

AGREEMENT

BETWEEN

**LOCAL UNION NO. 1021
AFFILIATE WITH MICHIGAN A.F.S.C.M.E. COUNCIL 25., AND
A.F.S.C.M.E. INTERNATIONAL, AFL-CIO**

AND

CITY OF BERKLEY

July 1, 2015 – June 30, 2018

****As discussed on July 20, 2017**

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AGREEMENT

This AGREEMENT, entered into effective July 1, 2015 but agreed to on April 7, 2016 by and between the City of Berkley, a Michigan Municipal Corporation, hereinafter referred to as the "City" and Local Union No. 1021 affiliated with Michigan A.F.S.C.M.E. Council 25 and A.F.S.C.M.E. International, AFL-CIO, hereinafter referred to as the "Union."

ARTICLE I: PURPOSE AND INTENT

101 PURPOSE AND INTENT

101.1 The general purpose of this Agreement is to set forth terms and conditions of employment, and to promote orderly and peaceful labor relations between the City, the D.P.W. employees and the Union.

101.2 The parties mutually recognize that the responsibilities of both the employees and the City to the Public requires that any disputes arising between the Union, the employees and the City be adjusted and settled in an orderly manner without interruption of said service to the public as is provided by law.

101.3 The Union further recognizes the essential public service here involved and the general health, welfare and safety of the community is dependent upon proper service to the community and agrees to encourage increased efficiency on the part of its members.

101.4 To these ends the City and the Union encourage to the fullest degree friendly and cooperative relations between the respective representatives on all levels and among all employees.

101.5 NOW, THEREFORE, for and in consideration of the premise and the mutual promises and agreements herein contained, it is agreed that:

102 GENDER REFERENCES

102.1 Wherever in this agreement a person is referenced in the masculine gender, the feminine gender is understood to be referenced as well as if set forth in full.

ARTICLE II: RECOGNITION

201 BARGAINING UNIT DESCRIBED

201.1 Pursuant to and in accordance with all applicable provisions of Act 379 of the Public Acts of 1965, 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, hours of employment, and other conditions of employment for the term of this Agreement of all employees of the City included in the bargaining unit described below insofar as the same is permissible under applicable statutes and law.

201.2 The bargaining unit shall include all of the D.P.W. hourly rated employees, excluding management, supervisors, clerical, public safety, salaried, professional and technical, administrative, trainees, temporary, seasonal, and part-time employees. Seasonal employees are defined as persons hired for a limited period of time, not to exceed twelve (12) consecutive months. If a seasonal employee remains beyond twelve (12) consecutive months, he will be deemed a regular probationary employee thereafter.

201.3 Upon ratification of this agreement, the inclusion of the position of Recreation Foreman in the description of the bargaining unit is specifically terminated.

202 MANAGEMENT RIGHTS

202.1 The Union recognizes the City as the sole authority to manage and operate the D.P.W. Department and to control its properties and the maintenance of order and efficiency. Other rights and responsibilities hereby recognized, but in no way limited to are:

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202.2 The right to decide the number of employees; to schedule and assign employees; to determine the amount of supervision necessary; machinery, tools, buildings and equipment; methods of work schedule; together with personnel selection, discharge or suspension, for just cause and layoffs for lack of work or other legitimate reasons; the right to purchase service of others, contract or otherwise, and especially reserve the right to establish and maintain rules and regulations governing the operation of the Department and the conduct of the employees therein, provided they are not in conflict with this Agreement; to set starting and quitting time and hours and days worked; and to determine and administer all other matters subject only to the express provisions of this Agreement as may be hereinafter set forth.

ARTICLE III: JOINT RESPONSIBILITIES

301 JOINT RESPONSIBILITIES

301.1 The City and the Union do hereby affirm that they do jointly agree to adhere to all requirements of Act 379 of 1965. It is further agreed that the City emphasizes that a portion of the Act that covers bargaining in good faith and they do agree to so bargain. It is further agreed that the Union emphasizes it's portion of the Act that covers no strike provisions and they do so agree.

301.2 It is jointly agreed that the purpose of this section is to clarify the position of the two (2) parties so that they will bargain in good faith and not strike, walk out, or slow down in the performance of their assigned duties. In the event of a work stoppage or other concerted curtailment, the Union shall immediately be notified in writing that such activity is in violation of this contract and unless such stoppage or curtailment ceases immediately, the City has the right to discipline, up to and including discharge, those employees instigating, participating in or leading such prohibited activities.

ARTICLE IV: CHECK OFF OF MEMBERSHIP DUES, EMPLOYEE AUTHORIZATION, REVOCATION

401 CHECK OFF OF DUES AND FEES

401.1 The Employer agrees to deduct from the wages of employees who voluntarily elect to become members of the Union, all Union membership dues/initiation fees as required by the Union. Employees are not required to join the Union as a condition of employment in accordance with applicable state law. Employees who voluntarily elect to pay Union dues shall sign an authorization form and the employer agrees to deduct that amount in accordance with said form. The Treasurer of Michigan AFSCME Council 25 shall certify to the employer in writing, the amount of initiation fees/dues to be deducted from each employee.

The employer shall not be liable to the Union or any employee for the remittance or payment of any sum other than the amount constituting the actual deduction made from wages earned by employees in accordance with the authorization on file with the employer.

402 PAYROLL DEDUCTION FOR UNION DUES

During the period of time covered by this Agreement, the employer agrees to deduct monies in accordance with the terms of the Authorization of Check-Off Dues form from the pay of each employee who voluntarily executes the said form. It is further agreed that the employer shall honor any revocation of such authorization by any employee at any time in accordance with state law. The employer agrees to notify the Union of any revocation of dues at the time such revocation occur

403 AUTHORIZATION FOR PAYROLL DEDUCTION – UNION AUTHORIZATION FORM

403.1 During my membership in the Union, an amount established by the Union as monthly dues and assessments, shall be deducted and paid to the Treasurer of Michigan AFSCME Council 25.

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403.2 I understand that I am not required to pay Union dues, assessments or fees in accordance with state law, as a condition of my employment. I understand after giving the Union notice that I may revoke this authorization at any time.

403.3 Deductions each calendar month shall be remitted to such address designated to the designated financial officer of Michigan AFSCME Council 25, AFL-CIO, with an alphabetical list of names of all employees from whom deductions have been made.

404 HOLD HARMLESS

404.1 The Union shall indemnify and hold harmless The Employer against any and all liability which may arise by reason of the deduction by the employer, of money as Union initiation fees, membership dues, or service/administration charge from employees' wages, or any and all liability which may arise by reason of this application of the previous Sections.

404.2 In the event that Public Act 349 of 2012 (the "Act") is repealed, replaced, judicially declared invalid, or otherwise amended so that the payment of Union dues or service fees may be required for employment or continuing employment, then the parties agree to reinstate the contract language set forth in the Union Security article of the last collective bargaining agreement in effect prior to the effective date of the Act and will review it based upon the events described above.

ARTICLE V: GRIEVANCE PROCEDURE

501 GRIEVANCE DEFINED

501.1 A grievance under this Agreement is a written dispute, claim, or complaint arising under and during the term of this Agreement filed with management by either an authorized representative of, or an employee in, the bargaining unit.

501.2 Grievances shall be limited to matters of interpretation or application of express provisions of this Agreement.

502 INFORMAL DISPOSITION OF GRIEVANCE

502.1 An employee having a complaint or dispute may take up the matter with the Director of Public Works to be resolved on an informal basis.

503 WRITTEN GRIEVANCE

503.1 A grievance which is not settled by means of the informal process described in Section 502.0 shall be set down in writing prior to further consideration by the City. The written grievance shall contain the following information.

503.2 The name(s) and employee number(s) of the aggrieved employee;

503.3 The date(s) of the events with which the grievance is concerned;

503.4 The citation of the specific provision(s) of this agreement allegedly misinterpreted by the City;

503.5 A description of the events which brought about the grievance;

503.6 The corrective action requested to be taken by the city.

504 UNION GRIEVANCE REVIEW

504.1 Prior to submission of a written grievance to the City, it shall be reviewed by the officers of the Union or a committee of the Union established for that purpose.

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505 SUBMISSION OF WRITTEN GRIEVANCE

505.1 A written grievance must be filed within five (5) working days, of the occurrence or event giving rise to the grievance or, after the aggrieved employee may reasonably be presumed to have knowledge of the matter, otherwise no grievance shall be deemed to exist.

505.2 The procedure for informal disposition of grievances as described in Section 502.0 shall not, when used, delay or otherwise postpone the time for submission of the written grievance unless such is agreed to in writing by the City.

506 DISPOSITION OF WRITTEN GRIEVANCES

506.1 Step 1: The written grievance shall first be submitted to the Director of Public Works who shall respond in writing within five (5) working days;

506.2 Step 2: If the response of the Director does not satisfactorily resolve the grievance, it may be submitted to the City Manager within five (5) working days following receipt of the response from the Director of Public Works. Unless a meeting is held with the Union as provided in Section 507.0 of this Article, the City Manager shall respond to the grievance in writing within five (5) working days.

506.3 Step 3: If the response of the City Manager does not satisfactorily resolve the grievance, it may be submitted to the City Council within five (5) working days of receipt of the Manager's response. The City Council shall respond to the grievance in writing through the City Manager within twenty-five (25) working days.

507 MEETING TO RESOLVE GRIEVANCE

507.1 The Union may request, and the City shall not unreasonably refuse, a meeting with representatives of the City for the purpose of resolving the written grievance prior to the response of the City Manager. Such meeting may be attended by the employee(s) submitting the grievance, not more than two (2) officers of the union, and a staff representative of the union. City employees while attending such meetings shall be paid their regular straight time rate of pay. The City Manager shall respond to the grievance within five (5) working days of the meeting.

508 APPLICATION OF TIME LIMITS

508.1 Grievances shall be processed from one step to the next within the time limit prescribed in each of the steps. Any grievance upon which a disposition is not made by the City within the time limits prescribed, may be referred to the next step in the grievance procedure, the time limit to run from the date when time for disposition expired. Any grievance not carried to the next step by the Union within the prescribed time limits, shall be automatically closed upon the basis of the last disposition.

508.2 The City and the Union may mutually agree to extend any time limit specified in this Article.

509 GRIEVANCES RELATED TO DISCIPLINE OR DISCHARGE

509.1 When an employee is given a disciplinary discharge or layoff or a written reprimand and/or warning which is affixed to his personnel record, the union will be promptly notified in writing of the action taken.

509.2 An employee, accompanied by the Union President or the ranking Union officer at work that day, who is to be given a disciplinary discharge or lay-off, shall be accorded a prompt meeting with one or more representatives of the City. Unless there are exceptional circumstances, the meeting shall be held on the day that the disciplinary action is communicated, or the next following regular work day, as scheduled by the City. A meeting need not be held when supervisory personnel believe that they or other persons or property may be in danger, or when disciplinary action is related to an allegation that the employee has committed a felony or misdemeanor.

509.3 Disciplinary action shall be deemed final and automatically closed unless a written grievance is filed within five (5) working days from the time of presentation of the disciplinary notice to the Union.

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509.4 Grievances regarding discharge may, with the consent of the parties, be commenced at any stage of the grievance procedure or may, with the consent of the parties, be advanced and processed out of order.

509.5 All claims for back wages shall be limited to the amount of wages that the employee would otherwise have earned less any unemployment compensation or worker's compensation that he or she may receive.

509.6 An employee who is reinstated after discharge and/or disciplinary lay-off shall be returned to the same work if available, work of a similar class at the same rate of pay, or as may be agreed to by the parties, as the case may be.

510 DISPOSITION OF GRIEVANCES FINAL AND BINDING

510.1 Any and all grievances resolved at any step of the grievance procedure as contained in this Agreement shall be final and binding on the City, the Union, and any and all unit employees involved in the particular grievance.

510.2 The grievance procedure may not be used for purposes of modifying the terms and conditions of this agreement which are the proper subjects of collective bargaining.

510.3 The City shall not be required to pay back wages for periods prior to the time a written grievance is filed; provided, that in the case of a pay shortage of which the employee had not been aware before receiving his pay, any adjustments made shall be retroactive to the beginning of that pay period providing the employee files his grievance within five (5) working days after receipt of such pay.

511 ARBITRATION OF GRIEVANCES

511.1 If the response of the City Council does not satisfactorily resolve a grievance final and binding arbitration of the grievance may be initiated within ten (10) working days of receipt of Council's response.

511.2 Initiation of arbitration shall be in the form of written notice from the union to the City Manager of the determination of the Union to have the grievance settled by means of arbitration. Within sixty (60) calendar days of the date that the Union gives notice to the City of its determination to settle the grievance by arbitration, the Union shall forward to the American Arbitration Association a request for the appointment of an arbitrator as provided by the rules of that agency.

511.3 It shall be the function of the arbitrator, and he shall be empowered, except as his powers are limited below, after due investigation, to make a written decision regarding the grievance based upon the facts and arguments presented.

511.4 He shall have no power to add to, subtract from, disregard, alter, or modify any of the terms of this agreement.

511.5 He shall have no power to establish wage rates or change any wage.

511.6 He shall have no power to change any practice, policy, or rule of the City nor to substitute his judgment for that of the City as to the reasonableness of any such practice, policy, rule, or any action taken by the city. His powers shall be limited to deciding whether the City has violated the express articles or sections of this agreement; and he shall not imply obligations and conditions binding upon the City from this agreement, it being understood that any matter not specifically set forth herein remains within the reserved rights of the City.

511.7 He shall have no power to decide any question which, under this agreement, is within the responsibility of management to decide. In rendering decisions, an arbitrator shall give due regard to the responsibility of management and shall so construe the agreement that there will be no interference with such responsibilities, except as they may be specifically conditioned by this agreement.

511.8 If either party disputes the arbitrability of any grievance under the terms of this agreement, the arbitrator shall first determine the question of arbitrability. In the event that a case is appealed to an arbitrator on which he has no power to rule, it shall be referred back to the parties without decision or recommendation on its merits.

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511.9 There shall be no appeal from an arbitrator's decision if within the scope of his authority as set forth above. It shall be final and binding on the union, its members, the employee or employees involved, and the City.

511.10 The fees and expenses of the arbitrator shall be shared equally by the City and the Union. All other expenses shall be borne by the party incurring them, and neither party shall be responsible for the expense of witnesses called by the other.

511.11 No decision in any one case shall require a retroactive wage adjustment in any other case.

512 COMBINATION OF GRIEVANCES

512.1 Where several like grievances have been submitted, the Union and the City may mutually agree in writing to the consolidation of the individual grievances into one grievance.

ARTICLE VI: SENIORITY

601 EFFECTIVE DATE OF SENIORITY

601.1 Seniority shall be from the date of hire and shall take effect at the end of the probationary period. If two or more employees have been hired on the same date, seniority shall be determined by the alphabetical order of the employees' last name at time of hire with the letter "A" given greatest seniority over other letters. No employee shall lose seniority if his name appears on the payroll.

602 LOSS OF SENIORITY

602.1 If an employee voluntarily resigns or is discharged for a just cause, he shall lose seniority.

602.2 If an employee has been laid-off for a period of time in excess of his seniority as of the effective date of the lay-off, or for five (5) consecutive years, whichever is less, he shall lose seniority.

603 REDUCTION IN FORCE

603.1 In reduction in staff, employees shall be laid off beginning with the junior employee. Rehiring shall begin with the senior employee laid off. Probationary employees and seasonal employees shall be laid off prior to any seniority employee.

603.2 In order to qualify for recall to work by seniority, it shall be the responsibility of the laid off employee and the Union to keep the City informed of his current mailing address.

603.3 An employee called back to work must report within seven (7) working days or lose his seniority unless for just cause he is unable to comply with this provision.

604 SENIORITY WHILE IN MILITARY SERVICE

604.1 Employees in military service or drafted into other U.S. government employment shall accumulate seniority while in the service. Job protection shall be governed by the Federal and State Laws as to re-employment.

605 SENIORITY LIST PROVIDED BY THE CITY

605.1 The City shall provide the Union with a complete seniority list classification and wage scale for all members by the first day of November in each calendar year.

606 PROMOTION OUT OF BARGAINING UNIT

606.1 Any employee who is promoted or transferred out of the bargaining unit but who continues as an employee of the City shall retain his City seniority in the event he is returned by the City to the unit, then he would start as laborer until a position is open for bid for which he has more seniority.

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ARTICLE VII: PROMOTIONS

701 SENIORITY AS A FACTOR IN PROMOTIONS

701.1 In the promotion of employees covered by this Agreement to classifications within the Bargaining Unit, seniority will govern whenever qualifications and abilities of the employees are considered equal. Any employee who feels aggrieved will be granted a prompt review by management, and if then not satisfactorily closed, may process his claim through the grievance procedure.

702 POSTING PROCEDURE

702.1 The City agrees to post vacancies in existing job classifications and new job classifications within the Department for a period of five (5) working days. If, in the opinion of the City Manager, a vacancy is deemed to exist, proper notice shall be posted as soon as is possible. If the vacancy or new job classification is not filled within thirty (30) days, the City agrees to repost notice as indicated above. Then, if no response, the position may be filled directly from the outside.

702.2 All bidding employees shall be considered in accordance with Section 701.1 of this Article.

702.3 Employees may be required to remain in their old jobs until properly replaced.

702.4 Employees shall not use the posting procedure to secure a shift preference.

703 TRIAL PERIOD IN HIGHER POSITION

703.1 Employees awarded a job bid shall have a minimum of thirty (30) days to qualify for such jobs. This shall not prevent the City from disqualifying the employee prior to the completion of such trial period where lack of ability to qualify is obvious. Employees who fail to qualify shall be given written notice thereof and be returned to their former jobs and shifts without loss of seniority.

704 HIRING FROM OUTSIDE UNIT TO FILL PROMOTIONAL POSITIONS

704.1 This posting procedure shall not prevent the City from hiring from the outside whenever qualified applicants are not available from within the City Departments.

705 TEMPORARY VACANCIES IN PROMOTIONAL POSITIONS

705.1 In the event there is a temporary job or job opening due to illness, lack of manpower, leaves or emergencies, the City may fill such job by transferring another employee or employees to such temporary vacancies not to exceed six (6) consecutive months, unless a longer time is agreed to. Seniority of employees affected will not be changed.

705.2 Temporary appointments made under the terms of this section will be given to the senior qualified employee.

706 ESTABLISHMENT OF NEW POSITIONS

706.1 If a new position should be created due to the introduction of new equipment, a temporary rate may be established by the City for a period not to exceed three (3) months. During this period the City and the Union shall bargain in the rate of the new classification.

706.2 If no agreement has been reached at the end of the three (3) months, the matter shall be processed through the grievance procedure.

707 PAY FOR WORK IN HIGHER CLASSIFICATIONS

707.1 Any employee assigned to work a minimum of one (1) hour in a higher classification will be paid according to the regular rate in that classification.

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ARTICLE VIII: OVERTIME, PREMIUM PAY

801 WORK-WEEK, WORK-DAY DESCRIBED

801.1 The regular work shift schedule shall consist of five (5), eight (8) hour days, Monday through Friday, or forty (40) hours a week with a maximum of eight (8) hours in any one (1) day. All other hours worked shall be paid for as overtime. A shift period shall be deemed regular if an employee works the same hours for a period of two (2) weeks.

801.2 If an employee's name appears on the payroll of any given day and through no fault of his own is unable to work eight (8) hours that day, it shall be considered a day worked for overtime purposes.

802 PREMIUM RATE TO BE PAID

802.1 All overtime shall be paid for at the rate of time and one-half (1 1/2), except Sundays and Holidays.

802.2 Compensation for Sunday work shall be twice the employee's regular rate of pay.

802.3 Compensation for holiday work shall be two (2) times the regular rate of pay for all hours worked on that holiday.

802.4 At the option of the employee, an employee may accumulate up to two hundred forty (240) hours of compensatory time for overtime work which shall be credited in hours in place of pay using the same rate multiplier provided in Sections 802.1, 802.2 or 802.3.

802.5 Accumulated compensatory time may not be bought back at any time.

802.6 Compensatory time earned pursuant to Section 802.40 may be taken off upon approval of the Director subject to the provisions found in Section 901 of this agreement regarding the scheduling of personal business days.

802.7 Compensatory time off shall be taken in units of not less than one half (1/2) hour. Request is restricted for use either at the beginning of the shift, beginning of the lunch break, end of the lunch break or end of the shift.

802.8 Whenever less than a full workday of compensatory time off is taken, the time off shall begin at either the start of the workday or the lunch break or shall end at either the lunch break or the end of the workday.

803 PREMIUM FOR REGULARLY SCHEDULED EVENING WORK

803.1 A premium of fifteen cents (\$0.15) per hour shall be paid for all hours regularly scheduled between the hours of 7:00 p.m. and 7:00 a.m.

804 MINIMUM HOURS GUARANTEE FOR CALL-BACK

804.1 Employees called to work on emergency time shall receive a minimum of three (3) hours pay at time and one-half their regular rate for the call back period, or for the elapsed time until normal working hours commence, whichever is less. Overtime shall not be pyramided or compounded or paid twice for the same hour worked.

ARTICLE IX: PAID HOLIDAYS

901 HOLIDAYS, PERSONAL DAYS DESCRIBED

901.1 The following days shall be declared legal Holidays:

| | | |
|-----------------|------------------------|------------------------|
| New Year's Day | Fourth of July | Day after Thanksgiving |
| President's Day | Labor Day | Christmas Eve Day |
| Good Friday | Martin Luther King Day | Christmas Day |

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Memorial Day

Veterans Day
Thanksgiving Day

New year's Eve Day

901.2 The regularly scheduled work day prior to Christmas Eve and New Year's Eve shall be a full regular work day.

901.3 Four (4) additional days for personal business shall be authorized, provided no additional cost is incurred by the City for overtime payments. Except when the use of such a personal business day is necessitated by an emergency, the employee shall give reasonable notice, not less than 24 hours, to the City. The City shall have the right to schedule such personal business days to maintain operation.

901.4 If personal business days are not used in the year in which earned, they shall be added to the employee's annual leave in the following year.

901.5 Not more than three (3) personal days may be used during the period from April 1, through December 31, of each year.

902 HOLIDAYS FALLING ON SATURDAY, SUNDAY, DURING ANNUAL LEAVE

902.1 If the Holiday falls on Saturday, Friday may be recognized as the Holiday. If the Holiday falls on Sunday, Monday may be recognized as the Holiday. The City shall post a notice fifteen (15) days prior to the Holiday indicating when it will be recognized. If a Holiday occurs within an annual leave period, the employee shall be granted an extra day for same.

903 HOLIDAY PAY, QUALIFICATIONS

903.1 All employees shall be granted the designated days and paid at the rate of straight time.

903.2 An employee must work his regular work day before and after a Holiday to be eligible for pay for that Holiday, unless the absence is due to illness or has been excused by the Director.

ARTICLE X: ANNUAL LEAVE

1001 LENGTH OF SERVICE DETERMINES ANNUAL LEAVE EARNED

1001.1 All employees covered under this contract and having been employed for six (6) months prior to June 1, shall be entitled to forty (40) hours annual leave. All employees having been employed twelve (12) months prior to June 1, shall be entitled to eighty (80) hours annual leave.

1001.2 Employees with six (6) years service shall be entitled to one hundred and twenty (120) hours annual leave as of the anniversary date of completing their sixth (6th) full year. Employees with thirteen (13) years service shall be entitled to one hundred and sixty (160) hours annual leave as of the anniversary date of completing their thirteenth (13th) full year. Employees with twenty (20) years of service shall be entitled to two hundred sixteen (216) hours annual leave as of the anniversary date of completing their twentieth (20th) full year.

1002 START OF ANNUAL LEAVE/WINTER LEAVE

1002.1 Annual leave periods shall start June 1, and run consecutively until all are taken except that the third, fourth and fifth week of annual leave shall be required to be taken during the off season. The date of the summer leave may be waived upon approval by the Director, or the Superintendent and be scheduled with winter annual leave if not in conflict with previously scheduled winter leaves.

1003 BUY BACK OF CERTAIN UNUSED ANNUAL LEAVE

1003.1 All vacation time shall be paid for on straight time basis. The City will pay for annual vacations, in excess of eighty (80) hours, at straight time, provided thirty (30) day notice is given, and further provided that the employee was unable to use properly scheduled annual leave for reasons fully attributable to the city.

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1003.2 Except as provided in Section 1003.3 of this Article, there shall be no accumulation of vacation time from one year to the next. During the first ten (10) work days of January each year, the City shall inform each employee of the amount of any available, unscheduled, annual leave. On or before the last regular work day in January, the employee shall submit a schedule for the use of the unscheduled annual leave. Any annual leave not so scheduled by the employee may be scheduled by the City. Schedules for the use of annual leave submitted under this section shall be considered and approved or disapproved by the City in the same manner as are all other requests for annual leave.

1003.3 A maximum of forty (40) annual leave hours may be carried over into the following year which may be used only after the end of leaf collection season and before the spring work load increase.

ARTICLE XI: SICK LEAVE

1101 ACCUMULATION OF SICK LEAVE HOURS

1101.1 Each employee shall be entitled to sick leave at the rate of seven (7) hours per month with unlimited accumulation.

1101.2 An employee must work, unless absence is due to paid sick leave or compensable injury or illness, at least fifteen (15) regular work days per month, to be eligible for his one (1) sick time day. Effective 4/1/2011, an employee must work, unless absence is due to paid sick leave or compensable injury or illness, at least fifteen (15) regular work days per month, to be eligible for seven (7) hours of sick time.

1102 SICK LEAVE DURING PROBATIONARY PERIOD

1102.1 Sick leave may not be taken by new hires until the completion of the probationary period. Upon completion of said period, the employee shall receive credit for sick leave at the established rate commencing with his date of employment.

1103 USE OF SICK LEAVE FOR ILLNESS IN IMMEDIATE FAMILY

1103.1 Sick leave may be used for absence due to illness or injury in the immediate family. Such absence shall not exceed three (3) days. The immediate family, for the purpose of interpreting this section 1103.1 only, shall consist of spouse, father, mother, brothers, sisters, grandparents, grandchildren, children and step children, and shall be used only for the purpose of visiting, assisting, or caring for the ill family member.

1103.2 Notwithstanding section 1103.1, the City and the Union recognize their respective rights and obligations pursuant to the terms of the Family and Medical Leave Act of 1993 PL 103-3 (FMLA) and implementing regulations. Further, no portion of section 1103 shall prevent an employee from requesting leave under the provisions of the FMLA act.

1103.3 For purposes of interpretation, an employee's accrued compensatory time shall be considered as personal leave for purposes of substitution for unpaid leave under the FMLA taken pursuant to subparagraph (A), (B), (C) or (D) of subsection (a)(1) of the FMLA Act. Unpaid FMLA leave will be granted for the remaining balance of time off to which the employee is entitled under the FMLA Act after all paid time off which an employee has accrued is exhausted.

1103.4 When paid leave is substituted for unpaid leave as provided under FMLA and section 1103.21 of this agreement, available accumulated time to the employee's credit shall be used and exhausted in the following order; compensatory time, personal days, annual leave, and sick leave. When time off is for the employee's own serious health condition, available sick leave shall be used and exhausted first then followed by compensatory time, personal days, and annual leave.

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1104 NOTIFICATION OF SUPERVISOR REQUIRED

1104.1 To be eligible for sick leave, the employee must notify his supervisor within two (2) hours of his regular starting time.

1105 PHYSICIAN'S CERTIFICATION

1105.1 A certificate from a physician or health department may be required as evidence of illness before compensation for the period of illness is allowed.

1106 ILLNESS DURING VACATION PERIOD

1106.1 Sick leave may be allowed in case of sickness occurring during a vacation period. Evidence of such incapacity from the first day must be provided to the satisfaction of the City.

1107 INJURY ON THE JOB

1107.1 An employee injured on the job and ordered home by the City's doctor shall receive credit for a regular day's work not chargeable to any of the employee's leave banks.

1108 SENIORITY RIGHTS DURING SICK LEAVE

1108.1 Any employee sick or injured shall continue on the payroll as long as he has a reserve of sick leave. Seniority rights shall continue for a period of one (1) year from the time the employee is removed from the payroll.

1109 SICK LEAVE DISALLOWED WHEN ABUSED

11.9.1 Sick leave credits will not be allowed when absence is due to the use of narcotics or intoxicants, willful misconduct or any compensable illness or injury incurred while self-employed for profit or employed by others than the City. Proper disciplinary action will be taken by the City in any case where it finds abuse or falsification.

1110 INJURED/ILL EMPLOYEES TO REMAIN AT HOME

1110.1 Every employee placed off-duty or injured, or who calls in absent for sickness or injury, shall for the first five (5) consecutive work days, or paid holidays, that the employee is absent remain at his place of residence during working hours unless:

1110.2 The employee is hospitalized or travel is necessary for the purpose of obtaining medical treatment or medicine, or,

1110.3 The City and the Union agree in writing to waive the five (5) day requirement due to the nature of a specific injury or illness.

1110.4 Upon expiration of the five (5) day period provided in section 10.1, the employee shall continue to remain at home during working hours unless the employee provides documentation to the City from the treating physician describing what additional mobility by the employee would be permissible without significantly lengthening the employee's period of recuperation and return to work.

1111 REIMBURSEMENT OF SICK LEAVE, RETIREMENT, DEATH, OR LAYOFF

1111.1 Upon retirement or death or layoff, an employee or his official beneficiary shall be paid wages for all accumulated sick leave up to 840 hours as follows:

- 200 hours at 40% base wage rate
- 201 hours up to 520 hours at 60% base wage rate and
- 521 hours to 840 hours at 80% base wage rate.

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Employees who resign or are terminated from employment with a deferred retirement benefit which may be exercised at a later date shall not be eligible at anytime for payment of accumulated sick leave hours. Employees hired on or after 7/1/2015 are not eligible for payment of unused sick leave upon retirement or separation from City employment.

1111.2 An employee who terminates City employment with a vested deferred retirement benefit which may be exercised at a later date shall not be eligible for payment at any time of wages for accumulated sick leave hours.

1111.3 An employee shall be paid wages annually on his first pay period after July 1, each year 100% of all accumulated sick leave held by that employee in excess of 840 hours.

1112 EMERGENCY LEAVE FOR DEATH IN THE FAMILY

1112.1 Three (3) days emergency leave may be granted for each death in the immediate family. The immediate family in this case includes spouse, father, mother, brothers, sisters, grandparents, grandchildren, children, step children, and father, mother, brothers, sisters, grandparents of spouse.

1112.2 Emergency leave for death in the family shall be used for purposes clearly related to the circumstances for which the absence is granted.

1113 TRADING OF SICK LEAVE NOT PERMITTED

1113.1 No trading of sick leave shall be allowed for any reason.

1114 LONG TERM DISABILITY

1114.1 Effective 4/1/2011, employees eligible to receive paid sick leave pursuant to Section 1101.1 shall also receive long term disability (LTD) coverage at City expense, recognizing that with the inception of this benefit the accrual of sick leave hours for eligible employees has been reduced from eight (8) to seven (7) hours per month.

1114.2 After the expiration of a 90 day elimination period, the LTD benefit shall pay a totally disabled eligible employee 60% of his or her basic monthly earnings. Additional definitions, terms and conditions shall be as provided in the coverage document for the specific LTD program selected by the City.

1114.3 A totally disabled employee receiving LTD benefit payments shall continue to receive the health and welfare benefits described in Sections 1301.1 through 1301.9, but shall not be credited with any additions to the paid leave times including but not limited to Article IX and X of this agreement. If an employee retires, and continues to receive a full, or reduced, LTD benefit the employee shall receive health and welfare benefits to retired employees as described in Section 1402. An employee who works, and receives partial disability LTD payments shall receive such benefits as would normally accrue to an able bodied person doing the same work with the same work schedule.

ARTICLE XII: WORKER'S COMPENSATION AND INJURY LEAVE

1201 PAY DIFFERENCE BETWEEN REGULAR WAGES AND INSURANCE BENEFITS

1201.1 An employee who is eligible for Worker's Compensation insurance benefits due to an injury or ill health incurred in the course of City employment will be paid such benefits by the City's insurance carrier. The

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City will pay an employee eligible for Worker's Compensation benefits the difference between his insurance benefit and his weekly wage while he receives Worker's Compensation benefits; provided, such dual payments shall not continue beyond 120 days, and shall not, at any time, exceed 100% of the employee's base weekly wage subject to IRS deductions.

1201.2 If, upon expiration of the 120 day period covered by 1201.1 above, the employee is unable to return to work, he may elect to use his accumulated sick leave, annual leave, holiday leave, and compensatory time off to supplement the difference between his regular weekly wage and his Worker's Compensation benefits.

1202 EMPLOYEE MUST REPORT INJURY TO SUPERVISOR

1202.1 To become eligible for injury leave with pay, an employee must report his injury to his Supervisor immediately and make himself available for treatment.

1203 CITY MAY INITIATE DISABILITY RETIREMENT

1203.1 The terms and provisions of this Article shall not be construed as preventing the City from initiating proceedings for the duty disability retirement of an employee at any time that the City determines that the employee may so qualify under the terms of the retirement plan.

1204 PAY FOR LIGHT DUTY ASSIGNMENTS

1204.1 Any employee permanently or partially incapacitated by injury or illness arising out of his employment, may be assigned work he is capable of performing without regard to seniority provisions, provided both the City and Union agree. The employee's rate shall be that of the job performed. If unable to perform a normal day's work, a rate mutually agreeable to the City and the Union shall be set.

ARTICLE XIII: INSURANCE

1301 HOSPITALIZATION INSURANCE

1301.1 Effective January 1, 2016 or soon thereafter, the City shall assume only the cost of BC-BS Community Blue Preferred Provider Organization (PPO) Customized Plan Number Four (4). The benefits are outlined in the attached Benefits at a Glance. The City shall opt-out of Employee Premium sharing as defined in State of Michigan PA 152 from 7/1/2015 through 6/30/2017 only.

1301.2 The City may purchase medical and hospitalization coverage from an insurance carrier other than Blue Cross-Blue Shield provided the coverage remains equivalent or better than the current coverage with Blue Cross. The City will give the Union advance notice and opportunity for comment prior to instituting any change in coverage.

1301.4 The Union and City agree to institute with the current insurance carrier an aggressive pursue and then pay method of paying health care claims as defined by the City's insurance carrier. All employees and beneficiaries must abide by all requests of the insurance carrier to verify coverage requests.

1301.5 The City will provide sponsored dependent health care coverage with 100% of the monthly cost to be borne by the employee and paid by the employee monthly via payroll deduction or as required by the City.

1301.6 The City shall assume the cost of Blue Preferred prescription drug coverage benefit for employee and family, as dispensed by a network pharmacy, less co-pay amount of \$10.00 for generic drugs, \$40 for brand name formulary drugs and \$80 for brand name non-formulary drugs (as defined by the coverage provider for all drugs) triple tiered co-pay program with prior authorization if required. This coverage also includes mail order drug program MOPD 2x drug rider. This coverage is replacing coverage outlined in Article XIII Section 1301.1.

1301.7 The City shall assume only the cost of BC-BS Community Blue Preferred Provider Organization (PPO) Customized Plan Number four (4) service delivery coverage in place of the benefits described in Section 1301.1 of this article.

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This coverage shall also include a preventative care rider of \$500 per member per calendar year or preventative care as prescribed by federal law whichever is higher in amount. Routine mammogram 100% coverage (RM 100), Emergency room Co-Pay of \$250 (ET \$250) (if admitted to the hospital through the emergency room the emergency room visit is 100% covered), Office Visit \$30 Co-pay,(OV-\$30), Chiropractic co-pay of \$30, (MT-\$30) and CB MHP2 (Mental Health Parity).

In-Network deductible is \$250 for a single person and \$500 for a two persons or family contract each year. The Out of Network deductible is \$500 for a single person and \$1,000 for a two persons or family contract each year. Deductibles are to be paid by the employee/retiree.

The City will comply with all provisions of the Patient Protection and Affordable Care Act {Public Law 111-148 of the 111th Congress, 42 U.S.C. 18001}. As such, Health Insurance Plans may be subject to change in order to remain in compliance with same and avoid penalties. The City may reopen the Collective Bargaining Agreement to address Patient Protection and Affordable Care Act Issues.

Co-insurance shall be twenty percent (20%) in-network up to a maximum amount of \$1,000 for a single person or \$2,000 for a two person or family contract each year. The out of network co-insurance is \$3,000 for a single person or \$6,000 for a two person or family contract. Co-insurance is to be paid by the employee/retiree.

Co-insurance will be paid by the employee based upon the Blue Cross and Blue Shield of Michigan approved amount.

1301.8 The City shall make an annual shared expense savings payment to employees covered under this agreement who choose not to be enrolled under the health and prescription benefit programs described in this article because they are covered under a similar program with their spouse.

The payment amount shall be equal to 40% of the annual actual cash savings to the City in reduced premium expense. In order to be eligible for health care opt-out, the employee requesting the opt-out must have health care coverage and be covered by an entity other than the City of Berkley. Further, no payout will be made if both spouses are employed by the City of Berkley or if one of them received healthcare as a City of Berkley retiree.

If the employee wishes to opt back into the City health care program after opting out; the employee must wait until the City's open enrollment period to opt back into the City health care program. The employee will not have to wait for the open enrollment period to obtain City health insurance if there is a HIPPA qualifying event. A federal COBRA notice or documentation that the employer providing health insurance coverage is out of business or other documentation as determined by the City shall be required to prove that the prior health insurance has been eliminated or other qualifying event has occurred in order to place the employee and if applicable, dependents, back on the City's health insurance.

Payments shall be computed and paid once per year in July, for the prior year ending June 30th. The payment shall be adjusted/prorated if an employee's coverage status changes during the year, including the start or termination of employment.

1302 LIFE INSURANCE

1302.1 The City of Berkley shall pay the total cost of term life insurance in the amount of forty thousand dollars (\$40,000) for each employee.

1303 DENTAL INSURANCE

1303.1 The City shall provide dental care insurance for each employee and the employee's spouse and dependent children as herein further provided.

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1303.2 The dental care insurance policy purchased by the City shall provide the following typical services:

| Service Benefit Class | Percent of Dentist's Fee Paid By: | |
|-----------------------|-----------------------------------|----------|
| | Insurance | Employee |
| Class I | 100% | 0% |
| Class II | 80% | 20% |
| Class III | 50% | 50% |
| Orthodontia | 50%* | 50% |

* Effective July 1, 2000, the lifetime benefit is \$750.00.

Effective upon ratification of this agreement, the Orthodontia lifetime benefit will be \$1,000. This benefit increase will be implemented as soon as reasonably possible upon ratification of this contract.

1303.3 The cost of the dental insurance shall be assumed by the City.

1304 OPTICAL CARE PROGRAM

1304.1 The City shall provide an optical care program for each employee and the employee's spouse and dependent children, for an annual maximum of \$450.00 as described in the attached benefit summary.

1304.9 The cost of the optical care program shall be assumed by the City.

1305 EMPLOYER ADMINISTRATIVE RESPONSIBILITIES

1305.1 With regard to the insurance and health care program provided and described in this agreement, the City shall not be responsible for processing claims for payment or performing other administrative activities other than for those responsibilities normally assigned to employers by the insurance carrier.

ARTICLE XIV: PENSIONS - RETIREMENT

1401 MUNICIPAL EMPLOYEES RETIREMENT SYSTEM

1401.1 All employees within the collective bargaining unit covered by this agreement, who are regularly scheduled and required to work at least 10 days per calendar month, shall become members of the retirement system created pursuant to the Michigan Municipal Employees Retirement Act of 1984, (MERS), including any amendments thereto which may be, or have been, enacted from time to time.

1401.2 Seasonal and temporary employees, are also excluded from membership in the Municipal Employees Retirement System.

1401.3 For the purposes of this Article only, a day of work shall consist of a minimum of seven hours at work (excluding lunch breaks), or paid leave from work, or a combination thereof, in any one (1) calendar day.

1401.4 Membership of an employee in the retirement system shall commence as of the first day of his/her paid employment, or at such other time as he/she commences meeting the monthly work time criteria on a regularly scheduled basis.

1401.5 The terms and conditions of participation in the (MERS) retirement system, and qualification to receive benefits thereunder, shall be subject to the provisions of the act, and to the rules, procedures, and decisions of the retirement board, established pursuant to the act, to manage, administer, and operate the MERS retirement system.

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1401.6 An employee may not use the grievance procedure contained in this agreement to settle any dispute regarding any matter which is the responsibility of the retirement board to determine under the terms of the act.

1401.7 The benefit program for all eligible bargaining unit employees shall be Plan B-4 , FAC-3, with early retirement waivers F50 (25 years) and F55 (15 years). Employees to be eligible for retirement must be at least fifty (50) years of age and have twenty-five (25) years of service credit and may retire with full retirement allowance.

For employees hired on or after 7/1/2015 the benefit shall be MERS Plan B-3 (2.25% multiplier) with an 80% cap. Employees shall be eligible for retirement upon age 55 after 25 years of service or age 60 with 10 years of service. Overtime and water license allowances shall not be includable in FAC. The Employee contribution shall be 4%.

1401.8 The City may from time to time consider and adopt benefit programs providing for adjustments of retirement allowances paid to retirees, and beneficiaries. Such adjustments may be made either pursuant to the provisions of Section 20 (regarding benefit plant E) of the MERS plan document, or based upon some other equitable method for computation of an adjustment as may be determined by the City.

1401.9 A.) Members of the bargaining unit hired prior to July 1, 2004, shall contribute 0% of their compensation, by means of payroll deduction, to the fund maintained and managed by MERS to pay benefits as provided under the provisions of the act.

B.) Employees now employed who were hired after July 1, 2004 shall pay 4% toward their pension costs, presumably on an installment basis or any other basis agreed to by the parties. Any employee hired after the date of the Fact Finding Report, July 8, 2005, upon being hired, shall be obligated to pay 4% toward their pension costs per annum.

1401.10 Effective October 1, 2014, overtime earned and water license compensation will not be allowed / included in final average compensation as outlined in section 1401.7 of this contract. Effective October 1, 2014, no employee shall make a 4% pension contribution on overtime earned or water license compensation as outlined in paragraphs 1401.9A and B.

1402 HEALTH AND WELFARE BENEFITS FOR RETIREES

1402.1 For members who were hired prior to July 1, 2005, an employee who retires from City employment, who has applied for, and not been denied, or who is receiving, regular retirement or disability payments pursuant to the provisions of MERS, shall be eligible to receive hospitalization insurance coverage while said retirement payments continue to be paid to the employee or the employee's surviving spouse. This insurance coverage shall be:

1402.2 The same, unless unavailable from the insurance carrier, as that provided at the time to non-retired bargaining unit employees, excluding benefits under Medicare or similar health insurance programs, available pursuant to Federal and State legislation;

1402.3 Paid for by the City on behalf of the former employee and/or spouse, who shall be responsible for payment, when required by the City, for any coverages for his/her dependents.

1402.4 Terminated if, after thirty (30) days written notice to the Union. The City is unable to correspond with the employee for lack of a current mailing address, or the employee fails to meet the financial obligation to the City under this program.

1402.5 Unless unavailable due to the age or place of residence of the retiree, the City may replace traditional coverage with the PPO form of coverage as described in Article XIII, Section 1301.20. The provisions of Article XIII, Section 1301.21 shall apply if a retired employee does not wish to participate in the PPO form of coverage and desires coverage under the traditional form of BC-BS coverage.

1402.6 An Employee Health Retirement Savings Account for all new hires beginning July 1, 2005 is hereby established and outlined within Appendix B of this agreement.

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A Health Retirement Savings Account is a program that allows employers to contribute monies on a tax free basis to accounts established by employees. It is designed to replace all retiree insurances for employees newly hired after July 1, 2005. Effective September 11, 2015, in order to comply with IRS regulations all newly hired members of the Bargaining Unit shall participate in the City's Retirement Health Care Savings Plan with the following mandatory contribution rates:

Employee Contribution: \$50.00 per month
Employer Contribution: \$100.00 per month

These accounts may be used by the employee, their spouse, or qualified dependents to help offset the cost of health care after the employee retires or separates from service.

The employee does not pay taxes on the contributions, investment earnings, or distributions for medical reimbursements.

After death, any remaining account balance may be used by the employee's surviving spouse or surviving dependents for the reimbursement of qualified medical expenses.

1402.7 The City will provide, at City expense, life insurance at \$10,000 for retired former members of the bargaining unit from the date of retirement until the date the retiree becomes 65 years old. Thereafter, the insurance shall be in the amount of \$5,000.

1402.8 Dental and optical coverage shall be the same as that provided for current employees to the extent that these coverages are available from the insurance company.

1402.9 The City shall assume the full expense of the dental and optical benefits of the retiree and his/her spouse at the time of retirement only. The retiree will be responsible for the expense of any other persons covered by the retiree's health insurance.

1402.10 Dental and optical coverage benefits will be limited to employees who retire on or after July 1, 1992.

1402.11 An employee who terminates City employment with a vested deferred retirement benefit which may be exercised at a later date shall be eligible only for those benefits and allowances specifically provided in the Municipal Employees Retirement System itself, and he/she is not eligible at any time for any supplemental benefits for retirees provided under this agreement.

1402.12 Benefits paid by the City under Sections 1402.10 through 1402.50 of this Article XIV, for coverages afforded a "spouse" or "surviving spouse" are limited only to those persons who are, or were, married to an employee covered under this agreement as of the employee's last day of employment with the City prior to terminating employment and immediately commencing receipt of the retirement benefits of the pension system described in Section 1401 of this Article.

1402.13 A person who marries a retired former employee, or who marries the surviving spouse of a retired former employee shall be eligible, if accepted by the provider, to receive the same coverage as a spouse. However, the cost of such coverage shall be paid by the former employee or surviving spouse.

1402.14 **MEDICARE COMPLIMENTARY COVERAGE** For those employees hired before 7/1/2005 when a DPW retiree or their beneficiary turns age 65, the City of Berkley will place the DPW retiree or beneficiary on the City's complimentary health care coverage. The DPW retiree and beneficiary at age 65 must also apply for and receive Medicare Part B health care coverage from the Federal Government. The retiree and beneficiary must submit a copy of their Medicare card highlighting said coverage to the City for verification. If the DPW retiree and beneficiary prove they are not Medicare Part B eligible, the City will maintain their health care coverage at the same level of benefit prior to turning age of 65.

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1402.15 Effective 7/1/2007, the City will provide sponsored dependent health care coverage with 100% of the monthly premium cost to be borne by the Retiree or beneficiary and paid monthly via payroll deduction as required by the City as long as the retiree or beneficiary is still receiving a monthly pension benefit.

ARTICLE XV: PAY DAYS, WAGES, AND LONGEVITY

1501 WAGES TO BE PAID

1501 Wages---See Appendix A for classification and pay rates.

1501.1 Reserved.

1501.2 A payday falling on a Holiday shall be paid during the preceding regular working day.

1501.3 The wage rate for each position classification paid to employees hired on or after July 1, 1995, shall be the rate shown in Appendix A multiplied by the modification factor shown in the following schedule:

| | <u>Position Classification</u> | <u>Factor</u> |
|---------|------------------------------------|---------------|
| 1501.21 | Laborer | 70% |
| 1501.22 | Operator | 80% |
| 1501.23 | Operator II | 85% |
| 1501.24 | Operator III | 100% |
| 1501.25 | Mechanic I/II/III | 100% |

1501.4 Wage rates paid to employees hired after July 1, 1995 shall not be a consideration in the selection of employees to work overtime.

1501.5 Top rate for all classifications shall be reached in one (1) year for new hires. Top rate for all classifications shall be reached in one hundred and eighty (180) days if a current employee satisfactorily changes classifications.

1501.6 Upon the written request of the Union, the City will provide a memorandum list once per year indicating the pay classification for the operation of each piece of equipment.

1503 PAYROLL DEDUCTIONS

1503.1 The City may make deductions from the payroll of an employee for one or more of the following reasons:

1503.2 Correct inadvertent overpayment of wages;

1503.3 As may be mutually agreed between the employee and the City;

1503.4 When so required by order of a court or officer of a court pursuant to their judicial authority;

1504 JURY DUTY

1504.1 The City of Berkley shall pay any employee who is called for jury duty or subpoenaed as a witness the difference between the amount paid by the court and the regular amount paid the employee.

1505 WATER LICENSE

1505.1 The City Manager and/or the DPW Director must first approve an individual to receive an S-4 water distribution license. If approved, the City will pay up to \$500.00 annually for up to four (4) employees to obtain and maintain an S-4 water distribution license. The \$500.00 stipend shall be paid in the first pay of December in each fiscal year by the City and shall be prorated by day in the first year the license is obtained and the year the license is released. In addition, the city shall pay all travel and education costs to an approved employee associated with obtaining and maintaining an S-4 Water distribution license. Said costs shall include lodging

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meals mileage and tuition directly associated to the class and or seminar. All costs and classes must first be pre-approved by either the DPW Director or City Manager before the class/seminar is taken.

Effective December 2011, an employee who receives a S-4 water distribution license payment shall receive \$250.00 annually.

Effective July 1, 2013, The City Manager and/or the DPW Director must first approve an individual to receive an "S" distribution license. If approved the City will pay an employee annually to obtain and maintain an "S" water distribution license as follows:

| | |
|-----|-------|
| S-2 | \$350 |
| S-3 | \$300 |
| S-4 | \$250 |

The stipend shall be paid in December each fiscal year by the City and shall be prorated by day in the first year the license is obtained and in the year the license is released. In addition, the City shall pay all education costs to an approved employee associated with obtaining and maintaining an "S" water distribution license. All costs and classes must be pre-approved by the City Manager or DPW Director before the class/seminar is taken.

ARTICLE XVI: UNIFORMS

1601 STANDARD UNIFORMS PROVIDED BY CITY

1601.1 The City shall provide each permanent D.P.W. employee with six (6) suitable uniforms per fiscal year. The number of short sleeve and long sleeve shirts, (not to exceed a total of six) shall be selected by each employee.

Effective July 1, 2013, the City shall provide each permanent DPW employee with a \$325 annual uniform allowance for purchase of City labeled short sleeve shirts, long sleeve shirts, jackets, winter hats, coveralls and pants. The City will specifically designate a vendor for purchase of uniforms and the City shall pay the designated vendor directly.

Unspent 2012/13 uniform allowance will be forfeited the first day of the 2013/14 fiscal year. Uniform allowance shall not be part of final average compensation.

1602 DAMAGE TO UNIFORMS

1602.1 Damage to uniforms shall be the responsibility of the employee.

1604 WORK SHOES AND BOOTS

1604.1 Employees shall be eligible to receive one pair of work shoes or boots each fiscal year not to exceed \$225 at the City's expense pursuant to the following terms and will not be part of final average compensation.

1604.2 The City shall determine one or more qualified suppliers and shall determine qualifying work shoe and boot styles.

1604.3 Each employee shall be eligible to purchase one pair of selected work shoe or boot style per fiscal year. The City will either pay the vendor directly, or reimburse the employee for the cost incurred. If the City selects the reimbursement method, reimbursement will be made according to the City's normal procedures for processing accounts payable. The City shall not be responsible for making adjustments if the work shoes or boots selected by the employee do not fit or are otherwise unacceptable to the employee.

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Effective July 1, 2013, each employee shall be eligible to purchase one pair of selected work shoe or boot style per fiscal year. The City will pay the vendor directly for the cost incurred. The City shall not be responsible for making adjustments if the work shoes or boots selected by the employee do not fit or are otherwise unacceptable to the employee.

1604.4 Deleted and Reserved effective 7/1/2013.

1604.5 Employees who purchase work shoes or boots under the terms of this section shall wear the work shoes while working unless the work shoes or boots are worn out or weather conditions are not appropriate for their use.

1605 WORK GLOVES

1605.1 Employees shall be eligible to receive the following work gloves:

- a.) Cotton jersey work gloves as needed.
- b.) Two pairs of leather gloves per year.
- c.) One pair of water proof "seal skin" or equivalent work gloves per year.

Director will be responsible for selecting the specific gloves. Replacement for all gloves is based on a 1 for 1 exchange.

1606 MEDICAL CARD, MECHANIC CERTIFICATION, & C.D.L.

A DOT physical is required for a C.D.L. once every two years. The City will cover the costs associated with the DOT Physical and DOT Drug screening. The employee shall present the City with a receipt and the City will reimburse the employee for this expense.

The City will cover the costs associated with the renewal of a CDL. The employee shall present the receipt and the employee will be reimbursed for this expense. Costs shall be capped at the renewal rate in effect on 7/1/04.

The City will cover the costs associated with the renewal of mechanic certifications. The employee shall present the receipt and the employee will be reimbursed for this expense.

ARTICLE XVII: BREAKS

1701 BREAKS FROM WORK

1701.1 Each employee shall be given no more than two fifteen minute breaks in each 8-hour work day. The breaks will be scheduled thirty (30) minutes prior to the end of the employee's regular work day at which time, except in the case of emergency which may necessitate the use of overtime, the employee may leave for home.

1701.2 The City shall provide a lunch during any overtime period in excess of four (4) hours.

1701.3 Abuse of this privilege shall be grounds for disciplinary action.

ARTICLE XVIII: SAFETY

1801 SAFETY COMMITTEE

1801.1 The City and Union shall jointly and with equal representation establish a Safety Committee to investigate possible unsafe conditions and promote safe practices for D.P.W. Operations. Employees serving on

A.F.S.C.M.E. LOCAL UNION NO. 1021

this committee shall be paid their regular hourly rate when performing in this capacity during normal working hours.

ARTICLE XIX: CONTRACT NEGOTIATIONS

1901 ESTABLISHMENT, CHANGES IN BARGAINING COMMITTEE

1901.1 The City and the Union shall each name a bargaining committee of not more than four (4) persons. Any changes in bargaining committees shall result in a written notification to the other party within ten (10) days.

1902 BARGAINING COMMITTEES MAY ENGAGE STAFF

1902.1 The officially designated bargaining committees may engage or utilize persons to act in a staff capacity during negotiations.

1903 RATIFICATION OF CONTRACT NECESSARY

1903.1 All negotiated contracts shall become effective only after ratification by the Union and when signed by a national officer and in turn when officially approved by the City Council and executed accordingly.

1904 TIME OFF FOR UNION BUSINESS

1904.1 The chief executive officer of the Union and/or his designated representative shall be afforded reasonable time off during regular working hours and without loss of pay for the proper handling of Union business including the processing of grievances. Such time off shall be subject to prior approval by the D.P.W. Director or his designated representative.

1905 MODIFICATION OF CONTRACT BY MUTUAL AGREEMENT

1905.1 This contract may be modified by mutual agreement of the partners. Any such modification shall be evidenced by a written supplemental contract.

ARTICLE XX: PROBATIONARY PERIOD

2001 PROBATIONARY PERIOD FOR NEW EMPLOYEES

2001.1 All employees must satisfactorily complete a twelve (12) month probationary period before they become regular full time employees of the City with a vested interest in the full range of benefits associated with regular status. Effective 4/1/2016 all newly hired employees shall be subject to a twelve (12) month probation period and shall be compensated as outlined in Attachment A.

2001.2 A probationary employee, as defined above in Section 2001.1 of this Article, may be discharged from City employment at the sole discretion of the City. In the event that an employee is discharged during the probationary period, the union and the employee shall have no recourse through any provision of this Agreement to alter, amend, review, or modify the decision of, and the action taken by, the City. The Union shall not provide to the employee assistance in any form when such assistance is intended directly or indirectly to cause a modification or reversal of the determination of the City that the employee should be discharged.

2001.3 A probationary employee shall be classified as a Laborer and paid pursuant to Section 1501 of the agreement and Appendix A. Section 707 of the agreement shall not apply when a probationary employee is assigned to work in a higher classification.

2001.4 Upon satisfactory completion of the probationary period, an employee shall be classified as an Operator I and paid pursuant to Sections 707 and 1501, and Appendix A.

A.F.S.C.M.E. LOCAL UNION NO. 1021

2002 PROBATIONARY PERIOD FOR CURRENT EMPLOYEES WHEN CHANGING CLASSIFICATION

2002.1 A current full time employee who is promoted into a new classification shall stay in the entry hourly rate classification for a one hundred and eighty (180) day period. If the employee can demonstrate that they can perform the work in accordance with section 2001.1, then the employee will move to base hourly rate after the one hundred and eighty (180) day period expires. If the employee cannot perform the work, that employee shall be returned to his/her last classification. Entry rate shall be \$0.20 per hour less than rate shown.

ARTICLE XXI: EFFECTIVE DATE

2101 EFFECTIVE DATE

2101.1 Except as may be more specifically provided in other sections of this agreement, this agreement shall take effect July 1, 2016 at 12:01 A.M., or upon ratification by both parties, which ever is later, and shall continue in effect until midnight of June 30, 2018, or until such later date as the Union and the City may subsequently determine pursuant to section 2101.3.

2101.2 In the event that ratification by both parties occurs later than the effective date specified in Section 2101.1 of this Article, the provisions of this Agreement respecting increased wages, shall be made retroactive to the effective date, and shall be paid with the next regular payroll. Changes in health and welfare benefits will become effective as specified in the agreement or upon completion of necessary arrangements with insurance companies or similar organizations.

2101.3 Notwithstanding the expiration date stated in section 2101.1, this agreement will renew automatically for successive periods of one (1) year unless either the City or the Union gives written notice to the other party prior to June 1, 2018 and any year thereafter of its intent to establish the next following June 30, as the agreement termination date for the purpose of commencing collective bargaining regarding the terms and conditions of a successor agreement.

2102 CONTINUATION AFTER EXPIRATION DURING NEGOTIATIONS

2102.1 In the event that negotiations extend beyond the said expiration date of this Agreement, the terms and provisions of this Agreement shall remain in full force and effect pending agreement upon a new contract.

2103 CONCLUSION OF COLLECTIVE BARGAINING

2103.1 This agreement constitutes the entire agreement between the parties and concludes collective bargaining on any subject, whether included in this agreement or not, for the term of the agreement.

ARTICLE XXII: MISCELLANEOUS

2201 VOLUNTEER FIRE SERVICE

2201.1 Volunteer fire service will only be allowed if the public safety incident commander, public safety shift commander, Deputy Chief or Chief requests active duty status for a volunteer and the DPW Director concurs in the volunteer fire service. If both approvals are achieved, those eligible and ordered to participate in the fire incident shall be paid their regular DPW contractual rate during regular working hours only.

IN WITNESS WHEREOF the parties hereto have, by their duly authorized representatives, signed and sealed this Agreement on this 7th Day of April, 2016.

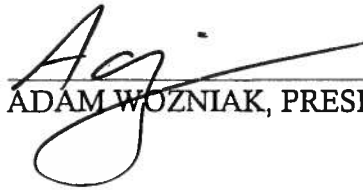
FOR THE UNION:
A.F.S.C.M.E. COUNCIL 25

FOR THE CITY:

A.F.S.C.M.E. LOCAL UNION NO. 1021


LOCAL UNION 1021

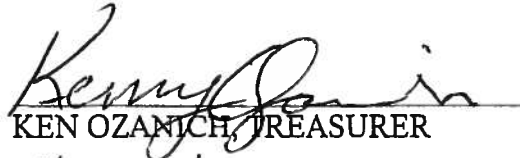
CITY OF BERKLEY, MICHIGAN

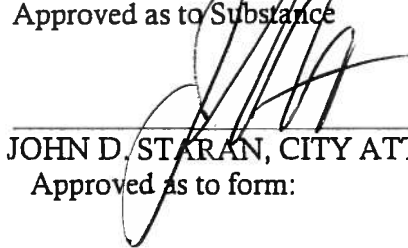

ADAM WOZNIAK, PRESIDENT


PHIL O'DWYER, MAYOR


MYKE HUNYOR, VICE-PRESIDENT


MATTHEW BAUMGARTEN, CITY MANAGER
Approved as to Substance


KEN OZANICH, TREASURER


JOHN D. STARAN, CITY ATTORNEY
Approved as to form:


MEL BRABSON, OFFICER

Attest:

PHOMMADY ANNETTE BOUCHER, CITY CLERK

A.F.S.C.M.E. LOCAL UNION NO. 1021

**APPENDIX A: DPW Wage Rates 2015 - 2018
Hourly Pay**

| Classification | 7/1/15 Entry | 7/1/15 Base | 7/1/16 Entry | 7/1/16 Base | 7/1/17 Entry | 7/1/17 Base | 7/1/18 Entry | 7/1/18 Base |
|-----------------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|
| Laborer | \$15.66 | \$15.86 | NA | \$16.18 | NA | \$16.50 | NA | \$16.83 |
| Operator 1 | \$18.17 | \$18.37 | \$18.53 | \$18.73 | \$18.90 | \$19.10 | \$19.28 | \$19.48 |
| Operator 2 | \$19.50 | \$19.70 | \$19.89 | \$20.09 | \$20.29 | \$20.49 | \$20.69 | \$20.89 |
| Operator 3 | \$23.16 | \$23.36 | \$23.62 | \$23.82 | \$24.09 | \$24.29 | \$24.57 | \$24.77 |
| Mechanic 1 | \$23.16 | \$23.36 | \$23.62 | \$23.82 | \$24.09 | \$24.29 | \$24.57 | \$24.77 |
| Mechanic 2 | \$23.37 | \$23.57 | \$23.84 | \$24.04 | \$24.32 | \$24.52 | \$24.81 | \$25.01 |

After 4/1/16, new hires will be on probation for 12 months and will be compensated as follows:

| Length of employment | Amount |
|-----------------------------|------------------|
| 1-6 months (probation) | \$15.86 per hour |
| 7-12 months (probation) | \$18.17 per hour |
| After 1 year | \$18.37 per hour |

HEALTHCARE BENEFITS AT A GLANCE

Introduction/BCBSM Medical

The City of Berkley strives to provide our staff with quality benefits. Your benefits are a significant and valuable part of your total compensation and we believe it is important that you find the value in the benefits that are offered. Pursuant to recent negotiations, the City will be holding a Special Open Enrollment for the new Blue Cross Blue Shield of Michigan (BCBSM) Community Blue PPO 4 plan that will be effective on **July 1, 2016**.

The following pages provide you with an overview of your medical and prescription drug plan offering as well as other helpful information related to your BCBSM coverage.

If you have any questions regarding the new plan offering, we encourage you to attend one of the of the following open forums on **June 9, 2016**:

| | |
|--------------------------|---------------------|
| City Hall | 11:30 AM to 1:00 PM |
| DPW Lunchroom | 2:30 PM to 3:30 PM |
| PSO Building (2nd Floor) | 5:30 PM to 7:00 PM |

All employees who enroll in the Community Blue PPO 4 plan will be receiving a new ID card from BCBSM. ID cards will be mailed directly from BCBSM to your home address.

PLEASE NOTE The new benefit offering only applies to DPW and Non Union benefit eligible active employees and retirees under the age of 65 years old. Retirees over the age 65 will remain in the current BCBSM Community Blue 3 Plan at this time.

CITY OF BERKLEY Group # 007006030 BCBSM Preferred PPO Benefits-at-a-glance

This is intended as an easy-to-read summary and provides only a general overview of your benefits. It is not a contract. Additional limitations and exclusions may apply. Payment amounts are based on BCBSM's approved amount, less any applicable deductible and/or copay/coinsurance. For a complete description of benefits please see the applicable BCBSM certificates and riders, if your group is underwritten or any other plan documents your group uses, if your group is self-funded. If there is a discrepancy between this Benefits-at-a-Glance and any applicable plan document, the plan document will control.

| Member's responsibility (deductibles, copays, coinsurance and dollar maximums) | | |
|--|--|---|
| Benefits | In-Network | Out-of-Network |
| Deductibles | <p>\$500 for one member, \$1,000 for the family (when two or more members are covered under your contract) each calendar year</p> <p>Note: Deductible may be waived for covered services performed in an in-network physician's office and for covered mental health and substance abuse services that are equivalent to an office visit and performed in an in-network physician's office.</p> | <p>\$1,000 for one member, \$2,000 for the family (when two or more members are covered under your contract) each calendar year</p> <p>Note: Out-of-network deductible amounts also count toward the in-network deductible</p> |
| Flat-dollar copys | <ul style="list-style-type: none"> • \$30 copay for office visits and office consultations • \$30 copay for chiropractic and osteopathic manipulative therapy • \$250 copay for emergency room visits • \$30 copay for urgent care visits | <ul style="list-style-type: none"> • \$250 copay for emergency room visits |

BCBSM Medical (Continued)

| Benefits | In-Network | Out-of-Network |
|---|---|---|
| Coinsurance amounts (percent copays) Note: Coinsurance amounts apply once the deductible has been met. | <ul style="list-style-type: none"> • 50% of approved amount for private duty nursing care • 20% of approved amount for mental health care and substance abuse treatment • 20% of approved amount for most other covered services (coinsurance waived for covered services performed in an in-network physician's office) | <ul style="list-style-type: none"> • 50% of approved amount for private duty nursing care • 40% of approved amount for mental health care and substance abuse treatment • 40% of approved amount for most other covered services |
| Annual coinsurance maximums - applies to coinsurance amounts for all covered services - but does not apply to deductibles, flat-dollar copays, private duty nursing care coinsurance amounts and prescription drug cost-sharing amounts | \$1,500 for one member, \$3,000 for the family (when two or more members are covered under your contract) each calendar year | \$3,000 for one member, \$6,000 for the family (when two or more members are covered under your contract) each calendar year Note: Out-of-network cost-sharing amounts also count toward the in-network out-of-pocket maximum. |
| Annual out-of-pocket maximums - applies to deductibles, flat-dollar copays and coinsurance amounts for all covered services - including cost-sharing amounts for prescription drugs, if applicable | \$6,350 for one member, \$12,700 for the family (when two or more members are covered under your contract) each calendar year | \$12,700 for one member, \$25,400 for the family (when two or more members are covered under your contract) each calendar year Note: Out-of-network cost-sharing amounts also count toward the in-network out-of-pocket maximum. |
| Lifetime dollar maximum | None | None |
| Preventive Care Services | | |
| Health maintenance exam - includes chest x-ray, EKG, cholesterol screening and other select lab procedures | 100% (no deductible or copay/coinsurance), one per member per calendar year Note: Additional well-women visits may be allowed based on medical necessity. | Not covered |
| Gynecological exam | 100% (no deductible or copay/coinsurance), one per member per calendar year Note: Additional well-women visits may be allowed based on medical necessity. | Not covered |
| Pap smear screening - laboratory and pathology services | 100% (no deductible or copay/coinsurance), one per member per calendar year | Not covered |
| Voluntary sterilizations for females | 100% (no deductible or copay/coinsurance) | 60% after out-of-network deductible |
| Prescription contraceptive devices - includes insertion and removal of an intrauterine device by a licensed physician | 100% (no deductible or copay/coinsurance) | 100% after out-of-network deductible |
| Contraceptive injections | 100% (no deductible or copay/coinsurance) | 60% after out-of-network deductible |
| Well-baby and child care visits | 100% (no deductible or copay/coinsurance) 8 visits, birth through 12 months 6 visits, 13 months through 23 months 6 visits, 24 months through 35 months 2 visits, 36 months through 47 months Visits beyond 47 months are limited to one per member per calendar year under the health maintenance exam benefit | Not covered |
| Adult and childhood preventive services and immunizations as recommended by the USPSTF, ACIP, HRSA or other sources as recognized by BCBSM that are in compliance with the provisions of the Patient Protection and Affordable Care Act | 100% (no deductible or copay/coinsurance) | Not covered |
| Fecal occult blood screening | 100% (no deductible or copay/coinsurance), one per member per calendar year | Not covered |
| Flexible sigmoidoscopy exam | 100% (no deductible or copay/coinsurance), one per member per calendar year | Not covered |

BCBSM Medical (Continued)

| Benefits | In-Network | Out-of-Network |
|--|---|---|
| Prostate specific antigen (PSA) screening | 100% (no deductible or copay/coinsurance), one per member per calendar year | Not covered |
| Routine mammogram and related reading | 100% (no deductible or copay/coinsurance) Note: Subsequent medically necessary mammograms performed during the same calendar year are subject to your deductible and coinsurance | 60% after out-of-network deductible Note: Out-of-network readings and interpretations are payable only when the screening mammogram itself is performed by an in-network provider. |
| One per member per calendar year | | |
| Colonoscopy - routine or medically necessary | 100% (no deductible or copay/coinsurance), for the first billed colonoscopy Note: Subsequent colonoscopies performed during the same calendar year are subject to your deductible and coinsurance. | 60% after out-of-network deductible |
| One per member per calendar year | | |
| Physician Office Services | | |
| Office visits - must be medically necessary | \$30 copay per office visit | 60% after out-of-network deductible |
| Outpatient and home medical care visits - must be medically necessary | 80% after in-network deductible | 60% after out-of-network deductible |
| Office consultations - must be medically necessary | \$30 copay per office consultation | 60% after out-of-network deductible |
| Urgent care visits - must be medically necessary | \$30 copay per urgent care visit | 60% after out-of-network deductible |
| Emergency Medical Care | | |
| Hospital emergency room | \$250 copay per visit (copay waived if admitted or for an accidental injury) | \$250 copay per visit (copay waived if admitted or for an accidental injury) |
| Ambulance services - must be medically necessary | 80% after in-network deductible | 80% after in-network deductible |
| Diagnostic Services | | |
| Laboratory and pathology services | 80% after in-network deductible | 60% after out-of-network deductible |
| Diagnostic tests and x-rays | 80% after in-network deductible | 60% after out-of-network deductible |
| Therapeutic radiology | 80% after in-network deductible | 60% after out-of-network deductible |
| Maternity services provided by a physician or certified nurse midwife | | |
| Prenatal care visits | 100% (no deductible or copay/coinsurance) | 60% after out-of-network deductible |
| Postnatal care visits | 100% (no deductible or copay/coinsurance) | 60% after out-of-network deductible |
| Delivery and nursery care | 80% after in-network deductible | 60% after out-of-network deductible |
| Hospital Care | | |
| Semiprivate room, inpatient physician care, general nursing care, hospital services and supplies | 80% after in-network deductible | 60% after out-of-network deductible |
| Unlimited days | | |
| Note: Nonemergency services must be rendered in a participating | | |
| Inpatient consultations | 80% after in-network deductible | 60% after out-of-network deductible |
| Chemotherapy | 80% after in-network deductible | 60% after out-of-network deductible |
| Alternatives to Hospital Care | | |
| Skilled nursing care - must be in a participating skilled nursing facility | 80% after in-network deductible | 80% after in-network deductible |
| Limited to a maximum of 120 days per member per calendar year | | |

BCBSM Medical (Continued)

| Benefits | In-Network | Out-of-Network |
|--|--|---|
| Hospice care | 100% (no deductible or copay/coinsurance) | 100% (no deductible or copay/coinsurance) |
| | Up to 28 pre-hospice counseling visits before electing hospice services; when elected, four 90-day periods - provided through a participating hospice program only; limited to dollar maximum that is reviewed and adjusted periodically (after reaching dollar maximum, member transitions into individual case management) | |
| Home health care: • must be medically necessary • must be provided by a participating home health care agency | 80% after in-network deductible | 80% after in-network deductible |
| Infusion therapy: • must be medically necessary • must be given by a participating Home Infusion Therapy (HIT) • provider or in a participating freestanding Ambulatory Infusion Center (AIC) • may use drugs that require preauthorization - consult with your doctor | 80% after in-network deductible | 80% after in-network deductible |
| Surgical Services | | |
| Surgery - includes related surgical services and medically necessary facility services by a participating ambulatory surgery facility | 80% after in-network deductible | 60% after out-of-network deductible |
| Presurgical consultations | 100% (no deductible or copay/coinsurance) | 60% after out-of-network deductible |
| Voluntary sterilization for males Note: For voluntary sterilizations for females, see "Preventive care services." | 80% after in-network deductible | 60% after out-of-network deductible |
| Elective Abortions | 80% after in-network deductible | 60% after out-of-network deductible |
| Human Organ Transplants | | |
| Specified human organ transplants - must be in a designated facility and coordinated through the BCBSM Human Organ Transplant Program (1-800-242-3504) | 100% (no deductible or copay/coinsurance) | 100% (no deductible or copay/coinsurance) - in designated facilities only |
| Bone marrow transplants - must be coordinated through the BCBSM Human Organ Transplant Program (1-800-242-3504) | 80% after in-network deductible | 60% after out-of-network deductible |
| Specified oncology clinical trials Note: BCBSM covers clinical trials in compliance with PPACA | 80% after in-network deductible | 60% after out-of-network deductible |
| Kidney, cornea and skin transplants | 80% after in-network deductible | 60% after out-of-network deductible |
| Mental Health Care and Substance Abuse Treatment | | |
| Note: Some mental health and substance abuse services are considered by BCBSM to be comparable to an office visit. When a mental health or substance abuse service is considered by BCBSM to be comparable to an office visit, we will process the claim under your office visit benefit. | | |
| Inpatient mental health care and inpatient substance abuse treatment | 80% after in-network deductible | 60% after out-of-network deductible |
| | Unlimited days | |
| Residential psychiatric treatment facility: • covered mental health services must be performed in a residential psychiatric treatment facility • treatment must be preauthorized • subject to medical criteria | 80% after in-network deductible | 60% after out-of-network deductible |

BCBSM Medical (Continued)

| Benefits | In-Network | Out-of-Network |
|---|---|---|
| Outpatient mental health care: | | |
| Facility and clinic | 80% after in-network deductible | 80% after in-network deductible in participating facilities only |
| Physician's office | 80% after in-network deductible | 60% after out-of-network deductible |
| Outpatient substance abuse treatment - in approved facilities only | 80% after in-network deductible | 60% after out-of-network deductible (in-network cost-sharing will apply if there is no PPO network) |
| Autism Spectrum Disorders, Diagnoses and Treatment | | |
| Applied behavioral analysis (ABA) treatment - when rendered by an approved board-certified behavioral analyst - is covered through age 18, subject to preauthorization Note: Diagnosis of an autism spectrum disorder and a treatment recommendation for ABA services must be obtained by a BCBSM approved autism evaluation center (AAEC) prior to seeking ABA treatment. | 80% after in-network deductible | 80% after in-network deductible |
| Outpatient physical therapy, speech therapy, occupational therapy, nutritional counseling for autism spectrum disorder | 80% after in-network deductible Physical, speech and occupational therapy with an autism diagnosis is unlimited | 60% after out-of-network deductible |
| Other covered services, including mental health services, for autism spectrum disorder | 80% after in-network deductible | 60% after out-of-network deductible |
| Other Covered Services | | |
| Outpatient Diabetes Management Program (ODMP) Note: Screening services required under the provisions of PPACA are covered at 100% of approved amount with no in-network cost-sharing when rendered by an in-network provider. Note: When you purchase your diabetic supplies via mail order you will lower your out-of-pocket costs. | <ul style="list-style-type: none"> 80% after in-network deductible for diabetes medical supplies; 100% (no deductible or copay/coinsurance) for diabetes self-management training | 60% after out-of-network deductible |
| Allergy testing and therapy | 100% (no deductible or copay/coinsurance) | 60% after out-of-network deductible |
| Chiropractic spinal manipulation and osteopathic manipulative therapy | \$30 copay per visit Limited to a combined 24-visit maximum per member per calendar year | 60% after out-of-network deductible |
| Outpatient physical, speech and occupational therapy - when provided for rehabilitation | 80% after in-network deductible Limited to a combined 60-visit maximum per member per calendar year | 60% after out-of-network deductible Note: Services at nonparticipating outpatient physical therapy facilities are not covered. |
| Durable medical equipment Note: DME items required under the provisions of PPACA are covered at 100% of approved amount with no in-network cost-sharing when rendered by an in-network provider. For a list of covered DME items required under PPACA, call BCBSM. | 80% after in-network deductible | 80% after in-network deductible |
| Prosthetic and orthotic appliances | 80% after in-network deductible | 80% after in-network deductible |
| Private duty nursing care | 50% after in-network deductible | 50% after in-network deductible |

BCBSM Prescription Plans

CITY OF BERKLEY Group # 007006030 BCBSM Preferred RX Program Benefits-at-a-glance

This is intended as an easy-to-read summary and provides only a general overview of your benefits. It is not a contract. Additional limitations and exclusions may apply. Payment amounts are based on BCBSM's approved amount, less any applicable deductible and/or copay/coinsurance. For a complete description of benefits please see the applicable BCBSM certificates and riders, if your group is underwritten or any other plan documents your group uses, if your group is self-funded. If there is a discrepancy between this Benefits-at-a-Glance and any applicable plan document, the plan document will control.

Specialty Pharmaceutical Drugs - The mail order pharmacy for specialty drugs is Walgreens Specialty Pharmacy, LLC, an independent company. Specialty prescription drugs (such as Enbrel® and Humira®) are used to treat complex conditions such as rheumatoid arthritis, multiple sclerosis and cancer. These drugs require special handling, administration or monitoring. Walgreens Specialty Pharmacy will handle mail order prescriptions only for specialty drugs while many in-network retail pharmacies will continue to dispense specialty drugs (check with your local pharmacy for availability).

Other mail order prescription medications can continue to be sent to Express Scripts. (Express Scripts is an independent company providing pharmacy benefit services for Blues members.) A list of specialty drugs is available on our Web site at bcbsm.com/pharmacy. If you have any questions, please call Walgreens Specialty Pharmacy customer service at 1-866-515-1355

We will not pay for more than a 30-day supply of a covered prescription drug that BCBSM defines as a "specialty pharmaceutical" whether or not the drug is obtained from a 90-Day Retail Network provider or mail-order provider. We may make exceptions if a member requires more than a 30-day supply. BCBSM reserves the right to limit the quantity of select specialty drugs to no more than a 15-day supply for each fill. Your copay/coinsurance will be reduced by one-half for each fill once applicable deductibles have been met.

Select Controlled Substance Drugs - BCBSM will limit the initial fill of select controlled substances to a 15-day supply. The member will be responsible for only one-half of their cost-sharing requirement typically imposed on a 30-day fill. Subsequent fills of the same medication will be eligible to be filled as prescribed, subject to the applicable cost-sharing requirement. Select controlled substances affected by this prescription drug requirement are available online at bcbsm.com/pharmacy.

Member's Responsibility (deductibles, copays, coinsurance and dollar maximums)

Note: Your prescription drug copays and coinsurance amounts, including mail order copay and coinsurance amounts, are subject to the same annual out-of-pocket maximum required under your medical coverage. The following prescription drug expenses will not apply to your annual out-of-pocket maximum.

- any difference between the Maximum Allowable Cost and BCBSM's approved amount for a covered brand name drug
- the 25% member liability for covered drugs obtained from an out-of-network pharmacy

| Benefits | | 90-day retail network pharmacy | *In-network mail order provider | In-network pharmacy (not part of the 90-day retail network) | Out-of-network pharmacy |
|--|---------------------|--------------------------------|---------------------------------|---|---|
| Tier 1 - Generic or select prescribed over-the-counter drugs | 1 to 30-day period | You pay \$10 copay | You pay \$10 copay | You pay \$10 copay | You pay \$10 copay plus an additional 25% of BCBSM approved amount for the drug |
| | 31 to 83-day period | No coverage | You pay \$20 copay | No coverage | No coverage |
| | 84 to 90-day period | You pay \$20 copay | You pay \$20 copay | No coverage | No coverage |
| Tier 2 - Preferred brand-name drugs | 1 to 30-day period | You pay \$40 copay | You pay \$40 copay | You pay \$40 copay | You pay \$40 copay plus an additional 25% of BCBSM approved amount for the drug |
| | 31 to 83-day period | No coverage | You pay \$80 copay | No coverage | No coverage |
| | 84 to 90-day period | You pay \$80 copay | You pay \$80 copay | No coverage | No coverage |

BCBSM Prescription Plans (Continued)

| Benefits | | 90-day retail network pharmacy | *In-network mail order provider | In-network pharmacy (not part of the 90-day retail network) | Out-of-network pharmacy |
|--|---------------------|--------------------------------|---------------------------------|---|---|
| Tier 3 - Nonpreferred brand-name drugs | 1 to 30-day period | You pay \$80 copay | You pay \$80 copay | You pay \$80 copay | You pay \$80 copay plus an additional 25% of BCBSM approved amount for the drug |
| | 31 to 83-day period | No coverage | You pay \$160 copay | No coverage | No coverage |
| | 84 to 90-day period | You pay \$160 copay | You pay \$160 copay | No coverage | No coverage |

Note: Over-the-counter (OTC) drugs are drugs that do not require a prescription under federal law. They are identified by BCBSM as select prescription drugs. A prescription for the select OTC drug is required from the member's physician. In some cases, over-the-counter drugs may need to be tried before BCBSM will approve use of other drugs * BCBSM will not pay for drugs obtained from out-of-network mail order providers, including Internet providers.

Covered Services

| | | | | |
|---|--|--|--|---|
| FDA-approved drugs | 100% of approved amount less plan copay/coinsurance | 100% of approved amount less plan copay/coinsurance | 100% of approved amount less plan copay/coinsurance | 75% of approved amount less plan copay/coinsurance |
| Prescribed over-the-counter drugs - when covered by BCBSM | 100% of approved amount less plan copay/coinsurance | 100% of approved amount less plan copay/coinsurance | 100% of approved amount less plan copay/coinsurance | 75% of approved amount less plan copay/coinsurance |
| State-controlled drugs | 100% of approved amount less plan copay/coinsurance | 100% of approved amount less plan copay/coinsurance | 100% of approved amount less plan copay/coinsurance | 75% of approved amount less plan copay/coinsurance |
| FDA-approved generic and select brand-name prescription preventive drugs, supplements and vitamins as required by PPACA (non-self-administered drugs are not covered) | 100% of approved amount | 100% of approved amount | 100% of approved amount | 75% of approved amount |
| Other FDA-approved brand-name prescription preventive drugs, supplements and vitamins as required by PPACA (non-self-administered drugs are not covered) | 100% of approved amount less plan copay/coinsurance | 100% of approved amount less plan copay/coinsurance | 100% of approved amount less plan copay/coinsurance | 75% of approved amount less plan copay/coinsurance |
| FDA-approved generic and select brand name prescription contraceptive medication (non-self-administered drugs are not covered) | 100% of approved amount | 100% of approved amount | 100% of approved amount | 75% of approved amount |
| Other FDA-approved brand name prescription contraceptive medication (non-self-administered drugs are not covered) | 100% of approved amount less plan copay/coinsurance | 100% of approved amount less plan copay/coinsurance | 100% of approved amount less plan copay/coinsurance | 75% of approved amount less plan copay/coinsurance |
| Disposable needles and syringes - when dispensed with insulin or other covered injectable legend drugs Note: Needles and syringes have no copay/coinsurance. | 100% of approved amount less plan copay/coinsurance or the insulin or other covered injectable legend drug | 100% of approved amount less plan copay/coinsurance or the insulin or other covered injectable legend drug | 100% of approved amount less plan copay/coinsurance or the insulin or other covered injectable legend drug | 75% of approved amount less plan copay/coinsurance or the insulin or other covered injectable legend drug |

BCBSM Prescription Plans (Continued)

| Benefits | 90-day retail network pharmacy | *In-network mail order provider | In-network pharmacy (not part of the 90-day retail network) | Out-of-network pharmacy |
|--|--------------------------------|---------------------------------|---|-------------------------|
| <p>Elective drugs</p> <p>Note: Elective lifestyle drugs are lifestyle drugs that treat sexual impotency or infertility, or help in weight loss. They are not designed to treat acute or chronic illnesses. These medications are prescribed for medical conditions that have no demonstrable physical harm if not treated. (Smoking cessation drugs are not considered an elective lifestyle drug and are a payable benefit.) BCBSM determines when a drug is an elective drug.</p> | 50% of approved amount | 50% of approved amount | 50% of approved amount | 50% of approved amount |

Features of your prescription drug plan

| | |
|---|--|
| Custom Drug List | <p>A continually updated list of FDA-approved medications that represent each therapeutic class. The drugs on the list are chosen by the BCBSM Pharmacy and Therapeutics Committee for their effectiveness, safety, uniqueness and cost efficiency. The goal of the drug list is to provide members with the greatest therapeutic value at the lowest possible cost.</p> <ul style="list-style-type: none"> • Tier 1 (generic) - Tier 1 includes generic drugs made with the same active ingredients, available in the same strengths and dosage forms, and administered in the same way as equivalent brand-name drugs. They also require the lowest copay/coinsurance, making them the most cost-effective option for the treatment. • Tier 2 (preferred brand) - Tier 2 includes brand-name drugs from the Custom Drug List. Preferred brand name drugs are also safe and effective, but require a higher copay/coinsurance. • Tier 3 (nonpreferred brand) - Tier 3 contains brand-name drugs not included in Tier 2. These drugs may not have a proven record for safety or as high of a clinical value as Tier 1 or Tier 2 drugs. Members pay the highest copay/coinsurance for these drugs. |
| Prior authorization/step therapy | <p>A process that requires a physician to obtain approval from BCBSM before select prescription drugs (drugs identified by BCBSM as requiring preauthorization) will be covered. Step Therapy, an initial step in the "Prior Authorization" process, applies criteria to select drugs to determine if a less costly prescription drug may be used for the same drug therapy. Some over-the-counter medications may be covered under step therapy guidelines. This also applies to mail order drugs. Claims that do not meet Step Therapy criteria require preauthorization. Details about which drugs require preauthorization or step therapy are available online site at bcbsm.com/pharmacy.</p> |
| Drug interchange and generic copay/coinsurance waiver | <p>BCBSM's drug interchange and generic copay/coinsurance waiver programs encourage physicians to prescribe a less-costly generic equivalent.</p> <p>If your physician rewrites your prescription for the recommended generic or OTC alternate drug, you will only have to pay a generic copay/coinsurance. In select cases BCBSM may waive the initial copay/coinsurance after your prescription has been rewritten. BCBSM will notify you if you are eligible for a waiver.</p> |
| Mandatory maximum allowable cost drugs | <p>If your prescription is filled by an in-network pharmacy, and the pharmacist fills it with a brand-name drug for which a generic equivalent is available, you MUST pay the difference in cost between the BCBSM approved amount for the brand-name drug dispensed and the maximum allowable cost for the generic drug plus your applicable copay/coinsurance regardless of whether you or your physician requests the brand-name drug. Exception: If your physician requests and receives authorization for a nonpreferred brand-name drug with a generic equivalent from BCBSM and writes "Dispense as Written" or "DAW" on the prescription order, you pay only your applicable copay/coinsurance.</p> <p>Note: This MAC difference will not be applied toward your annual in-network deductible, your annual coinsurance, or your annual out-of-pocket maximum, if applicable.</p> |
| Quantity limits | To stay consistent with FDA approved labeling for drugs, some medications may have quantity limits. |

DENTAL AND VISION BENEFIT SUMMARY

The City of Berkley provides dental and vision benefits as summarized below. The plans are administered by ADN. Plan detail are available on the city's website: www.berkleymich.org/HR/documents/ADNBenefitBookletBerkley.pdf

DENTAL BENEFITS

Dental insurance is provided for each full time, non-union employee, spouse and dependent children in the amount of \$1,500 annually for each covered individual. The following is a listing of covered services:

| Service Benefit Class | Percent Paid By: | |
|--------------------------|------------------|----------|
| | Insurance | Employee |
| Class I | 100% | 0% |
| Class II | 80% | 20% |
| Class III | 60% | 40% |
| Orthodontia | 50%* | 50% |

* Up to lifetime maximum established by insurance carrier.

OPTICAL BENEFITS

Optical benefits are provided each full time, non-union employee, spouse and dependent children in the amount of \$450.00 in a twenty-four (24) month period for each covered individual. A list of covered services includes:

- Eye examinations by a person licensed by the State of Michigan to perform same.
- Prescription lenses and frames.
- Prescription contact lenses.

Reimbursement shall be based upon paid receipts submitted to the carrier for rendered

A.F.S.C.M.E. LOCAL UNION NO. 1021

APPENDIX A: EFFECTIVE JULY 1, 2013 TO JUNE 30, 2015

WAGE SCHEDULE – BASE HOURLY RATE OF PAY*

| | | | |
|---------------|--|---------------------------------------|--|
| | | July 1, 2013 Thru June 30, 2014 | July 1, 2014 Thru June 30, 2015 |
| Wage Increase | | 0 % | \$.16/hour increase across the board all rates |

Hire date prior to July 1, 1995

| POSITION | | | ENTRY HOURLY RATE | BASE HOURLY RATE | ENTRY HOURLY RATE | BASE HOURLY RATE |
|-----------------|--|--|----------------------------------|---------------------------------|----------------------------------|---------------------------------|
| Laborer | | | \$22.23 | \$22.43 | \$22.39 | \$22.59 |
| Operator I | | | \$22.56 | \$22.76 | \$22.72 | \$22.92 |
| Operator II | | | \$22.78 | \$22.98 | \$22.94 | \$23.14 |
| Operator III | | | \$23.00 | \$23.20 | \$23.16 | \$23.36 |
| Mechanic I | | | \$23.00 | \$23.20 | \$23.16 | \$23.36 |
| Mechanic II | | | \$23.21 | \$23.41 | \$23.37 | \$23.57 |

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Hire date after July 1, 1995

Section 1501.20 The wage rate for each position classification paid to employees hired on or after July 1, 1995, shall be the rate shown in Appendix A multiplied by the modification factor shown in the following schedule:

| | Position | |
|----------------|-------------------|--------|
| Classification | | Factor |
| 1501.21 | Laborer | 70% |
| 1501-22 | Operator I | 80% |
| 1501.23 | Operator II | 85% |
| 1501.24 | Operator III | 100% |
| 1501.25 | Mechanic I/II/III | 100% |

| POSITION | | | ENTRY HOURLY RATE | BASE HOURLY RATE | ENTRY HOURLY RATE | BASE HOURLY RATE |
|--------------|--|--|-------------------|------------------|-------------------|------------------|
| Laborer | | | \$15.50 | \$15.70 | \$15.66 | \$15.86 |
| Operator I | | | \$18.01 | \$18.21 | \$18.17 | \$18.37 |
| Operator II | | | \$19.34 | \$19.54 | \$19.50 | \$19.70 |
| Operator III | | | \$23.00 | \$23.20 | \$23.16 | \$23.36 |
| Mechanic I | | | \$23.00 | \$23.20 | \$23.16 | \$23.36 |
| Mechanic II | | | \$23.21 | \$23.41 | \$23.37 | \$23.57 |

- Rates shown apply to employees who have served twelve (12) months in the classification. Entry rate shall be \$0.20 per hour less that rate shown.
- Effective 7/1/07, a current full time employee who is promoted into a new classification shall stay in the entry hourly rate classification for a one hundred and eighty (180) day period. If the employee can demonstrate that they can perform the work in accordance with section 2002.1, then the employee will move to base hourly rate after the one hundred and eighty (180) day period expires. If the employee cannot perform the work, that employee shall be returned to his/her last classification. Entry rate shall be \$0.20 per hour less than rate shown. All new hires must stay in the entry hourly rate classification for a twelve (12) month period in accordance with section 2001.1. Entry rate shall be \$0.20 per hour less than rate shown.

APPENDIX B

POST EMPLOYMENT HEALTH CARE SAVINGS PROGRAM FOR THOSE FULL TIME DPW EMPLOYEES HIRED ON OR AFTER 7/1/2005

The health savings program is not a health savings account as prescribed by the Internal Revenue Service. This is an Internal Revenue Service Section 115 Trust Program.

Program Summary:

The post-employment Health Savings Program (HSP) is an employer-sponsored savings account designed for you and your spouse and/or legal dependents to set aside money to cover the cost of post-employment health care. Under the program, pre or post tax contributions are made while you are an active employee and then once you leave employment with the City, regardless of the reason you leave or the age you leave, you may be reimbursed for healthcare related expenses (i.e. insurance premiums, doctor co-pays, COBRA, drug co-pays, many over-the-counter medications, etc.). In the event of your death, your spouse and/or legal dependent(s) may continue to use the account for tax-free medical expenses.

CITY OF BERKLEY HEALTH SAVINGS PLAN DPW/AFSCME LOCAL 1021 EMPLOYEES

Eligible Employees:

Those employees classified as active AFSCME Local 1021 DPW Employees by the City of Berkley and hired on or after 7/1/2005 only and are not currently receiving a retiree health care package from the City of Berkley.

Mandatory Eligible Employee Contribution Pre-Tax:

The minimum mandatory pre-tax employee contribution is \$10.00 per month. There is no maximum amount of employee pre-tax contribution. Once a pre-tax contribution is selected, the employee **may never decrease** the original pre-tax contribution only increase said contribution.

Non-Mandatory Contribution Post Tax:

The participating employee can elect to also contribute on a post tax basis any amount the employee wishes to contribute to their account. This contribution can go up or go down on a periodic basis without penalty.

Change of Benefit Periods:

The City will provide at least two time periods within a fiscal year to allow for adjustment of pre and post tax contributions.

Employer Contributions on Pre and Post Tax Contributions:

The City will contribute \$100 per month.

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The employee can contribute as much as they wish within Internal Revenue Service guidelines. However, the maximum City contribution placed into the employees account per month will be \$100.00. The employee may not at this time deposit lump sum distributions paid by the City into this account.

Failure to Respond to Withhold:

If an employee fails to respond to the notice for withholding, the City will automatically withhold \$50.00/pay pre-tax contribution from the employees' bi-weekly payroll paycheck and match said amount as referenced above.

Interest Earned/Vesting:

The employee contribution and earned interest on the employee contribution will vest with the employee from the first deposit. The employer contribution along with earned interest on the employer contribution will be credited to the employee monthly, however, the employer amount contributed and corresponding interest earned will not vest with the employee until the employee has completed their sixth (6) year or (72 Months) of employment service with the City of Berkley.

Termination of employment for any reason by the employee will result in the benefits paid to be portable however, the employee cannot have the employer contribution and related interest unless said employee has completed six (6) years of service or (72 Months) with the City of Berkley only.

If the employee leaves City service for any reason prior to vesting, the employer contribution along with earned interest on the employer contribution will be transferred from the employees account on the date the employee terminates service back to the City of Berkley retiree health funding account at MERS.

Credited Service:

Purchase of Generic Time, Military time, or Public Act 88 of 1961 reciprocal retirement time cannot be utilized in vesting for the employer contribution only actual service time earned at the City of Berkley can be utilized to accrue the City of Berkley employer contribution.

REV: 7/20/17

Third Party Program Administrator:

The Health Savings Program Account will be maintained and serviced by the Municipal Employees Retirement System (MERS) as selected by the City of Berkley and approved by the Mayor and City Council.

Fees to be paid to MERS shall be reflected in the interest earnings rates earned by MERS and all accounts shall be credited interest net of MERS fees.

MERS will be required to report to the City of Berkley and the employee at least quarterly, amounts contributed by the employee, employer and interest earned on the account by employee and employer.

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Withdrawal:

Withdrawals from the account can only be made when the employee and beneficiary receive a monthly pension benefit from the MERS Pension System or the employee terminates City service.

The employees Health Savings Plan account requires a beneficiary designation in addition to your spouse and/or legal dependents. If the employee should expire, the account will immediately belong to the spouse and or legal dependents and if they have expired or are no longer a dependent the account would go to your designated beneficiary. Failure to designate a beneficiary would result in all dollars in the account to lapse to the City of Berkley.

Withdrawal for benefits from the account can only be made by the employee, employees spouse or the employees' beneficiary at the time of retirement or leaving of City service. Withdrawals must meet Internal Revenue Service guidelines for health savings accounts in order to be a tax free distribution. Withdrawals from the account for non-medical benefit as determined by the Internal Revenue Service will be a taxable distribution to the employee.

In all cases of withdrawal, MERS/Internal Revenue Service rules will be followed in determining pre or post tax withdrawals.

Plan Amendment:

This plan can be amended at any time to meet Internal Revenue Service, Municipal Employees Retirement System, City Council or any other rule changes that may occur.

Retroactivity - Contributions:

For those AFSCME Local 1021/DPW employees hired on or after 7/1/05 and still employed with the City on 7/1/07, the City will make a one time employer contribution of \$150.00 into each eligible individuals account for each month and prorated month the employee has worked for the City for the time period of 7/1/05 through 6/30/07. This contribution will be subject to all vesting requirements highlighted above.

This section will not apply to any employee hired on or after 7/1/07 or any AFSCME Local 1021/DPW employee who is currently receiving a City of Berkley retiree health care package in lieu of a regular employee health care package either from the City Merit System or other City of Berkley Union contract.

Retroactivity – Vesting:

For those AFSCME Local 1021 DPW employees hired on or after 7/1/05 and still employed with the City on 7/1/07 and not receiving a retiree health care benefit while on active duty, the City will allow the actual time earned between 7/1/05 and 6/30/07 by an eligible employee to count towards vesting in this plan.

Any employee hired on or after 7/1/07 will not have any retro activity credited service rights.

