of the bargaining unit shall have the option of belonging to the City's current defined benefit/defined contribution retirement plan or a new defined contribution retirement plan in accordance with the rules the City will issue for a defined contribution plan. The parties agree that the defined contribution plan the Executive Branch will propose for acceptance by the City Council, although not specifically detailed at this time, is intended to be primarily in accordance with the provisions which were last advocated by the Executive Branch in November-December, 1997.
- S. Effective July 1, 2003, the membership of the General Retirement System, Board of Trustees [Article II, Section 2, Subsection (1)] shall be modified to provide that one of the trustees is: "The Mayor of the City or his/her designated representative, ex-officio. Such designated person shall be a full-time appointive or classified City employee."
- T. To the extent that employees in the bargaining unit participate in any supplemental retirement plans other than the General City Retirement System, the City reserves the right to withdraw from such supplemental plans at any time and in accordance with applicable law.
- U. All Retirement and Pension Plan Provisions provided for by the City Charter and Municipal Code are incorporated herein by referral unless otherwise specifically modified by this CET and Ordinance 2-93, J.C.C. Page 133.
- V. **Defined Contribution Plan for New Hires** -- All bargaining unit members hired into the City after July 1, 2012, herein will not accrue any benefits under the present defined benefit plan between the parties. Rather, they will receive benefits only pursuant to the defined contribution plan described below:
 - 1. **Employee Contribution Account**
 - a. **Basic Employer Contributions.** The employer shall contribute an amount equal to five (5%) percent of the participant's base salary to each participant's employer contribution account each pay period.
 - b. For members on duty disability, the amount contributed shall be equal to five (5%) percent of the participant's base salary on the date of disability.
 - c. **Employee Contribution.** The employee shall contribute an amount equal to five (5%) percent of the participant's base salary to each participant's employee contribution account each pay period.
 - d. Employee contributions shall be made on a pre-tax basis subject to the approval of the Internal Revenue Service
 - 2. **Periods of Absence Due to Non-Duty Disability.** Employees on non-duty disability are no longer active participants in the Plan and may not receive

employer contributions or make employee contributions.

3. **Vesting.** All account balances are subject to the following vesting schedule:

a. **Employee Contribution Account.** A participant shall always be one hundred (100%) percent vested in such participant's employee contribution account.

b. **Employer Contribution Account.** A Participant shall be vested in the balance of such participant's employer contribution account as follows:

<u>Years of Service</u>	<u>Percentage Vested</u>
5 or more	100%

4. Distributions to Participant Annuity Accounts May Not Exceed Actual Earnings by the Fund, but Shall Neither be Greater than the Assumed Rate of Return for that Plan Year, nor Less than Zero.

Participant annuity accounts shall be ratably adjusted, not less frequently than once a year based upon actual returns experienced by the retirement system during the fiscal year preceding the crediting date, provided that such return shall neither be greater than the assumed rate of return as is expressed in the Plan's valuation for that year, nor less than zero. Any final distribution of the account balance to a participant or beneficiary shall be delayed until the final adjustment has been made.

Other than as provided above, bargaining unit members shall not be entitled to any assets, including but not limited to, interest, dividends, or other income of any kind derived from the investments of the retirement system; gifts and bequests received by the retirement system, and all other assets of the retirement system, which shall be used exclusively to fund pension payments on the basis of service performed, disability benefits and death benefits as provided herein.

5. The administration will design a defined contribution retirement health care plan for new hires.

W. **Early Retirement Incentive Program ("ERIP").** Effective upon implementation, and for a period of 90 days, active participants will be allowed to retire one, two or three years earlier (including actuarially reduced retirements) based on the amount of banked time in exchange for forfeiture of all banked time. More specifically:

1. 3 years - To be eligible to retire 3 years early, a participant must have more than 1,000 hours of banked time and relinquish all of that banked time

2. 2 years - To be eligible to retire 2 years early, a participant must have more than 500 hours of banked time and relinquish all of that banked time

3. 1 year - To be eligible to retire 1 year early, a participant must have more than 1

hour of banked time and relinquish all of that banked time

In all cases, eligible participants who elect to participate will retire at their current number of years (i.e. participants will not be given extra years of service in exchange for their banked time, but rather will be allowed to retire early).

Employees must still retire with thirty (30) years of service to be eligible for retiree health benefits in accordance with the General City Retirement Plan provisions.

41. GENERAL RETIREMENT SYSTEM, BOARD COMPOSITION

A. The membership of the Board of Trustees of the General Retirement System (GRS) shall be changed to consist of 11 trustees as follows:

1. The Mayor, ex-officio or designee.
2. The President of the City Council, ex-officio.
3. The City Treasurer, ex-officio.
4. The Budget Director, ex-officio.
5. The Finance Director, ex-officio.
6. The Human Resources Director, ex-officio.
7. Three members of the retirement system to be elected by the members of the retirement system, under such rules and regulations as may be from time to time adopted by City Council; except that no more than one trustee shall be from any one department.
8. The Mayor shall appoint, subject to the approval of City Council, as a trustee, an individual with a background in investment and/or municipal finance.
9. The Mayor shall appoint, subject to the approval of City Council, a retiree who is receiving benefits under the retirement system.

42. DEFENSE AND INDEMNIFICATION OF EMPLOYEES AGAINST DAMAGE SUITS, CLAIMS, ETC.

Current City policy regarding the defense of and indemnification of employees against damage suits, claims, etc. is set forth in the Detroit City Code Chapter 13, Article 11.

43. PRIVATE CAR MILEAGE REIMBURSEMENT

A. **RATES OF PAYMENT:**

1. When an employee covered by this CTE is assigned to use his/her automobile to perform his or her job, he or she shall be paid mileage at the current IRS per mile

rate, subject to change when that rate changes higher or lower. In addition, \$3.00 per day is to be paid for each day an employee is required to use his car for City business.

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

B. DEFINITION OF REIMBURSABLE MILEAGE:

1. Trips from home to headquarters and back home shall not constitute reimbursable mileage.
2. Trips in either direction between home and any officially designated point (when there is no specific headquarters) shall not constitute reimbursable mileage.
3. Trips from headquarters (or from the designated starting point if the employee has no headquarters) to a job, from job to job, and if directed, back to headquarters or starting point, shall constitute reimbursable mileage.

C. ACCIDENT PAYMENTS: When an employee is involved in an accident while on City business resulting in damage to his/her automobile in excess of \$50, the City will pay for unrecoverable collision damage in excess of \$50 not to exceed \$250. Employees must furnish proof to their department of the time of an accident and the extent of the damages. Automobile accidents will be excluded from the City's regular small claims program.

D. In the event of an automobile breakdown during regular working hours, the time, which an employee is allowed for servicing and repairing his automobile is to be determined by departmental policies.

E. When an employee covered by this CET is regularly assigned to a job which requires the use of an automobile during his normal working hours, he/she shall be required to furnish said car.

F. In order to receive mileage reimbursement an employee must actually use an automobile on City business.

44. EMPLOYEE LOAN PROGRAM

A Participant Loan Program will be available to bargaining unit members. Its terms will be as follows:

A. Established: Any loans granted or renewed shall conform with the requirements of Section 72(p) of the Internal Revenue Code, 26 U.S.C.1 et seq. Such loan program shall be established in writing by the Board of Trustees, and must include, but need not be limited to the following:

1. The identity of the administrator of the Participant Loan Program;

2. A procedure to apply for loans, the amount of loan that will be approved or denied, and limitations, if any, on the types and amount of loans offered;
 3. The procedure under the program for determining a reasonable rate of interest; and
 4. The events constituting default and the steps that will be taken to preserve plan assets.
- B. **The Loan Program:** The Loan Program shall be contained in a separate written document copies of which shall be made available in the offices of the City of Detroit General Retirement System for prospective participants in the program. The Board of Trustees is authorized to adopt rules and regulations, from time to time, to govern the administration and the operation of this program. Copies of the rules shall also be made available to prospective participating members of the system in the offices of the General Retirement System.
- C. **Eligibility:** Subject to the rules and procedures established by the General Retirement System Board, loans will be made to bargaining unit members. Former participants, spouses of participants, and beneficiaries are not eligible to receive any loans from the Plan. Subject to rules and procedures established by the Board, a participant who has been in the plan for twelve (12) months or more is eligible to apply for a loan from this plan.
- D. **Amount of Loan:** A participant who has satisfied applicable rules and procedures may borrow from his or her account an amount, which does not exceed fifty percent (50%) of the participant's vested accumulated balance, or ten thousand dollars (\$10,000.00) reduced by the excess, if any, of: 1) the highest outstanding balance of loans from the trust during the one (1) year period ending on the day before the date on which the loan is made, or 2) the outstanding balance of loans from the trust on the date on which the loan is made, whichever is less. The minimum loan amount shall be one thousand dollars (\$1,000.00).
- E. **Terms and Conditions:** In addition to such rules and procedures that are established by the Board, all loans shall comply with the following terms and conditions:
1. Loan applications shall be in writing;
 2. Loan shall be repaid by equal payroll deductions over a period not to exceed five (5) years, or, where the loan is for the purpose of buying a principal residence, a period not to exceed fifteen (15) years. In no case shall the amount of the payroll deduction be less than twenty dollars (\$20.00) for any two-week period;
 3. Each loan shall be made against the assignment of the participant's entire right, title, and interest in and to the trust supported by the participant's collateral promissory note for the amount of the loan, including interest payable to the order of the trustee;

4. Each loan shall bear interest at a rate determined by the Board. The Board shall not discriminate among participants in its determination of interest rates on loans. Loans initiated at different times may bear different interest rates, where, in the opinion of the Board, the difference in rates is supported by a change in market interest rates or a change in the pension system's current assumed rate of return. The loan interest rate shall bear a reasonable relationship to market rates for secured loans of a similar duration and shall bear a reasonable relationship to the costs to the pension trust of administering the trust. The loan interest rate shall be calculated in a manner that will not negatively affect the City's costs to the trust or the return to trust members.
 5. Loan repayments shall be suspended under this plan as permitted by Section 414(u)(4) of the Internal Revenue Code, 26 U.S.C. 414(u)(4). A participant who has an outstanding loan balance from the plan who is absent from employment with the employer, and who has satisfied the requirements of 26 USC 414(u) of the Internal Revenue Code shall not be required to make loan repayments to the fund during said periods of absence.
- F. **Renewal of Loan:** Any loans granted or renewed shall be made pursuant to the participant loan program and Section 72(p) of the Internal Revenue Code, 26 U.S.C.72(p) and the regulations thereunder.
- G. **Loan Balance:** A participant's outstanding loan balance shall be considered a directed investment by the participant and interest payments, shall be credited to the participant's account balance, and shall not be part of net investment income or part of the participant's account balance for the purpose of allocation of net investment income under Section 47-2-18 of the City Code.
- H. **Distribution:** No distributions shall be made to a participant, former participant, or beneficiary until all loan balances drawn on the applicable vested accumulated balance and applicable accrued interest have been liquidated.
- I. **Annual Report:** The General Retirement System shall include, in their annual report to all members, an accounting of the loan program established by this section, which contains the number and amount of loans made, the costs of administering the program, the amount of payments made including interest received by the trust, the amount of loans outstanding, including any defaults or delinquencies, and an evaluation as to whether the interest charged in the fiscal year covered the costs of administering the program.

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

the General Retirement System.

45. HR / PAYROLL SYSTEMS

The two-tier systems, referenced in prior agreements, shall be implemented when the HR/Payroll/Benefit system can accommodate each specific change.

46. LONG TERM DISABILITY BENEFITS (INCOME PROTECTION PLAN)

NOTE: *It is important for employees to apply for this benefit as soon as they believe that they will be disabled for an extended period of time in order to receive the benefits. (See provisions A-3 & B-2)*

A. PROVISIONS RELATING TO ELIGIBILITY:

1. **Employees Eligible:** All full time classified and appointed civilian employees will be eligible for benefits upon completion of three (3) years of continuous employment.
2. **Effective Date:** The effective date of the benefits is the date he/she becomes eligible.

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

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

The purpose of the above language is to put employees on notice that they should, in fact, apply for benefits within sixty (60) days after becoming disabled. Failure to comply with the 60-day notice requirement will not affect eligibility for benefits. Employee applications will be processed and a benefit determination made regardless of when an application is made under the plan.

B. DETERMINING THE AMOUNT OF THE DISABILITY BENEFIT:

1. **Monthly Accident-Sickness Benefit:** The benefit shall be \$200 per month unless:
 - a. When added to the following benefits: (I) workers' compensation; (II) social security disability insurance; and (III) City disability pension, if the total exceeds 90% of "take home" pay, as defined, this benefit will be reduced to provide that this benefit plus the other above mentioned benefits equal 90% of "take home" pay; or
 - b. When added to the following benefits: (I) workers' compensation; (II) social security disability insurance; and (III) City disability pension, if

the total is less than 75% of “take home” pay, as defined, this benefit will be increased to provide that this benefit plus the other above mentioned benefits equal 75% of “take home” pay; but this benefit shall not exceed \$1,500 per month.

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

- (1) Take-home pay is defined as gross pay per month from the City less social security deductions, and less federal, state and city income tax withholding.
 - (2) Gross pay per month is an employee’s annual rate of pay from the City as of the date of disability, divided by twelve (12).
 - (3) Social security deductions shall be one-twelfth (1/12) of the maximum annual social security tax payable by an employee based on the employee’s annual rate of pay as determined in (b) above.
 - (4) Federal, state and city withholding - These amounts are determined as the normal amount of withholding applicable to an individual’s gross pay per month for the actual number of dependents an employee has as of the date of disability. Dependents include all members of the immediate family who are deductible for income tax purposes.
2. **Waiting Period Before Benefits Are Payable:** There is a waiting period of two hundred and seventy (270) days of continuous total disability, or the employee's accumulated sick leave time, whichever is greater. Sick leave time as used herein, will include vacation and compensatory (unpaid overtime credits) time. For purposes of this elimination provision, the election of a lump sum payment for a period of vacation and for compensatory time shall be considered to be paid as though such time were run out on normal payroll time.
 3. **Maximum Period of Benefits:** A period equal to one-half the employee’s service with the City, rounded to the nearest month, except that benefits payable due to psychiatric disorders not requiring confinement shall be limited to not more than two (2) years.
 4. **Conditions For Payment:** A period of disability for which coverage is provided must commence within thirty (30) days of an accident or, if due to sickness, while coverage is in force as to the employee. A disability which, commences more than thirty (30) days after an accident shall be deemed the result of a sickness.

Benefits are payable from the first day following the expiration of the waiting period subject to the maximum period of benefits. The applicable waiting period shall neither commence nor continue, nor will benefits be paid for any period of

disability during which the employee is not under the regular care and attendance of a currently licensed physician or surgeon other than himself unless waived by the City.

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

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

5. **Rehabilitative Employment Benefits:** When, immediately following satisfaction of the waiting period or immediately following any period during which total disability benefits are payable, the employee engages in rehabilitative employment, the City will pay for each month of such employment, the applicable monthly benefit less 80% of the amount of compensation or income the employee received from such rehabilitative employment (not to exceed, in the aggregate, 24 months as the result of any one accident or sickness).
6. **Partial Month Benefits:** Benefits payable hereunder for periods, which are less than one month will be paid on the basis of the 1/30th of the monthly benefit for each day of disability.
7. **Definitions:** "Total Disability" means the continuous inability of the employee to engage in each and every occupation or employment for wage or profit for which he/she is reasonably qualified by education, training or experience. However, during the applicable waiting period and the first 24 months thereafter, the employee shall be deemed totally disabled while he/she is (1) unable to perform each and all the material duties pertaining to his/her occupation with the City, and (2) not engaged in any occupation or employment for wage or profit for which he/she is reasonably qualified by education, training or experience.

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

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

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

"Injury" means bodily injury caused by an accident occurring while the plan is in

force as to the employee and resulting directly and independently of all other causes in loss covered by the plan.

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

8. **Pre-Existing Conditions:** Any other provisions to the contrary, any disability commencing within twelve (12) months immediately following the effective date of eligibility of an employee, for which treatment was rendered during the 6 months prior to such employee’s effective date of eligibility, shall not be considered as a disability hereunder.
9. **Waiver of Premiums:** With respect to any employee who is totally disabled and receiving benefits hereunder or total disability, the City will waive payment of any premiums with respect to such employee for any period during which such benefits are payable. For any employee who is in the waiting period and no longer on the City’s payroll and awaiting the completion of the waiting period, the City will waive payment of any premium.
10. **Choice of Physician and Surgeon:** The employees shall have the right to select any physician or surgeon and a physician-patient relationship will be maintained. If the City wishes to review the opinion presented by the doctor, the two doctors shall mutually select a third doctor, in accordance with provisions of the plan, whose opinion shall be binding on the case.
11. **Proof of Disability:** The City of Detroit may require an applicant, as a condition of eligibility, to submit to examinations by a physician designated by it for the purpose of determining their initial and continuing disability.

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

1. If more than one loss listed results from one accident, the provisions of this section shall be applicable to only one of such losses, that for which the greater period is provided. If the employee dies before receiving the applicable monthly accident benefit for the minimum period provided, the balance remaining unpaid at the time of his/her death shall be paid to his/her beneficiary or his/her estate.
2. **Dismemberment and Loss of Sight:** When injury results in any of the following losses within one hundred (100) days after the date of the accident, the City will pay the applicable monthly accident benefit for the period the employee is totally disabled and entitled to payment, but in no event will such payments be made after the date of such loss for less than the number of months set opposite the loss. In any event, the waiting period must be satisfied. If death occurs before the waiting period is satisfied, no payment will be made.

Loss of both hands	46 months
Loss of both feet	46 months

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

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

D. LIMITATIONS AND EXCLUSIONS

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

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

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

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

F. TERMINATION OF INDIVIDUAL BENEFITS

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

1. Upon attaining eligibility for a service retirement.
2. If benefits are provided on contributory basis and the employee fails to make the required contribution, then such benefits shall automatically terminate at the end of the period for which contribution has been made.
3. The date the employee leaves, due to leave of absence or voluntary layoff as defined by the City, or is dismissed from employment in a class eligible for benefits hereunder, except that absence from work due to involuntary layoff, as defined by the City, shall not be considered as termination of employment for a period of thirty (30) days next following the commencement of such involuntary layoff.
4. The date the employee becomes eligible to receive a service retirement allowance. A Service Retirement Allowance is that amount consisting of the total of a pension and an annuity (if any) paid to an employee who withdraws from the City employ as a service retirant pursuant to the provisions of Title IX, Chapter VI of the City of Detroit Charter.
5. For non-payment of premiums by the City on behalf of an employee in which event such benefits shall automatically terminate at the end of the period for which premium has been paid.

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

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

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

47. CONFIDENTIAL EMPLOYEES

The parties agree that certain City employees are designated as confidential employees and are, therefore, to be exempt from membership in the bargaining unit covered by this CET. These

employees are those holding the positions as outlined in the Memorandum of Understanding reached by the parties and submitted, and approved by the Michigan Employment Relations Commission in connection with Case No. C79 D-110 as well as the Decision and Order of the Commission in that case dated June 4, 1980. The City shall not designate other employees as confidential without the agreement of the Union; but may, if the Union fails to so agree, petition the Michigan Employment Relations Commission to approve such designation.

48. JOINT LABOR-MANAGEMENT COMMITTEES

All current Labor Management Committees are suspended pending further review and discussion between the City and the Union. Joint committees, if any, shall be patterned in structure and role after the committees included in the contracts recently negotiated between the State and Unions representing state employees.

49. COPIES OF THE CET

The City of Detroit will provide the Union with three (3) original copies of the CET and supplements to the CETs without charge. The Employer and the Union shall each bear the expense of reproducing and distributing their own copies.

50. ECONOMIC ADVANTAGE/DISADVANTAGE

The Employer shall have the right to negotiate terms and conditions of employment with each bargaining unit without any obligation to provide similar terms to this unit. All existing protection and "me too" provisions shall be eliminated

51. MODIFICATION AND DURATION

This CET, any subsequent modifications thereof by the Employer, and any supplements thereto, shall be in effect until such time as they are further modified by a collectively bargained agreement.

EXHIBIT I
WAGE SCHEDULE AND REPRESENTED CLASSIFICATIONS

DRAFT

EXHIBIT II

<u>PPO Plan, HAP/BCN plan(s), THC plan</u>	In-Network	Out-of-Network
Participant Premium Contribution	20% for all plans	20% for all plans
Plan Deductible	\$250/\$500	\$500/\$1000
Co-insurance %	20%	40%
Co-insurance maximum (OOP Max)	\$1,500/\$3,000	\$2,500/\$5,000
Office visit	\$25	\$25
Urgent care co-pay	\$25	\$25
Emergency room	\$100	\$100
Hospital co-pay	\$100	\$100
<u>Rx Drug Plan</u>		
Co-pay (retail, mail 2x for 90 day supply)	\$10/\$20/\$35	\$10/\$20/\$35
Mandatory mail	After 34 days	After 34 days
Mandatory generic	Required	Required
Traditional generic – step therapy	Required	Required
Exclusion of lifestyle drugs	Required	Required
<u>Other Changes</u>		
Participants contribute 20% for dental and vision coverage		
<u>Vision Plans</u>		
The City will no longer offer the Co-Op Optical plan		

20,236,580.2\022765-00204