

# ***AGREEMENT BETWEEN***

**THE CHARTER TOWNSHIP OF WATERFORD  
5200 CIVIC CENTER DRIVE  
WATERFORD, MICHIGAN 48329**

***AND THE***

**WATERFORD PROFESSIONAL  
FIREFIGHTERS ASSOCIATION  
LOCAL 1335 OF THE  
INTERNATIONAL ASSOCIATION  
OF FIREFIGHTERS**

***JANUARY 1, 2013, to DECEMBER 31, 2015***



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**COLLECTIVE BARGAINING AGREEMENT**

This agreement entered into between the CHARTER TOWNSHIP OF WATERFORD, MICHIGAN, a Michigan Charter Township, hereinafter called the "Township" and LOCAL NO. 1335 of the INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, hereinafter called the "Union".

**WITNESSETH**

That the parties hereto, in consideration of the mutual covenants and agreements hereinafter contained, do hereby agree as follows:

**ARTICLE I - PURPOSE AND DEFINITIONS**

**SECTION 1 - PURPOSE**

The parties hereto have entered into this Agreement pursuant to the authority of Act 379 of the Public Acts of 1965, as amended, to incorporate understandings, previously reached and other matters into a formal contract; to promote harmonious relations between the Township and the Union, in the best interest of the community; to improve the public firefighting services; and to provide an orderly and equitable means of resolving future differences between the parties.

**SECTION 2 - DEFINITIONS**

"Township" shall mean the Charter Township of Waterford, Michigan. "Union" shall mean Local No. 1335 of the International Association of Firefighters and its affiliates.

"Employees" shall mean the uniformed employees of the Fire Department except for the Chief and Deputy Chief.

"Kelly Day" shall mean the 24 consecutive hour time off duty in each six day period, or effective 1/1/02 "Kelly Days" shall mean the middle 48 hours the 96 hour off duty in each nine day period of engaging in firefighting or being subject to the hazards thereof as required by Act 125, Public Acts of 1925, as amended, to reduce the average work week to 53 hours.

"Kelly" shall refer to the 96 consecutive hours off, of his/her 9-day work cycle.

Whenever the singular is used, it shall include the plural.

**ARTICLE II - COVERAGE**

This Agreement shall be applicable to the employees of the Fire Department of the Township except the Chief and the Deputy Chief.

**ARTICLE III - RECOGNITION**

The Township of Waterford recognizes Local 1335 Waterford Township Professional Firefighters, affiliated with the AFL-CIO through the International Association of Firefighters and affiliated with the Michigan State Firefighters Union, as the sole representatives of its members, covered by this agreement for the purpose of collective bargaining with respect to wages, hours, working conditions, and other conditions of employment. It shall be the joint concern of the Township and the Union that no discrimination will be exercised against any Fire Department employee because of individual bias, race, creed, organizational activity, or membership in any specific group. The provisions of this working agreement shall apply to Fire Department employees.

**ARTICLE IV - DUES AND DEDUCTIONS**

**SECTION 1 - GENERAL**

The Township shall deduct, as dues, from the pay of each employee from whom it receives an authorization to

do so, the required amount for the payment of union dues, fees, and assessments. Such sums, accompanied by a list of employees from whom no deductions were made and the reasons therefore shall be forwarded to the Union Treasurer within thirty (30) days after such collections have been made.

#### **SECTION 2 - AUTHORIZATION TO DEDUCT DUES**

Deductions shall be made only when the Township has received an authorization for check off of union dues, fees, and assessments properly executed by the employee.

#### **SECTION 3 - UNAUTHORIZED DEDUCTIONS/DUPLICATE PAYMENTS**

In cases where a deduction is made that duplicates a payment that an employee has already made to the Union or when a deduction is not in conformity with the provisions of the Union constitution and by-laws, a refund to the employee will be made by the Local Union.

#### **SECTION 4 - EMPLOYER LIABILITY**

The employer shall not be liable to the Union for reason of the requirements of this Agreement for the remittance or payment of any sum other than that constituting actual deductions made from wages earned by Employees. The Union will protect and save harmless the Employer from any and all claims, demands, suits, and other forms of liability by reason of action taken, or not taken, by the Employer for the purpose of complying with Article IV of this Agreement.

### **ARTICLE V - UNION ACTIVITIES**

#### **SECTION 1 – GENERAL**

A. Employees and their Union Representatives shall have the right to join the Union, to engage in lawful concerted activities for the purpose of collective negotiation or bargaining or other mutual aid and protection, to express or communicate any view, grievance, complaint, or opinion related to the conditions or compensation of public employment or their betterment, all free from any and all restraint, interference, coercion, discrimination, or reprisal.

B. It shall be a continuing condition of employment that all employees who are members of the Union shall pay the Union's uniform dues, fees and assessments. It shall be a continuing condition of employment that all employees who are not members of the Union and who do not become and remain members of the Union and pay its' uniform dues, fees and assessments, shall, as an alternative, pay a bargaining service fee in an amount equivalent to such uniform dues fees and assessments. Employees who fail to comply with this requirement within thirty days shall be discharged by the employer.

C. The Union shall hold the Township harmless and pay to the Township any costs or expenses incurred, including actual attorney fees, in the event of any employee asserting any claim against the Township in respect to the foregoing.

#### **SECTION 2 - RELEASE TIME**

Officers and other representatives of the Union shall be afforded reasonable time during regular working hours without loss of pay to fulfill their Union responsibilities, including negotiations with the Township, processing of grievances, and administration and enforcement of this Agreement. The Union President or Secretary shall have time off without loss of pay to attend Civil Service Meetings excluding meetings which do not affect the Fire Department. If either Union Officer is off duty and available, he shall make every effort to attend the meetings.

#### **SECTION 3 – UNION ACTIVITIES**

A. The Union Members shall be allowed no more than forty-eight (48) hours per calendar year of paid time to attend a state or international function of the Union, such as conventions or educational conferences, provided no more than two (2) employees are off at any one time.

- B. In addition to the above, in the year of the biannual state convention of the Union, any two (2) members elected to attend said state convention shall be allowed time off for a period not to exceed three (3) consecutive days without loss of time or pay for their regularly scheduled work day and/or work days to attend said convention.
- C. Employees requesting time off under this article must submit written notice to the Fire Chief fifteen (15) days in advance.

#### **SECTION 4 - BULLETIN BOARDS**

The Union shall be provided suitable bulletin space, including at least one (1) at each fire station, for the posting of Union notices or other materials. Such boards shall be identified with the name of the Union. The Union may designate persons responsible therefore. The bulletin boards shall not be used by the Union or its members for disseminating propaganda and among other things, shall not be used for posting or distributing pamphlets or other matters dealing with political matters.

#### **SECTION 5 - MEETINGS**

The Union may schedule meetings on Fire Department property, insofar as such meetings are not disruptive of the duties for the employees or the efficient operation of the Fire Department.

#### **SECTION 6 - EMPLOYEE REPRESENTATION**

An employee shall be given the opportunity to have an authorized representative of the Union present at any time the employee feels that such representation is necessary. The Union shall furnish a list to the Chief and the Director of Fiscal & Human Resources, the names of all Union Officers and Union representatives for grievance procedures and contract negotiations.

### **ARTICLE VI - OTHER AGREEMENTS AND ORGANIZATIONS**

#### **SECTION 1 - OTHER AGREEMENTS**

The Township shall not enter into any agreements with its employees individually or collectively which in any way conflicts with the provisions hereof. The Township shall not enter into any agreements with any other organization which in any way conflicts with the provisions hereof.

#### **SECTION 2 - OTHER ORGANIZATIONS**

Employees may belong to other organizations, but such other organizations shall not represent any employee with respect to wages, hours, or conditions of employment or in derogation of the exclusive bargaining agency of this Union.

#### **SECTION 3 - MUTUAL AID, CONSOLIDATION, MERGER OR AUTOMATIC AID**

The Township will not enter into any mutual aid agreement with any other governmental unit for fire protection without written notice to the Union that such mutual aid is to be considered and an opportunity for a representative of the Union to be heard by the Township Board before such agreement is approved.

Any future Consolidation, Merger or Automatic Mutual Aid pact, or agreement will be negotiated with Waterford Professional Firefighters Association Local 1335 prior to implementation. In the event the parties fail to reach an agreement on the terms and conditions of a Consolidation, Merger or Automatic Mutual Aid pact, or agreement, the Union and the Township agree to submit the issue to binding arbitration pursuant to P.A. 312 of 1969 as amended.

#### **SECTION 4 - PROBATION**

- A. New hire employees shall serve a 1-year probationary period from date of hire.
- B. Employees promoted to a higher rank shall serve a six-month probationary period from the date of promotion.

## **ARTICLE VII - WAGES**

### **SECTION 1 - BASE WAGES**

- A. The salary schedule attached hereto as Exhibit "A" shall be in effect for the term of this Agreement. Exhibit "A" is attached hereto and made a part hereof.
- B. Exhibit "A" shall reflect a 0% wage increase for 2013, 2014 and 2015.
- C. Promotional Pay shall be 50% of rank differential at promotion, full at 90 days.

### **SECTION 2 - LONGEVITY PAY**

- A. In addition to the salary set forth in the salary schedule attached hereto as Exhibit "A", employees hired prior to January 1, 1983 shall receive ten percent (10%) of base pay as longevity pay.
- B. The longevity pay shall be paid proportionately over the regular twenty-six (26) pay periods.
- C. Those employees hired after January 1, 1983 will not be eligible for longevity pay.
- D. The Township and the Union further agree that longevity pay will never be a subject of bargaining in future negotiations.
- E. Employees hired between 1-1-83 and 12-31-89 shall receive a one-time payment of \$500. This payment shall be made within three pay periods of the date the contract is ratified by the Township Board. This paragraph shall be removed from the contract on 12-31-03.

### **SECTION 3 - ANNIVERSARY DATE**

The anniversary date, for purposes of the Article, shall be measured by reference to the original date of appointment to the Township.

### **SECTION 4 - OVERTIME**

Overtime is authorized time worked in excess of 22.7 hours, (eight (8) hours for forty (40) hour per week employees) beginning with the starting time of the employee's shift, except in cases where a routine and previously assigned shift change occurs and time in excess of fifty-three (53) hours per week for fifty-three (53) hour per week employees, and forty (40) hours for forty (40) hour per week employees. Authorized vacation, sick leave, and holidays shall be considered as time worked. Employees shall work overtime when necessary and overtime on any job shall be allocated as evenly as possible among all employees qualified to do the work.

### **SECTION 5 - CALL BACK TIME**

Employees called back outside of their regular hours shall be paid for the total time worked with a minimum of three (3) hours. Such pay shall be discontinued at the beginning of a regular work day. Where possible, call back time shall be evenly distributed among the employees of the department.

### **SECTION 6 - OVERTIME AND CALL BACK PAY**

Overtime and call back pay shall be compensated at the rate of time and one-half of the employee's hourly rate of pay based on his annual salary.

### **SECTION 7 - POSTING OVERTIME SHEETS**

Between the first and tenth of each month, the Township shall post at each fire station a departmental summary of all overtime hours worked during the preceding month by all employees. Each monthly summary of overtime hours shall be cumulative.

## **SECTION 8 - COMPENSATORY TIME**

- A. An employee may elect to accumulate compensatory time, in lieu of monetary payment for overtime worked and shall be entitled to one and one half (1 ½) hours off with regular pay for each one (1) hour of overtime accumulated, provided however, that an employee may accumulate not more than ninety-six (96) hours of compensatory time, and provided further, that an employee must use or cash in as overtime any accumulated compensatory time within six (6) months of the date earned.
- B. An employee who desires to utilize the compensatory time to which he is entitled, shall make request therefore to his immediate supervisor, and said request shall be honored subject to availability of request dates as determined by department manpower needs. Due regard shall be given to seniority.
- C. In the event of death, retirement or termination, an employee's accumulated compensatory time shall be paid in cash to the employee or his beneficiary.
- D. Employees shall earn compensatory time or overtime for required training that is not available or cannot be scheduled in house.

## **SECTION 9 - FOOD ALLOWANCE**

Each bargaining unit employee will be paid \$1,250.00 food allowance annually.

## **ARTICLE VIII - HOURS OF EMPLOYMENT**

### **SECTION 1 - WORK SCHEDULE**

- A. The standard work week of a twenty-four (24) hour employee shall be fifty-six (56) hours per week as permitted by Act No. 115 of the Public Acts of 1965 as amended. All scheduled work hours above the average fifty-three (53) hours per week will be paid as overtime.
- B. The Township has the right to modify the work schedule to include a three-platoon system of 24-hour workdays, on the following schedule; (to be agreed upon by the Union and the Chief.)
- C. The standard workweek of those in the Fire Prevention Division and those in training shall be forty (40) hours per week. Forty (40) hour per week employees shall be scheduled and on duty for a full consecutive eight (8) hour block workday using the standard Township work schedule.
- D. Those employees with less than two (2) years seniority, and other employees who request training and/or educational courses approved by the Chief may be assigned to a forty (40) hour work week until the completion of the courses.

### **SECTION 2 - TRADING OF DAYS**

Subject to department manpower requirements and the following rules, employees shall be permitted to voluntarily trade work or leave days as follows:

- 1. Twenty-four (24) hours notice should be given by each member who desires to trade a full day's time and said trading must be approved by the Officer in Charge in advance. The "Officer in Charge", for the purpose of granting approval under this section, shall be the Chief, Deputy Chief, or Senior Officer on duty, or the Engineer on duty at Station One. When the Engineer on duty at Station One is the "Officer in Charge", such Engineer will be paid the wage rate of Lieutenant as shown in Exhibit "A" for such duty time.
- 2. Time due shall be paid back on demand of the member having time coming. Forty-eight (48) hours notice shall be given to the member owing time.
- 3. The member working in, whether for a twenty-four (24) hour period or short duration change, shall report for duty in uniform and in a condition so as to be able to perform the duties as prescribed by the Officer in Charge.

4. All changes shall be recorded in the day book at the respective station and Station One notified that the change is made by the Officer in Charge. The change shall be recorded on a ledger at Station One.
5. All changes shall be requested on a Trade Day Form supplied by the Township and then submitted to the Officer in Charge for approval.
6. If, in the judgment of the Chief or Deputy Chief, any change of time, whether full time or short duration, works as detriment to the Fire Department, they may refuse to grant permission for the change. Approval for trading of a single day or less shall not be unreasonably withheld by the Officer in Charge.
7. Five work-days will be all that any member may owe at any one time. In unusual situations, an increase in the number of trade days owed may be allowed by agreement between the Chief and the Union President.
8. No buying of time shall be permitted.

### **SECTION 3 - OVERTIME RULES**

The following rules have been set up to govern the working of overtime by members of the Fire Department. Any discrepancies should be brought to the attention of the Chief or the Deputy Chief by the Local Union President or by his/her duly authorized representative.

1. The employee with the least amount of overtime in their Kelly/Shift Group will be called first. If he refuses, he will be charged with a refusal and the next man with the least amount of time will be called, and so on to the third man.
2. Under the 3-Platoon system, the call back procedure shall be as follows with respect to each shift;
  - A. The employee with the least amount of overtime on the overtime list who is on the 2<sup>nd</sup> or 3<sup>rd</sup> day of their 4 day Kelly shall be called first.
  - B. Next, the person that is lowest on the O/T list that is on the last day of their 4-day Kelly will be called.
  - C. Next, the person that is lowest and is the 1<sup>st</sup> day of their 4-day Kelly will be called.
  - D. If no one in the Kelly group is available, it will be allowed to the first person available.
3. No one will be called to work their Kelly Day on either end of his vacation unless the other employees in their Kelly Group have first been called. If he/she refuses, they will not be charged with a refusal.
4. No one will be called to work a Kelly Day falling between vacation days.
5. A man working a trade day, if called, will not be charged with refusing an overtime day.
6. Partial overtime days worked will be recorded separately, by the number of hours worked. Each time an employee's overtime totals twenty-four (24) hours, he will be charged with one overtime day on the overtime list.
7. Fire Prevention Division Personnel will be allowed to work overtime in the Firefighting Division only after all available possibilities have been exhausted within the Firefighting Division
8. The overtime schedule will run continuously.

**SECTION 4 - COURT APPEARANCES**

Employees subpoenaed to appear in court because of job related court cases during non-working hours will be paid time and one-half for such time spent in court. Any fees received by the employee will be turned over to the Township. Employees called back for court appearances shall be paid a minimum of three (3) hours provided:

- (1) Documentation is presented to the Chief of the court appearance with a punched-out time from the court.
- (2) The employee released by the court prior to three (3) hours shall complete the three (3) hours in a station assignment.

**ARTICLE IX - HOLIDAYS**

**SECTION 1 - HOLIDAYS DEFINED**

The following calendar days, or calendar days customarily celebrated in lieu thereof, shall be deemed holidays for the purposes of this Agreement:

- New Years Day
- Washington’s Birthday
- Martin Luther King’s Birthday (24-hour personnel only)
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Columbus Day (40-hour personnel only)
- Veteran’s Day
- Thanksgiving Day
- Friday after Thanksgiving
- Day before Christmas
- Christmas Day
- Day before New Years

**SECTION 2 - HOLIDAY PAY**

- A. Each twenty-four (24) hour employee shall receive thirteen (13) days holiday pay based on his base salary divided by 115 with the dividend multiplied by six and one-half (6.5). The holiday day shall be added to the base salary on the first day of each year. If an employee’s base salary changes during the year, his holiday pay shall be figured again using the above procedure and his new base salary.
- B. Forty (40) hour per week employees will have the above designated holidays off and will be paid his/her normal biweekly-weekly base salary for those holidays not worked. Any forty (40) hour employee in training at the time of the holiday, and such training requires their attendance on a designated holiday, shall make arrangements with the Fire Chief to take off work for an eight (8) hour period at some other mutually agreeable time.

**ARTICLE X - VACATIONS**

**SECTION 1 - ELIGIBILITY AND AMOUNT**

Seniority employees shall be eligible for annual vacations with pay on the following basis:

- A. FIREFIGHTING DIVISION
 

1 year of service	Six and one-half (6 ½)
through 5 years	twenty-four (24) hour work days

	per year plus Kelly Days
Over 5 years of service	Nine and one-half (9 ½)
through 10 years of service	twenty-four (24) hour work days per year plus Kelly Days
Over 10 years of service	Twelve and one-half (12 ½) twenty-four (24) hour work days per year plus Kelly Days
<b>B. FIRE PREVENTION DIVISION</b>	
1 year of service through 5 years	Thirteen (13) eight (8) hour work days per year
Over 5 years of service and through 10 years	Nineteen (19) eight (8) hour work days per year
Over 10 years of service and through 15 years	Twenty-five (25) eight (8) hour work days per year
Over 15 years of service	Twenty-nine (29) eight (8) hour work days per year

**SECTION 2 – FIVE EMPLOYEES OFF**

- A. Five (5) employees may be off on vacation at the same time, four (4) of which may be officers, provided that no more than two (2) command staff (Battalion Chief and Captain) shall be off on vacation at the same time. An approved vacation cannot be canceled.
- B. Additional employees off on vacation may be granted, with a standby man, at the Chief's or his designees' discretion.
- C. Probationary Employees shall not be allowed to make 1<sup>st</sup> and 2<sup>nd</sup> choice vacations
- D. A maximum of one (1) year of earned vacation may be carried over provided that at least one-half (1/2) of each year's earned vacation is used each year, and that vacation time carried over will not be entitled to seniority preference.
- E. Employees shall be allowed unlimited splitting of vacation days provided at least (1) hour at a time is taken.
- F. "Short time" vacation shall not be approved more than fifteen (15) days in advance. "Short time" vacation is defined as less than twenty-four (24) hours.
- G. An employee may turn in a request for "short time" vacation at any time, but it will not be approved until fifteen (15) days prior to the date requested. Once an employee has been approved for "short time" vacation, he/she shall not have the approval revoked. If a shift change occurs, any previously approved vacation time will be kept, for the entire period of the original approved vacation request, regardless of the number of personnel scheduled off.
- H. "Short time" vacation may be scheduled more than fifteen (15) days in advance, however, "short time" vacation is subject to being "bumped" by a twenty-four (24) hour vacation. Once a "short time" vacation has been approved after the fifteen (15) day deadline, the "short time" vacation is not subject

to "bumping" by a twenty-four (24) hour vacation. An employee that has previously turned in a request for "short time" and is subsequently subject to being "bumped" by a twenty-four (24) hour vacation shall have the Right of First Refusal (ROFR) and may elect to change their "short time" vacation to a twenty-four (24) hour vacation day. An employee who "bumps" another employee or an employee that elects to use the ROFR must use the full twenty-four (24) hour period and shall not return early. Either employee retains the right to cancel the vacation day, provided the cancellation occurs at least twenty-four (24) hours in advance of the scheduled day off. An employee "bumped" under this provision shall be notified of the availability of the vacation day due to the cancellation.

- I. A waiting list shall be kept for all denied vacation requests. If a cancellation occurs, the Officer of the day shall check if the cancellation opens a vacation slot not previously available. If so, the Officer shall notify an employee previously denied the time off of the availability.

### **SECTION 3 – VACATION DRAW**

Annual vacation will be granted to employees at the convenience of the township and must be approved in advance. Employee first and second choice vacation shall be approved and posted by the shift Battalion Chief no later than January 15<sup>th</sup> each year.

- A. Vacation Draw shall take place the week prior to January 15<sup>th</sup> each year.
- B. Employees shall pick in order of departmental seniority.
- C. First Choice shall be picked starting with the highest seniority employee and continue through to the lowest seniority employee.
- D. Second choice vacation shall be picked starting with the highest seniority employee and continue through to the lowest seniority employee.
- E. No more than six vacation days can be selected for first choice and no more than six vacation days can be selected for second choice.
- F. Written notification shall be posted by December 15<sup>th</sup> each year as to when the vacation draw dates will be.
- G. A running calendar will be kept at each station and each pick will be noted on the calendar so other employees know what days are available.

Each shift shall select independently of the other. Additional vacations shall be scheduled on a first come first serve basis but shall not in any way interfere with any employee's first or second choice.

### **SECTION 4 - TERMINATION OF EMPLOYMENT**

In the event employment is terminated prior to the anniversary date, an employee shall be deemed to have earned vacation pay in the ratio that the number of weeks from the last anniversary date bears to 52, payable forthwith, at his then prevailing daily rate, based on the whole years of completed service.

### **SECTION 5 - ANNIVERSARY DATE**

Refer to Article VII, Section 3

### **SECTION 6 – DEATH**

In the event of the employee's death, any unused earned vacation will be paid to the beneficiary.

**ARTICLE XI - SENIORITY**

**SECTION 1 - GENERAL**

- A. Seniority and its application shall be governed by the provisions of Act 78, Public Acts of 1935, or Section 3 of this Article.
- B. Seniority shall be adjusted for all non-paid leaves and a single disciplinary action of five (5) days or more for twenty-four (24) hour employees, or ten (10) days or more for forty (40) hour employees.

**SECTION 2 - SENIORITY LIST**

The Fire Department shall establish a seniority list and it shall be brought up to date on January 1 of each year and immediately posted thereafter on the Main Fire Station bulletin board, for a period not less than 30 days and a copy of same mailed to the Secretary of the Union. Any objections to the seniority list as posted shall be handled through civil service channels and not through the grievance procedure.

**SECTION 3 - APPLICATION OF SENIORITY**

- A. Station assignment to be based on seniority for other than probationary employees except at the discretion of the Chief for good cause.
- B. A change in shift shall be made for good cause only.
- C. In cases of temporary changes of station assignments, the least senior employee, except those in probationary status, will be transferred before employees with greater seniority.
- D. Senior employees of rank affected by an assignment shall have preference over a junior employee of the same rank, all circumstances being equal.
- E. Once every two (2) years, all Driver Engineers and Driver Engineer Paramedics shall be given the opportunity to choose their station, within their Kelly group and shift, based on their seniority. Such choices shall be subject to the Chief's final approval.

**ARTICLE XII - SICK LEAVE, SHORT AND LONG TERM DISABILITY**

**SECTION 1 - GENERAL**

Each employee shall be entitled to sick leave, with pay, for any illness or non-work related injury, up to 60 consecutive calendar days for each illness or injury. Sick leave shall be defined to mean illness or incapacity to perform his/her duties. Serious illness of husband or wife or child shall warrant use of sick leave by the employee, after arrangements have been made with his immediate supervisor, provided that this is restricted to eight (8) working days in a calendar year.

In the event of birth of a child an employee shall be allowed one day of sick leave provided that day is taken within 48 hours from the time of birth.

**SECTION 2 - OTHER EMPLOYEE BENEFITS**

An employee on sick leave shall be deemed to be on continued employment for purposes of computing all benefits. Sick days shall be construed as days worked.

**SECTION 3 - Verification**

After three (3) consecutive days of absence or upon indication of sick time abuse, the employer may request reasonable verification of illness. Upon five (5) consecutive days of absence, the employee may be required to be examined by a Township selected physician at the Township's expense.

#### **SECTION 4 – FAMILY MEDICAL LEAVE**

All Family Medical Leave time must be taken as paid leave if available. Sick time shall be used if the employee has a serious health condition. In addition to the time off allowed under section one (1) above, other paid time-off including vacation, compensatory time and personal leave shall be taken to care for a family member, or because of the birth of a child, or the placement of a child with the employee for adoption or foster care. Family Medical Leave shall be based on the calendar year. Subject to the foregoing, the Township may take any action in compliance with the FMLA.

#### **SECTION 5 – ADDITIONAL VACATION TIME**

An employee who does not use sick leave in a calendar quarter will be credited with one-fourth (1/4) day (6 hours for 53 hour personnel, 2 hours for 40 hour personnel) additional vacation time for a maximum of one (1) day per year. The first calendar quarter will be January, February, March; the second April, May, June; the third July, August, September, and the fourth October, November, and December.

#### **SECTION 6 – PERSONAL LEAVE**

A. Twenty-four (24) hour employees may use up to twenty-four (24) hours personal leave time per year. Forty (40) hour employees may use up to sixteen (16) hours personal leave time per year. Personal days will not accumulate from year to year and must be requested in advance except in an emergency which must be specified.

B. The personal leave request will not be denied provided no other employee is on personal leave at the same time. The personal leave time can be split no more than one time, with a minimum increment of four hours.

#### **SECTION 7 – LIGHT DUTY ASSIGNMENTS**

It is understood that an employee does not have the "right" to be assigned work in a light duty capacity and assignment of an employee to light duty remains at the discretion of the Employer.

Effective 01/31/08 an employee required by the Employer to work in a light duty capacity shall have the option to work his/her normal twenty-four hour shift schedule if the employee receives authorization from his/her treating physician.

If an employee requests to be placed on light duty, the Employer may assign the employee to either an eight-hour or twenty-four hour work schedule if the employee receives authorization from his/her treating physician.

### **ARTICLE XIII – LONG TERM DISABILITY**

#### **SECTION 1 – ELIGIBILITY AND BENEFITS**

- A. All full time seniority employees employed in the positions or classifications as defined, established and set forth in Schedule "A" of this agreement are eligible to receive benefits under this section, except as otherwise limited herein.
- B. In the event that an employee, eligible to receive long term disability benefits becomes injured, sick or disabled, so as to prevent him/her from engaging in his/her occupation, and requires the regular care and attendance of a legally qualified physician or surgeon, the employer shall pay

benefits in an amount equal to three fourths (3/4) of the employee's regular wage, less deductions as required by law, commencing on the sixty-first day after said employee's illness, injury or disability.

- C. Benefit payments will be paid on regular employee payroll dates, and shall continue for a maximum of twelve (12) months from the last day the employee has worked, or until the employee returns to work, whichever is earlier.
- D. No employee shall be eligible for the payment of benefits hereunder until a proper claim therefore has been presented to the Township, and the Township reserves the right and opportunity to have a physician of its choice examine the employee whose injury or sickness is the basis of a claim for benefits, when and as often as it may reasonable require during the pending of any claim hereunder.

## **SECTION 2 - LIMITATION AND EXCLUSIONS**

- A. No benefits shall be paid for any sickness or injury for which the employee is entitled to benefits under any worker compensation or occupational disease law.
- B. Benefit payment will be reduced by an amount received by the employee from any other employer paid sick and accident insurance policy, disability retirement program, regular retirement program, or social security payments.
- C. No sick or disability benefits shall be provided while an employee is laid off, discharged, retired or receiving a pension from the Township.
- D. No sick or disability benefits shall be provided for any loss caused by war or any act of war, whether declared or undeclared, or while in the service of the National Guard, or any military or naval services of any country.

## **SECTION 3 – OTHER BENEFITS**

An employee shall continue to gain seniority while receiving benefits and also receive family medical, dental, optical and life insurance for a period of twelve (12) months from the original day of illness, injury or disability.

## **ARTICLE XIV– RETURN TO WORK FROM SICK LEAVE OR LIGHT DUTY**

### **SECTION 1- GENERAL**

- A. Employees returning to work without restrictions from Sick Leave under Article XII or Long Term Disability under Article XIII shall be considered recovered from their illness or injury. Any future paid time for sick leave shall be considered a new and separate illness or injury.
- B. Clearance to return to work without restrictions shall be determined by the Township.
- C. Should the Employee dispute the Township's clearance, the employee's treating physician and the Township's designated physician shall select a 3<sup>rd</sup> Dr. who specializes in the employee's particular illness or injury to determine if the employee is fit to return to work without restrictions.
- D. Employees may dispute the Township's determination to return or not return to work without restrictions.
- E. If the 3<sup>rd</sup> Dr. determines the employee fit for duty without restrictions, contrary to the Township's physician, the employee shall be paid as if the employee worked back to the date the employee was determined fit for duty by the employees treating physician.
- F. If the 3<sup>rd</sup> Dr. determines the employee fit for duty without restrictions, contrary to the employee's physician,

the employee shall not be entitled to paid sick leave or long-term disability from the date the employee was determined fit for duty by the Township. Any time off back to the date the Township determined the employee fit for duty shall be charged to the employee's paid leave banks.

- G. An employee on Long Term Disability may supplement their benefits by using accumulated vacation, compensatory time and personal days so as to not exceed one hundred percent (100%) of their regular weekly gross income based on the normal fifty-six (56) or forty (40) hour workweek.
- H. If the Township's physician clears an employee for light duty work, the Township may require the employee to perform bargaining unit work within the restrictions established by the Township's Physician. An employee on light duty shall be paid full pay for hours worked.
- I. Should the employee's Dr. disagree with any light duty restrictions the dispute would be resolved using the 3<sup>rd</sup> physician as described above.
- J. Any dispute concerning what constitutes "light duty bargaining unit work" shall be resolved through a special conference between the Union and the Fire Chief. Should the issue not be resolved in this conference the dispute may be grieved and resolved through arbitration under Article XXIV of the Bargaining agreement between the parties.
- K. Should an employee on light duty return to sick leave or long term disability based on the same illness or injury the employee shall be eligible for only those benefits defined by contract for "each illness or injury". The return to paid leave shall not be considered a new illness or injury.
- L. An employee who is returned to work on light duty shall have the remainder of the 60 calendar day sick leave balance frozen so that if they return to sick leave they will receive the balance of the 60 days allowed.
- M. Should a light duty employee suffer a separate illness or injury they would be eligible for sick leave for up to 60 calendar days. Any dispute as to the illness or injury being separate from the original illness would be resolved through the 3<sup>rd</sup> physician process.
- N. The Township shall pay the fee for the 3<sup>rd</sup> physician any time a 3<sup>rd</sup> physician is used in this process.

## **ARTICLE XV - OTHER LEAVE**

### **SECTION 1 - LEAVE POLICIES**

Leave policies are based on the assumption that the privilege of all types of leave will be extended to an employee only if he has properly carried out work assigned and has been on the job a reasonable amount of time during the year.

### **SECTION 2 - MILITARY LEAVE**

Leave with full pay may be granted for training in one of the recognized military reserve organizations for a period not to exceed fifteen (15) consecutive calendar days per year.

### **SECTION 3 - JURY DUTY**

Leave with full pay shall be granted for jury duty; all fees received for the aforesaid leave period shall be paid to the Township forthwith upon receipt by an employee.

### **SECTION 4 - FUNERAL LEAVE**

Two (2) days leave may be granted an employee because of death in his immediate family. Generally any person domiciled with an employee shall be considered as a member of his immediate family. In addition, a mother, father, brother, sister, son, daughter, grandparent, aunt, uncle, grandchild, brother-in-law, sister-in-law, mother-in-law, father-in-law, or comparable relative shall be considered a member of the employee's immediate family.

**SECTION 5 - PENSION BOARD MEETING**

**ATTENDANCE**

The Township will allow a member of the Union who is a member of the Waterford Township Police and Fire Pension Board to attend the annual MAPERS meetings and receive regular pay for those days of the meeting which would be regular work days.

**ARTICLE XVI - EXAMINATIONS**

**SECTION 1 - GENERAL**

The Township may, in its sole discretion and at its expense, require each employee or all employees to take an annual physical examination, including but not limited to a chest x-ray and electrocardiogram.

**SECTION 2 - MEDICAL AND PSYCHOLOGICAL EXAMS**

The Township may, upon reasonable basis, require that employees submit to a psychological and medical test and examinations by a Township-appointed doctor provided, however, that the Township will pay the costs of such tests and examinations. The test and/or examination must be requested by a command officer. A "Command Officer shall be deemed to be an officer of the rank of lieutenant or higher, or a supervisor acting in the capacity of command officer in the absence of a command officer. "Reasonable Basis" is defined to mean objective, articulable, and specific facts which would support a reasonable individualized suspicion that the employee to be tested may be in need of counseling or may be impaired in his or her ability to safely and effectively perform his or her duty. Where "Reasonable Basis" is based on personal observation by a command officer, the objective facts must be articulable, and may include the person's appearance and behavior.

**SECTION 3 - PROVISIONS**

The Township, if possible, may but shall not be required to provide other employment for employees found unfit for fire service as a result of his physical examination. The other employment shall be, if reasonably possible, in the Fire Department in order to enable the employee to qualify for retirement under Article XXI of this Agreement.

**ARTICLE XVII - INSURANCE**

**SECTION 1 - LIFE AND ACCIDENT**

- A. The Township shall provide \$10,000.00 accidental job incurred life insurance to all seniority employees.
- B. The Township shall provide \$50,000.00 term life insurance including double indemnity and family plan as offered by the Michigan State Firemen's Association to all seniority employees.

**SECTION 2 - MEDICAL AND HOSPITAL**

- A. Health coverage shall be as follows; Eligible employees may choose, during the Township's open enrollment period, one of the following health insurance's:
  - Option 1. Blue Care Network HMO, Group #89044 (attached hereto as Appendix A) \$5.00 Rx.
  - Option 2. Blue Cross/Blue Shield Preferred Provider Plan, PPO/MMC4 Group #08751 Suffix #661 (attached hereto as Appendix B) \$5.00 Rx.
  - Option 3. Blue Cross/Blue Shield Traditional MMC4 Group #08751 (attached hereto as Appendix C) \$2.00 Rx.
  - Option 4. Community Blue PPO Option I, \$5.00 Rx (attached hereto as Appendix D) Group #08751 Suffix #668
  - Option 5. Community Blue PPO Option II, \$5.00 Rx (attached hereto as Appendix D) Group #08751 Suffix #669

- Option 6            COPS Trust Plan (US Health)
- Option 7            Blue Cross/Blue Shield Community Blue Option 10, \$10.00/\$20.00 Rx and \$20.00 office visit (attached hereto as Appendix J). Group #08751, Suffix #668
- B.            The standard hospitalization insurance programs set forth in Option 7 above shall be paid in full by the Township for all eligible employees, including their spouse and dependent children as defined by the carrier.
- C.            An employee who elects Options 1 through 6 above shall pay the difference between the premium rate of Option 7 and their selected Option. The employee shall sign the appropriate authorization and shall make such payment through payroll deductions. The coverage under Option 1 through 6 shall be for the eligible employee and his/her spouse and dependent children as defined by the carrier.
- D.            Option 7 benefits shall be provided by the Township for all bargaining unit employees and probationary employees. Coverage shall be effective thirty (30) days following date of hire that is closest to the 1<sup>st</sup> of the month.
- E.            Employees who have health insurance provided to them through a spouse or by other means may elect to waive coverage and receive a \$2,080.00 payment. The payment shall be paid at \$80.00 per biweekly pay. Should the employee lose his/her coverage, they may rejoin the Township plan at any time.

The employee may elect, at the annual open enrollment period, to receive the hospitalization coverage options or the payment in lieu of coverage.

### **SECTION 3 - RETIREE COVERAGE**

- A.            Retirees who retire under the employee's retirement plan shall have the same coverage choices as active employees. With the exception that the Base Plan shall be defined as the Traditional Blue Cross/Blue Shield as described in Option 3 above. The coverage so provided will continue until such retired employee becomes eligible for Blue Cross/Blue Shield M-65 coverage or age sixty-five (65), whichever first occurs. M-65 coverage will be furnished to all retired employees who have reached age sixty-five (65) and are covered by Medicare. All such coverage will not be provided by the Township if available from another source.

All eligible employees retiring after January 31, 2008, shall have base retiree health benefits defined as Community Blue 1 PPO with a \$10/\$20 Rx and \$20 office visit. At social security Medicare age the base coverage shall be BCBS M-65 or equivalent supplemental plan with a \$5/\$10 Rx Plan.

- B.            Employees shall be eligible for the foregoing insurance, based upon length of service (including purchased Military Time), on the following basis;

Minimum of twenty-five (25) years of service - the Township shall pay 100% of the premium.

Minimum of twenty (20) years of service - the Township shall pay seventy-five (75%) of the premium.

Minimum of fifteen (15) years of service - the Township shall pay fifty (50%) of the premium.

The service requirement shall not apply to disability retirements, or retirements at, or above the age of sixty (60), except deferred retirement of voluntary separation.

### **SECTION 4 - WORKER'S COMPENSATION**

- A.            An employee who suffers injury or illness during the course of employment shall be entitled to Worker's Compensation benefits in accordance with the laws of the State of Michigan. In the event of a dispute over whether or not the injury or illness is compensable under the law, the initial determination shall be the Township's subject to the employee's right to file a petition for benefits.

During the pendency of such petition, the \_\_\_\_\_ employee shall receive sick leave payment or other paid leave for which the employee is eligible, until such time as the dispute is resolved.

- B. For a maximum period of one (1) year from date of injury, illness, the Township shall supplement the worker's compensation payments so that the employee will receive 100% of the employee's normal net take home pay, (including mandatory overtime for 24-hour employees). The supplementary payment shall be determined by calculation of the non-taxable status of worker's compensation payments and the employee's normal Federal and State tax withholding, and FICA payments, and shall not include any other deductions.
- C. If an employee has been receiving sick pay or other paid leave benefits prior to the determination of worker's compensation eligibility, upon determination of and payment of retroactive compensation benefits, the employee shall reimburse the Township for the difference between the pay received and the pay the employee should have received under the provisions of paragraph B, above.
- D. If the disability continues beyond one (1) year and the employee is not on disability retirement, such injured or ill employee may use accumulated vacation and sick leave pay to continue the supplement the employee would have received under the provisions of paragraph B, above.
- E. During such period of job-related disability and while receiving full pay as set forth in this section, the employee shall continue to receive all other benefits the employee otherwise would be entitled to had the employee been working.

#### **SECTION 5 - ALTERNATIVE HEALTH INSURANCE**

The Township and Association agree that alternative health insurance plans to Blue Cross/Blue Shield may be obtained in order to obtain less costly insurance as long as the benefits are equivalent. In the event of a dispute over whether such less costly insurance provides equivalent benefits, the parties shall agree on a neutral third party to make such determination, and is binding on the parties.

#### **SECTION 6 - DENTAL PLAN**

A Effective six (6) months following their date of hire, the Township shall provide each employee, eligible spouse and children, with dental insurance providing basic services, preventative services, restorative services, oral surgery services, endodontic services, periodontic services and prosthodontics services as described in appendix E.

Retirees shall be provided with the dental insurance providing basic services, preventative services, restorative services, oral surgery services, endodontic services, periodontic services and prosthodontics services plan as described in Appendix F.

Effective 01/31/08 eligibility for retiree dental coverage shall be based on the same length of service criteria as retiree health insurance coverage established in Section 3(B) above.

#### **SECTION 7 - HEALTH INSURANCE/DISABILITY RETIREE**

The Township shall provide personnel, who have taken a job related disability retirement, and dependents, with Blue Cross/Blue Shield coverage presently provided bargaining unit members, until the job related disability retiree reaches age 55, at which time a normal retirement shall be taken, provided if the retiree obtains other employment which provides the insurance coverage or becomes eligible for other coverage, such Blue Cross/Blue Shield coverage provided by the Township shall cease. In the event this other coverage is discontinued, the Township shall re-instate its retiree coverage.

#### **SECTION 8 - HEALTH INSURANCE/SURVIVING DEPENDENTS**

- A. Surviving dependents of future deceased employees and surviving dependents of future retirees shall be provided with comparable medical insurance, with the exception of the dental and optical, at levels and same conditions provided active members of the Association.
- B. If the surviving dependent(s) has medical insurance available from another source, no such insurance

will be provided by the Township. This benefit shall cease when the surviving spouse becomes eligible for Medicare or Medicaid, remarries, or becomes eligible to obtain coverage from another source.

- C. The spouse must provide the Township with an affidavit annually, attesting to his/her ineligibility of other medical coverage for the spouse and dependents.

## **SECTION 9 –FLEXABLE SPENDING ACCOUNTS/HEALTH REIMBURSEMENT ARRANGEMENTS**

The Township shall establish Flexible Spending Accounts (FSAs) as governed by IRS Code 125 regulations. The FSA program year shall be from August 1 through July 31. Maximum contributions per employee are \$3,000 of medical accounts and \$5,000 for dependent care accounts. Upon completion of the program year, all funds remaining in either the medical or dependent care accounts shall revert to the Township to cover program costs as specified under IRS regulations

The Township shall establish Health Reimbursement Arrangement (HRA) accounts as governed by IRS Code 125 regulations. The Township will contribute \$50 annually per employee and eligible dependent to each employee's medical HRA.

The Township shall provide, for all employees enrolled in a Township health plan, an annual contribution into the employee's HRA an amount equal to the annual deductible for the community Blue 10 coverage (\$250 for single coverage and \$500 for family coverage). The contribution shall be made annually on August 1<sup>st</sup> - the health plan open enrollment effective date.

HRAs will remain available to group members who retire. HRAs will remain available to group members who leave the Township prior to retirement for a period of one year for every five years of service to the Township. Furthermore, the Township will close the HRA of any former employee when the account balance is less than \$1,000 for more than one plan year.

## **SECTION 10 - LIABILITY AND PROPERTY DAMAGE INSURANCE**

- A. The Township of Waterford does further agree to provide false arrest, liability and property damage insurance covering all claims or suits, costs, losses and expenses arising out of the actions and conduct of Fire Fighters, during the course of or in the performance of their duties as Fire Fighters, in such amounts and from such insurance carriers or sources of equal coverage as the Township Board may from time to time determine. The choices of carriers and amounts of coverage are exclusively reserved to the Township and shall not be subject to the grievance procedure.

## **ARTICLE XVIII - UNIFORM ALLOWANCE**

### **SECTION 1 - FIREFIGHTING EQUIPMENT**

The Township shall provide all firefighting equipment required for employees.

### **SECTION 2 - WORK UNIFORMS**

The Township shall provide each employee with work uniforms. These uniforms shall be replaced as needed at Township expense.

## **ARTICLE XIX - TUITION REIMBURSEMENT**

The Township shall reimburse a seniority employee for costs of tuition and books under the following terms and conditions:

1. All courses, must be approved in advance by the Chief.

2. An employee must be enrolled in an \_\_\_\_\_ educational program leading to an appropriate degree or to improve professional competence in the fire service.
3. An employee must satisfactorily complete the course with a "C" average or better (or the equivalent of a "C" average if a numerical grading system is used).
4. Reimbursement will be made upon submission of evidence of satisfactory completion of each course to the Township.
5. Attendance at classes shall not at any time interfere with the normal work shift of an employee.
6. All future jobs, schools, or special positions (i.e. arson investigation, paramedic training) will be posted and all local members interested, be allowed to apply for the position. Those members with the most seniority being considered first.
7. Tuition and book reimbursement is limited to a Bachelor's Degree level of work.
8. Probationary employees are eligible for reimbursement only when required by the Twp. to take such studies.
9. The employee shall repay the Township for any tuition reimbursement received from the Township if the employee's employment with the Township is voluntarily terminated or is terminated as a result of employee discipline. Reimbursement shall be in accordance with the following schedule:

<b>TERMINATION PRIOR TO END OF YEAR</b>	<b>REIMBURSEMENT</b>
	1 100%
	2 75%
	3 50%
	4 25%

**ARTICLE XX - MAINTENANCE OF CONDITIONS**

**SECTION 1 - GENERAL**

Customary and usual wages, hours, and conditions of employment in effect, subject to Article XXV, Section 1, at the execution of this Agreement shall, except as revised herein, be maintained during the term of this Agreement.

**SECTION 2 - UNILATERAL CHANGES PROHIBITED**

Neither the Township nor the Union will make any unilateral changes in wages, hours, or conditions of employment during the term of this Agreement, either contrary to the provisions of this Agreement or otherwise.

**SECTION 3 - SUPERSESSION AUTHORITY**

This Agreement shall supersede any rules and regulations inconsistent herewith, except Public Act 78 of 1935 or any other laws of the State of Michigan. Insofar as any provision of this Agreement shall conflict with any ordinance or resolution of the Township, appropriate Township amendatory, or other action shall be taken to render such ordinance or resolution compatible with this Agreement.

**ARTICLE XXI - WORKING RULES**

**SECTION 1 - GENERAL**

The governing body of the Fire Department shall adopt rules for the operation of the department and the conduct of its employees, provided such rules do not conflict with any of the provisions of this Agreement and are not contrary to existing law, or the best interest of the people of Waterford.

## **SECTION 2 - DISCIPLINE AND DISCHARGE**

Disciplinary matters shall be subject to grievance and arbitration procedures contained in this Agreement, and as provided in State Civil Service, Public Act 78 of 1935.

## **SECTION 3 - HOUSE DUTIES**

An employee shall not be required to perform duties of a heavy maintenance nature or duties which would normally require the service of a carpenter, plumber, electrician, or painter. An employee shall not be required to wash walls more than once per calendar year. An employee shall not be required to shovel snow from driveways.

## **SECTION 4 - DISCIPLINARY ACTION FOR HOUSE RULES**

Disciplinary action for violation of house duties shall be as follows:

- |                      |  |
|----------------------|--|
| ... First Offense -  | Verbal Warning   |
| ... Second Offense - | Written Warning to the employee with a copy to the Union   |
| ....Third Offense -  | Disciplinary action in accordance with grievance procedure contained in this Agreement and as is provided in State Civil Service Act being Public Act 78 of 1935 as amended. |

## **ARTICLE XXII - ABSENTEEISM**

In justice and in fairness to the Township and the taxpayers, all employees shall be required to report to work on time, shall not leave the job early, shall be prompt in reporting to their assigned duties and shall faithfully perform their duties.

## **ARTICLE XXIII - RETIREMENT**

### **SECTION 1 - GENERAL**

A pension plan for all firefighters in the unit will be provided under the terms of Act 345 of Public Acts of 1937 as amended by the parties.

### **SECTION 2 - ANNUITY WITHDRAWAL**

Effective January 1, 1987 firefighters in the bargaining unit shall have available to them, in addition to the retirement options already in place, an annuity withdrawal option as follows:

- A. Definitions: The annuity withdrawal is the option that allows members to withdraw their accumulated contributions, (with interest), at retirement and thereby forfeit the portion of their retirement allowance which was financed by their contributions.
- B. Application: A member wishing to elect this option must make written application to the Act 345 Pension Board no later than one hundred twenty (120) days prior to the effective date of his retirement.
- C. Waiver of Notice: The Pension Board shall issue the members annuity payment within thirty (30) days of the date of the member's retirement. The one hundred twenty (120) day notice may be waived at the sole discretion of the Pension board, however; under no circumstances can it be increased.
- D. Computation of annuity: The parties agree that the Merrill-Lynch Bond Index will be used for the purpose of computing the annuity withdrawal option. The most current index prior to the member's retirement date shall be used. This option is only available for normal service retirement. A member who elects the annuity withdrawal option shall have his annual pension reduced accordingly as determined by the Pension Board Actuaries.
- F. Upon retirement, an employee electing annuity withdrawal, may delay actual withdrawal for a period of one (1) year after retirement; provided, however, the election to withdraw shall be made at the time of retirement as required above and no interest shall accrue on amounts not withdrawn at the time of

retirement, and the benefit level shall be determined and paid as though the annuity portion had been withdrawn at the time of retirement. The Township shall have no liability in respect to any taxes imposed on employee for such withdrawal.

### **SECTION 3 – FINAL AVERAGE COMPENSATION**

For purposes of computing retirement benefits, Final Average Compensation shall be determined based on either of the following two options at the employee's election:

1. The last three (3) consecutive years of employment from the date of retirement, or
2. Any three (3) of the last ten (10) calendar years of employment prior to retirement.

Final Average Compensation shall include base wages, longevity pay, holiday pay and overtime pay. For purposes of calculation of annual compensation, any retroactive payments shall be considered part of the compensation in the year earned, and not necessarily in the year paid.

### **SECTION 4 - 2.5 MULTIPLIER**

All employees in the bargaining unit, the pension multiplier used to compute the annual pension shall be 2.5% for all years of service up to a maximum of seventy-five (75%) percent times Final Average Compensation (FAC). The pension benefit shall not be re-computed when the employee receives Social Security payments, and the multiplier shall remain 2.50 percent of FAC.

### **SECTION 5 - SURVIVOR BENEFITS**

Survivor benefits eligibility shall be shall be vested at (10) years of service.

### **SECTION 6 - MILITARY SERVICE CREDIT**

When computing a member's service credit, the member shall be given service credit for not more than five (5) years active military service to the United States Government. Payment to the retirement system shall be fifty percent (50%) of the actuarial determined township contribution rate for the year in which the purchase is elected. Service shall not be creditable if it is or would be creditable under any other Federal, State or locally publicly supported retirement system. This restriction shall not apply to those persons who have or will have required retirement eligibility under the Federal Government for service in the Reserves, such as a member with two (2) years of military service for the American armed forces may purchase up to two (2) years of credit. Assuming the member purchases the two (2) years military credit, the member will only have to work twenty-three (23) years to satisfy the twenty-five (25) year service requirement for normal or voluntary retirement. Any military service time purchased shall not be subject to annuity withdrawal.

### **SECTION 7 - TWENTY-FIVE (25) AND OUT**

A member who has twenty-five (25) or more years of service, may leave the service and receive the full retirement benefits payable throughout their life as provided from their straight life (regular) pension amount.

### **SECTION 8 – PENSION BENEFITS / EMPLOYEES HIRED AFTER FEBRUARY 12, 2007**

Employees hired after February 12, 2007 shall have pension benefits calculated based on the following formula:

- 2.3% multiplier for 25 years
- 1.5% multiplier for service beyond 25 years
- Normal Retirement eligibility at age 55 with 25 years of service or thirty years of service regardless of age or age 60 with 10 years of service
- FAC based on best 3 of last 5 years
- FAC includes Base + Holiday + Overtime

Pension benefit is capped at 34 years (71% of FAC)

Employees hired on or after January 1, 2012 shall not be covered by the existing Defined Benefit, Act 345, pension plan (hereinafter referred to as DB) and shall be covered by an own occupation health care plan that is agreed upon by the Township and the Union (see the existing plan as an attached addendum). This plan may change from time to time if either party finds a better plan with better coverage at a cost that is acceptable to each party. New employees shall not be covered by the existing retiree health benefit, but shall be covered instead by the Defined Contribution pension plan (hereinafter referred to as DC) and the Retiree Health Savings Account plan (hereinafter referred to as RHSA), which shall, in combination, be funded by a Township contribution totaling 15% of the employee's base wage. On a one time basis, the employee shall select one of the three following options to allocate his or her total 15% Township contribution between his or her DC pension account and his or her RHSA account:

1. 15% to DC and 0% to RHSA
2. 10% to DC and 5% to RHSA
3. 12% to DC and 3% to RHSA

In addition, the employee shall be fully vested on an immediate basis in both the DC and the RHSA plans, and shall be allowed to make such additional employee contributions to either or both plans up to the IRS limits. New employees hired on or after January 1, 2012, if disabled for duty-related reasons, shall be entitled to Township-paid continuation of pay and benefits for up to twelve (12) consecutive months, less any worker's compensation benefits that is received by the employee, in accordance with Article XVI, Section 4.

## **SECTION 9 – DEFERRED RETIREMENT OPTION PLAN (DROP)**

### **A. OVERVIEW**

Effective July 1, 2006, any Employee who is a member of the Waterford Township Fire Department may at any time voluntarily elect to participate in the Waterford Township Police and Fire Retirement System Deferred Retirement Option Plan (hereinafter "DROP") after attaining the minimum requirements for a normal service retirement/pension. Upon commencement of DROP participation, the Participant's DROP Benefit shall be the dollar amount of the Employee's monthly pension benefit computed by using the contractual guidelines and formula(s) that are in effect on the DROP Date. During participation in the DROP, the Participant continues with full employment status, receives all future promotions and benefit/wage increases, and is considered an employee of the Township, not a retiree. The Participant's DROP Benefit shall be credited monthly to the Participant's DROP Account which shall be established within the Waterford Township Police and Fire Retirement System (the "Police and Fire Retirement System"). The Participant's DROP Account shall be maintained and managed by the Board of Trustees of the Police and Fire Retirement System (the "Retirement Board"). Upon termination of employment, the retiree shall begin to receive payment(s) from his/her individual DROP Account as described herein. The DROP payment(s) are in addition to all other contractual pension benefits. The Participant is solely responsible for analyzing the tax consequences of participation in the DROP.

### **B. ELIGIBILITY**

Effective July 1, 2006 any member of the bargaining unit may voluntarily elect to participate in the DROP at any time after attaining the minimum requirements for a normal service retirement/pension.

### **C. PARTICIPATION PERIOD**

The maximum period for participation in the DROP is five (5) years (the "Participation Period"). There is no minimum time period for participation. An Employee shall cease DROP Participation within five (5) years from the date of their entering the DROP. Notwithstanding said five (5) year maximum participation period, it is expressly understood that DROP Participation shall be terminated no later than the first of the month following the DROP Participant's completion of his or her 33<sup>rd</sup> year of employment.

Upon expiration of the DROP Participation Period, the Participant's monthly pension benefit otherwise payable to their DROP Account shall be discontinued until termination of employment and they will accrue no additional retirement benefits in the Police and Fire Retirement System. Interest on the DROP Account however, will continue to accrue during such forfeiture period. Upon termination of employment, the retiree shall receive the monthly retirement benefit previously credited to their DROP Account and shall be eligible for distribution of their DROP Account Balance in accordance with Section I herein.

#### **D. ELECTION TO PARTICIPATE**

Once commenced, participation in the DROP program is IRREVOCABLE (except as specifically provided in Subsection L herein). An Employee who wishes to participate in the DROP shall complete and sign such application form or forms as shall be required by the Retirement Board. The Retirement Board shall review the application within a reasonable time period and make a determination as to the Employee's eligibility for participation in the DROP. On the Employee's effective DROP Date, he or she shall become a DROP Participant and shall cease to accrue additional retirement benefits otherwise credited to active members of the Police and Fire Retirement System. The amount of credited service, multiplier and average final compensation shall be fixed as of the Participant's DROP Date. Increases in compensation and accrual of additional service during DROP Participation will NOT be factored into the pension benefits of active or former DROP Participants (except as specifically provided in Subsection L). Except with regard to the retirement benefits expressly provided herein, DROP Participant's will continue with full employment status with all rights and privileges afforded to employees of the Fire Department and this bargaining unit, including, but not limited to, future promotions, benefit/wage increases, union membership and representation, as well as, retirement system membership and Board representation.

#### **E. DROP BENEFIT**

The Participant's DROP Benefit shall be the regular monthly retirement benefit to which the Employee would have been entitled if the Employee had actually terminated employment and retired on the DROP Date (less the annuity withdrawal reduction as set forth in Subsection F and/or actuarial reductions as a result of the Employee electing an Optional form of benefit under the Plan, if applicable). The Participant's DROP Benefit shall be credited monthly to the Participant's individual DROP Account. A DROP Participant may at the time of DROP Election elect to receive his or her benefit in the form of the Plan's Option I or Option II Benefit and nominate a named beneficiary in accordance with the Police and Fire Retirement System provisions.

The term "spouse" for purposes of benefit qualification of DROP Participants, shall mean: (1) the person to whom the Participant was legally married to on the Participant's date of death if such death occurs during DROP Participation; or (2) the person to whom the retirant was legally married on both the effective date of termination of DROP Participation and the retirant's date of death provided such death occurs after termination of DROP Participation. The definition of "spouse" herein may be amended pursuant to an Eligible Domestic Relations Order entered pursuant to Michigan Public Act 46 of 1991, as amended (MCL §38.1701 et seq.).

#### **F. ANNUITY WITHDRAWAL**

An Employee who elects to participate in the DROP (and correspondingly, cease to accrue additional retirement benefits otherwise credited to active members of the Police and Fire Retirement System) may elect the Annuity Withdrawal Option provided by the Police and Fire Retirement System at the time of electing DROP participation. The Annuity Withdrawal Option and all other retirement options under the Police and Fire Retirement System which are available to Retirement System Members shall only be available to the DROP Participant at such time as he or she elects DROP Participation.

The Annuity Withdrawal Option election shall be made commensurate with the Participant's DROP election, but

not thereafter, and the Annuity Withdrawal amount at time of DROP will be utilized to compute the actuarial reduction of the Participant's DROP Benefit, as well as the Employee's monthly retirement benefit from the Police and Fire Retirement System after termination of employment. The Annuity Withdrawal amount (accumulated contributions) shall be withdrawn from the Police and Fire Retirement System at the time of termination of employment and shall not be subject to withdrawal by a DROP Participant at the time of DROP Election.

DROP Participants who do not elect the Annuity Withdrawal Option shall have their full unreduced benefit credited to their DROP Account.

At the time of the Annuity Withdrawal Option election, if an Employee is electing a straight life form of benefit with no qualifying spouse, the annuity withdrawal reduction computation is based in-part upon the actuarial life expectancy of the Employee (rather than the life expectancies of both the Employee and qualified spouse). There shall be no adjustment to the benefits payable to the DROP Participant/Retiree upon the subsequent marriage of a qualifying spouse. In the event such spouse (i.e. qualified after calculation of the annuity withdrawal election), subsequently qualifies for benefits payable by the Police and Fire Retirement System, said benefits shall not be adjusted based upon the Employees' Annuity Withdrawal Option election.

#### **G. DROP ACCOUNTS**

For each DROP Participant, an individual DROP Account shall be created in which shall be accumulated at DROP Interest, the Participant's DROP Benefits. All individual DROP Accounts shall be maintained for the benefit of each DROP Participant and will be managed by the Retirement Board in the same manner as the primary pension fund. DROP Interest for each DROP Participant shall be based upon the prior calendar year's market rate of investment return on the total assets in the Police and Fire Retirement System portfolio but in no event shall DROP Interest be greater than 4.0% or less than 0% per annum compounded monthly. If the Retirement System earns between 0% and 4.0%, then the DROP Interest will be the actual market rate of investment return. If the Retirement System earns more than 4.0% then DROP Interest will be 4.0% and if the Retirement System earns less 0% then DROP Interest will be 0%. DROP Interest will be credited on the first day of each month on the prior month's principal and interest balance. [By way of example, the following illustration is provided: The Retirement System's market rate of investment return for calendar year 2006 is 8.5%. The DROP Interest rate for calendar year 2007 will be 4.0% per annum compounded monthly (e.g. .3333% monthly). A member's DROP Account Balance on February 1, 2007 is \$12,500 (including principal and interest). On March 1, 2007, the member's DROP Account will be credited with \$41.66 in interest.]

The Retirement Board shall provide each participant with an annual statement of their account activity. The reference to individual DROP Accounts shall be interpreted to refer to the accounting records of the Police and Fire Retirement System and not to the actual segregation of moneys in the funds of the Police and Fire Retirement System.

#### **H. CONTRIBUTIONS**

The employee's contributions to the Police and Fire Retirement System shall continue during DROP Participation for each employee entering the DROP irrespective as to whether the Annuity Withdrawal Option is elected at the time of DROP. These employee contributions shall be in the same amount and shall be credited with interest in the same manner as non-DROP members of the Police and Fire Retirement System.

For those DROP Participant's that elected the Annuity Withdrawal Option at time of DROP, their total accumulated contributions (including employee contributions and interest paid during DROP Participation) shall be paid to the employee upon termination of employment. There shall be no further Annuity Withdrawal reduction applicable to the employee contributions and interest earnings thereon made during DROP Participation.

For those DROP Participant's that did not elect the Annuity Withdrawal Option at the time of DROP Participation, the employee contributions and interest earnings thereon shall be paid to the employee upon termination of employment without any reduction in benefits.

The payroll of DROP Participants will be included in the covered compensation upon which regular Township

employer contributions to the Police and Fire Retirement System are based. Employer contributions shall be credited to the Retirement System and not to any individual's Drop Account.

#### **I. DISTRIBUTION OF DROP FUNDS**

Upon termination of employment, the former DROP Participant must choose one, or a consistent combination of, the following distribution methods to receive payment(s) from his or her individual DROP Account:

- 1) A total lump sum distribution to the recipient.
- 2) A partial lump sum distribution to the recipient.
- 3) A lump sum direct rollover to another qualified plan to the extent allowed by federal law and in accordance with the Retirement Board's rollover procedures.
- 4) An annuity payable for the life of the recipient.
- 5) An optional form of annuity as established by Public Act 345 of 1937, as amended.
- 6) No distribution, in which case the accumulated balance shall remain in the Plan to the extent allowed by federal law.

A former Participant may change their distribution method as may be applicable no more than once per annum prior to June 30<sup>th</sup> of each year in accordance with such procedures and time guidelines as adopted by the Retirement Board. A former Participant may elect a total lump sum distribution of any remaining balance in their DROP Account at any time after termination of employment which will be paid within 90 days after receiving the member's request. All benefit payments under the Plan shall be made (or commence in the case of an annuity) as soon as practical after entitlement thereto, but in no event later than the April 1 following the later of:

- 1) The calendar year in which the Member attains age 70 ½, or
- 2) The calendar year in which the Participant's employment terminated.

If the Accumulated Balance in any former Participant's account becomes less than \$5,000 (or such other amount as provided in Internal Revenue Code Section 411(a)(11)(A)), then the Retirement Board, in its sole discretion, shall have the option of distributing the former Participant's entire account, in the form of a lump sum, to the Former Participant.

Any and all distributions from Participant's DROP Account shall not be subject to offset by any workers compensation wage loss payments received by the Participant, including any redemption amounts.

#### **J. DEATH DURING DROP PARTICIPATION**

Except as otherwise provided in Subsection L, if an Employee participating in the DROP dies either: (i) before full retirement (i.e., before termination of service); or (ii) during full retirement (i.e., after termination of service) but before the DROP account balance has been fully paid out, the Participant's designated beneficiary(ies) shall receive the remaining balance in the Participant's DROP Account in the manner in which they elect from the previously mentioned distribution methods (Subsection I). In the event the Participant has failed to name a beneficiary, the account balance shall be payable to the Participant's beneficiary of benefits from the Police and Fire Retirement System. If there is no such beneficiary, the account balance shall be paid in a lump sum to the Participant's estate. Benefits payable from the Police and Fire Retirement System shall be determined as though the DROP Participant had separated from service on the day prior to the Participant's date of death.

#### **K. DISABILITY DURING DROP PARTICIPATION**

Except as otherwise provided in Subsection L, in the event a DROP Participant becomes totally and permanently disabled from further performance of duty as a fire fighter in accordance with the provisions of the Police and Fire Retirement System, the Participant's participation in the DROP shall cease and the member shall receive such benefits as if the member had retired and terminated employment during the Participation Period. Application and determination of disability shall be conducted in accordance with the Police and Fire Retirement System provisions; however, the Participant shall not be eligible for disability benefits from the Police and Fire Retirement System, except as specifically provided in Subsection L.

#### **L. SPECIAL PROVISION FOR DUTY DISABILITY AND DUTY DEATH**

A DROP Participant who is found by the Retirement Board, in accordance with Retirement System provisions, to be totally and permanently incapacitated for duty by reason of a personal injury or disease occurring as the natural and proximate result of causes arising out of and in the course of the Employee's employment with the Township, may retroactively revoke the Participant's DROP election if the revocation occurs before the payment of a distribution to the Employee from the Participant's DROP account or payment of disability or retirement benefits to the Employee from the Retirement System. If a DROP Participant dies in the line of duty while in the employ of the Township, the DROP Participant's eligible survivors (i.e., survivors qualified under Section 6(2) of Public Act 345 of 1937, as amended, and the Participant's applicable collective bargaining agreement) and the Participant's eligible DROP beneficiary(ies) may, by unanimous agreement, retroactively revoke the Participant's DROP election if the revocation occurs before payment of a distribution from the Participant's DROP account or payment of benefits from the Police and Fire Retirement System. If a DROP election revocation is made as prescribed by this Subsection, the Participant's DROP Account is not distributed, and the Participant or the Participant's beneficiary(ies), as applicable, is entitled to all benefits provided by the Police and Fire Retirement System as if a DROP election had not been made. In the event of revocation of DROP participation as provided herein, there shall be no requirement for retroactive payment of employee contributions which would otherwise have been paid by the Employee to the Retirement System and the Employee shall receive service credit for all service rendered during DROP participation or as otherwise provided in the applicable collective bargaining agreement.

#### **M. PROMOTION**

In the event a member of the Firefighters Association is promoted to a position out of the bargaining unit, DROP Eligibility Participation in the Police and Fire Retirement System shall no longer be made available through this collective bargaining agreement. Eligibility for retirement benefits including the DROP benefit shall be governed under Public Act 345 of 1937, the Township Retirement Ordinance and the Police and Fire Civil Service Management Employee Policy. Employees in the DROP promoted out of the unit shall continue in the DROP in accordance with their original DROP commitment.

#### **N. RE-EMPLOYMENT**

In the event a former DROP participant is re-employed by the Township in the capacity of a sworn police officer or firefighter, they shall not be eligible for membership in the Police and Fire Retirement System or participation in the DROP. Retirement benefits payable from the Police and Fire Retirement System shall continue during such period of re-employment. The Township may extend participation in an alternative retirement plan (e.g., Defined Contribution Plan) during such period of re-employment.

#### **O. DROP COST**

The Township and those applicable collective bargaining associations who agree to adopt the DROP Program intend for the DROP program to be essentially cost neutral (i.e.,  $\pm$  .2% of covered payroll). The parties recognize the complexity in estimating the actuarial cost impact of the DROP on the Police and Fire Retirement System. Accordingly, after a 10 year period from the establishment of the DROP, the Retirement Board will direct that the Retirement System's Actuary conduct an evaluation as to the cost impact of the DROP on the Retirement System. In the event that the actuary determines that the DROP has had a positive cost to the Retirement System (i.e.,  $>$  .2% of covered payroll), the DROP shall be amended in such manner, as recommended by the Actuary and approved by the parties, to result in an essentially cost neutral program.

#### **P. I.R.C. COMPLIANCE**

The DROP is intended to operate in accordance with Section 415 and other applicable laws and regulations contained within the Internal Revenue Code of the United States. Any provision of the DROP, or portion thereof, that is found by the Retirement Board to be in conflict with an applicable provision of the Internal Revenue Code of the United States is hereby declared null and void.

The Waterford Township Police and Fire Retirement System consists of a defined benefit plan. The DROP Account shall be established as part of the defined benefit plan of the Retirement System or such other plan as the Retirement Board and the union's shall agree upon (i.e., I.R.C. section 415(m) benefit plan) after consultation with appropriate legal counsel.

### **ARTICLE XXIV - STRIKE PROHIBITION**

This Union agrees there shall be no strikes, slow downs, stoppage of work, or any interference with the efficient

management of the Fire Department. It is agreed by the parties hereto that nothing contained in this section or any part of this Agreement shall be construed or used in any manner to form the basis for an allegation of violation of this Agreement for the purpose of supporting any legal or court action unless and until the parties to the complaint or contention shall have been allowed a reasonable opportunity to correct the same and shall have refused to do so.

## **ARTICLE XXV - GRIEVANCE PROCEDURES AND ARBITRATION**

### **SECTION 1 - DEFINITIONS AND STEPS**

#### **A. Definition of Grievance**

A grievance is a disagreement or dispute, which may arise between members of the Union and the Township, and/or Department Administration concerning the meaning, application, or interpretation concerning the provisions of this Agreement.

#### **B. Definition of Discipline.**

Disciplinary action is any action taken by the Township against an employee for misconduct, including, but not limited to, violations of Department or Township rules and regulations or violations of provisions of this contract, which discipline results in loss of wages, fringe benefits, seniority or demotion, except where such demotion is a result of a reduction in force. No employee shall be disciplined for violation of township rules and regulations that are in conflict with job duties. No employee shall be disciplined except for just cause.

#### **C. Grievance Steps**

It is mutually agreed that all grievances that may arise shall be settled in accordance with the procedure herein provided:

##### ***Step I***

By conference, requested in writing by the aggrieved employee, between the Employee, the Steward, and the Fire Chief within twenty (20) days of the knowledge of the grievance. In disciplinary cases, management shall notify the Union within twenty (20) days of disciplinary action or notify of possible disciplinary action.

##### ***Step II***

If unresolved through the above conference, the Union will reduce the grievance to writing, setting forth the nature of the grievance, and/or specifying the provisions of this Agreement allegedly violated and submit it to the Fire Chief within seven (7) calendar days of the above conference. The Fire Chief shall give written answer to the grievance within seven (7) calendar days after its receipt.

##### ***Step III***

If the Union is dissatisfied with the written answer in Step II, they shall, within five (5) calendar days, request in writing a meeting with the Township Supervisor. A copy of the written grievance shall accompany the Union's request of a meeting. The Township Supervisor or his designees shall establish a meeting within ten (10) calendar days of receipt of the written request for a meeting. The Township Supervisor and/or his designee shall meet with the Grievance Committee in an attempt to resolve the grievance. The Township Supervisor and/or his designee shall give a written answer within five (5) calendar days after such meeting.

##### ***Step IV***

In the event Step III answer fails to settle the grievance, the Union shall, within ten (10) calendar days of the Township's written answer, notify the Township in writing of its intent to go to arbitration. Within twenty (20) calendar days of the Union's intent to arbitrate, the Union shall make a Demand for Arbitration with the Michigan Employment Relations Commission, Labor Arbitration Service.

#### **C. Arbitration**

The decision of the Arbitrator shall be rendered without undue delay and shall be final and binding on both parties. The Arbitrator shall have no power to add to, subtract from, or modify any position of this Agreement or supplemental agreements between the parties. Payment of the expenses, costs, and fees of the Arbitrator shall be borne equally by the Township and the Union.

#### **D. Election of Remedies**

Where an employee is disciplined and elects to contest the measures, he shall elect to submit his protest to the Act 78 procedure or the grievance procedure. He shall not have the benefit of both; Use of one shall bar the use of the other.

#### **E. Policy Grievance**

Any grievance involving two or more employees or the Union may be filed directly as Step II as a "Policy Grievance". Such

policy grievance must be filed within thirty (30) days of knowledge of the grievance.

#### **F. Time Limits**

In the event that the Township refuses or fails to answer a grievance within the time limits set forth in this Article, the grievance shall advance automatically to the next higher step of the grievance procedure. Time limits may be extended by mutual agreement between the parties.

#### **G. Oral or Written Reprimands**

In cases of Oral or Written Reprimand, the employee shall have a right to place a statement of the employee's position regarding the allegation in the employee's personnel file but shall not be entitled to resort to the grievance procedure set forth herein. However, if in a subsequent disciplinary action by the Township, the Oral or Written Reprimand is used to justify progressive discipline resulting in time off, loss of pay or other benefits, and the employee grieves the subsequent disciplinary action, the employee shall have the right to fully contest the allegations in the Oral or Written Reprimand.

#### **SECTION 2 - INVESTIGATING GRIEVANCES**

When it becomes necessary for the Grievance Committee to investigate grievances referred to them by a Steward, a member of the grievance committee shall be given reasonable time off the job, with pay, to investigate the alleged grievance fully. Each grievance committee member shall inform his supervisor sufficiently in advance as to allow a relief employee to fill his job.

#### **SECTION 3 - TIME OFF FOR GRIEVANCE COMMITTEE**

The members of the Grievance Committee shall be relieved from their duties with the Township upon reasonable notice to their immediate department head to enable them to negotiate or appear before the department head, Township Board, or Fire Civil Service Commission on all grievances that have been referred for settlement or hearing thereon. The Township shall pay all members of the Grievance Committee or Negotiation Committee when they are conducting negotiations or appearing before any person or body in the hearing of a grievance at their regular rate of pay for all time consumed during their regular working day.

#### **SECTION 4 - TIME OFF FOR WITNESSES**

When the Grievance Committee, the Township Supervisor, or Township Board deem it necessary for witnesses to be called, said witnesses shall be relieved from their regular duties upon due advance notice to their department head and shall be compensated at their regular rate of pay for all time consumed during their regular working day.

#### **ARTICLE XXVI - GENERAL**

##### **SECTION 1 - SEPARABILITY**

This Agreement is subject to the laws of the State of Michigan with respect to the powers, rights, duties, and obligations of the Township, the Union, and the employees in the bargaining unit. In the event that any provision of this Agreement shall at any time be held to the contrary to law by a court of competent jurisdiction from whose final judgment or decree and no appeal has been taken within the time provided therefore, such provision shall be void and inoperative; however, all other provisions of this Agreement shall, insofar as possible, continue in full force and effect.

##### **SECTION 2 - DISTRIBUTION OF AGREEMENT**

A copy of this Agreement shall be distributed by the Township to all Employees.

#### **ARTICLE XXVII – NEW HIRE AND PROMOTIONS**

##### **SECTION 1 – NEW HIRE PROCESS**

The Township may, in the exercise of its discretion, establish an entry-level position eligibility list of less than two years duration notwithstanding the provisions of Section 11. (2) of Act No. 78 MCLA 38-511. Upon expiration of such list, the Township may obtain a new eligibility list or extend the list's expiration date, provided the new expiration date is no later than two years after the list's establishment.

##### **SECTION 2 – PROMOTIONAL SYSTEM**

Promotions shall be determined by, the Township's Police and Fire Civil Service Commission procedures. Employees promoted shall within one year of promotion, pass the following Course, or receive the appropriate certification based on rank and title:

PROMOTION TO

Line Lieutenant  
Line Captain  
Battalion Chief  
Fire Inspector Lieutenant  
Fire Inspector Captain  
Fire Marshall

COURSE

Fire Officer 1  
Fire Officer 2  
Fire Officer 2  
State Certified Fire Inspector  
State Certified Fire Inspector  
State Certified Fire Inspector

The Township shall pay fees and allow for necessary time off and earned overtime for employees attending classes required for certification. Scheduling of classes shall be at the discretion of the Chief. Employees not certified within the year due to unavailable classes shall have the time for certification extended in order to attend the classes.

Effective January 31, 2008, candidates eligible to test for the rank of Fire Chief and Deputy Fire Chief shall include all ranks of Captain or higher in both the fire prevention and fire suppression branches.

**ARTICLE XXVIII - DURATION**

**SECTION 1 - GENERAL**

This Agreement shall be effective the first day of January, 2013 and shall remain in force to and include the thirty-first day of December, 2015.

**SECTION 2 - FUTURE NEGOTIATIONS**

The parties agree that commencing not later than August 31, 2010, they will undertake negotiations for a new agreement for succeeding years.

**SECTION 3 - EXTENSION OF AGREEMENT**

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

**ARTICLE XXIX - MANAGEMENT RIGHTS**

A. It is understood and agreed that the Employer has all the customary and usual rights, powers, functions, and authority of management except as those rights, powers, functions, and authority specifically abridged or modified by this Agreement.

- B. The Union recognized the Employer's right to manage its affairs and direct its work force within the existing framework of the Statutes of the State of Michigan to maintain the Township of Waterford in the County of Oakland as efficiently and at the lowest possible cost consistent with fair labor standards.

IN WITNESS WHEREOF, the parties have executed this Agreement by their authorized representatives the day and year first above written.

**CHARTER TOWNSHIP OF WATERFORD**

By: Carl W. Solden  
Carl W. Solden, Township Supervisor

By: Kari Vlaeminck  
Kari Vlaeminck, Township Clerk

**WATERFORD PROFESSIONAL FIREFIGHTERS  
ASSOCIATION, LOCAL 1335 OF THE  
INTERNATIONAL ASSOCIATION OF  
FIREFIGHTERS, ALF-CIO**

By: Dave Hensel  
Dave Hensel, President

By: Tobin Thorell  
Tobin Thorell, Vice President

By: Jake Helgemo  
Jake Helgemo, Secretary

## **MEMORANDUM OF UNDERSTANDING REGARDING ALCOHOL AND DRUG POLICY**

### **I. PURPOSE**

- A. To establish and maintain a safe, healthy working environment for all employees.
- B. To insure the reputation of the Waterford Township Fire Department and its fire fighters as good, responsible citizens worthy of public trust.
- C. To reduce the incidents of accidental injury to persons or property.
- D. To provide assistance toward rehabilitation for any employee who seeks the Fire Department's help in overcoming any addiction to, dependence upon or problem with alcohol or drugs.

### **II. BENEFITS: INCONVENIENCE: COOPERATION:**

Those employees with drug and alcohol abuse problems make up only a small fraction of the work force, and the Fire Department regrets any inconvenience that may be caused the many non-abusers by the problems of the few. It is believed, however, that the benefits to be derived from the reduction in numbers of accidents, the greater safety of all employees, and the rehabilitation or suspension or termination of those, who because of alcohol or drugs, are a burden upon all other employees, will more than make up for any inconvenience or loss the rest of us must be subjected to. The Fire Department earnestly solicits the understanding and cooperation of all employee organizations in implementing the policies set forth herein.

### **III. DEFINITIONS:**

- A. Alcohol or Alcoholic Beverage - means any beverage that has an alcoholic content, excluding, "other medicines" taken in compliance with Section V.
- B. Drug - means any substance (other than alcohol) capable of altering the mood, perception, or judgment of the individual consuming it.
- C. Prescribed Drug - means any substance prescribed for the individual consuming it by a licensed medical practitioner.
- D. Illegal Drug - means any drug or controlled substance, the sale or consumption of which is illegal.
- E. Supervisor/Command Officer - means the Officer, Acting Officer or individual who is the member's immediate superior in the chain of command.
- F. Shift Commander - means the Shift Officer who is on duty at #1 Station.
- G. Impairment - to injure by weakening, diminishing or decreasing strength and value, physical or mental.
- H. Use - to avail oneself of, put to one's own purpose. To consume or expend by using.
- I. Employee Assistance Program - means Employee Assistance Program provided by the Department of Human & Fiscal Resources, Waterford Township.

### **IV. EMPLOYEE ASSISTANCE PROGRAM OF THE DEPT. OF FISCAL & HUMAN RESOURCES.**

- A. Any employee who feels that he/she has developed an addiction to, dependence upon or problem with alcohol or drugs, legal or illegal, is encouraged to seek assistance. Entrance into the Employee Assistance Program can occur by self-referral, recommendation or referral by a supervisor. No employee will be disciplined on account of any request for assistance under this section, nor will any employee be disciplined as a result of any information disclosed by the employee during his/her efforts to enter or participate in the Employee Assistance Program.
- B. Request for assistance through "recommendation" or "supervisor referral" will be treated as confidential. "Self referral" confidentiality will be maintained between the individual seeking help and Employee Assistance Program personnel.
- C. Rehabilitation itself is the responsibility of the employee. For employees enrolled in a formal treatment program, the Fire Department will grant rehabilitation leave at full pay up to accumulated sick leave. Employees who have exhausted their accumulated sick leave will be allowed to use vacation time, personal leave days, etc. The cost of rehabilitation will be borne by the employer. The rehabilitation program used will be agreed to by the Township and Union.

- D. To be eligible for continuation in employment on a rehabilitation pay basis, the employee must have been employed at least one year; must maintain at least weekly contact with the Fire Chief's office; and must provide verification that he or she is continuously enrolled in a treatment program and actively participating in that program.
- E. Upon successful completion of treatment, the employee will be returned to active status without reduction of pay or seniority.

**V. PRESCRIPTION DRUGS:**

- A. Employees who are obliged to take (a) prescription drug(s) under the direction of a licensed medical practitioner shall advise their superior upon reporting to duty that they are under the influence of, or are required to take prescription drugs or internal medicine that may affect their work performance. When an employee is required to take prescription drugs or other medicine, a physician's statement may be required indicating whether or not the employee can perform his / her regularly assigned duties.
- B. No prescription drug shall be brought upon Fire Department premises by any person other than the person for whom the drug is prescribed, by a licensed medical practitioner, and shall be used only in the manner, combination and quantity prescribed.
- C. No employee who complies with (a) and (b), above, with respect to a particular prescription drug or other medicine can be disciplined or required to attend employee assistance on account of that particular prescription drug or other medicine.

**VI. PROCEDURES FOR TESTING:**

**A. Demand for Testing**

The Township may require departmental personnel to submit to a test for illegal drugs, prescription drugs or alcohol under the following circumstances:

- 1. The employee is, based on "reasonable basis", requested/ordered to submit to testing by a command officer.

**B. Standards for Determining Reasonable Basis**

- 1. The test must be requested by a command officer. A "command officer" shall be deemed to be an officer of the rank of lieutenant or higher, or a supervisor acting in the capacity of command officer in the absence of a command officer.
- 2. "Reasonable Basis" is defined to mean objective, articulable and specific facts which would support a reasonable individualized suspicion that the employee to be tested is using or has used substances which impair his or her ability to safely and effectively perform his or her duty.
- 3. Where the "reasonable basis" is based on personal observation by a command officer, the objective facts must be articulable and may include the person's appearance and behavior.

**C. Preparation of Report**

If the command officer, based upon the criteria set forth above, determines that a test should be requested, he/she shall comply with the following procedure. First, the firefighter shall be relieved from duty. If the firefighter is at the scene of an emergency, he/she may be directed to return, or be taken when impairment is suspected, to a station to complete this testing procedure. Once the firefighter is relieved from duty, a command officer shall prepare a signed, dated, timed, and contemporaneous report reducing the objective facts and reasonable inferences drawn from those facts to writing and shall immediately furnish a copy to the employee. The employee shall, at that same time, be given the opportunity to explain his/her behavior, action or appearance. Upon request, the employee shall have the right to Union representation. Failure of the command officer to prepare the report in accordance with the procedure outlined in this section shall render any subsequent test and discipline based upon that test void.

**D. Review of Report**

If, following the employee's explanation, the command officer determines that a test is still required, he / she shall submit a copy of his / her report to the shift commander. The shift commander shall evaluate the report and explanation of the reason for testing, and shall hear the employee's explanation for his / her behavior (if any) and the shift commander shall then determine if there is reasonable suspicion for the test. Any test given without the evaluation of the shift commander, and any discipline based upon that test, shall be void.

**E. Demand for Testing**

If the shift commander has determined that a test shall be ordered, the order will be given by a command officer. At the time that the order is given, the employee shall be advised that refusal to submit to the test shall be cause for discipline, up to and including discharge. Should an employee's tour of duty expire or he / she otherwise be in an off-duty status during the order for testing process, the employee will be compensated precisely as if that employee were on active duty status, until the process of obtaining a specimen is completed.

**F. Identification of Employee**

The employee's identity shall be checked and verified, by the requesting supervisor / command officer at the time of the testing request / order.

**G. Drug Testing Procedure**

The procedure followed in giving the drug test, including but not limited to the collection of the sample, chain of custody, storage of the sample, the type of initial and confirmatory tests used, and the amount of drug or drug metabolite to be regarded as a positive drug test, will all be in conformance with Federal Regulations (Federal Register, Volume 53, No. 69, Pg. 11979-11989.)

**H. Alcohol Testing Procedure**

Testing for alcohol will be performed by means of a blood test at the same facility utilized for drug testing. The "chain of custody" will be documented and preserved in the same manner as for a drug test.

**VII. EMPLOYEE ASSISTANCE AND DISCIPLINE:**

- A. An employee who tests positive for illegal, controlled or prescription substances, or alcohol, shall be required to participate in the Employee Assistance Program. Employees who successfully complete the program to the satisfaction of the program's director or supervising physician shall not be disciplined for their drug use.
- B. Employees who fail to complete the Employee Assistance Program as specified in (A) above, may be disciplined for their employment-related drug use.
- C. Employees whose drug use, or alcohol or prescription drug abuse, is discovered by the Township in some manner other than by the drug test outlined in this policy / article shall be treated as if he / she had tested positive under this policy / article.
- D. Notwithstanding any other provision of this policy / article, where an employee engages in conduct which, given proof of his / her on-duty, intoxicated state, creates an unreasonable risk of harm to any person; that employee may be disciplined appropriately in addition to being referred to the Employee Assistance Program. It is agreed that discipline under this section shall include discharge of the employee only in the most severe case.
- E. Notwithstanding any other provision of this agreement, where an intoxicated employee violates the Rules and Regulations of the Department or any provision of the Collective Bargaining Agreement, that employee may be disciplined appropriately in addition to being referred to the Employee Assistance Program. "Appropriate discipline" is defined as discipline of precisely the same severity that the employee would have received for his / her conduct while not intoxicated.
- F. The Township shall have the option to conduct as many as four(4) random drug tests on an employee who has completed the Employee Assistance Program in order to guarantee that the Program has been completed successfully. No such random test may be given more than one(1) year following the date of the employee's completion of the program. A positive test result under this provision shall have the same effect, as a positive test result under Section VI, or Section VII c.
- G. An employee shall have the right to avail him / herself of the Employee Assistance Program no more than twice in any five year period, or three times during the employee's career in the Fire Department. An employee who tests positive after his / her right to utilize the Employee Assistance Program has expired under this subsection may be disciplined under the "just cause" provision of the Collective Bargaining Agreement. The Township in its sole discretion, may permit an employee to avail him / herself of the Employee Assistance Program more frequently than provided in this subsection.

**VIII. GRIEVANCE PROCEDURE:**

All actions and decisions made pursuant to this Alcohol and Drug Policy shall further be subject to a "just cause" standard, and to the parties' grievance and arbitration procedure.

**IX. EFFECTIVE DATE - NOTICE TO EMPLOYEES - OTHER LAWS:**

- A. The policies set forth in this policy guide are effective immediately upon notice to employees. Each present employee will be furnished a copy of this policy and will sign a receipt for same. Employees hired in the future will be furnished a copy before being hired.
- B. These policies will be implemented in a manner that will comply with all applicable federal and state laws.

**X. UNION HELD HARMLESS:**

This drug testing program is solely initiated at the behest of the Township. The Township shall be solely liable for any legal

obligations, costs, and attorneys' fees arising out of the provisions and / or application of this Agreement relating to drug testing. The Union and its members shall be held harmless for the violation of any laws, regulations, or worker rights arising from the creation, implementation, or administration of the drug testing program and the Township agrees to indemnify the Union and its members from and against all claims or suits arising out of the creation, implementation, or administration of this drug testing program. Said indemnification shall take the form of defense and payment of any judgments, settlements, costs, or attorneys' fees.

**DEFINED BENEFIT PENSION MORATORIUM LETTER OF AGREEMENT**

WHEREAS, the Charter Township of Waterford (hereinafter "Township") and the Waterford Township Fire Fighters Ass'n, IAFF Local 1335 (hereinafter "Union" have agreed that the employees hired on or after January 1, 2012 shall be covered by a Defined Contribution retirement plan, and not be participants in the Act 345 Defined Benefit (hereinafter "DB") pension system; and

WHEREAS, it is recognized by the Township and the Union that this has rendered the Act 345 DB pension system a closed plan, with ever-decreasing bargaining unit members represented by the Union being covered by that plan;

IT IS HEREBY AGREED BY THE TOWNSHIP AND UNION AS FOLLOWS:

1) The Act 345 DB pension plan and benefits as they currently exist by statute and by the terms of the parties' 2007-2012 collective bargaining agreement shall in all respects be maintained, without change of any kind, until the last bargaining unit member covered by said DB pension plan has retired or otherwise terminated employment, with the sole exception of composition of the pension plan's retirement board.

2) Neither the Township nor the Union shall make any proposals to modify in any way the Act 345 DB pension plan and benefits as they currently exist by statute and by the terms of the parties' 2007-2012 collective bargaining agreement in negotiations, mediation, or Act 312 arbitration, with the sole exception of composition of the pension plan's retirement board.

3) Neither the Township nor the Union shall challenge the enforceability of this Letter of Agreement, and the Township and the Union further agree that this Letter of Agreement is enforceable in all forums, including but not limited to grievance arbitration, Act 312 arbitration, MERC, and the Courts.

4) This Letter of Agreement shall remain in full force and effect until the last bargaining unit member covered by said DB pension plan has retired or otherwise terminated employment with the Township of Waterford.

5) This Letter of Agreement shall be annexed to each and every collective bargaining agreement between the parties from the date of its execution until the last bargaining unit member covered by said DB pension plan has retired or otherwise terminated employment with the Township of Waterford.

FOR THE TOWNSHIP:

Carl W. Solder

Dated: 1/6/12

Louis W. Feurino  
Louis W. Feurino

Ronald R. Spear  
RONALD R. SPEAR  
FIRE CHIEF

FOR THE UNION:

[Signature]

Dated: 1/6/12

[Signature]  
[Signature]