

**UTILITY WORKERS
UNION OF AMERICA
LOCAL 504**

**2012 – 2016
COLLECTIVE BARGAINING
AGREEMENT EXTENSION**



**Detroit Water & Sewerage Department
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**2013 - 2016 MASTER AGREEMENT BETWEEN THE DETROIT WATER &
SEWERAGE DEPARTMENT AND THE UTILITY WORKERS OF AMERICA,
LOCAL 504**

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AGREEMENT

This Agreement is entered into by and between the Detroit Water and Sewerage Department (hereinafter referred to as the Employer or DWSD), and the Utility Workers Union of America, AFL-CIO and its Local #504, a labor organization (hereinafter referred to as the Union).

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

PURPOSE AND INTENT

- A. The general purpose of this Agreement is to set forth wages, hours, terms and conditions of employment for the duration of this Agreement and to promote orderly and peaceful labor relations for the mutual interest of DWSD in its capacity as an Employer, the Employees, the Union, and the citizens of Detroit.
- B. The parties recognize that the interest of the community, the DWSD and the employees are dependent upon the parties working together toward achieving the goals of providing a safe and plentiful water supply, protecting the environment and providing reliable service while keeping water and wastewater service affordable.
- C. To these ends the Employer and the Union encourage to the fullest degree, friendly and cooperative relations between the respective representatives at all levels and among all employees.
- D. It is agreed by the DWSD and the Union that the DWSD is legally and morally obligated to provide equality of opportunity, consideration, and treatment of all employees of the DWSD and, accordingly, to establish policies and regulations that will insure such equality of opportunity, consideration, and treatment of all persons employed in the bargaining unit 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.

1. RECOGNITION OF THE UNION

Pursuant to the provisions of Act 336 of the Public Acts 1947, as amended, the Employer hereby recognizes the Union as the exclusive representative of all employees of the bargaining unit described in Exhibit I for the purpose of collective bargaining in respect to rates of pay, wages, hours and conditions of employment.

The Employer will not aid, promote or finance any labor group or organization which purports to engage in collective bargaining or make any agreement with any such group or organization for the purpose of undermining the Union.

2. NON-DISCRIMINATION

The Employer and the Union both recognize their responsibilities under federal, state, and local laws pertaining to fair employment practices as well as the moral principles involved in the area of civil rights.

Accordingly, both parties re-affirm by this Agreement the commitment not to discriminate against any person or persons because of race, creed, color, religion, national origin, sex, sexual orientation, age, political orientation, marital status or disability.

3. MANAGEMENT RIGHTS AND RESPONSIBILITIES

- A. The Union recognizes the prerogative of DWSD to operate and manage its affairs in all respects in accordance with its responsibilities, and the power of authority which DWSD has not specifically abridged or modified by this Agreement are retained by DWSD. The Union recognizes the exclusive right of DWSD to establish and enforce reasonable work rules. The department has the right to determine work rules necessary to implement changes required by court order.
- B. DWSD has the right to determine when overtime work is required and to schedule overtime work. Management has the discretion to assign overtime work to employees most capable of performing the necessary work within a classification.
- C. It is understood by the parties that every incidental duty connected with operations enumerated in job descriptions is not always specifically described. Nevertheless, it is intended that all such duties be performed by such employees.
- D. DWSD reserves the right to discipline and discharge for just cause. DWSD shall have the right to establish hours and schedules of work and to establish the methods and processes by which such work is performed.
- E. Except as specifically abridged, delegated, granted or modified by this Agreement, all of the rights, powers, and authority DWSD had prior to the signing of this Agreement are retained by DWSD and remain exclusively and without limitations within the rights of DWSD.
- F. The Director of DWSD, with the input and advice of union leadership shall develop a DWSD employee training program, a DWSD employee assessment, program and a DWSD apprenticeship training program.
- G. DWSD management is free to explore all available means and methods to achieve compliance with its NPDES permit and the Clean Water Act, and nothing in this CBA shall prohibit subcontracting or outsourcing as a method to achieve and maintain compliance.
- H. The Director of DWSD shall cause a review of the current employee classification to be completed and shall reduce the number of DWSD employee classification to increase

workforce flexibility. Nothing in this agreement shall be construed to interfere with the Director's authority to reduce the number of employee classifications.

- I. Past practices on operational issues shall not limit operational changes initiated by management with respect to DWSD collective bargaining agreements.
- J. Promotions within DWSD shall be at the discretion of management and based upon skill, knowledge and ability and then taking seniority into account.
- K. All past practices not described in this Agreement are no longer binding as of July 1, 2012.

4. INTERFERENCE WITH WORK

- A. No employee covered by this Agreement shall engage in, induce or encourage any strike, work stoppage, slowdown, or withholding of services. The Union agrees that neither it nor any of its officers or agents will call, institute, authorize, participate in, sanction or ratify any such strike, work stoppage, slowdown, or withholding of services.
- B. Should any employee or group of employees covered by this Agreement engage in any strike, work stoppage, slowdown, or withholding of services, the Union shall forthwith disavow any such strike, work stoppage, slowdown, or withholding of services and shall refuse to recognize any picket line established in connection therewith. Furthermore, at the request of the DWSD, the Union shall take all reasonable means to induce such employee or group of employees to terminate the strike, work stoppage, slowdown, or withholding of services and to return to work forthwith.
- C. The DWSD shall not be required to pay the wages of employees who shall refuse to report for and be willing to work on DWSD property.

5. AGENCY SHOP

- A. Employees who are members of the recognized bargaining unit but who are not members of the Union may join the Union by initiating their Union application form and dues deduction authorization form.
- B. The DWSD agrees to deduct from the wages of an employee, who is a member of the Union, all Union membership dues uniformly required, as provided in a written authorization in accordance with the standard form used by the DWSD provided that the said form shall be executed by the employee. The written authorization for Union dues deduction shall remain in full force and effect during the period of this Agreement unless revoked by written notice. The revocation notice must be given to both the Human Resources Unit and to the Union.
- C. Any person certified and employed with the DWSD who is not a member of the Union and who does not make application for membership within ninety (90) working days from the effective date of this Agreement or from the date they first become a member of the

bargaining unit, whichever is later, shall as a condition of employment, pay to the Union a service fee as a contribution towards the administration of this Agreement in an amount determined by the Union in accordance with applicable law. Employees who fail to comply with this requirement shall be discharged within thirty (30) working days after receipt of written notice by the employing department from the Union, unless otherwise notified by the Union in writing within said thirty (30) working days, and provided that the Union shall release the department from fulfilling the obligation to discharge if during such thirty (30) working day period the employee pays the membership dues or service fee retroactive to the due date and confirms his/her intention to pay the required membership dues or service fee in accordance with this Agreement.

- D. The DWSD agrees to deduct from the wages of any employee covered by this Agreement, who is not a member of the Union, all Union service fees uniformly required as provided in a written authorization in accordance with the standard form used by the DWSD, provided that the said form shall be executed by the employee. The written authorization for Union service fee deduction shall remain in full force and effect during the period of this Agreement unless revoked by written notice. The revocation notice must be given to both the Human Resources Unit and to the Union.
- E. All Union membership dues and service fees will be authorized, levied, and certified in accordance with the by-laws of the Union. Each employee and the Union hereby authorize the DWSD to rely upon and to honor certifications by the Treasurer of the Union regarding the amounts to be deducted and the legality of the adopting action specifying such amounts of Union dues and service fees, which dues and service fees shall be sent reasonably promptly to the Treasurer of the Union. The Treasurer of the Union shall not request the DWSD to change the amounts so deducted more often than four times each DWSD fiscal year.
- F. The Union shall have no right or interest whatsoever in any money authorized withheld until such money is actually paid over to them. The DWSD or any of its officers and employees shall not be liable for any delay in carrying out such deductions, and upon forwarding a check in payment of such deductions by mail to the Union, the DWSD and its officers and employees shall be released from all liability to the employee-assignors, and to the Union under such assignments. (Chapter 13, Article 4, Section 4 of the Municipal Code of the City of Detroit.)
- G. The Union shall refund to employees, dues and service fees erroneously deducted by the DWSD and paid to the Union. The DWSD may offset any amount erroneously or improperly deducted and paid to the Union from any subsequent remittance to the Union.
- H. The Union agrees to save and hold harmless the DWSD from any damages or other financial loss which the DWSD may be required to pay or suffer as a consequence of enforcing the above provisions.

6. NEGOTIATION COMMITTEE

For the purpose of re-negotiating this Agreement, the Union shall be represented by a bargaining committee comprised of three (3) Union members; the President, and two (2) members chosen by the

Union. The Committee may also include representatives of the National Union in addition to the three (3) Officers. The time and places of such negotiations shall be mutually agreed upon by the parties.

Members of the bargaining committee who are DWSD employees will be paid for time spent in negotiations on the following basis:

- A. Straight time rate will be paid for those normal working hours spent in negotiations.
- B. No overtime, shift premium or any other special compensation over base pay will be paid for negotiations.
- C. No holiday pay or 6th or 7th day compensation will be paid despite the day on which negotiations are held.
- D. There shall be no substitution of compensatory time, vacation, swing holidays, or any other time for negotiations.

7. GRIEVANCE COMMITTEE

The Grievance Committee, for any particular grievance, may be comprised of any two (2) of three (3) Union Officers. Members of this Committee shall suffer no loss of time or pay while attending those grievance hearings which occur during their regular working hours.

The "Union Representative" referred to in Step 1 and Step 2 of the Grievance Procedure shall be a member of the Grievance Committee.

8. GRIEVANCE PROCEDURE

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

Should grievances arise between DWSD and the Union, an earnest effort will be made to resolve such grievances and the following procedure will apply:

Step 1: An employee who believes he/she has been unjustly dealt with may discuss his/her complaint with his/her immediate supervisor. The employee shall have the right to have a Union representative present at such discussions. When the presence of a Union representative is desired by the employee, he/she shall make the request through his/her immediate supervisor who shall make the arrangements without undue delay. If requested, the employee shall have the right to discuss the complaint with his/her Union representative, for a period not to exceed thirty (30) minutes, prior to the discussion with his/her immediate supervisor, during employees authorized breaks or before or after shift.

Step 2: If the complaint remains unresolved after discussion with the immediate supervisor and it involves an alleged violation of the provisions of this Agreement, the Union representative shall reduce the grievance to writing and submit it to the division head within fourteen (14) calendar days of the occurrence of the condition which gave rise to the grievance. The employee and the Union representative shall sign the grievance form. The written grievance shall set forth the nature of the grievance, the date of the violation, the identity of the employee(s) involved, by name when known, the provisions of this Agreement the Union claims have been violated and the remedy requested. The division head or his/her designated representative will promptly arrange a meeting with the grievant and his/her Union representative to review the grievance and render a decision, in writing, within seven (7) calendar days of the meeting. The decision rendered at Step 2 shall be final and the grievance shall be considered settled on the basis of the decision unless an appeal is made, in writing, within seven (7) calendar days of the division head's decision.

Step 3: If the grievance is not satisfactorily resolved at Step 2, the decision may be appealed in writing by the Union representative to the department head or his/her designated representative within seven (7) calendar days of the division head's decision. A meeting will be arranged with the Union Grievance Committee within seven (7) calendar days of receipt of the written grievance appeal. The department head or his/her designated representative shall render a written decision within seven (7) calendar days of the date of the meeting. Management's written answer after the Third Step meeting shall briefly state the factors considered by management in its decision regarding the grievance. In the event, the grievance is not settled by the decision of DWSD or a designated representative, it may be referred to arbitration within sixty (60) calendar days of said decision, or dated that such answer was due. Any grievances not referred to arbitration within such period shall be considered settled on the basis of the decision at Step 3.

Step 4 - Arbitration: Any unresolved grievance which relates to the interpretation, application, or enforcement of a provision of this Agreement and which has been fully processed through the last step of the grievance procedure, may be submitted to arbitration by either party in strict accordance with the following:

- A. Arbitration shall be invoked by written notice to the other party of intention to arbitrate. If the parties are unable to agree upon an arbitrator within seven (7) calendar days of such notice, DWSD shall secure a list of arbitrators from the Federal Mediation and Conciliation Service (FMCS). The parties will then meet to mutually agree upon an arbitrator from the list.
- B. The Arbitrator shall limit his/her decision strictly to the interpretation, application or enforcement of the provision(s) of this Agreement and he/she shall be without power and authority to make any decision:
 - 1. Contrary to, or inconsistent with or modifying or varying in any way, the terms of this Agreement.
 - 2. Concerning the discipline or discharge of an employee for engaging in a strike, slowdown or stoppage of work if the employee exercises his/her right under Section 6 of Act 336 as amended by Act 379 of the Public Acts of 1965, or concerning grievances of employees appealed to the Mayor pursuant to provisions of the Detroit City Charter, or applicable state law (Veterans Preference).
 - 3. Granting any wage increases or decreases.

4. Granting any right or relief for any period of time whatsoever prior to the execution date of this Agreement.
 5. Relative to position classification whether permanent or temporary.
- C. The arbitrator shall have no authority to require DWSD to delegate, alienate or relinquish any powers, duties, responsibilities, obligations or discretions which by state law or the City Charter DWSD cannot delegate, alienate, or relinquish.
 - D. No settlement at any stage of the grievance procedure shall be a precedent in any arbitration and shall not be admissible in evidence in any arbitration proceeding.
 - E. All claims for back wages shall be limited to the amount of wages that the employee otherwise would have earned less any compensation received for temporary employment obtained subsequent to his/her removal from the City payroll, and payments from Unemployment Insurance, Social Security Disability, Welfare, Family Independence Agency, and City-funded Long Term Disability Insurance, Sickness and Accident Insurance and Automobile Accident Income Replacement Insurance. Where appropriate, the City shall reimburse those agencies and insurance funds so as to not affect the employee's equity therein.
 - F. The decision of the arbitrator in a case shall not require retroactive wage adjustment in another case except by express agreement of the parties.
 - G. There shall be no appeal from the Arbitrator's decision if made in accordance with his/her jurisdiction and authority under this Agreement. The arbitrator's decision shall be final and binding on DWSD, on the employee or employees, and on the Union.
 - H. In the event a case is appealed to an arbitrator and he/she finds that he/she has no power to rule on such case, the matter shall be referred back to the parties without decision or recommendations on the merits of the case.
 - I. The expenses of the arbitrator shall be shared equally by the parties. The aggrieved and his/her local representative shall not lose pay for time off the job while attending the arbitration proceedings. Arbitration wherever possible, shall be conducted on the location where the grievance originated.
 - J. The arbitral forum here established is intended to resolve disputes between the parties only over the interpretation or application of the matters which are specifically covered in this contract.
Note: Any disputes concerning suspension, separation, or discharge of employees are to be submitted in writing directly at Step 3 - Department Head Level.
 - K. The time elements in the first four (4) steps may be shortened or extended by mutual agreement.

9. TIME LIMIT ON GRIEVANCES

- A. Any grievance under this Agreement which is not filed in writing by the employee involved or by the designated representative within ten (10) working days after the grievance arises, shall not be considered a grievance.
- B. The DWSD shall not be required to pay back wages more than five (5) working days prior to the date a written grievance is filed.
- C. In instances wherein the subject matter of the grievance lies within the jurisdiction of specific DWSD agencies, e.g., payroll, etc., the grievance steps may be shortened or eliminated to bring the grievance to the agency's immediate attention.
- D. All claims for back wages shall be limited to the amount of the wages that the employee otherwise would have earned less any compensation received for temporary employment obtained subsequent to his/her removal from the City payroll, and payments from Unemployment Insurance, Social Security Disability, Welfare, Family Independence Agency, and City-funded Long Term Disability Insurance, Sickness and Accident Insurance and Automobile Accident Income Replacement Insurance. Where appropriate, the City shall reimburse those agencies and insurance funds so as to not affect the employee's equity therein.
- E. In the case of a pay shortage of which the employee could not have been aware before receiving his/her pay, any adjustments made shall be retroactive to the beginning of the pay period covered by such pay, if the employee files his/her grievance within ten (10) working days after receipt of such pay.
- F. The time elements in the first three (3) steps may be shortened or extended by mutual agreement.

10. SPECIAL CONFERENCES

The parties acknowledge the need for a means of continuing dialogue between DWSD and the Union to discuss and resolve matters that are of mutual concern and to work cooperatively on such issues as: improving services, effective delivery of such service, promotional opportunities, training of employees, benefits and periodic discussion of substantial issues which are of concern to either DWSD or the Union. Therefore, a Special Conference will be arranged between the Union and DWSD upon request of either party. Such meetings shall be between no more than two (2) representatives of DWSD and two (2) representatives of the Union. When called by either party, the Special Conference will be convened no later than fifteen (15) calendar days after the request is made. No more than one meeting per calendar month will be held by mutual agreement of the parties.

11. DISCHARGE OR SUSPENSION

- A. **Notice of Discharge or Suspension.** The Employer agrees upon the discharge or suspension of an employee to notify, in writing, the representative in the district of the discharge or suspension.
- B. The discharged or suspended employee will be allowed to discuss the discharge or suspension with his/her representative and the Employer will make available an area where he/she may do so before he/she is required to leave the property of the Employer. Upon request, the Employer will discuss the discharge or suspension with the employee and his/her designated representative.
- C. Should the discharged or suspended employee or the designated Union representative consider the discharge or suspension improper, the matter may be referred to the grievance procedure beginning with Step 3 within five (5) working days of the discharge or suspension.
- D. In imposing any discipline on a current charge, the Employer will not take into account any infractions which occurred more than thirty-six (36) months previously. However, this period shall be extended to twenty-four (24) months where the current charge is a repetition of prior infractions involving workplace violence, sexual harassment, theft or willful destruction of DWSD property, or being under the influence of alcohol or controlled substances at work. It is understood and agreed that failure to promote shall not be considered disciplinary action.

NOTE: It shall be the responsibility of the grievant to keep the Union and DWSD 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.

12. SENIORITY

- A. Seniority is hereby defined as the length of continuous service beginning on the date of legal certification to a position in the classified service of the City, or the date of induction into such classified service as provided by law. Effective, July 1, 1983, new employees who are certified for employment but not hired within fifteen (15) calendar days of such certification shall have their date of hire recorded as their date of seniority and certification. Seniority, as defined above and in accordance with the Rules of the Human Resources Unit incorporated herein by reference is established primarily to serve as a basis for determining the order of demotion or layoff in the event of a reduction in force and the re-employment rights of employees: (**NOTE:** Seniority is not the same as "service time" as utilized for the various economic benefit provisions.)
- B. Classification Seniority is hereby defined as the employee's length of continuous service in their current classification.
- C. **Seniority Lists:** The DWSD will furnish the Union once a year, a seniority list showing each bargaining unit member's name, address, department, classification, pension number,

and total City seniority date. This information shall be organized in a format mutually agreeable to the Union and the DWSD.

- D. **Loss of Seniority:** An employee shall lose his/her seniority for the following reasons only:
1. The employee resigns or quits.
 2. The employee retires on regular service retirement.
 3. The employee is discharged or permanently removed from the payroll and the separation is not reversed through the grievance procedure.
 4. The employee does not return at the expiration of a leave of absence.
 5. The employee does not return to work when recalled from layoff as set forth in the recall procedure.
- E. **Suspensions of Seniority Credit:** An employee shall not lose his/her accrued seniority but shall not accumulate additional seniority credit during the following periods:
1. Layoffs resulting from reduction in force which exceed four (4) years.
 2. Leaves of absence which exceed one (1) year.
 3. Non-duty disability retirements which exceed one (1) year.
 4. Voluntary layoffs.
- F. An employee who is absent from duty for three (3) consecutive work days without specific leave from his/her department and who fails to notify the Employer within those three (3) days (except in cases of proven unabling emergency), shall be deemed to have quit his/her employment from City service and to have vacated his/her position. Any such absence shall be without pay unless otherwise approved by a subsequent action by the Employer.

13. PROBATION PERIODS

- A. Probation periods are recognized as "working test" periods used to supplement other evaluations to determine whether the employee fully meets the qualifications of the class. Probation periods are required in all cases of initial certified hire, transfer and promotions in the classified service and other cases as provided in Human Resources Unit Rules.
- B. The Union shall represent probationary employees for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment and other conditions of employment except for suspension, reversion, or separation of employees for other than Union activities.
- C. The probation period or "working test" for a twelve (12) month period shall be served by all employees promoted or hired into classifications represented by this bargaining unit.
- D. Except in instances where a discharge for cause is appropriate, an unsatisfactory employee who has classified status may by departmental action, subject to Human Resources Unit Rules, have his/her probation period extended or be reverted to his/her former classification. During an employee's initial hire probation period, a department may, in accordance with Human Resources Unit Rules, extend the probation period or take action to separate the employee from City service.

- E. When an employee satisfactorily completes the probation period, he/she shall be entered on the seniority list of the bargaining unit for the classification in which he/she is employed.

14. REDUCTION IN FORCE

The DWSD reserves the right to lay off for lack of work or lack of funds; or the occurrence of condition beyond the control of the DWSD; or where such continuance of work would be wasteful and unproductive.

SECTION 1 - REDUCTION IN FORCE TERMS DEFINED

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

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

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

SECTION 2 - ORDER AND MANNER OF REDUCTION

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

A. The following categories of employees shall be removed first:

1. Provisional employees shall be separated by terminating their services; provided, however, that employees provisionally employed in the class who hold permanent status in some other class shall revert to the class from which they were provisionally promoted or transferred.
2. Employees who have not completed their initial probationary period shall be laid off in accordance with their seniority, the least senior employees being laid off first.
3. Employees hired on a limited-term basis shall be laid off in accordance with their seniority, the least senior employee being laid off first.

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

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

- a. **Demotion in Series:** If the employee is in a class in an occupational series, the employee shall have the right to be demoted to a position in a lower class in the series, provided there are one or more employees in the lower class having less total City seniority. (The least senior employee displaced as a result shall be subject to demotion, transfer or layoff in accordance with applicable provisions of this Article.)

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

- b. **Demotion or Transfer to a Formerly-Held Class:** If the employee has previously held permanent status in another class not in the series which is at the same or lower level, the employee may elect demotion or transfer to such class, provided there are one or more employees in the class having less total City seniority.

(The least senior employee displaced as a result shall be subject to demotion, transfer or layoff in accordance with applicable provisions of this Article.)

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

- c. **Change of Status to Vacant Positions in Other Classes:** If the employee has exhausted his/her rights to demotion or transfer under (a) and (b) above, the DWSD may, in so far as the interests of the service permits, propose transfer or demotion of the employee, to an available vacant position in any other class for which DWSD believes the employee is qualified.

SECTION 3 - RE-EMPLOYMENT PROCEDURES

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

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

- B. Laid off employees who elect layoff in lieu of demotion in series shall be placed on the preferred eligible list for the class in which they were laid off and shall be re-certified to available vacancies in this class in the order of their total City seniority from the list.
- C. Laid off employees shall be placed on preferred eligible lists for all other classes in which they have held permanent status and shall be offered certification to available vacancies in these classes in the order of their total City seniority from such lists, provided that employees who were laid off in such classes have been first recalled. Should a laid off employee on a preferred eligible list waive an offer of employment to a position in the class, his/her right to remain on that list shall terminate.
- D. In the absence of a preferred eligible list for a class, laid off employees shall be certified to requisitions for positions in such class from higher, equivalent or allied lists which have been determined to be appropriate by DWSD.
- E. Re-employment provisions in the Article do not apply to persons laid off and separated from DWSD employment for a period of four (4) years.

SECTION 4 - EMPLOYEES HOLDING MULTIPLE TITLES

In determining an employee's rights under this Section, an employee can have permanent status in only one class at a time. An employee who carries a multiple title shall have permanent status in the lowest class of his/her multiple title or the class in which he/she last held permanent status on a single title basis, unless there is a contractual agreement which otherwise identifies the class in which the employee has permanent status, or official action is taken designating such class based

upon the nature and history of the employment. Such agreement or official action must be completed at least ninety (90) days prior to the announcement of the reduction in force.

SECTION 5 - CONDITIONAL WAIVER OF EMPLOYEE RIGHTS

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

15. LEAVES OF ABSENCE

A. Leaves of absence without pay may be granted for reasonable periods for the following purposes:

1. Temporary physical or mental incapacity.
2. Training related to the employee's regular duties in an approved education institution.
3. Military service.
4. Prolonged serious illness in the family.

Leaves of absence may be granted at the discretion of the DWSD for reasons other than those listed above where in the judgment of the DWSD such leaves are deemed beneficial to the DWSD.

B. To be eligible for a leave of absence, the employee must have completed one year of continuous classified service immediately prior to the leave. This requirement shall not apply to leaves for military service.

C. Leaves of absence (excluding military) may be extended for periods up to two (2) years. After two (2) years, the person's name may be placed on the preferred eligible list for an additional two (2) years. Seniority of persons on leave of absence shall be governed by the Seniority Article of this Agreement.

D. **FAMILY AND MEDICAL LEAVE ACT OF 1993 (FMLA):** The Act is intended to allow employees to balance their work and family life by taking reasonable leaves of absences for reasons set forth in the Act. The DWSD is committed to the two (2) fundamental concerns of FMLA – the needs of the American workforce, and the development of high-performance organizations.

The Human Resources Unit is responsible for developing and disseminating policy directives which detail how the DWSD will implement the provisions of the Act and any amendments promulgated during the life of this agreement. The DWSD agrees to meet with the Union in Special Conference to discuss any administrative change to FMLA prior to the issuance and implementation of any new Policy Directive.

Currently, for employees of the DWSD, the twelve month period for FMLA is the fiscal year. Effective July 1, 2010, for employees of the DWSD, the twelve month period for FMLA will be a rolling 12-month period measured backward from the date an employee uses any FMLA. Questions concerning leaves for FMLA purposes should be referred to the employee's Human Resources Generalist.

- E. Unless otherwise provided for, the procedure for the administration of this Article shall be in accordance with Human Resources Unit Rules.

16. TRANSFERS

- A. When an opening, vacancy, or shift assignment in a particular classification is to be filled either permanently or temporarily (temporary is defined as forty-five (45) days or less) by the Employer, employees in that classification seeking transfers to the location where the opening exists will be offered an opportunity to transfer to that location before permanent status is attained.
- B. Employees seeking transfers under the provisions of this Article will advise the departmental Human Resources Office, in writing, of the location.
- C. Application for location transfers must be on file with the Human Resources Office at least thirty (30) working days prior to the occurrence of an opening.
- D. The Union recognizes the department's right to make work assignments for the purposes of training its employees to maximize their utility to the Department. Such training assignments shall supersede an employee's request for transfer should a conflict occur, but only for the duration of the training assignment, after which, the affected employee's request for transfer will be honored.

17. TEMPORARY ASSIGNMENTS

- I. Out-of-Class Assignments:
 - A. Employees are to be assigned job duties and responsibilities which are appropriate to their classification. An employee shall not be assigned to perform work which falls outside of his/her classification except for short-term training purposes, short-term exigencies and in cases of emergency or other situations resulting from factors beyond the control of management which cannot be anticipated or planned for in the normal courses of departmental operations and where such assignment is necessary to effectively carry out departmental operations.
 - B. When an employee is assigned to perform work clearly outside of his/her classification which involves special higher-level skills or is assigned and given responsibility to perform the preponderance of duties regularly performed by employees in a higher class for a period in excess of fifteen (15) consecutive work days, the department shall

take steps to see that the employee so assigned shall be compensated at the appropriate rate for the work performed.

- C. Performing the duties of an employee in the next higher classification in series during short-term absences and normal vacation periods shall not be construed as being out-of-class work assignments.
- D. If an employee believes that his/her regularly assigned set of duties and responsibilities are not properly allocated to his/her current title, the employee or the Union may request the Human Resources Unit to conduct a classification survey of the employee's job as provided in Human Resources Rules.

II. Temporary Placement of Employees into Other Duties and/or Departments:

- A. The employer may temporarily place an employee into other duties. The employer shall first seek qualified volunteers. If additional employees are required, the qualified employee(s) may be placed by inverse seniority.
- B. Such a temporary placement, if made by inverse seniority, shall be limited to forty-five (45) days. An employee that volunteered for such a temporary placement continue in the placement beyond the forty-five (45) day limit until such time that the employee or the DWSD requests the placement to be ended.
- C. Employees temporarily placed under these provisions shall not lose his or her promotional opportunity at the transferred out location and shall be treated as if he or she had not been temporarily placed in other duties/department.
- D. Any vacation period the moved employee had approved at the transferred in location will continue to be honored at the transferred out location.

18. OVERTIME EQUALIZATION

- A. DWSD has the right to schedule and assign overtime work as required in a manner most advantageous to the DWSD and consistent with requirements of municipal employment and the public interest.
- B. If a dispatcher declines a scheduled overtime assignment, the maximum overtime hours accrued on that shift in that location will be charged against his/her failure to work.
- C. Issues surrounding overtime may be addressed at a Special Conference.
- D. The Employer will keep up to date records of overtime worked and scheduled.

19. SHIFT AND LOCATION PREFERENCE

Within sixty (60) calendar days of the approval of this contract by the DWSD, the dispatchers in each location will be allowed to select shifts and location in accordance with their classification seniority insofar as it does not adversely affect the operation of the Department.

20. WAGES

- A. No wage concessions.
- B. Each employee covered by this Agreement whose minimum and maximum rates are over \$20,000 per year, shall, if these raises fall between even hundred dollar levels, have these rates adjusted to the next higher hundred dollar level.
- C. When it is administratively feasible, the pay check for all employees shall be transmitted via direct deposit.

21. HOLIDAYS AND EXCUSED TIME OFF

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

Employees hired prior to March 30, 2010, shall be entitled to three (3) swing holidays in each fiscal year. Employees hired on and after March 30, 2010 shall not be entitled to swing holidays.

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

For the purpose of this section, an employee shall be considered off the payroll if he/she is fired, quits, is on a formal leave of absence granted by the Human Resources Unit (generally over 30 days), is on workers' compensation, or 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. Double time will be paid for all hours worked on a holiday in addition to the straight time holiday pay due for a holiday as such.
- F. Premium payments shall not be duplicated for the same hours worked.
- G. Employees shall be granted eight (8) hours of excused time on Good Friday or eight (8) hours on the last scheduled paid day prior to Good Friday, and eight (8) hours of excused time on the last scheduled paid day before Christmas Day and before New Year's Day and for Veteran's Day, and the day after Thanksgiving, and Election Day as designated by the DWSD. For employees hired prior to the March 30, 2010 an additional swing holiday in the event there is no designated Election Day, provided they are on the payroll through the excused time day in question. Employees required to work any portion of the excused time on these days will receive either equal time off for hours worked or additional pay at straight time for such hours at the option of the department head. No holiday premium will be paid for work on these days. When an employee is absent without good cause for the non-excused portion of the day, he/she shall forfeit this excused time for the day.
- H. For the purpose of this Article, an employee shall be considered off the payroll if he/she engages in work stoppage which extends through a holiday or excused time day. All benefits under this Article will be forfeited for the holiday or excused time in question.
- I. If a holiday or excused time day falls on Saturday, it shall be observed on the preceding Friday, and if a holiday or excused time day falls on Sunday, it shall be observed on the following Monday for all employees except those assigned to six and seven day operations. Should two (2) consecutive holidays or excused time days occur on a Friday and Saturday, or on a Sunday and Monday, Friday and Monday, respectively, shall be designated as the official holidays.
- J. If an employee engaged in six 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.
- K. The DWSD 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 DWSD 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.

The optional holiday season closing dates during the period of this Agreement shall be:

December 23, 26, 27, 30, 2013
December 22, 23, 26, 29, 30, 2014
December 21, 22, 23, 28, 29, 30, 2015

Any schedule time off or uses of departmental leave days during these periods shall not be counted against the employee's attendance records nor (except for bonus vacation) adversely affect their benefits.

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

Note: The two-tier system for new hires as well as other new changes referenced in this Article will be implemented when the Payroll System has the capability.

22. 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 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 DWSD. 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 the two (2) additional 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, and 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 to work. If the funeral which the employee attends is more than 300 miles from the DWSD, 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 the DWSD employee who is a member of his/her local, a representative of the local, 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 to work.

Note: Employees hired on or after March 30, 2010 are not eligible to receive Reserve Sick Leave.

23. UNEMPLOYMENT COMPENSATION - SUPPLEMENTAL UNEMPLOYMENT BENEFITS

- A. **Unemployment Compensation** - Employees covered by this Agreement shall receive unemployment benefits in accordance with the unemployment insurance plan administered by the Michigan Unemployment Insurance Agency (MUIA) under the Michigan Employment Security Act.
- B. **Supplemental Unemployment Plan** - Subject to all of the following rules and qualifications, employees shall be entitled to Supplemental Unemployment Benefits.

Section 1. Application for Supplemental Unemployment Benefits: No employee shall be eligible for S.U.B. unless and until he/she shall have made due application therefore in accordance with the procedure established by the City and shall have met the eligibility requirements of Section 2 of this Article. Such an employee shall be considered as an applicant.

Section 2. An applicant shall be eligible for S.U.B. only if he/she is on layoff from the City with respect to the week for which application is made, and he/she did not work for another employer during such week, and if:

- a. such layoff:
 - 1. was from the bargaining unit;
 - 2. occurred in a reduction in force;
 - 3. was not for disciplinary reasons and was not a consequence of (i) any strike, slowdown, work stoppage, picketing (whether by his/her bargaining unit or any other), or concerted action, or any dispute of any kind involving DWSD employees, or (ii) any fault attributable to the applicant, or (iii) any war or hostile act of a foreign power (but not government controls or regulation connected therewith), or (iv) sabotage or insurrection, or (v) any act of God and
 - 4. was not self-elected.
- b. with respect to such week, the applicant:
 - 1. had sufficient seniority to be eligible for one week's benefit;
 - 2. has registered at and has reported to an employment office of the Michigan Unemployment Insurance Agency (MUIA) as required by the MUIA;
 - 3. has received unemployment compensation from MUIA not currently under protest;

4. has not refused to accept work when recalled pursuant to the collective bargaining agreement and has not refused an offer by the DWSD of other available work which the applicant has no option to refuse under the collective bargaining agreement;
 5. has not failed to report for interview within five (5) working days after notice of recall from the DWSD;
 6. has not failed through any fault of his/her own to report for hire at the employing department within five (5) working days after certification;
 7. was not eligible for and was not claiming any accident or sickness or other disability benefit (other than a disability benefit which would be payable to the applicant whether he/she was working full time or not or a survivor's allowance under Workers' Compensation laws), whether publicly or privately financed, or a pension or retirement benefit financed in whole or in part by the City;
 8. was not in military service;
 9. did not receive any unemployment benefit from, or under any contract plan or arrangement of, any other employer, and he/she was not eligible for such a benefit from, or under any contract, plan or arrangement of, any employer with whom he/she has greater seniority than with the City;
 10. must have been on continuous layoff from the DWSD for a period of thirty (30) calendar days, whereupon he/she will be eligible retroactively for benefits commencing after the second week of layoff;
 11. must not be on layoff from a classification designated as special service, limited term, part-time, provisional, contractual, limited status, or for which the duration of employment is listed as seasonal;
 12. must have at least eighteen (18) months total City seniority.
- c. an employee shall forfeit permanently all eligibility for S.U.B. if he/she shall misrepresent any material fact in connection with an application by him/her for any S.U.B. or other unemployment compensation. Furthermore, he/she shall be subject to disciplinary action upon his/her return to active status.

Section 3. Powers and Authority to the DWSD: The DWSD shall have such powers and authority as are necessary and appropriate in order to carry out its duties under this Article, including without limitation the following:

- a. to obtain from employees, persons filing applications for benefits, eligible persons and elsewhere such information as the DWSD shall deem necessary in order to carry out its duties under this Article;
- b. to investigate the correctness and validity of information furnished by any person who applies for a benefit;
- c. to make appropriate determinations pursuant to this Article;
- d. to require an applicant to exhibit his/her MUIA Unemployment Benefit check for the week with respect to which application for S.U.B. is made, or to submit evidence satisfactory to the DWSD of receipt or entitlement to receive a MUIA unemployment benefit.

Section 4. Amount of Weekly Supplement Benefit: An applicant who meets all the eligibility requirements of this Article shall be entitled to a weekly Supplemental Unemployment Benefit in the amount of forty-five (\$45) dollars.

Section 5. Duration of Supplemental Benefit: An eligible applicant shall be entitled to one week of S.U.B. for every month of total City seniority, not to exceed in any case a maximum of twenty-six (26) weeks duration for any continuous layoff.

Section 6. All compensation received under this Article shall be offset against any claim for back wages.

24. HOSPITALIZATION, MEDICAL, DENTAL AND OPTICAL CARE INSURANCE

The health insurance plans in effect for the 2012-2013 bargaining agreement were proposed by the City on May 31, 2012; effective July 1, 2012 or as soon after as practicable. (See Exhibit II).

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

Hospital/Medical insurance coverage for employees hired/re-instated prior to March 30, 2010 shall begin on the first day of the first full pay period, and end on the last day of the month that employment ends.

Hospital/Medical insurance coverage for employees hired/re-instated on or after March 30, 2010 shall begin on the first day of the month following three (3) months of service, and end on the last day of the month that employment ends. For the first five (5) years of employment hospital/medical insurance enrollment opportunity shall be limited to Community Blue PPO and HMO plan options available under the City Medical Design Plan II (formerly known as the "Mercer Design Plan"). The Blue Cross Traditional Plan is not an available plan option. Eligibility to apply for enrollment in the Alternative Health Care option design plans will begin at the open enrollment period following the end of the five (5) years of service with an effective date of July 1st of that year.

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

The City's contribution for the cost of Blue Cross/Blue Shield Traditional Plan hospitalization/medical coverage on a monthly basis shall be as follows:

¹ The \$2 deductible Drug Rider (Certificate #87 as referenced above, reflects the benefit at the time the premium sharing arrangement was instituted. Currently, the co-pay for the Prescription Drug benefit is \$5 for generic and \$15 for brand name drugs (retail – 30 day supply). In July 2004 the City made available to retirees who are eligible for health care coverage the option of choosing the Blue Cross Community Blue PPO plan. From the inception the prescription drug co-pays for the Blue Cross Community Blue PPO plan was \$10 for generic and \$20 for brand name drugs (retail – 30 day supply).

Single person	\$100.06
Two person	\$238.29
Family	\$253.54

Fifty percent (50%) of any premium charges that exceed the above amounts shall be paid by the employees and fifty percent (50%) shall be paid by the Employer.

- C. Effective March 30, 2010, the City will no longer provide employees the option to insure sponsored dependents
- D. The City will pay the premium for regular retirees and their spouses who are enrolled in the Blue Cross/Blue Shield Traditional Plan hospitalization and medical insurance based on the Blue Cross/Blue Shield ward service under the Michigan Variable Fee coverage (MVF-2) and the Prescription Drug Group Benefit Certificate with two dollar (\$2) co-pay (Certificate #87)¹ known as the two dollar (\$2) deductible Drug Rider as provided by Board of Water Commissioners Resolution. The City will pay this premium for regular retirees and their spouses for only as long as they receive a pension from the City.

For employees who retire (except for vested retirees and non-duty disability retirees) on or after July 1, 1986, the City will pay up to the following amounts per month for Blue Cross/Blue Shield Traditional Plan hospitalization and medical insurance:

Single person	\$100.06
Two person	\$238.29

Fifty percent (50%) of any increase over these amounts shall be paid by the retiree and fifty percent (50%) shall be paid by the City. The City will pay this premium for regular retirees and their spouses at the time of retirement only for as long as they receive a pension from the City.

- E. The City Blue Cross/Blue Shield Traditional hospitalization plan for active employees and their dependents and retirees and their spouses shall include Blue Cross Master Medical insurance with a twenty percent (20%) co-pay benefit and a one hundred seventy five dollar (\$175.00) per person annual deductible three hundred fifty dollars (\$350) for two or more in a family).
- F. Employees and retirees shall have the option of choosing alternative hospitalization medical coverage from plans or programs made available by the City. The City's contribution to the alternative plans or programs shall be limited to the following:

Alternative Health Care Design Plans (AHCD) – Blue Cross Community Blue PPO 90% of the monthly premium; all HMO plans 80% of the monthly premium.

City Medical Design (CMD) Plan II options (formerly known as the "Mercer Plan") – Blue Cross Community Blue PPO and all HMO plans 80% of the monthly premium.

The employee's contribution toward the component premiums (i.e., one person, two persons, family) for Blue Cross Community Blue PPO (AHCD) plan shall be capped at 10% of the

monthly premium; and for Blue Cross Community Blue PPO (CMD Plan II) and all HMO plans shall be capped at 20% of the monthly premium.

If at the end of any fiscal year an alternative hospitalization plan or program has failed to enroll 50 employees City-wide, the City shall have the option of removing that plan from the list of eligible plans or programs. Effective with the 1987-88 fiscal year all alternate carriers must account for their premium charges without distinguishing between active and retired employees using the following format:

**Single Person
Two Persons
Family**

- G. The City shall provide for all active employees and their dependents, and duty disability retirees and their dependents, a dental plan which shall be equivalent to the Blue Cross/Blue Shield program which provides Class I benefits on a twenty-five percent (25%) co-pay basis and Class II and III benefits on a fifty percent (50%) co-pay basis. Class I, II, and III benefits shall not exceed \$1,000 per person per year. In addition, Orthodontic coverage shall be on a fifty percent (50%) co-pay basis with a \$1,000 life time maximum. Other terms and conditions regarding these plans shall be in accordance with the standard Blue Cross/Blue Shield policies regarding administration of such programs. The City will make available cost-effective alternative dental plans.

Effective March 30, 2010, coverage for employees hired or reinstated shall begin on the first day of the month following the employee completing six months of service. Coverage ends on the last day of the month that employment ends.

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

Effective July 1, 2006, the DWSD will contribute \$6.27 per month for employees covered by Heritage Optical. Optical care enrollments will occur at two (2) year intervals.

Optical coverage for employees hired/re-instated prior to March 30, 2010 shall begin on the first day of the month following the employee completing 60 days of service. Coverage ends on the last day of the month that employment ends.

Optical coverage for employees hired/re-instated on or after March 30, 2010 shall begin on the first day of the month following the employee completing six (6) months of service. Coverage ends on the last day of the month that employment ends.

- I. If, during the term of this Agreement, a Federal Health Care Law is enacted, the parties shall enter into immediate collective bargaining negotiations over the impact of such a law on the existing arrangement for funding and providing health care benefits.
- J. No insurance carrier shall be allowed to underwrite City health care benefits unless it offers coordination of benefits. All carriers will be required to provide group specific utilization and cost data as a condition of doing business with the City. Copies of all information will be provided to Union and DWSD representatives as directed.

- K. The City reserves the right to implement health care cost containment programs during the term of the Contract. Said cost containment program shall not diminish the levels of benefits provided in the basic plans but may require the insured to follow procedures prescribed by the carrier in order to be eligible for benefits.
- L. Employees on the active payroll who are covered by a health care plan offered by an employer other than the City, and can furnish proof of such coverage, may elect to take a \$950 cash payment (opt-out stipend), payable quarterly at the end of each three month period, in lieu of the hospitalization-medical coverage offered by the City. Effective with the implementation of the new HR/payroll system this opt-out stipend will be paid equally during each applicable pay cycle. This opt-out election shall take place annually during the open enrollment period.

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

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

- M. A spouse who is or becomes divorced from an employee or a retiree (divorced spouse) is not entitled to healthcare coverage under this Agreement under any circumstances.

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

The child, of a divorced spouse or a new spouse of a retiree who is neither the biological, legally adopted nor legally guardian child of the employee or retiree is ineligible for dependent healthcare coverage under this Agreement.

- N. When the City's payroll system has the capability of allowing employees to pay their medical contribution amounts through the pre-tax IRS code 125K mechanism, all bargaining unit members shall be entitled to participate.
- O. Mandatory Generic Drugs: Prescription drug coverage under all City health care plans shall require the use of generic drugs, unless determined that a brand name drug is medically required or a generic equivalent is not available. If the brand name drug is requested, but is not medically required or a generic drug is available, the employee, retiree or covered dependent must pay the applicable brand name co-pay amount plus the difference between the cost of the generic drug and the brand name drug. This requirement applies even if the prescribing physician has indicated "dispense as written" or "DAW" on the prescription. This mandatory generic drug requirement shall be administered by BCBSM for BCBSM-administered or insured plans, and for other City carriers by their medical insurer or

administrator. Final resolution to any appeal will be handled by the medical insurance carrier or administrator.

- P. Enrollment for medical coverage for retirees who are Medicare-eligible shall be limited to the Medicare Advantage option plans offered by the City. In the event, such Medicare Advantage plans are no longer offered or cost effective, enrollment in alternate plans will be permitted as determined by the City.
- Q. Effective with the coverage plan year that begins on or after July 1, 2006, in order to be eligible for coverage under all City health care plans, all active employees and their dependents who are eligible for Medicare, due to certain medical conditions defined by Medicare that permits the employer to be a secondary payee for insurance, must enroll in Medicare Parts A and B. Such enrollment in Medicare shall not result in any reduction in benefits or additional cost to the employee, in that the employee shall be reimbursed the amount paid for Medicare after submission of required proof of enrollment and payment. This reimbursement for the cost of Medicare provision only applies to employees and their eligible dependents, while the employee is on the active payroll. This benefit does not apply to retirees or dependents covered under the City retiree's health care contract.

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

Accordingly, any person who is eligible for hospitalization-medical coverage under this Agreement and who is Medicare-eligible shall furnish the City's Benefits Administration Office a copy of his/her Medicare card which confirms that he/she has obtained Medicare Parts A and B or documentation from the Social Security Administration that verifies ineligibility in order to continue to receive any hospitalization/medical coverage under this Agreement. Failure to enroll in Medicare, provide required Medicare documentation or maintain Medicare Parts A and B coverage will result in coverage termination. If coverage is terminated, re-enrollment will not be permitted until the next scheduled open enrollment period. Required documentation, i.e., proof of Medicare coverage, must be presented with the enrollment application. If reenrollment is approved, the coverage shall be reinstated prospectively only. (Generally, open enrollment occurs in the spring of the year, with a July 1st coverage effective date).

- R. Consistent with current practice, if an employee retires with 25 years of credited service but less than 30 and receives an actuarially reduced pension, (referred to as the Actuarially Reduced 25 Year Option of the Retirement Plan) he/she may participate in the City's group retiree 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.

- S. Employees hired on or after March 30, 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.
- T. Effective March 30, 2010, employees who retire after the effective date of this Agreement, and who are qualified to receive the City's hospitalization-medical insurance as a retiree shall at any time the retiree is receiving said coverage, be entitled to the same coverage opportunities then available to the active employees (plus, Medicare Advantage plans as specified in P above) and utilizing the same co-premium calculation formula to determine amounts payable by retirees for the retiree and his/her eligible spouse.
- U. Health Habits and Reproductive Prescription Drugs: Effective March 30, 2010, all health habits, reproductive (fertility), and lifestyle prescription drugs EXCEPT FOR SMOKING CESSATION AND WEIGHT LOSS will no longer be covered under the City's prescription drug program.
- V. Effective with the Family Continuation Verification Period for the coverage plan year beginning July 1, 2006, in addition to the existing family continuation requirements, employees insuring family continuation dependents (19 – 25 year old dependent children) must also provide proof that the dependent is enrolled in an accredited school as a full-time student (carrying 12 credit hours each Fall and Winter term) in order for that dependent to be eligible for continued coverage. Effective with the coverage year that begins on July 1, 2010, the age requirement for family continuation dependents shall be changed from age 19 through 25 to age 19 through 22.
- W. There shall be no duplicate hospitalization-medical insurance coverage or payments in lieu thereof provided employees or future retirees of the City. If the City employs more than one member of a family, or the family unit includes a retiree of the City, all of whom could be eligible for coverage under one hospital-medical insurance policy or plan as a spouse or eligible dependent, the spouses or eligible dependents of that family shall be covered by only one spouse or the other. It is the responsibility of the family to select a single hospitalization carrier. Under no circumstances shall the City be obligated to provide more than one hospitalization-medical policy or plan.
- X. Consistent with current practice, all employees, retirees, and their dependents, who receive healthcare coverage under this Agreement, must disclose to the City the existence of any other source of healthcare benefits. In all such cases, full coordination of benefits will apply at all times.

Effective July 1, 2010, if an employee/retiree's spouse has hospitalization-medical coverage available to him/her under a plan offered by his/her employer (other than the City), 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. 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. (See Paragraph W as referenced above)

- Y. In addition to the above noted provisions, the parties agree to continue to bargain and to work collaboratively toward establishing cost saving measures for Healthcare benefits as well as resolve issues that may arise with the implementation of the new HR/Payroll and Benefit System. If the parties agree to further changes during the course of this Agreement, such changes shall be implemented upon ratification of the bargaining unit and approval by Board of Water Commissioners, and thereafter, incorporated into this Master Agreement. Examples of Continued Cost Saving Measures for medical, dental, optical and life insurance plans include, but are not limited to:
1. Post-Retirement Employment (the City is Not Responsible for Retiree Healthcare if Employee is Eligible for Healthcare Through His/Her Post Retirement Employer, that is Substantially the Same as the City's Plan, During the Period of Other Employment)
 2. Auto-Related Accidents Coverage (Primary Insurer—Automobile Insurance Plan; Secondary Insurer—City Medical Plan)
- Z. Within sixty (60) calendar days after the execution of this Agreement, DWSD shall begin an evaluation of the feasibility of providing alternative health insurance plans and/or administration of insurance benefits. DWSD shall provide a monthly report to the Union bargaining committee as to the progress of this evaluation and shall conduct a special conference with the Union bargaining committee from time to time regarding potential alternatives.
- AA. Beginning no later than ninety (90) calendar days after execution of the 2012-2013 collective bargaining agreement, DWSD shall begin a review of its retiree health insurance liability and alternative means of funding any such liability. The Union may designate one member to serve on that review committee, who shall be released from regular assignments to attend committee meetings, in the same manner as a special conference.
- BB. DWSD may convert to a health plan or plans covered by an exchange under the Affordable Care Act, provided that it provides substantially similar or better coverage than the plan currently in force. "Substantially similar or better" shall include any self-insurance or reimbursement of out-of-pocket costs by DWSD of benefits not covered under the exchange's plan.

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

25. DEATH BENEFITS AND LIFE INSURANCE

A. DEATH BENEFITS:

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

1. **MEMBERSHIP:**

Mandatory for regular employees.

2. **CONTRIBUTIONS:**

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

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

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

B. **Payment for employees killed or permanently disabled in line of duty:**

1. A lump-sum duty death benefit of \$10,000 will be paid to the beneficiaries or estate of employees who are killed or who die as a direct result of injuries sustained in the actual performance of their duties.
2. A lump-sum payment of \$10,000 will be made to any employee who is totally and permanently disabled from illness or injury arising solely out of the actual performance of their duties. "Totally and permanently disabled" shall be defined exclusively as follows:
 - a. Total and permanent loss of sight of both eyes.
 - b. Loss of both legs or both feet at/or above the ankle.
 - c. Loss of both arms or both hands at/or above the wrist.
 - d. Loss of any two of the members or facilities enumerated in (a), (b), (c).
 - e. Permanent and complete paralysis of both legs or both arms or one leg and one arm.
 - f. Incurable insanity or imbecility.

A claimant to benefits under this paragraph shall have the right to present any written information in support of the claim which shall become part of the records reviewed by the physician appointed by the Finance Director and the Medical Board of Inquiry, should a Board of Inquiry be formed.

The Finance Director shall appoint a physician who shall examine the medical records and findings and with respect to rights of claimants, the physician may also personally examine the claimant. Said physician shall within sixty (60) days of appointment file a written report regarding his/her 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 of Employee</u>	<u>Amount of Insurance</u>
70¢ per week	\$5,000 each dependent

D. **ADDITIONAL INSURANCE:**

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

<u>Yearly Pay</u>	<u>Amount of Insurance</u> <u>Option 1</u>	<u>Amount of Insurance</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	\$5000 Increments

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

26. RETIREMENT

- A. Eligibility for Service Retirement Allowance - Any employee who is covered by the provisions of this Agreement and who is a member of the General Retirement System of the City 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 any time 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's 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, 1988, shall not be factored into the formula for determining their pension benefit until they shall have attained age 62. This provision will not affect the current practice governing disabled employees.

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

- E. Employees who become eligible for a pension under the vesting provisions of the plan, shall be ineligible for any of the hospital, medical, optical or dental benefits provided for other retirees, spouses, dependents or beneficiaries.
- F. Employee contributions to the general retirement annuity fund shall be optional. Balances in the fund standing to the individual credit of employees discontinuing contribution shall be maintained with accumulated interest to be paid out to the employee upon separation from the City. Employees qualified under the pension vesting provision of the general retirement system may withdraw their annuity with accumulated interest upon separation. Upon attainment of twenty-five (25) years of service, an employee shall be eligible to withdraw, one time only prior to retirement, all or part of his/her annuity savings.

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.

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 greater than 10 years up to 20 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 for each year of service greater than 25 years; plus \$12 for each year of City service not to exceed \$120. In no case shall benefits paid by the Retirement System exceed ninety percent (90%) of Average Final Compensation except in the case where a higher pension amount has been earned in accordance with the provisions in effect prior to July 1, 1992.

- H. 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 (USLOR) payment benefit provided for elsewhere in Article 28 of this labor agreement or 2) choose to receive payment of twenty-five percent (25%) of their unused sick time 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 this option, the lump sum payment of USLOR will be the remaining value of the eligible unused accrued sick leave banks provided in Article 28.
- I. 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.

- J. 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.
- K. Effective March 30, 2010, any employee covered by this agreement, who is seeking a duty-disability retirement, shall have an examination conducted by an independent medical examiner (IME). If the IME concludes that the employee's physical or medical condition does not relate to his/her employment with the City, the employee shall not be eligible for the duty disability retirement.
- L. 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.
- M. The post retirement escalator factor shall increase from 2.0% to 2.25% of original base pension effective July 1, 1992.

- N. Employees shall have the option of selecting from two additional surviving beneficiary options of 25% and 75%.
- O. **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 a 7% annuity contribution.
- P. 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 Board of Water Commissioners, 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.
- Q. Effective August 1, 1999, or the earliest date thereafter when all required agreements are reached between the City and other parties, the membership of the General Retirement System, Board of Trustees [Article II, Section 2, Subsection (1)] shall be modified to provide that one of the trustees is: "The Mayor of the City of Detroit or his/her designated representative, ex-officio. Such designated person shall be a full time appointive or classified City employee."
- R. All Retirement and Pension Plan Provisions provided for by the City Charter and Municipal Code are incorporated herein by referral unless otherwise specifically modified by this Agreement and Ordinance 2-93, J.C.C. Page 133.

NOTE: Sections A – R, inclusive, shall only apply to employees hired prior to July 1, 2012.

- S. Employees hired on or after July 1, 2012 shall not be enrolled in the City's defined benefit plan, but shall be enrolled in a defined contribution plan established by the 1998 ordinance. DWSD's contribution shall be six percent (6%) of the employee's base salary. The employee's contribution shall be voluntary. If the employee elects to make a contribution, it shall be matched by DWSD dollar for dollar up to a maximum of three percent (3%) of the employee's base salary. This matching contribution by DWSD shall be in addition to its contribution of six percent (6%).
- T. Employees hired prior to July 1, 2012 may remain in the City's defined benefit program as described in Sections A through Q, inclusive, of this Article. Effective July 1, 2012, the employee, if he/she elects to remain in the defined benefit program shall make a pre-tax contribution of five percent (5%) to the defined benefit plan.

The employee may elect a voluntary, irrevocable conversion to the defined contribution plan described in Section P of this Article. Existing vested employer and employee contributions shall be converted to the employee's account in the defined contribution plan. The conversions shall be calculated based upon the actuarial standards described in the 1998 Ordinance.

DWSD's contribution shall be six percent (6%) of the employee's base salary. The employee's contribution shall be voluntary. If the employee elects to make a contribution, it shall be matched by DWSD dollar for dollar up to a maximum of three percent (3%) of the employee's base salary. This matching contribution by DWSD shall be in addition to its contribution of six percent (6%).

Within ninety (90) calendar days after the execution of this Agreement, DWSD shall begin an evaluation of the feasibility and desirability of an early retirement program for members of the Association. No later than one hundred fifty (150) calendar days after the execution of this Agreement, DWSD shall conduct a special conference with the Union bargaining committee to discuss and evaluate the merits and qualifications of an early retirement program.

NOTE: All of the above provision changes will be presented to the Internal Revenue Service and are subject to being final only upon a determination that they are acceptable and approved and will not harm the current favorable tax-exempt status of the General Retirement System.

The two-tier system for new hires referenced in this Article will be implemented when the Payroll system has the capability.

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 in accordance with the Board of Water Commissioners Resolution.
- B. If selected to serve on a jury which requires the employee to be off work for more than one day, the employee must notify his/her employing department each day in accordance with established departmental call-in procedures. Failure to do so will make the employee ineligible for jury duty supplementation.

28. 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 the employee's 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

29. MISCELLANEOUS

- A. All salaried employees will have their hourly rates computed by dividing their annual salary by two thousand and eighty (2,080) hours.

- B. 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.
- C. The basic step increment schedule for salary classifications shall be annual increments of five percent (5%) of the employee's salary as of the date the increment is normally paid, not to exceed the maximum rate for the classification.
- D. Employee benefits for those employees sixty-five (65) years of age and older may be modified as permitted by law but shall not result in any additional cost to the employee, (e.g. coordination of Medicare/Medicaid coverage with City hospitalization coverage).
- E. Where, by payroll error, an employee is underpaid or overpaid, the City is expressly authorized to correct the underpayment or overpayment by payroll adjustment. The City shall notify an employee in writing fourteen (14) days prior to making any overpayment recovery.

The correction of the underpayment shall be made within 60 days after notification to the DWSD Human Resources Unit.

For overpayment recoveries the City is authorized to deduct up to fifty dollars (\$50) weekly or one hundred dollars (\$100) bi-weekly. If the employee separates from City service, the entire unpaid balance shall be recoverable immediately.

If the amount owed by the employee is over \$2,600, the DWSD reserves the right to seek immediate recovery through appropriate legal proceedings.

30. PRIVATE CAR MILEAGE REIMBURSEMENT

- A. **Rates of Payment:** When an employee covered by this Agreement is assigned to use his/her automobile to perform his/her job, he/she shall be paid mileage at the current IRS per mile rate, subject to change when that rate changes higher or lower. In addition, three dollars (\$3.00) per day is to be paid for each day an employee is required to use his/her car for DWSD business. The DWSD will continue to reimburse employees for the difference in premiums between business and pleasure insurance according to the formula approved by Board of Water Commissioners 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 he/she has no headquarters) to a job, from job to job, and if directed, back to headquarters or starting point, shall constitute reimbursable mileage.

4. For those employees who do not report to a specific headquarters, or starting point on any given day, mileage in excess of 15 miles from home directly to a job at other than headquarters or starting point at the start of the work day and mileage in excess of 15 miles from a job located at other point than headquarters or starting point to home at the end of work day shall constitute reimbursable mileage.
- C. For DWSD employees residing in Detroit and who report for work outside of Detroit on regularly assigned basis, the travel allowance shall be as follows:
1. For employees reporting for work at North Service Center - \$5 per day travel allowance.
 2. For employees reporting for work at Southwest Station - \$3 per day travel allowance.
 3. For employees reporting for work at Ford Road Booster Station - \$1.50 per day travel allowance.
 4. For employees assigned to Lake Huron Station - \$18 per day travel allowance. Employees permanently assigned to Lake Huron Station shall be ineligible for this payment 18 months after their assignment to this location.
- D. **Accident Payments:** When an employee is involved in an accident while on DWSD business resulting in damage to his/her automobile in excess of \$50, the DWSD 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 DWSD regular small claims program.
- E. In the event of an automobile breakdown during regular working hours, the time which an employee is allowed for servicing and repairing his/her automobile is to be determined by department practices.
- F. When an employee covered by this Agreement is regularly assigned to a job which requires the use of an automobile during his/her normal working hours, he/she shall be required to furnish said car.
- G. In order to receive mileage reimbursement an employee must actually use an automobile on City business.

31. WORK WEEK, WORK DAY, SHIFT PREMIUM

A. **STANDARD SERVICE WEEK:**

1. DWSD shall have discretion to schedule the length of the workday with ten (10) day notice to UWA and affected employees. The standard payroll work week shall begin at 12:01 a.m. Monday, and end at 12:00 a.m. Sunday. It may consist of five (5) regularly scheduled eight (8) hour work periods, or four (4) regularly scheduled ten (10) hour work periods, or another work period configuration exclusive of the lunch break. The two (2) or more remaining days in the payroll work week shall be known as "off-days".

2. A Special Conference will be held to discuss the procedure for implementation of a shift beyond 8 hours. The purpose of the Special Conference will be to confer on such issues (not inclusively) as impacts on vacation and sick leave, holiday pay, manpower scheduling, service and work day, duration, etc. The holding of such a conference shall not create or alter the rights and responsibilities of the parties under this Agreement.

B. SERVICE DAY AND WORK DAY:

1. The regular full working day may consist of eight (8) hours of work in the service day exclusive of the lunch period. It shall begin at 12:01 a.m., and extend to 12:00 a.m.
2. When an employee is called to work, he/she shall be guaranteed no less than four (4) hours of pay for "show up" time at the straight time rate.

C. AFTERNOON AND NIGHT SHIFTS:

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

The *afternoon shift* shall be any full-time shift starting between the hours of 11:00 a.m. and 6:59 p.m., inclusive.

The *night shift* shall be any full-time shift starting between the hours of 7:00 p.m. and 3:59 a.m., inclusive.

- D. Employees assigned to 24 hour, 7-day operations must notify their supervisors that they will not be in to work at least 2 hours before the start of their shift.
- E. Unless provided for otherwise within this labor agreement, all provisions of this Article shall be in accordance with Chapter 13, Article 2 of the Municipal Code of the City of Detroit.

32. VACATIONS

A. ELIGIBILITY:

For employees hired on or after April 1, 2013, only service time with the DWSD shall be considered for determining qualifications and eligibility under this Article, 32.

- B. Employees shall not be eligible for vacation leave without deduction of pay until they 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 March 30, 2010 with fifteen (15) or more years of service shall be fifteen (15) days.

C. The vacation schedule shall be as follows for employees hired prior to March 30, 2010:

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 March 30, 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

D. **VACATION PERIOD:**

1. Vacations will, insofar as possible, be granted at a time most desired by employees according to their seniority and in accordance with departmental practice.
2. When an official holiday occurs during a scheduled vacation, the employee shall be entitled to an additional vacation day.

3. If an employee becomes ill while on his/her vacation, or prior to, his/her vacation shall be re-scheduled after proof of such illness. Employees who are on extended sick leave of one (1) month or more on any October 1 date, shall, upon prior written application to the department head and the Finance Director, be entitled to a lump-sum payment in lieu of time off for all vacation leave earned during the preceding fiscal year.
4. An employee's vacation bank may not exceed more than forty (40) days, or 320 hours, on any October 1.

E. **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 hours (1600) 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.

New employees hired on or after March 30, 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.

- F. **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 1, 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.
- G. **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 32-D.

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

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

- H. **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.
- I. If a regular payday 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.
- J. Employees will have one day of vacation converted to "Prior Compensatory Time" in July of each year. Liquidation will be in accordance with the rules for compensatory time. Employees must liquidate this time by the end of the fiscal year in which it is credited.

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

33. 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 DWSD employment shall be continued on the payroll and his/her time shall be charged to his/her sick leave reserve for all days not covered by Workers' Compensation payments; provided that in the absence of any sick leave reserve he/she shall be paid regular wages or salary to the extent of two-thirds of his/her daily wage or salary but for a period not to exceed seven (7) days; provided, also; that where the employee has off-time banks and receives income under the Workers' Compensation Act, such income shall be supplemented by the City from his/her off-time banks in an amount sufficient to bring it up to ninety-five percent (95%) of his/her weekly take-home pay. For the purposes of this Article, take-home pay is defined as gross pay from the City less Social Security deductions, and less federal, state and City income tax withholding amounts based on the employee's actual number of dependents. Employees shall be eligible to earn current sick leave.
- B. Employees who are unable to supplement their Workers' Compensation benefit from their off-time banks because the amount of overtime worked causes the benefit to meet or exceed ninety-five (95%) percent of weekly take-home pay, shall be treated like employees who are able to supplement for the purposes of hospitalization, life insurance and current sick leave. This provision does not apply to those employees who are unable to supplement because they have no time available in their off-time banks.

- C. Employees shall not be eligible for holiday pay nor earn additional vacation or reserve sick leave when they are being paid Workers' Compensation benefits.
- D. The City agrees to continue hospitalization and life insurance benefits for employees with one or more years of seniority who have been approved for Workers' Compensation benefits for a period of 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 Benefits Administration Office to pay those premiums in order to continue coverage.

- E. Consistent with the Workers' Compensation Act and current City practices:
 - (1) The DWSD shall continue its program of returning workers who suffered job injuries back to active employment to perform work tasks which are compatible with their current physical capabilities. To the maximum extent possible, employees will be returned to their former job classification if they are presently able to perform the essential duties with or without reasonable accommodations.
 - (2) If the employee is presently able to perform some but not all of the essential duties, but there is competent medical documentation that he/she will be able to perform all such duties within ninety (90) days, he/she may be placed conditionally in an available position in the classification subject to review at the end of this period. Work tasks assigned will be those compatible with present work restrictions.
 - (3) If the employee cannot presently be returned to his/her former job classification, he/she will be placed in an appropriate available position in another classification on a temporary basis until such time as the employee is able to return to his/her former job classification or acquires permanent status in the alternate classification by action of the Human Resources Unit. The duration of the temporary status shall be in accordance with the Workers' Compensation Act. During the temporary period, efforts will be made to place the employee in available positions consistent with his/her training and experience and current physical capabilities.
 - (4) While employed in the alternate job classification, whether temporary or permanent, the employee shall be represented by the local union having jurisdiction over employees in that classification and at that location. However, residual seniority rights to the employee's former classification shall remain with his/her former local or other union. An employee in an alternate classification on a permanent basis continues to have a right to return to his former job classification in his/her former department when physically able to do so.
 - (5) Employees returned to work under these provisions shall not be charged with absences for disciplinary purposes where there is medical documentation that such absences were caused and necessitated by the former job injury.

- (6) Employees will be eligible for wage increases granted to their alternate job classification.
- (7) Should a medical dispute arise between the employee's physician and the Employer's physician, a third physician will be mutually selected by the doctors and the third doctor's opinion shall be final and binding on the DWSD and Union.

34. SICK LEAVE

- A. All employees hired prior to March 30, 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 eighty percent (80%) of their scheduled hours, not to exceed twelve (12) sick leave days in any one fiscal year. Those employees hired on or after March 30, 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 eligible for sick leave.

- B. Reserve sick leave of five (5) service days shall be granted on July 1 to each employee hired prior to March 30, 2010 who was on the payroll the preceding July 1 and who has earned at least sixteen hundred (1600) hours of straight time pay during the fiscal year. Reserve sick leave shall be kept in the Reserve Sick Leave Bank. Those employees hired on or after March 30, 2010 shall not be eligible for reserve sick leave.
- C. Sick leave may not be granted in anticipation of future service.
- D. Sick leave balances shall be expressed in terms of hours and shall be posted on the employee's check stub.

E. Qualifiers for Bonus Vacation Days

- 1. Employees hired prior to March 30, 2010, who have accumulated a total of fifty (50) or more unused sick leave days on July 1st shall receive up to six (6) bonus vacation days based upon their sick leave usage in the previous fiscal year. Such time shall be credited according to the following table:

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

6 ½ or 7	2 ½
7 ½ or 8	2
8 ½ or 9	1 ½
9 ½ or 10	1
10 ½ or 11	½
11 ½ or more	0

2. Employees hired prior to March 30, 2010 who have accumulated a total of at least twenty-five (25) but less than fifty (50) or more unused sick days on July 1 shall receive up to three (3) bonus vacation days based upon their sick leave usage in the previous fiscal year. Such time shall be credited according to the following table:

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

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

Those employees hired on or after March 30, 2010 shall not be eligible for bonus vacation days.

F. Reserve Sick leave Usage.

Reserve sick leave is not available for usage as Departmental Leave Days

- G. Employees will have access to Departmental Leave Days in accordance with the Municipal Code and the Manual of Standard Personnel Practices. Permission will not be unreasonably withheld.
- H. The above shall be in accordance with Chapter 13, Article 5, Section 2 of the Municipal Code of the City of Detroit except as modified by this Article.

35. AFFIRMATIVE ACTION

- A. The DWSD and the Union agree to cooperate in a policy of equal opportunity for all employees; to continue to prohibit discrimination because of race, color, religion, sex, sexual orientation, age, or national origin, and to promote a full realization of equal employment opportunity through a positive and continuing effort.
- B. The DWSD agrees to periodically provide the Union with copies of statistical minority employment information reports and such reports concerning policies and programs for equal opportunity in employment regarding DWSD employees.

- C. The DWSD further agrees that a crucial part of an effective affirmative action program is development of an effective training and education program designed to provide existing minority employees maximum opportunity to advance so as to perform at their highest potential.
- D. Representatives of the Human Resources Unit shall be available to meet with representatives of the Union to exchange information and discuss affirmative action activities.

36. COOPERATION IN VALIDATION STUDIES

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

37. VETERANS PREFERENCE

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

38. RATES FOR NEW POSITIONS

When DWSD establishes a new classification or materially changes the specifications of an existing classification, the rate of pay shall be determined by DWSD, subject to the approval of the BOWC. Recommendation for the establishment of such rates shall be directed by DWSD. When the new classification clearly falls within bargaining unit covered by the Agreement, the Union will be advised as to the classification, the departments, the rate and anticipated number of employees affected before any action will be taken BOWC. In the absence of any appeal by the Union within ten (10) working day(s) of the date of the notice to the Union, action on the position will be submitted to the BOWC. In the event of an appeal the interested bargaining agent may negotiate for a suitable rate with the department and the matter shall be handled with the ten (10) working day period in

accordance with the procedure for Special Conference, If the parties fail to reach an agreement on a new rate within (10) working days after notice is given the Union, DWSD may implement its last offer the Union.

39. FRINGE BENEFITS AND OTHER CONDITIONS

All fringe benefits and other conditions of employment that were legally in effect at the time of the signing of this Agreement, except as otherwise provided herein, shall remain in full force and effect for the duration of this Agreement.

Fringe benefits and working conditions except as otherwise expressly provided herein, shall be in accordance with the Human Resources Unit Rules.

40. SAVINGS CLAUSE

If any Article or Section of this Agreement should be held invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Section should be restrained by such tribunal, the remainder of this Agreement shall not be affected thereby, and the parties shall enter into immediate collective bargaining negotiations for the purpose of arriving at a mutually satisfactory replacement for such Article or Section.

41. OVERTIME

A. DWSD has the right to schedule overtime work as required in a manner most advantageous to DWSD and consistent with requirements of municipal employment and the public interest. Overtime shall be assigned to employees most capable of performing work in a classification, at the discretion of management.

B. **TIME AND ONE-HALF OVERTIME:**

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 as follows:

1. All hours worked over forty (40) in one (1) service week except if such time is worked on 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.

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

1. All hours worked over forty (40) in one service week except if such time is worked on a seventh day or a holiday.
2. Employees shall be entitled to time and one-half for all work on the sixth day if they shall have worked the assigned forty (40) hours in the work week.

C. DOUBLE TIME OVERTIME:

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

Double time (two-hundred percent [200%] of the basic or hourly rate) shall be paid for all time worked in excess of sixteen (16) hours from the employee's assigned starting time.

- D. When a schedule indicates a lunch period but conditions make it impractical to enjoy same, the employee or employees involved will be paid the appropriate hourly 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.
- E. Premium payments shall not be duplicated for the same hours worked.
- F. All overtime paid under this contract shall be computed solely on the basis of time actually worked by the employee.
- G. Notwithstanding the above paragraph, vacations and holidays shall be counted as time worked for the purpose of computing overtime.
- H. 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.
- I. When there are not enough qualified employees who accept the assignment, overtime assignments shall be made to qualified employees in inverse seniority order.

42. TUITION REFUND

- A. Effective July 1, 2012, bargaining unit members with a minimum of three (3) years of service may participate in the Tuition Refund Program in accordance with the policies as administered by the Human Resources Unit. Employees requesting a tuition refund should submit the applications to the Human Resources staff servicing their division. Eligibility to participate in the tuition refund program will begin after attaining three (3) years of service prior to the start of the approved course, employment development program or training program required.
- B. The maximum amount of the tuition refund shall be \$2,000 per fiscal year.

43. STATUTORILY REQUIRED EMERGENCY MANAGER LANGUAGE

- A. This Agreement adopts by reference any terms and conditions imposed by the State of Michigan, the Department of Treasury, Act 4 or any other regulation or law adopted by the State of Michigan.
- B. The inclusion of this language or any language required under section 15(7) of the Public Employment Relations Act does not constitute an agreement by the Union to the substantive or procedural content of the language. In addition, inclusion of the language does not constitute a waiver of the Union's right to raise Constitutional and/or other legal challenge (including contractual or administrative challenges) to the validity of: (1) appointment of an Emergency Manager; (2) PA 4 of 2011, as amended, (Local Government and School District Fiscal Accountability Act) ("the Act"); or (3) any action of an Emergency Manager which acts to reject, modify or terminate the collective bargaining agreement. This Section shall immediately become null and void if that Act is stayed, reversed in a referendum, or ruled unconstitutional or reversed in a final decision by the Michigan Supreme Court, the Michigan Court of Appeals or a federal court. This Section shall also immediately become null and void if the federal Court rules that any part of this Section is contrary to or inconsistent with the terms of the November 4, 2011 Order by Judge Sean F. Cox.

44. DWSD EMPLOYEE ANNUITY LOAN PROGRAM

In fulfillment of their collective bargaining obligations under the Michigan Public Employees Relations Act ("PERA") MC423.215, the parties agree that a Participant Loan Program will be available to bargaining unit members. Its terms will be as follows:

- (a) **Established:** Any loans granted or renewed shall conform with the requirements of Section 72(p) of the Internal Revenue Code, 26 U.S.C.1 et seq. Such loan program shall be established in writing by the Board of Trustees, and must include, but need not be limited to the following:
 - 1. The identity of the administrator of the Participant Loan Program;
 - 2. A procedure to apply for loans, the amount of loan that will be approved or denied, and limitations, if any, on the types and amount of loans offered;
 - 3. The procedure under the program for determining a reasonable rate of interest; and
 - 4. The events constituting default and the steps that will be taken to preserve plan assets.
- (b) **The Loan Program:** The Loan Program shall be contained in a separate written document copies of which shall be made available in the offices of the City of Detroit General Retirement System for prospective participants in the program. The Board of Trustees is authorized to adopt rules and regulations, from time to time, to govern the administration and the operation of this program. Copies of the rules shall also be made available to prospective participating members of the system in the offices of the General Retirement System.

- (c) **Eligibility:** Subject to the rules and procedures established by the General Retirement System Board, loans will be made to bargaining unit members. Former participants, spouses of participants, and beneficiaries are not eligible to receive any loans from the Plan. Subject to rules and procedures established by the Board, a participant who has been in the plan for twelve (12) months or more is eligible to apply for a loan from this plan.
- (d) **Amount of Loan:** A participant who has satisfied applicable rules and procedures may borrow from his or her account an amount, which does not exceed fifty percent (50%) of the participant's vested accumulated balance, or ten thousand dollars (\$10,000.00) reduced by the excess, if any, of: 1) the highest outstanding balance of loans from the trust during the one (1) year period ending on the day before the date on which the loan is made, or 2) the outstanding balance of loans from the trust on the date on which the loan is made, whichever is less. The minimum loan amount shall be one thousand dollars (\$1,000.00).
- (e) **Terms and Conditions:** In addition to such rules and procedures that are established by the Board, all loans shall comply with the following terms and conditions:
1. Loan applications shall be in writing;
 2. Loan shall be repaid by equal payroll deductions over a period not to exceed five (5) years, or, where the loan is for the purpose of buying a principal residence, a period not to exceed fifteen (15) years. In no case shall the amount of the payroll deduction be less than twenty dollars (\$20.00) for any two-week period;
 3. Each loan shall be made against the assignment of the participant's entire right, title, and interest in and to the trust supported by the participant's collateral promissory note for the amount of the loan, including interest payable to the order of the trustee;
 4. Each loan shall bear interest at a rate determined by the Board. The Board shall not discriminate among participants in its determination of interest rates on loans. Loans initiated at different times may bear different interest rates, where, in the opinion of the Board, the difference in rates is supported by a change in market interest rates or a change in the pension system's current assumed rate of return. The loan interest rate shall bear a reasonable relationship to market rates for secured loans of a similar duration and shall bear a reasonable relationship to the costs to the pension trust of administering the trust. The loan interest rate shall be calculated in a manner that will not negatively affect the DWSD'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.
 6. **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.

7. **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.
8. **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.
9. **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.

45. INSURANCE, COMPENSATION, AND RETIREMENT RE-OPENER MODIFICATIONS

The parties acknowledge that economic, financial, legal, legislative, structural and regulatory developments affecting insurance (including supplements), compensation, and pensions may warrant modifications of certain articles of this Agreement during the term of this 2013-2016 Agreement.

Accordingly, if either party in good faith believes such modifications are warranted that party may initiate modification negotiations by providing the other party written notice of its desire to reopen and modify this Agreement. Neither party may seek to modify this Agreement on more than two (2) occasions during any fiscal year (July 1 – June 30) during the term of this Agreement, nor shall either party initiate modification discussions following February 1, 2016.

Such modification negotiations will not result in the termination extension or renewal of this 2013-2016 agreement.

The parties shall negotiate pursuant to this Article, 45, for thirty (30) calendar days on any modification issue raised by either party. In the event there is no agreement reached after thirty (30) days, the DWSD shall have the right to implement its last offer to the union. The DWSD's offer will be retroactive to the introduction date. The DWSD's implementation action shall not terminate the negotiations and any subsequent settlement shall also have retroactivity to the date of introduction.

46. DURATION AND TERMINATION

This Agreement shall become effective upon the effective date of Resolution of Approval of the DWSD Board of Water Commissioners as provided by law and shall remain in full force and effect until 11:59 p.m., June 30, 2016.

If either party desires to modify this Agreement, it may give notice to the other party prior to February, 2016.

In the event the parties fail to arrive at an agreement on items by June 30, 2016, this Agreement will remain in effect on a day-to-day basis. Either party may terminate the Agreement by giving the other party a ten (10) calendar day written notice on or after June 20, 2016. Insurance, Compensation, and Retirement Reopener Modifications per Article 45 will not result in the termination, extension or renewal of this 2013-2016 Agreement.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures below:

Dated This 26 Day of March, 2013.

UTILITY WORKERS OF
AMERICA, LOCAL 504:

Curlisa Jones, President

James C. Harrison,
International Representative

DETROIT WATER & SEWERAGE DEPT.



Sue F. McCormick, Director



William Wolfson, Corporation Counsel

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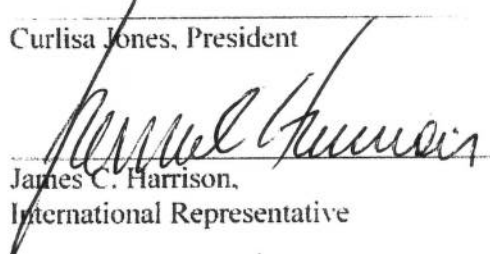
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William Wolfson, Corporation Counsel

EXHIBIT I
UTILITY WORKERS UNION OF AMERICA, LOCAL #504
2012-2013 WAGE SCHEDULE

BU CODE	CLASS CODE	CLASSIFICATION	Effective 7/1/12 – 6/30/13	
8900	01-50-31	Water Systems Maintenance Dispatcher**	\$33,200	\$34,700

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

Representation: WATER DEPARTMENT ONLY

EXHIBIT II
2013 - 2016 HOLIDAY SCHEDULE

HOLIDAY	2013 - 2014	2014 - 2015	2015 - 2016
Independence Day	Thursday, July 4, 2013	Friday, July 4, 2014	Friday, July 3, 2015
Labor Day	Monday, September 2, 2013	Monday, September 1, 2014	Monday, September 7, 2015
Election Day*	Tuesday, November 5, 2013	Tuesday, November 4, 2014	Extra Swing Holiday
Veterans Day*	Monday, November 11, 2013	Tuesday, November 11, 2014	Wednesday, November 11, 2015
Thanksgiving Day	Thursday, November 28, 2013	Thursday, November 27, 2014	Thursday, November 26, 2015
Day After Thanksgiving*	Friday, November 29, 2013	Friday, November 28, 2014	Friday, November 27, 2015
Christmas Eve (eight hours)*	Tuesday, December 24, 2013	Wednesday, December 24, 2014	Thursday, December 24, 2015
Christmas Day	Wednesday, December 25, 2013	Thursday, December 25, 2014	Friday, December 25, 2015
New Year's Eve (eight hours)*	Tuesday, December 31, 2013	Wednesday, December 31, 2014	Thursday, December 31, 2015
New Year's Day	Wednesday, January 1, 2014	Thursday, January 1, 2015	Friday, January 1, 2016
Martin Luther King's Birthday	Monday, January 20, 2014	Monday, January 19, 2015	Monday, January 18, 2016
Good Friday (eight hours)*	Friday, April 18, 2014	Friday, April 3, 2015	Friday, March 25, 2016
Memorial Day	Monday, May 26, 2014	Monday, May 25, 2015	Monday, May 30, 2016

* Excused Time Holiday for all City employees. No holiday premium to be paid.

NOTE: Special rules on holiday observance may apply to employees engaged in unusual work assignments such as shift work and/or six (6) or seven (7) day operations.

EXHIBIT III Health Care Plan

HEALTH CARE PLAN	
Option III Plan Design	
Annual Deductible/Individual	\$250
Annual Deductible/Family	\$500
Office Visit	\$25
Outpatient Specialist Visit	100% first 6 visits, then 50%
Co-Insurance	80%
Annual Out-of-Pocket Limit/Individual	\$1,000
Annual Out-of-Pocket Limit/Family	\$2,000
Lifetime Plan Maximum	None
Inpatient Hospital Services	
Inpatient Hospitalization	\$100 copay then 100%
Emergency Services	\$100 copay then 100%
Urgent Care	\$25 copay
Prescription Drug Benefits	
Generic	\$10
Brand (Preferred)	\$20
Brand (Non-Preferred)	\$35
Number of Days Supply	30 days

***Refer to the Employee Health Care Plan Options Booklet for a complete description of plan.**

*Life Insurance and Death Benefit: Coverage begins on the first day of the first full pay period, and ends on the last day of the month that employment ends.

*Supplemental Life Insurance Coverage: Employees may opt for additional coverage up to either their actual salary or double their actual salary, rounded up to the nearest thousand. This would replace the Option 1 and Option 2 schedules for additional life insurance found in the Death Benefit and Life Insurance article of the Master Agreement.

*Pre-Tax Medical Premiums: The employee's share of medical premiums will be shown and paid on a pre-tax basis.

*Employee Payroll Deductions: Payroll deductions will be taken out equally during every pay cycle.