

EMPLOYMENT AGREEMENT

between

WYOMING ADMINISTRATIVE AND
SUPERVISORY EMPLOYEES ASSOCIATION

and the

CITY OF WYOMING
62-A DISTRICT COURT
and
WYOMING HOUSING COMMISSION

July 1, 2011 to June 30, 2014

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AGREEMENT

THIS AGREEMENT is made by and between Employer, as defined below, and the Wyoming Administrative and Supervisory Employees Association, hereinafter referred to as the "Association."

"Employer," as used in this Agreement, is defined to include the City of Wyoming, the 62-A District Court, and the Wyoming Housing Commission.

ARTICLE I - RECOGNITION

Section 1. The Employer recognizes the Association as the exclusive bargaining unit for all employees as defined in Section 2 of this Agreement for the purpose of collective bargaining.

Section 2. The collective bargaining unit shall be composed of all permanent, full time exempt employees of the Employer except the City Manager, Comptroller-Finance Director, City Clerk, Deputy City Manager, Director of Administrative Services, Director of Human Resources, Human Resources Supervisor, Director of Utilities, Director of Public Works, Chief of Police, Fire Chief, Director of Planning and Development, Deputy Director of Finance, Director of Parks and Recreation, Director of Community Services, City Assessor, Administrative Aide (City Manager's Office), Assistant to City Manager, employees in positions excluded under Section 3 of this Article, City Attorney, District Judges, and those employees who are members of the Wyoming City Employees Union, Police Officers Labor Council Wyoming Division, Police Officers Labor Council Wyoming Police Command Division, and Wyoming Fire Fighters Association, and those employees whose salaries are funded by other than normal Employer funds, such as: categorical federal and state grants or other such funded programs.

Section 3. Effective July 1, 2003, each of the following positions will be excluded from the collective bargaining unit represented by the Association beginning when either of the following events occur: 1) the listed current incumbent is no longer employed by the Employer in the position;

or 2) the listed current incumbent notifies the Employer and the Association that he or she wishes to leave the collective bargaining unit. The positions affected by this section and the current incumbents are as follows:

<u>Position</u>	<u>Current Incumbent</u>
Director of Information Technology	Gail Sheppard-Armstrong
Administrative Secretary I (HR)	Pat Larabel

ARTICLE II - EMPLOYMENT PROTECTION

Section 1. No employee shall be discharged, demoted, transferred, disciplined or laid off without just cause, and in the event such employee is discharged, demoted, transferred, or disciplined or laid off without just cause, such employee may grieve such action pursuant to Article II, Section 2.

Section 2. In the event a member of the Association shall have a grievance against the Employer, the following procedure shall be followed:

Step 1. The Association shall submit a "Notice of Intent" to file a grievance, in writing, to the City Manager within fifteen (15) days after the occurrence of the matter which gave rise to the grievance.

Step 2. Within thirty (30) days of the submission of "Notice of Intent" to file a grievance, the Grievance Committee of the Association shall make its decision on the grievance and shall recommend to the City Manager; dismissal of the grievance, submittal of a compromise or submittal of a formal grievance to proceed to the next step. In the event the Grievance Committee recommends dismissal, no further proceedings may be had on said grievance. In the event the Grievance Committee recommends a compromise, the City Manager shall have fifteen (15) days in which to accept or reject the compromise. If the City Manager accepts the compromise, the grievance shall be terminated. If the City Manager rejects the compromise or if the Grievance Committee has recommended processing the grievance, Step 3 shall be followed.

Step 3. If the grievance is not settled in Step 2, the Grievance Committee shall meet with the City Manager and the employee, and such other persons as the City Manager desires present, in an attempt to resolve the grievance. The Association must request such meeting within fifteen (15) days of the City Manager's response to the compromise or filing of the formal grievance in Step 2. A full discussion shall be had at said meeting and thereafter the Grievance Committee shall render an opinion in the same manner and within the same time limits as in Step 2. In the event of the dismissal of the grievance by the Grievance Committee, no further steps shall be taken. In the event the Grievance Committee recommends a compromise, the City Manager shall have fifteen (15) days in which to accept or reject the compromise. If the City Manager accepts the compromise, the grievance shall be terminated. If the City Manager rejects the compromise or the Grievance Committee has recommended processing the grievance, Step 4 shall be followed.

Step 4. The Arbitrator shall be chosen by the Association and the Employer alternately striking names from a list of five (5) arbitrators agreed to by the Association and Employer. Arbitration shall be in accordance with the rules and procedures established by the Federal Mediation and Conciliation Service. The decision of the arbitrator shall be final and binding. Any costs shall be divided equally between the parties. Notice of intent to follow this step shall be filed by the Grievance Committee with the City Manager within fifteen (15) working days of the Manager's decision in the former step.

All procedural requirements of this section are necessary for the processing of any grievance unless waived in writing by both parties. For the purpose of this Section, days shall mean Monday through Friday, excluding holidays. If a party filing the grievance fails to follow the procedural requirements, the grievance shall be deemed decided against said party unless there is a waiver of such requirements in writing. The failure to respond in a timely fashion by the party against whom

the grievance is filed shall result in the automatic advancement to the next step unless there is a written waiver as set forth above.

The Grievance Committee shall be allowed time during working hours to meet and evaluate the grievance and to be active in any further steps of the grievance procedure.

ARTICLE III - SALARY AND OTHER BENEFITS

Section 1. During the term of this Agreement, the parties agree that existing salaries and other benefits will not be reduced, and in addition, the parties agree that the members of the Association's bargaining unit will receive the same general salary increase, and the same general benefits, as provided for in the applicable contract between the Employer and the Wyoming City Employees Union. Each year, however, upon the request of the Association, the Employer and the executive board of the Association will meet and confer as to how such economic benefits should be allocated as between salary and benefits. The parties will endeavor to arrive at a consensus; however, the Employer will have the ultimate right to set wages and benefits, consistent with the other provisions of Article III, Section 1. Wage and fringe benefits that are currently being received by the members of the Association are attached here to in Appendix "A".

ARTICLE IV - STRIKES AND ILLEGAL ACTIVITIES

Section 1. The parties mutually recognize that the services performed by employees covered by this Agreement are services essential to the public health, safety and welfare of the Employer. There shall be no interruption of these services for any cause whatsoever by the employees it represents, nor shall there be any concerted failure by them to report for duty, nor shall they absent themselves from their work, stop work, or abstain in whole or in part in the full, faithful and proper performance of the duties of their employment or picket the Employer's premises. There shall be no strikes, slow-downs, sit downs, feigned illnesses, stay-ins, or any stoppages of work or any acts that interfere in any manner, to any degree, with the services of the Employer.

Section 2. Any employee who engages in any activity prohibited by the previous section shall be subject to disciplinary action by the Employer. The term disciplinary action shall include all appropriate action including discharge.

ARTICLE V - DETERMINATION BY MICHIGAN EMPLOYMENT RELATIONS COMMISSION

Section 1. In Article I, Section 2 of this Agreement, the Employer has agreed to allow all full-time employees not in any other Union of the Employer to be members of this Association and part of the collective bargaining unit for the term of this Agreement. By so doing, the Employer and the Association have not waived any of their rights to have a determination by the Michigan Employment Relations Commission as to what supervisory position should be a part of the Association for any future agreement.

ARTICLE VI - MISCELLANEOUS

Section 1. Nothing in this Agreement shall prevent or eliminate negotiations between the parties on any subject matter not covered by this agreement.

Section 2. Any employee who engages in any activity prohibited by the work rules or policies of the Employer shall be subject to disciplinary action by the Employer for just cause. In addition, the Association recognizes the Employer's right to establish and enforce a Drug and Alcohol Policy. The term disciplinary action shall include all appropriate action including discharge.

Section 3. The parties agree and acknowledge that employees in the classification of Court Recorder are at-will employees who serve at the pleasure of the appointing judge, and that the discharge, demotion, transfer, discipline or layoff of such employees shall not be subject to the just cause provisions of this Agreement or the grievance and arbitration provisions of this Agreement.

Section 4. If an employee in the classification of Court Recorder is discharged because

the judge who appointed the employee leaves and the incoming judge appoints another individual as Court Recorder, the discharged Court Recorder shall receive a severance package consisting of continuation of wages and health insurance coverage for a period of three months from the date of discharge.

ARTICLE VII – TERM OF AGREEMENT

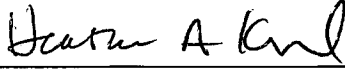
Section 1. This employment agreement shall be in effect for a period of three (3) years until June 30, 2014. At the conclusion of the three (3) year term the contract shall automatically renew for successive annual terms unless either party notifies the other in writing of a desire to open negotiations of the contract not less than sixty (60) days prior to the expiration of the contract.

Section 2. An emergency financial manager appointed under the local government and school district fiscal accountability act may reject, modify, or terminate the collective bargaining agreement as provided in the local government and school district fiscal accountability act.

WYOMING ADMINISTRATIVE AND SUPERVISORY EMPLOYEES ASSOCIATION

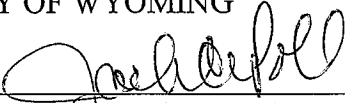
By 
Its President, Russell J. Henckel

Dated: 6-22-11

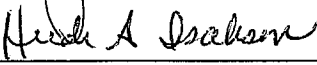
By 
Its Secretary, Heather A. Kubiak

Dated: 6-27-11

CITY OF WYOMING

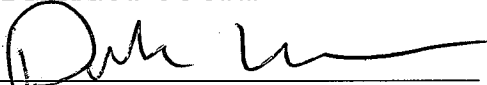
By 
Its Mayor, Jack A. Poll

Dated: 6-30-11

By 
Its Clerk, Heidi A. Isakson

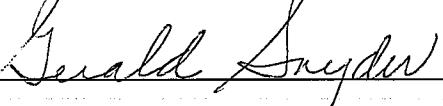
Dated: 6-30-11

62-A DISTRICT COURT

By 

Dated: 6-29-11

WYOMING HOUSING COMMISSION

By 

Dated: 6-29-11

APPENDIX A

**FRINGE BENEFIT POLICY
ADMINISTRATIVE AND SUPERVISORY ASSOCIATION**

Effective July 1, 2011

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Hours of Work

- A. The normal workweek shall be eight (8) hours per day, Monday through Friday and forty (40) hours per week. However, employees may, from time to time, find it expedient to depart from the normal work schedule in order to adequately accomplish their assigned tasks. In that event, necessary arrangements will be made with the immediate supervisor or department head on a department by department basis.
- B. The Memorandum of Understandings regarding the 38-hour work week dated September 9, 2009 and February 23, 2011 shall remain in effect with the following change: Effective July 1, 2011 the work week shall be increased from 38 hours to 40 hours and a full day shall be increased from 9.5 hours to 10 hours.

Leave of Absence

An employee may be granted a leave of absence without pay for reasons other than those covered by the Family Medical Leave Act upon approval by the City Manager. For any leave of absence exceeding thirty (30) days, all benefits shall cease except for seniority and term life insurance. In addition, the Employer shall continue to pay for health, dental and vision insurance premiums for two full calendar months after the calendar month in which the unpaid leave began. Any request for leave shall be in writing, stating reasons, signed by the employee, and given to the department head. Approval shall be at the Employer's discretion, and any decision shall be in writing.

Family & Medical Leave

The Employer will provide eligible employees with unpaid leave for covered family and medical reasons as provided in the Family and Medical Leave Act (FMLA) and its published regulations. FMLA leave shall be administered in accordance with the Employer's FMLA policy, as it may be amended from time to time.

Sick and Emergency Leave

- A. Employees shall earn and be granted paid sick leave according to the following schedule:
 - (1) Employees shall accumulate sick leave at the rate of eight (8) hours for each full calendar month of employment exclusive of leaves of absence without pay.
 - (2) Accumulation of sick leave shall be unlimited.
 - (3) Employees shall receive eight (8) hours pay for each sixteen (16) hours of accumulated sick leave upon retirement, death, or termination of employment.
 - (4) Subject to the discretionary approval by the department head, whenever an unusual or emergency situation exists involving the health or well being of a member of the employee's immediate family, sick leave may be granted for a period not to exceed five (5) days. Immediate family shall mean the father, mother, brothers, sisters, grandparents,

spouse, children, father-in-law, mother-in-law, sister-in-law, brother-in-law, and stepchildren, including relatives of the spouse as so listed.

- (5) Sick leave days may be converted to additional vacation days not to exceed forty (40) hours for the employee who has at least five (5) years service with the Employer and four hundred (400) or more accumulated hours of sick leave. Employees with at least ten (10) years of service with the Employer and eight hundred (800) or more accumulated hours of sick leave may convert up to eighty (80) hours of sick leave. An employee may convert only once in a fiscal year.

B. Sick Leave Incentive. On or before the last pay period in November, any employee having a minimum of eighteen (18) months of continuous service shall receive an amount equal to two dollars (\$2.00) for each eight (8) hours of unused sick leave for the preceding twelve (12) months times the number of whole years of continuous service with the Employer determined as of November 1. In addition, employees up to the fifth year of employment will receive an additional bonus of fifty (\$.50) over the two dollars (\$2.00). The maximum sick leave incentive shall be \$500.

C. Disability Income Plan. In addition to the present sick leave benefits, employees are eligible for an income maintenance plan that will provide an employee with an income allowance of seventy-five percent (75%) of regular pay for a period of one year in the event of any disability that would prevent the employee from performing the job. This allowance shall begin only after all of the employee's accrued sick leave and vacation leave balances have been exhausted.

D. Emergency Leave. Subject to discretionary approval of the City Manager, whenever an unusual or emergency situation exists involving the health or well being of a member of the employee's immediate family, emergency leave may be granted for a period not to exceed five (5) days. Such emergency leave shall not be charged against sick leave or vacation balances.

E. Workers' Compensation. Whenever an employee receives workers' compensation, the following shall determine what benefits shall continue:

- (1) Up to and including one full calendar month, all benefits shall be received or accrued.
- (2) For the second full calendar month up to, but not exceeding, twenty-six (26) weeks, holiday pay and personal leave days shall be excluded.
- (3) After twenty six (26) weeks, seniority, life insurance, and health insurance shall continue.
- (4) During the time an employee is receiving workers' compensation benefits, the employee shall be paid the difference between such benefits and the employee's net salary or wage for a period of twenty-six (26) weeks. After said 26-week period, if the employee is still receiving worker's compensation benefits, the employee may use sick leave to obtain the difference. The Employer may require an employee on workers' compensation to perform other than the employee's normal duties if the employee is able to do so. If such employee refuses to perform such other duties, the Employer may terminate the difference between

the benefits being received under the workers' compensation benefits and the employee's net salary or wage.

- (5) An employee off work due to an on-the-job injury, receiving worker's compensation benefits, is entitled to a supplemental benefit from the Employer for a maximum of twenty-six (26) weeks. If the employee is released by a doctor to return to full duties and subsequently sustains a new injury or reinjury of the previous condition, the employee shall be entitled to a full 26-week period. If an employee is released to return to work by a doctor with work restrictions and is unable to perform any work offered by the Employer, any subsequent loss of workdays or weeks will be covered only for those weeks remaining from the original 26-week period. Should said employee suffer a new injury while working on restricted duty, the employee would be entitled to a full 26-week benefit period.

Vacation Leave

A. Vacation credits shall be determined as follows:

- (1) Vacation credits shall be determined by full calendar months worked.
- (2) New employees shall be credited with vacation on January 1 of the calendar year following the employee's date of hire as follows:

	<u>Regular Employee</u>	<u>Department Head</u>
Hired January 1 to June 30	80 hours	120 hours
Hired July 1 to December 31	40 hours	60 hours

- (3) After the employee's first year of employment, vacation shall be earned and accumulated as follows:

	<u>Regular Employee</u>	<u>Department Head</u>
After one year of service	80 hours	120 hours
After two years of service	104 hours	128 hours
After three years of service	104 hours	136 hours
Thereafter, earn eight hours additional per year to a maximum:	176 hours	200 hours

- (4) Vacation is credited on January 1 of each calendar year.

B. Payment of vacation:

- (1) Vacation is paid in accordance with the City's normal payroll procedures when the employee takes it.
- (2) An employee may receive pay in lieu of time off for one-half of any one year's entitlement. The employee may choose this option once each calendar year.
- (3) Unused vacation from the prior year may be carried over and accumulated up to a maximum

of three years of the employee's annual entitlement. This shall include conversion of sick leave hours to vacation leave.

- (4) Payment for accrued vacation shall be made upon retirement, death, or termination of employment.

Holidays

Holiday leaves with pay shall be as follows:

- Day before New Year's Day
- New Year's Day
- Good Friday
- Easter (Police only)
- Memorial Day
- Independence Day
- Labor Day
- Veteran's Day (November 11)
- Thanksgiving
- Day following Thanksgiving
- Day before Christmas
- Christmas

For those employees whose workweek is normally Monday through Friday, if a holiday falls on a Saturday, then Friday shall be observed, and if a holiday falls on a Sunday, then Monday shall be observed. Exception: Whenever Christmas Eve and New Year's Eve fall on either Saturday or Sunday, the holidays shall be observed on Fridays.

In addition to the above holidays, employees shall receive *three personal days* each fiscal year. Personal days that are not used during the fiscal year will be lost. Personal days may be used one-half day at a time.

Bereavement Leave

- A. Whenever any one of the following persons dies and the employee assists in the funeral arrangements, attends the funeral or attends any post funeral functions or arrangements, the employee shall be entitled to receive time off from work with pay for a period not to exceed three (3) days (except for spouse or child which shall be five (5) days) for the following: father, mother, brother, sister, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, step-parent, grandparent, and grandchild. Also included are stepchildren who have been permanently residing with the employee. Five (5) days off shall also be permitted in the case of a miscarriage or still birth, experienced by an employee or the employee's spouse, if a funeral or memorial service occurs, or if the fetus met the state standards set forth in MCLA 333.2803(2). In other cases, the employee may be permitted to use sick time in an amount appropriate to the circumstances.

For the following persons, the employee shall be entitled to one (1) day off with pay to attend the funeral: niece, nephew, aunt, uncle, and spouse's grandparents. In addition, the employee may elect to take an additional two (2) days from the employee's sick time for a total of three (3) days.

Subject to discretionary approval of the department head, an employee may be granted time off with pay for the purposes as stated above for relatives who were closely associated with the employee or the employee's spouse or to attend the funeral services of an employee or former employee of the Employer.

Time off without pay to attend a funeral for other than the persons specified herein may be arranged upon approval of the department head or the City Manager.

- B. Days off under this policy may only be taken beginning with the day of the death through the day after the funeral, except for spouse and child, which shall be any five (5) successive workdays of which one (1) of the days shall be the funeral.

Military Leave

- A. Any employee who joins the United States Armed Forces shall be entitled to military leave of absence, without pay, for the period of actual time of service and shall be entitled to seniority only during such period of service. The employee must report for work within ninety (90) days after discharge. The employee shall be entitled to all rights and privileges for resumption of employment in accordance with the United States Military Selective Services Act.
- B. The employee shall be granted such leave upon presentation of report-to-duty orders. The employee shall be paid the difference between the amount received for such training and net salary. Except for seniority, all benefits and supplemental pay shall cease after fifteen (15) days.
- C. An employee who is called out by and serves on emergency duty for any of the Armed Forces Reserve Training Units or the Michigan National Guard shall be paid the difference between the amount received for such duty and net salary for each day of duty for a period not to exceed five (5) working days. All other benefits shall continue.
- D. An employee required to have a pre-induction physical exam shall receive full pay while absent for said exam for a period not to exceed two (2) working days.

Jury Duty

In the event an employee is summoned for jury duty or as a witness in a case in which the employee is not a party, a paid leave of absence shall be granted for that purpose, provided the court order, subpoena, or summons is presented to the supervisor or department head. The employee shall be expected to be at work during the regular working hours when not required to be in court. Any monies or fees received shall be given or assigned to the Employer. The Employer will reimburse the employee for mileage to and from court from the employee's place of employment plus actual parking fees, provided the costs shall not exceed the monies or fees received by the employee from the court.

Insurance

- A. Health. The City shall provide each employee and the employee's dependents with group health coverage, which shall include the following:

The benefits provided under the City's sponsored plan, which shall be at least those in effect January 1, 2011 including the following: The prescription co-pay shall be \$10 for generic drugs and \$20 for name brand drugs and the office visit co-pay shall be \$10. Co-pays for using a specialist shall be \$20 (unless the specialist is the member's primary care physician in which case it shall be \$10), \$35 for using an urgent care facility, \$50 for using a hospital emergency room visit (waived if admitted), and \$50 for imaging services (maximum two imaging co-pays per year). The prescription co-pay for name brand drugs shall be increased to \$30 on the same date it is increased for at least one other bargaining unit in the City.

Opt Out: Employees may opt out of the City's health plan (excluding dental and vision) and receive \$100 each payroll period in lieu of the health benefit. An employee who opts out of the plan may not be covered in the plan as a spouse or dependent. An employee who opts out and loses health care coverage through no fault of his or her own will be permitted to reenter the plan at the time coverage is lost. Opt out is subject to plan requirements.

- B. Dental and Vision. All employees and their dependents who are enrolled or eligible to be enrolled in the City's sponsored health plan shall be covered by the dental and vision plan, of which benefits shall be at least those in effect January 1, 2011.
- C. Employee Contribution. Effective July 1, 2011 employees shall contribute 20% toward the cost of their health insurance. Effective July 1, 2011 the annual contribution shall not exceed 4% of the employee's annual base pay, effective July 1, 2012 it shall not exceed 6% of the employee's base pay, and effective July 1, 2013 there shall be no cap. Base pay excludes longevity and sick leave incentive pay. The employee contribution may be paid on a pre-tax basis through the Employer's flex plan. The premium shall be that recommended by the City's Third Party Administrator (TPA) or insurer as applicable.
- D. Flexible Benefits. Employees are eligible to participate in the City of Wyoming's Flexible Spending Plan in accordance with the terms and conditions of the Summary Plan Description.
- E. Life Insurance. The Employer shall provide each employee with life insurance based on two times annual salary up to a maximum of \$50,000, but no less than \$25,000.
- F. New Insurance Plan. The Employer shall have the right to change to another insurance carrier or health plan providing the coverage shall be generally equivalent as listed above and the Bargaining Committee of the Association has a timely opportunity to review and comment upon any change in a reasonable period of time before the change becomes effective. Any disagreements concerning the application of this section will be subject to the contractual grievance and arbitration procedure.

Longevity Pay

For full years of service completed by November 1 of each year, employees shall receive the following:

<u>Years of Service</u>	<u>Amount</u>
Five (5)	\$ 825
Ten (10)	925
Fifteen (15)	1025
Twenty (20)	1125
Twenty five (25)	1175
Thirty (30)	1225
Thirty five (35)	1275

Educational Reimbursement

Employees desiring to take job related classes must first have the same approved by the City Manager prior to said classes being taken. The employee shall then be reimbursed for tuition and required books up to six (6) credit hours per term if the school is on a semester schedule and eight (8) hours per term if on a quarter schedule. Reimbursement for tuition will not exceed the graduate rate for courses at Grand Valley State University in effect at the time the course was taken. The City shall not reimburse registration, parking, or other such additional fees charged by the school. An employee who has three (3) or more courses reimbursed by the City must remain with the City for at least two (2) years after the last class is completed or shall refund the City the cost of tuition and books which were reimbursed for the last two years of employment.

Retirement and Pension

A. Retirement benefits for employees hired prior to September 6, 2005 shall be in accordance with the most recent City Ordinances adopted in reference to the Retirement System (Section 58-96 through Section 58-114 and Schedule B, 58-186 through 58-196) or any additional applicable Ordinances, bargaining agreement changes, and benefits described within this Appendix. Additions to the Plan:

- (1) For employees who retire on or after July 1, 1998, the multiplier shall be 2.35% of final average compensation.
- (2) Effective for employees retiring after July 1, 2007 who were members of the Administrative and Supervisory Association before July 1, 2007 and retire under the early retirement provisions of the Retirement Plan shall not have a reduction factor applied to the employees' early retirement benefit. Employees who become members of the Administrative Association after July 1, 2007 and who retire after July 1, 2007 shall have two tenths of one percent (.002) reduction for each month before age 60 that they retire under the provisions of the early retirement benefit unless they have 25 years of service, in which case they shall not have a reduction factor applied to the early retirement benefit.

(3) Any payments under this Pension Plan shall be coordinated pursuant to MCL 418.354 of the Workers' Disability Compensation Act. Except that an employee who is receiving a duty disability retirement benefit and has 25 years of service or has attained age 50 and has 10 years of service shall have the workers' compensation indemnity benefit coordinated so that the combination of City's retirement benefit and workers' compensation benefit is equal to 95% of the employee's net (gross less taxes) base salary or wage at time of retirement. However, full coordination shall apply when the retiree attains age 62.

(4) The "pop up" shall be a benefit payment option.

(5) The C.P.I. adjustment is included in Ordinance 58-188.

B. Retirement benefits for employees hired on or after September 6, 2005 shall be a defined contribution plan. The defined contribution plan shall be in accordance with the City Ordinances adopted in reference to the Plan or any additional applicable Ordinances, bargaining agreement changes, and benefits described within this Appendix.

The City shall contribute 8% of an employee's base pay into an approved 401(a) pension plan. An employee shall be eligible to participate in the plan at the time employment begins and shall be fully vested after one (1) year of service. Base pay shall mean salary or wages received for regular hours worked, salary or wages while absent from work on account of illness, vacation and holiday time taken. Base pay shall not include any remuneration or reimbursement not specifically stated above including, but not limited to, payments received for overtime, shift premium, disability income plan, workers' compensation; or payments made at the time of termination of employment for unused sick leave, accrued vacation time and/or other severance pay. An employee may contribute accumulated payoff of vacation and/or sick leave at the time of termination of employment subject to plan provisions.

Current employees may make an irrevocable choice to participate in the 401(a) plan at the start of each plan year.

C. Health Insurance: For any employee who retires on or after July 1, 1998, the Employer shall pay toward health care insurance or available Employer sponsored health care plans the following amounts:

(1) The Plan provides an Employer paid benefit in accordance with the City Ordinance - Retirement System Section 58-108 and Schedule B, Section 58-194.

(2) The health care insurance or available employer sponsored health care plan provided to retirees under this section shall at all times be the same as that provided to bargaining unit members actively employed by the Employer. Before significant plan changes are implemented the City would provide advance written notice to retirees and provide an opportunity to meet and discuss plan changes.

Employees hired before July 1, 2004 and retiring on or after July 1, 1977 shall not have to contribute towards health insurance premiums.

- (3) A retiree shall not be eligible for City sponsored medical coverage if the retiree is eligible to obtain any other medical coverage either on account of the retiree's post-retirement employment or the employment of the retiree's spouse. However, if such medical coverage is not equivalent to the coverage provided by the City, the City will supplement that coverage to provide an equivalent package to the City's.
- (4) An employee hired after July 1, 2004, must have completed five (5) years of service to be eligible for the retiree health insurance benefit. The Employer shall contribute four percent (4%) toward the cost of the premium for the retiree and the retiree's eligible spouse beginning after five years of service. For each additional year of service, the Employer shall contribute an additional four percent (4%) per year to a maximum employer contribution of one hundred percent (100%).
- (5) Defined Contribution Plan Retiree Health Insurance. An employee shall be eligible to participate in the City's sponsored Post Employment Health Plan (PEHP) if: 1) the employee starts employment with the City on or after July 2, 2007 and is not eligible to be enrolled in the City's retiree medical plan (as set forth in Chapters 58 and 59 of the City's Code of Ordinances) because of previous employment with the City; or 2) the employee enters the bargaining unit from another City position in which the employee is enrolled in the City's PEHP. The PEHP is an investment account that the employee may use for post employment medical expenses and/or insurance premiums.

The City shall make a contribution to the PEHP on behalf of each eligible employee. Employees will be allowed to direct the investment of contributions made for them among investment options made available by the PEHP plan administrator. The amount of the contribution shall be the following: A flat dollar amount per pay period adjusted as of July 1 of each fiscal year with the amount based on 4% of the combined average of the bargaining unit PEHP participants' compensation in the preceding calendar year. A participant who has less than a full calendar year of compensation will have his or her compensation counted on the basis of annual base wage. Compensation shall have the same meaning as under Chapter 58, Section 502 of the City's Code of Ordinances. An employee who is receiving worker's compensation benefits and the difference between his or her net salary or wage, shall continue to receive the 4% flat rate City contribution. Participants in the PEHP shall be subject to the terms and conditions of the plan as established by the City. An employee who is eligible to participate in the PEHP shall not be eligible to participate in the City's retiree medical plan (as set forth in Chapters 58 and 59 of the City's Code of Ordinances); but will be eligible to purchase the group health coverage the City makes available to active employees and other retirees. Plan rules and regulations for the PEHP are solely governed by Chapter 59, Article II of the City's Code of Ordinances and the PEHP plan administrator.

In the event of a duty death, the employee's spouse and eligible dependents shall have their City sponsored health, dental, and vision insurance paid for by the City for five (5) years. The City's insurance shall be secondary to Medicare. City sponsored insurance shall be coordinated with any other insurance the spouse or eligible dependents are able to obtain.

- D. Life Insurance: Retirees between the ages of 55 and 65 shall be provided life insurance in the amount of \$5,000.

Wages

- A. The base wage of the current Administrative and Supervisory classification and salary schedule shall be increased by the following amounts:

Effective July 1, 2011: No increase

Effective July 1, 2012: 2 %

Effective July 1, 2013: TBD

The City will conduct a wage survey of benchmark positions in 2013 using the same or similar positions as it did in gathering the 2006 wage data. The Association may discuss with the City Manager the need to apply an adjustment to the wage schedule based on the results of the survey. Any such change in the wage schedule shall not exceed 5%.

- B. The Classification and Wage Schedule incremental steps shall be increased from six to eleven by adding a step half way between each stop of the six-step schedule. This step sequence shall be effective for employees who are hired after July 1, 2007 and existing employees who voluntarily accept an appointment to a new classification after July 1, 2007. The City and Association may mutually agree to apply the new schedule for current employees.

Miscellaneous

- A. New Hires: New hires shall mean employees who are newly hired by the City in any full-time capacity after July 1, 2004. An employee hired before July 1, 2004, who terminates employment and is subsequently rehired, will not be considered a new hire if qualified under one of the following conditions:
1. The employee was vested in the City's pension plan prior to terminating employment; or,
 2. The employee is rehired within eighteen (18) months of terminating employment.
- B. Except as specifically changed in this agreement, all other terms, conditions and benefits shall not be changed or reduced from those in effect in the previous agreement.