

AGREEMENT

between

THE CITY OF MIDLAND

and

**MIDLAND MUNICIPAL SUPERVISORY
EMPLOYEES ASSOCIATION**

Effective July 1, 2017

through

June 30, 2020

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AGREEMENT

The following Agreement between the City of Midland, Michigan, hereinafter termed the "City" and the Midland Municipal Supervisory Employees Association, hereinafter termed the "Association" is recorded in written form to meet the authorization set forth in Section 15 of P.A. 336 of 1947, as amended, of the State of Michigan for a written contract incorporating any agreement reached. This Agreement is also designed to provide for an equitable and peaceful procedure for the resolution of differences in accordance with the grievance procedure specified herein, in order to maintain and promote a harmonious relationship between the Association and the City and to encourage more efficient and progressive service in the public interest.

ARTICLE 1

RECOGNITION AND RESPONSIBILITIES

1. Bargaining Unit. The City recognizes the Midland Municipal Supervisory Employees Association as the sole collective bargaining agency in respect to salaries, hours and other working conditions for all permanently employed supervisory classified personnel of the City of Midland who work the full established workweek, excluding, however, sworn police officers and fire fighters, non-supervisory classified employees and positions designated in writing by the City Manager as confidential. Such personnel covered herein shall be called “employee” elsewhere in this Agreement. The use of a specific pronoun referring to gender has no particular significance, as it is intended to apply equally to males and females.

2. City Representative. The Association recognizes the City Manager or his/her representative as the exclusive representative of the City and shall meet and negotiate exclusively with such representative, except as may be otherwise specifically provided in this Agreement. No agreement covering terms and conditions of employment or other matters made between the Association and the City shall be binding upon the parties unless the signature of the Association’s and the City’s designated representatives are affixed hereon.

3. Responsibilities - City. The City agrees that it will not discriminate in any manner against any employee by reason of membership and activity in the Association, and the City further agrees that it will not in any way interfere with the organization of the Association and that it will not willfully commit any act calculated to undermine the Association.

4. Responsibilities - Association. The Association agrees to exert every effort on its part to cause the employees, individually and collectively, to perform and render legal and efficient work and services on behalf of the City, and that neither its representatives nor its members will intimidate, coerce or discriminate against any employee in any manner at any time.

5. Management Rights. It is recognized that the management of the City, the control of its properties and the maintenance of order and efficiency, is solely a responsibility of the City. Other rights and responsibilities belonging solely to the City are hereby recognized, prominent among which but by no means wholly inclusive are: the rights to decide the number and location of its facilities, stations, etc., work to be performed within the unit, maintenance and repair, amount of supervision necessary, machinery and tool equipment, methods,

schedules of work, together with the selection, procurement, designing, engineering and the control of equipment and materials, and the right to purchase services of others, contract or otherwise, except as they may be otherwise specifically limited in this Agreement.

Before the City exercises its right to purchase the services of others, contract or otherwise, the City agrees to discuss with the leadership of the M.M.S.E.A., any decisions involving contracting of work currently performed by members of the M.M.S.E.A. and to offer the Association the opportunity to present a competitive proposal to any bid. Such proposals must be presented within forty-five (45) days after the opening of the bids and the Association has been notified. The M.M.S.E.A., and its members, will not take any action against the City for failed competitive opportunities as a result of the City exercising its right to purchase the services of other, contract or otherwise.

ARTICLE 2

PERSONNEL RULES

1. Introduction. The City may adopt ordinances, rules, regulations and directions which are not in conflict with the express terms of this agreement. Employees are expected to comply with such ordinances, rules, regulations, and directions.
2. Service Ratings. The Director of Human Resources shall prepare, or cause to have prepared and maintained a system whereby department heads will report on the performance of all employees. Such reports shall be made at such times and in the manner prescribed by the Director of Human Resources and as hereinafter prescribed. The rating reports shall be centrally maintained under the supervision of the Director of Human Resources.

If the form is to be changed during the term of this contract it shall be changed by mutual agreement of the City and the Association. All employees shall be rated by their department head and/or assistant department head annually. A meeting shall be held between the employee and the department head and/or assistant department head to discuss their service rating. The service rating shall be made a part of the procedure having to do with promotions, demotions, transfers, salary increases and decreases, separation from service and other personnel status changes.

3. Promotion. The Director of Human Resources shall determine if a vacancy in a position covered by this agreement is to be filled through promotion. In such cases, the names of the three (3) employees in positions covered by this Agreement and who are otherwise qualified, receiving the highest scores based on promotional examination criteria shall be certified to the appointing officer. Application procedure, qualifications and promotional examination criteria and procedure shall be the responsibility of the Director of Human Resources. In case more than one vacancy is to be filled, three (3) names shall be certified for one vacancy and one additional name for each additional vacancy. When there are fewer than the required names available, the Human Resources Department shall inform the appointing officer of the names of those supervisors who applied for the promotion. The appointing officer may appoint from such names as are available or may elect to fill the vacancy on an open competitive basis. The appointing officer shall state his/her reasons for going open competitive or for selecting from those who are available on the promotional list in writing and submit his/her request to the Director of Human Resources for approval. If the position is filled on an open competitive basis, a supervisor who has applied for the position on a promotional basis may request from the Director of Human Resources the appointing officer's request to go open competitive.

4. Probationary Appointment. In order that the department head may effectively participate in the selection process involved in the filling of positions covered by this Agreement either by original appointment or promotion, there is hereby established a probationary or working-test period. This period shall not be less than six (6) months duration after appointment, but may be, at the discretion of the department head with approval of the Director of Human Resources, and the President of the Association, extended for a longer period in unusual cases.

The probationary period shall not include any time served by an employee under temporary appointment. At the end of the probationary period, the department head shall submit, on a performance rating report blank prepared by the Director of Human Resources, a rating of the probationary employee's performance. An employee may be released during the probationary period, but only with the approval of the Director of Human Resources. Any probationary employee who does not complete the probationary period for any reason and is subsequently reinstated to that position again serves the full probationary period. The City shall decide the ability, qualifications, aptitude, competence and capacity of a probationary employee to perform the required work.

5. Rejection in a Case of Promotion. An employee promoted and then rejected during a probationary period, or by abolishment of the position promoted to, shall have the right to resume the position from which he/she was promoted unless that position has been abolished; in such case, he/she shall be placed at the head of an appropriate eligible list for any position in the City in the classified service whether or not that position is covered by this Agreement.
6. Demotion. Whenever an employee is placed in a position of lower class than the one in which he/she had been engaged, whether or not the position is covered by this Agreement, shall constitute a demotion. Such changes shall be reported to the Director of Human Resources and he/she shall make or cause to have made an investigation of the position and shall determine if this has been done for the best interest of the employee and the service. Any demotion shall have the approval of the Director of Human Resources prior to the actual demotion.
7. Transfer. The transfer of an employee to or from a position covered by this Agreement shall be made as follows:
 - A. The transfer of an employee from a position in one class to another position in the same class shall be called an assignment and may be made by the department.
 - B. The transfer of an employee from a position in one class to another position in the same class and at the same rate of compensation in another department shall be called an organizational transfer and may be made only with the consent of the department heads involved, the Director of Human Resources, and the employee concerned.

- C. A transfer to a position in a higher class in the classified service shall be deemed a promotion, and the procedure applicable to promotions, as provided herein shall apply.
 - D. A transfer to a position in a lower class shall be deemed a demotion, and the procedure applicable to demotions, as provided herein shall apply.
8. Wage Adjustments. Wage adjustments shall apply in the event of the following change in employee status:
- A. New Appointments - A new employee will be paid at the minimum of the approved salary range for the position to which he/she is appointed. In exceptional cases, the City Manager may approve an appointment at a rate above the minimum pay step for the range but not in excess of the maximum step for the range.
 - B. Promotions - When an employee is promoted to a higher class position or his/her position is allocated to a higher class, if below the minimum of the new class at the time of promotion or reallocation, his/her salary will be immediately increased to the minimum of the approved range for that class or to an amount at least equal to his/her current salary if above the new minimum at the time of promotion or reallocation. The rate will be established by the City Manager. However, whenever a class or position is reassigned to a higher salary range, the employee will maintain the same step in the new range as he/she held in the old.
 - C. Demotions - When an employee is demoted to a lower class position or his/her position is reallocated to a lower class, he/she will be paid at a rate which is within the approved range for the lowered class position or for the new class in which the position has been placed. The rate will be established by the City Manager.
 - D. Transfers - There will be no change in the salary rate of an employee who is transferred unless his/her salary is below the approved minimum of the new position; in which case the provision on promotions will apply, or unless his/her salary is above the approved maximum for the new position in which case the provision on demotions will apply.

ARTICLE 3

JOB EVALUATION

1. Procedure. It is agreed that an established job evaluation procedure shall be used as the basis for establishing the rates for all new jobs and for measuring the extent to which the value of a job may be affected by any changes which may occur in existing job duties. This job evaluation procedure shall not be changed unless by mutual consent of the Association and the City.

Effective July 1, 2011, the agreed upon job evaluation procedure is as follows:

- A. Human Resources staff will prepare updated job descriptions based upon a questionnaire and a HR facilitated interview with the supervisor and applicable manager or department head. The manager and/or department head will participate in the interview if requested by the supervisor, or by Human Resources staff. The supervisor and department head will review the updated job description prior to final approval by the Human Resources Director. The Job Evaluation Committee will receive a copy of each job description.
 - B. The updated job descriptions will be provided to the Hay Group, or like consultant as selected by the City, for a compensation analysis of internal and external salary equity.
2. Creation of New Jobs. In creating a new job, the Human Resources Department shall describe, in writing in a prescribed format, the job as the City wants it to be performed. The new job description will be submitted for a compensation analysis of internal and external salary equity which will establish the proper salary rate and classification for the job.
 3. Changes in the Job Description. Whenever any changes are to be made in a job description which will involve additions or deletions of the work duties of the job, the revised descriptions will be approved by the Director of Human Resources based upon the job evaluation procedure as described in Section 1A and 1B.
 4. Composition of the Job Evaluation Committee. The Job Evaluation Committee shall be composed of three members from the Association as designated by the President and three members from the City as designated by the City Manager.
 5. All positions in the Association shall be reviewed by one person from the Association and one person from the City for the purpose of determining proper job titles. The implementation of any new job titles shall occur within forty-five (45) days of contract ratification. Recommendations concerning the job titles may be made by the Association and the City.

ARTICLE 4

WORKWEEK AND HOURS OF WORK

1. Workweek. The salaries set forth in the Compensation Plan, unless otherwise provided for therein, shall be for full time service of not less than forty (40) hours per week for all employees covered by this Agreement.

The regular workweek shall be from 12:01 a.m. Sunday to 12:00 a.m. the following Sunday.

2. Scheduling. Scheduling of hours and days of work shall be established by the department head.

3. When a change in scheduled hours is to be made, any employee affected shall have one week's notice.

4. Overtime – Standby – Call In – On Call.

- A. An employee may be required by the department head to serve periods of standby or on call time to be conducted under such orders or provisions as the department head may issue orally or in writing.

- B. Periods of on call shall be assigned as either weekend (5 p.m. Friday to 8 a.m. Monday) or weekly (5 p.m. Friday to 5 p.m. the following Friday). Employees in the same general operation within a single department should be treated as equally as is practical in the amount of time spent for on call or standby over the course of a year.

- C. As the only compensation for such on call or standby duty, the employee shall receive two (2) hours compensation per day or fourteen (14) hours for weekly call.

- D. Compensation for standby duty may be taken as either monetary payment or earned leave with the following restriction:

Employees shall not be allowed more than the equivalent of five (5) days per calendar year in earned leave as compensation for standby duty. Any compensation earned in excess of five (5) days must be accepted in monetary form.

All earned leave on record on January 1st shall be paid in that month at the employee's prevailing base rate. The employee shall have the option

of requesting full or partial payment for standby time which is on record as of November 1st and May 1st of each year.

- E. When actually called in to work while on standby or on call duty, the employee shall be paid at the rate of time and one-half (1 & 1/2) his/her base rate for all time worked if the work requires one-half hour duration or more. Employees called in to work on standby or on-call duty on Sunday (or the second day off for Odd Schedule employees) shall be paid at the rate of two (2) times his/her base rate for all time worked if the work requires one-half hour duration or more. Each such occurrence shall be considered separately. Work periods beyond one-half hour shall be reported to the nearest fifteen (15) minutes. No employee shall work overtime without the specific authorization of the Department Head.

In lieu of payment for "overtime" hours worked, employees may select to accrue compensatory time at a rate of time and a half per hour worked. Compensatory time may accumulate up to a maximum of 40 hours (representing 26.67 hours worked at a rate of time and a half). Compensatory time off will be scheduled in advance at the discretion of the Department Head. All compensatory hours must be used in the year in which they are earned and any unused compensatory time will be paid out on June 30 of each year.

- F. Employees not on assigned standby or on call duty and called in to work outside of their regular work days and hours, (overtime) shall be paid as described in "E" above.

- 5. Odd Schedule. Any employee who does not work a normal schedule with both Saturday and Sunday off each week shall be considered to be working an odd schedule and shall receive an additional five cents (\$.05) per hour on their base pay for each week so assigned.

Effective October 1, 1985, any employee who does not work a regular work week with both Saturday and Sunday off each week shall be considered working an odd schedule. Extra compensation for odd schedule work (Saturday or Sunday worked) shall be two dollars (\$2.00) per day in addition to base pay only for that day (Saturday or Sunday) worked.

ARTICLE 5

HOLIDAYS

1. Holidays and Holiday Pay. Holiday pay is compensation paid for the time during which work would normally be performed, said work having been suspended by reason of a holiday, only as defined in this section.

Employees shall not be required to work on the following holidays: New Year's Day, Martin Luther King Jr. Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Friday after Thanksgiving, Christmas Eve and Christmas Day.

Effective January 1, 2018, the Martin Luther King Jr. Day will be considered a floating holiday until such time the City Manager declares City offices closed for the holiday. At that point, there will be no option for employees to utilize this holiday as a floating holiday, regardless of whether their department is open or closed on the actual holiday.

Employees shall be paid at their regular base salary rate over their normal hours of work for all holidays not worked, providing, however, that they are not on an unpaid leave of absence or laid off. All holidays shall be for a twenty-four (24) hour period starting at 12:01 a.m. and ending at 12:00 p.m. of the declared holiday.

- A. Employees shall receive additional pay (as specified in the Compensation Plan) for all time worked on the days declared a holiday in this Agreement.
- B. When a holiday falls on Saturday, the preceding day shall be declared the holiday and when a holiday falls on Sunday, the following Monday shall be declared the holiday, except for employees working schedules with normal days off other than Saturday and Sunday (odd schedule).
- C. Odd Schedule Employees. Holiday shall mean actual day of the holiday. The employee shall work the holiday unless prior arrangements have been made to not work the holiday. Odd schedule employees who work on the holiday shall receive additional pay as specified in the Compensation Plan.
- D. An odd scheduled employee shall be allowed to take another day off, on the day shift, if a holiday falls on his/her regularly scheduled day off. The day shall be taken within the ensuing thirty (30) days and at the convenience of the department.

ARTICLE 6

LEAVES OF ABSENCE

1. Leaves - Generally. No employee may be absent from his/her job without an approved leave. An approved leave shall be vacation leave, personal leave, funeral leave, holiday leave, family or parental leave, military leave, special leave, leave due to short term or long term disability, or a leave of absence without pay.
 - A. Absence from duty without approved leave, or following an approved leave, for three (3) consecutive work days shall be deemed a resignation from the City service by the absentee; and upon a report of such absence by the Department Head to the Director of Human Resources, the absentee shall be removed from the City service and the fact of removal shall be noted in the employee's personnel file; provided that if any time within ten (10) days that person so absenting himself/herself shall make satisfactory written application to the City Manager of cause of his/her absence, he/she may be reinstated to his/her position.
 - B. It is the policy of the City of Midland to provide eligible employees with family and medical leave consistent with the provisions of the Family and Medical Leave Act of 1993 ("FMLA"). All leaves that qualify under the Family and Medical Leave Act, whether paid or unpaid, will be designated as FMLA leave.
 - C. In the event an employee requests a leave on an intermittent basis or reduced leave schedule, the employee shall provide as much notice as is reasonably possible and appropriate certification of medical necessity, or proof of the birth or adoption of a child.

The City reserves the right to temporarily transfer the employee in a position that has equivalent pay and benefits and that better accommodates recurring periods of leave.

2. Vacation Leave. Employees shall receive annually on January 1, the days of paid vacation leave as shown on the following schedule to be taken during the calendar year.

<u>Years of Service</u>	<u>Work Days of Vacation Leave</u>
One through two	13
Three through four	15
Five through nine	20
Ten through fourteen	22
Fifteen through nineteen	24
Twenty years or more	26

Years of service shall be the number of full years of employment with the City to be reached during the calendar year beginning with the particular January 1st date. On each January 1st crediting date following the employee's appointment to a position covered by this agreement, whether or not the employee has completed the first six (6) months of his/her original probationary period, the number of vacation days credited to him/her shall be proportional to the number of months of the preceding calendar year of twelve (12) months he/she was employed by the City. To receive credit for a month, the employee's anniversary date must fall on or before the tenth of that month.

- A. Even though vacation days may be credited to him/her an employee must first successfully complete the first six months of his/her probationary period before he/she may use the vacation days. If the days credited to him/her on January 1 total less than five (5) days, he/she shall be permitted to borrow the difference from the second January 1st crediting.
- B. A first year employee who has successfully completed the first six (6) months of his/her probationary period, but who has not received the first January 1 crediting shall be permitted to borrow up to five (5) days vacation from the first January 1 crediting date.
- C. Employees shall not earn annual vacation credit during any period off without pay. Upon returning to work, the employee shall commence earning vacation credit. At the next January 1 crediting, the employee will receive prorated vacation leave credit for all months worked during the previous year. Work of ten (10) days or more during a month shall count as a month worked.
- D. Days of paid vacation leave, not to exceed fifteen (15) days may be carried over from one calendar year to the next calendar year.

- E. Vacation schedules for employees in all departments shall be developed by the department heads. Vacations may be taken at one time or spread over the year, provided that in either instance it is scheduled and approved in advance by the department head so that it does not interfere with the efficient operation of the department.
- F. The employee shall be paid for any unused vacation credited to him/her plus prorated days for that year when he/she leaves the City service.
- G. With written notice by January 30 for the upcoming fiscal year, and pending final budget approval and guidelines established for all City departments by the City Manager, an employee may buy back up to forty (40) hours vacation once each fiscal year. The “buy-back” will be in full day increments, paid at the employee’s base wage in effect on the day of payment. Any such days paid will not be included in any overtime consideration.

- 3. Personal Leave. An employee shall receive nine (9) personal leave days at the beginning of each calendar year which must be used prior to the end of that calendar year. Use is subject to department approval. An employee may utilize personal leave days in full day or in one half day periods.

During the first year of employment, an employee will receive the following number of personal days:

If date of hire is on or before March 31st:	4 days
If date of hire is between April 1st and June 30th:	3 days
If date of hire is between July 1st and September 30th:	2 days
If date of hire is on or after October 1st:	1 day

This time will be forfeited on December 31st of the first year of employment, and the employee will accrue nine (9) personal days on each January 1st thereafter.

- 4. Sick Leave with Pay. Effective February 1, 1997 Sick Leave with Pay will be eliminated. Paid sick leave will not be accrued as of January 1, 1997. Employees have the option to sell back to the City all current accrued sick leave (sick leave balance as of February 1, 1997) at 75% of the accumulated leave value, at the employee’s base rate of pay. The request shall be in writing to the Human Resources Department and is irrevocable.

Those employees who do not opt to sell all their sick leave bank under the above conditions may utilize the remaining sick leave for their own illness or injury, or for the illness or injury of an immediate family member when the employee is required to provide personal care for and/or be the primary decision-maker on the medical care provided to the sick or injured family member. The

term "immediate family" shall be the employee's current spouse, child, parent, brother, sister, parent-in-law, spouse's brother and sister, brother's spouse, sister's spouse, daughter-in-law, son-in-law, grandchildren, grandparent or other relative with permanent residence in the employee's household.

In the event of death, retirement or job related total disability of the employee, the City will at such time pay him/her, or to his/her estate one half (1/2) of the unused sick leave balance, not to exceed sixty (60) days at his/her base pay in effect at such date.

Employees promoted into the bargaining unit after September 30, 1999 are exempt from the above "Sick Leave with Pay" language. Employees promoted into the bargaining unit after September 30, 1999 shall be required to sell their existing sick leave bank at 75% of the accumulated leave value, at the employee's base rate of pay.

Short Term Disability/Long Term Disability – The City shall provide short term disability in the amount of 100% of the employee's base pay in the event of the employee's non work related illness or injury. Short term disability payments shall take effect on the eighth (8th) consecutive calendar day of illness or injury and shall be paid for a period of up to 90 calendar days. A recurrence of an injury or illness that prevents an employee from working shall not entitle an employee to another 90 calendar days of eligibility for benefits and shall not require another eight (8) calendar day waiting period. In the event an employee is unable to return to work after he/she has reached his/her maximum benefit period of 90 calendar days for Short Term Disability, then Long Term Disability goes into effect on day 91 (calendar day). An employee on Long Term Disability shall receive 2/3 of his/her base pay until the time he/she reaches retirement eligibility under the Midland Municipal Supervisory Employees Association retirement plan.

An employee who has been on Short Term Disability, and who reports back to work prior to the end of Short Term Disability entitlement (up to 6 months), shall be reinstated to his or her former position. An employee returning from Long Term Disability (more than 6 months) shall be allowed to return to his or her former position if available. If the position is not available, the employee shall be allowed to return to City service to a position of the same class if such position exists at that time. In the event no position of the same class is available, the employee shall be allowed to return to a vacant position that he/she is qualified for. If no position is available, the employee will be placed on the eligible register for a period of up to two years.

- A. Worker's Compensation. An employee injured or incapacitated in the actual discharge of duty shall receive such pay for injuries as provided for under Worker's Compensation Laws of the State of Michigan. In addition to the minimum amount required by law, the City shall pay to the employee an additional sum not to exceed the difference between his/her base salary and the said Worker's Compensation payment for any period of disability of not more than twelve (12) weeks. The maximum period of twelve weeks shall be extended one (1) week for each full year of employment with the

City beyond three (3) years of employment. Additional extensions beyond those described above are not permitted. Employees shall not earn paid leave benefits while receiving Worker's Compensation Benefits.

- B. Return to Work. Employees injured on the job and medically released to work light duty shall first be accommodated within their department and then the bargaining unit, in that priority. If no accommodation can be made, the Director of Human Resources may offer the employee a light duty assignment in another City position as per current statutes. The Director of Human Resources shall determine the qualifications of the position and the employee's ability to perform the job. Employees will not be requested to fill positions in other bargaining units.
 - C. FMLA Leave Designation. An employee who is absent from work to care for an immediate family member who has a serious health condition or who is absent in excess of five (5) days because his or her own serious health condition prevents the employee from performing the essential functions of his or her position, shall have such time off designated as "FMLA leave."
5. Funeral Leave. It is the intent of this provision to provide emergency leave to employees to enable them to attend funerals involving their "immediate family". The term "immediate family" shall be the employee's current spouse, child, parent, brother, sister, parent-in-law, spouse's brother and sister, brother's spouse, sister's spouse, daughter-in-law, son-in-law, grandchildren, grandparent or other relative with permanent residence in the employee's household. This provision shall not be construed as to permit emergency time off to attend to other personal matters connected with a funeral after the day of the funeral.
- A. In case of death in his/her immediate family, a regular full-time employee shall be granted a paid leave of absence at the discretion of the department head of up to three (3) work days. Vacation, personal leave or unpaid leave of absence, if available and allowed, may be taken for days beyond funeral days allowed.
 - B. Time necessary to attend the funeral of a City employee may be authorized by the supervisor's department head.
6. Parental Leave.
- A. An employee shall be eligible to use personal leave or accrued vacation time for paid leaves of absence for child birth and child care. If a longer leave is desired, employees shall be granted a leave of absence, upon their request, for child birth and child care, without pay or benefits. While an employee's benefits will be

continued, an employee is required to pay the employee's portion of insurance premium in the same manner as those premiums are paid or would have been paid if employee had continued employment. After twelve weeks, the employee is solely responsible to pay for all premiums, as outlined below. Such unpaid leaves shall be termed "parental leave." Approval of the Director of Human Resources is required prior to paid or unpaid parental leave authorization.

- B. Seniority, city paid insurance premiums, longevity and leave benefit accruals continue to be paid or accumulated during the first four (4) weeks after the employee is on unpaid parental leave. After the first four (4) weeks on unpaid parental leave, the employee's group health insurance shall be continued for up to an additional eight (8) weeks provided the employee continues to be entitled to FMLA qualifying leave. An employee's group health insurance will continue for only as long as the employee continues to be entitled to FMLA leave. An employee's entitlement to continued group health insurance benefits during an unpaid leave shall not exceed twelve (12) weeks. In the event that an employee's unpaid leave continues, an employee may continue on the City's group hospitalization plan for a period not to exceed six (6) months with said employee paying the premiums monthly and in advance. The employee shall have the same length of City service (plus up to four (4) weeks) upon return to leave as at the start of the unpaid parental leave.
- C. The following requirements shall apply to parental leaves:
 - (1) The request for parental leave shall be submitted in writing to the Director of Human Resources thirty (30) days prior to the date that parental leave is to begin provided the need for the leave is foreseeable. In the event the need for the leave is not foreseeable, the employee shall provide such notice as is practical.
 - (2) In the event that both a husband and wife work for the City of Midland, the total aggregate number of weeks to which both may be entitled to for unpaid parental leave shall be twelve (12).
- D. An eligible employee's entitlement to parental leave for the care of a child following birth or following placement as a result of adoption or foster care shall commence on the date of birth or the date of placement, whichever is applicable. In addition, an employee's entitlement to parental leave expires one year after the date of birth or placement.
- E. An employee shall be allowed to return to his/her former position at the end of his or her parental leave unless he/she elects to take an extended unpaid leave of absence which lasts greater than twelve (12) weeks. If the employee elects to take an extended leave

greater than twelve (12) weeks and if a replacement is not necessary during the employee's absence, he/she shall be allowed to return to his/her former position at the termination of the parental leave. If a permanent replacement is necessary, the employee shall be allowed to return to the City service at the termination of the parental leave to a position of the same classification and job title if a position exists at that time. If no position is available, the employee will be placed on the eligible register for a period of two (2) years from the date of the termination of the parental leave for the earliest possible replacement.

7. Military Leave. Any employee who is inducted into the Armed Forces of the United States, or joins the Armed forces in lieu of being inducted under provisions of the Selective Service Act of 1940, as amended, shall be entitled to a special leave of absence without pay for a period of service. After being honorably discharged from his/her first tour of duty, such employee would be reinstated to his/her former position or one comparable to it as may be required by State or Federal law provided:
- A. He/She makes application for reinstatement within ninety (90) days after he/she is released from military duty or from hospitalization continuing after discharge for a period of not more than one (1) year.
 - B. He/She is physically and mentally qualified to perform the duties of such position if it still exists.
 - (1) If an employee is not qualified to perform the duties of such position by reason of disability sustained during such service, he/she shall be placed in other such position, the duties of which he/she is qualified to perform, as will provide him/her with like status, and pay, or the nearest approximation thereof consistent with the circumstances of his/her case. If the employee's position has been transferred to another agency of the City, the employee shall be restored to the same position in the new department.
 - C. Any employee who requests a leave of absence, not to exceed ten (10) working days, to participate in a branch of the Armed Forces Reserve Training Program shall be granted such leave upon presentation of proper documentation by his/her commanding officer. He/She shall be paid by the City the difference between the amount he/she received for such training and his/her full salary, upon furnishing documentation of the amount paid by the Reserve Training Program.
 - D. Any permanent employee who is called out on emergency duty by any of the established Armed Forces Reserve Training Units or by the Michigan National Guard shall be paid by the City the difference between the amount he/she receives for such duty and his/her salary for each day of duty not to exceed five (5) working days per incident. However, should

at any time the employee be federalized, the City's obligation under this provision would cease and the employee would be considered to be on full military leave.

8. Special Leave. Any employee who is called upon to perform a special outside civic activity during his/her regular working period may upon the recommendation of the department head with approval of the City Manager receive from the City a sum equal to the difference between the amount received for such outside activity and the amount he/she would have received for full time City employment. An employee called upon to serve jury duty, as a witness in court or as a pallbearer for a City employee, shall not lose pay for time off the job. An employee called upon to serve as a witness in court or to give depositions in a case where requested to appear for the City outside regular working hours shall be compensated at the appropriate overtime rates for performing these activities. Any compensation paid by others to the employee for these activities shall be turned over to the City. The employee shall be at work his/her regular hours either ahead of or following the herein listed activities.

9. Leave of Absence Without Pay. All requests for leave of absence without pay shall be made in writing by the employee desiring the leave. Such requests shall set forth fully the reasons for the request of such leave, the date when such leave would begin and end, and a statement of the desire and intention of such employee to return to the service of the City at the expiration of the leave. Such request shall be transmitted to the City Manager by the department head with a statement of his/her approval or disapproval of the request, his/her plan for taking care of the work during the absence of the employee and, if necessary, his/her request for certification of an eligible person for appointment to the temporary vacancy.

No leave of absence shall be effective until formally requested as stated above and approved by the City Manager and the Director of Human Resources, except that when leave of absence is made necessary through sudden illness or injury or as a result of military service with the State of Michigan or the United States of America, the department head may grant such leave without a signed statement from the employee; and the approval thereof, if given by the City Manager and the Director of Human Resources, shall be retroactive.

- A. A leave of absence shall be granted for a physical or mental disability substantiated by medical certification for up to six (6) months renewable in six (6) month increments or less, for up to two years. Medical certification shall be considered sufficient if the certification complies with the requirements of paragraph 4.c. of this Article.

The City, in its discretion, may require a second medical opinion at its expense. If the opinion of the City's health care provider differs from the employee's health care provider, then the City may require the employee to obtain certification from a third health care provider that would be jointly approved by the City and the employee. The expense of

a third health care provider will be borne by the City and that decision will be considered final and binding.

- B. An employee who has been on an unpaid leave of absence for twelve (12) weeks or less, and who reports back to work at the expiration of such leave shall be reinstated to his or her former position. If the employee has been on a leave which extended beyond twelve (12) weeks, and if a permanent replacement has not been necessary during the employee's absence, he or she shall be allowed to return to his or her former position at the termination of the leave of absence. If the leave has extended longer than twelve (12) weeks, and if a permanent replacement has been necessary, the employee shall be allowed to return to City service at the termination of the leave of absence to a position of the same class if such position exists at that time. In any case where the position formerly filled by an employee on a leave of absence has been discontinued because of lack of funds or lack of work, the employee shall be allowed to return to a vacant position that he/she is qualified for. If no position is available, the employee will be placed on the eligible register for a period of up to two years from the date the leave commenced.
 - C. A leave of absence may also be granted for good cause. The following causes may be deemed proper: temporary physical disability, or study or training of value in connection with the service being rendered to the City. Requests for leave shall not be granted to permit an employee to take employment outside the City service except temporary military service or military service for an indefinite period of time in case of war or civil insurrection.
 - D. In these circumstances a temporary may be employed immediately and for as long as the vacancy exists.
 - E. Time spent on an unpaid leave of absence of over four (4) weeks shall be deducted from an employee's service credit in determining vacation and longevity benefits.
 - F. Except as otherwise provided within this Article, unpaid leaves of absence will not be granted until all vacation and personal leave has been used.
10. Permanent Physical Disability. If an employee has been afflicted with any disease or has any physical ailment or defect substantiated by medical evidence which, in the opinion of the Director of Human Resources, makes him/her unfit for City service, he/she may be subject to disability retirement, reassignment or reduction.

ARTICLE 7

GRIEVANCE PROCEDURE

This appeal procedure is designed to provide a means for a supervisor to resolve a conflict which may arise concerning his/her employment with the City. It is a method for facilitating communications with the City in complaint matters which can unfavorably affect morale or productivity.

Nothing in this appeal procedure shall preclude either the Association or the City from attempting to settle any grievance informally, at any level, and indeed, to promote orderly and cooperative relationships, such informal solutions are to be encouraged through meetings and consultations between the parties as needed. In processing any appeal, the formal appeal process may be terminated at any time and at any level by mutual agreement of the parties without prejudice on either side. The grievance procedure provided herein shall be the exclusive remedy to be used by a grievant and the City for resolving grievances except as noted in item 8 of this Article.

In the event the City fails to reply to a grievance at any step of the procedure within the specified time limit, the Association may process the grievance to the next step. In the event the Association does not file or appeal a grievance from one step to another within the time limits specified, the grievance shall be considered as settled on the City's last answer.

1. Any employee with a complaint pertaining to his/her employment with the City must raise the complaint with his/her immediate supervisor within five (5) working days after he/she learns of the complaint or reasonably should have known of its existence. A complaint shall be defined as any dispute regarding the meaning, interpretation, application or alleged violation of the terms and provisions of this agreement. The immediate supervisor will give his/her answer orally within two (2) working days.
2. Grievances not resolved with the immediate supervisor shall be reduced to writing and must be signed by the complainant. The written complaint must be submitted to the department head within five (5) working days after the answer in Step 1. The department head will give his/her decision in writing within five (5) working days. In any meeting with the department head, the employee may be represented by counsel of his/her choice.
3. If not resolved in Step 2, the written complaint may be taken up with the City Manager's designated Director of Human Resources within five (5) working days after the decision is given in Step 2. The Director of Human Resources will give his/her written reply within ten (10) working days.

4. Either the City or the Association may request non-binding mediation over the grievance following the conclusion of Step 3. Such a request shall be made in writing addressed to the State of Michigan, Department of Consumer and Industry Services, Bureau of Employment Relations, and copied to the other party. Such a request shall be mailed and set to the other party within ten (10) calendar days after the conclusion of Step 3.

5. If a solution cannot be reached in Step 3, or if utilized, Step 4, the grievance may be appealed by the Association. This appeal must be made within the time limits set forth in subsection (A) below.

A request for arbitration presented to the Director of Human Resources shall not constitute a submission to or demand for arbitration except as described in subsection A. (1) below.

A. Arbitration by the American Arbitration Association.

- (1). The grievance shall be submitted to the American Arbitration Association in accordance with the Voluntary Labor Arbitration Rules, as amended from time to time. The grievance must be submitted under a demand for arbitration and be sent to AAA by certified mail, with a copy of the mail receipt and arbitration demand to the Director of Human Resources within ten (10) calendar days of the conclusion of Step 3 or, if utilized, Step 4 mediation.

- (2). The jurisdiction of the American Arbitration Association shall be limited to grievances.

- (3). All decisions of the American Arbitration Association shall be final and binding upon the City, the Association, and its members, the employee or employees involved.

- (4). The American Arbitration arbitrator shall have no power to alter or modify any terms of this Agreement, supplemental agreement, or any rule, regulation or ordinance.

- (5). All fees and expenses of the arbitrator shall be paid one half (1/2) by the Association and one half (1/2) by the City.

- (6). Transcription costs (with legal status) for the American Arbitration Association hearing shall be borne by the party (only the City or the Association) calling for them. If both parties call for a transcript, the costs shall be paid one half (1/2) by the Association and one half (1/2) by the City.

B. Arbitration by Other than the American Arbitration Association.

- (1). Upon appeal to arbitration, the parties may mutually agree on an arbitrator of their choosing without utilizing the American Arbitration Association lists. Should such agreement be reached within five (5) days of the decision to appeal, the Director of Human Resources shall be commissioned to contact the arbitrator and request a date for hearing the grievance.

C. General Condition of Appeals to Arbitration.

- (1). The aggrieved employee, the Association President, and one member of the grievance committee will be allowed time off without loss of pay while attending the arbitration hearing. The expenses, wages and other compensation of any outside counsel or witnesses, representing or appearing at any step of the Appeal Procedure, shall be borne by the party employing the counsel or by the party calling the witness.
- (2). If a dispute involves allegations of the City actions which resulted in a loss of compensation and the City's actions are determined to be incorrect, the arbitrator may rule that all of the lost compensation be restored.

The arbitrator shall use normal hours as scheduled when restoring lost compensation. The City is responsible for lost City paid compensation only and shall incur no additional liabilities. The restored lost compensation ordered shall be reduced by the amount of any unemployment compensation received for the period and any City compensation paid during the period.

6. Complaints not filed or appealed within the time limits shall be considered closed. The time limits herein may be extended by mutual agreement in writing.
7. Employees and their counsel, if any are City employees, shall not lose pay for time reasonably spent during their ordinary work day as provided in the appeal procedure.
8. It is agreed between the parties hereto that a single mechanism, selected by the member, shall serve as the exclusive remedy for any member of the Midland Municipal Supervisory Employees Association who asserts that he or she has had disciplinary action taken against him or her in retaliation for or arising out of whistle blowing activities. The single, exclusive remedy may include the grievance mechanism of this agreement, an unfair labor practice charge under state or federal law, or an administrative proceeding or law suit under any state or federal statute but limited to one of these mechanisms.

ARTICLE 8

INSURANCE

1. Life Insurance. Each employee who has six (6) months or more of service shall be provided with a life insurance policy in the amount of \$75,000, with matching Accidental Death and Dismemberment. This policy shall be a term life insurance package. The City will pay one hundred percent (100%) of the term insurance costs. In accordance with the carrier's policy, the City's responsibility for making life insurance premium payments for the benefit of an employee ceases upon termination or after thirty (30) calendar days on an approved unpaid leave of absence, maternity leave, and when using earned vacation and personal leave days in conjunction with Worker's Compensation payments, or longer as provided in the carrier's policy.

2. Health Insurance.
 - A. Full-time employees shall have the option to choose from the following health plans each year during open enrollment:
 - (1) BC/BS Community Blue PPO 3 with the BC/BS Traditional Plus PPO dental plan (50%, \$800 max) and VSP 12/12/12 vision plan. This plan will include prescription drug coverage of \$15 generic/\$30 brand drug co-pay; and a 90 day supply co-pay of \$30 generic/\$60 brand name. Employees enrolled in this plan shall pay 10% of the premium through payroll deduction.
 - (2) BC/BS Community Blue PPO 14/0% with the BC/BS Traditional Plus PPO dental plan (50%, \$800 max) and VSP 12/12/12 vision plan. This plan will include prescription drug coverage of \$10 generic/\$40 brand drug co-pay; and a 90 day supply co-pay of \$20 generic/\$80 brand name. Employees enrolled in this plan shall not pay a premium share, provided the total premium cost for the PPO14 plan does not exceed the employer cost of the Community Blue PPO 3 plan (employer cost is 90% of the PPO3 plan premium). For purposes of maintaining a zero premium share for employees, the City is authorized to institute plan design changes to establish an employer cost that does not exceed the employer cost of the Community Blue PPO 3 plan.
 - (3) BC/BS High Deductible Health Plan (HDHP) with Health Savings Account (HSA), which includes BC/BS traditional plus Dental Plan I, Blue Vision VSP Plan with coverage 12/12/12, and a prescription drug plan. For plan years in which the employee is enrolled in the HDHP, the City will deposit into the employees' health savings account 50% of any savings between the premiums for the PPO14 plan and the premiums for the HDHP.
 - (4) Employees shall also have the option of opting out of the City Health Insurance Plan in exchange for a cash payment determined and paid for by the City from time to time.

- B. Duration. Except as otherwise described in this Article, the City's responsibility for making health insurance premium payment ceases upon termination and shall also cease at the start of an approved, unpaid leave of absence unless the unpaid leave of absence is considered an FMLA qualifying leave of absence within the meaning of Article 6, Section 1.b. In the event that the unpaid leave of absence is considered an FMLA qualifying leave of absence, the City is responsible for making health insurance premium payments for up to twelve (12) weeks. Payments shall cease when the employee is no longer entitled to the "FMLA qualifying leave". During any leave of absence, the employee must make arrangements to pay employee contributions towards insurance at the same time and in the same manner that the employee would make contributions had employment continued. If an employee wishes to continue insurance coverage once the employer's obligation to make premium payments ceases, the employee must make arrangements to continue the insurance by paying the full cost each month to the City prior to the monthly billing for said insurance.

For employees receiving workers' compensation benefits, the City's responsibility for making health insurance premium payments continues for up to two years from the time workers' compensation payments begin, even though termination occurs. Insurance payments shall continue for an employee while the employee is actively participating in a qualified retraining program which is intended to prepare the employee for achieving a different work occupation. Thereafter, arrangements for continuing the insurance by employee payments as described above may be made.

C. Retirees.

- (1) For employees hired prior to July 1, 2005, the City shall continue to pay the premiums for retired employees, their spouses, and dependents in accordance with the following table. Employees hired prior to July 1, 2005 may irrevocably select from either the PPO3 or PPO14 plan in place at the time of retirement, or the PPO plan in place at the time of retirement.
- (2) Upon attaining the age of Medicare eligibility, all retirees, spouses and dependents shall enroll in both Medicare Part A & B and are obligated to pay any required premium for Medicare Part A & B. At age 65, the coverage provided by the City shall become supplemental to Medicare and the City may provide a Medicare Advantage Plan instead of a separate supplemental policy.
- (3) In the event of divorce or remarriage of the spouse, the City's obligation to pay premiums for the spouse's coverage will cease. In the event of the death of a retired employee, the employee's spouse and any dependents shall be eligible to be included in the City's contribution percentage equal to the particular status

category as provided herein, that the retired employee would be in if his/her death had not occurred. (Spouse is spouse of record at the time of retirement – hereinafter referred to as “spouse”. Dependents are dependents at the time of retirement – hereinafter referred to as “dependents”.)

RETIREE HEALTH INSURANCE

<u>Status</u>	<u>City Contribution Percent of Total Cost</u>	<u>City Hire After 10-1-96</u>	<u>City Hire After 7-1-05</u>
1. Retiree, Spouse and Dependents.	100%	50%	N.A.
2. Disability pension (however disabled) includes spouse and dependents, if any.	100%	100%	N.A.
3. Deferred retirement.	0%	0%	N.A.

Employees hired into City service on or after October 1, 1996 and before July 1, 2005, will be eligible for continued medical insurance coverage when they retire from the City, providing they pay 50% of the premium. The City will pay the other 50%.

Employees hired on or after July 1, 2005, and their spouses and dependents, will not be eligible to be included in the City’s retiree group health insurance plan. For those employees hired on or after July 1, 2005, the City will contribute 2% of the employee’s wage into a Health Savings Account. The Health Savings Account shall have a three (3) year vesting requirement.

An employee hired before July 1, 2005 taking a deferred retirement and electing to remain in the City’s hospital and medical program shall pay the full cost of the premium, in advance each quarter. At such time as an employee on a deferred retirement starts receiving retirement benefits, the provisions outlined shall apply.

In the event of a divorce of a retiree, the City’s obligation to pay the premium for the spouse’s insurance will cease.

D. Death Due to a Duty Injury. If an employee hired before July 1, 2005 is fatally injured in the line of duty, the City shall continue to pay the premiums for the City health insurance plan for the spouse and dependents in accordance with the terms of the City health insurance plan referred to herein, provided, however, that such obligation to pay the insurance premiums on the spouse and dependents will cease should she/he remarry.

E. Non-duty Injury Resulting in Death. When an employee becomes deceased, his/her spouse and dependents may not further participate in the City's hospital and medical program except as provided in Section C above. The spouse shall, however, have the opportunity to have an individual policy issued under the City health insurance plan contracts without a medical examination. The spouse shall pay the full cost of the premiums for such individual policy.

Effective October 1, 1987, when an employee is qualified for retirement under the provisions of this agreement and the Municipal Employees Retirement System and becomes deceased, the City shall continue to pay the premiums for the City health insurance plan for the employee's spouse in accordance with the terms of the City health insurance plan and referred to herein provided, however, that such obligation to pay the insurance premiums of the spouse will cease should she/he remarry.

F. Definition of Dependent. A dependent is defined as anyone who qualified as a dependent under the provisions of the Internal Revenue Act.

ARTICLE 9

RETIREMENT

Effective October 1, 1987:

The City shall provide the C-2 plan with B-1 base of the Municipal Employees Retirement System pension program with Benefits E, E-1 and E-2, and waiver of 47 (f), for the life of this Agreement.

Effective October 1, 1988:

The City shall provide the B-3 plan of the Municipal Employees Retirement System pension program with Benefits E, E-1, and E-2, and waiver of 47 (f), from October 1, 1988 through the life of this Agreement.

Effective October 1, 1989:

The City shall provide the B-3 plan of the Municipal Employees Retirement System pension program with Benefits E, E-1, and E-2, and "F-55-20" from October 1, 1989 through the life of this Agreement.

Effective October 1, 1994:

The City shall provide the B-4 plan of the Municipal Employees Retirement System pension program with benefits E, E-1, and E-2, and "F-55-25", with employee contribution of 5.0% on gross wages, from October 1, 1994 through the life of this Agreement.

Effective First Pay of December 1996:

The City shall pay all Municipal Employees Retirement System contributions for M.M.S.E.A. employees and employee contribution of 5.0% on gross wages shall cease for the life of this Agreement.

Effective October 1, 1997:

The City shall provide the B-4 plan of the Municipal Employees Retirement System pension program with benefits E, E-1, E-2, "F-55-25", and FAC-3 through the life of this Agreement.

Effective July 1, 2005:

The City shall enroll employees with a full-time hire date on or after July 1, 2005, in the MERS Defined Contribution Retirement Plan with five (5) year or age 65 vesting. The City will contribute 5% of the employee's wages into the plan. In addition, the City will contribute up to 7% of the employee's wages into an ICMA-RC 457 deferred compensation plan, with a 100% matching of employee wage contributions, in 1% increments, up to an additional 7% of the employee's wages. In no event will the City's combined contribution to the MERS Defined Contribution Plan and the ICMA-RC 457 plan exceed 12% of the employee's annual wage.

Effective January 1, 2018:

Defined Benefit: The following changes will be made to the defined benefit plan for employees with a full-time hire date before July 1, 2005:

- a. Multiplier bridges to 2.25% for service time earned on or after 1/1/2018.
- b. Final Average Compensation: FAC will include base wages and overtime only (on-call pay will be considered an overtime earning). Final payments at separation will not be included in FAC.
- c. Employee Contribution: There will be a mandatory employee contribution based on FAC includable wages as follows:
1/1/2018: 2% 1/1/2019: 3% 1/1/2020: 4%

Defined Contribution: The following changes will be made to the defined contribution plan for employees with a full-time hire date on or after July 1, 2005 but before December 31, 2017.

- a. The employer contribution shall be 12% of base wages and overtime. The employee will have a mandatory contribution of 5% of base wages and overtime. Both the employer and employee contributions shall be made to a 401(a) defined contribution account.
- b. Defined contribution employees will have a one-time irrevocable opportunity as defined by the City to change participation to the Hybrid Plan as defined below. The effective date for employees electing the Hybrid Plan is January 1, 2018.

Hybrid Plan: The City shall enroll employees with a full-time hire date on or after January 1, 2018 (and defined contribution employees electing to convert) into the MERS Hybrid Plan with a defined benefit multiplier of 1%, V-6 six year vesting, FAC5 –five year final average compensation which includes base wages and overtime only. Normal retirement age shall be age 60 with 10 years of service. The MERS Hybrid Plan shall include a defined contribution plan. There is a mandatory employee contribution of 5% of wages deposited into the defined contribution account. The City will contribute to the employee's defined contribution

account the difference between the cost of the defined benefit plan and the 12% cap. The City's total contribution for pension (DB and DC combined) is capped at 12% of the employee's wages.

The City will provide the union with a copy of the MERS annual actuarial valuation. In the event that the cost of the DB portion of the hybrid plan reaches 7.5%, the City and Union agree to meet and discuss options.

ARTICLE 10

COMPENSATION PLAN

The Compensation Plan shall not be changed during the life of this Agreement without the consent of the Association. The pay plan for employees covered by this Agreement provides for pay based on service and merit. The salary range for each classification shall be divided into five steps or intervals including the minimum, or induction rate and the maximum rate.

1. Rate Progression. Pay intervals and increases for supervisory employees shall be determined by the schedule of automatic and merit increases applied to the salary range established for each of said positions as set forth in the following manner:

Step "A" is the entrance pay step. For the first six (6) months after appointment the employee shall receive the rate of pay prescribed for Step "A".

Step "B" is the second step in the pay range. After completion of the first six (6) months of service, the employee may receive the rate of pay prescribed for Step "B". This pay increase is not automatic upon completion of service herein provided but is granted only on the recommendation of the department head and the approval of Director of Human Resources.

Step "C" is the third step of the pay range. After completion of the first (1st) year of service, the employee shall receive the rate of pay prescribed in Step "C". This pay increase is automatic upon completion of service herein provided.

Step "D" is the fourth step in the pay range. After completion of the second (2nd) year of service, the employee may receive the rate of pay prescribed in Step "D".

Step "E" is the fifth step in the pay range. After completion of the third (3rd) year of service, the employee may receive the rate of pay prescribed for Step "E".

2. Merit Increases. Pay increases provided for in Step "D" and Step "E" are merit increases for which the employee becomes eligible but which are granted only on the recommendation of the department head and approval of the Director of Human Resources. It is within the discretion of the department head to deny or postpone such increase for good cause.

Consideration for such increases must be given at the end of the second year of service and each year thereafter until the employee reaches the maximum rate of

the salary range; but regardless of length of service, no employee is eligible for the rate as provided in Step "E" until he/she has served one year at the rate provided for Step "D".

3. Lump Sum Merit Pay. Upon the determination of the City Manager prior to July 1 of each fiscal year, employees who have been at the Step "E" rate for at least one year are eligible for a lump sum merit payment. Employees who have been at Step E" for at least one year and are promoted or reclassified within the same department will maintain status for a lump sum merit payment while in the new position, even though they may be at a lesser pay step.

A lump sum merit payment may be awarded for employees who perform their work far above the normal requirements of the position as determined by their department head. It is a matter between the supervisor and the department head and is not subject to the grievance procedure or any other appeal.

4. Exceptions to Regular Progression. An exception to the foregoing description of progression through the salary ranges for supervisory employees is made in the case of supervisors who hold, but are not required by job description to hold, Michigan Department of Environmental Quality certificates of Industrial Storm Water Certification, Construction Storm Water Certification; certificate levels F-2, F-1, S-2, S-1, B, or A. In these cases, the supervisors who hold any of these certificates shall receive additional compensation to be paid on the first hourly payroll in December as follows:

Industrial Storm Water Certification	\$300 per year
Construction Storm Water Certification	\$300 per year
F-2 Certificate	\$400 per year
F-1 Certificate	\$950 per year
S-2 Certificate	\$400 per year
S-1 Certificate	\$950 per year
B Certificate	\$400 per year
A Certificate	\$950 per year
Pesticide applicator license	\$550 per year

- A. Pay for Certification. It is the intention of management to encourage employees to earn State certification and licenses relating to their job responsibilities. Certifications and licenses earned by the employee, which in the opinion of the department head may benefit the City and/or the employee's performance, shall be considered by the department head

when he/she makes recommendations for Special Merit Increases. Further, for positions where certification is mandatory, or becomes mandatory, the job description will be evaluated to reflect this requirement.

Presently, there are several positions within the Association for which certification and/or licensing are required, and the job descriptions include these requirements. For those positions it is assumed that the descriptions have been evaluated on this basis.

Further, for any position where certification or licensing becomes mandatory, within three months after it becomes mandatory, the job description shall be revised to include the required certification, and shall be evaluated on this basis.

5. Compensation - Status Changes. When a person previously in the service is reinstated following demotion or dismissal or is reappointed from an Eligible Register following layoff or demotion, the rate will be established by the Director of Human Resources.

6. Salary.

Effective July 1, 2017 – 2.5% salary schedule adjustment

Effective July 1, 2018 -- 2% salary schedule adjustment

Effective July 1, 2019 – 2% salary schedule adjustment

Compensation Plan for Supervisors

Effective July 1, 2017					
Range #	A	B	C	D	E
1	48,828 23.4751	50,727 24.3881	52,626 25.3010	54,525 26.2139	56,424 27.1268
2	56,424 27.1268	59,136 28.4310	61,849 29.7351	64,562 31.0394	67,274 32.3435
3	62,934 30.2568	65,647 31.5610	68,360 32.8652	71,072 34.1694	73,785 35.4735

Effective July 1, 2018					
Range #	A	B	C	D	E
1	49,805 23.9446	51,742 24.8758	53,679 25.8070	55,615 26.7382	57,552 27.6693
2	57,552 27.6693	60,319 28.9996	63,086 30.3298	65,853 31.6601	68,620 32.9904
3	64,193 30.8619	66,960 32.1922	69,727 33.5225	72,494 34.8527	75,261 36.1830

Effective July 1, 2019					
Range #	A	B	C	D	E
1	50,801 24.4235	52,777 25.3734	54,752 26.3231	56,728 27.2730	58,703 28.2227
2	58,703 28.2227	61,525 29.5796	64,348 30.9364	67,170 32.2933	69,992 33.6502
3	65,477 31.4792	68,299 32.8360	71,121 34.1930	73,944 35.5498	76,766 36.9066

7. Holiday Pay. An employee who works on a holiday designated as a paid holiday in Article 6, in addition to any holiday pay for not working to which he/she may be entitled shall be paid time and one half (1 1/2) his/her base rate for all hours worked during his/her normally scheduled hours on the holiday and double time for all other hours worked on such holiday.

8. Shift Differential. For regularly scheduled work between the hours of 4:00 pm and 12:00 midnight, a shift differential of seventy-five (75) cents per hour shall be paid. For regularly scheduled work between the hours of 12:00 midnight and 8:00 am, a shift differential of one dollar and twenty-five cents (\$1.25) per hour shall be paid.

9. Volunteer Training. The City will reimburse an employee his/her tuition for voluntary training courses completed and of benefit to the employee's job if a passing grade of "B" or better is attained. The City will reimburse an employee for fifty percent (50%) of his/her tuition for voluntary training courses completed and of benefit to the employee's job if a passing grade of "C" is attained. The City Manager may make additional rules and regulations to implement this provision. Such rules and regulations shall not conflict with nor reduce the benefits provided in this provision.

10. Longevity Payment
 - A. MMSEA employees hired on or after July 1, 2011 are not eligible for the longevity payment described in this section.

 - B. On the first hourly payroll in December, all full time supervisory employees having completed five (5) years or more of continuous employment in a full time capacity shall receive annual longevity payments in the following manner:

After completion of five (5) years of continuous service:
3.5% of annual base pay.

After completion of ten (10) years of continuous service:
5.0% of annual base pay.

After completion of fifteen (15) years of continuous service:
6.5% of annual base pay.

After completion of twenty (20) years of continuous service:
8.0% of annual base pay.

After completion of twenty-five (25) years of continuous service:
9.5% of annual base pay.

- C. It is further provided that continuous service shall include time spent on military leaves of absence.

- D. In computing longevity pay, an employee entering the service after December 1 and before January 1 shall be considered as having entered the service on January 1 following the December date of entry.

- E. In the event a supervisor leaves City service, longevity payments will be prorated.

- F. Effective July 1, 2013, each MMSEA employee will be frozen at the longevity percentage level they reach in November 2013 for the remainder of their employment.

For example, if an employee has reached 12 years of continuous service in November 2013, his/her longevity payment will be at the 5.0% level in December 2013 and at 5.0% each subsequent year.

SUPERVISORY EMPLOYEES CLASSIFIED POSITIONS

<u>Class Title</u>	<u>Range</u>
Account Supervisor	1
Cemetery Sexton	1
Dispatch Supervisor	1
Circulation & Acquisitions Supervisor	2
Parks Supervisor	2
Solid Waste & Streets Supervisor	2
Supervisor of Adult Services	2
Supervisor of Youth Services	2
Vehicle Maintenance Supervisor	2
Water Distribution Supervisor	2
Construction & Traffic Services Supervisor	3
Electrical/Mechanical Maintenance Supervisor	3
General Supervisor – Wastewater	3
General Supervisor – Water Distribution	3
Maintenance & Collection Systems Supervisor	3
Operations Supervisor – Water Plant	3
Senior Project Manager	3

ARTICLE 11

EMPLOYEE TERMINATION AND DISCIPLINE

1. Layoff. Whenever, because of lack of work or funds, it is necessary to reduce the number of employees on the City payroll, this shall be accomplished after a thorough investigation of the problem by the department head and the Director of Human Resources. Consideration shall be given: first to the types of activity to be curtailed; second, to the class of positions to be affected; and third, in selecting individual employees to be released. Consideration shall be given the periodic rating reports which reflect the value of the employee's service with the City. Weight shall also be given to an employee's length of service with the City. Employees separated from the service through no fault of their own shall be allowed to move to a vacant position they are qualified for. If no position is available the employee will be placed on the Eligible Register List for a period of up to two years.

2. Resignations. An employee resigning from his/her position shall, whenever possible, give at least thirty (30) days advance notice of his/her intention to enable the City to make proper provisions for the filling of the position. Any employee failing to give two weeks notice shall be considered as having left the service not in good standing, which shall be recorded in his/her records. All resignations shall be made in writing and filed with the department head and the Director of Human Resources.

3. Causes of Suspension, Discharge or Reduction. The following shall be considered just cause for suspension, discharge or reduction in the Classified Service although suspension, discharge or reduction may be made for other just cause. That the employee:
 - A. Has been convicted of a felony; or
 - B. Has been convicted of a misdemeanor involving moral turpitude; or
 - C. Has willfully and knowingly violated any of the provisions of the City's rules and regulations; or
 - D. Has willfully and knowingly violated any lawful official regulation or order, or failed to obey any proper direction made and given by his/her supervisor; or
 - E. Has been intoxicated or under the influence of intoxicants while on duty. The employee shall, upon request of his/her supervisor, take a blood or breath test to establish the fact of the matter; or

- F. Is offensive in his/her conduct or language as defined by State statute toward the public or toward City officers or employees; or
- G. Is incompetent or inefficient in the performance of the duties of his/her position; or
- H. Is careless or negligent with the monies or other property of the City; or
- I. Has used or threatened to use or attempted to use political influence in securing promotion, leave of absence, transfer, change of grade, pay or character of work; or,
- J. Has taken any fee, gift or other valuable thing in the course of his/her work or in connection with it for personal use from any person when such gift or other valuable thing is given in the hope or expectation of receiving a favor for better treatment than that accorded other persons; or
- K. “No person holding a position in the City classified service shall directly or indirectly use or seek to use his/her authority or official influence to control or modify the political action of any person, or during the hours of duty engage in any form of political activity nor at any other time take such part in political activities or political campaigns as to impair his/her usefulness in the position in which he/she is employed. Nothing in this section, however, shall be construed as prohibiting or preventing any such officer or employee from taking a legitimate interest as a citizen in his/her government or in casting his/her vote for the person of his/her choice.” Section 2-77, Code of Ordinances.

4. Suspension. Suspensions are temporary separations from the City service for disciplinary purposes where the cause is not sufficiently grave for dismissal. Any employee may be suspended by the department head and the City Manager, without pay, up to a period of sixty (60) days within one (1) year. For any suspension, the employee may appeal as provided in the Agreement under Article 8, Appeal Procedure. A record of any and all suspensions or demerits of any kind given to an employee by a department head for the purpose of disciplinary purposes shall be filed with reasons therefore with the Human Resources Department.

- A. An employee separated from City service through suspension or dismissal shall not be hired in any other department unless specifically approved by the City Manager.
- B. Time spent on suspension will not accrue to an employee's

service credit in determining vacation, personal leave or longevity benefits for any suspension for thirty (30) days or longer.

- C. If the suspension is determined to be unfounded, the employee's service credit for time on suspension will be reinstated as in "B" above.

ARTICLE 12

NO STRIKE

1. Work Stoppages. There shall be no picketing, strikes, concerted failure to report to work, slowdowns, or stoppages of work, during the term of this Agreement or during any period of time while negotiations are in progress between the parties hereto for the amendment or renewal of the Agreement.

2. Responsibility of the Bargaining Unit. In the event of a strike, work stoppage, picketing, or other curtailment, the Association shall immediately instruct the involved employees in writing that their conduct is in violation of the contract, and that they may be disciplined up to and including discharge and instruct all such persons to immediately cease the offending conduct.

3. Right to Discipline. The City shall have the right to discipline up to and including discharge, any employee who is responsible for, participates in, or gives leadership to any activity herein prohibited.

ARTICLE 13

MISCELLANEOUS

1. Notice of Violation. It is expressly agreed by the parties hereto that nothing contained in this section or in any part of this Agreement shall be construed or used in a manner to form the basis for an allegation of violation of this Agreement for the purpose of supporting any legal or court action, unless and until the party so alleging or complaining has notified the other party hereto of the existence of the complaint or contention, and the latter party, shall fail to correct same within ten (10) days of notification by the other party.
2. Outside Activity. When in the opinion of the department head any outside activity carried on by any employee is detrimental to the City service, it shall be the duty of the department head to report same to the Director of Human Resources and, if the opinion of the department head is substantiated, it shall be the duty of the department head to order such outside activity discontinued.
3. Waiver Clause. The parties acknowledge that during the negotiations which resulted in this Agreement each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by a law in the area of collective bargaining and that the understanding and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. Therefore, the City and the Association for the life of this Agreement each voluntarily and unqualifiedly waive the right and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter referred to or covered by this Agreement and with respect to any subject or matter not specifically referred to or covered by this Agreement, even though such subject or matter may not have been within the knowledge of either or both of the parties at the time they negotiated and signed this Agreement.
4. Drug Testing. Within thirty calendar days of the City publishing an Administrative Regulation on drug testing, the two parties will meet and negotiate conditions of work.
5. Direct Deposit. Effective July 1, 2011, direct deposit of paychecks shall be mandatory for all MMSEA employees.
6. Safety Incentive. The City may, upon approval of the City Manager, implement a safety incentive, customer service incentive or other incentive programs with the goal of improving service to citizens, improving health and safety of employees, or reducing liability. Said incentive programs may include monetary awards or awards of merchandise to employees with awards based on employee performance. Total expenditures for the incentive programs for all departments may not exceed \$5,000 per fiscal year.

ARTICLE 14

DURATION

This Agreement shall be and remain in full force and effect from July 1, 2017 and shall continue in full force and effect until June 30, 2020, and thereafter for successive one (1) year periods, unless one of the parties hereto on or before the ninetieth (90) day preceding the anniversary date in 2020 or in successive years, shall notify the other party hereto in writing of its desire to modify same.

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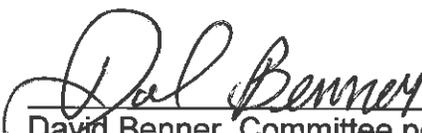
IN WITNESS WHEREOF, the City of Midland, a Michigan Municipal Corporation,
and the Midland Municipal Supervisory Employees Association, by their representatives
have hereunto signed their names to this Agreement to be effective July 1, 2017.

FOR THE CITY OF MIDLAND


Selina Tisdale, City Clerk

FOR THE MIDLAND MUNICIPAL
SUPERVISORY EMPLOYEES ASSOCIATION

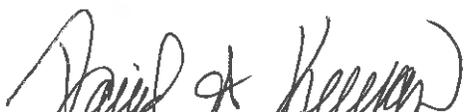

Steve Smith, President


David Benner, Committee person


Andrew Parrott, Committee person


Bruce Royce, Committee person

APPROVED BY:


David Keenan, Interim City Manager

Date: 7-1-2017