

MASTER AGREEMENT

BETWEEN

THE CITY OF MADISON HEIGHTS

AND

THE DEPARTMENT HEADS UNION

AFSCME COUNCIL 25

JULY 1, 2018 THRU JUNE 30, 2021

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AGREEMENT

This Agreement is hereby entered into this _____ day of _____, 2020 between the City of Madison Heights, hereinafter referred to as the "City" and the Department Heads Union of the City of Madison Heights, hereinafter referred to as the "Employee" or "Union".

ARTICLE I - RECOGNITION

SECTION 1. The City of Madison Heights does hereby recognize the Department Heads Union, Council 25 – the Michigan American Federation of State, County and Municipal Employees (A.F.S.C.M.E. Council 25 Local 1917.34) as the exclusive representative for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment and other conditions of employment for all Department Heads (except the Deputy City Manager, Human Resources Director, and Finance Director/City Treasurer) the Deputy Chief of Police, and the Deputy DPS Director.

Effective with Council Approval of the 2018- 21 Collective Bargaining Agreement on March 25, 2019, the parties agree that the position of Police Chief shall be removed from the bargaining unit and appointed to the position of Deputy City Manager/Chief of Police pursuant to the terms of his individual employment agreement.

The Parties agree that all other benefits including health care, pension for the position of Deputy City Manager/Chief of Police shall be provided as set forth in the parties Collective Bargaining Agreement as proscribed in the Deputy City Manager/Chief of Police's employment agreement.

The Parties further agree that should the position of Deputy City Manager/Police Chief become vacant, the position of Chief of Police shall become a member of the bargaining unit.

SECTION 2. The City will not interfere with, discourage, restrain, nor coerce, the Union members because of their membership in the Union or any lawful activities therein. Nor shall the City encourage membership in said Union. The Union hereby agrees that it will not discourage, restrain nor coerce any City employee not belonging to the Union from doing their legally assigned work arising out of the course of their employment with the City.

SECTION 3. Only full time permanent employees that come within the jurisdiction of this Agreement will be represented by this Union.

ARTICLE II - REPRESENTATION

SECTION 1. The Union shall be represented at all negotiations by not more than four (4) representatives of the Union. However, only two (2) members shall be paid by the City and only for hours they would otherwise work. Said committee shall, prior to negotiations, be authorized by the Union to bargain for the individuals in the Union and shall be able to execute agreements binding on the members of this Union in their dealings with the City. The Union shall give the names of the committee members to the Manager's Office, in writing, at the time, or before, the Union requests negotiations. The Union shall negotiate with such representatives of the City government as are provided by resolution, ordinance, or policy, adopted by the City Council, City of Madison Heights.

ARTICLE III - UNION SECURITY

SECTION 1. To the extent that the laws of the State of Michigan permit, it is agreed that:

(A) Each employee, who is or becomes a member of the Union, or a service fee payer, may sign an authorized dues/service fee deduction card and shall do so with the understanding that the deductions shall continue for the length of the contract or until such time as the employee gives written notice to the Employer and Union revoking the authorization.

(B) The Union will protect, save harmless and indemnify the employer from any and all claims, demands, suits and other forms of liability by reason of action taken by the employer for the purpose of complying with this article of the agreement.

(C) Deductions for any calendar month shall be remitted to AFSCME Council 25 and sent to 600 West LaFayette Suite 500 Detroit MI 48226. In the event that a refund is due to any employee for any sums deducted from wages and paid to the Union, it shall be the responsibility of such employee to obtain appropriate refund from the Union.

(D) The City shall not be liable for the remittance or payment of any sums other than those constituting actual deductions made. If the City fails to make a deduction for any employee as provided, it shall make that deduction from the employee's next pay in which such deduction is normally deducted after the error has been called to its attention by the employee or the Union.

(E) If there is an increase or decrease in Union payroll deductions, such charges shall become effective upon presentation of a signed deduction statement.

(F) The employer agrees to deduct the Union membership dues or service fees once each month from the pay of the employees who have requested that such deductions be made.

ARTICLE IV - HEALTH INSURANCE

SECTION 1. HOSPITALIZATION INSURANCE

- A) Effective January 1, 2012, all eligible employees shall be enrolled into Blue Cross Blue Shield Community Blue 4 (CB4) medical plan with a closed formulary \$5 generic/\$40 preferred brand/\$80 non-preferred brand prescription drug card.

The CB4 medical plan shall include a \$500 single/\$1,000 couple/family first dollar deductible, after which coinsurance will be provided at 80% with an annual employee maximum co-insurance out of pocket at \$1,500 single and \$3,000 family. In accordance with Health Care Reform preventative care is covered 100%. Copays shall include \$30 for office visits, \$30 for urgent care, and \$150 for emergency room visits.

Effective July 1, 2019 the City will also provide Blue Cross Blue Shield Simply Blue PPO with a \$5 generic/\$40 preferred brand/\$80 non-preferred prescription drug card as a voluntary option for employees.

Effective January 1, 2012, the City shall establish a Cafeteria Plan Section 125 Flexible Spending Account (FSA) for qualified medical expenses compliant with all IRS regulations. Employees may elect to contribute into the FSA on a pre-tax basis up to a limit set by the employer in compliance with IRS regulations and Health Care Reform. Employees must establish their contributions each calendar year, and the amount may not be altered unless the employee experiences a qualifying event as defined by the IRS. The City shall not contribute into the employee's FSA for calendar year 2011, 2012 or 2013. Effective with calendar year 2014 the City's contribution into the FSA will be in accordance with Article IV Section 5.

Qualified purchases during the calendar year using FSA funds must be submitted for reimbursement no later than the last day of February the following calendar year. Any money contributed into the FSA and not spent will be forfeited by the employee.

Effective July 1, 2019 the FSA plan year shall be July through June to coincide with the medical plan year.

Qualified purchases during the plan year using FSA funds must be submitted for reimbursement no later than the last day of September following the close of the plan year June 30th. Any money contributed into the FSA and not spent will be forfeited by the employee, except for the amount allowed by IRS regulations.

The City reserves the right to self insure any and all medical insurance plans as described in this Collective Bargaining Agreement at the City's sole discretion.

Because the contract for July 1, 2011 through June 30, 2013 was settled prior to June 30, 2011, no State-mandated employee premium contributions shall be imposed for the life of the contract July 1, 2011 through June 30, 2013.

Effective July 1, 2011, the City shall comply with the State of Michigan Governor’s Economic Vitality Incentive Program by imposing 20% premium sharing for new hires OR the City’s share of the premium shall be cost competitive with the new state preferred provider organization health plan on a per-employee basis for new hires as required by the Economic Vitality Incentive Program. Effective with payroll check dated July 5, 2013 the City implemented 20% health care premium sharing for all full-time employees in accordance with Public Act 152, and Council Resolution passed at the Regular Meeting of December 17, 2012 and at the Regular Meeting of December 16, 2013.

Effective with payroll check dated July 14, 2017 the City reduced the health care premium sharing for all full-time employees from 20% to 10%. The 10% premium sharing and PA 152 opt-out by City Council will continue for the next contract effective July 1, 2018 and will not be subject to change or negotiations during the term of that contract; however, the moratorium on these issues will be no more than three (3) years and will be subject to negotiation no later than June 30, 2020.

- B) A coordination of benefits program with disclosure of other carriers shall be instituted. Each employee shall within one month after ratification of this Agreement provide the City with his or her spouse's name, social security number, employer, and the name of any hospitalization plan which is available to the spouse at place of employment. The City in conjunction with Blue Cross/Blue Shield will implement coordination of benefits pursuant to M.C.L.A. 550.251, et. seq. and the rules of the state insurance commission both of which are hereby incorporated by reference as though fully stated herein.

Blue Cross defines family to include you and/or your spouse and your children through the end of the calendar year in which they reach their nineteenth (19th) birthday.

Employees and eligible retirees may, at their option and at their own expense, upon proper notification to the Treasurer's Office, provide protection for other dependents under the family continuance and sponsored dependents' riders, such as: parents, blood relatives, members of their household, and for children over nineteen (19) years of age. Married employees whose spouses have hospitalization and surgical protection covering their entire family which is fully paid by the spouse's employer, will not be covered by Blue Cross/Blue Shield by the City, inasmuch as their family is already fully protected at no cost to them. In all other cases, the City will provide full protection to the employee and the employee’s family to the extent necessary to ensure that hospitalization and surgical protection will not involve a monthly charge to the employee.

- C) Prior to October 1, 2003, an employee may elect to receive a one-time only taxable payment of \$2,000 from the City in exchange for the employee's withdrawal from the City's health insurance plan indefinitely. City employees who are married to each other are not eligible to receive the "opt out" incentive.

An employee may elect to become reinstated to the City's health insurance plan prior to the next regular annual enrollment period if and only if he/she provides proof to the City that he/she has lost health insurance coverage or proof of a HIPAA qualifying event. The employee is not eligible to become

reinstated to the City's plan prior to the next regular annual period, unless he/she has lost health insurance coverage or provides proof of a HIPAA qualifying event.

In all cases where an employee who received the "opt out" payment wishes to become reinstated on the City's health insurance plan during the term of this Agreement, the "opt out" payment shall be amortized at a rate of \$200 per month. For example, if the employee opted back on the City's plan on December 1, the employee would reimburse the City \$1,400 (\$200/month) for the period of December through June. The employee will be required to reimburse the City for advance payments of the opt out incentive for each month during which the employee will be covered under the City's plan. The employee shall also reimburse the opt-out payment to the City according to the above schedule should his/her employment be terminated for any reason.

Effective October 1, 2003, the opt-out payment shall be increased to \$2,400 paid annually with the same proration provisions as listed above. Members who have received the 2002 opt-out payment at the previous rate of \$2,000 shall receive an offset for the increased payment for Fiscal Year 2002 – 03.

Effective February 10, 2014, the opt-out payment shall be increased to \$3,000 paid annually with the same proration provisions as listed above. Members employed as of February 10, 2014 who have received the Fiscal Year 2013 opt-out payment at the previous rate of \$2,400 shall receive an offset for the increased payment for Fiscal Year 2013 -14.

The opt-out incentive will be paid annually on the 2nd pay in July.

The "opt out" payment shall not be counted in final average compensation for the purpose of retirement.

- D) Hospitalization insurance for the spouse of the Police Chief, Deputy Police Chief or Fire Chief killed in the line of duty. The City of Madison Heights shall assume the full cost of hospitalization insurance for a spouse and any minor children under the age of 18 of the Police Chief, Deputy Police Chief or Fire Chief killed in the line of duty. Killed in the line of duty shall mean one who dies as a direct result of a violent act while engaged in the performance of his/her duties. The hospitalization insurance shall be the same as that which was in effect at the time of the employee's death.

The City's obligation to provide hospitalization insurance for the spouse and minor children under age 18 as provided herein shall terminate upon the earliest of the following conditions:

1. The remarriage of the surviving spouse,
2. The surviving spouse's cohabitation with an unrelated adult male or female, whichever the case may be,
3. The surviving spouse receiving hospitalization insurance from any other source whatsoever. To this end, coordination of benefits and disclosure of other carriers as provided in Section 1 of this Article shall apply.

For purposes of this section, a minor child(ren) shall be defined as the natural or adoptive child(ren) of the employee killed in the line of duty and the surviving spouse. Upon each minor child attaining the age of 18, the City's obligation to provide hospitalization insurance shall cease.

- E) (1) The City of Madison Heights will continue to pay the premiums for the employee’s existing health plan for any full time member of the bargaining unit and family who is disabled and unable to work as a result of an injury arising out of the course of employment for a maximum period of two years.
- (2) The City of Madison Heights will pay for the same coverage set forth in C-1 above for any member and family with at least one year of service who is disabled and unable to work as a result of a non-duty related injury or illness up to a maximum period of two (2) years beginning the month after the member is disabled.
- (3) For purposes of this Section, parts 1 and 2, whether or not a member is disabled will be determined according to standards established in the Michigan Worker's Disability Compensation Act.

F) HEALTH INSURANCE FOR RETIREES

- (1) Full-term retirement is defined as twenty-five (25) years of service with the City. The limitations set forth above shall continue to be in effect.

For eligible full-term employees retiring on or after January 1, 2012, the City shall provide Blue Cross Blue Shield Community Blue 4 (CB4) at retirement to those employees hired prior to September 28, 2009. Should Community Blue 4 not be available where the retiree lives, the City shall provide hospitalization insurance that is equal to or greater than the Community Blue 4 at no cost to the employee.

All eligible full-time employees and their spouses at the time of retirement who retire on or after January 1, 2012, shall receive a closed formulary \$5 generic/\$40 preferred brand/\$80 non-preferred brand prescription drug card provided the employee was hired prior to September 28, 2009.

All retirees retiring after February 1, 2014, and who are eligible for retiree health insurance as defined by this Collective Bargaining Agreement, shall receive the same prescription drug benefits afforded to active employees.

Employees who retire on or after March 9, 2019 who are eligible for retiree health care shall mirror the active employee health care plan as well as the prescription drug benefits afforded to active employees.

No retiree health insurance will be provided to any full-time employee hired on or after September 28, 2009. In lieu of health insurance, the employee shall receive a health care savings plan into which the City will contribute \$100 per month and the employee will contribute 8% of their base salary.

Effective October 26, 2015, the City contribution to the HCSP for bargaining unit members hired after September 28, 2009, shall be increased from \$100 per month to 3% of an employee's base pay.

All current employees may voluntarily contribute post-tax earnings into a Health Care Savings Program with 0% employer contribution, as allowed by the MERS plan.

Effective February 10, 2014, upon separation from employment with ten (10) or more years of service, all current employees shall contribute unused vacation or unused sick leave payable at retirement under Article IX and Article X respectively, into the HCSP account, with no withholding taxes, including FICA and Medicare, as allowable under IRS rules. The Union has elected to contribute 17% of eligible sick leave and vacation leave into the HCSP.

Upon termination of employment with the City, for any reason, the employee contribution portion of the account will be available for use on a tax-free basis for any medically related expense as permitted under IRS regulations. The employer contribution portion will be available to the employee for medically related expenses as permitted under IRS regulations, provided the employee satisfies the required seven (7) year vesting period.

Effective July 1, 2017, the employer contribution portion shall be available to the employee after a five (5) year vesting period.

For eligible employees who retire prior to March 9, 2019, members, regardless of retirement date, must enroll in Medicare Parts A and B when they become eligible.

Upon the attainment of Medicare age, retired members who are eligible for retiree health care and who retire on or after January 2, 2019 shall be provided a \$300 stipend per month per employee and per eligible spouse to purchase Medicare Supplemental insurance, at which point all City obligations shall cease.

Any member of the bargaining unit who has attained age fifty (50) as of January 1, 2019 shall be eligible to receive retiree health care with the above described changes, who is not otherwise eligible, as long as this election is made by January 1, 2019.

Effective with an open enrollment period as established and announced by the City after this Agreement is executed, the City shall offer to any member of the bargaining unit, who is eligible for retiree health care with less than twenty (20) years of credited service or in the case of a Public Safety Member less than twenty two (22) years of credited service the option to participate in a retirement health care buy-out program. Should a member choose to participate, the City shall deposit \$4,000 per year of credited service not to exceed twenty (20) years into a Retirement Health Care Savings (RHCS) Account, after which the employee shall be eligible to participate in the City's RHCS for all future years of service in accordance with the provisions below and the City's obligation to provide Retiree Health Care will be ended.

- (2) If a retiree obtains employment elsewhere said retiree will have the option of obtaining hospitalization with the subsequent employer or retaining the coverage as enumerated above. In no event will the employee be allowed to retain two or more separate hospitalization plans. In the event the retiree obtains, at his option, hospitalization insurance elsewhere, there shall be no liability with the City. Upon termination of subsequent employment the retiree, after giving notice to the City, will resume with the City, retiree hospitalization insurance as was in effect at the time of his retirement.

- (3) The City shall continue to provide hospitalization insurance to the spouse, upon the death of an eligible retiree retiring on or after December 9, 1991, unless the spouse shall remarry. If the spouse of a retiree, entitled to continued hospitalization insurance coverage under this subsection upon the retiree's death, obtains employment elsewhere following the retiree's death, said spouse shall have the option of obtaining hospitalization insurance with the subsequent employer or retaining the coverage enumerated above.

In no event will the spouse be allowed to retain two or more separate hospitalization insurance plans. In the event the spouse obtains, at the spouse's option, hospitalization insurance elsewhere, there shall be no liability with the City. Upon termination of subsequent employment, the spouse, after giving notice to the City, may resume with the City, retiree hospitalization insurance as was in effect at the time of the retiree's retirement.

SECTION 2. DENTAL INSURANCE

The City shall provide Delta Dental Premier dental program coverage to employees and dependents (spouse and eligible children) effective October 1, 2003.

Coverage as herein provided is Class I benefit basic dental services, Class II benefit, periodontic/endodontic dental services, and Class III benefit prosthodontic dental services, each at 85% in-network and 75% out-of-network

Effective October 1, 2003, the City will provide Class IV, orthodontia services, 50% with a maximum lifetime benefit of \$1,000.

The maximum benefit per person per contract year is \$1000 for both Class I and Class II benefits.

Effective October 1, 2003, the maximum benefit per person per contract year is \$1,500 for Class I, II and III benefits.

SECTION 3. DENTAL INSURANCE AT RETIREMENT

With full-time retirement on or after June 30, 1997, the City shall pay the premium for current basic dental coverage for retiree and spouse.

The City shall continue to provide dental insurance to the spouse, upon the death of a retiree retiring on or after July 1, 1997, unless the spouse shall remarry. If the spouse of a retiree, entitled to continued dental insurance coverage under this subsection upon the retiree's death, obtains employment elsewhere following the retiree's death, said spouse shall have the option of obtaining dental insurance with the subsequent employer or retaining the coverage enumerated above. In no event will the spouse be allowed to retain two or more separate dental insurance plans. In the event the spouse obtains, at the spouse's option, dental insurance elsewhere, there shall be no liability with the City. Upon termination of subsequent employment, the spouse, after giving notice to the City, may resume with the City, retiree dental insurance as was in effect at the time of the retiree's retirement.

The parties recognize that should a member have additional dental coverage, the maximum payment under this policy will be 100% of the covered costs. Under no circumstances, will the coordination of this policy with the member's other policy result in a payment in excess of 100% of the covered costs. In all cases where a member has other coverage, and the coverage amounts to more than 100% of the covered costs, this policy will be secondary to the member's other policy.

SECTION 4. OPTICAL INSURANCE

The City of Madison Heights shall pay the cost for the basic eye program as provided by Davis Vision Optical.

BENEFITS: Each eligible employee, spouse, all dependent children under 19 years of age and bona fide dependent college students are entitled to an eye examination and a pair of glasses, if needed, once every two years.

This plan provides single vision lenses or for wearers of bifocals a choice of kryptok or d-Seg 25mm bifocal lenses or trifocal lenses, in glass or plastic. There is an allowance of \$58.00 towards any frame

Or for patients who prefer contact lenses to glasses, there will be an allowance towards the total cost - a regular pre-contact exam plus \$40.00 towards contact lenses. This exam is a necessary prerequisite to determine if contact lenses are suitable for the patient.

Or for post cataract patients, there will be a \$50.00 allowance towards the total cost for lenticular lenses.

SURCHARGES: A patient selecting other items available in the optical office but not included in the plan (i.e., other multifocal lens types, oversize lenses, more expensive frame styles or indoor tints) would pay his/her own surcharge. A patient selecting frames not included in the funded plan would pay the marked price minus \$58.00.

There will be a lens surcharge on heavy prescriptions when the lens power exceeds 10.00 diopters spherical and/or 4.00 diopters cylindrical. Glasses will be available to wearers of corrective lenses only. This plan does not cover outdoor tints (sunglasses).

SECTION 5. PHYSICAL EXAMINATION REIMBURSEMENT

Effective with the Fiscal Year beginning July 1, 2003, the City shall reimburse \$125 each Fiscal Year for the purpose of an annual physical examination upon application and presentation of appropriate receipts, including prescription glasses and prescription contact lenses.

Effective October 1, 2003 any unused portion of the \$125 reimbursement may be applied to prescription drugs at \$10 per prescription during the annual reimbursement period from June 15 through June 30 for the current fiscal year. Valid receipts must be submitted to the Finance Department during this reimbursement period in order to receive the \$10 payment for each prescription.

Effective September 28, 2009, eligible dependents shall be included in the \$125 reimbursement program as described above. Eligible dependents shall be defined by the health insurance program guidelines.

Effective with the July 1, 2013 - June 30, 2017 Collective Bargaining Agreement, the physical examination reimbursement program shall be eliminated; instead, the City will provide \$125 into each employee's Flexible Spending Account (FSA) on an annual calendar basis, which may be utilized by the employee in accordance with FSA regulations and guidelines.

SECTION 6. ALTERNATE INSURANCE COVERAGE

The City has the right to go to an alternative insurance carrier provided coverage is equal to or greater than that provided by current insurance coverage.

SECTION 7. PATIENT PROTECTION AND AFFORDABLE CARE ACT /HEALTH CARE REFORM ACT OF 2010

The City shall comply with all provisions of the Patient Protection and Affordable Care Act/Health Care Reform Act of 2010 as they apply to both active employees and retirees, and as such health insurance plans are subject to change in order to remain in compliance with same and avoid penalties and subsidies.

The City reserves the right to maintain or institute cost containment measures relative to insurance coverage in order to remain in compliance with Health Care Reform, and the employer OR the Union may reopen the contract to address Health Care Reform issues only.

ARTICLE V - FAMILY AND MEDICAL LEAVE

Nothing in this Agreement shall supersede the City's policy to comply with the Federal Family and Medical Leave Act (FMLA).

ARTICLE VI - WORKER'S DISABILITY COMPENSATION

Provisions of the Michigan Worker's Disability Compensation Act shall apply in all accidents or injuries to members in the line of duty. Each member occupying a position of permanent full-time employee, who is unable to work as a result of an injury arising out of the course of his employment, shall receive full pay for the one (1) week waiting period required by the Worker's Disability Compensation Act, which shall not be chargeable to the employee's sick leave, provided, that if an employee does receive worker's compensation for the first week of injury, he/she shall pay over such compensation to the City of Madison Heights. Further payment shall be the amount provided under the Michigan Worker's Disability Compensation Act, to which the City shall add an amount in addition to the amount being received from the worker's disability compensation payment, which shall equal ninety percent (90%) of member's net pay at the time of the injury. Net pay referred to herein shall be the annual gross base less Federal and State income taxes, at the time of the injury. The employee shall have the option of using accumulated sick time or vacation time to make up the difference between ninety percent (90%) and one hundred percent (100%) of net pay. Sick pay shall then be charged at one-tenth (1/10th) of a day for each day used. Once established, the amount paid by the City shall not increase and two (2) years from the date of injury all City payments and benefits shall cease. If within said two (2) year period, the member shall become qualified for assistance under his/her retirement program, or if the member becomes able to work in some business or occupation other than his/her established occupation which will pay an amount substantially equal to or more than that allowed by his/her retirement program for total disability retirement, the City's amount shall be terminated. Ability to work in another business or occupation will be determined by a medical committee composed of one doctor selected by the City, one doctor selected by the Department Heads Union, and a third medical doctor selected by the first two doctors. The City and the Department Heads Union shall each pay for their own selected doctor and shall share equally the cost of the third doctor. Failure on the part of the disabled member to submit to such medical examination shall automatically terminate the City's obligation hereunder.

ARTICLE VII - LIFE INSURANCE

SECTION 1. Employees covered by this Agreement shall be entitled to group life insurance valued at \$25,000, fully paid for by the employer. The entire cost of the premiums for same shall be assumed and paid by the City of Madison Heights.

The City will pay the necessary premiums for continuation of insurance for any employee disabled, in accordance with the provisions set forth in the group insurance policy if said employee has been in the employ for one continuous year prior to the disablement. In the event that an employee is permanently disabled, the insurance shall be paid by the City up to the retirement age of the employee, provided that the employee is unable to obtain other employment reasonably equal to his/her City employment at the time of disablement.

SECTION 2. The City shall assume the cost of maintaining \$35,000 term life insurance on each member.

SECTION 3. Effective October 1, 2003, the City shall assume the cost of maintaining \$50,000 term life insurance on each member.

SECTION 4 LIFE INSURANCE AT RETIREMENT. Commencing July 1st, 1976, and upon retirement with a City pension, each employee shall be entitled to group life insurance valued at \$2,500. The entire cost of premiums for same shall be assumed and paid by the City of Madison Heights.

Effective with retirements on or after July 1, 1995, the retiring employee shall be entitled to group life insurance valued at \$10,000.

No retiree life insurance will be provided for employees hired from outside the City's workforce on or after July 1, 2011.

ARTICLE VIII - LONGEVITY PAY

SECTION 1. All employees covered by this Agreement who have completed five (5) or more years of service on a full time basis shall be paid longevity pay on their anniversary date according to the following schedule:

- 5 Years - but less than 10 years 2% of Base Salary
- 10 Years - but less than 15 years 4% of Base Salary
- 15 Years - but less than 20 years 6% of Base Salary
- 20 Years - and over 8% of Base Salary

SECTION 2. No employee hired from outside the City’s full-time workforce subsequent to July 1, 1997 shall be eligible for or receive longevity pay.

SECTION 3. Employees are permitted to remit all or a dollar portion of longevity pay into the City’s Deferred Compensation Plan (ICMA-RC) up to the maximum contribution allowable by law.

ARTICLE IX - VACATIONS

SECTION 1. All employees under this Agreement shall be granted a vacation without deduction of pay on their anniversary date.

Probationary employees shall earn no vacation privileges, however, at the completion of their probationary period, earned vacation time shall begin retroactive to the first day of hire.

SECTION 2. For purposes of vacation time computation, each employee shall be required to be on the payroll for a minimum of eighteen (18) days to make up one service month. Vacation shall be figured from the first month in which the employee has been on the payroll for at least eighteen (18) days.

SECTION 3. All full time employees hired prior to September 28, 2009 will receive vacation leave without loss of pay as follows:

1 through 4 Years	10 Days
5 through 9 Years	15 Days
10 through 14 Years	20 Days
15 through 19 Years	25 Days
20 Years	27 Days

All full time employees hired on or after September 28, 2009 will receive vacation leave without loss of pay as follows:

1 through 4 Years	10 Days
5 through 9 Years	15 Days
10 through 19 Years	20 Days
20 years.....	25 Days

SECTION 4. Annually, it is the obligation of individual members to reduce accumulated vacation time to a maximum of five weeks (i.e. 200 hours for 8-hour employee and 187.5 hours for 7.5 hours employee) by or prior to their anniversary date at which time they shall receive additional vacation time according to the above schedule.

In order that reduction in the maximum vacation accumulation set forth above shall not adversely affect a member's final average compensation, those members whose date of employment is prior to June 30, 1985, may, at their option, and after completion of twenty-three years of service or two years prior to retirement, whichever comes later, may accumulate vacation time to 280 hours for the eight-hour employee and to 262.5 for the seven-and-one-half-hour employee.

The time when employees' (other than Department Heads) vacations may be taken shall be determined by the Department Head who shall be governed by the employee's desire and the interest of public service. The time when Department Heads' vacation may be taken shall be determined by the City Manager who shall be governed by the Department Head's desire and the interest of public service.

SECTION 5. Upon separation of any employee from the City's service, either by resignation, layoff, or any other means, such employee shall be paid accrued vacation time up to and including all such time due. In the event of death of the employee, his or her personal representative shall be paid all vacation time due such employee. Any employee who separates himself/herself through unexcused absence without leave shall surrender all rights to a vacation.

ARTICLE X - SICK LEAVE

SECTION 1. All full time permanent employees shall be entitled to sick leave with full pay for one normal service day at straight time for each period of service equal to the department's service month; provided, however, that no employee shall be entitled to sick leave until completion of ninety (90) days employment. Provided, further, however, that any employee who has not completed six (6) months probationary period but who has completed at least three (3) months of service, shall be granted sick leave at the rate of one (1) day per month for each month's service completed for attendance at a funeral of an immediate member of the family, or documented illness if requested, and upon completion of their six (6) months probationary period shall be credited with any unused sick time accumulated.

Sick leave shall accrue monthly and shall be computed on the basis of not less than eighteen (18) normal service days per month. Such time shall first be computed from the date of appointment and thereafter, from the beginning of each fiscal year. Such leave shall accrue in terms of full days only, and shall not exceed twelve (12) days in one (1) year.

SECTION 2. (NON – FMLA SICK LEAVE)

- (A) An employee who finds it necessary to be absent from his/her work must obtain leave from his/her immediate supervisor so far as possible on the day before the contemplated absence. If it is not possible to do so, communication of the absence shall be made to the immediate supervisor within fifteen (15) minutes of the starting time of the shift or at least within the next two (2) hours after the starting time if no earlier notice is possible. Absence of an employee for three (3) consecutive workdays without leave or acceptable justification, shall be cause for immediate dismissal.
- (B) Evidence of illness or medical disability must be provided by a medical report for all sick leave of more than three consecutive days. For sick leave of three consecutive days or less, the City may require a medical report prior to approval of said sick leave. In any case, the City may require examination by a physician selected by the City prior to granting paid sick leave or prior to the employee's return to work.
- (C) Sick leave may be allowed in cases of sickness or injury occurring during the vacation period. Evidence of such incapacity from the first day must, however, be provided to the satisfaction of the Department Head and the City Manager.
- (D) Sick leave shall not be charged against the employee's current or special reserve bank in amounts of less than one (1) hour for any absence.
- (E) One (1) day sick leave may be allowed in the event of serious illness of the husband or wife of the employee, or serious illness of a child of the employee, when necessary to arrange for additional help at home or transportation to a hospital or a doctor. Prolonged illness of a family member shall not be cause for the use of sick leave unless previously approved by the Department Head and City Manager.

- (F) It is agreed between the Union and the City that sick leave can be used for the purposes mentioned above and that falsely reporting sick leave so that an employee can work at another job shall be cause for an automatic ten (10) day suspension on first offense, and immediate dismissal for second offense without recourse to the grievance procedure outlined herein.
- (G) Upon retirement with a City pension one half (1/2) of the employee's accumulated sick time will be paid to that employee. In the event of death of an employee, one half (1/2) of the earned sick time will be paid to that employee's beneficiary.
- (H) Effective February 10, 2014, payout of sick leave as outlined in section (G) shall only occur if employee who is separating from employment has a minimum fifteen (15) years of service, or qualifies for a full pension (55 years of age with minimum 15 years of service; 60 years of age with minimum 10 years of service), or in the event of layoff.

Sick leave may not be granted in anticipation of future service. Recognized holidays falling within a period of sick leave shall not be counted as sick days.

ARTICLE XI - WAGE INSURANCE

SECTION 1. A "short term" and "long term" health and accident wage insurance policy shall be purchased through the City of Madison Heights. Said policy shall pay sixty percent (60%) of the employee's weekly wage after a sixty (60) calendar day waiting period and said payments shall continue until the age of sixty-five (65) provided the employee continues to be qualified, or until the employee is eligible for pension benefits, or until the employee obtains employment reasonably equal to his/her City employment and; provided further, that at the option of the employee, the sixty-day waiting period may be extended by the use of accumulated sick leave, vacation time or compensatory time.

In the event of an inadvertent delay of more than fourteen (14) days in the receipt of the insurance check, the City, upon request of the employee, will provide to the employee an advance equal to the amount of the insurance check provided that the employee will assign said insurance check to the City upon receipt thereof; and provided further, that the entire amount advanced by the City shall be repaid by the employee within 60 days from the date of the advance.

Any benefits from social security, worker's disability compensation or other similar sources shall be deducted from the wage insurance benefits so that an employee will receive a total of no more than sixty percent (60%) of his regular weekly gross wage.

This wage insurance policy shall be fully paid by the employer.

The City shall pay the hospitalization insurance premium for a period not to exceed two years beginning on the date the employee goes off work. If the employee is able to use leave time to achieve eighteen (18) service days during the 60-day waiting period for disability insurance, then the six-month coverage period for hospitalization insurance begins when the employee receives disability insurance. Otherwise, the six-month coverage period for hospitalization insurance begins on the date of the non-work related illness or injury.

SECTION 2. The employee shall continue to receive the maximum of twelve (12) earned sick days per year, provided the employee is not on long term or short term insurance. All sick days accumulated during the contract year in excess of forty-eight (48) days shall be 'bought back' by the City at fifty percent (50%) of the employee's wage rate during the year the sick time is earned.

EXAMPLE: If an employee had accumulated forty-eight (48) days sick time by July 1, 1988, and accumulates another twelve (12) days but does not use any of these sick days during the contract year, the City shall buy back all twelve (12) days at fifty percent (50%) of the employee's wage rate. If, for example, an employee on July 1, 1988, had accumulated forty (40) days sick leave and earns twelve (12) days during the year, but does not use any of the sick leave, he/she will have accumulated an excess of four (4) days which shall be bought back by the City at fifty percent (50%) of the employee's wage rate. Payment shall be made between July 15th and July 30th following the end of each fiscal year. The fifty percent (50%) buy back is fifty percent (50%) of the employee's daily gross wage, excluding all differentials, premiums and longevity adjustments in effect on the last day of the fiscal year.

The above stated "buy back" of sick time shall be separate and distinct from the employee's "short term" and "long term" health and accident wage insurance policies, and, further, the number of accumulated sick days shall in no way affect the insurance policies.

SECTION 3.

An employee may request in writing a negative sick bank of up to a maximum of forty-eight (48) days subject to all of the following terms and conditions:

- 1) The employee must have a minimum of ten (10) years of service.
- 2) The employee must be disabled as a result of a second non-duty injury or illness which occurs within four (4) years of the date of the employee's return to work from being disabled as a result of a first non-duty injury or illness.
- 3) The employee must first utilize all accumulated sick time and accumulated compensatory time; provided, however, that with respect to accumulated compensatory time, an employee may, at his/her option, substitute an equal amount of vacation time for accumulated compensatory time.
- 4) The maximum number of negative sick days shall be equal to the number of work days which the employee was off, whether paid or unpaid, during the first sixty (60) day waiting period, subject to the provisions of the next paragraph.
- 5) During the four- (4) year interval following the employee's return to work, the maximum number of negative sick days shall be reduced as follows:
 - A) From the date of the employee's return to work to the first anniversary thereof
-- Maximum negative sick days of forty-eight (48).
 - B) From the first anniversary date of the employee's return to work to the second anniversary thereof
-- Maximum negative sick days of thirty-six (36).
 - C) From the second anniversary date of the employee's return to work to the third anniversary thereof
-- Maximum negative sick days of twenty-four (24).
 - D) From the third anniversary date of the employee's return to work to the fourth anniversary thereof
-- Maximum negative sick days of twelve (12).

ARTICLE XII - BEREAVEMENT LEAVE

- A) All employees shall be granted bereavement leave without deduction of pay of three (3) days for attendance at a funeral of the employee's spouse, mother, father, sister, brother, children, grandparents, mother-in-law, father-in-law, brother-in-law and sister-in-law, stepmother and stepfather, son-in-law, daughter-in-law, and grandchildren.
- B) If the funeral is 250 miles or in excess thereof from the City of Madison Heights, one additional bereavement day will be granted, non-chargeable, plus the employee may take one additional bereavement day which shall be deducted from his/her accumulated sick leave or vacation days.
- C) In the event of the death of aunts, uncles, and relative living in the same household regardless of relationship, employees may be granted absence not to exceed three (3) days to make arrangements or attend the funeral and such absence shall be chargeable to accumulated sick leave or vacation days.
- D) Members shall be entitled to one day off with pay in the event of the death of a niece or nephew where their attendance is required at the funeral.
- E) The "non-chargeable" bereavement leave provision shall not be construed as additional leave time and shall be used only for attendance at funerals as defined in *Paragraph (A) above*. Attendance at a funeral on Saturday, Sunday or holidays cannot be charged to non-chargeable bereavement leave, accumulated sick leave or accumulated vacation time in the form of additional leave days.
- F) Non-chargeable leave shall not extend to more than one (1) day after interment.
- G) Non-chargeable bereavement leave is not accumulative and may not be carried over into the next fiscal year.

ARTICLE XIII - WORK WEEK

An employee's regular normal work week shall be as follows:

CLASSIFICATION "A "

Minimum forty (40) hours per week :

Fire department and police department employees.

The normal working hours for the Police Chief, Fire Chief, and Deputy Police Chief shall be the same as those during which the City Hall is open currently 8:00 a.m. to 4:30 p.m.

CLASSIFICATION "B"

Minimum thirty-seven and one-half (37 1/2) hours per week:

All other personnel within the jurisdiction of this contract.

ARTICLE XIV - GRIEVANCE PROCEDURE

SECTION 1. It is mutually agreed that all grievances, disputes, or complaints arising under and during the terms of this Agreement shall be settled in accordance with the procedure herein provided and that there shall at no time be any strikes, tie-ups of equipment, slow downs, walk outs, or any other cessations of work by the Union or the members thereof and that the City shall not use any method of lock out or legal procedure to prevent the employees from performing their duties except as specifically agreed to in other superseding sections of this contract. Every effort shall be made to adjust controversies and disagreements in an amicable manner between the City and the Union.

SECTION 2. Should any grievance, disputes, or complaints arise over the interpretation or application of the contents of this Agreement there shall be an earnest effort on the part of the parties to settle such grievance, disputes or complaints promptly through the following steps:

A) *STEP 1 -*

Grievances shall be filed within three (3) working days or within three (3) days of knowledge of incident. The employee and/or Union representative shall discuss the complaint with his/her immediate supervisor who shall attempt to resolve the grievance.

If a settlement cannot be reached verbally, the grievance shall be put in writing to the immediate supervisor. The immediate supervisor shall attempt to arrive at an equitable solution within three (3) days.

B) *STEP 2 -*

If the employee and representative are unable to reach an agreement, the grievance shall, within fourteen (14) days, be put in writing and submitted to the City Manager. Within fourteen (14) days after receiving said communication, the City Manager shall answer said grievance in writing.

C) Grievances must be taken up promptly and no grievance will be considered or discussed which is presented later than three (3) days, exclusive of Saturday, Sunday and holidays, after such alleged grievance has taken place, or three (3) days after the employee should have become aware of it.

D) Notwithstanding the proceedings, it shall be the right of the individual employee at any time to process grievances and have the grievance adjusted without intervention of the bargaining representative, so long as the adjustment is not inconsistent with the terms of this Collective Bargaining Agreement.

E) The president of the Union or designated representative of the Union shall be allowed reasonable time for the investigation and presentation of grievances with the City in accordance with the provisions of this Agreement. Before leaving his/her place of work the employee must receive permission to do so from his/her superior which permission shall be granted within the twenty-four (24) hours next following the request; such time shall be allowed without loss of pay. The representative shall report to the superior upon completion of the investigation.

- F) Any individual employee or group of employees who willfully violate or disregard the grievance procedures set forth herein may be subject to disciplinary action by the City without recourse to the provision of the grievance procedure outlined herein.

SECTION 3. ARBITRATION

- A) If the Union does not accept the answer of the employer at City Manager level, the Union shall within fourteen (14) days after the receipt thereof furnish the employer with written notice that the Union desires to proceed to arbitration. The parties shall attempt to mutually agree upon an arbitrator, but if no such agreement has been reached within ten (10) days after the receipt of the aforesaid notice by the employer, the Union shall initiate procedures for the selection of an arbitrator as provided by the American Arbitration Association. Those employees employed under the provisions of Michigan State Act 78 shall be entitled to all of the protection and rights enumerated in that Act and Act 78 shall apply to those employees in any situation where the said Act is in conflict to the provisions stated under this contract. Said employees may in no case elect both remedies.
- B) All proceedings relating to any arbitration, regardless of the method used to select the arbitrator, shall be pursuant to the voluntary rules of labor arbitration published by the American Arbitration Association. The parties may in any case agree in writing to abide by the expedited rules published by said Association.
- C) The arbitrator shall have no authority to add to, subtract from, change or modify any provisions of this Agreement. However, nothing contained herein shall be construed to limit the authority of the arbitrator, in his judgement, to fashion any remedy necessary to make the grievant whole. The arbitrator shall only make an award in favor of any grievance upon an express finding of a violation of this Agreement.
- D) The decision of the arbitrator shall be final and binding and may be enforced in any court of competent jurisdiction.
- E) All costs of any arbitration shall be borne equally by the two parties. Each party shall be responsible for the expenses of its own witnesses. The City will pay the salary of any two (2) members to attend a hearing, which may include grievant at a hearing.
- F) In those areas where Act 78 of the Public Acts of 1935 applies, employee may elect this remedy or arbitration under this Agreement, but not both.

ARTICLE XV - SENIORITY

Seniority (i.e. City longevity) of a new employee shall be commenced after the employee has completed a probationary period of six (6) months, and shall be retroactive from the date of his employment. However, all time worked shall be considered in seniority for longevity and probationary rights only when employed on a permanent basis. This does not apply to pension rights or vacation.

Failure to achieve eighteen (18) normal service days in a calendar month (i.e. be on the payroll) shall result in the adjustment of the employee's longevity date to reflect the period off the payroll.

ARTICLE XVI - PROMOTIONS

SECTION 1. Promotions will be granted on the basis of ability to perform. Any openings shall be posted in all departments for five (5) working days. Promotion to Chief and Deputy Chief of the Police Department and to Chief of the Fire Department shall be excluded from the provisions of Act 78 of 1935 as amended provided that such positions shall be filled by a member of the respective department in accordance with the criteria set forth herein.

SECTION 2. Persons promoted to or employed in the positions of Fire Chief, Police Chief, or Deputy Police Chief shall be required to reside no farther than twenty (20) miles of the nearest border of the City of Madison Heights or shall establish such residency within six (6) months of such promotion or employment.

ARTICLE XVII - OVERTIME

SECTION 1. Compensatory time off shall be computed in the following manner for employees under this contract except that overtime accumulated prior to July 1, 1979, shall be controlled by prior contracts:

- A) Those employees under this contract shall be allowed to accumulate up to one-hundred-sixty (160) hours compensatory time at the rate of one-and-one-half (1-1/2) the actual hours worked.
- B) Effective July 1, 2011, employees under this contract shall be allowed to accumulate up to two hundred (200) hours compensatory time at the rate of one-and-one-half (1-1/2) the hours actually worked.
- C) Compensatory time off must be authorized by the City Manager for Department Heads and by Department Heads for other bargaining unit members.
- D) Upon separation of any employee from the City's service, either by resignation, layoff, or any other means, such employee shall be paid accrued overtime up to and including all such time due, up to a maximum of one-hundred-sixty (160) hours.

Time worked, such as beginning work fifteen (15) or thirty (30) minutes early to get paperwork or assignments ready, or working beyond the normally scheduled work day by a half (1/2) hour or so to finish up the day's work, shall be considered as casual time worked and shall not be compensated for.

For Public Safety Members effective January 1, 2019 and Non Public Safety Members effective May 1, 2019, this article shall be amended as follows:

Hours of Employment: The normal work schedule shall be forty (40) hours each week for public safety employees. The normal work schedule shall be thirty-seven and a half (37.50) hours each week for non public safety employees. The City Manager shall establish regular working hours, and employees are expected to be available for and at the City as needed. Employees may flex their hours. The Parties agree that Management and the Union shall establish a policy for the use of flex time after Council approval of the 2018-21 Collective Bargaining Agreement on March 25, 2019.

Public Safety Members as of the date of January 1, 2019 shall be permitted to maintain a bank of one hundred and sixty (160) CTO hours, which shall be converted at separation as provided under the Collective Bargaining Agreement.

SECTION 2. Retirees required to attend court on behalf of the City will be compensated at their last straight time hourly rate preceding their retirement. All subpoena fees received by the retiree shall be remitted to the City of Madison Heights.

ARTICLE XVIII(A) - HOLIDAYS

Effective July 1, 2011, the recognized holidays under this contract shall be:

Independence Day	Day before Christmas Day
Labor Day	Christmas Day
Thanksgiving Day	Day before New Year's Day
Day after Thanksgiving Day	

Effective December 31, 2013, the recognized holidays under this contract shall be:

President's Day	Day before Christmas Day
Good Friday	Christmas Day
Memorial Day	Day before New Year's Day
Thanksgiving Day	

Effective December 31, 2014, the recognized holidays under this contract shall be:

Good Friday	Christmas Day
President's Day	Day Before Christmas
Thanksgiving Day	Day Before New Year's
New Year's Day	

Effective July 1, 2015, the recognized Holidays shall be:

Martin Luther King Day	Thanksgiving Day
President's Day	Day After Thanksgiving
Good Friday	Christmas Eve
Memorial Day	Christmas Day
Independence Day	New Year's Eve
Labor Day	New Year's Day

To be eligible for holiday pay an employee must work the regularly scheduled day before the holiday and the regularly scheduled day after the holiday, provided, however, this requirement will not apply with respect to any holiday falling within an employee's authorized vacation period; and provided, further, that if an employee's name is on the payroll and he/she is paid for the day before and the day after a holiday, it will be considered as a day worked.

Should one of the holidays fall on Saturday, Friday shall be recognized as the holiday. If holidays fall on Sunday, Monday shall be recognized as the holiday.

ARTICLE XVIII(B) – UNPAID HOLIDAYS

Effective July 1, 2011, the recognized UNPAID holidays under this contract shall be:

New Year's Day
Martin Luther King Day
President's Day
Good Friday
Memorial Day

Effective December 31, 2013, the recognized UNPAID holidays under this contract shall be:

New Year's Day
Martin Luther King Day
Independence Day
Labor Day
Day After Thanksgiving Day

Effective December 31, 2014, the recognized UNPAID holidays under this contract shall be:

Martin Luther King Day
Memorial Day
Independence Day
Labor Day
Day After Thanksgiving Day

Effective July 1, 2015 all unpaid holidays shall be eliminated (see Article XVIII (A) above).

Should one of the unpaid holidays fall on Saturday, Friday shall be recognized as the unpaid holiday. If unpaid holidays fall on Sunday, Monday shall be recognized as the unpaid holiday.

ARTICLE XVIIIIC. PERSONAL LEAVE DAYS

SECTION 1. An employee, with prior approval from the Department Head and/or City Manager will be granted four (4) personal leave days off (except for police and fire employees, who will receive six (6) such personal leave days.) Such personal leave days shall not accrue and shall not be carried forward from the fiscal year in which they were earned.

The use of personal leave will be allowed in conjunction with vacation and/or holiday leave provided that the request otherwise meets the requirements for use of personal leave as set forth in the Collective Bargaining Agreement.

SECTION 2. Personal leave time shall be made available to the employee from the first of the contract year for usage. However, should an employee terminate employment with the City, such days shall be prorated to one day per quarter of a contract year. Should an employee use more than the one personal day per quarter before the termination, the employee shall repay all days used in excess of the accrual.

ARTICLE XIX - RETIREMENT

SECTION 1. NON-POLICE AND FIRE EMPLOYEES (MERS)

The City shall provide, for members of the bargaining unit other than Police and Fire members, retirement pension benefits as provided in the rules and regulations of the Municipal Employees Retirement System, Plan B-3 with FAC-3 and F-55 rider. All employees except Police and Fire are required to participate in this pension plan. The City shall pay the employee portion of the cost of the pension plan.

Effective with retirements on or after July 1, 1994, the plan shall be the Municipal Employees Retirement System Plan B-4 with FAC-3 and F-55 riders.

Effective October 1, 2003, the employer will contribute on an annual calendar year basis 2.53% of base salary to a qualified 457 deferred compensation plan account.

Effective July 1, 2011, the employee pension contribution shall be 2.5% on a pre-tax basis.

Employees hired on or after September 28, 2009, shall have a Defined Contribution pension program as defined under IRS regulations. The City shall contribute 7.0% of the employee's base wage. Employees shall contribute 8% of base wage (currently on a tax-free basis). Employee contributions shall be available to the employee upon separation of employment for any reason; employer contributions shall be available to the employee based upon the following graded vesting schedule:

3 years but less than 4 years vested	= 25% of employer contributions
4 years but less than 5 years vested	= 50% of employer contributions
5 years but less than 6 years vested	= 75% of employer contributions
6 years or more vested	= 100% of employer contributions.

For employees hired on or after September 28, 2009, the City may choose to convert the Defined Contribution plan to a Hybrid plan. The DB portion will have a 1% multiplier and the DC portion will be fully funded by the employee at 2% of base pay. The DB portion will be employer-only funded with a six (6) year vesting period, FAC based on the last three (3) years of service, age 60 retirement, no early reduction of benefit, and no post retirement benefit increase.

SECTION 2. POLICE AND FIRE EMPLOYEES (ACT 345)

Pension for Police and Fire members promoted into the Bargaining Unit after July 1, 2019 shall have benefits as provided for in either the Police Command or Fire Fighters Union contract.

The Parties agree that should a member participate in the Retirement Health Insurance Opt Out Program as provided in the 2018 – 21 Collective Bargaining Agreement, they shall be exempt from any pension changes during the course of the 2018 – 21 Collective Bargaining Agreement.

- A) Employees entitled to retirement benefits under Michigan State Act 345 (i.e. Police Chief, Deputy Police Chief, Fire Chief) shall be entitled to the following options under that act; including early retirement as provided by Council and/or Retirement Board resolution and, in addition:

- (1) Employees under this contract who have previously added their military time to their seniority, or who have made application to do so, for purposes of retirement upon payment to the City Treasurer of five percent (5%) of their current salary times the number of years so claimed must complete any necessary transaction by June 30, 1980, at which time this military time buy back provision shall become null and void.
- (2) Their final compensation shall be averaged over the three (3) highest years of the last ten (10) years to determine the amount of said retirement benefits.

Commencing on July 1, 1995, upon subsequent retirement from service following completion of 25 years of service, a member shall receive a retirement pension payable throughout the member's life of 2.8% of the member's final average compensation multiplied by the first 25 years of service credited to the member, plus 1% of the member's final average compensation multiplied by the number of years, and fraction of a year, of service rendered by the member in excess of 25 years.

Further, on July 1, 1995, the employee contribution to the retirement system shall increase from 5% to 11.94% of payroll. The association further agrees and understands that the 6.94% increase is based on the actuarial valuation done by Gabriel, Roeder, Smith & Company, actuaries and that this valuation is based on a thirty year amortization for member contributions only.

Effective October 1, 2003, the employee contribution to the retirement system shall be reduced from 11.94% to 9.41%.

Effective July 1, 2011, the employee contribution to the retirement system shall be increased from 9.41% to 11.91% on a pre-tax basis.

Effective with payroll check dated October 30, 2015, the employee contribution to the retirement system shall be reduced from 11.91% to 8.9%

Average compensation commencing on July 1, 1985 shall not include any monies paid or due to be paid by the City for sick leave which have been accumulated and banked, nor shall average compensation include more than thirty-five days of accumulated and/or current vacation pay nor shall average compensation include more than one hundred and sixty (160) hours of accumulated compensatory time, but FAC shall include payment for overtime not related to compensatory time, and payments for shift differential, court time, holiday pay, call-in, longevity, cost of living allowance, uniform allowance, education incentive, and annual buy-back of sick leave.

An employee, regardless of the method of pension calculation, shall receive all accumulated sick leave and vacation monies due and owing on retirement. An employee may at his/her option elect to leave prior to his/her normal retirement date by utilizing any accumulated vacation leave and/or compensatory time.

- B) No employee hired on or after January 1, 1984 shall have any accrued vacation used for purposes of computation of final average compensation.

- C) (1) Employer pickup: the City shall pick up the employee contributions required of employees for all compensation earned after the effective date of this provision, July 1, 1995. The contributions, so picked up, shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code. The City shall pick up these employee contributions from funds established and available in the employees deferred pension contribution account, which funds would otherwise have been designated as employee contributions and paid to the retirement fund. Employee contributions picked up by the City, pursuant to this provision, shall be prorated for all other purposes, in the same manner and to the same extent, as employee contributions made prior to the effective date of this provision. Pursuant to Section 414(h) of the United States Internal Revenue Code, these employee contributions so picked up shall not be included in total income for income tax purposes.
- (2) With respect to this plan amendment and the "pickup" of employee pension contribution set forth in paragraph (C1) above, it is expressly understood and agreed as follows:
- i. This plan amendment is being adopted for the purpose of allowing employees to take advantage of IRS code provisions which permit government employees to tax shelter their pension plan contributions.
 - ii. The actual current and future total salary of the employees will not be affected by the plan amendment.
 - iii. Employee contributions will be withheld from actual total salary and paid to the plan, as has been the practice in the past.
 - iv. Actual total salary will continue to serve as the basis for determining the amount of salary related fringe benefits, including retirement benefits.
 - v. Total salary taxable for federal income tax purposes (salary reported on form W-2) for the employee will be equal to actual total less the employee contribution to the pension plan and further reduced by any deferred compensation under a Section 457 Plan.
 - vi. The City will maintain information, which will permit identification of the amount of employee contributions made before and after the plan amendment. This is necessary in order to determine the extent to which a pension plan distribution is taxable income to the employee at the time the distribution is received.
 - vii. The Plan amendment is being accomplished through the collective bargaining process rather than a change in State law.

- viii. An employee does not have the option of choosing to receive the contributed amounts directly instead of having them paid by the City to the retirement system.

D) ANNUITY WITHDRAWAL

A member retiring with twenty-five years of service may, at the member's option, elect to receive a refund of the member's accumulated contribution including interest on the effective day of their retirement.

The member's pension shall be reduced by an amount, which is the actuarial equivalent to the refunded accumulated contribution including interest. The actuarial equivalent amount shall be computed on the basis of the 1971 group annuity, male mortality table and an interest rate equal to the weighted average yield to maturity of the Merrill Lynch Corporate and government master bond index, published monthly by Merrill, Lynch, Pierce, Fenner and Smith, Inc. as provided by the actuary firm for the retirement system.

Effective with the fiscal year beginning July 1, 1995, each member shall no longer be credited with two percent (2%) interest on the member contributions. Instead, as of June 30 of each year, the percentage increase or the percentage decrease, if any, in the market value of the reserve for employee contributions since the last annual adjustment and all income on the reserve for employee contributions for the period shall be credited to or reduced from each member's contribution account, whichever the case may be, which shall be determined by the ratio that each account balance bears to all member contributions in the reserve for employee contributions.

Effective July 1, 2015, the pension interest on member contributions shall be calculated at 3.5%.

- E) The parties agree that hospitalization insurance for Act 345 retirees shall be paid through the retirement system and funded by the police-fire retirement millage levy.

ARTICLE XX - TUITION REFUND & OUT-OF-STATE JOB RELATED CONFERENCES

SECTION 1.

The City shall assume the full cost of tuition for any employee who pursues a course that has a direct relationship to his/her work, which has been approved by the Department Head and/or City Manager. If such tuition is granted to an employee and that employee terminates employment with the City within twelve (12) months after completion of the course, the amount of tuition paid by the City will be deducted from his/her final pay. It shall be the policy of the City to allow Department Heads in good standing in the national association representing their job related activities to attend that national convention within the continental limits of the United States, whether it be in the State of Michigan or any state, except Alaska and Hawaii, if funds for such are appropriated in the budget at the time of the convention and, if in the opinion of the City Manager, the employee can be spared from his/her job for that period of time.

SECTION 2.

Tuition reimbursement shall be provided in accordance with the following schedule:

Grade of B or better	100% reimbursement
Grade from C to B-	75% reimbursement
Grade below C	not eligible for reimbursement

All approved courses offered only on a pass/fail basis will be subject to 100% reimbursement upon the member passing the course.

ARTICLE XXI - ALLOWANCES

Allowances for cars, uniform, and food are deleted and replaced with a single lump sum of \$300.00, which shall be rolled into the annual wages effective July 1, 1979.

No further payment will be made.

Effective July 1, 1994, the annual uniform allowance shall be \$1,075. The annual uniform allowance shall be \$500 for a Police Chief, Deputy Police Chief, or Fire Chief hired on or after July 1, 1994, except that this provision shall not apply in the event that a Deputy Police Chief hired before July 1, 1994 is promoted to Police Chief.

Effective July 1, 2002, the annual uniform allowance shall be \$1,075, with the understanding that uniforms are to be worn except for activities outside the office and specified casual days, as approved by the City Manager.

The taxability of the uniform allowance shall be governed by Internal Revenue Service rules.

Due to the public safety nature of their responsibilities, the Police Chief, Deputy Police Chief and Fire Chief are permitted the take-home use of a City vehicle to the extent described below:

- (A) If the employee resides within Madison Heights, the employee will receive commute privileges and personal use within Wayne, Oakland and Macomb Counties.
- (B) If the employee resides outside Madison Heights but within twenty (20) miles of the nearest Madison Heights border, excluding Canada, the employee will receive commute privileges between home and the work place. No personal use will be allowed.
- (C) There shall be no take home vehicle privilege for employees residing outside of the twenty (20) mile radius from Madison Heights.

For those employees limited to commute privileges only, the use of a City vehicle shall be limited to the use of the vehicle during scheduled work days, to perform job required assignments, or as required in the performance of official duties.

Effective with Council approval of the 2018 – 21 Collective Bargaining Agreement on March 25, 2019, the Police Chief, Fire Chief and Deputy Police Chief shall receive commute and incidental personal use vehicle privileges should they reside within a twenty-mile radius of Madison Heights. Such vehicle privileges shall be subject to IRS regulation.

If, at any time, it is determined in the judgment of the City Manager that the personal or commute privilege has been abused, the personal or commute privilege may be revoked at the discretion of the City Manager subject to the grievance procedure contained in Article XIV herein.

ARTICLE XXII - MANAGEMENT RIGHTS

SECTION 1. It is recognized that the management of the City, the control of its properties and the maintenance of order and efficiency, is solely the responsibility of the City. Other rights and responsibilities belonging to the City are hereby recognized, prominent among which, but by no means wholly inclusive are: work to be performed within the unit; amount of supervision necessary; material and equipment selection; methods; schedules of work; together with the selection of, procurement of, designing, engineering and the control of equipment and materials, contract or otherwise.

SECTION 2. It is further recognized that it is the responsibility of the City for the selection and the direction of the individual employees in each department, including the right to hire, suspend, or discharge for just cause, assign, promote or transfer, to determine the amount of overtime to be worked, subject to the seniority rules, grievance procedure and other express provisions of this Agreement.

SECTION 3. The City retains the right to regulate who is a part-time employee and who is a full-time employee, and to determine the number of hours that establish part-time employment. Full-time bargaining unit members as of July 1, 2011 shall not be reduced to part-time during the life of this Agreement.

ARTICLE XXIII - WAGES

SECTION 1. Attached hereto, and marked Schedule “A”, “B” and “C” are Schedules that shows the classification and wage rates of the employees covered by this Agreement. It is mutually agreed that said Schedule “A” , “B” and “C” and the contents thereof shall constitute a part of this Agreement.

Effective with the incumbent City Clerk’s separation from employment, the City Clerk position shall be regraded from Grade 006 to Grade 009, with the following wage scale based upon the July 1, 2001 – June 30, 2002 wage grades:

<u>Start</u>	<u>6 Months</u>	<u>12 Months</u>
\$59,554	\$62,777	\$66,000

SECTION 2. Effective February 10, 2014, direct deposit shall be mandatory for any and all payroll checks from the City including special pays (e.g. longevity, medical opt-out incentive, etc.)

SECTION 3. Effective as soon as practicable after the date of Council approval of the 2018-21 Collective Bargaining Agreement on March 25, 2019, each member shall receive a one-time taxable signing bonus of \$500, which shall not be rolled into base wage.

The parties agree that effective March 4, 2019, the position of Deputy DPS Director shall be moved from Grade 8 to Grade 6 of the Salary Scale in recognition of the additional duties assigned by the City as it relates to Roads, Streets, Sidewalks and Engineering tasks that were previously assigned to the CDD Director that retired on January 15, 2019.

The parties agree that effective the date of Council approval of the 2018 -21 Collective Bargaining Agreement on March 25, 2019, a new position of Superintendent of Facilities and Public Services shall be established at Salary Grade 8.

ARTICLE XXIV - MATERNITY LEAVE

Nothing in this Agreement shall supersede the City's policy to comply with the Family and Medical Leave Act (FMLA).

ARTICLE XXV - SEVERABILITY

It is the intent of the City and the Union to write a valid workable Agreement. Should any Article or Section of this contract or of any rider attached thereto be held invalid by any court of competent jurisdiction, the remainder of the Agreement shall be held completely separable and continue to be in full force and effect.

In accordance with Public Act 4 of 2011 which amends the Public Employment Relations Act 336 of 1947 423.215 Section 15, the parties hereby acknowledge and agree that an emergency financial manager may be appointed under the local government and school district fiscal accountability act, 2011 PA 4, MCL 141.1501 to 141.1531, and the emergency financial manager is allowed to reject, modify, or terminate this Collective Bargaining Agreement as provided in the local government and school district fiscal accountability act, 2011 PA 4, MCL 141.1501 to 141.1531. The parties acknowledge that these required provisions are prohibited subjects of bargaining under this Act.

The City acknowledges that the Union retains all rights to challenge Public Act 4 of 2011.

ARTICLE XXVI - TERMINATION OF AGREEMENT

SECTION 1. This Agreement shall be in full force and effect from July 1, 2018 to and including June 30, 2021. This contract shall continue in full force and effect from year to year thereafter unless written notice of a desire to cancel or terminate this Agreement is served on either party by the other party at least sixty (60) days prior to the date of the adoption of the City budget for the ensuing fiscal year in which this Agreement expires.

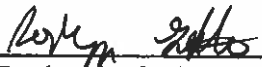
SECTION 2. In the event of an inadvertent failure by either party to give notice as set forth in Section 1 of this Article, such party may give notice at any time prior to the termination of the automatic renewal date of this Agreement. If such written notice is given in accordance with the provisions of this Section, the expiration date of this Agreement shall be the sixty-first (61st) day following such notice.

SECTION 3. The parties agree that contract negotiations shall begin no less than 120 days prior to the expiration of the contract.

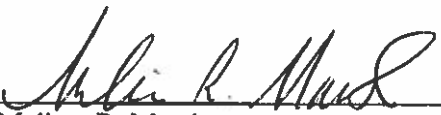
In witness whereof, the parties have hereto set their hands and seals this 14th day of December, 2020 A.D.


CITY
MADISON HEIGHTS, MICHIGAN

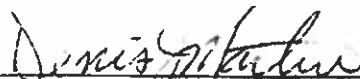
UNION
DEPARTMENT HEADS UNION

BY: 
Roslyn Grafstein
Mayor

BY: 
Gregory Lello
President

BY: 
Melissa R. Marsh
City Manager

BY: 
Tim Pawlowski
Vice-President

BY: 
Denis Martin
AFSCME-Council 25
Staff Representative

SALARY SCHEDULE "A"
JULY 1, 2018 TO JUNE 30, 2019

	<u>START</u>	<u>6 MONTHS</u>	<u>12 MONTHS</u>
001 POLICE CHIEF	\$48.4360	\$51.1221	\$53.8191
002 FIRE CHIEF	\$47.5443	\$50.1874	\$52.8305
003 CDD DIRECTOR/ASSESSOR DPS DIRECTOR	\$47.6947	\$50.3271	\$52.9703
005 DEPUTY POLICE CHIEF	\$43.6332	\$46.0616	\$48.4791
MIS ADMINISTRATOR	\$46.5451	\$49.1237	\$51.7131
006 DEPUTY DIRECTOR, DPS	\$44.9870	\$47.4911	\$49.9941
007 LIBRARIAN	\$44.3317	\$46.7922	\$49.2527
008 SUPERINTENDENT OF FACILITIES AND PUBLIC SERVICES	\$43.5414	\$45.9604	\$48.3790
009 CITY CLERK	\$40.1629	\$42.3332	\$44.5036

SALARY SCHEDULE "B"
JULY 1, 2019 TO JUNE 30, 2020

		<u>START</u>	<u>6 MONTHS</u>	<u>12 MONTHS</u>
001	POLICE CHIEF	\$49.5258	\$52.2723	\$55.0300
002	FIRE CHIEF	\$48.6140	\$51.3166	\$54.0192
003	CDD DIRECTOR/ASSESSOR DPS DIRECTOR	\$48.7678	\$51.4595	\$54.1621
005	DEPUTY POLICE CHIEF	\$44.6149	\$47.0980	\$49.5699
	MIS ADMINISTRATOR	\$47.5924	\$50.2290	\$52.8766
006	DEPUTY DIRECTOR, DPS	\$45.9992	\$48.5596	\$51.1190
007	LIBRARIAN	\$45.3292	\$47.8450	\$50.3609
008	SUPERINTENDENT OF FACILITIES AND PUBLIC SERVICES	\$44.5211	\$46.9945	\$49.4675
009	CITY CLERK	\$41.0666	\$43.2857	\$45.5049

SALARY SCHEDULE "C"
JULY 1, 2020 TO JUNE 30, 2021

	<u>START</u>	<u>6 MONTHS</u>	<u>12 MONTHS</u>
001 POLICE CHIEF	\$50.6401	\$53.4484	\$56.2682
002 FIRE CHIEF	\$49.7078	\$52.4712	\$55.2346
003 CDD DIRECTOR/ASSESSOR DPS DIRECTOR	\$49.8651	\$52.6173	\$55.3807
005 DEPUTY POLICE CHIEF	\$45.6187	\$48.1577	\$50.6852
MIS ADMINISTRATOR	\$48.6632	\$51.3592	\$54.0663
006 DEPUTY DIRECTOR, DPS	\$47.0342	\$49.6522	\$52.2692
007 LIBRARIAN	\$46.3491	\$48.9215	\$51.4940
008 SUPERINTENDENT OF FACILITIES AND PUBLIC SERVICES	\$45.5228	\$48.0519	\$50.5805
009 CITY CLERK	\$41.9906	\$44.2596	\$46.5288

DEPT HEADS 18-21

Collective Bargaining Agreement One Year Extension

The City of Madison Heights (hereinafter, "City") and the City of Madison Heights Department Heads Union (hereinafter, "Union") are parties to a Collective Bargaining Agreement which expires June 30, 2021;

WHEREAS; Presently the City and the Union are parties to a Collective Bargaining Agreement for the period of July 1, 2018 - June 30, 2021;

WHEREAS; The Parties wish to extend the terms and conditions of the Collective Bargaining Agreement for an additional one year period;

WHEREAS; The provisions of the Collective Bargaining Agreement shall remain unchanged except for as specified below.


NOW THEREFORE, the Parties agree as follows:

1. The current Collective Bargaining Agreement shall be extended for a period of one (1) year, which shall now expire on June 30, 2022.
2. All members of the Bargaining Unit shall receive a 2% pay increase effective July 1, 2021.
3. Article IV – Health Insurance – Premium Sharing shall remain at 10% for the duration of the contract extension through June 30, 2022, and for the duration of the next contract.
4. The Parties acknowledge that all other provisions of the Collective Bargaining Agreement shall remain in force and carry over until the expiration date contained in this Extension Agreement.

FOR THE UNION:

FOR THE CITY:

 1/4/2021



 1/4/2021



APPROVED BY CITY COUNCIL AT THEIR REGULAR MEETING ON JANUARY 11, 2021