

Agreement Between
CITY OF LANSING, MICHIGAN

and

INTERNATIONAL BROTHERHOOD OF
TEAMSTERS, CHAUFFEURS &
WAREHOUSEMEN, LOCAL 243

February 1, 2016 – January 31, 2019



Supervisory
Bargaining Unit

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P R E A M B L E

This contract (herein after referred to as "this Agreement") is entered into between the City of Lansing, Michigan, a municipal corporation (hereinafter referred to as the "CITY") and the Teamsters & Chauffeurs, Local 243, Supervisory Bargaining Unit, (previously known as Teamsters & Chauffeurs, Local 580, hereinafter referred to as the "UNION").

ARTICLE 1

DECLARATION OF POLICY

PURPOSE & INTENT

WHEREAS: the general purpose and intent of this Agreement is to set forth terms and conditions of employment and to promote orderly and peaceful labor relations for the mutual interest of the City , the employees and the Union.

WHEREAS: the parties recognize the importance of treating each other with dignity and respect.

WHEREAS: the parties recognize that the interest of the community and the job security of the employees depend upon the City's success in establishing proper service to the community. To these ends the City and the Union encourage to the fullest degree, friendly and cooperative means of facilitating peaceful adjustment of all grievances which may arise from time to time between the City and the employees and of promoting and improving peaceful municipal and economic relations between the parties.

ARTICLE 2

MANAGEMENT RIGHTS

The City, on its own behalf and on behalf of its electors, hereby retains and reserves unto itself without limitation all powers, rights, authority, duties, and responsibilities conferred upon and vested in it by the laws and the Constitution of the State of Michigan and of the United States, the City Charter, The Lansing Code of Ordinances and any modifications made thereto and any resolution passed by City elected officials. Further, all rights which ordinarily vest in and are exercised by employers except such as are specifically relinquished herein are reserved to and remain vested in the City, including but without limiting the generality of the foregoing the right (a) to manage its affairs efficiently and economically, including the determination of quantity and quality of services to be rendered, the control of materials, tools and equipment to be used, and the discontinuance of any services, material or methods of operation; (b) to introduce new equipment, methods, machinery or processes, change or eliminate existing equipment, and institute technological changes and where practicable to train existing employees on new equipment or machinery; and, to decide on materials, supplies,

equipment and tools to be purchased; (c) to determine the number, location and type of facilities and installations; (d) to determine the size of the work force and increase or decrease its size; (e) to hire, assign and lay off employees, to reduce the work week or the work day or effect reductions in hours worked by combining lay-offs and reductions in work week or work day; (f) to direct the work force, assign work and determine the number of employees assigned to operations; (g) to establish, change, combine or discontinue job classifications and prescribe and assign job duties, content and classification, and to establish wage rates for any new or changed classifications; subject to the rights of the Union under PERA; (h) to determine lunch, rest periods and cleanup times, the starting and quitting time and the number of hours to be worked; (i) to establish work schedules; (j) to adopt, revise and enforce reasonable work rules and general requirements and to carry out cost and general improvement programs; (k) to transfer, promote and demote employees from one classification or department to another, except that demotion shall not be utilized for the purpose of disciplining an employee (l) to select employees for promotion or transfer to supervisory or other positions, and to determine the qualifications and competency of employees to perform available work.

ARTICLE 3

RECOGNITION OF THE UNION

SECTION 1. Definition of the Bargaining Unit. Pursuant to and in accordance with all applicable provisions of Act 336, Public Acts of Michigan, 1947, as amended, the City does hereby recognize the Union as the exclusive representative, for the purpose of collective bargaining in respect to rates of pay, wages, and conditions of employment, for the duration of the Agreement, of all employees of the City included in the bargaining unit described below (herein after referred to as “bargaining unit members” or “members”):

All supervisory employees of the City of Lansing.

Excluding all of the following:

All exempt and confidential positions; all elected officials; all members of the City Council staff; all members of the Mayor's staff; all internal auditors and their staff; all employees in the Legal Department¹; the Safety Administrator in the Personnel Department², all Department Directors, Deputy Department Directors, Assistant Department Directors, Department Heads and Division Heads; all employees covered by the executive pay plan; all Police employees of the Police Department who are currently represented by Capitol City Lodge #141, Fraternal Order of Police, in either the Supervisory, Non-Supervisory, or 911 Operators Units³; all employees of the Fire Department who are

¹ a.k.a. Law Department

² Now known as the Department of Human Resources

³ As of June 24, 2012, these employees became employees of the consolidated Ingham County Emergency Communications Center.

currently represented by Local #421 of the International Association of Fire Fighters; all employees who work in the following departments or areas and are currently represented by the Lansing City Unit of the United Auto Workers, Local 2256: Central Garage, Parks and Recreation, Public Service and Traffic engineering; one secretarial or clerical employee in each of the following departments: Police, Public Service, Finance, Planning and Neighborhood Development and all other confidential employees and Guards.

1. Reference in this Agreement to “employee” or “employees” is only to bargaining unit members and does not include City employees in any other union or group unless this Agreement expressly indicates the contrary.

SECTION 2. Bargaining Unit Participation.

- A. Membership in the Union is not compulsory. Employees covered by this Agreement have the right to join, not join, maintain or drop their membership in the Union. Neither party shall exert any pressure on or discriminate against an employee concerning these matters.
- B. The Union is required under this Agreement to represent all employees in the bargaining unit fairly and equally without regard to whether or not an employee is a member of the Union. The terms of this Agreement have been made for all employees in the bargaining unit and not only for members of the Union.
- C. For new employees who elect to join the Union, payment of fees and dues shall start thirty-one (31) days following the date of employment, so long as the Union has provided the City with payroll deduction authorization as set forth below in Section 4 and has billed the City. The Union will comply with the requirements set forth in the United States Supreme Court decision in *Hudson v Chicago Teachers Union* in administering this section.

SECTION 3. Deduction of Dues. During the period of time covered by this Agreement, the City agrees to deduct from the pay of Union members (who sign dues or fee deduction authorization forms) all applicable dues and initiation fees of Local No. 243. The Union must first present to the City authorizations signed by affected employees allowing such deductions and payments to the Local Union before the deduction will be made. This may be done through the steward of the Union. The amount of initiation fee and dues will be certified to the City by the Secretary-Treasurer of the Union.

Monthly Union dues and initiation fees will be deducted by the City and transmitted to the Union as prescribed above for the deduction and transmission of Union dues and initiation fees not later than the twenty-fifth (25th) day of the month preceding the month being billed.

The Union agrees to indemnify and save the City harmless against any and all claims, suits or other forms of liability arising out of its deduction from its employees' pay of Union dues and fees. The Union assumes full responsibility for the disposition of the deductions made once they have been sent to the Union.

SECTION 4. Equal Representation. The Union is required under this Agreement to represent all of the employees in the bargaining unit fairly and equally without regard to whether or not an employee is a member of the Union. The terms of this Agreement have been made for all employees in the bargaining unit and not only for members in the Union

SECTION 5. Partial Invalidity If any provision of the Article is invalid under federal law or the laws of the State of Michigan, such provision shall be modified to comply with the requirements of federal or state law or local ordinance or shall be renegotiated for the purpose of adequate replacement.

SECTION 6. Hiring and Termination Notice. Within two (2) weeks after the City hires or terminates an employee covered under this Agreement, the City shall notify the Union in writing of the name of the employee, job classification, salary level, and starting date or termination date.

Upon request the City will provide the Union with the current address of all bargaining unit members.

SECTION 7. Letter of Introduction. As a way of introducing newly hired employees to the Teamsters Local 243 Union, the City will give each new employee a letter of introduction that has been provided to the City by the Union.

SECTION 8. Consistency in Hiring. No employee hired after the effective date of this contract, shall be hired in any manner inconsistent with this Agreement.

ARTICLE 4

UNION REPRESENTATION

SECTION 1. Stewards. All employees covered by this Agreement shall be represented by eight (8) stewards.

Employees shall have an opportunity to meet with or request the services of a steward, as is necessary for the investigation and adjustment of grievances provided it does not interfere substantially with the employee's work responsibilities and the steward's work responsibilities. Employees must obtain the approval of their supervisor before leaving the work place.

SECTION 2. Negotiations. The City will authorize a total of three (3) stewards to attend negotiation sessions that occur during their regular work hours without loss of pay. One alternate shall be appointed to substitute in the event one of the three (3) stewards are not available. The Union will furnish the Human Resources Director and/or designee with a written list of the three (3) stewards who will serve on the Union's bargaining committee prior to the first bargaining meeting. No substitutions will be permitted once negotiations commences, except in extreme situations which includes, but is not limited

to, retirement, termination from employment, extended leave of absence and resignation from the steward position. Once replaced the substitution shall be permanent.

SECTION 3. Steward Seniority. Notwithstanding their position on the seniority list, the Union stewards specified in Article 4, Section 1, shall, in the event of layoff, continue to work on condition that there is work available for them that they have the ability to perform when layoffs occur.

SECTION 4. Paid Union Time. Stewards shall be permitted reasonable time not to exceed two (2) hours per week to investigate, present and process grievances without loss of time or pay provided they receive authorization in advance from their supervisor who shall grant such authorization as soon as practicable under the circumstances.

SECTION 5. Monthly Stewards' Meeting. All stewards shall be relieved from duties without loss in time or pay for a monthly stewards' meeting, not to exceed two (2) hours. Such time shall be included within the forgoing two (2) hours per week limitation. The Union agrees that it shall attempt to schedule such monthly stewards' meetings during the last two (2) hours of the work day. The meeting may be held in a City of Lansing meeting room if one is available during regular building hours.

ARTICLE 5

SENIORITY

SECTION 1. Definition. An employee's seniority shall be his/her continuous length of service in the Clerical, Technical, Professional or Supervisory bargaining unit determined from the date the employee entered the bargaining unit. Seniority shall not be cumulative for length of service in other bargaining units. Continuous service can be broken only by a written termination notice or as otherwise provided in this Article. The amount of continuous service as heretofore provided shall be applied to an employee's probationary period hereinafter set forth but seniority shall not accumulate during any leave of absence or layoff. Seniority shall be applied only as specifically set forth in this Agreement. As between any two (2) or more employees who have the same seniority date, seniority shall be determined by the highest sum of the last four numbers of the employee's social security number. The employee with the highest sum will have the highest seniority date.

The City will provide the Union with bargaining unit seniority lists upon request but not more than every six (6) months, a bargaining unit-wide seniority list will be provided to the Union with employee names and bargaining unit seniority dates.

SECTION 2. New Hire Probationary Employees. A newly hired employee, other than detention officers, shall be considered a probationary employee for six (6) calendar months after hire with up to six (6) months of additional probation upon notification to the Union. This notification will include an explanation of the reason for extension. Any employee hired into a detention officer position shall be considered a probationary employee for twelve (12) calendar months after hire. There shall be no seniority among

probationary employees.

The City shall have no obligation to reemploy an employee who is laid off or discharged during his/her probationary period.

The Union shall not represent a probationary employee in matters of discharge or discipline. The Union reserves the right to represent a probationary employee who, in its opinion, has been disciplined or discharged for union activity.

SECTION 3. Seniority Status. The probationary period required above represents a total cumulative service time, and may be adjusted upward so as to properly allow any authorized leaves of absence or other approved breaks in service. However, should any such leave of absence or break in service be greater than two (2) months, the City may require that the entire probationary period be restarted at the time the employee returns to work. If a full time employee completes his/her probationary period within twelve (12) months from his/her first day of work, the employee shall have seniority as of their first day of work.

SECTION 4. Loss of Seniority. An employee shall lose his/her seniority if the employee separates from City service in any of the following ways: resigns or quits; is discharged and the discharge is not reversed through the grievance procedure; retires by voluntary, compulsory, duty or non-duty disability retirement, except as provided below; is not actively engaged in employment with the City for a period exceeding two (2) calendar years; or for any other reason terminates, except a layoff in which case the provisions of Article 7 of this contract shall apply. Furthermore, an employee shall lose his/her seniority and shall be considered to have resigned if the employee is absent from work for three (3) consecutive working days without notifying the City including the failure to return to work at the expiration of a vacation, disciplinary layoff or leave of absence.

In the event that exceptional circumstances exist, the City may waive this requirement.

For purposes of clarification the three (3) working days shall commence upon the termination of the above mentioned leaves.

ARTICLE 6

FILLING OF OPEN POSITIONS

SECTION 1. The City will make every effort to fill vacant positions within one-hundred twenty (120) days after the end of the shift of the last day worked by the employee vacating the position. All open or vacated positions as determined solely by the City will be posted on the bulletin boards for six (6) calendar days.

The posting will specify the class title, salary range, and qualifications required of the applicant. An employee who works in the same division and does not have the same class title; or who works in another division, regardless of class title; and who possesses the qualifications, knowledge, skills, ability, and experience required may indicate that

he/she would like to be considered by submitting an internal job application within the prescribed time limits to the Department of Human Resources

- A. The position will be awarded to the most qualified applicant, taking into account his/her qualifications, knowledge, skills, ability, experience and seniority relevant to the position for which he/she applied. The City may by-pass Teamsters Local243 Supervisory or Clerical, Technical and Professional bargaining unit members who bid on positions to hire a more qualified external applicant.

The following conditions shall apply in awarding positions to qualified internal applicants:

If more than one (1) bargaining unit member is equally qualified for the position, and a bargaining unit member is selected for the position, the position shall be given to the most senior qualified bargaining unit member. If a bargaining unit member and an external candidate are equally qualified for the position, the position shall be awarded to the bargaining unit member.

- B. The following conditions shall apply in awarding positions to qualified applicants:

The highest scoring applicant will be awarded the position, except that the highest scoring external applicant must score more than five percent (5%) higher than the highest scoring bargaining unit member in order to be awarded the position. This is a seniority preference for the bargaining unit member. If more than one bargaining unit member has the highest qualifying score, the position shall be given to the most senior bargaining unit member.

- C. An internal employee awarded such a position shall be placed initially in the new position on a thirty (30) calendar day trial basis. By mutual agreement between the employee and the employee's supervisor, the trial period may be extended up to an additional fifteen (15) calendar days. During the trial period, the employee shall be paid at the rate applicable to the new position and shall be evaluated on a weekly basis. Evaluations shall be reduced to writing and shall include any deficiencies in job performance, and a copy of the evaluations shall be provided to the employee. Upon successful completion of the trial period, the transfer shall become permanent, and the effective date of the permanent placement shall revert back to the first date of the trial period for purposes of classification seniority and merit increases. Prior to the end of the trial period, the transferred employee may elect to return to the position from which he/she transferred. If the transferred employee does not successfully complete the trial period, the employee shall be returned to his/her prior position by the City.

Section 2. Temporary Transfer to a Higher Classification. A temporary transfer is a transfer authorized by a Department Head and approved by the Director of Human Resources or authorized designee, to a higher job classification, which exceeds thirty (30) calendar days. Beginning on the fifteenth (15th) day an employee shall be paid the base rate of the salary for the higher classification or at the step in the higher classification that is at least one pay step higher than the employee's pay step within

his/her regular classification level effective to the first day of transfer. When there is more than one (1) employee within the classification and within the division from which the temporary transfer is to be made, the senior qualified employee will have the option of taking the position. If the senior qualified employee does not opt for the temporary transfer, then the Department Head shall select an employee for the temporary transfer.

In the event the temporary transfer lasts six (6) months or longer, the employee will be eligible for a merit increase after serving six (6) months in the temporary assignment and annually thereafter until the employee reaches the maximum step of the classification in which he/she is temporarily assigned or the employee is returned to his/her regular full-time position. Any merit increases for which the employee was eligible in his/her regular full-time position will be suspended until such time as the employee is returned to his/her regular full-time position. At the time the employee is returned to his/her regular full-time position, the employee will be placed at the step in the pay grade that he/she would have been at had the employee not taken the temporary transfer assignment.

In the event the employee is selected for the position in which the employee has been temporarily transferred and was solely assigned to the position during the time of the vacancy, the employee shall have his/her date of promotion adjusted back to the first day of the out of class assignment.

SECTION 3. Transfer Out of and Back Into the Bargaining Unit. If an employee voluntarily transfers to another City position which is not included in a Teamsters Local 243 bargaining unit and thereafter returns to a Teamsters Local 243 position covered by the Supervisory or Clerical, Technical, Professional unit within one (1) year, that employee shall retain bargaining unit seniority accrued prior to the transfer outside the bargaining unit. Employees transferred under the above circumstances shall retain all rights accrued for the purposes of any benefits provided for in this Agreement.

If to avoid layoff an employee transfers to a position under the City not included in the bargaining unit and is thereafter transferred again to a position within the bargaining unit, the employee shall have accumulated seniority while working in the position to which he/she was transferred. Employees transferred under the above circumstances shall retain all rights accrued for the purposes of any benefits provided for in this agreement.

ARTICLE 7

LAYOFFS AND RECALLS

The word "layoff" means a reduction in the working force. Layoffs will be made according to the following provisions:

A. General Provisions.

1. Employees to be laid off for an indefinite period of time will have at least fourteen (14) calendar days' advanced written notice of the layoff.

2. The Union's Secretary-Treasurer shall be notified by the City of the names and positions of employees being laid off on the same date the notices are issued to the affected employees.
3. Probationary employees within the affected positions will be laid off first, followed by seniority employees in inverse order of seniority. Seniority employees have the bumping rights described in subsection B.
4. If the employee bumps into a position and ultimately is found not capable of performing the duties during a trial period of thirty (30) calendar days, the City shall have the right to lay him/her off without bumping rights. In this case, the employee will be placed in layoff status within fifteen (15) calendar days following expiration of the trial period. In case of mutual agreement between the employee and the employee's supervisor, the thirty (30) calendar day trial period may be extended.
5. An employee subject to layoff status shall have the right to apply for any City vacant position for which he/she is qualified.
6. An employee scheduled for layoff who fails or is unable in accordance with subsection B to exercise the option to bump into the position held by the least senior employee for which he/she is qualified, or to accept a temporary transfer if one is offered, shall be laid off.
7. An employee who is bumped out of his/her position by a more senior employee will be considered as having been laid off and will be subject to the provisions set forth in this Agreement.
8. An employee may bump only once after receiving a layoff notice or after being displaced. However, an employee shall have the right to again exercise his/her bumping right each time he/she is subsequently displaced as a result of another employee exercising his/her bumping rights in a subsequent layoff.
9. The City and the Union agree that there may be exceptional cases where the position involves state mandated licensing requirements which cannot be performed except by such a licensed individual. In such exceptional case, the City at its sole option may retain or transfer an employee or recall a laid off employee regardless of seniority when and if the position is vital to the City. In such exceptional case, if the City intends to invoke this provision, the City shall notify the Union and the employee to be bumped fourteen (14) calendar days in advance of the implementation of this action.
10. Any grievance regarding the layoff, reassignment, bumping, transfer (temporarily or otherwise), any reducing personnel action, recall, abolition or non-filling of a position shall be presented to the City's Human Resources Director or designee at Step 3 of the grievance procedure contained in the contract.

B. Layoff and Bumping Procedures.

1. Within five (5) working days of receipt of the notification of layoff, the employee scheduled for layoff shall notify the Director of Human Resources of his/her decision to either accept layoff or bump in accordance with the procedures described herein.
2. An employee who becomes subject to layoff and/or bumping shall be entitled to exercise bumping rights in the order enumerated below each time he/she becomes subject to layoff and/or bumping until placement or layoff as provided below:
 - (a) Vacancy: The employee shall exercise his/her seniority and accept placement into a vacant position in his/her current classification and level, for which he/she is qualified. "Vacancy" includes bargaining unit positions temporarily being occupied by a temporary agency placement or contract employee. The parties recognize that special project work does not constitute a "vacancy."
 - (b) Bumping:
 - (1) Should an employee be unable to be placed into a vacant position as provided above in (a), he/she may meet with representatives of the Department of Human Resources to review the classifications and job specifications of positions to which the employee may exercise bumping rights. An employee must exercise bumping rights at the first available step, as enumerated below.
 - (2) The employee shall exercise his/her seniority and bump the least senior employee in a position for which he/she is qualified to perform the work with the same classification and salary level.
 - (3) Should an employee be unable to bump into a position within his/her same classification and salary level, the employee shall exercise seniority by bumping into a position held by the least senior employee for which he/she is qualified to perform the work within any classification at the same salary level.
 - (4) Should an employee be unable to bump into a position within any classification at his/her same salary level, the employee may accept a demotion to any occupied position by bumping the least senior employee in the next lower salary level, provided the employee is qualified. If no position is available based on the employee's seniority and qualifications, the employee may continue to exercise his/her bumping rights, as described above, in the next lower salary level (or levels)

until the employee can claim a position which he/she is qualified to perform or exhausts his/her seniority. Alternatively, an employee may accept a demotion to a vacant position for which he/she is qualified at any lower salary level.

C. Recall. When the working force is increased after a layoff, employees shall be recalled in order of seniority and shall be subject to the same conditions of layoff. An employee on layoff will be recalled to a position with the same classification. An employee may elect to be recalled to the first available position that they are qualified to perform rather than waiting to be recalled to their original classification. The following general rules shall apply:

1. Notice of recall will be provided by U.S. mail with proof of delivery sent to the employee's last address of record with the City.
2. An employee who fails to report for work when notified to do so in the recall notice by the starting time of his/her shift shall be to have quit and shall lose seniority. However, if an employee's failure to report for work is on account of illness or injury or other serious reason beyond his/her control, he/she may retain his/her seniority if he/she has notified the City's Director of Human Resources in writing of such reasons prior to the deadline for his/her reporting for work. The City may require proof of providing notice and substantiation of the reason given by an employee. If it is not substantiated promptly upon request of the Director of Human Resources, the Director of Human Resources may determine that the employee's loss of seniority shall stand.
3. An employee who is laid off for a period equal to his/her seniority at time of layoff, or for a period of four (4) years, whichever is the shorter period, shall cease to have seniority and his/her name shall be removed from the seniority list.

ARTICLE 8

WAGE SUPPLEMENTS

SECTION 1. Bereavement Time. Following the death of a spouse, child, step child, parent, step parent and parent of a current or deceased spouse, an employee will be entitled to use a maximum of five (5) work days with pay, not to be deducted from the accumulated sick leave, to arrange for and/or attend the funeral or a service in lieu of the funeral.

An employee will be entitled to use a maximum of three (3) work days with pay, not to be deducted from the accumulated sick leave, to make arrangements and/or attend the funeral, or a service in lieu of the funeral for any other immediate family member. "Other immediate family" shall mean brother, sister, brother-in-law, sister-in-law, grandparents,

grandparents-in-law and grandchild.

An employee will be entitled to use a maximum of one (1) work day with pay, not to be deducted from the accumulated sick leave, to make arrangements and/or attend the funeral, or a service in lieu of the funeral for: aunt, uncle, niece or nephew.

A period of time taken off for bereavement under this section which is less than or equal to one half of the employee's workday, shall only be considered one half of a workday . A period of time taken off in excess of one half of a workday day shall be considered a full workday day.

The City may require verification of the death and/or of the relationship of the employee to the deceased, at its discretion, following the leave and before making payment for the bereavement time. The City may withhold payment if the employee did not make prompt notification for leave, prior to taking the time off, so that his/her work would be covered in his/her absence.

In the event of the death of a member of the immediate family, including spouse, child, step child, parent, parent of a current or deceased spouse, and step parent, additional time may be taken off, with the approval of the department head. This time off may be charged to vacation, sick leave, personal leave time or compensatory time earned.

SECTION 2. Holidays. The City will pay an employee, as provided below for the following holidays:

- One Full Day Prior to New Year's Day
- New Year's Day
- Martin Luther King Day
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Veterans Day
- Thanksgiving Day
- Friday after Thanksgiving
- One Full Day Prior to Christmas Day
- Christmas Day

Provided that the employee meets all of the following eligibility rules:

He/she works or is paid pursuant to this Agreement, the full period of his/her last scheduled work day prior to, and his/her next scheduled work day following, the holiday.

When a holiday falls on a Saturday, the preceding Friday shall be observed as the holiday recognized by this Agreement; when it falls on a Sunday, the following Monday shall be so observed as the holiday, excepting that, whenever state or federal statute requires that any of such holidays be observed on a day or date other than as set forth above, the holiday shall be observed on the day or date prescribed by state or federal

statute, whichever is controlling.

When two consecutive holidays fall on Sunday and Monday, the holidays shall be observed on Monday and Tuesday. When two consecutive holidays fall on Friday and Saturday, the holidays shall be observed on Thursday and Friday.

An employee who works any of the holidays designated above shall receive one and one half (1 ½) the hourly rate for all hours worked in addition to the holiday pay. At the employee's option the employee may receive an additional eight (8) hour day off instead of the holiday pay.

Employees working in a twenty-four (24) hour continuous operation and who are not scheduled to work on the date the designated holidays are celebrated shall have the option to receive the holiday pay or receive eight (8) hours of saved holiday. The first saved holiday earned will be the first saved holiday used.

Employees working in operations run on a seven (7) day schedule shall observe the holidays on the actual rather than the recognized day that the holiday falls. Those employees who are eligible to and do "save holidays" must use the holiday time saved within one (1) year of the date accrued.

Where a workgroup as a unit is regularly scheduled to work other than an eight (8) hour day, a holiday will be paid at the number of straight time hours otherwise scheduled to be worked.

SECTION 3. Hospital, Medical, Surgical Insurance.

A. Base Plan. The City will offer full-time employees a choice of Base Plan health insurance as follows:

1. BC/BS PPO 12/20 with a \$1000/\$2000 deductible and \$10/\$40/\$80 Rx drug card and \$40.00 office/\$60.00 urgent care and \$250.00 Emergency Room co-pays.
2. PHP DPL 15500 with a \$1000/\$2000 deductible and \$10/\$40/\$80 Rx drug card and \$40.00 office/\$60.00 urgent care and \$250.00 Emergency Room co-pays.

The City will pay no more than the premium cost of the Base Plan options provided in Subsection A, up to the limit of the state mandated hard cap amounts under Public Act 152 of 2011, as amended. Because the 2011 PA 152 hard cap amounts are subject to change, the City will pay no more than the cost of the Base Plan (BCBSM or PHP) hard cap amounts in effect at any given time.

Employees will pay no premium sharing toward the Base Plan so long as rates remain at or below the state mandated hard cap amounts. If rates exceed the state mandated hard cap amounts, employees will become responsible for and pay all costs in excess of the hard cap amounts.

Employees electing the Base Plan health insurance will receive a \$400 cash payment incentive for each plan year chosen.

B. Option 1 Plan. The City will offer full-time employees a choice of Option 1 Plan health insurance as follows:

1. BC/BS PPO 4 or with a \$500/\$1000 deductible and a \$10/\$40/\$80 Rx drug card and \$30 office/\$50 urgent care and \$150 Emergency Room co-pays.
2. PHP DPL 15400 with a \$500/\$1000 deductible and \$10/\$40/\$80 Rx drug card and \$30.00 office/\$50.00 urgent care and \$150.00 Emergency Room co-pays.

The City will pay no more than the premium cost of the Option 1 Plan options provided in Subsection B, up to the limit of the state mandated hard cap amounts under Public Act 152 of 2011, as amended. Because the 2011 PA 152 hard cap amounts are subject to change, the City will pay no more than the cost of the Option 1 Plan (BCBSM or PHP) hard cap amounts in effect at any given time.

Employees will pay no premium sharing toward the Option 1 Plan so long as rates remain at or below the state mandated hard cap amounts. If rates exceed the state mandated hard cap amounts, employees will become responsible for and pay all costs in excess of the hard cap amounts.

C. Option 2 Plan. Employees may elect to “buy-up” to their choice of certain optional City group insurance plans by selecting and enrolling in the chosen optional plan and paying at the employee’s own expense the difference between the optional plan premium cost and the corresponding Option 1 Plan (BCBSM or PHP) City premium cost (the “differential cost”). The differential cost may be changed by the City from time to time during the term of this Agreement to reflect changes in premium cost. The choice of Option 2 plans are as follows:

1. BC/BS PPO Plan with a \$0 deductible with \$15.00 office/urgent care, \$10 chiropractic co-pay limited to 24 visits per year and \$50 emergency room co-pay and a \$0/\$15/\$40 prescription co-pay, or
2. PHP DPL 15100, RX080370, 0703461-0055 023YF with a \$0 deductible with \$15 office/urgent care, \$0 chiropractic co-pay limited to 24 visits per year and \$50 emergency room co-pay and a \$0/\$15/\$40 prescription co-pay.

The employee shall be responsible for the differential cost through payroll deduction.

The City will provide complementary health care coverage (coordinating with Medicare) when an employee or spouse reaches the Medicare eligibility date, with no reduction in benefits or coverage.

D. Enrollment. An employee shall become covered by insurance effective on the 1st day of the month following the employee's hire date, through his/her completion of the required forms (at time of hire, rehire, or during an annual open enrollment period) and his/her acceptance by the current insurance carriers (BCBS and PHP). Such forms and information as to the plans shall be available from the City's Department of Human Resources.

E. Related Employees/Retirees. An employee or retiree related to another City employee or retiree is only entitled to either 1.) coverage under a City-sponsored health care plan or 2.) an opt-out benefit, but not both. Double coverage of an employee or retiree is not permitted. For purposes of this Subsection, City employee or retiree includes all City units or groups and not only bargaining unit member employees.

F. Substitute Carrier. The City reserves the right to substitute other insurance carriers for the current insurance carriers (BCBSM and PHP) if it would be economically advantageous, providing the current level of benefits are maintained or improved.

G. Opt Out.

1. Procedures. The parties will meet and mutually agree to written procedures for implementation of the terms of an opt-out program.
2. Members of the bargaining unit, up to a maximum of fifteen percent (15%) of each bargaining unit, will be allowed to opt out of the City's health care plan annually, during the City's open enrollment period provided the employee provides written proof of coverage from another source. Eligible employees may opt-out at hire.

Re-enrollment in one of the City's medical insurance plans will only be permitted at the time of the City's open enrollment which is at least one (1) year from the initial date of the opt out with the following exception. In the event the bargaining unit member loses his/her alternative coverage and provides written documentation of loss of such coverage, re-enrollment in one of the City's medical insurance plans will be permitted and the effective date of coverage will be as soon as allowable by the applicable insurance vendor.

An eligible employee who is related to another City employee or retiree is only entitled to either 1.) coverage under a City-sponsored health care plan or 2.) an opt out benefit, but not both. Double coverage of an employee or retiree is not permitted.

3. Payment. Any employee who opts out of the City's health care plan will be eligible to receive one thousand eight hundred dollars (\$1,800.00) in any year which they receive coverage from another source. Such payment shall not be eligible to be considered in the calculation of the employee's final average compensation. In addition such payments shall be made at least twice a year,

by separate check, following the period of time the employee had alternate coverage. Employees who do not choose to opt out shall incur no additional costs other than those costs provided in the above sections which the employee may currently be paying.

4. Cancellation. In the event that IRS Code, Section 125 and/or opt out plans are no longer permissible under State or Federal statutes or IRS regulations, the City may cancel this option.

- H. Retirement Health Care Coverage. Eligible retirees shall be covered by the same insurance as active bargaining unit members.

In the event the active employees become responsible for a share of the insurance premium under Article 8, Section 3, Subsection A (currently described as Base Plan Alternative 1 BCBS PPO 12/20 \$1000/\$2000 deductible or 2 PHP DPL 15500 \$1000/\$2000 deductible) or Subsection B (currently described as Option 1 BCBS PPO 4 \$500/\$1000 deductible or PHP DPL 15400 \$500/\$1000 deductible) a person who is receiving retirement health care, shall pay the same premium share as the active employees by a deduction from his or her pension payment, except that the payment shall be capped at one percent (1%) of the pension payment or \$125 (single coverage), \$225 (double coverage), \$325 (family coverage) annually whichever shall be less.

1. Eligibility for Retirement Health Care

(a) Retirement Health Care Coverage. Eligible retirees and eligible members of the City's Defined Contribution Money Purchase Plan (DCMPP) shall be covered by the same insurance as active bargaining unit members; However, Blue Cross/Blue Shield Traditional health care insurance will remain available as an option to eligible retirees and eligible members of the City's DCMPP. Any additional costs for Traditional coverage in excess of the base plan will be paid by the retiree.

(b) Defined Benefit Plan Employees hired on or after July 1, 1987 but before February 8, 2010, shall not become eligible retirees under this provision unless they work at least fifteen (15) years for the City, and are eligible to receive age and service retirement benefits or they are eligible for duty disability retirement, under the terms of the General Employees' Retirement System ordinance.

(c) Defined Benefit Plan Employees hired before July 1, 1987, shall become eligible retirees under this provision when they are eligible to receive age and service retirement benefits (deferred or immediate) or a disability retirement under the terms of the General Employees' Retirement System ordinance, consistent with the practice then in effect.

(d) Retirement Health Insurance for Employees Hired Prior to October 29, 1990 who Previously Transferred Out of the Employees Retirement System to the Defined Contribution Money Purchase Plan.

These employees shall become eligible for retirement health care coverage with sixty-five (65) points that applies to Teamsters Local 243 bargaining unit members of the Employees Retirement System, as specified in Article 25.

(e) Retirement Health Insurance for Defined Contribution Members Hired After October 29, 1990 (Which, Effective October 1, 2003 are members of the Employee Retirement System (ERS) with a one and six tenths percent (1.60%) factor).

Effective October 1, 2000, the City agrees to provide and pay one hundred percent (100%) of the premium (including dental insurance) for single, double, or full family coverage (up to the appropriate premium under the base plan) beginning at the date of termination of employment with the Employer, or at age fifty-five (55), whichever is later, provided the employee has at least fifteen (15) years of applicable full-time service with the Employer (including full time service prior to October 1, 2000). Employees who terminate employment with the Employer prior to October 1, 2000 shall not be eligible for modifications to the retiree health care language that take effect October 1, 2000.

In the event a member dies prior to age fifty-five (55), and has fifteen (15) years of service, the member's spouse and eligible dependents will retain vested health care benefits. Eligibility for these health benefits will commence at such time that the deceased member would have obtained age fifty-five (55).

(f) For employees hired on or after February 8, 2010, but prior to the date of ratification of the 2013-2016 agreement (May 19, 2014), the City agrees to provide and pay one hundred percent (100%) of the premium (including dental insurance) for single, double or full family coverage (up to the appropriate premium under the Base Plan) beginning at the date of termination of City employment, or age fifty-five (55), whichever is later, provided the employee has at least twenty-five (25) years of actual full-time service.

In the event an employee/retiree dies prior to age fifty-five (55), and has twenty-five (25) years of actual City Service, the employee/retiree spouse and eligible dependents will retain dependent health care benefits. Eligibility for these benefits will be as provided in the VEBA plan and benefits will commence at such time that the deceased would have obtained age fifty-five (55).

(g) Employees hired after the date of ratification of the 2013-2016 agreement (May 19, 2014) will not be entitled to any City post-separation payment for any retiree healthcare benefit. For eligible employees hired on or after May 20, 2014, the City shall provide a defined contribution healthcare savings vehicle benefit

established and funded by the City of Lansing at the rate of 4% of the employee's base wages paid per year. The employee shall not be entitled to receive the benefit or any account balance upon separation from City employment under the plan unless the employee has completed three (3) continuous years of full-time actual City service. The account will be established to allow for portability, in accordance with plan provisions and IRS regulations, in the event that the employee separates from the City after three (3) years.

(h) During the term of this 2016-2019 Agreement, employees otherwise eligible for a defined benefit retiree healthcare plan will be entitled to voluntarily make an irrevocable election to waive any and all entitlement to retiree healthcare coverage for themselves and any eligible spouse and/or dependents and elect instead to receive a defined contribution healthcare savings vehicle benefit established under subsection (g) and funded by the City of Lansing at the rate of 4% of the employee's base wages paid each year, retroactive for all full-time actual City service. The employee shall not be entitled to receive the benefit or any account balance upon separation from City employment under the plan unless the employee has completed three (3) continuous years of full-time actual City service. The account will be established to allow for portability, in accordance with plan provisions and IRS regulations, in the event that the employee separates from the City after three (3) years.

2. Eligible employees, as defined in Article 8, Section 3, Subsections H, 1. (a)-(f) above, must select post-retirement health care prior to age sixty-five (65).

3. Retirement Health Care Opt-Out.

(a) If allowed by IRS regulations, and only if retirement health care opt-out does not become taxable income to those who elect to participate in the health care plan provided, retirees otherwise eligible for retirement health care shall be allowed to opt out of the retirement health care plan annually during the first open enrollment period following the date they reach the eligibility age of fifty-five (55) and continuing through age sixty (60). During the first open enrollment period after reaching age sixty (60), the eligible member must irrevocably select one of the following (any of which, once selected, will be in effect to age sixty-five (65), with one exception noted in the paragraph below):

(1) Elect to receive the opt-out dollar amount of one thousand eight hundred dollars (\$1,800.00) in any year. The total City commitment for retirement health care opt out would end at age sixty-five (65), subject to Article 8, Section 3 H (2) above.

OR

(2) Elect to participate in the health care plan provided, in which the total City commitment for retirement health care opt out would end.

OR

- (3) Elect not to participate in either (a) or (b), in which case the City commitment for retirement health care opt out would end.

Subject to the above conditions, re-enrollment in one of the City's retirement health care plans will only be permitted at the time of the City's open enrollment which is at least one (1) year from the initial date of the opt-out, with the following exception: In the event the member loses his/her alternative coverage prior to age sixty-five (65) and provides written documentation of loss of such coverage, re-enrollment in one of the City's medical insurance plans will be permitted and the effective date of coverage will be as soon as allowable under the applicable insurance vendor. After such re-enrollment, retiree health care opt-out will no longer be permitted to that member.

- (b) It is the employee/retiree's responsibility to contact the City regarding their opt-out, and to provide the City with their current mailing address.

4. Prefunded Health Care.

The City shall maintain a trust by ordinance under Act 149 of 1999 for the purpose of pre-funding retirement health care benefits for eligible employees.

The City shall deposit annually a minimum of four percent (4%) of total bargaining unit payroll into the VEBA trust or other mutually agreed upon federally approved trust to prefund retirement health care.

The City shall obtain an actuarial evaluation per Government Accounting Standards Board (GASB) standards (at a minimum not less of every three (3) years) and fulfill applicable reporting requirements.

The trust shall have employee representation subject to election. The current Defined Contribution Governing Board, which includes employee representation, shall act as trustees for this trust.

- I. Complementary Health Care Coverage For employees hired prior to May 20, 2014 the City will provide 100% paid complementary health care coverage as the base plan for an individual qualifying under Article 8, Section 3, Subsection H, 1 (a) – (f) above at the time the individual or spouse reaches the Medicare eligibility age. At the time an eligible retiree or eligible spouse reaches the Medicare eligibility age, such individual's coverage shall be converted to complementary coverage. Benefits and coverages under complementary health care coverage shall not be reduced from that provided in the base plan in effect.

Eligible employees, as defined under this subsection, must select post-retirement health care prior to age sixty-five (65).

SECTION 4. Vision Insurance. The City shall offer to employees of the bargaining unit the Blue Cross/Blue Shield VSP 12/12/12 program, subject to approval by Blue Cross/Blue Shield. Employees choosing to purchase this benefit shall purchase it through payroll deduction and may at the next open-enrollment elect to purchase this benefit through the IRS 125 Cafeteria Plan if allowed by law, subject to the plan maximum. Where possible the City will coordinate any other vision plan currently associated with other hospital, medical, surgical insurance offered by the City.

SECTION 5. Dental Insurance Coverage.

A. Active Employees. The City shall continue to pay the full premium costs of Delta Dental Plan C coverage as the Base Plan dental insurance coverage for each employee and his/her family. Plan C provides fifty percent (50%) of treatment costs of Class I and Class II benefits with a one thousand five hundred dollar (\$1,500.00) maximum per person per contract year. Coverage under this plan is afforded to each employee who is a member of this bargaining unit and his/her dependents. When an employee and spouse are both employed by the City and eligible for coverage, dental benefits shall be coordinated in accordance with the policy of the insurance carrier. Additionally, employees and their dependents will receive orthodontic coverage which provides fifty percent (50%) of treatment costs, with a three thousand dollar (\$3,000.00) lifetime maximum per person.

The City may provide as an option, dental coverage through another provider. Information regarding the additional coverage option shall be available through the City's Department of Human Resources. The City may discontinue the optional coverage if less than ten percent (10%) of eligible employees participate in the program or if the premium cost exceeds that of the existing Delta Dental plan.

Employees shall be responsible for any premium costs above the Delta Dental base plan.

B. Retiree Dental Insurance Coverage. Eligible retirees shall be covered by the same insurance as active bargaining unit members.

1. Defined Benefit Plan Employees hired on or after July 1, 1987 shall not become eligible retirees under this provision unless they work at least fifteen (15) years for the City and are eligible to receive age and service retirement benefits, or they are eligible for duty disability retirement benefits, under the terms of the General Employees' Retirement System Ordinance.

2. Defined Benefit Plan Employees hired before July 1, 1987 shall become eligible retirees under this provision when they are eligible to receive age and service retirement benefits (deferred or immediate) or a disability retirement under the terms of the General Employees' Retirement System ordinance, consistent with the practice then in effect.

3. Employees Hired Prior to October 29, 1990 who Previously Transferred Out of

the Employees' Retirement System to the Defined Contribution Money Purchase Plan. These employees shall become eligible for retiree dental coverage with sixty-five (65) points that applies to Teamsters Local 243 bargaining unit members of the Employees' Retirement System, as specified in Article 24.

4. Defined Contribution Members Hired After October 29, 1990 (Which Effective October 1, 2003) are members of the Employee Retirement System (ERS) with a one and six tenths percent (1.60%) factor). Effective October 1, 2000, the City agrees to provide retiree dental coverage to members of the Defined Contribution Money Purchase Plan, provided they meet age and service requirements for retirement health insurance eligibility stated in Section 3, H. 1, (e) of this Article.
5. For employees hired on or after February 8, 2010, but prior to the date of ratification of the 2013-2016 agreement (May 19, 2014), the City agrees to provide retiree dental coverage provided they meet age and service requirements for retirement health insurance eligibility stated in Section 3, H. 1, (f) of this Article.

SECTION 6. Medical and Dependent Care Reimbursement Account. The City agrees to permit an IRS approved plan, which allows employees to pay for medical insurance premiums, unreimbursed medical expenses, and dependent care costs with pretax dollars. Any costs charged by the third party administrator shall be borne by the employee.

SECTION 7. Jury Duty or Witness Pay Supplement. During the period when an employee is performing required jury duty service or is required to serve as a witness in a criminal action as a result of being served with a subpoena, the City will pay the employees, the difference, if any, between any fees for jury service or witness service and the pay he/she would have received had the employee worked his/her scheduled hours during his/her period of jury duty or witness service, provided that the employee gives the Department Head prompt notice of the call for jury service or witness service and, thereafter, provides evidence of his/her performance of jury service or witness service and of the payment he/she received for it.

For witness service which is directly related to the employee's assigned job duties, the employee shall receive his/her appropriate rate, however, any witness fees received shall be returned to the employee's Department Head.

SECTION 8. Life Insurance. The City agrees to pay the premium on a base fifty thousand dollars (\$50,000.00) of group life and fifty thousand dollars (\$50,000) of Accidental Death and Dismemberment Insurance for regular full-time employees.

Such employees shall have the option of obtaining at their cost dependent life insurance according to the following schedule:

| <u>Classification</u> | <u>Amount of Insurance</u> |
|---|----------------------------|
| Spouse | \$25,000 |
| Unmarried child, age 14 days to 6 months | \$ 500 |
| 6 months to 23 years | \$ 2,000 |

Further, employees who retire and receive a pension, other than a deferred vested pension, may continue three thousand dollars (\$3,000.00) of group coverage on a contributory basis. Employees that defer age and service retirement benefits may resume contributing to and receive group coverage of three thousand dollars (\$3,000.00).

This coverage is subject to the conditions set forth in the booklet "Group Life Insurance Plan" available in the Department of Human Resources.

The City reserves the right to substitute another carrier of this coverage; the fundamental provisions of the present plan will not be changed.

SECTION 9. Sick Leave. During the period of an employee's absence from work due to his/her illness or injury, including pregnancy, or an illness or injury in his/her immediate family, an employee will be paid from his/her sick leave credit, hereinafter provided for, in accordance with the following conditions.

- A. Notification Requirements. An employee who falls ill or is injured and who expects to be off work so as to use sick leave credit, with pay, must notify a supervisor in his/her department or designated location as promptly as is practicable under the circumstances but, in any event, not later than his/her starting time. In exceptional circumstances the City may waive this requirement. Employees who are assigned to continuous operations (24 hours per day) must notify the supervisor on duty not less than one (1) hour prior to the time he/she is scheduled to report for work. In exceptional circumstances the City may waive this requirement.

Sick leave shall be used in initial minimum increments of .10 hour and in .10 hour increments thereafter. After the initial increment any portion of .10 hour less than four (4) minutes will not be charged and any portion of .10 hour of four (4) minutes or more will be charged as .10 hour.

Should a pattern of absenteeism become evident disciplinary action may be taken as provided below. Upon evidence of an absence pattern, management may review the employee's absenteeism record for the previous twelve (12) month period. Such review shall be used to determine whether disciplinary action is appropriate. "Patterns" may include, but shall not be limited to, frequent use of sick leave, over utilization of sick leave credit banks, and sick leave taken adjacent to holidays, weekends, and other scheduled days off work. Progressive disciplinary concepts shall be applied.

- B. Usage for Waiting Period Under Worker's Compensation. An employee's sick leave credit may be used to cover his/her "waiting period" under the Worker's Compensation Act and thereafter, to make up the difference between his/her Workmen's Compensation payments and his/her regular wage.
- C. Physician's Certification. The City may require a physician's certificate to confirm the reason for an absence from work for which an employee makes an illness or injury claim against his/her sick leave credit, if the absence occurs the day before or after a holiday, the day before or after a vacation period, or the day before or after his/her scheduled day(s) off, or if the employee has been absent five (5) or more times during the past six (6) months. If the City requires a physician's certificate at any time, the City shall pay the expense.

SECTION 10. Sick Leave Donation. Whenever an employee shall have exhausted all of his/her sick leave, vacation leave and compensatory time, the Union may make a written request to have its members donate sick time or vacation time to a Clerical, Technical, Professional or Supervisory bargaining unit employee. All such requests shall be approved subject to the following conditions:

- A. Total received donations shall be limited to sixty (60) work days restricted to employees who have a non-occupational illness or injury.
- B. If the determination is of permanent disability, the other provisions of this agreement and the City's ordinance and Charter shall take effect.

SECTION 11. Sick Leave Credit. An employee shall be credited with 3.70 hours of sick leave with pay, upon completion of each bi-weekly pay period of service to a maximum accumulation of one-thousand four-hundred fifty-six (1,456) hours, which the employee may use as set forth in section 1 and 9 of this article. Sick leave earned beyond the maximum cap of one-thousand four-hundred and fifty-six (1,456) hours shall be forfeited. No sick leave credit shall be accrued by an employee during an unpaid leave of absence.

An employee or his/her beneficiary will be paid for one-half of his/her unused accrued sick leave credit at the date of his/her retirement or death, not exceeding six-hundred eighty (680) hours and subject to the procedure as enumerated in the Official Proceedings of the City Council of the City of Lansing, Michigan, March 6, 1967, beginning on page 262 thereof. An employee who otherwise leaves the City's service may not cash in any part of his/her unused sick leave accrual when he/she leaves.

SECTION 12. Sick Leave Reimbursement.

Employees who have accumulated a sick leave bank of at least four hundred and eight (480) hours of sick leave shall have the option each year to receive reimbursement for up to four (4) unused sick days as follows:

| | |
|-----------------------------------|---------------------------|
| Used less than one full sick day: | Four (4) sick leave days |
| Used one (1) full sick day: | Three (3) sick leave days |
| Used two (2) full sick days: | Two (2) sick leave days |
| Used three (3) full sick days: | One (1) sick leave day |

The annual period for review for entitlement to this benefit is the twelve (12) month period between October 1 and September 30 of any year. The number of hours constituting a “day” shall be the equivalent of the number of hours regularly scheduled per work day, or an average number of hours worked per workday in a workweek (i.e. total number of hours scheduled per workweek divided by the number of scheduled workdays per week) for those employees not scheduled to work the same number of hours each workday. The benefit is payable not later than December 15th of each year. This benefit is subject to the following conditions:

- A. This payment shall not be included in the Final Average Compensation for calculating retirement benefits.
- B. Sick leave that is donated shall not be considered as sick time used.

SECTION 13. Vacation Leave.

A. Eligibility and Allowances. A regular full time employee shall be eligible for a vacation, with pay to be earned and available for use on a bi-weekly basis in the first (1st) pay period following one (1) year of service, as follows:

| <u>SENIORITY</u> | <u>VACATION, WITH PAY BI-WEEKLY EARNING/MAXIMUM CAP</u> |
|--------------------------------------|---|
| 1 Year through 5 Years | 3.08 hours/240 hours |
| Beginning of year 6 | 3.40 hours/256 hours |
| Beginning of year 7 | 3.70 hours/272 hours |
| Beginning of year 8 | 4.00 hours/288 hours |
| Beginning of year 9 | 4.32 hours/304 hours |
| Beginning of year 10 | 4.62 hours/320 hours |
| Beginning of year 11 | 4.94 hours/336 hours |
| Beginning of year 12 | 5.24 hours/352 hours |
| Beginning of year 13 | 5.54 hours/368 hours |
| Beginning of year 14 | 5.86 hours/384 hours |
| Beginning of year 15, and thereafter | 6.16 hours/400 hours |

Authorized vacation shall not exceed the maximum cap. Vacation earned in excess of the maximum cap shall be forfeited bi-weekly.

No vacation leave shall be earned by an employee during an unpaid leave of absence.

B. Scheduling. Vacations will be scheduled at a time mutually agreeable to the

employee and his/her department head at such time(s) as will least interfere with the efficient operation of the department and with due regard for the expressed preference of the employee. All vacation requests will be responded to in a timely fashion.

Vacation leave is expressed in work hours so that an employee who desires to may take vacation leave in minimum increments of .10 hour. Vacation leave shall be used in initial minimum increments of .10 hour and in .10 hour increments thereafter. After the initial increments any portion of .10 hour less than four (4) minutes will not be charged and any portion of .10 hour of four (4) minutes or more will be charged as .10 hour.

For vacations to be taken during the period of October 1 through March 31 of a year, employees shall make vacation selections during the period of August 1 to August 31 each year. For vacations to be taken during the period of April 1 through September 30 of a year, employees shall make vacation selections during the period of February 1 to February 28 each year. (Selection periods may be earlier in the Police Department.) Notice to the employee of the approval or denial of his/her vacation request will be provided no later than two (2) work weeks from the end of the selection period. For vacations to be taken during a period which overlaps either of the above two periods, employees shall make vacation selections during the above selection period which corresponds to when the vacation may begin. If two (2) or more employees request the same vacation period, or vacation periods which would overlap, and cannot be so scheduled consistent with the City's performance of its services, choice of vacation period shall be granted in seniority order of the employees involved. For vacation selections made after the period of August 1 to August 31, and February 1 to February 28, where two (2) employees request the same vacation period, the vacation request shall be granted to the employee who first made the request.

- C. Payment. Vacation pay shall be computed at the employee's regular, straight time rate of pay at the time the vacation is taken.

If an employee leaves the City's service before completing one (1) full year of service, no accrued vacation will be allowed. An employee who has served one (1) year or more shall be paid for any accrued vacation due, on leaving the City's service, at his/her regular, straight time rate of pay during his/her last pay period of active service for the City.

SECTION 14. Workers' Compensation. Pursuant to Michigan Law, the City provides, at its sole expense, Workers' Compensation coverage for each employee covered by this Agreement. Employees who are receiving workers' compensation benefits as a result of an injury or illness arising out of their employment with the City of Lansing shall in addition to any workers' compensation payments continue to accrue sick leave, vacation benefits and be covered by hospitalization and life insurance for a period not to exceed one hundred and four (104) weeks.

SECTION 15. Longevity Bonus. All regular full time employees covered hereby shall be

entitled to receive a longevity bonus for length of service with the City according to the following rules and schedule of payment:

- A. Longevity bonus shall be computed as a percentage of employees' regular annual base salary or wage. Base salary or wage shall be that salary or wage which an employee is being paid on the first regularly scheduled pay period of the fiscal year in which a longevity bonus is due. Base salary or wage shall not include overtime pay, premium pay or uniform allowance. Longevity bonus shall be based on full time, continuous service.
- B. Following completion of five (5) years of continuous full time service by October 1 of any year and continuing in subsequent years of such service, each employee shall receive annual longevity payments as provided in the schedule.
- C. To be eligible for longevity payment subsequent to the first payment, an employee must have completed continuous full time service equal to the service required for original eligibility plus a minimum of one additional year of such service for each payment, excepting that employees who retire between October 1st dates shall be eligible for a pro-rated payment as outlined under Subsection F below.
- D. Payments to employees who become eligible by October 1 of any year shall be due the subsequent December 1.

E. Longevity Bonus Schedule:

| <u>Continuous Service</u> | <u>Annual Bonus</u> |
|-----------------------------------|---------------------|
| 5 or more and less than 10 years | 2% of annual wage |
| 10 or more and less than 15 years | 4% of annual wage |
| 15 or more and less than 20 years | 6% of annual wage |
| 20 or more and less than 25 years | 8% of annual wage |
| 25 or more years | 10% of annual wage |

F. Employees who are eligible for longevity bonus payments and who retire on a service or disability retirement basis shall be paid a pro-rated longevity bonus. Such pro-rated payment shall be based on the number of calendar months of full time service credited to an employee from the preceding October to the date of retirement. An employee whose service with the City terminates for any reason, including retirement, between October 1 and December 1 of any year, shall be paid longevity bonus immediately upon termination or retirement.

No longevity payment as above scheduled shall be made for that portion of an employee's regular salary or wage which is in excess of twenty-five thousand dollars (\$25,000).

SECTION 16. Personal Leave Days. An employee shall be entitled to time off with pay for sixteen (16) hours of personal leave per calendar year provided that such employee shall submit a written request to the Department Head or his/her designee not less than

twenty-four (24) hours prior to the requested leave. In order to conform to the calendar year provision of this benefit, actual usage of the sixteen (16) hours of personal leave shall commence at the beginning of the calendar year. Such personal leave time shall be subject to operational need as determined by the department head or his/her designee. Personal leave time shall be used in initial minimum increments of .10 hour and in .10 hour increments thereafter. After the initial increment any portion of .10 hour less than four (4) minutes will not be charged and any portion of .10 hour of four (4) minutes or more will be charged as .10 hour.

SECTION 17. Absence from Employment. If an employee has been terminated or resigned, or is absent except for the absences provided for in Article 9 from active employment for a period exceeding ninety (90) days and such absence is not due to vacation or paid sick leave, then the City may terminate hospital/medical insurance coverage under Section 3 above, dental insurance coverage under Section 5 above, and life insurance under Section 8 above for such employee, subject to provisions of federal law allowing an employee to continue such benefits at his/her expense.

ARTICLE 9

LEAVES OF ABSENCE

SECTION 1. Military Service. Employees who are inducted into the Armed Forces of the United States under the provisions of the selective service act of 1940, and as amended, shall be entitled to a leave of absence without pay for a period of service required by such original induction. Upon their honorable discharge and if physically fit to perform the duties of the position which they held upon entering military service, such employees shall be reinstated to their former position or one comparable to it providing that they make formal application for reinstatement within ninety (90) days after the date of military service discharge. Military service as above defined shall be credited to a reinstated employee's length of City service subject to the provisions of Article V; Section 3 and 4 of the City of Lansing Employee's Retirement System, Ordinance Number 132.

SECTION 2. Military Reserve Leave of Absence. Regular, full time employees who are members, with active status, of an armed forces reserve unit shall, at their request, be granted a leave of absence for such time as is required to engage in an annual reserve training program. The City will make the employee whole for lost wages (difference between military pay and City pay) exclusive of overtime or premium pay for all time lost from work not to exceed ten (10) working days per year. Any such leave in excess of ten working days per year shall be charged against an employee's vacation leave or if vacation leave is exhausted an unpaid leave of absence. Requests for Military Reserve Leave of Absence must be accompanied by a written order from the commander of the armed forces reserve unit involved, indicating report and return dates of training period. Employees who, subsequent to their date of hire, desire to become active members of an armed forces reserve unit, must notify their department head as soon as practicable.

SECTION 3. Unpaid Leave of Absence. Employees may be granted a leave of absence

without pay, without loss of accumulated seniority in cases such as: settlement of an estate; serious illness or disability of an employee or member of his/her family; pregnancy or maternity, or other special need; the temporary termination of work which will not adversely affect the operations of the Department. All such leaves of absence shall be subject to whatever documentary evidence the department head and Director of Human Resources may require and if granted will be in increments of not less than thirty (30) consecutive calendar days, the total of which will not exceed one (1) year unless extensions are approved at the discretion of the department head and the Department of Human Resources Director. There shall be no fringe benefit entitlement after thirty (30) calendar days of the leave of absence, except as otherwise mandated by the terms of the Family and Medical Leave Act of 1993 as amended.

SECTION 4. Special Union Leave. Any member of the bargaining unit who is selected for or elected to a full time union position shall, upon request, be granted a leave of absence without pay for a period not to exceed two (2) years without loss of seniority. This leave of absence may be renewable. Such employee shall be permitted to remain a member of the pension and group insurance plans by paying to the City an amount equal to both the employee's and the City's contributions thereto.

SECTION 5. Sick Leave Without Pay. An employee who is ill or suffers an injury and is incapable of performing his/her customary duties may with the approval of the department head, be placed on sick leave without pay.

If the illness continues beyond thirty (30) work days the employee must request a leave of absence and is subject to approval under Section 3. All such requests must be supported by evidence from the employee's physician that is satisfactory to the City that the employee is incapable of returning to work and provide the anticipated length of disability. Leaves of absences due to sickness or illness shall not exceed increments of one hundred twenty (120) days. All such extension requests must be similarly supported by a physician's statement.

An employee who is on a special sick leave of absence for more than two (2) years shall be terminated as a voluntary resignation. But such an employee shall have the right to preferential hiring to the next available opening for which he/she is qualified after overcoming the disability. If and when the re-hired the employee will then regain seniority earned before his/her voluntary resignation. This section does not apply to any one on sick leave without pay prior to July 1, 1984.

Employees who are on an approved special sick leave without pay as a result of a non-duty related illness or injury shall continue to accrue sick days and receive fully paid hospitalization and life insurance for a period not to exceed one hundred twenty (120) calendar days. At the request of the employee the City may at its discretion extend the entitlement period for those benefits. All such requests shall be submitted to the department head in a timely manner and must be supported by satisfactory evidence from the treating physician that documents that the employee is currently incapable of returning to work, however it is anticipated that the employee will be capable of returning to work after a brief additional recovery period.

ARTICLE 10

MISCELLANEOUS

SECTION 1. Addresses and Telephone Numbers of Employees. Each employee covered hereby, whether on or off the active payroll, must keep the City currently advised of his/her correct mailing address and of his/her telephone number, if any. The City shall attempt to keep all unlisted phone numbers confidential.

In the case of an employee on the City's active payroll, notice of change of address or telephone number shall be deemed given only if the employee makes the change on Employee OnLine.

In the case of an employee off the City's active payroll (such as on layoff, leave of absence, vacation, etc.), notice of change of address or of telephone number shall be deemed given only if the employee follows the procedure above, or gives notice by registered or receipted mail addressed to "Director of Human Resources, City of Lansing, 124 W. Michigan Avenue, Lansing, Michigan 48933".

The City shall be entitled to rely on the last address and telephone number furnished to it by an employee, and it shall have no responsibility to the employee for his/her failure to give notice which arises from the employee not following the procedures above.

SECTION 2. Aid to Other Unions. The City will not aid, promote or finance any labor group or organization which purports to engage in collective bargaining or make any agreement with any such group or organization for the purpose of undermining the Union.

SECTION 3. Anti-Discrimination. The City will not discriminate against any employee because of membership in the Union. The City and the Union agree that no employee or other person shall be subject to any discrimination in any manner or for any reason because of such member's or other person's race, ethnicity, gender, political affiliation, age, disability, religion, national origin, or other legally protected status. The City shall take steps to assure that employment assignments and promotions are given on a non-discriminatory basis.

It is the continuing policy and recognized obligation of the City and the Union that the provisions of the Agreement shall be applied fairly and in accordance with those federal, state and City employment laws relating to equal employment opportunity. Each party agrees to advise the other of equal employment opportunity problems of which they are aware. The City and the Union will jointly seek solutions to such problems through the procedures and programs provided in this Agreement. Furthermore, the City and the Union will take necessary action to promote goals and objectives of equal employment opportunities. In this vein, the City and the Union agree to cooperate in providing equal opportunity in employment for all persons, to prohibit discrimination in accordance with state, federal and City law. The City and the Union agree, however, that if a satisfactory

resolution of discrimination charges is not reached using internal procedures other than arbitration, the affected employee(s) will be responsible to pursue such charges through procedures established under federal, state or local law.

SECTION 4. Bulletin Boards. The City will provide bulletin boards at appropriate locations, which may be used by the Union for posting notices of the following types:

- Meetings of the Union
- Union Elections
- Results of Union Elections
- Union Recreational and Social Events

Other types of notices shall not be posted unless approved by the City's Director of Human Resources.

SECTION 5. Effect of this Agreement. This 2016-2019 Agreement supersedes any past practice and it supersedes any previous agreement, verbal or written between any of the parties hereto or between any of them and any employee(s) covered hereby.

All provisions of this Agreement, economic and non-economic, shall become effective on the date of ratification of this Agreement by both parties unless specifically stated and agreed to otherwise.

SECTION 6. Effect of Invalidity of Provision of this Agreement. If any provisions of this Agreement be held invalid under existing or future legislation, state or federal, the remainder of this Agreement shall not be affected thereby.

SECTION 7. Strikes, Work Interruptions. The parties to this Agreement mutually recognize that the services performed by employees covered by this Agreement are services essential to the public health, safety and welfare. The Union, therefore, agrees that 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 from the full, faithful and proper performance of the duties of their employment, or picket the City's premises. The Union further agrees that there shall be no strikes, sit-downs, slow-downs, stay-ins, stoppages of work or any acts that interfere in any manner or to any degree with the services of the City.

Any violation of the foregoing shall be made the subject of disciplinary action or discharge from employment, as to employees, and/or of exercise of any legal right or remedy as to the Union, and/or cancellation of this Agreement by the City.

SECTION 8. 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 law from the area of collective bargaining and that the 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 Union, for the life of this Agreement, each voluntarily and unqualifiedly

waives 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 in this Agreement, even though such subject or matter may not have been within the knowledge and contemplation of either or both of the parties at the time they negotiated or signed this Agreement.

SECTION 9. Union Access to City Premises. The employer agrees to allow properly accredited business representatives access to the employer's premises, other than security areas, after notification of department head or supervisor in charge, during working hours for the purpose of policing the terms and conditions of this Agreement.

SECTION 10. Union Access to City Records. The Union shall have the right to examine time sheets and other records pertaining to the computation of compensation of any employee whose pay is in dispute or any other records of the employer pertaining to a specific grievance.

SECTION 11. Protection of Rights. The City may request an employee to cross a picket line or enter upon any City property involved in a labor dispute so long as there is not a probability that doing so will affect the personal safety of the employee.

SECTION 12. Payroll Deductions. At such time as the City acquires a new payroll system and it has become operational, employees will be given the opportunity to authorize payroll deduction to pay for a prepaid legal insurance plan. No representations have been made, nor were deadlines discussed for the acquisition of a new payroll system.

SECTION 13. Special Meetings. Special meetings apart from the grievance procedure, for matters not addressed in the Agreement, but which are considered important by either Teamster's Local 243 or the City, may be arranged by mutual agreement between the Union's Business Representative and the City's Human Resources Director and/or designee. Such meetings shall be attended by such representatives of the parties as each deems useful to the discussion of and resolution of the matters. Arrangement for the date, time and place of such a special meeting shall be made in advance and an agenda of the matters to be taken up at the meeting shall be presented by the party requesting the meeting at the time the request for it is made. Matters taken up in a special meeting shall be confined to those included in the agenda. Members of the bargaining unit attending such a special meeting shall not lose time or pay for time so spent from his/her report station. By so participating, neither the Union nor the City waives any statutory or contractual right.

ARTICLE 11

DISCIPLINARY ACTION, DISCHARGE, SUSPENSION

A representative of the City may discipline an employee for just cause. Such discipline may take the form of a verbal warning, a written notice, a disciplinary layoff, or discharge,

depending on the seriousness of the offense and the facts and circumstances involved in each case. In determining appropriate disciplinary action on a current charge, the City will consider the seriousness of the incident and any prior infractions which did not occur more than two years previously.

Within thirty (30) calendar days of the date of the alleged offense or the employer's knowledge of the alleged offense which may subject an employee to disciplinary action, a representative of the City shall give the employee either: (1) a written and signed statement of the nature of the employee's offense, of its date and time, of the penalty assessed, and of the date and time the penalty becomes effective; or (2) a written notice of pre-determination hearing, its date, time and location, and the nature of the employee's offense. In either case, as immediately as is practicable thereafter, the City's representative shall provide the employee's steward, or in the steward's absence another Union representative, with a copy of the above notice. If a pre-determination hearing is held, and disciplinary action is deemed appropriate by the City representative, the statement described in (1) above, will be provided to the affected employee and Union representative within five (5) work days after the hearing; provided, this time limit may be extended by the parties for purposes of investigating new information provided at the hearing.

Upon request, the discharged or suspended employee must be allowed to discuss his/her discharge or suspension with his/her steward and the City will make available an area where he/she may do so before he/she is required to leave the property of the City. The department head or his/her designated representative must discuss the discharge or suspension with the employee or his/her steward as immediately as is practicable, if requested to do so.

Should the Union consider the discharge or suspension to be improper, an employee of Teamsters Local 243 shall submit within ten (10) work days of the effective date of the discharge or suspension a written grievance to the Department of Human Resources, with a copy to the department head, in accordance with Step 3 of the Grievance Procedure.

Discharge and suspension cases shall be processed in accordance with rules and procedures of the Grievance Procedure.

Under circumstances where he/she deems it appropriate to do so, a representative of the City may suspend an employee pending investigation to determine whether or not disciplinary action is warranted and, if so, the penalty to be assessed. A period of suspension shall not last longer than the end of the fourteenth (14) day following suspension without pay. Thereafter such suspension shall be with pay, and in no case shall the suspension exceed thirty (30) days following the date of suspension. If no penalty has been assessed within that period the employee shall return to work and shall be paid for time lost during suspension. If disciplinary action is taken within the suspension period, it shall be effective from the time of suspension. The employee's Steward, or, in his/her absence another Union representative, shall be given a copy of the notice of discipline, and the employee's right shall arise to pursue the procedures above provided for the situation where disciplinary action is taken initially, without a

period of suspension.

ARTICLE 12

GRIEVANCE PROCEDURE

SECTION 1. Definition of a Grievance. A grievance is defined as a claim as it relates to the interpretation and/or application of this agreement. In order to be a proper matter for the grievance procedure, the grievance must be submitted within thirty (30) calendar days from date of knowledge of its occurrence. Any grievance filed shall refer to the specific provision or provisions alleged to have been violated, and shall adequately set forth the facts pertaining to the alleged violation.

- A. For the purpose of the grievance procedure, a day shall mean Monday through Friday, and shall not include the day on which the grievance is presented or appealed by the Union, or is returned to it by the City. The representatives of the City and the Union shall acknowledge receipt of the grievances by signing and dating the grievance when presented, or received.
- B. The grievance not advanced to the next higher level within the time limits provided shall be deemed permanently withdrawn, and as having been settled on the basis of the answer most recently given it. A grievance not answered within the time limits provided shall be automatically advanced to the next higher level. The time limits at any step of the grievance procedure may be extended by mutual agreement by the parties' representatives at that step in writing.
- C. For working time necessarily spent in investigating a grievance already submitted in the grievance procedure, or in discussion of such a grievance with the City's representative(s), one (1) Union representative employed by the City shall be paid, at his/her regular, straight-time rate for those hours during which he/she would otherwise have been at work for the City, from his/her report station including not more than one half (1/2) hour before and after a meeting with the respective designated management representative. It is agreed that such investigation or discussion shall be performed without undue loss of working time.
- D. In no event shall any Union representative leave work for grievance purposes, above, without first notifying and obtaining the approval of his/her immediate supervisor, which must be granted as promptly as is practicable under the circumstances.
- E. The City recognizes that the Union reserves the right to grieve, in accordance with the procedure hereinafter provided, when action taken by the City may be claimed to be contrary to a specific limitation set forth in this Agreement of the rights of the City.
- F. The parties mutually agree that an employee covered by this Agreement shall

immediately proceed to carry out any order or instruction given him/her by the City (unless doing so would obviously jeopardize the health or safety of the employee or others). The employee shall raise any question he/she has as to the City's right to give him/her the order or instruction, and the question must be based on a reasonable and sensible reading of a specific provision, or specific provisions, of this Agreement.

SECTION 2. Steps of the Grievance Procedure. Any employee, at any time, may present a grievance to his/her immediate supervisor, and have the grievance adjusted without intervention of the employee's steward, if the adjustment is not inconsistent with the terms of this Agreement, provided that the employee's steward has been given an opportunity to be present at such adjustment. The employee shall suffer no loss of pay for the time spent with his/her first line supervisor to discuss the grievance. If the issue is unresolved, the employee may contact his/her steward who shall then reduce the grievance to writing on a form provided by the Union, and then present it according to the following procedure and to all of the rules for the grievance procedure as above defined. Failure to comply with all of the requirements as set forth in the following grievance procedure, or to the rules of the grievance procedure, may be used by management representatives at any step as a basis of permanent grievance denial.

Meetings involving all steps of the grievance process, including arbitration, shall be held at the facilities of the City or at facilities of the City's choosing.

- STEP 1. A steward, no later than five (5) days following the employee's contact, shall first attempt to resolve the issue by discussing the matter with the immediate supervisor, or other representative designated by the Department, with an earnest attempt to settle the matter.
- STEP 2. If the Supervisor's or other designated Department representative's answer in Step 1, denying a grievance, is not satisfactory to the grievant, the steward may, within five (5) days thereafter, present to the employee's department head, or the person designated by the department head to receive and answer grievances. The department head or representative shall investigate and answer in writing on the form not more than five days later.
- STEP 3. If the answer of the department head in Step 2 is not considered satisfactory by the employee, the steward may, within ten (10) days thereafter, present it to the City's Department of Human Resources. The City's Human Resources Director and/or designee shall either answer the grievance in writing or request a Step 4 special conference no later than five (5) days after it is presented to him/her. Any grievance concerning an employee who was disciplined by suspension or discharge, shall be presented at Step 3 of the grievance procedure.
- STEP 4. If the answer in Step 3 is not considered satisfactory by the employee, a representative of Teamsters Local 243, within fifteen (15) days thereafter, shall request a special conference between the representative of Teamsters Local 243, and the Human Resources Director or his/her designee. The

special conference shall be limited to not more than three Union representatives and three City representatives. Only one (1) steward and the grievant shall attend a special conference that occurs during their regular working hours without loss of time or pay. Only one (1) employee representative other than the steward shall attend a special conference concerning a grievance filed on behalf of more than one (1) employee, without loss of time or pay. Additional employer witnesses or employees with special knowledge may attend a special conference with the prior written approval of the Human Resources Director. The meeting shall be held on a mutually agreeable date but not more than ten (10) days after the request is received by the City from the Union.

At this meeting the Union and the City review the facts as they relate to the interpretation and application of the contract. The Union and the City may request the participation of a mediator on either a binding or non-binding basis upon mutual agreement to do so. If the grievance is not resolved at the meeting and the Union wishes to carry it further, the Union shall file with the City a demand for arbitration within forty-five (45) calendar days after the special conference.

Within ten (10) work days after receipt of the demand for arbitration is received by the City from the Union, the parties will select an arbitrator.

If no resolution to the grievance is reached as the result of the Appeal Board Special Conference, the parties may engage in mediation on a binding or non-binding basis by mutual agreement. If no agreement is reached to engage in binding mediation, or no resolution is reached through non-binding mediation, the Union may elect to proceed to arbitration within forty five (45) calendar days after the special conference with the arbitration panel provided by the Federal Mediation and Conciliation Service (FMCS) and arbitrator selection pursuant to their rules and procedures.

The arbitrator's decision shall be final and binding upon the employee(s) involved, the Union, and the employer; and there shall be no appeal from any arbitrator's decision. Any fees and expenses of the arbitrator shall be borne equally between the Employer and the Union. The arbitrator is specifically prohibited from adding to, subtracting from, or modifying this Agreement in whole or in part; and the arbitrator's decision shall be based only upon a clear interpretation and/or application of the Agreement.

Any grievance concerning an employee who was disciplined by time-off or discharge or which concerns promotions, demotions, reclassifications or layoffs shall be presented at Step 3 of the grievance procedure.

ARTICLE 13

HOURS OF WORK AND OVERTIME

SECTION 1. Hours of Work. Eight (8) hours shall constitute a normal work day and forty (40) hours a normal work week except as otherwise provided in this Agreement. This Section is intended to indicate the usual hours of work and shall not be construed as a guarantee of hours of work.

Provided, this section shall not preclude the employee and his/her department head or designee from entering into a mutual agreement which redefines normal work day, accommodates the special request of the employee or incorporates the concepts of core time, compressed time or flexible work schedules in individual departments which are consistent with the terms of this agreement relative to how leave time is accrued and used and eligibility for premium payments is set forth. Any agreement lasting for more than one pay period shall be in writing and forwarded to the Union and the Department of Human Resources.

SECTION 2. Overtime. In cases of exceptional and emergency need, appropriate department heads may require personnel covered by this Agreement to work overtime hours. Overtime is defined as time worked in excess of the normal work day or forty (40) hours in a work week when authorized by the department head or his/her designee. Overtime work performed under provisions of this Article shall be paid for at the rate of one and one-half (computed at 152%) times the employee's hourly rate in effect at the time the overtime is performed. For the purpose of computing overtime, holidays as defined in this agreement, paid sick leave, paid personal leave and paid vacation leave shall be considered as time worked. In each and every such specific case, appropriate department heads shall handle overtime assignments as follows without deviation:

- A. All overtime assignments shall be made in written form, dated and signed by the appropriate department or designated division head.
- B. Prior to making overtime assignments, department or designated division heads shall determine either that existing budgetary appropriations contain sufficient funds to cover the costs of such assigned overtime or shall have obtained a transfer or appropriation of sufficient funds to cover such costs prior to making an overtime assignment.
- C. No employee will have his/her work schedule altered for purpose of defeating the payment of overtime.
- D. The Union recognizes that it is sometimes necessary for the City to require members of the Union to work overtime. The City recognizes that such overtime assignments can be an inconvenience or a burden to some employees. During the life of this Agreement the City will strive to minimize the inconvenience or burden by attempting to notify the employees who are required to work overtime as far in advance as practicable.

E. In no case shall any employee be paid for any time not actually worked. Time spent on phone calls after hours shall be considered to be time actually worked.

SECTION 3. Compensatory Time. In lieu of receiving pay for overtime which is worked, an employee may elect to receive compensatory time off earned at the rate of one and one-half (1 1/2) hours compensatory time off for one hour overtime worked. All compensatory time shall be earned and used in minimum increments of .10 hour.

Compensatory time earned hereunder shall be cumulative up to a maximum total of one hundred twenty (120) compensatory hours, provided that additional compensatory hours may be earned so long as they are used during the same pay period. Employees who use compensatory time in excess of their balance, as recorded by the Department of Human Resources, may be subject to docked pay. Earned compensatory time will be paid at the employee's authorized regular rate of pay up to a maximum of one hundred twenty (120) compensatory hours at the employee's termination of employment. Such payment will not be calculated as part of the employee's final average compensation.

Compensatory time off will be scheduled at times mutually agreeable to the department head and the employee at such times as will least interfere with the efficient operation of the department and with due regard for the expressed preference of the employee. Compensatory time use will not be approved in cases where it will be necessary to pay another employee at overtime rates to cover the employee's time off. It is understood that compensatory time use requests will not be unreasonably denied.

SECTION 4. Work Breaks. An employee shall receive a twenty (20) minute break in the first half and a twenty (20) minute break in the second half of his/her regular shift, at times scheduled by immediate supervision.

SECTION 5. Overtime on Sunday. All employees scheduled by an appropriate department head to perform overtime work on a Sunday shall receive two (2) times the hourly equivalent rate. Eligible employees may opt to receive compensatory time at double rate unless otherwise provided for in this Agreement.

SECTION 6. Overtime in 24-Hour Operations. Employees working in twenty-four (24) hour continuous operations shall have the option of receiving either one and one half (1 1/2) times the hourly equivalent rate for all hours worked, or eligible employees may opt for compensatory time off at one and one-half (1 1/2) hours for each hour worked on the sixth (6th) day (first scheduled day off in the established work week). If they work the seventh (7th) day (second scheduled day off in the established work week), they shall have the option of receiving either double the hourly equivalent rate for all hours worked or compensatory time off at double rate for each hour worked.

SECTION 7. Overtime Refusal. Overtime shall not be refused to the employee because of the employee's choice of overtime pay over compensatory time, nor for disciplinary reason.

SECTION 8. Night Premium. Employees who are required to work between 6:00 p.m.

and 6:00 a.m. shall receive, in addition to their regular rate of pay, seventy five (\$.75) cents per hour night premium. This shift premium does not apply to employees working overtime.

Employees shall be eligible to receive the night shift premium for their entire shift, provided that at least four (4) hours of their shift occurs between the hours of 6:00 p.m. and 6:00 a.m. This does not include any hours the employee receives overtime.

SECTION 9. Call-Back. An employee who is called in or who is permitted to come to work without having been notified that work on the job for which he/she was scheduled is not available may, at the City's discretion, be sent home or be put to work on any job to which the City may assign the employee.

If the employee is put to work he/she shall be assured enough work to give the employee a minimum of three (3) hours pay at his/her applicable rate. If he/she is offered work and declines the offer, the City shall have no liability to him/her for any amount of call in or report pay. If no work is provided by the City, the employee will be paid for three (3) hours at his/her applicable rate.

The City shall have no liability for call in or report pay to an employee or responsibility to offer him/her work, if he/she was absent when notice of lack of work was given or was attempted to be given.

Report pay or call in pay shall not be due when the employee is not able to work because he/she is on sick leave, vacation leave, personal business, and excused absence, or in case work is not available due to an emergency such as fire, flood, explosion, storm, utility failure, equipment failure or breakdown, work stoppage, labor dispute, act of God, or any condition beyond the control of the City. The call back provisions shall apply to employees who are subpoenaed to testify in court as result of their employment with the City.

This provision shall not be interpreted as mandating that a bargaining unit member be called back in all overtime situations. Bargaining unit members shall be called back in the following situations: where non-routine decisions or actions are required, and where a bargaining unit member would normally be assigned to exercise discretion or apply technical knowledge.

SECTION 10. On-call pay. An employee assigned as a regular part of his/her duties to be available to return to duty within a specified period of time (on-call) shall remain available through a pre-arranged means of communication and shall respond within the specified time period.

The employee shall be compensated at a rate of one and one-half (1 ½) hours of straight time pay for each day or any portion of the day assigned and spent on call (this applies to all after hours on-call time on any day worked as well as any weekend or holiday where no work is performed).

SECTION 11. Pyramiding. Premium payments shall not be duplicated for the same

hours worked nor shall overtime or premium hours be included in the computation of a forty (40) hour work week.

SECTION 12. Scheduling. Scheduling will be done to allow eight (8) hours or more off between shifts in completion of a forty (40) hour week. Example: the employee could not be scheduled to work "C" shift (4:00 p.m. -midnight) then "A" shift (midnight - 8:00 a.m.) even though they are considered 2 separate days.

SECTION 13. Reasonable Accommodation. The City's goal in regard to injured employees is to ensure that no employee is forced to leave the City's workforce solely by reason of acquired disability, so long as the employee's disability may be reasonably accommodated to continue employment by the City. The City of Lansing will assist individuals who become disabled, or otherwise acquire disabled status while employees of the City, to maintain their employment by exploring the following options:

- A. A return to work at the same job.
- B. A return to work at the same job, with accommodations.
- C. A return to work at a different job.
- D. A return to work at a different job, with accommodations.

The employee may be transferred to one (1) or more vacant positions, at the same or lower classification, he/she is capable of performing, without regard to the job posting or seniority provisions of this Agreement.

In the event two (2) employees simultaneously suffer from a disability, one of which was work related and one not work related, preference shall be given to the employee with a work related disability. The affected employee shall be placed on the salary schedule of the vacant position commensurate with, or closest to, the employee's wage rate prior to disabled status, and shall continue to receive all benefits under the Agreement. The City's Reasonable Accommodation in Employment Policy on file in the Department of Human Resources is included herein and made a part of this Agreement by reference.

The City of Lansing will work with appropriate medical and rehabilitation personnel to assure that individuals who return to work do so at minimum risk to their health and at maximum utilization of their work skills and abilities.

SECTION 14. Court Time/Complaint Signing. If a bargaining unit member is subpoenaed into court on City-related business or has to come back to work in order to validate a complaint/warrant, the bargaining unit member shall be paid (if off-duty) at the rate of time and one-half of the bargaining unit member's hourly rate of pay, with a minimum of two (2) hours payment at the overtime rate. If the time extends past two (2) hours, the bargaining unit member shall be paid overtime for the exact hours or portion thereof so worked. If the court case is continuous at the end of a shift, the employee will be compensated at the regular overtime rate for the actual hours worked.

The bargaining unit member shall keep any statutory mileage fee for court appearances (which fee shall not be made a part of any overtime compensation under this Agreement) but, the bargaining unit member shall turn back to the City any statutory witness fee.

If an off-duty bargaining unit member is required to appear at a job related hearing located outside Ingham, Eaton and Clinton counties, and within the State of Michigan, the bargaining unit member's travel time to and from said hearing shall be included in computing the hours worked by the bargaining unit member.

ARTICLE 14

WORK ASSIGNMENTS

Except as provided below, non-bargaining unit members shall not routinely perform the work that is normally performed only by bargaining unit members if in so doing it would displace the employment of a bargaining unit employee. It is mutually understood that there is some like work that is performed by both bargaining unit and non-bargaining unit members. The City shall strive to eliminate such over-lapping duties whenever practicable. Furthermore, nothing in this section shall prohibit the City from utilizing part-time employees to perform work in accordance with the limitations contained within this Agreement.

This provision shall not be interpreted as mandating that a bargaining unit member must be scheduled to work in all situations where non-bargaining unit members are working. Bargaining unit members shall be scheduled in the following situations: where non-routine decisions or actions are required, and where a bargaining unit member would normally be assigned to exercise discretion or apply technical knowledge.

ARTICLE 15

CLASSIFICATIONS/REORGANIZATIONS

SECTION 1. Reorganization. Whenever a position is combined or eliminated through a reorganization the employees whose positions were eliminated shall have the following rights: (A) In the event that the new position is created within the same Department that includes most of the duties of the eliminated position the incumbent employees shall fill the new position if they are qualified to perform all of the duties of the new position upon completion of the trial period of two weeks. The position posting requirements of the Agreement will not be observed unless none of the employees to be displaced are deemed qualified. (B) In the event that a displaced employee does not fill a new position he/she shall have the right to exercise bumping rights in accordance with the bumping procedures within this Agreement. (C) Where more than one employee is displaced and fewer positions are established the most qualified displaced employee shall fill the position. If displaced employees are equally qualified, the most senior shall fill the position.

SECTION 2. New Positions. The City agrees that in the event a new classification is established the Union shall be notified within a reasonable time period.

The Union shall have the right to negotiate wages, hours and work condition for new classifications. If the parties are unable to reach agreement the rate of pay shall be subject to the arbitration procedure using same criteria of Michigan Public Act 312 of 1965 and using the procedure outlined in Step 4 of grievance procedure to pick an arbitrator. Providing the Union gives written notification of its intent to arbitrate to the City's Human Resources Director within fifteen (15) days following the meeting of the parties on the subject.

SECTION 3. Classification Reviews. The City and the Union agree that the positions covered by this Agreement were evaluated by and the salary range established under the Hay system guide chart profile evaluation method. If, during the life of this Agreement a full time employee, or the employee's supervisor or department head believes there has been a significant change in the job content of an existing position may request in writing that the City proceed with a classification review in accordance with the provisions of Article 15 of this Agreement.

The parties agree that all classification and reclassification appeals shall be performed by the Hay Group, or other mutually agreed upon job assessment consultant ("consultant"). The City shall ensure that the Union is provided with a written explanation of any classification/reclassification review from the consultant.

In the event that the classification review determines that the position shall be reclassified upward, the reclassification will be effective the beginning of the next pay period following the decision of the consultant. The employee will be placed in the new classification at the next step increment which affords the employee a salary increase.

If the classification review determines that the position shall be classified downward, the reclassification shall be effective the beginning of the next pay period following the decision of the consultant or, if the employee files an appeal in accordance with the procedure in Article 15, after the expiration of the appeal procedure time limits, salary adjustments for downgraded positions shall be implemented according to the following method:

- A. If the employee's present rate of pay (prior to reclassification) equals or exceeds the maximum step of the downward classification, the employee will continue to receive their present wage rate plus any wage adjustments under this Agreement provided they remain in the same position. The employee shall not receive any additional step increases that are available within the salary range. When the position is vacated, if posted, it will be reclassified at the appropriate level.
- B. If the employee's present wage rate is less than the maximum step of the salary rate of the downgraded classification the employee shall be reclassified to the lower classification at the step increment that is equal to the employee's current wage rate (prior to reclassification). The employee shall be eligible for step increases that are available within the salary range of the lowered classification

plus any wage adjustments under this Agreement.

The City will provide training to stewards in the reclassification procedure and methodology utilized by the classification consultant. One trained bargaining unit representative may attend all meetings that consider reclassification of bargaining unit positions and be given a reasonable opportunity to present information and take part in the discussions.

PROCEDURE FOR CLASSIFICATION REVIEW OF TEAMSTER POSITIONS

Classification Review may be requested by any City employee, supervisor or department head according to the following procedure:

1. The employee ("Incumbent") obtains Reclassification Position Questionnaire from Department Head or designee.
2. Incumbent forwards completed Questionnaire to Supervisor for review and completion of Supervisor's section.
3. Supervisor forwards completed Questionnaire form to Department Head within fifteen (15) working days of receipt from Incumbent.
4. Completed Position Questionnaire is forwarded to the Department of Human Resources within ten (10) working days from the time the Questionnaire is submitted to the Department Head.
5. Department of Human Resources Staff Representative logs and prioritizes Position Questionnaire by date of receipt.
6. Department of Human Resources Staff Representative conducts desk audits by interviewing the incumbent and appropriate Supervisor and prepares the desk audit summary within fifteen (15) working days.⁴
7. The consultant is sent the Position Questionnaire and desk audit summary within fifteen (15) working days of the completion of the desk audit by the Department of Human Resources.
8. Once a classification review request has been acted upon by the consultant, the decision will be forwarded to the Department Head, Incumbent, Department of Human Resources and Budget Office within five (5) working days of the date of the decision being rendered by the consultant.

⁴ A member of the Teamster Bargaining Unit who has been trained in the City's Classification methodology may attend and participate in all meetings involving the evaluation of Teamster Bargaining Unit positions.

9. Decisions of the consultant to reclassify a position upward shall be effective the beginning of the next pay period following the review and approval by the consultant. Where the classification review by the consultant indicates a downward reclassification of the incumbent's position, the reclassification will not become effective until the appeal procedure timelines, described below, have been exhausted.

If at any step in the process, the scheduled time frame cannot be met by the responding person for good reason, an extension of not more than one equal time period can be utilized by informing the next level in writing with copy to the requesting individuals.

Each classification study which comes before the consultant may result in any of the following decisions: upward change, no change, downward change, change in title.

RECLASSIFICATION APPEAL PROCEDURE

Employees may appeal reclassification decisions made by the consultant. All such appeals must be processed in accordance with the following steps:

- Step 1. The employee or either party must file a written appeal on forms furnished by the City, with the Department of Human Resource within ten (10) working days of written notification of the consultant's decision. The appeal form must include the specific reasons for the basis of the appeal.
- Step 2. The appeal will be discussed at the meeting of the consultant.
The employee may attend to present additional information.
- Step 3. The consultant will provide the employee with a written answer to the appeal within thirty (30) calendar day of the meeting.

The parties agree that the City may issue a request for proposals from various compensation consultants for consideration of classification services. The parties agree that there will be no change to the existing consultant or reclassification system without mutual agreement.

ARTICLE 16

VEHICLES

In all cases if a motor vehicle is essential to an employee's job duty, at the City's discretion, a vehicle will be provided to the employee for the performance of the job duties, or the employee shall be reimbursed for the use of his/her personal vehicle at the IRS standard mileage rate as determined by the most recent federal tax reports. In no event shall employees use vehicles to drive to and from work or be reimbursed for driving their own vehicles to and from work except as assigned by the City. Mileage shall also be reimbursed for any miles traveled related to call-backs.

ARTICLE 17

SUBCONTRACTING

It is and has been the policy of the City to make every effort to utilize its employees to perform work when they are qualified to do so, but the City reserves the right to contract out any work it deems necessary or desirable according to dictates of good business practice. If it is anticipated by the City that the work to be subcontracted will continue for a period of more than thirty (30) days and the work is customarily performed by regular employees within the bargaining unit the City agrees to discuss with the Union alternative approaches to such subcontracting prior to the time a decision to subcontract such work has been made by the City. In the event that any bargaining unit members are deprived of work as a result of outside contracting of work the City agrees to use its best efforts to place those employees in others jobs subject to the City's legal or contractual obligations to other City employees. In the event that the City does not succeed in placing such an employee in another job and the employee is laid off, the City will provide layoff adjustment pay equal to the difference between the employee's ordinary weekly net take home pay and the employee's weekly unemployment benefit. The City will provide two (2) weeks of such pay for each full year of seniority, up to a maximum of twenty-six (26) weeks of pay. Payments shall continue only as long as the employee remains unemployed. "Net take home pay" means the amount left after taxes and FICA have been deducted.

ARTICLE 18

UNIFORMS

The City will pay the cost of providing work uniforms for employees the City requires in its discretion to wear uniforms.

The City will furnish uniforms of the type, design and color as determined by the City to employees. The City will furnish uniforms in a minimal quantity sufficient to provide the employee with one (1) uniform for each workday they are required to wear a uniform in a normal work week (for example, an employee required to wear a uniform each day in a five (5) day workweek will be provided with a total of five (5) uniforms). Employees shall give reasonable and proper care to such apparel and keep it in proper condition.

The City agrees to pay the full cost of uniform cleaning at a cleaning establishment designated by the City for police detention officers' uniforms or other uniforms determined by the City to be unsuitable for routine home laundering by the employee.

The employee shall wear the uniforms provided. By mutual agreement with the appropriate level of supervision, an employee may have the wearing of the uniform waived, and under such circumstances the City will not be obligated to provide any uniforms for the employee. Additionally, by mutual agreement with the appropriate level of supervision, an employee may have waived the wearing of uniforms for special

occasions.

The City shall meet and confer with the Union regarding the vendor who will supply the uniforms in order to ensure fitness and quality of the uniforms and service. Selection of the vendor shall be in compliance with the City's adopted purchasing ordinance and procedures. Either party may initiate a special meeting to discuss variations in the uniforms, but changes shall not be made without advance notice to the Union and an opportunity for the Union's input.

ARTICLE 19

EQUIPMENT

When it is specifically stated in applicable Federal or State Law that "the employer shall provide" certain special safety devices the City shall do so at no cost to the employee. When it is specifically stated in applicable Federal and State Law that the "employer shall require" the use of certain protective devices the employee shall, as a condition of continued employment, provide them at his/her expense. Employees who fail to use either provided or required special safety devices shall be subject to disciplinary action commensurate with the frequency and severity of the violation.

ARTICLE 20

EDUCATION & TRAINING

Special License Reimbursement Terms for CDLs. During the term of this agreement, full-time employees hired on or before January 1, 1990 may use the education reimbursement benefit to seek reimbursement for costs paid by the employee to obtain a CDL license and appropriate endorsements, and to take a CDL skills test. Reimbursement for these costs is subject to the following restrictions: (1) the City will reimburse the employee for the license costs over and above the cost of the basic operator's or chauffeur's license; (2) the City will reimburse the employee for the cost of one successfully completed skills test.

ARTICLE 21

PARKING/TRANSPORTATION SUBSIDY

Employees covered by this Agreement shall be eligible for one of the following subsidies.

- A. Public Transportation Subsidy: A monthly CATA bus pass at the City's expense or a subsidy equal to the cost of a monthly CATA bus pass to be used for SPECTRAN, Eaton Area Transit System (EATRAN) or Clinton Area Transit System (CATS) services.

- B. Maximum Parking Cost: The maximum monthly parking cost for bargaining unit employees will be as follows: Employees in the Assessor’s office who routinely use their personal vehicles in the execution of their duties will receive a maximum parking subsidy equal to the price of monthly parking in the North Capitol ramp. There shall be no increase in employee cost at any City parking facility through the duration of this Agreement. Zero cost (\$0.00) lots will be updated to reflect current availability.

| | |
|------------------------------|----------|
| Lot #49 | \$ 0.00 |
| Lot #50 | \$ 0.00 |
| Lot #53 | \$ 0.00 |
| Lot #55 | \$ 0.00 |
| North Grand Roof | \$ 10.00 |
| South Capitol Roof | \$ 10.00 |
| North Grand Covered | \$ 20.00 |
| North Capitol (Unrestricted) | \$ 20.00 |
| South Capitol Covered | \$ 30.00 |

- C. Location Selection: Employees may choose to park in a lower cost facility or a higher cost facility based on space availability, applying the parking subsidy up to the cost for the respective facility or the maximum subsidy, whichever is less.
- D. Bargaining unit members who are permanently displaced from any lot or ramp will be placed at the top of the waiting list for the City parking facility of their choice.
- E. Parking Cards: Employees shall be responsible for the cost of the employee parking access card. Employees shall sign a payroll authorization card, authorizing the City to deduct through payroll deduction the cost of the employee parking access card if lost, stolen, damaged or not returned at the time of separation from City employment. The current cost of the employee parking access card is ten dollars (\$10). The cost of the employee parking access card shall be capped at twenty-five dollars (\$25) for the life of the current contract.

ARTICLE 22

WAGES/DEFERRED COMPENSATION

SECTION 1. Wage Rates. Effective the first full pay period beginning on or immediately following the date of ratification (November 14, 2016) the City agrees to increase the hourly wage rate by two and one-half percent (2.50%) on the schedule of salary and merit increment rates. Effective the first full pay period beginning on or immediately following February 1, 2017, the City agrees to increase the hourly wage rate by two percent (2.00%) on the schedule of salary and merit increment rates. Effective the first full pay period beginning on or immediately following February 1, 2018, the City agrees

to increase the hourly wage rate by two percent (2.00%) on the schedule of salary and merit increment rates. The schedule(s) of salary and merit increment rates are as set forth in Appendix A.

Progression beyond Step 5 of the salary schedule shall be available to all members of the bargaining unit on the same basis that progression to steps one through five is authorized.

The present practice of granting merit increases to all steps shall be continued. Merit increases shall not be granted for reasons of length of service alone. Such determination is to be based upon the evaluation of the employee's performance, skill, and ability demonstrated when carrying out their assigned duties. However, no single item shall negate overall satisfactory performance assessment unless it is of such severe nature that disciplinary action or suspension resulted.

Members of the Teamster 243 Supervisory bargaining unit who regularly supervise UAW Local 2256 employees shall be moved, if necessary to a pay step not to exceed Step 5 of their salary range that shall afford the supervisor at least a five percent (5%) differential above those employees they supervise.

The Union agrees that the issue involving supervisory pay differentials is hereby resolved and is hereby addressed as it pertains to any recommendations made by Hay, whether between Teamster 243 Supervisor and UAW Local 2256 employees or Teamster 243 Supervisory and Teamster 243 CTP employees. No future grievance or arbitration shall be available to the parties.

SECTION 2. Deferred Compensation. The City agrees to make available an IRS approved deferred compensation plan subject to the following conditions:

- A. The City shall have sole discretion and responsibility in selecting a vendor(s) of the deferred compensation plan to be offered.
- B. The City shall have sole discretion in changing vendors, changing administration of the plan itself and may change the deferred compensation plan at any time without notification to or negotiation with the Union. The City may in its sole discretion, discontinue the deferred compensation plan after fifteen (15) days' notice to the Union.
- C. Employees may participate in such a deferred compensation plan on a voluntary basis. Contribution shall be made through payroll deduction.
- D. The only costs relative to the deferred compensation plan to be incurred by the City shall be those associated with the modification of the existing City payroll plan. All other costs shall be borne by the employees participating in the deferred compensation plan.

ARTICLE 23

JOINT LABOR-MANAGEMENT COMMITTEE

The Union agrees to participate in a Joint Labor-Management Committee in order to maintain communications between labor and management and to cooperatively discuss, including, but not limited to, residency for City employees, and resolve matters of mutual concern. The criteria related to the meetings shall be as follows:

1. At least quarterly, or more frequently as mutually agreed, the Mayor and/or his/her designees shall meet with the Joint Council of City Unions, of which the bargaining units' business representative or his/her designee and one employee representative from each bargaining unit shall be members. No less than five (5) days prior to the scheduled meeting, each party shall prepare and submit an agenda to the other. If neither party submits an agenda, no meeting shall take place.
2. Issues submitted for discussion will be mutually agreeable, provide an opportunity to share information and build trust and provide an opportunity to explore innovative alternatives to such matters in a non-confrontational atmosphere. Issues submitted that are not mutually agreeable to all parties will be stricken from the agenda and not discussed at the meeting.
3. By so participating in the committee, neither the Union nor the City waives any statutory or contractual right.

ARTICLE 24

RETIREMENT PENSION

SECTION 1. General.

- A. Historical retirement pension language pertaining to employees retired prior to the ratification of this Agreement (May 19, 2014) and history for current employees is contained in Appendix B.
- B. The City will provide to current full-time employees retirement benefits under the General Employees' Retirement System or an alternate retirement pension through the City's Defined Contribution Plan or a hybrid of these two plans as set forth below in Section 2 and Section 3.
- C. City employees moving to Teamsters Local 243 from other City bargaining units on or after February 1, 2016 having an ERS retirement factor greater than or equal to 1.8% shall transition to the 1.8% factor Defined Benefit Retirement Plan only, and Section 3 of this Article shall have no application. Employees moving to Teamsters Local 243 on or after February 1, 2016 from other City bargaining units having an ERS retirement factor less than 1.8% shall transition only to the retirement plan

specified in Section 3 of this Article. Such employees shall keep retirement factor percentages prior to transfer for correlating years for purposes of retirement pension and pension calculations.

- D. **Limitation on Pension Payments:** An employee who retires on or after December 31, 2016 shall receive an annual retirement allowance as provided for in this article, except that the retirement allowance shall not exceed one hundred and ten percent (110%) of base wage. As used in this section, "base wage" means the employee's salary determined by his or her classification and annualized rate of pay contained in the wage scale appendix of this collective bargaining agreement covering the employee and in effect on the date of the employee's separation from City service.

SECTION 2. Defined Benefit Pension Plan under the General Employees Retirement System

The retirement benefits and systems under the plan which has been in effect shall remain intact for the remainder of this Agreement. The City reserves the right to substitute another means of providing this coverage; however the fundamental provisions of the plan and the benefits thereunder will not be reduced.

The actuarial bases for members' monthly retirement benefits shall be sex neutral. Any costs associated with equalizing monthly pensions for similarly situated employees, or topping up the benefits, shall be assumed by the City.

The City of Lansing Code of Ordinances Chapter 292 covers the General Employees' Retirement System and provides the following benefits to members of this bargaining unit:

- 1. Employees hired prior to October 29, 1990 and who did not participate in the former Defined Contribution Plan:
 - A. Shall be eligible to retire when age plus service is equal to sixty-five (65).
 - B. Shall receive a defined benefit pension which, when added to the member's annuity, shall provide a straight life retirement allowance equal to the number of years and fraction of a year, through a maximum of thirty-five (35) years, of the member's credited service multiplied by two and eight-tenths percent (2.80%) of the member's final average compensation. Credited service in excess of thirty-five (35) and through forty (40) years shall be multiplied by one and one-half percent (1.5%) of the member's final average compensation and shall be included in the member's straight life retirement allowance. Credited service in excess of forty (40) years shall be multiplied by one per cent (1%) of the member's final average compensation and included in the member's straight life retirement allowance. In no case shall the pension exceed 100% of a member's final average compensation unless allowed by law.

C. These bargaining unit members shall be required to make employee contribution by payroll deduction to the retirement system of three and one-half percent (3.50%) of the member's annual compensation.

2. Employees hired after October 29, 1990 and prior to October 1, 2003 or were hired prior to October 29, 1990 and who participated in the former Defined Contribution Plan:

A. Shall be eligible to retire at age fifty (50) with twenty-five (25) years of credited service, or at age fifty-eight (58) with eight (8) years of credited service. Vesting shall be at eight (8) years of full-time City service.

B. Shall receive a defined benefit pension that shall provide a straight life retirement allowance equal to the number of years and fraction of a year, through a maximum of thirty-five (35) years, of the member's credited service beginning October 1, 2003 and including any prior years of service purchased, multiplied by one and eight-tenths percent (1.8%) of the member's final average compensation. Credited service in excess of thirty-five (35) and through forty (40) years shall be multiplied by one and one-half percent (1.5%) of the member's final average compensation and shall be included in the member's straight life retirement allowance. Credited service in excess of forty (40) years shall be multiplied by one percent (1%) of the member's final average compensation and included in the member's straight life retirement allowance. In no case shall the pension exceed one hundred percent (100%) of a member's final average compensation unless allowed by law.

C. These bargaining unit members shall be required to make employee contribution by payroll deduction to the retirement system of six and three hundred forty-ninths percent (6.349%) of the member's annual compensation.

E. Cost of Living Allowance (C.O.L.A.) adjustments do not apply.

3. Employees hired after October 1, 2003 and before May 19, 2014:

A. Shall be eligible to retire at age fifty (50) with twenty-five (25) years of credited service, or at age fifty-eight (58) with eight (8) years of credited service. Vesting shall be at eight (8) years of full-time City service.

B. Shall receive a pension that shall provide a straight life retirement allowance equal to the number of years and fraction of a year, through a maximum of thirty-five (35) years, of the member's credited service, multiplied by one and eight-tenths percent (1.80%) of the member's final average compensation. Credited service in excess of thirty-five (35) and through forty (40) years shall be multiplied by one and one-half percent (1.5%) of the member's final average compensation and shall be included in the member's straight life retirement allowance. Credited service in excess of forty (40) years shall be multiplied by one percent (1%) of the member's final average compensation and included in the member's straight life retirement allowance. In no case

shall the pension exceed 100% of a member's final average compensation unless allowed by law.

- C. These bargaining unit members shall be required to make employee contribution by payroll deduction to the retirement system of six and three hundred forty-ninths percent (6.349%) of the member's annual compensation.
- D. Cost of Living Allowance (C.O.L.A.) adjustments do not apply.

SECTION 3. Defined Benefit and Defined Contribution Pension Plans for Employees Hired on or after ratification of the 2013 – 2016 collective bargaining agreement (May 19, 2014):

On or after May 19, 2014 (the "Effective Date"), regular full time employees first hired or transferred into Teamsters Local 580 and Teamsters Local 243 (collectively "this bargaining unit") from another City bargaining unit, unless otherwise specified in Section 1.C. of this Article. shall be members of both the City of Lansing Employees' Retirement System and the City of Lansing Defined Contribution Plan, as set forth below.

- 1. City of Lansing Employees' Retirement System ("ERS")
 - A. The Employee shall be eligible to retire and/or commence receiving a retirement allowance at age fifty (50) with twenty-five (25) years of credited service earned while a member of this bargaining unit, or at age fifty-eight (58) with eight (8) years of city credited service earned while a member of ERS. Vesting shall be at eight (8) years of full-time City service.
 - B. The employee shall receive at the time of retirement a defined benefit pension through the ERS which, when added to the member's accumulated contribution, shall provide the equivalent of a straight life retirement allowance equal to the number of years and fraction of a year, of the employee's credited service after the Effective Date, multiplied by one and one quarter percent (1.25%) of the employee's final average compensation. In no case shall the defined benefit pension exceed one hundred percent (100%) of a member's final average compensation unless allowed by law.
 - C. An employee who transfers into this bargaining unit after the Effective Date, unless otherwise specified in Section 1.C. of this Article, shall have the one and one quarter percent (1.25%) service credit multiplier for service after the date of transfer and shall retain for service prior to the date of transfer his or her former bargaining unit multiplier.
 - D. The employee shall make a contribution by payroll deduction to the retirement system of five percent (5.0%) of the employee's annual compensation.
 - E. In addition to the defined benefit pension, the employee shall participate in the Defined Contribution Plan as set forth in Section 3(2).

F. Cost of Living Allowance (C.O.L.A.) adjustments do not apply.

2. City of Lansing Defined Contribution Plan (“Plan”)

- A. The employee shall become vested in his or her benefit under the City of Lansing Defined Contribution Plan upon attainment of eight (8) years of vesting service. The employee shall receive a year of vesting service under the Plan for each year of vesting service that the employee receives under the ERS.
- B. The employee shall be eligible to receive his or her vested benefit under the Plan at the time and in the manner set forth in the Plan.
- C. The employee shall contribute three percent (3%) of the employee’s compensation, as that term is defined in the Plan, paid to the employee during an applicable Plan year. The City shall “pick-up” said contribution and shall credit the amount of that contribution to the employee’s Mandatory Pretax Contribution Account. The amount of that three percent (3%) contribution shall be deducted from the employee’s biweekly paycheck. The employee shall not have the option of receiving any portion of that contributed amount directly.
- D. The City shall contribute three percent (3%) of the employee’s compensation, as that term is defined in the Plan, paid to the employee during an applicable Plan year. The contribution shall be contributed to the employee’s Employer Mandatory Contribution Account.

ARTICLE 25


TERM OF THE AGREEMENT

EFFECTIVE AND TERMINATION DATES. This Agreement shall become effective February 1, 2016, and shall continue in full force and effect until 11:59 p.m., January 31, 2019, and for successive annual periods thereafter unless, not more than ninety (90), but at least sixty (60) days prior to the end of its original term or of any annual period thereafter, either party shall serve upon the other written notice that it desires termination, revision, modification, alteration, renegotiation, change or amendment, or any combination thereof, and such written notice shall have the effect of terminating this Agreement in its entirety on the expiration date in the same manner as a notice of a desire to terminate. In the event of the notice above referred to, the parties shall begin to hold negotiation meetings no later than forty-five (45) days prior to the termination date.

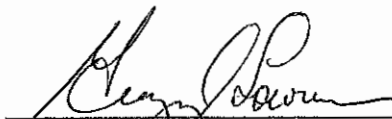
IN WITNESS WHEREOF, THE PARTIES HAVE SET THEIR HANDS THIS:

30th DAY OF January, 2017

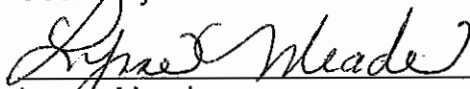
FOR THE UNION



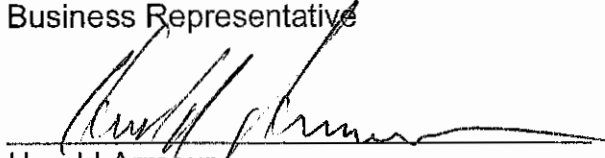
Jim Cianciolo
President



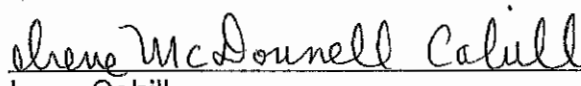
Greg Lowman
Secretary-Treasurer



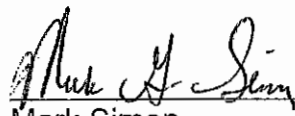
Lynne Meade
Business Representative



Harold Armour

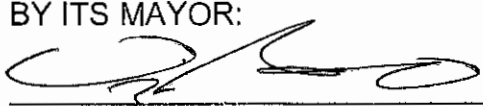


Irene Cahill

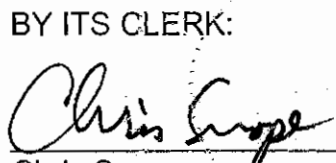


Mark Simon

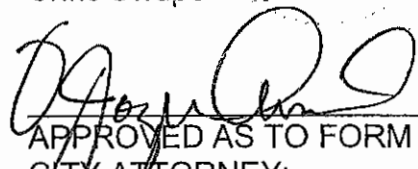
FOR THE CITY

BY ITS MAYOR:


Virg Bernero

BY ITS CLERK:


Chris Swope



APPROVED AS TO FORM BY ITS Deputy
CITY ATTORNEY:



DIRECTOR OF HUMAN RESOURCES



HEREBY CERTIFY FUNDS HAVE
BEEN APPROPRIATED:
CITY CONTROLLER

APPENDIX A

WAGE SCALE

City of Lansing Salary Schedule Step Report

As of 12/7/2016

| Entity | ROOT | | | | | | |
|------------------------------------|-------------|-------------------------|---|---------------|------------------|---------------|------------------------|
| Schedule: | T580 | TEAMSTER 580 | Effective Date: 11/19/2016 - 12/31/2050 | | | | |
| Amount Expressed As: Hourly Amount | | | | | | | |
| Range: | 22 | RANGE 22 | | | | | |
| | <u>Step</u> | <u>Step Description</u> | <u>Index Key Value</u> | <u>Amount</u> | <u>Bi-Weekly</u> | <u>Annual</u> | <u>Overtime @ 1.52</u> |
| | 01 | STEP 01 | T580/22/01 | 11.76853 | 941.48240 | 24,478.54240 | 17.88817 |
| | 02 | STEP 02 | T580/22/02 | 12.42232 | 993.78560 | 25,838.42560 | 18.88193 |
| | 03 | STEP 03 | T580/22/03 | 13.07613 | 1,046.09040 | 27,198.35040 | 19.87572 |
| | 04 | STEP 04 | T580/22/04 | 13.69622 | 1,095.69760 | 28,488.13760 | 20.81825 |
| | 05 | STEP 05 | T580/22/05 | 14.35982 | 1,148.78560 | 29,868.42560 | 21.82693 |
| | 06 | STEP 06 | T580/22/06 | 15.02342 | 1,201.87360 | 31,248.71360 | 22.83560 |
| | 07 | STEP 07 | T580/22/07 | 15.74141 | 1,259.31280 | 32,742.13280 | 23.92694 |
| | 08 | STEP 08 | T580/22/08 | 16.49202 | 1,319.36160 | 34,303.40160 | 25.06787 |
| | 09 | STEP 09 | T580/22/09 | 17.29705 | 1,383.76400 | 35,977.86400 | 26.29152 |
| Range: | 23 | RANGE 23 | | | | | |
| | <u>Step</u> | <u>Step Description</u> | <u>Index Key Value</u> | <u>Amount</u> | <u>Bi-Weekly</u> | <u>Annual</u> | <u>Overtime @ 1.52</u> |
| | 01 | STEP 01 | T580/23/01 | 12.32660 | 986.12800 | 25,639.32800 | 18.73643 |
| | 02 | STEP 02 | T580/23/02 | 13.01140 | 1,040.91200 | 27,063.71200 | 19.77733 |
| | 03 | STEP 03 | T580/23/03 | 13.69622 | 1,095.69760 | 28,488.13760 | 20.81825 |
| | 04 | STEP 04 | T580/23/04 | 14.35982 | 1,148.78560 | 29,868.42560 | 21.82693 |
| | 05 | STEP 05 | T580/23/05 | 15.02342 | 1,201.87360 | 31,248.71360 | 22.83560 |
| | 06 | STEP 06 | T580/23/06 | 15.74141 | 1,259.31280 | 32,742.13280 | 23.92694 |
| | 07 | STEP 07 | T580/23/07 | 16.49202 | 1,319.36160 | 34,303.40160 | 25.06787 |
| | 08 | STEP 08 | T580/23/08 | 17.29705 | 1,383.76400 | 35,977.86400 | 26.29152 |
| | 09 | STEP 09 | T580/23/09 | 18.10207 | 1,448.16560 | 37,652.30560 | 27.51515 |
| Range: | 24 | RANGE 24 | | | | | |
| | <u>Step</u> | <u>Step Description</u> | <u>Index Key Value</u> | <u>Amount</u> | <u>Bi-Weekly</u> | <u>Annual</u> | <u>Overtime @ 1.52</u> |
| | 01 | STEP 01 | T580/24/01 | 12.92384 | 1,033.90720 | 26,881.58720 | 19.64424 |
| | 02 | STEP 02 | T580/24/02 | 13.64182 | 1,091.34560 | 28,374.98560 | 20.73557 |
| | 03 | STEP 03 | T580/24/03 | 14.35982 | 1,148.78560 | 29,868.42560 | 21.82693 |
| | 04 | STEP 04 | T580/24/04 | 15.02342 | 1,201.87360 | 31,248.71360 | 22.83560 |
| | 05 | STEP 05 | T580/24/05 | 15.74141 | 1,259.31280 | 32,742.13280 | 23.92694 |
| | 06 | STEP 06 | T580/24/06 | 16.49202 | 1,319.36160 | 34,303.40160 | 25.06787 |
| | 07 | STEP 07 | T580/24/07 | 17.29705 | 1,383.76400 | 35,977.86400 | 26.29152 |
| | 08 | STEP 08 | T580/24/08 | 18.10207 | 1,448.16560 | 37,652.30560 | 27.51515 |
| | 09 | STEP 09 | T580/24/09 | 18.99411 | 1,519.52880 | 39,507.74880 | 28.87105 |
| Range: | 25 | RANGE 25 | | | | | |
| | <u>Step</u> | <u>Step Description</u> | <u>Index Key Value</u> | <u>Amount</u> | <u>Bi-Weekly</u> | <u>Annual</u> | <u>Overtime @ 1.52</u> |
| | 01 | STEP 01 | T580/25/01 | 13.52107 | 1,081.68560 | 28,123.82560 | 20.55203 |
| | 02 | STEP 02 | T580/25/02 | 14.27223 | 1,141.77840 | 29,686.23840 | 21.69379 |
| | 03 | STEP 03 | T580/25/03 | 15.02342 | 1,201.87360 | 31,248.71360 | 22.83560 |
| | 04 | STEP 04 | T580/25/04 | 15.74141 | 1,259.31280 | 32,742.13280 | 23.92694 |
| | 05 | STEP 05 | T580/25/05 | 16.49202 | 1,319.36160 | 34,303.40160 | 25.06787 |
| | 06 | STEP 06 | T580/25/06 | 17.29705 | 1,383.76400 | 35,977.86400 | 26.29152 |
| | 07 | STEP 07 | T580/25/07 | 18.10207 | 1,448.16560 | 37,652.30560 | 27.51515 |
| | 08 | STEP 08 | T580/25/08 | 18.99411 | 1,519.52880 | 39,507.74880 | 28.87105 |
| | 09 | STEP 09 | T580/25/09 | 19.90792 | 1,592.63360 | 41,408.47360 | 30.26004 |
| Range: | 26 | RANGE 26 | | | | | |
| | <u>Step</u> | <u>Step Description</u> | <u>Index Key Value</u> | <u>Amount</u> | <u>Bi-Weekly</u> | <u>Annual</u> | <u>Overtime @ 1.52</u> |

City of Lansing
Salary Schedule Step Report

As of 12/7/2016

Entity ROOT

Schedule: T580 TEAMSTER 580

(Continued)

Amount Expressed As Hourly Amount

Range: 26 RANGE 26

| Step | Step Description | Index Key Value | Amount | Bi-Weekly | Annual | Overtime @ 1.52 |
|------|------------------|-----------------|----------|-------------|--------------|-----------------|
| 01 | STEP 01 | T580/26/01 | 14.16726 | 1,133.38080 | 29,467.90080 | 21.53424 |
| 02 | STEP 02 | T580/26/02 | 14.95433 | 1,196.34640 | 31,105.00640 | 22.73058 |
| 03 | STEP 03 | T580/26/03 | 15.74141 | 1,259.31280 | 32,742.13280 | 23.92694 |
| 04 | STEP 04 | T580/26/04 | 16.49202 | 1,319.36160 | 34,303.40160 | 25.06787 |
| 05 | STEP 05 | T580/26/05 | 17.29705 | 1,383.76400 | 35,977.86400 | 26.29152 |
| 06 | STEP 06 | T580/26/06 | 18.10207 | 1,448.16560 | 37,652.30560 | 27.51515 |
| 07 | STEP 07 | T580/26/07 | 18.99411 | 1,519.52880 | 39,507.74880 | 28.87105 |
| 08 | STEP 08 | T580/26/08 | 19.90792 | 1,592.63360 | 41,408.47360 | 30.26004 |
| 09 | STEP 09 | T580/26/09 | 20.88700 | 1,670.96000 | 43,444.96000 | 31.74824 |

Range: 27 RANGE 27

| Step | Step Description | Index Key Value | Amount | Bi-Weekly | Annual | Overtime @ 1.52 |
|------|------------------|-----------------|----------|-------------|--------------|-----------------|
| 01 | STEP 01 | T580/27/01 | 14.84282 | 1,187.42560 | 30,873.06560 | 22.56109 |
| 02 | STEP 02 | T580/27/02 | 15.66743 | 1,253.39440 | 32,588.25440 | 23.81449 |
| 03 | STEP 03 | T580/27/03 | 16.49202 | 1,319.36160 | 34,303.40160 | 25.06787 |
| 04 | STEP 04 | T580/27/04 | 17.29705 | 1,383.76400 | 35,977.86400 | 26.29152 |
| 05 | STEP 05 | T580/27/05 | 18.10207 | 1,448.16560 | 37,652.30560 | 27.51515 |
| 06 | STEP 06 | T580/27/06 | 18.99411 | 1,519.52880 | 39,507.74880 | 28.87105 |
| 07 | STEP 07 | T580/27/07 | 19.90792 | 1,592.63360 | 41,408.47360 | 30.26004 |
| 08 | STEP 08 | T580/27/08 | 20.88700 | 1,670.96000 | 43,444.96000 | 31.74824 |
| 09 | STEP 09 | T580/27/09 | 21.89873 | 1,751.89840 | 45,549.35840 | 33.28607 |

Range: 28 RANGE 28

| Step | Step Description | Index Key Value | Amount | Bi-Weekly | Annual | Overtime @ 1.52 |
|------|------------------|-----------------|----------|-------------|--------------|-----------------|
| 01 | STEP 01 | T580/28/01 | 15.56735 | 1,245.38800 | 32,380.08800 | 23.66237 |
| 02 | STEP 02 | T580/28/02 | 16.43221 | 1,314.57680 | 34,178.99680 | 24.97696 |
| 03 | STEP 03 | T580/28/03 | 17.29705 | 1,383.76400 | 35,977.86400 | 26.29152 |
| 04 | STEP 04 | T580/28/04 | 18.10207 | 1,448.16560 | 37,652.30560 | 27.51515 |
| 05 | STEP 05 | T580/28/05 | 18.99411 | 1,519.52880 | 39,507.74880 | 28.87105 |
| 06 | STEP 06 | T580/28/06 | 19.90792 | 1,592.63360 | 41,408.47360 | 30.26004 |
| 07 | STEP 07 | T580/28/07 | 20.88700 | 1,670.96000 | 43,444.96000 | 31.74824 |
| 08 | STEP 08 | T580/28/08 | 21.89873 | 1,751.89840 | 45,549.35840 | 33.28607 |
| 09 | STEP 09 | T580/28/09 | 22.95394 | 1,836.31520 | 47,744.19520 | 34.88999 |

Range: 29 RANGE 29

| Step | Step Description | Index Key Value | Amount | Bi-Weekly | Annual | Overtime @ 1.52 |
|------|------------------|-----------------|----------|-------------|--------------|-----------------|
| 01 | STEP 01 | T580/29/01 | 16.29186 | 1,303.34880 | 33,887.06880 | 24.76363 |
| 02 | STEP 02 | T580/29/02 | 17.19696 | 1,375.75680 | 35,769.67680 | 26.13938 |
| 03 | STEP 03 | T580/29/03 | 18.10207 | 1,448.16560 | 37,652.30560 | 27.51515 |
| 04 | STEP 04 | T580/29/04 | 18.99411 | 1,519.52880 | 39,507.74880 | 28.87105 |
| 05 | STEP 05 | T580/29/05 | 19.90792 | 1,592.63360 | 41,408.47360 | 30.26004 |
| 06 | STEP 06 | T580/29/06 | 20.88700 | 1,670.96000 | 43,444.96000 | 31.74824 |
| 07 | STEP 07 | T580/29/07 | 21.89873 | 1,751.89840 | 45,549.35840 | 33.28607 |
| 08 | STEP 08 | T580/29/08 | 22.95394 | 1,836.31520 | 47,744.19520 | 34.88999 |
| 09 | STEP 09 | T580/29/09 | 24.08532 | 1,926.82560 | 50,097.46560 | 36.60969 |

Range: 30 RANGE 30

| Step | Step Description | Index Key Value | Amount | Bi-Weekly | Annual | Overtime @ 1.52 |
|------|------------------|-----------------|--------|-----------|--------|-----------------|
|------|------------------|-----------------|--------|-----------|--------|-----------------|

City of Lansing
Salary Schedule Step Report

As of 12/7/2016

Entity ROOT

Schedule: T580 TEAMSTER 580

(Continued)

Amount Expressed As Hourly Amount

Range: 30 RANGE 30

| Step | Step Description | Index Key Value | Amount |
|------|------------------|-----------------|----------|
| 01 | STEP 01 | T580/30/01 | 17.09471 |
| 02 | STEP 02 | T580/30/02 | 18.04441 |
| 03 | STEP 03 | T580/30/03 | 18.99411 |
| 04 | STEP 04 | T580/30/04 | 19.90792 |
| 05 | STEP 05 | T580/30/05 | 20.88700 |
| 06 | STEP 06 | T580/30/06 | 21.89873 |
| 07 | STEP 07 | T580/30/07 | 22.95394 |
| 08 | STEP 08 | T580/30/08 | 24.08532 |
| 09 | STEP 09 | T580/30/09 | 25.32548 |

Range: 31 RANGE 31

| Step | Step Description | Index Key Value | Amount | Bi-Weekly | Annual | Overtime @ 1.52 |
|------|------------------|-----------------|----------|-------------|--------------|-----------------|
| 01 | STEP 01 | T580/31/01 | 17.91713 | 1,433.37040 | 37,267.63040 | 27.23404 |
| 02 | STEP 02 | T580/31/02 | 18.91254 | 1,513.00320 | 39,338.08320 | 28.74706 |
| 03 | STEP 03 | T580/31/03 | 19.90792 | 1,592.63360 | 41,408.47360 | 30.26004 |
| 04 | STEP 04 | T580/31/04 | 20.88700 | 1,670.96000 | 43,444.96000 | 31.74824 |
| 05 | STEP 05 | T580/31/05 | 21.89873 | 1,751.89840 | 45,549.35840 | 33.28607 |
| 06 | STEP 06 | T580/31/06 | 22.95394 | 1,836.31520 | 47,744.19520 | 34.88999 |
| 07 | STEP 07 | T580/31/07 | 24.08532 | 1,926.82560 | 50,097.46560 | 36.60969 |
| 08 | STEP 08 | T580/31/08 | 25.32548 | 2,026.03840 | 52,676.99840 | 38.49473 |
| 09 | STEP 09 | T580/31/09 | 26.58741 | 2,126.99280 | 55,301.81280 | 40.41286 |

Range: 32 RANGE 32

| Step | Step Description | Index Key Value | Amount | Bi-Weekly | Annual | Overtime @ 1.52 |
|------|------------------|-----------------|----------|-------------|--------------|-----------------|
| 01 | STEP 01 | T580/32/01 | 18.79830 | 1,503.86400 | 39,100.46400 | 28.57342 |
| 02 | STEP 02 | T580/32/02 | 19.84265 | 1,587.41200 | 41,272.71200 | 30.16083 |
| 03 | STEP 03 | T580/32/03 | 20.88700 | 1,670.96000 | 43,444.96000 | 31.74824 |
| 04 | STEP 04 | T580/32/04 | 21.89873 | 1,751.89840 | 45,549.35840 | 33.28607 |
| 05 | STEP 05 | T580/32/05 | 22.95394 | 1,836.31520 | 47,744.19520 | 34.88999 |
| 06 | STEP 06 | T580/32/06 | 24.08532 | 1,926.82560 | 50,097.46560 | 36.60969 |
| 07 | STEP 07 | T580/32/07 | 25.32548 | 2,026.03840 | 52,676.99840 | 38.49473 |
| 08 | STEP 08 | T580/32/08 | 26.58741 | 2,126.99280 | 55,301.81280 | 40.41286 |
| 09 | STEP 09 | T580/32/09 | 27.95812 | 2,236.64960 | 58,152.88960 | 42.49634 |

Range: 33 RANGE 33

| Step | Step Description | Index Key Value | Amount | Bi-Weekly | Annual | Overtime @ 1.52 |
|------|------------------|-----------------|----------|-------------|--------------|-----------------|
| 01 | STEP 01 | T580/33/01 | 19.70885 | 1,576.70800 | 40,994.40800 | 29.95745 |
| 02 | STEP 02 | T580/33/02 | 20.80378 | 1,664.30240 | 43,271.86240 | 31.62175 |
| 03 | STEP 03 | T580/33/03 | 21.89873 | 1,751.89840 | 45,549.35840 | 33.28607 |
| 04 | STEP 04 | T580/33/04 | 22.95394 | 1,836.31520 | 47,744.19520 | 34.88999 |
| 05 | STEP 05 | T580/33/05 | 24.08532 | 1,926.82560 | 50,097.46560 | 36.60969 |
| 06 | STEP 06 | T580/33/06 | 25.32548 | 2,026.03840 | 52,676.99840 | 38.49473 |
| 07 | STEP 07 | T580/33/07 | 26.58741 | 2,126.99280 | 55,301.81280 | 40.41286 |
| 08 | STEP 08 | T580/33/08 | 27.95812 | 2,236.64960 | 58,152.88960 | 42.49634 |
| 09 | STEP 09 | T580/33/09 | 29.35059 | 2,348.04720 | 61,049.22720 | 44.61290 |

Range: 34 RANGE 34

| Step | Step Description | Index Key Value | Amount | Bi-Weekly | Annual | Overtime @ 1.52 |
|------|------------------|-----------------|--------|-----------|--------|-----------------|
|------|------------------|-----------------|--------|-----------|--------|-----------------|

City of Lansing
Salary Schedule Step Report

As of 12/7/2016

Entity ROOT

Schedule: T580 TEAMSTER 580

(Continued)

Amount Expressed As Hourly Amount

Range: 34 RANGE 34

| Step | Step Description | Index Key Value | Amount | Bi-Weekly | Annual | Overtime @ 1.52 |
|------|------------------|-----------------|----------|-------------|--------------|-----------------|
| 01 | STEP 01 | T580/34/01 | 20.65856 | 1,652.68480 | 42,969.80480 | 31.40101 |
| 02 | STEP 02 | T580/34/02 | 21.80625 | 1,744.50000 | 45,357.00000 | 33.14550 |
| 03 | STEP 03 | T580/34/03 | 22.95394 | 1,836.31520 | 47,744.19520 | 34.88999 |
| 04 | STEP 04 | T580/34/04 | 24.08532 | 1,926.82560 | 50,097.46560 | 36.60969 |
| 05 | STEP 05 | T580/34/05 | 25.32548 | 2,026.03840 | 52,676.99840 | 38.49473 |
| 06 | STEP 06 | T580/34/06 | 26.58741 | 2,126.99280 | 55,301.81280 | 40.41286 |
| 07 | STEP 07 | T580/34/07 | 27.95812 | 2,236.64960 | 58,152.88960 | 42.49634 |
| 08 | STEP 08 | T580/34/08 | 29.35059 | 2,348.04720 | 61,049.22720 | 44.61290 |
| 09 | STEP 09 | T580/34/09 | 30.85183 | 2,468.14640 | 64,171.80640 | 46.89478 |

Range: 35 RANGE 35

| Step | Step Description | Index Key Value | Amount | Bi-Weekly | Annual | Overtime @ 1.52 |
|------|------------------|-----------------|----------|-------------|--------------|-----------------|
| 01 | STEP 01 | T580/35/01 | 21.67679 | 1,734.14320 | 45,087.72320 | 32.94872 |
| 02 | STEP 02 | T580/35/02 | 22.88105 | 1,830.48400 | 47,592.58400 | 34.77920 |
| 03 | STEP 03 | T580/35/03 | 24.08532 | 1,926.82560 | 50,097.46560 | 36.60969 |
| 04 | STEP 04 | T580/35/04 | 25.32548 | 2,026.03840 | 52,676.99840 | 38.49473 |
| 05 | STEP 05 | T580/35/05 | 26.58741 | 2,126.99280 | 55,301.81280 | 40.41286 |
| 06 | STEP 06 | T580/35/06 | 27.95812 | 2,236.64960 | 58,152.88960 | 42.49634 |
| 07 | STEP 07 | T580/35/07 | 29.35059 | 2,348.04720 | 61,049.22720 | 44.61290 |
| 08 | STEP 08 | T580/35/08 | 30.85183 | 2,468.14640 | 64,171.80640 | 46.89478 |
| 09 | STEP 09 | T580/35/09 | 32.40749 | 2,592.59920 | 67,407.57920 | 49.25938 |

Range: 36 RANGE 36

| Step | Step Description | Index Key Value | Amount | Bi-Weekly | Annual | Overtime @ 1.52 |
|------|------------------|-----------------|----------|-------------|--------------|-----------------|
| 01 | STEP 01 | T580/36/01 | 22.79294 | 1,823.43520 | 47,409.31520 | 34.64527 |
| 02 | STEP 02 | T580/36/02 | 24.05922 | 1,924.73760 | 50,043.17760 | 36.57001 |
| 03 | STEP 03 | T580/36/03 | 25.32548 | 2,026.03840 | 52,676.99840 | 38.49473 |
| 04 | STEP 04 | T580/36/04 | 26.58741 | 2,126.99280 | 55,301.81280 | 40.41286 |
| 05 | STEP 05 | T580/36/05 | 27.95812 | 2,236.64960 | 58,152.88960 | 42.49634 |
| 06 | STEP 06 | T580/36/06 | 29.35059 | 2,348.04720 | 61,049.22720 | 44.61290 |
| 07 | STEP 07 | T580/36/07 | 30.85183 | 2,468.14640 | 64,171.80640 | 46.89478 |
| 08 | STEP 08 | T580/36/08 | 32.40749 | 2,592.59920 | 67,407.57920 | 49.25938 |
| 09 | STEP 09 | T580/36/09 | 34.03929 | 2,723.14320 | 70,801.72320 | 51.73972 |

Range: 37 RANGE 37

| Step | Step Description | Index Key Value | Amount | Bi-Weekly | Annual | Overtime @ 1.52 |
|------|------------------|-----------------|----------|-------------|--------------|-----------------|
| 01 | STEP 01 | T580/37/01 | 23.92867 | 1,914.29360 | 49,771.63360 | 36.37158 |
| 02 | STEP 02 | T580/37/02 | 25.25804 | 2,020.64320 | 52,536.72320 | 38.39222 |
| 03 | STEP 03 | T580/37/03 | 26.58741 | 2,126.99280 | 55,301.81280 | 40.41286 |
| 04 | STEP 04 | T580/37/04 | 27.95812 | 2,236.64960 | 58,152.88960 | 42.49634 |
| 05 | STEP 05 | T580/37/05 | 29.35059 | 2,348.04720 | 61,049.22720 | 44.61290 |
| 06 | STEP 06 | T580/37/06 | 30.85183 | 2,468.14640 | 64,171.80640 | 46.89478 |
| 07 | STEP 07 | T580/37/07 | 32.40749 | 2,592.59920 | 67,407.57920 | 49.25938 |
| 08 | STEP 08 | T580/37/08 | 34.03929 | 2,723.14320 | 70,801.72320 | 51.73972 |
| 09 | STEP 09 | T580/37/09 | 35.76898 | 2,861.51840 | 74,399.47840 | 54.36885 |

Range: 38 RANGE 38

| Step | Step Description | Index Key Value | Amount | Bi-Weekly | Annual | Overtime @ 1.52 |
|------|------------------|-----------------|--------|-----------|--------|-----------------|
|------|------------------|-----------------|--------|-----------|--------|-----------------|

City of Lansing
Salary Schedule Step Report

As of 12/7/2016

Entity ROOT

Schedule: T580 TEAMSTER 580

(Continued)

Amount Expressed As Hourly Amount

Range: 38 RANGE 38

| Step | Step Description | Index Key Value | Amount | | | |
|------|------------------|-----------------|----------|-------------|--------------|----------|
| 01 | STEP 01 | T580/38/01 | 25.16232 | 2,012.98560 | 52,337.62560 | 38.24673 |
| 02 | STEP 02 | T580/38/02 | 26.56022 | 2,124.81760 | 55,245.25760 | 40.37153 |
| 03 | STEP 03 | T580/38/03 | 27.95812 | 2,236.64960 | 58,152.88960 | 42.49634 |
| 04 | STEP 04 | T580/38/04 | 29.35059 | 2,348.04720 | 61,049.22720 | 44.61290 |
| 05 | STEP 05 | T580/38/05 | 30.85183 | 2,468.14640 | 64,171.80640 | 46.89478 |
| 06 | STEP 06 | T580/38/06 | 32.40749 | 2,592.59920 | 67,407.57920 | 49.25938 |
| 07 | STEP 07 | T580/38/07 | 34.03929 | 2,723.14320 | 70,801.72320 | 51.73972 |
| 08 | STEP 08 | T580/38/08 | 35.76898 | 2,861.51840 | 74,399.47840 | 54.36885 |
| 09 | STEP 09 | T580/38/09 | 37.57485 | 3,005.98800 | 78,155.68800 | 57.11377 |

Range: 39 RANGE 39

| Step | Step Description | Index Key Value | Amount | Bi-Weekly | Annual | Overtime @ 1.52 |
|------|------------------|-----------------|----------|-------------|--------------|-----------------|
| 01 | STEP 01 | T580/39/01 | 26.41554 | 2,113.24320 | 54,944.32320 | 40.15162 |
| 02 | STEP 02 | T580/39/02 | 27.88305 | 2,230.64400 | 57,996.74400 | 42.38224 |
| 03 | STEP 03 | T580/39/03 | 29.35059 | 2,348.04720 | 61,049.22720 | 44.61290 |
| 04 | STEP 04 | T580/39/04 | 30.85183 | 2,468.14640 | 64,171.80640 | 46.89478 |
| 05 | STEP 05 | T580/39/05 | 32.40749 | 2,592.59920 | 67,407.57920 | 49.25938 |
| 06 | STEP 06 | T580/39/06 | 34.03929 | 2,723.14320 | 70,801.72320 | 51.73972 |
| 07 | STEP 07 | T580/39/07 | 35.76898 | 2,861.51840 | 74,399.47840 | 54.36885 |
| 08 | STEP 08 | T580/39/08 | 37.57485 | 3,005.98800 | 78,155.68800 | 57.11377 |
| 09 | STEP 09 | T580/39/09 | 39.48949 | 3,159.15920 | 82,138.13920 | 60.02402 |

Range: 40 RANGE 40

| Step | Step Description | Index Key Value | Amount | Bi-Weekly | Annual | Overtime @ 1.52 |
|------|------------------|-----------------|----------|-------------|--------------|-----------------|
| 01 | STEP 01 | T580/40/01 | 27.76666 | 2,221.33280 | 57,754.65280 | 42.20532 |
| 02 | STEP 02 | T580/40/02 | 29.30925 | 2,344.74000 | 60,963.24000 | 44.55006 |
| 03 | STEP 03 | T580/40/03 | 30.85183 | 2,468.14640 | 64,171.80640 | 46.89478 |
| 04 | STEP 04 | T580/40/04 | 32.40749 | 2,592.59920 | 67,407.57920 | 49.25938 |
| 05 | STEP 05 | T580/40/05 | 34.03929 | 2,723.14320 | 70,801.72320 | 51.73972 |
| 06 | STEP 06 | T580/40/06 | 35.76898 | 2,861.51840 | 74,399.47840 | 54.36885 |
| 07 | STEP 07 | T580/40/07 | 37.57485 | 3,005.98800 | 78,155.68800 | 57.11377 |
| 08 | STEP 08 | T580/40/08 | 39.48949 | 3,159.15920 | 82,138.13920 | 60.02402 |
| 09 | STEP 09 | T580/40/09 | 41.52380 | 3,321.90400 | 86,369.50400 | 63.11618 |

Range: 41 RANGE 41

| Step | Step Description | Index Key Value | Amount | Bi-Weekly | Annual | Overtime @ 1.52 |
|------|------------------|-----------------|----------|-------------|--------------|-----------------|
| 01 | STEP 01 | T580/41/01 | 29.16673 | 2,333.33840 | 60,666.79840 | 44.33343 |
| 02 | STEP 02 | T580/41/02 | 30.78712 | 2,462.96960 | 64,037.20960 | 46.79642 |
| 03 | STEP 03 | T580/41/03 | 32.40749 | 2,592.59920 | 67,407.57920 | 49.25938 |
| 04 | STEP 04 | T580/41/04 | 34.03929 | 2,723.14320 | 70,801.72320 | 51.73972 |
| 05 | STEP 05 | T580/41/05 | 35.76898 | 2,861.51840 | 74,399.47840 | 54.36885 |
| 06 | STEP 06 | T580/41/06 | 37.57485 | 3,005.98800 | 78,155.68800 | 57.11377 |
| 07 | STEP 07 | T580/41/07 | 39.48949 | 3,159.15920 | 82,138.13920 | 60.02402 |
| 08 | STEP 08 | T580/41/08 | 41.52380 | 3,321.90400 | 86,369.50400 | 63.11618 |
| 09 | STEP 09 | T580/41/09 | 43.61250 | 3,489.00000 | 90,714.00000 | 66.29100 |

Range: 42 SALARY 42

| Step | Step Description | Index Key Value | Amount | Bi-Weekly | Annual | Overtime @ 1.52 |
|------|------------------|-----------------|--------|-----------|--------|-----------------|
|------|------------------|-----------------|--------|-----------|--------|-----------------|

City of Lansing
Salary Schedule Step Report
As of 12/7/2016

Entity ROOT

Schedule: T580 TEAMSTER 580

(Continued)

Amount Expressed As Hourly Amount

Range: 42 SALARY 42

| Step | Step Description | Index Key Value | Amount | | | |
|------|------------------|-----------------|----------|-------------|--------------|----------|
| 01 | STEP 01 | T580/42/01 | 30.63535 | 2,450.82800 | 63,721.52800 | 46.56573 |
| 02 | STEP 02 | T580/42/02 | 32.33733 | 2,586.98640 | 67,261.64640 | 49.15274 |
| 03 | STEP 03 | T580/42/03 | 34.03929 | 2,723.14320 | 70,801.72320 | 51.73972 |
| 04 | STEP 04 | T580/42/04 | 35.76898 | 2,861.51840 | 74,399.47840 | 54.36885 |
| 05 | STEP 05 | T580/42/05 | 37.57485 | 3,005.98800 | 78,155.68800 | 57.11377 |
| 06 | STEP 06 | T580/42/06 | 39.48949 | 3,159.15920 | 82,138.13920 | 60.02402 |
| 07 | STEP 07 | T580/42/07 | 41.52380 | 3,321.90400 | 86,369.50400 | 63.11618 |
| 08 | STEP 08 | T580/42/08 | 43.61250 | 3,489.00000 | 90,714.00000 | 66.29100 |
| 09 | STEP 09 | T580/42/09 | 45.82086 | 3,665.66880 | 95,307.38880 | 69.64771 |

Range: 43 RANGE 43

| Step | Step Description | Index Key Value | Amount | Bi-Weekly | Annual | Overtime @ 1.52 |
|------|------------------|-----------------|----------|-------------|---------------|-----------------|
| 01 | STEP 01 | T580/43/01 | 32.19208 | 2,575.36640 | 66,959.52640 | 48.93196 |
| 02 | STEP 02 | T580/43/02 | 33.98054 | 2,718.44320 | 70,679.52320 | 51.65042 |
| 03 | STEP 03 | T580/43/03 | 35.76898 | 2,861.51840 | 74,399.47840 | 54.36885 |
| 04 | STEP 04 | T580/43/04 | 37.57485 | 3,005.98800 | 78,155.68800 | 57.11377 |
| 05 | STEP 05 | T580/43/05 | 39.48949 | 3,159.15920 | 82,138.13920 | 60.02402 |
| 06 | STEP 06 | T580/43/06 | 41.52380 | 3,321.90400 | 86,369.50400 | 63.11618 |
| 07 | STEP 07 | T580/43/07 | 43.61250 | 3,489.00000 | 90,714.00000 | 66.29100 |
| 08 | STEP 08 | T580/43/08 | 45.82086 | 3,665.66880 | 95,307.38880 | 69.64771 |
| 09 | STEP 09 | T580/43/09 | 48.15978 | 3,852.78240 | 100,172.34240 | 73.20287 |

Range: 44 RANGE 44

| Step | Step Description | Index Key Value | Amount | Bi-Weekly | Annual | Overtime @ 1.52 |
|------|------------------|-----------------|----------|-------------|---------------|-----------------|
| 01 | STEP 01 | T580/44/01 | 33.81737 | 2,705.38960 | 70,340.12960 | 51.40240 |
| 02 | STEP 02 | T580/44/02 | 35.69611 | 2,855.68880 | 74,247.90880 | 54.25809 |
| 03 | STEP 03 | T580/44/03 | 37.57485 | 3,005.98800 | 78,155.68800 | 57.11377 |
| 04 | STEP 04 | T580/44/04 | 39.48949 | 3,159.15920 | 82,138.13920 | 60.02402 |
| 05 | STEP 05 | T580/44/05 | 41.52380 | 3,321.90400 | 86,369.50400 | 63.11618 |
| 06 | STEP 06 | T580/44/06 | 43.61250 | 3,489.00000 | 90,714.00000 | 66.29100 |
| 07 | STEP 07 | T580/44/07 | 45.82086 | 3,665.66880 | 95,307.38880 | 69.64771 |
| 08 | STEP 08 | T580/44/08 | 48.15978 | 3,852.78240 | 100,172.34240 | 73.20287 |
| 09 | STEP 09 | T580/44/09 | 50.60747 | 4,048.59760 | 105,263.53760 | 76.92335 |

THE FOLLOWING APPENDIX ITEMS ARE FOR HISTORICAL PURPOSES ONLY

APPENDIX B

MEMORANDUM OF UNDERSTANDING REGARDING POST-RETIREMENT PENSION ADJUSTMENTS AND HEALTH CARE FOR RETIREES OF THE DEFINED BENEFIT PENSION PLAN UNDER THE GENERAL EMPLOYEES RETIREMENT SYSTEM

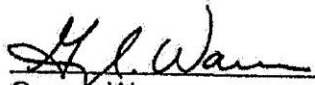
The City and Union agree, as a permissive subject of bargaining and without future obligations to negotiate over the issue, to discuss a pension adjustment for retirees. In the course of discussions, the following terms and conditions for pre-funding of health care and cost of living adjustments for the Defined Benefit retirement plan were agreed upon utilizing the analysis of the City's actuarial firm, Gabriel, Roeder, Smith & Company:

1. The adjustment will be cost neutral to the City of Lansing.
2. The City will request the Employee Retirement Board to change the actuarial rate of return from seven percent (7%) to eight percent (8%) to fund the desired benefit changes.
3. The existing contingency reserve within the Retirement System, after changing the assumed rate of return, will be used as an additional resource for the benefit changes.
4. The parameters for the recommended changes will be as follows:
 - A. The reduction in the City contribution resulting from changing the assumed rate of return shall be used for pre-funding of health care.
 - B. The contingency reserve will be eliminated.
 - C. The assets of the contingency reserve will remain in the Retirement System for the benefit of the (newly created) Member Reserve Fund.
 - D. From the Member Reserve Fund, a lump sum amount will be transferred to the Retirement Reserve Fund to create a minimum pension benefit (this is a one-time increase). The minimum pension is based on \$150 for each full year of service and \$100 for each year since retirement. The increase will be reduced based on the benefit option chosen at retirement.

- E. The balance of the Member Reserve Fund will be used as follows:
1. Twenty-five percent (25%) of the investment income will be set aside to increase the principal balance of the Member Reserve Fund.
 2. Thirty-seven and one-half percent (37.5%) of the investment income will be used to pre-fund health care.
 3. Thirty-seven and one-half percent (37.5%) of the investment income will be used to fund a fixed annual increase in retirement benefits for all members with a minimum of eight (8) years of service (unless benefits result from a duty death), who are at least sixty (60) years of age. The fixed amount will be determined by the actuary and is expected in year one to be approximately \$150 or three percent (3%), whichever is less. The increase will be adjusted at least every five (5) years as recommended by the actuary. The increase will be reduced based on the benefit option chosen at retirement.

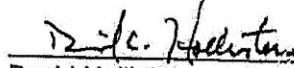
Executed this 13 day of Dec, 2000.

FOR THE UNION



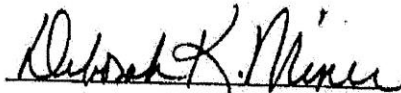
 George Warner
 Secretary-Treasurer

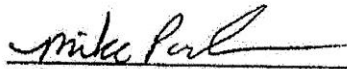
FOR THE CITY:
 BY ITS MAYOR:



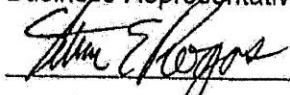
 David Hollister


BY ITS CLERK:





 Michael Parker
 Business Representative







APPROVED AS TO FORM BY
 CITY ATTORNEY

Wiana M. Lee
Allen J. Albert

J. D. Powell
APPROVED AS TO FORM BY
CITY ATTORNEY

Robert W. Brown
I HEREBY CERTIFY FUNDS HAVE
BEEN APPROPRIATED:
CITY CONTROLLER

John A. Bensingen
Labor Relations

APPENDIX C
HISTORICAL LANGUAGE

(Articles and Sections refer to CBAs or Amendments as contained in the original.)

I. HISTORICAL RETIREE HEALTHCARE LANGUAGE:

CBA
February 1, 2003-January 31, 2007

Article 7

Wage Supplements

SECTION 3. Hospital, Medical, Surgical Insurance.

A...

H. Retirement Health Care Coverage. Eligible retirees and eligible members of the City's Defined Contribution Money Purchase Plan (DCMPP) shall be covered by the same insurance as active bargaining unit members; However, Blue Cross/Blue Shield Traditional health care insurance will remain available as an option to eligible retirees and eligible members of the city's DCMPP. Any additional costs for Traditional coverage in excess of the base plan will be paid by the retiree.

1. Defined Benefit Plan Employees hired on or after July 1, 1987 shall not become eligible retirees under this provision unless they work at least fifteen (15) years for the City, and are eligible to receive age and service retirement benefits or they are eligible for duty disability retirement, under the terms of the General Employees' Retirement System ordinance.

2. Defined Benefit Plan Employees hired before July 1, 1987, shall become eligible retirees under this provision when they are eligible to receive age and service retirement benefits (deferred or immediate) or a disability retirement under the terms of the General Employees' Retirement System ordinance, consistent with the practice then in effect.

3. Retirement Health Insurance for Employees Hired Prior to October 29, 1990 who Previously Transferred Out of the Employees Retirement System to the Defined Contribution Money Purchase Plan.

These employees shall become eligible for retirement health care coverage with sixty-five (65) points that applies to Teamsters Local 580 bargaining unit members of the Employees Retirement System, as specified in Article 24.

4. Retirement Health Insurance for Defined Contribution Members hired after October 29, 1990 (Which, Effective October 1, 2003 are members of the Employee Retirement System (ERS) with one and six tenths percent (1.60%) factor.

Effective October 1, 2000, the City agrees to provide and pay one hundred (100%) of the premium (including dental insurance) for single, double, or full family coverage (up to the appropriate premium under the base plan) beginning at the date of termination of employment with the Employer, or at age fifty-five (55), whichever is later, provided the employee has at least fifteen (15) years of applicable full-time service with the Employer (including full time service prior to October 1, 2000). Employees who terminate employment with the Employer prior to October 1, 2000 shall not be eligible for modifications to the retiree health care language that take effect October 1, 2000.

(A)...

(C) Retirement Health Care Opt Out- Defined Contribution Plan.

(a) If allowed by IRS regulations, and only if retirement health care opt out does not become taxable income to those who elect to participate in the health care plan provided, eligible members (minimum 15 years of service and age 55) of the Defined Contribution Plan shall be allowed to opt out of the retirement health care plan annually during the first open enrollment period following the date they reach the eligibility age of fifty-five (55), continuing through age sixty (60). During the first open enrollment period after reaching age sixty (60), the eligible member must irrevocably select one of the following (any of which, once selected, will be in effect to age seventy (70), with one exception noted in the paragraph below):

(i) Elect to receive the opt out dollar amount listed above. The total City commitment for retirement health care opt out would end at age seventy (70).

OR

(ii) Elect to participate in the health care plan provided, in which the total City commitment for retirement health care opt out would end.

OR

(iii) Elect not to participate in either (a) or (b), in which case the City commitment for retirement health care opt out would end.

Subject to the above conditions, re-enrollment in one of the City's retirement health care plans will only be permitted at the time of the City's open enrollment which is at least one year from the initial date of the opt out, with the following

exception: In the event the member loses his/her alternative coverage prior to age seventy (70) and provides written documentation of loss of such coverage, re-enrollment in one of the City's medical insurance plans will be permitted and the effective date of coverage will be as soon as allowable under the applicable insurance vendor. After such re-enrollment, retiree health care opt-out will no longer be permitted to that member.

- (b) It is the employee/retiree's responsibility to contact the City regarding their opt out, and to provide the City with their current mailing address.
- (c) Eligible Defined Contribution Money Purchase Plan members who opt out of the retirement health care plan shall be eligible to receive the amount provided for active employees referenced in Article 8, Section 3 G. Such payment shall be made in equal installments at least a year following the period of time the member had opted out.

(D) The City will establish a trust by ordinance under Act 149 for the purpose of pre-funding retirement health care benefits for eligible employees who terminate employment under the Defined Contribution Money Purchase Plan.

- (1) Effective October 1, 2000, the City shall be responsible for prefunding of the retirement health care for all eligible employees of the Defined Contribution Money Purchase Plan.
- (2) The City shall deposit annually into the trust assets to pre-fund retirement health care. A minimum of four percent (4%) of total bargaining unit payroll will initially be used to base employer contributions.
- (3) The City will obtain an actuarial evaluation not less than every three (3) years to assess the funded status of the trust. Any unfunded liabilities will be amortized over a prudent period of time.
- (4) The trust shall have employee representation subject to election. The current Defined Contribution Governing Board, which includes employee representation, shall act as trustees for this trust.

For Information Only: The above changes regarding healthcare made to the 2003-2007 collective bargaining agreement shall not be effective for current retirees (those retired at the time of ratification of this agreement – August 12, 2003) until February 20, 2006.

5. Complementary Health Care Coverage. The City will provide 100% paid complementary health care coverage as the base plan for people qualifying under Article 7, Section 4, Subsection H, paragraphs 1, 2, 3, or 4 above at the time the individual or

spouse reaches Medicare eligibility age. At the time an eligible retiree, eligible member of the City's Defined Contribution Money Purchase Plan, or current spouse reaches the Medicare eligibility date, such Individual's coverage shall be converted to complementary coverage. Benefits and coverages under complementary health care coverage shall not be reduced from that provided in the base plan in effect.

6. Employees hired after the date of ratification of the 2007-2011 Agreement will be entitled to City paid retiree health care or complementary health care coverage consistent with active employee health care after 25 years of service.

SECTION 4. Vision Insurance...

SECTION 5. Dental Insurance Coverage.

A...

B. Retiree Dental Insurance Coverage. Eligible retirees shall be covered by the same insurance as active bargaining unit members.

1. Defined Benefit Plan Employees hired on or after July 1, 1987 shall not become eligible retirees under this provision unless they work at least fifteen (15) years for the City and are eligible to receive age and service retirement benefits, or they are eligible for duty disability retirement benefits, under the terms of the General Employee's Retirement System ordinance.

2. Defined Benefit Plan Employees hired before July 1, 1987 shall become eligible retirees under this provision when they are eligible to receive age and service retirement benefits (deferred or immediate) or a disability retirement under the terms of the General Employees' Retirement System ordinance, consistent with the practice then in effect.

3. Employees Hired Prior to October 29, 1990 who Previously Transferred Out of the Employees Retirement System to the Defined Contribution Money Purchase Plan. These Employees shall become eligible for retiree dental coverage within sixty-five (65) points that applies to Teamsters Local 580 bargaining unit members of the Employees Retirement System, as specified in Article 24.

4. Defined Contribution Members Hired After October 29, 1990 (Which Effective October 1, 2003 are members of the Employee Retirement System (ERS) with a one and six tenths percent (1.60%) factor). Effective October 1, 2000, the City agrees to provide retiree dental coverage to members of the Defined Contribution Money Purchase Plan, provided they meet age and service requirements for retirement health insurance eligibility stated in Sections 3, H. 4 of this Article.

SUMMARY OF THE TENTATIVE AGREEMENT
(CBA Amendment)
February 1, 2007 – January 31, 2012

ARTICLE 7

SECTION 3. HOSPITAL, MEDICAL, SURGICAL INSURANCE: (Effective as soon as vendors can make plan changes)

- City employees married to City employees are entitled to one coverage only and are not entitled to opt-out payment.
- Retiree Healthcare Monthly Premium Share: 1% of annual pension benefit capped at \$125/225/325 annually.
- Retiree Healthcare: new employees hired after ratification will vest for retiree healthcare coverage after twenty-five (25) years of service.

AGREEMENT REGARDING MODIFICATION OF THE 2007 – 2012 COLLECTIVE BARGAINING AGREEMENT

[See Appendix _I_]

II. HISTORICAL RETIREMENT PENSION LANGUAGE:

CBA
February 1, 2003 – January 31, 2007

Article 24

Retirement Pension

Section 1. General. Except for part-time, seasonal and temporary employees covered by Article 3 Section 2, the City will continue to provide to full time regular employees a retirement pension under the General Employees Retirement System or an alternate retirement pension through the City's Defined Contribution Money Purchase Plan.

Section 2. Defined Benefit Pension Plan Under the General Employees Retirement System - For Employees Hired into Full Time Positions Prior to October 29, 1990, Unless Opted-Out Pursuant to Section 4(a)(2) of this Article.

The retirement pension under the plan which has been in effect shall remain intact for the remainder of this Agreement. The City reserves the right to substitute another means of providing this coverage; however the fundamental provisions of the plan and the benefits thereunder will not be reduced.

Effective June 30, 1987, the actuarial bases for member's monthly retirement benefits shall be sex neutral. Any costs associated with equalizing monthly pensions for similarly situated employees, or "topping up" the benefits, shall be assumed by the City.

A. Age and Service Retirement Allowance

1. Effective July 1, 1987, Section 26-22, subsection (a) (2), of the City of Lansing Ordinances covering the General Employees Retirement System, will be amended to provide the following benefits to members of this bargaining unit:

(2) A pension which, when added to the member's annuity, shall provide a straight life retirement allowance equal to the number of years and fraction of a year, through a maximum of thirty-five (35) years, of the member's credited service multiplied by two and three-tenths per cents (2.3%) of the member's final average compensation. Credited service in excess of thirty-five (35) and through forty (40) years, shall be multiplied by one and one half percent (1.5%) of the member's final average compensation and shall be included in the member's straight life retirement allowance. Credited service in excess of forty (40) years shall be multiplied by one percent (1%) of the member's final average compensation and included in the member's straight life retirement allowance.

2. Effective October 1, 1988, Section 26-22, subsection (a) (2), of the City of Lansing Ordinances covering the General Employees Retirement System, will be amended to provide the following benefits to members of this bargaining unit:

(2) A pension which, when added to the member's annuity, shall provide a straight life retirement allowance equal to the number of years and fraction of a year, through a maximum of thirty-five (35) years, of the member's credited service multiplied by two and four-tenths per cent (2.4%) of the member's final average compensation. Credited service in excess of thirty-five (35) and through forty (40) years, shall be multiplied by one and one half per cent (1.5%) of the member's final average compensation and shall be included in the member's straight life retirement allowance. Credited service in excess of forty (40) years shall be multiplied by one per cent (1%) of the member's final average compensation and included in the member's straight life retirement allowance.

3. Effective July 1, 1989, Section 26-22, subsection (a) (2), of the City of Lansing Ordinances covering the General Employees Retirement System, will be amended to provide the following benefits to members to this bargaining unit:

(2) A pension which, when added to the member's annuity, shall provide a straight life retirement allowance equal to the number of years and fraction of a year, through a maximum of thirty-five (35) years, of the member's credited service multiplied by two and five-tenths per cent (2.5%) of the member's final average compensation. Credited service in excess of thirty-five (35) and through forty (40) years shall be multiplied by one and one half per cent (1.5%) of the member's final average compensation and shall be included in the member's straight life retirement allowance. Credited service in excess of forty (40) years shall be multiplied by one per cent (1%) of the member's final average compensation and included in the member's straight life retirement allowance.

4. Effective October 1, 2000, Section 26-22, subsection (a) (2), of the City of Lansing Ordinances covering the General Employees Retirement System, will be amended to provide the following benefits to members of this bargaining unit:

(2) a pension which, when added to the member's annuity, shall provide a straight life retirement allowance equal to the number of years and fraction of a year, through a maximum of thirty-five (35) years, of the member's credited service multiplied by two and three-quarters percent (2.75%) of the member's final average compensation. Credited service in excess of thirty-five (35) and through forty (40) years shall be multiplied by one and one half percent (1.5%) of the member's final average compensation and shall be included in the member's straight life retirement allowance. Credited service in excess of forty (40) years shall be multiplied by one per cent (1%) of the member's final average compensation and included in the member's straight life retirement allowance. In no case shall the pension exceed 100% of a member's final average compensation unless allowed by law.

Employees who retire prior to October 1, 2000 shall not be eligible for the increased multiplier.

5. Effective October 1, 2003, Section 26-22, Subsection (A) (2), of the City of Lansing Ordinances covering the General Employees Retirement System, will be amended to provide the following benefits to members of this bargaining unit:

(2) a pension which, when added to the member's annuity, shall provide a straight life retirement allowance equal to the number of years and fraction of a year, through a maximum of thirty-five (35) years, of the member's credited service multiplied by two and eight tenths percent (2.80%) of the member's final average compensation. Credited service in excess of thirty-five (35) and through forty (40) years shall be multiplied by one and one half percent (1.5%) of the member's final average compensation and shall be included in the member's straight life retirement allowance. Credited service in excess of forty (40) years shall be multiplied by one per cent (1%) of the member's final average compensation and included in the member's straight life retirement allowance. In no case shall the pension exceed 100% of a member's final average compensation unless allowed by law.

Employees who retire prior to October 1, 2003 shall not be eligible for the increased multiplier.

Effective October 1, 2003

Employees from other bargaining units (even if hired prior to October 29, 1990) shall transition to the 1.60% factor for future years of service and shall not qualify and/or transition to the 2.80% factor within the Defined Benefit Retirement System. Health care for these transition employees shall be paid by the City and pre-funded through the VEBA not through the ERS system.

B. Employee's Savings Fund

1. Effective October 1, 1987, Section 26-34, subsection (B), of the City of Lansing Ordinances covering the General Employee's Retirement System, will be amended to require members of this bargaining unit to make a contribution, as follows:

(4) Effective October 1, 1987, each member shall contribute to the retirement system two and one-half per cent (2.5%) of the member's annual compensation. Effective October 1, 1988, each member's contribution shall be increased to three per cent (3%) of the member's annual compensation. Effective October 1, 1989, each member's contribution shall be increased to four per cent (4%) of the member's annual compensation.

2. Effective July 1, 1992, Section 26-34, subsection (B), of the City of Lansing Ordinances covering the General Employee's Retirement System, will be amended to require members of this bargaining unit to make a contribution, as follows.
 - (4) Effective July 1, 1992, each member shall contribute to the retirement system three per cent (3%) of the member's annual compensation.

3. IRS 414(H) Plan. Immediately following ratification of the 1994 contract by both parties, the City will begin the process to implement an IRS 414(h) Plan (pretax contributions). The City will provide monthly updates to the bargaining units as to the status of the process by sending a letter to the business representative and a copy to each steward who will be responsible for posting it on the appropriate union bulletin board.

4. Effective October 1, 2000, Section 26-34, subsection (b), of the City of Lansing Ordinances covering the General Employees Retirement System, will be amended to require members of this bargaining unit to make a contribution as follows:
 - (4) Effective October 1, 2000, each member shall contribute to the retirement system three and one-quarter per cent (3.25%) of the member's annual compensation.

The Union recognizes that pre-tax contribution may affect the maximum eligibility for 457 Plan deferrals.

5. Effective the first pay-date on or after October 1, 2003, Section 26-34, Subsection (b), of the City of Lansing Ordinances covering the General Employees Retirement System, will be amended to require members of this bargaining unit to make a contribution as follows:
 - (4) effective the first pay date on or after October 1, 2003, each member shall contribute to the retirement system three and one-half per cent (3.50%) of the member's annual compensation.

The union recognizes that pre-tax contribution may affect the maximum eligibility for 457 plan deferrals.

Section 3. Employees Hired Prior to October 29, 1990 Who Previously Transferred Out of the Employees Retirement System to the Defined Contribution Money Purchase Plan in Accordance with Article 24, Section 4(a)(2)..

The City will provide a one-time option to employees who transferred out of the Employees Retirement System to return to the Employees Retirement System from the Defined Contribution Money Purchase Plan.

Employees shall not be required to make any change in retirement plans. Any change would be totally voluntary.

A. Employees who opt to remain in the Defined Contribution Money Purchase Plan shall not be required to pay the agreed-to employee contribution for health care referenced in Article 7, Section 3.

B. Employees who opt to return to the Employees Retirement System must elect to do so by September 1, 2000, or they will remain in the Defined Contribution Money Purchase Plan. Employees who return to the Employees Retirement System:

1. Shall be vested immediately in the Employees Retirement System plan.
2. Shall be subject to the same employee contribution effective October 1, 2000 as all other Teamster Local 580 bargaining unit members in the plan.
3. Will receive credit in the Employees Retirement System plan for future years of service to the Employer.
4. Shall receive credit for actual time worked for the City towards post-retirement health care coverage and retirement eligibility with sixty-five (65) points that applies to Teamsters Local 580 bargaining unit members of the Employees Retirement System.
5. Shall have a one-time, option to purchase past years of service at an 83.9% funded rate. The costs for purchasing years of service shall be determined by the City's actuary using agreed upon assumptions. Service credits may be purchased up to a maximum of the actual full time employment worked for the City. Members may transfer assets of the Defined Contribution Money Purchase Plan or other available assets.

Payment for service credits purchased must be completed by September 1, 2000. This deadline will be extended for individual employees only in the event that the actuary does not complete an individual employee's determination of costs for purchasing years of service by July 1, 2000. The extension of the September 1, 2000 deadline would be by the equivalent number of days that the actuarial determination due July 1, 2000 was delayed.

6. Employees who retire prior to October 1, 2000 shall not be eligible for modifications to the retirement language that take effect October 1, 2000.

Section 4. Defined Contribution Money Purchase Plan B employees hired on or after October 29, 1990. The City provides an alternative plan to the current Defined Benefit Retirement Plan under the General Employees Retirement System. The provisions shall be exactly the same as for the plan for exempt employees and any clarifications or adjustments shall also be exactly the same. The alternative retirement plan shall have the following provisions, with appropriate plan documents and/or

ordinances to be put in place by the City, implementing these provisions:

A. Employees Hired Prior to October 29, 1990

1. With the 1990 contract, shall have the option to remain in the General Employees Retirement System with an added early retirement formula of age + service '65 to be eligible for retirement.

Effective upon ratification of the 2003-2007 collective bargaining agreement (August 12, 2003), the Sixty-Five (65) Point Early Retirement Incentive shall be eliminated. Teamsters 580 Supervisory bargaining unit members, currently in the Defined Benefit Retirement System (employees hired into full time positions prior to October 29, 1990) at the time of the ratification of the 2003-2007 agreement, shall be Grand - fathered regarding the Sixty-five (65) Point Early Retirement Incentive.

2. Shall have a six month one-time, one-way option, with the 1990 contract, to elect to have the funded present value of their accrued benefits (as determined by the actuary) transferred in cash into the new Defined Contribution Money Purchase Plan. Additionally, such employees shall retain the same post-retirement health care coverage with 65 points that applies to Teamster #580 members of the ERS.

No such employee has to make any change. Change would be totally voluntary.

Effective October 1, 2003

Employees from other bargaining units (even if hired prior to October 29, 1990) shall transition to the 1.60% factor for future years of service and shall not qualify and/or transition to the 2.80% factor within the Defined Benefit Retirement System. Health care for these transition employees shall be paid by the City and pre-funded through the VEBA not through the ERS system.

B. Employees hired after October 29, 1990 shall not belong to ERS, but shall instead belong to the City of Lansing's Defined Contribution Money Purchase Plan.

FOR HISTORICAL PURPOSES AND FOR THOSE EMPLOYEES WHO HAD PREVIOUSLY RETIRED PRIOR TO OCTOBER 1, 2003, SUBSECTIONS (C) THROUGH (H) BELOW APPLY:

C. Employer Contributions. The Defined Contribution Money Purchase Plan shall provide 5% of eligible pay as City contribution for each covered employee's retirement account; 1% of covered pay for the employee's account to defray health care premiums or, at employee's sole option, to be combined with the retirement account at point of termination. Effective October 1, 2000, the five percent (5%) and one percent (1%) referenced above shall be combined to provide said plan six percent (6%) of eligible

gross annual wages as the total City contribution for each covered employee's retirement account. Employees who terminate employment with the Employer prior to October 1, 2000 shall not be eligible for modifications to the retirement language that take effect October 1, 2000.

Effective for calendar year 1998 contributions, all Employer contributions will be made monthly beginning with the date of hire.

D. Employees shall be vested in the Defined Contribution Money Purchase Plan at the completion of three (3) years' credited service.

E. The City shall provide a long-term disability policy for members of the Defined Contribution Money Purchase Plan. The City agrees that during the term of this Agreement, it will request proposals from alternative long term disability providers. Another provider may be substituted if it would be economically advantageous, ensuring that the current level of benefits are maintained or improved.

F. Members of the Defined Contribution Money Purchase Plan may make up to 5% voluntary contribution to the plan to the extent permitted by law.

Effective July 1, 1995 and following approval of plan amendments by the IRS, members of the Defined Contribution Money Purchase Plan may make up to eight percent (8%) voluntary contribution to the plan to the extent permitted by law.

G. The parties will enter into a Memorandum of Understanding which will expand the investment options, and the City will establish a Governing Committee for the Defined Contribution Money Purchase Plan with Teamster #580 representation subject to election.

H. Effective October 1, 2000 the City agrees to pay all administrative fees associated with the Defined Contribution Money Purchase Plan.

This language shall govern the provisions of the alternative plan ordinance, and plan language will not be subject to further negotiation.

Effective October 1, 2003

Defined Contribution members shall become members of the Defined Benefit System with a 1.60% factor for future years of service with an employee contribution of 5.50% effective the first pay date on or after 10/1/03. Contributions to the Defined Contribution Plan shall end with the last pay date in September 2003.

These employees shall be eligible to buy eligible years of service at the actual cost as calculated by the actuary. Employees must make such purchase by 12/31/03 or 90 days after the actuarial evaluation, whichever is later. These actuarial evaluations shall be paid for by the City.

Current active Defined Contribution members may make a plan-to-plan transfer to the

Defined Benefit Plan, up to a maximum of the actuarial calculated cost to purchase eligible years of service, effective 10/1/03.

Effective October 1, 2003, employees who are members of the Defined Contribution Money Purchase Plan will be given full credit of their Defined Contribution time for purposes of vesting in the Defined Benefit System. This may result in time available for vesting being larger than service credits available for pension calculation.

No representations are made by the City or the Union that Defined Contribution assets will be sufficient to purchase prior years of service, and it is highly probable that the amount required to purchase prior years of service would be substantially more than available D.C. assets. Therefore, no representations are made or are to be construed regarding this issue, and the City, nor the Union assume any liability. This issue is not subject to grievance procedure, mediation, arbitration, or other legal or administrative proceeding or adjudication by the bargaining unit.

No unfunded liability shall be created by any future factor changes unless paid by employee.

Health care for employees hired on or after October 29, 1990 shall be provided by the City and pre-funded by the VEBA, not in the ERS system.

Eliminate current Long-Term Disability Plan

Members of the Employee Retirement System shall become vested with eight (8) years of full-time City service.

Retirement at age 50, with 25 years of credited service or age 58, with 8 years of credited service.

Defined Benefit Members in the 1.60 factor plan shall not receive Cost of Living Allowances (C.O.L.A.).

SUMMARY OF TENTATIVE AGREEMENT
(CBA Amendment)
February 1, 2007- January 31, 2012

ARTICLE 24

RETIREMENT PENSION

(Effective the pay period beginning on or immediately following 2/1/10)

Increase 1.6 factor to 1.8; City and the member to equally share the costs at the actuarially determined rate from study (.849%)

AGREEMENT REGARDING
MODIFICATION OF 2007-2012 CBA
(Extending CBA to January 31, 2013)
(Ratified, June 27, 2011)

4. Final Average Compensation: Employees whose calculation of final average compensation for their pension benefit would be negatively affected because of furlough hours not worked may elect to utilize the employee's accumulated sick and/or vacation leave time to exchange, hour for hour, for those furlough hours not worked (up to the maximum of one hundred sixty eight (168) hours) in lieu of those sick and/or vacation leave time hours being paid out with the remainder of the bank, if any, at retirement during fiscal year 2012.

APPENDIX D

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF LANSING
AND
TEAMSTERS LOCAL 580
CLERICAL, TECHNICAL, PROFESSIONAL UNIT
&
SUPERVISORY UNIT
REGARDING
FISCAL YEAR 2013

Whereas the adopted Fiscal Year (FY) 2013 budget calls for cost reduction measures, one of which is a reduction of two hundred eight (208) work hours for the fiscal year July 1, 2012 – June 30, 2013, the City of Lansing (City) and the Teamsters Local 580 Clerical, Technical, Professional and Supervisory Units ("Union") have mutually agreed as follows:

1. Employees will have health insurance options as per the City's "Summit" Proposal (effective date to be February 1, 2013):
 - a. Base Plan (1000/2000 Deductible Plan): BCBS Community Blue PPO Plan 12/20 or PHP Plan DPL15500 will be provided by the City with no premium cost/sharing by the employee; or
 - b. Option 1 (500/1000) Deductible Plan): the employee may elect the BCBS PPO Plan 4 or PHP Plan DPL15400 by paying the cost difference above the cost of the corresponding company's Base Plan product; or
 - c. Option 2 (Current Plan): the employee may elect the BCBS PPO Plan commonly known as "68056-662" or PHP DPL15000 by paying the cost difference above the cost of the corresponding company's Base Plan product.
2. In the event that health insurance plan changes referenced in paragraph one (1) above are ratified by the Union no later than November 30, 2012, the City will pay each employee a one-thousand dollar (\$1,000.00) signing bonus effective the first full pay period following January 1, 2013.
3. Pursuant to Article 12 of the parties' current collective bargaining agreement, employees' work schedules may be other than eight (8) hours per day. The employee and his/her department head or designee may enter into a mutual agreement which redefines the employee's workday. All parties agree that any such agreement is not being implemented for the purpose of avoiding overtime and that this Memorandum of Understanding does not limit or change the rights of the City under the current collective bargaining agreement to establish work schedules and make work assignments.
 - A. Holidays: holidays will be paid at the number of hours normally worked by the employee on the day the holiday is observed.
 - B. Vacation, sick leave, personal leave and any other paid leave time will be paid at the hours normally worked by the employee. Accrual rates will remain as is provided for in the current collective bargaining agreement.
 - C. Personal leave: twenty (20) personal leave hours will be credited to each employee on January 1, 2013.
 - D. Overtime: overtime compensation or compensatory time shall continue to be due for time worked in excess of the normal scheduled workday (including those that are flexible schedules pursuant to paragraph 4 above) or forty (40) hours in a work week.

4. Final Average Compensation: At the time of retirement if it is discovered that an employee's required furlough hours during FY10, FY11, FY12, FY13 have caused a reduction in the final average compensation calculation for what otherwise would have been their highest twenty-four (24) continuous months, the employee may utilize available accumulated sick or vacation time from their sick leave or vacation time banks and designate these hours as hours worked (up to the maximum furlough hours taken). If the employee chooses to do so, the employee must submit the requirement paperwork at the time leave balance payout amounts are calculated. Hours designated will be included in the calculation of final average compensation and paid out as wages.
5. Payment of Wages: Employees may spread the reduction of pay across all pay periods remaining in FY13 so as to lessen the impact on the paycheck.
6. This Agreement constitutes the entirety of the agreements between the parties regarding this matter. No other terms were agreed to.
7. This Agreement expires June 30, 2013.

Entered into this 27th day of March, 2012:

FOR THE UNION:

Lynne Meade
Lynne Meade, Business Rep.

David Adams
CTP Unit Steward

David Adams
CTP Unit Steward

Michelle G. G. G.
CTP Unit Steward

Michelle G. G. G.
CTP Unit Steward

Maren Hoodin
CTP Unit Steward

[Signature]
Supervisory Unit Steward

Maree McDermott Cabell
Supervisory Unit Steward

Thomas E. Huber
Supervisory Unit Steward

FOR THE CITY:

Sue Graham
Sue Graham, Labor Relations Mgr.

Angela Bennett
Angela Bennett, Interim Finance Director

APPENDIX E

AGREEMENT BETWEEN
TEAMSTERS LOCAL 580
SUPERVISORY UNIT
&
CITY OF LANSING
REGARDING MODIFICATION OF THE
2007 – 2012 COLLECTIVE BARGAINING AGREEMENT


The City of Lansing ("City") and the Teamsters Local 580 Supervisory Unit ("Union") are party to a 2007 – 2012 collective bargaining agreement. In the interest of memorializing the mutual agreements of the parties regarding certain modifications of this agreement, the parties have agreed as follows:

1. The term of the 2007 – 2012 agreement is modified to expire on January 31, 2013.
2. Healthcare (Effective September 1, 2011 through January 31, 2013):
 - a. The current PHP medical plan becomes the base plan.
 - b. The premium co-share contributed by employees will be ten percent (10%) of the premium cost.
3. Twenty-one (21) eight hour furlough days or any combination of furlough resulting in a reduction in hours worked by one hundred sixty eight (168) during fiscal year 2012 will be taken between July 1, 2011 and June 30, 2012.
4. Final Average Compensation: Employees whose calculation of final average compensation for their pension benefit would be negatively affected because of furlough hours not worked may elect to utilize the employee's accumulated sick and/or vacation leave time to exchange, hour for hour, for those furlough hours not worked (up to the maximum of one hundred sixty eight (168) hours) in lieu of those sick and/or vacation leave time hours being paid out with the remainder of the bank, if any, at retirement during fiscal year 2012.
5. In recognition of the above items, the City of Lansing agrees that there will be no layoffs during fiscal year 2012.

The mutual agreements specified above were ratified by the Teamsters Local 580, Supervisory bargaining unit on June 23, 2011. Thereafter, the City Council of the City of Lansing ratified the mutual agreements specified above on June 27, 2011.

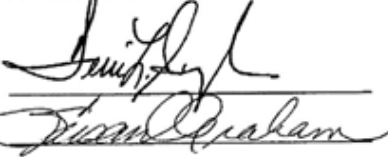
No other terms were agreed to and the remainder of the terms of the 2007 – 2012 that were not modified remain in full force and effect.

FOR THE UNION:



Chrene McDowell Cabull

FOR THE CITY:



Susan Graham

APPENDIX F

TEAMSTERS LOCAL 580 SUPERVISORY UNIT

January 7, 2010

Wages: effective first full pay period following ratification:

2/1/10(projected): \$ 750 ~~\$500~~ cash signing bonus
2/1/10(projected): 1.75% ~~1.25%~~ increase to base
2/1/11: 1.25% ~~1.75%~~ increase to base

Expiration date 1/31/12

Add two steps to the bottom of the scale for new hires 10%/5% lower.

Healthcare:

BCBS: 10/20/40 drug co-pay MOPD 2x (2 co-pays for 90 day @ mail order or retail 90);

Mandatory Generic Rider

PHP: 15/25/50 drug co-pay MOPD 2x (2 co-pays for 90 day @ mail order or retail 90)-
no new enrollees

\$20 Office visit

\$20 Urgent Care

\$50 ER (waived if admitted to hospital)

Dental/Orthodontics: \$1500/\$3000

Active Employees Premium Share: \$200/\$500/\$650 annually (Pre-tax)

Retiree Healthcare: 1% of annual pension benefit. Paid monthly. Capped at
\$200/\$500/\$650 annual.

*Employees hired after ratification vest for retiree Healthcare
after 25 yrs. of service*

~~Future employees vest for retiree healthcare same as active at 25 years~~

\$75.00 Health Care Risk Assessment rebate one time per year for each covered member.

One coverage for City employees married to a City employee. No opt out benefits.

*Includes
spouse &
dependents*

Current Blue Care Network will no longer be offered as an option.

Employer may offer an alternate health insurance plan whose cost is sufficiently lower
than the BCBS plan to eliminate the premium cost sharing and result in savings to the

City. Employee participation is voluntary. Employer will consider any alternate plan presented by the Union which meets the same cost parameters.

Pension:

Pension increase 1.6% to 1.8%; City and the member to equally share the cost at the actuarially determined rate from study (.849%).

Call Back:

Phone paid for actual time.

Come in: Status Quo

On call: one and one half (1 1/2) hours pay for each day or any portion of the day (this would apply to all after hours on call time on any day worked as well as any weekend or holiday where no work is performed.) No change to current Appendix L of the Contract.

Vehicles: City proposal with the addition of IRS mileage re-imbusement for any miles traveled related to call backs.

Arbitrator list change

E & T \$400.00

Comp Time 80 hour cap

Bereavement time: aunt, uncle, niece, nephew (1 day)

Internal Job Application

RFP for Classification consultant no changes without mutual agreement.

Parking: \$18.00 maximum cost for North Capitol Ramp. Reopen for discussion if North Capitol ramp sells.

Me too clause for any lower health care premium share contribution and/or greater economic increases negotiated with the UAW Local 2256 City employees using base costs.

All other proposals are withdrawn.

Robert Cuthbert
Mark A. Simon
1-7-00

Thomas E. Mabe

APPENDIX G

In the Matter of the Arbitration between

CITY OF LANSING

-and-

TEAMSTERS LOCAL 580

Gr: "Me too" clause

Before Arbitrator Maurice Kelman

OPINION AND AWARD OF THE ARBITRATOR

The matter was heard on August 10, 2011, at Lansing City Hall. Post-hearing briefs were submitted on October 14.

For the Union: Wayne A. Rudell, Esq.

For the Employer: Dennis B. DuBay, Esq.

Background

Teamsters Local 580 represents two bargaining units within the City of Lansing's municipal workforce: CTP (Clerical, Technical, Professional) and Supervisory. The City also bargains with six other unions. The previous Local 580 contracts were for the four year period of February 1, 2003 through January 31, 2007. Negotiations for successor agreements began in autumn 2006 and dragged on until a settlement was reached on January 7, 2010.

The successor agreements cover the five year period February 1, 2007 through January 31, 2012, although the negotiated changes relate only to years 4 and 5 (2/1/10 - 1/31/12). The new terms, identical for both CTP and Supervisory,

were summarized in a two-page tentative agreement co-signed by Local 580 Secretary-Treasurer Mike Parker and City Labor Relations Manager Susan Graham. Both TAs were subsequently ratified.

Contract bargaining with other city unions was still unresolved at the time Local 580 reached tentative agreement. To avoid membership complaints in the event that the other settlements turned out to be more generous, Mr. Parker asked for a "me too" provision encompassing the other union settlements but narrowed the proposal, at the City's insistence, to the forthcoming UAW agreement. Thus the January 7, 2010 settlement with Local 580 included this provision:

Me too clause for any lower health care premium share contribution and/or greater economic increases negotiated with the UAW Local 2256 City employees using base costs.

Among the concessions made by Local 580 was a change from 100% employer-paid health insurance to annual employee contributions of \$200 (single coverage), \$500 (two persons), and \$650 (family). A five-year UAW contract was settled on February 9, a month after Local 580's¹. Among its terms was employee health care contributions of \$125/\$225/\$325.

When the City declined to extend any of the UAW terms to Local 580, the instant grievance was filed on April 1, 2010. It asserts: "The City has not honored the 'me too' provision of the recent settlement between the parties," and demands that the Employer "make all Teamster Local 580 members whole for all losses and... make all changes necessary to rectify the problem prospectively."

The grievance has become moot insofar as it seeks parity with the UAW health insurance contributions. The City acquiesced to lower the health contributions by CTP and Supervisory employees to the UAW's level during the pendency of the grievance, and in June 2011 the parties modified the CBA with a new eighteen month contract covering June 30, 2011 to January 31, 2013. The new agreement changes

¹ The UAW's CBA is not coterminous with Local 580's. It runs from 10/7/08 to 9/30/13.

employee contribution to 10% of health insurance premiums. Still at issue, and now before the arbitrator, is the meaning of the second half of the me-too clause: "and/or greater economic increases negotiated with the UAW Local 2256 City employees using base costs."

Discussion

The principal economic improvements obtained by the UAW for which Teamsters Local 580 seeks me-too upgrading are these:

- \$1,000 signing bonus. (Local 580's was \$750.)
- accumulated sick leave payout at early retirement increased to 100% as of October 2012. (Local 580 remains at 50% with cap of 1,456 hours.)
- salary cap for longevity raised to \$25,000 from \$20,000 as of October 2011. (Local 580 remains at \$20,000.)
- deferred compensation match up to \$250 annually. (Local 580 has no employer match.)

The City contends that the phrase "using base costs" refers to the accounting analysis to be applied to ascertain how much and to what degree the full package of negotiated changes in each settlement added to the employer's cost of simply perpetuating the former CBA without changing any of its provisions. Thus if the UAW settlement produced, in percentage terms, a smaller cost increase to the City than either of the two Teamsters 580 settlements, there would be no "greater economic increases" for the UAW in comparison to the Teamster CTP and Supervisory units. Indeed, the reverse would be true: the Local 580 contracts would be superior to the UAW in net economic gains.

According to the analysis prepared by Angela Bennett, the City's budget manager, the CTP settlement added 0.64%² to base cost, the Supervisory settlement

² This takes account of the post-settlement reduction of Teamster 580 employee health premium sharing to the UAW's \$125/225/325.

0.65%, and the UAW contract only 0.53%,³ Therefore, the City concluded, the 2010 UAW settlement did not deliver "greater economic increases."

The Union's contention is that the me-too clause "references the 'base costs' of producing a particular kind of an economic increase [rather than] the total or average amount of all the economic increases and decreases taken together." (Union brief p. 23)

The trouble with this view is that *by definition* every increase in a specific benefit -- be it wage rates or sick leave payout or longevity pay -- and every new benefit (such as a one-time signing bonus) represents an added cost to the employer compared to the same benefit before it was improved or introduced. That tautology -- an increased economic benefit to an employee carries a corresponding increased base cost to the employer -- makes the addition of the phrase "using base costs" utterly pointless surplusage. In the union's interpretation, the me-too clause might just as well have dispensed with that language. By looking only at increases to specific UAW benefits, Local 580 can cherry pick the advantageous improvements to UAW benefits without any consideration of the comparative magnitude of UAW give-backs on other items that made those specific improvements acceptable to the employer.

The sensible explanation -- in fact the only construction that a fiscally hard-pressed employer could responsibly sign on to -- is that the phrase "using base costs" was included in the second part of the me-too clause as a modifier. The first part of the me-too provision does indeed appear to be benefit-specific and cost-irrelevant. If the UAW negotiates lower employee health contributions than Teamsters Local 580 agreed to, the Teamster rate will be conformed to the UAW's

³ Revised by Ms. Bennett from her original figure of 0.52% by adding the cost of the City's undertaking to return two sewer workers to pay level 600 from their current 500 level.

(period, end of subject). But the second half of the me-too commitment is quite the opposite: benefit-unspecific and cost-dependent.

Ms. Bennett's methodology for costing out a new multi-year proposal or settlement was the same for all unions and was shared with and well understood by union bargainers. She first established a base line for each year that represented the City's cost if the previous CBA were to continue without change. Even with unchanged contract terms some costs do not remain static from year to year. For example, assuming the same number of workers, wage costs rise because of step increases; health insurance costs are subject to premium inflation for the same coverage; pension funding may require adjustments periodically.

In the case of the CTP unit for the new contract period 2/1/07 - 1/31/12, those built-in cost increases ("non-proposal increases" as Ms. Bennett styled them) were projected to total \$2,903,256. In contrast, the changes negotiated at the bargaining table for years 4 and 5 of the contract, including important give-backs in the form of employee contributions to health insurance and pensions as well as new benefits such as wage increases and signing bonuses and an improved pension multiplier (to 1.8% from 1.6%), accounted for \$349,142 of the \$3,252,398 total cost increases over the five year life of the CBA. In percentage terms, the negotiated changes for CTP represented 11%, and the status quo maintenance costs the other 89%. For the Supervisory unit the negotiated changes accounted for 10.6% (\$174,842) while the status quo increases were 89.4% (\$1,471,062).

By comparison, the UAW negotiated contract changes were 9.7% (\$387,540) while the status quo produced the other 90% (\$3,601,854) of the total increase (\$3,989,394) of employer costs.

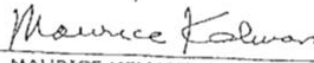
The City's costing computation was the same for all the unions. Ms. Bennett started with actual payroll data for the foundation year (here 2007-08). Since some categories of expenditure are highly unpredictable from one year to the next --

overtime costs being a prime example -- she used three-year averages. The employer also took care to spell out the assumptions behind its cost estimates. For instance, that health care premiums would increase 8% annually while life insurance costs would remain the same.

The Union, the party with the burden of proof in the arbitration proceeding, has not put forward either a different costing analysis or come up with a different set of figures. The evidence establishes that the UAW did not achieve greater "economic increases" when measured by "base costs." The City applied the me-too clause according to its terms. Local 580 members have not been short-changed.

AWARD

For the reasons stated, the grievance is denied.


MAURICE KELMAN, Arbitrator

November 9, 2011

APPENDIX H

PLANT OPERATION SUPERVISORS WASTEWATER DIVISION

The following is the general policy of the Wastewater Division for overtime equalization of the Plant Operation Supervisors.

1. The overtime hours of all Plant Operation Supervisors will be updated and posted at least weekly. Plant Operation Supervisors will maintain a daily record of overtime, and the Senior Plant Operation Supervisor will update the weekly list accordingly.
2. The updated daily list will be used in determining the low overtime person. Whenever overtime is required, the person with the least number of overtime hours will be called first, and so on down the list in an attempt to equalize the overtime hours.
3. If the employee is unavailable to work the required overtime, he/she will be charged the number of overtime hours (as defined in #6) of the employee working during that period. Except, in the event that all employees refuse or are unavailable for the overtime and the employee with the lowest overtime hours is required to work the overtime. In this case only the low overtime employee will be charged for the hours.

On January 1 of each year, a new accumulation of overtime hours shall be started by subtracting the lowest individual overtime total from each employee's annual total.

4. Overtime scheduled in advance to be worked during the week of record (Monday through Sunday) will be included in the employee's overtime hours during that week in determining the low overtime person.
5. The overtime hours to be used for the purpose of pre-scheduling will be the hours the employees have on the day that the pre-scheduling is completed taking into consideration Item 4 above.
6. All overtime hours will be posted on the basis of straight time hours paid. Example: an eight hour overtime shift available at time and a half will be charged 12 hours; double time would be 16 hours.

7. When an employee is off on paid leave of four (4) or more hours, they will be considered unavailable for overtime from the time they depart the plant site at the end of their last scheduled work shift until they return at the beginning of their next scheduled work shift. Scheduled non-pay days off adjacent to the paid leave will be considered as part of the paid leave period. Employees will not be contacted for available overtime during this paid leave period, nor will they be charged for being unavailable. You may be contacted during the paid leave period if an overtime shift cannot otherwise be filled. If the overtime is refused or the employee cannot be reached for the overtime, it will not be charged. If the overtime is worked, any hours worked will be charged.
8. The work week will be Monday through Sunday with the work day beginning at midnight for all shifts.
9. New personnel or transfers into a supervisory position, when they are designated available to work overtime, will be assigned overtime hours equal to those of the supervisor having the highest number of overtime hours.
10. Persons on workers compensation, disability leave, or other leave of absence will not be contacted or charged for the overtime during the period of leave. Upon return to work, and being designated available for overtime, the employee will be assigned the hours equal to the high overtime supervisor.

APPENDIX I

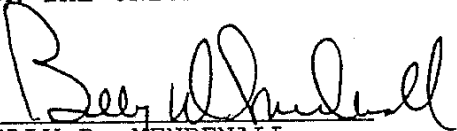
MEMORANDUM OF UNDERSTANDING
REGARDING
PLANT OPERATION SUPERVISORS-WASTEWATER DIVISION

During the 1990 contract negotiations between the Teamster Supervisory bargaining unit and the City of Lansing, the Wastewater Plant Operation Supervisors overtime procedure was discussed. At that time it was determined that the City would modify the procedure to address several of the concerns raised by the bargaining unit.

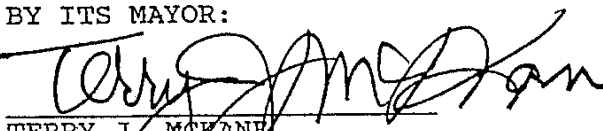
During the course of this agreement, the procedure outlined on September 5, 1990 governing the overtime procedure for the Wastewater Plant Supervisors may not be changed unilaterally.

In witness whereof, the parties have set their hands this 27th day of March, 1991.


FOR THE UNION:

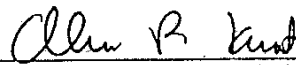

BILLY D. MENDONALL

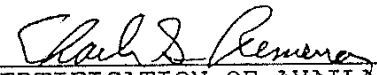
FOR THE CITY
BY ITS MAYOR:



TERRY J. MCKANE

BY IT CLERK:

for 
JAMES D. FLAIR


APPROVED AS TO FORM BY:
CITY ATTORNEY


CERTIFICATION OF AVAILABLE
FUNDS BY CITY CONTROLLER


LABOR RELATIONS DEPARTMENT

APPENDIX J

ON-CALL PAY
PUBLIC SERVICE DEPARTMENT
OPERATIONS & MAINTENANCE
SPECIFIC TO
SUPERVISORS IN SEWER CREWS #8, #9, #10

Effective upon ratification of the parties 2003 - 2007
collective bargaining agreement by both parties (August 12, 2003)

An employee assigned as a regular part of his/her duties to be available to return to duty within a specified period of time (on-call) shall remain available through a pre-arranged means of communication and shall respond within the specified time period.

The employee shall be compensated at a rate of one (1) hour of straight time pay for each eight (8) hours of on-call duty, or major portion thereof which is greater than six (6), but only in the event that he/she is not required to return to duty.

Approved on this 3rd day of March, 2004.

FOR THE UNION

George Warner
George Warner
Secretary-Treasurer

Michael Parker
Michael Parker
Business Representative

Allen Albert
Diane M. Lee

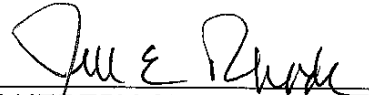
FOR THE CITY
BY ITS MAYOR

Tony Benavides
Tony Benavides

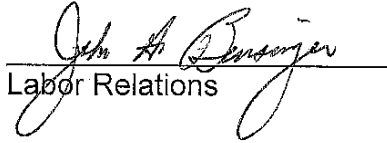
BY ITS CLERK:

Deborah K. Miner
Deborah K. Miner

John M. Roberts
APPROVED AS TO FORM BY:
CITY ATTORNEY



I HEREBY CERTIFY FUNDS HAVE
BEEN APPROPRIATED
CITY CONTROLLER


Labor Relations