

City of Ludington

June 1, 2016

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May 31, 2019

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CONTRACT AGREEMENT

This Agreement made effective this 22nd day of August 2016 by and between the City of Ludington, hereinafter designated as the "EMPLOYER" and Local 517M of the Public Employees Union S.E.I.U., AFL-CIO hereinafter referred to as the "UNION" under the provisions of Public Employees Relations Act 336, of the Public Acts of 1947, as amended.

WITNESSETH:
ARTICLE 1

It is the purpose and intent of the parties to this Agreement that the results shall promote mutual cooperation and further the welfare of the Employer and its employees, ensure a spirit of confidence and cooperation between the Employer and its agents and employees, establish uniform and equitable rates of pay and hours of work, provide for a disposition of grievances and to improve the efficiency of municipal services by striving for excellence.

DEFINITIONS

A. **Employee** - A person appointed and occupying a position in the Employer's service within the bargaining unit.

B. **Full-Time Employee** - A represented employee appointed to a position, which requires the services of an employee forty (40) hours per week for a continuous period exceeding ninety (90) calendar days.

C. **Part-Time Employee** - A represented employee appointed to a position, which requires the services of an employee for twenty (20) hours per week for a continuous period exceeding ninety (90) calendar days.

D. **Permanent Employee** - A represented employee appointed to a position, which will require the services of an employee, either part-time or full-time, for a continuous period exceeding one hundred eighty (180) calendar days.

E. **Temporary Employee** - A non-represented employee appointed to any seasonal position, which will require the services of an employee between April 1st and October 30th. The position shall be exempt from union security. The position's responsibilities shall include mechanic-related duties, clean-up, general grass cutting, concrete work, special painting projects, including hydrants, sign posts, fences, curb crossings, parking lots and similar tasks, assisting all of the Employer's departments in accomplishing the extra seasonal workloads, and working with and assisting union employees. Temporary employees shall be allowed to drive trucks (up to 1 ton) for the sole purpose of transporting hand tools, equipment, materials and personnel necessary for a job assignment. Temporary employees shall not be allowed to operate heavy equipment or dump trucks. Temporary employees may work overtime only if all other employees in the work area have had the opportunity to work overtime or are also working overtime. The Employer shall not utilize such Temporary Employees when there are permanent employees laid off. The Employer may hire a Temporary Employee at any time of the year in order to fill a vacancy that results from an injury or illness to an employee.

F. **Temporary Acting Supervisor** - An employee who has been designated by the Employer to act in the capacity of a management person during the short-term absence (normally a minimum of eight (8) consecutive hours) of a supervisor due to vacation, illness, etc. The position is temporary, and the employee would continue to accumulate seniority within the bargaining unit. The Temporary Acting Supervisor shall not initiate discipline against another bargaining unit member except for insubordination. The pay for Temporary Acting Supervisor shall be 75% of the difference between the supervisor's pay and that of his designated replacement. If while Temporary Acting Supervisor, the employee is actually called into work, the employee shall receive overtime wages based upon his/her regular hourly rate. If an employee works in the capacity of a Temporary Acting Supervisor for three days in which the three days are adjacent to a weekend, the employee shall not receive stand-by pay when covering for a weekend. If the Employer designates a Crew Leader as the Temporary Acting Supervisor, then only that particular Crew

Leader (not all Crew Leaders) shall receive the additional compensation outlined in this section, except as outlined below:

If the Superintendent is going to be absent for a period of time of 40 consecutive hours or more, he may appoint the Crew Leader of each department to serve as Temporary Acting Supervisor for their respective department. In this event, the Crew Leader from each department shall be paid one-third (1/3) of 75% of the difference between the Crew Leader's wage and the Superintendent's wage. If the Superintendent and one or more Crew Leaders are absent at the same time during that 40-hour period, the City may do one of the following:

1. The City may appoint one of the remaining Crew Leaders as the Temporary Acting Supervisor for both his own department and the department(s) of the absent Crew Leader(s). In this event, the Crew Leader serving as Temporary Acting Supervisor shall receive two-thirds (2/3) of 75% of the difference between the Crew Leader's wage and the Superintendent's wage if he is serving as Temporary Acting Supervisor of two departments or he shall receive the entire 75% of the difference between the Crew Leader's wage and the Superintendent's wage if he is serving as Temporary Acting Supervisor of all three departments; or
2. The City may appoint another employee (a non-Crew Leader) to serve as Temporary Acting Supervisor for the department in which the employee works. In this event, this employee shall be paid one-third (1/3) of 75% of the difference between the employee's wage and the Superintendent's wage.

G. **Days** – The term "days" shall refer to calendar days unless otherwise noted.

ARTICLE 2

The Employer shall recognize the Union as the exclusive collective bargaining representative and agent with respect to rates of pay, wages or salaries, hours of work, and other terms and conditions of employment for all permanent and part-time employees in the departments of Public Works, Utility Maintenance, Motor Pool, Cemetery & Parks, Water Treatment Plant, and Wastewater Treatment Plant, but excluding all superintendents, assistants, foreman, confidential employees, elected or appointed officials, or heads of departments established by the City Council.

MANAGEMENT RIGHTS

ARTICLE 3

1. The Union recognizes the sole and exclusive prerogative of the Employer to operate and manage its affairs in all respects in accordance with its public trust and interest and further recognizes that the powers and authority, which the Employer has not officially and specifically abridged, delegated or modified by this Agreement are retained by the Employer.

2. The Employer agrees that its employees shall have the right to self-organize, to form, gain, or assist a labor organization, to bargain collectively through representatives of their own choosing, and to engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection.

UNION SECURITY

ARTICLE 4

Upon the receipt of a voluntary written authorization from an employee, the Employer shall deduct from the employee's wages an amount equal to monthly union membership dues, which shall be deducted in a fixed amount each pay period, regardless of the employee's membership status, and remitted to the Union. The Union shall be responsible for the accurate certification of the Union dues to be deducted. Once authorized, the payroll check-off shall be irrevocable for a period of one year and automatically renew each year thereafter, except that authorization may be withdrawn by the sending of a written notice to the Union

and the City by registered mail during the period of thirty (30) days immediately preceding the annual anniversary date of the employee's authorization. Any revocation shall be effective the pay period following the pay period during which the revocation was received by the City and shall remain in effect for at least two pay periods. The Union agrees to indemnify, defend and hold harmless the Employer, including its City Council, past and present executive/administrative employees, from any loss, damages or claims arising from the implementation of this Article and in any action arising out of and pursuant to the provisions of this Article 4.

DEDUCTION OF DUES

ARTICLE 5

1. The Employer shall deduct from the employees' wages and submit to the proper officers of the Union, the lawful dues billed by the Secretary-Treasurer of the Union. The dues shall be deducted in accordance with the provisions in Article 4, Section 1.

2. The Union agrees to indemnify, defend, and hold harmless the Employer from any loss, damages, or claims arising from the implementation of this Article.

REPRESENTATIVES

ARTICLE 6

1. All employees who are covered by this Agreement shall be represented for the purpose of grievance procedure and negotiations by Stewards and a Bargaining Committee to be chosen by the Union. The Union shall provide the City Manager with an updated list of Union officers within one week after the annual election of officers.

2. The maximum number of employees who shall be paid by the Employer for providing Union representation shall be as follows:

(a) A total of three (3) employees when meeting 8:00 a.m. to 4:00 p.m., Monday through Friday, while conducting negotiations.

(b) A total of two (2) employees while processing a grievance through Step 2 of the grievance procedure.

(c) A total of three (3) employees when meeting 8:00 a.m. to 4:00 p.m., Monday through Friday, while processing a grievance from Step 3 through Step 5, inclusive, of the grievance procedure. Compensation shall be at the employees' regular straight time rate of pay and shall end at the end of the employees' regularly scheduled working hours of any day of an assigned shift.

3. Executive officers of the International and/or Local Union and/or their representatives, duly authorized to represent the Union, shall be permitted to participate in any discussions relative to hours, wages, and working conditions at any time.

4. The unit bargaining committee shall be composed of the Chief Steward, two (2) elected or appointed members, and the Union President.

5. Employees of each department or combination of departments, as may be agreed upon by the Employer and the Union, shall be represented by a Steward. There shall be one Chief Steward.

GRIEVANCE PROCEDURE

ARTICLE 7

Step 1.

Within fifteen (15) working days after the date of an alleged occurrence of a grievance, the aggrieved employee or employees shall meet with the work area supervisor in an attempt to resolve the grievance at the lowest possible level. If not resolved at this meeting, the employee or employees may deliver a written and signed statement of such grievance to the Steward. Grievances filed as a result of a violation of work rules shall be governed by the time limits under Article 21, Section 3. The Steward shall thereupon take the grievance up with the department supervisor and both the department supervisor and Steward shall use their best efforts to make a satisfactory settlement of the grievance. The department supervisor shall, within three (3) working days, deliver his/her written disposition of the matter to the Steward involved.

Step 2.

If the matter is not resolved at Step 1 of this procedure, the Chief Steward may take the matter up with the City Manager within three (3) working days of the Union's receipt of the department supervisor's written disposition of the grievance. Each party shall have the right to bring witnesses. The City Manager or designee shall submit his/her written disposition to the Chief Steward within five (5) working days of such meeting with the Chief Steward. The Step 2 meeting shall be held during the last hour of the day shift except in emergencies.

Step 3.

In the event the matter is not resolved at Step 2, the Union may notify the Personnel, Resolutions & Rules Committee within ten (10) working days of the Union's receipt of the City Manager's or his/her designee's written disposition (Step 2). The Personnel, Resolutions & Rules Committee and the Union Bargaining Committee shall meet within five (5) working days of the notification to the Personnel, Resolutions & Rules Committee. The Personnel, Resolutions & Rules Committee shall submit its written disposition to the Union Bargaining Committee within three (3) working days of such meeting.

Step 4.

If the grievance is not resolved by any of the above steps, the Union may within fourteen (14) working days after the receipt of the Personnel, Resolutions & Rules Committee's written response, give notice of its intent to submit the grievance to arbitration. The selection of an arbitrator shall conform to the Michigan Employment Relations Commission's process for selecting an arbitrator. The arbitrator may determine the effective date for his disposition of a grievance, shall have full authority in any way the facts justify to alter or change discipline or discharge penalties imposed by the Employer. The arbitrator shall have jurisdiction and authority only to interpret, apply and determine compliance with this Agreement and shall not add to, subtract from, or alter in any way its provisions. The arbitrator's decision shall be final and binding on both parties. The fees and expenses of the arbitrator and any expenses associated with the location of the hearing shall be equally divided between the Employer and the Union. Each party shall incur its own costs of presenting its respective case in arbitration.

Mediation and fact finding through the Michigan Employment Relations Commission may be initiated prior to Step 4 of the grievance procedure and the time periods through the terminal point of the grievance extended; provided that all the time limits for notice are observed.

TIME LIMITS

1. By mutual written agreement, the Employer and the Union may extend the time limits contained in the Grievance Procedure.

2. Any grievance not advanced to the next step by the employee or the Union within the time limit within that step, shall be deemed abandoned and not subject to further appeal.

3. Any disposition of an appeal step, which is not issued by the Employer within the time limits specified in Article 7, shall automatically move the grievance to the next step in the grievance procedure.

SENIORITY

ARTICLE 8

1. Each employee shall accumulate seniority rights in two categories, as follows:

(a) Job classification within the work area.

(b) Citywide seniority for the sole purpose of bidding on positions open in other departments if any opening occurs. Seniority cannot be accumulated in more than one job classification within a work area. The City shall compile a seniority list of all regular and part-time employees covered by this agreement. The seniority list shall contain the name of each employee by the department the employee performs his/her occupation or work in the order of the length of the employee's continuous service for the City. Fringe benefits shall be computed based on citywide seniority.

2. An employee shall lose all accumulated seniority for the following reasons:

(a) If the employee quits.

(b) If the employee is discharged, and the discharge is not rescinded through the grievance procedure.

(c) If the employee is absent from work three (3) consecutive days without giving notice. The employee shall lose seniority as of the fourth (4th) consecutive day.

(d) If the employee is terminated under Article 16, Section 5.

3. All members of the Bargaining Committee shall have the highest job classification and citywide seniority. The steward of each department shall have the highest job classification seniority in his/her department unless a member of the Bargaining Committee also works in his/her job classification. In this event, the steward shall rank immediately behind the member(s) of the Bargaining Committee. This section shall apply to layoffs only.

4. All new regular employees shall be considered on probation for a period of twelve (12) consecutive calendar months after the date of hiring. Upon completion of said twelve (12) months, seniority shall be retroactive to the date of hire. All scheduled time an employee is absent during the probationary period shall be added to the probationary period. For the purpose of this clause, five (5) working days shall mean seven (7) calendar days. The probationary period may be extended upon mutual agreement between the Employer and the Union.

5. The grievance procedure may only be utilized by employees who have attained seniority rights.

6. Seniority privileges shall be granted only to employees covered by this Agreement.

7. Employees who have been or who are promoted to a position rendering them ineligible for Union membership shall retain such seniority accumulated to the time of such promotion. There shall be no accumulation of seniority in positions outside the bargaining unit. All such employees shall have the right to return to the bargaining unit only by bidding on a posted job vacancy. However, an employee who is promoted to a position outside of the bargaining unit shall be able to return to the bargaining unit with no loss of seniority during the first six (6) months probationary period.

LAYOFFS AND RECALLS

ARTICLE 9

1. Layoffs and recalls shall be based first upon seniority with the departments and secondly upon citywide seniority. The senior employee may enter into any lateral or lower classification citywide within five (5) days of layoff or displace any less senior employee within such classification, provided the senior employee possesses the present ability to do the work required.

2. All employees shall provide their address and any change of address to the Employer's appointed representative.

3. In the event that the Employer decides to recall an employee, the Employer shall notify the employee by telephone or in person by a representative of the Employer. If the Employer is unable to contact the employee in this manner, a registered letter shall be mailed immediately to the employee's last known address, or the employee shall be notified by any other method requiring a return receipt. If the senior employee on the seniority list reports within the fifth (5th) day after being contacted by the Employer, the senior employee shall replace the employee with less seniority who may have been called, and the employee with less seniority shall be sent home without further pay.

4. The Employer shall not hire new employees until all employees qualified to work have been called back.

5. Employees laid off in their work area due to lack of work may be offered temporarily scheduled work in their work area on the basis of their work-area seniority, provided they can perform the remaining temporarily scheduled work in their work area.

JOB OPENINGS AND TRANSFERS

ARTICLE 10

1. All job openings shall be posted for a period of five (5) working days. Vacancies shall be filled and promotion made from within the work area in which they occur based on seniority and ability. If the vacancy is not filled from within the work area, employees in other work areas shall have the right to bid on such position, and the more senior qualified employee applying for such position shall be given the opportunity to fill such position; provided that the Employer has the right to fill temporarily such position in the interim period.

2. Employees choosing to be transferred to another department may be given an entrance exam by the Department Supervisor to determine whether or not the employee has the ability to obtain the necessary license for the employee's new position. If the employee does not have a passing score of 70% or better, the employee shall not be eligible for the transfer. The entrance exam shall be the same test given to new employees being considered for employment for those positions, if an exam is given.

3. Any employee filling a vacancy by transfer or promotion may be given from fifteen (15) working days up to ninety (90) working days to prove his/her ability. If unable to qualify, as determined by the Employer, he/she shall be returned to his/her former position at the former position's rate of pay. In the event an employee is disqualified under the above provision, the employee and the Union shall be notified in writing of the reason for such disqualification within two (2) working days of the decision to disqualify the employee. All employees so disqualified shall have the right to re-bid the position if an opening occurs after one (1) year from the disqualification date. An employee filling a vacancy by transfer or promotion shall be allowed to return to their previous position within the first ten (10) working days following the transfer or promotion without loss of seniority.

4. Those employees promoted to positions carrying a higher rate of pay than that from which they were transferred shall receive the lowest rate called for in the new position or the rate received at the time of the transfer, whichever is greater, until the employee has completed the ninety (90) calendar day qualifying period. Upon the completion of the ninety (90) calendar day qualifying period, the employee shall receive the top rate called for in the new position.

5. Any employee may refuse a transfer or promotion without loss of seniority.
6. All employees temporarily transferred to a lower-paying position shall suffer no loss of pay.
7. All employees temporarily transferred to a higher-paying position shall receive the highest rate of pay called for in the highest classification for any hours worked in the higher-paying position.
8. When being assigned work outside his/her normal work area, the employee with the most seniority shall have the right of first refusal, however, if the most senior employee(s) refuses, then the lowest seniority employee(s) shall be assigned to another work area as required. When no overtime is expected, the Employer shall have the right to assign any available employees for a period not to exceed thirty (30) working days, or more if the employee agrees.
9. Notwithstanding anything to the contrary in this Article, employees in the Equipment Operator II classification shall be promoted to the Equipment Operator I classification based on the following criteria:
 - A. The employee shall have a minimum of four (4) years of full-time experience at the Equipment Operator II classification; and
 - B. The employee shall possess a Class A CDL with a tanker endorsement; and
 - C. The employee shall have proven his/her ability to perform the job to the Employer.
10. If an employee is unable to obtain the necessary license for his/her position within a specified time period, the employee shall be terminated. The specified time period shall be understood to be the first testing opportunity after the employee is qualified to write the test.
11. Crew Leader Positions
 - A. The Employer may, but is not required to, maintain the three (3) working Crew Leader positions in the Parks/Cemetery, Public Works, and Motor Pool departments. The Employer shall not reduce the number of Crew Leader positions in these departments, as long as the specific employees who hold these positions as of September 22, 2014 continue to hold them. The Employer has the option to appoint additional crew leaders in other departments.
 - B. The position shall be posted within the Union, and if no one qualified applies, the Employer may hire from the outside.
 - C. The Crew Leader position shall be filled on the basis of the following criteria:
 - (1) Possible testing/exam (written for the particular department)
 - (2) Interview
 - (3) Qualifications
 - (4) Experience
 - (5) References
 - D. Any union employee who applies for the Crew Leader position shall receive an interview.
 - E. The Employer agrees to a six (6) month probationary period for working Crew Leaders. During this time, if the employee chosen to fill the position decides that he/she no longer wants to be a Crew Leader, the employee shall be transferred back to the position he/she held prior to the promotion at that prior position's regular rate of pay.
 - F. The Crew Leaders shall alternate with the Department Superintendent with regard to the on-call list. Compensation for being on-call shall be included in the Crew Leader's wages.

G. The Crew Leader's pager shall be worn or accessible at all times. While on-call, the Crew Leader shall wear a pager and have in his/her possession a cellular telephone, which will enable Central Dispatch or any department superintendent to contact the Crew Leader if the Crew Leader is unable to be reached by telephone at his/her house.

H. The pager, cellular telephone, and a City vehicle are provided to the Crew Leaders for their convenience and easy accessibility. It is the Employer's position that the use of a City vehicle for transportation to and from work, along with the convenience of being able to respond to calls with this vehicle directly from their houses is a benefit in lieu of standby pay.

I. If a Crew Leader is contacted and able to make the necessary arrangements to handle the job by use of the telephone, then the Crew Leader shall not be eligible to receive the two hours of call-in pay. This shall also include calls received during the night or calls received for another department.

J. If the Crew Leader has to physically leave his/her house or wherever he/she may be at the time he/she is contacted to respond to a call, then the Crew Leader shall be eligible to receive call-in pay.

K. It shall be the responsibility of the Crew Leader who is going on call to obtain the cellular telephone from the person who presently has it.

L. The Crew Leaders may trade days and/or weekends with each other to accommodate schedules with prior approval from the Department Superintendent or City Manager. The Crew Leader who was originally on-call is responsible for contacting Central Dispatch and informing it of the change. If possible, a fax should be sent to Central Dispatch confirming the change.

M. While on-call, the Crew Leader shall be able to respond in person within 25 minutes of receiving the call. If the on-call Crew Leader is unable to do this, he/she shall contact one of the other Crew Leaders or the Department Superintendent and make the necessary arrangements to cover for him/her during his/her absence.

HOURS OF WORK

ARTICLE 11

1. The regular workweek shall consist of five (5) eight (8) hour days for a total of forty (40) hours per week. The Employer shall have the option to change the regular workweek to four (4) ten (10) hour days for a total of forty (40) hours per week during the period between Memorial Day and Labor Day for the departments of Public Works, Utility Maintenance, and Motor Pool. Employees shall continue to work 8-hour days during the weeks of Memorial Day, Independence Day, and Labor Day.

2. Time and one-half (1½) shall be paid for all hours worked in excess of eight (8) hours for employees working 8-hour shifts and time and one-half (1½) shall be paid for all hours worked in excess of ten (10) hours for employees working 10-hour shifts in any one day or forty (40) hours in any one week.

3. All work performed on Saturday shall be paid at a rate of one and one-half (1½) times the employee's regular hourly rate, except when Saturday is part of the employee's regular five-day workweek. All work performed on Sunday shall be paid at a rate of twice the employee's regular hourly rate, except when Sunday is part of the employee's regular five-day workweek.

4. Overtime work shall be equalized insofar as possible among those employees who normally perform the work on regular time. No employee shall be sent home during the working hours of any shift to avoid overtime.

5. The normal schedule for the departments of Public Works, Utility Maintenance, Motor Pool, Cemetery & Parks, and the Wastewater Treatment Plant shall be 8:00 a.m. to 4:00 p.m. with a fifteen (15)

minute paid lunch to be taken at the work site where practical. Due to its 24-hour-per-day operation, the Water Plant shall continue to have three 8-hour shifts and a maintenance shift. The building-maintenance employee for the Municipal Building shall have a 6:00 a.m. to 2:00 p.m. normal work schedule. The Employer agrees that it shall make every effort to maintain this schedule except when situations arise and make a deviation necessary. In such cases, the starting time may be adjusted either forward or backward as the circumstances dictate, and it shall be the sole prerogative of the Employer to determine when such deviations are necessary.

6. Each water plant operator who does not normally work a day shift shall be scheduled for a two (2) week period per year on the day shift for the purpose of standardizing procedures. The day-shift operator shall trade shifts with the other operators to accomplish this.

7. For all departments of the Employer engaged in seven (7) day operations, all work performed on the first scheduled day off in any weekly period shall be paid at a rate of one and one-half (1½) times the employee's regular hourly rate. All work performed on the second scheduled day off in any weekly period shall be paid at a rate of twice the employee's regular hourly rate.

8. Employees that are eligible to be paid at time and one-half (1½) or double time rates pursuant to this Agreement may elect to receive either the appropriate overtime pay or the corresponding compensatory time off. All such elections shall be subject to the following provisions:

- A. The employee shall request to receive the compensatory time within the same pay period in which it is earned.
- B. Accumulation – At no time may an eligible employee accumulate more than forty (40) hours of compensatory time in a calendar year.
- C. Payment – Once an employee designates compensatory time in lieu of cash, the employee may not reverse that decision.
- D. Benefit Computation – Compensatory time off taken by an eligible employee during the employee's regularly scheduled working hours shall be considered as time worked in computing benefits for that employee. In no event may an employee be credited with more than forty (40) hours worked in a work week.
- E. Termination of Employment or Assignment to Exempt Status – An employee who is terminated from employment with the City or assigned to a job, which is exempt from overtime requirements, shall be paid for any accumulated and unused compensatory time at the employee's current rate of pay at the time of termination or, for an employee who is assigned to an exempt job, at the employee's current rate of pay received by the employee in the employee's last non-exempt job before assignment to the exempt job.
- F. In the event of the death of an employee, any unused compensatory time shall be paid to the employee's estate at the employee's regular hourly rate in effect at the time of death.
- G. The Employer shall approve the use of all compensatory time.

HOLIDAYS

ARTICLE 12

1. Holidays to be observed with pay are:
 1. New Year's Eve Day
 2. New Year's Day
 3. Good Friday
 4. Memorial Day
 5. Independence Day

- 6. Labor Day
- 7. Thanksgiving Day
- 8. Day After Thanksgiving
- 9. Christmas Eve Day
- 10. Christmas Day
- 11. Two Annual Vacation Days

2. Employees shall receive eight (8) hours of holiday pay at the employee's regular hourly rate in addition to the rate received for all hours worked. Double time shall be paid for all hours worked on the actual holiday. When the holiday falls on a Saturday or Sunday and other weekdays are given off in observance of the holiday, the hours worked on those days shall be at a rate of one and one-half (1½) of the employee's regular hourly rate.

3. To be eligible for holiday pay, all employees shall work his/her last scheduled day before and after the holiday, with an exception of approved vacation or sick leave.

4. All new employees who begin employment with the Employer between January 1 – June 30 shall receive two (2) annual vacation days in the same year that they began their employment, as part of the annual holidays given to all employees. All new employees who begin their employment with the Employer between July 1 – December 31 shall not receive their annual two vacation days until January 1st of the year following their hiring.

5. One (1) additional vacation day per contract year (eligible June 1 of each year) after ten (10) years of service.

VACATION

ARTICLE 13

1. All employees with years of service shall be given a specified number of working days (vacation days) with pay. Vacation days shall be earned annually and received in accordance with the employee's hiring anniversary date. New hires shall receive five (5) days of vacation after completion of the 90-day probationary period. These five days shall be used within the first year of employment.

One Year	=	5 Days
Two Years	=	10 Days
Five Years	=	15 Days
Ten Years	=	17 Days
Fifteen Years	=	21 Days
Twenty Years	=	22 Days
Twenty-Five Years	=	23 Days

2. All regular part-time employees with one (1) year or more of service shall be given vacation pay computed at the rate of one-half (1/2) the rate listed in Article 13, Section 1.

3. All employees shall have the right to use their vacation time. In the event that conflicts occur between employees over the use of vacation time, seniority shall be given preference consistent with the efficient operations of the Employer.

4. Vacation days do not accumulate and shall be taken during the calendar year following the one in which it was earned unless impossible because of work conditions. Vacation shall be considered as a matter of right. If a vacation is canceled because of work necessity, it shall be rescheduled or paid for at straight time as extra compensation for the period. An employee may carry up to five (5) vacation days into the next vacation year, provided however, that the employee shall use the number of days carried over within the first ninety (90) days of the succeeding vacation year. After these 90 days, any of the unused carried-over days shall be forfeited unless written permission is received from the City Manager.

5. All regular part-time employees who have been employed as such by the Employer and have accumulated seniority on the basis of actual time worked shall have full vacation with pay rights according to their acquired seniority.

6. The vacation year shall coincide with the employee's anniversary date of employment.

7. Employees shall have the right to receive vacation pay in advance of vacation, provided the Employer has been notified two weeks in advance.

8. Vacation days shall be requested in writing, except for emergencies or for special circumstances with the supervisor's approval. The vacation schedule shall be posted on the employees' bulletin boards and kept current.

9. In the event the interpretation of the contract as to computation of vacation pay becomes an item of the grievance procedure, the Employer and the Union shall endeavor to resolve all problems of such computations in one proceeding under the grievance procedure. The Employer shall provide twenty (20) days' notice to all members of the Union to allow them to present their specific objections before proceeding to Step 1 of the grievance procedure.

10. Any employee who completes a contract year (June 1 through May 31) without lost time due to a work-related accident or injury shall receive in the following contract year an extra paid vacation day to be used within the following contract year.

BEREAVEMENT LEAVE

ARTICLE 14

1. An employee shall be allowed three (3) consecutive working days with pay in the event of a death in his/her immediate family.

2. The immediate family shall be defined as mother, father, wife, husband, son, daughter, brother, sister, mother-in-law, father-in-law, brother-in-law, sister-in-law, grandparents, spouse's grandparents, grandchildren, or other legal dependent or stepchildren/sibling/parent/grandparents.

3. In the event of the death of a spouse, parent, or child, up to two (2) additional working days with pay may be used provided that the employee is required to travel outside of the State of Michigan or more than 250 miles one way in order to attend the funeral service. The employee must attend the funeral service. A copy of the obituary notice is required in order to receive Bereavement Leave Pay.

JURY LEAVE

ARTICLE 15

1. The Employer shall pay employees on jury duty or subpoenaed to appear in court as a witness an amount equal to the difference between the amount of wages the employee would have earned by working straight time hours for the Employer on that day and the daily jury duty fee paid by the courts, not including travel allowance or reimbursement of expenses.

2. This provision shall apply for each day in which the employee performs jury duty or appears in court as a witness, and in which the employee would otherwise have been scheduled to work for the Employer.

3. The period in which the employee performs jury duty or appears in court as a witness shall not be charged against the employee's annual leave or sick leave. Any employee released from jury duty shall not be required to return to work on the day of release except when it is possible for the employee to work four (4) hours or more of his/her regular shift.

SICK / INJURY LEAVE

ARTICLE 16

1. All full-time employees and regular part-time employees shall be entitled to accumulate one-hundred fifty (150) working days of sick leave that shall accrue at the rate of one (1) day per month. In the case of illness or non-compensable injury, payment shall be made on the basis of regular pay. A medical certificate may be required as evidence of the employee's illness or injury, which prevented his/her attendance at work after the third consecutive day off. The Employer may require a medical examination during the above-noted three (3) day period. The Employer shall pay the cost for any such medical examination.

2. Any employee injured on the job so as to render him/her unfit for work in the opinion of a duly qualified physician, as designated by the Employer, shall be paid at his/her regular hourly wage for loss of time when such loss of time is not compensated by workers'-compensation insurance, provided such injury is compensable under the provisions of workers'-compensation insurance. At no time shall the total payments received by the employee from workers'-compensation insurance and the Employer exceed the employee's normal weekly gross pay, less taxes.

3. An employee off work as a result of a work-related injury/illness shall receive a 40-hour weekly paycheck from the Employer based upon his/her regular rate of pay, less taxes, effective upon the first day of his/her work-related injury/illness. If the employee is eligible for the State of Michigan Workers' Compensation Wage Loss Benefit, the employee shall continue to receive his/her regular weekly payroll check from the Employer. The employee shall sign over to the Employer his/her workers'-compensation checks, which he/she receives from the Employer's workers'-compensation insurance carrier.

5. After the employee has been off work as a result of a work-related injury/illness for six (6) months, the employee shall only receive a wage-loss compensation payment from the workers'-compensation carrier in an amount determined by the workers'-compensation carrier. Any benefits provided to the employee shall be limited to seniority. The employee may, at his/her own expense, continue to be carried on the Employer's medical and life insurance policies. The Employer may terminate an employee who is off work for twelve (12) months or longer due to a work-related injury/illness or a non-work-related injury/illness. The Employer shall pay the employee any remaining unused sick or vacation leave on the date of termination in accordance with the provisions of Article 24, Section 4.

6. Subject to the restrictions in Section 5 above, employees who are injured on the job shall retain and accumulate seniority without limitation. Employees, otherwise injured or ill, shall retain their seniority and accumulate up to one hundred twenty (120) days unless this time is extended by mutual consent of the Employer and the Union.

7. Any employee who, because of illness or injury, is unable to report for work shall, unless circumstances prevent him/her from doing so, notify his/her supervisor at least thirty (30) minutes before the starting time on the first three (3) days of absence.

8. If the employee is absent four (4) or more consecutive days, the employee shall provide, no later than the fourth consecutive day off, a doctor's slip stating the employee is under a doctor's care. The doctor's slip shall include an estimate of the amount of time that the employee will be absent from work. The employee shall also notify his/her supervisor one (1) day prior to returning to work and shall provide a doctor's slip stating that the employee is able to return to full duty.

9. The Employer has the option of allowing an employee to return to work with restrictions. However, at no time is the employee guaranteed that restricted work will be available until such time as the employee's doctor releases him/her to full duty. If at any time restricted duty is no longer available, the employee shall be placed back on sick leave until released for full duty.

10. All doctors' slips, which may be required under this Article, shall be provided at the employee's expense.

11. If the employee so elects, after all sick leave is exhausted, he/she may utilize his/her earned unused vacation time as sick leave.

12. Employees who use six (6) or less sick days during the contract year (June 1st through May 31st) shall be given one (1) vacation day to be used in the following contract year.

13. An employee may use up to forty (40) hours of sick leave per contract year to attend to a sick or injured spouse or child.

14. After four (4) separate instances of using sick days in one (1) contract year, the employee shall be required to bring in a medical certificate as evidence of the employee's illness or injury, which prevented his/her attendance at work. The medical certificate shall be provided at the employee's expense. Sick days, which are covered by a doctor's slip (medical, dental, optical), shall not be included or counted as a separate instance.

15. A. Central Sick Leave Bank

1. The purpose of the Central Sick Leave Bank (CSLB) is to provide employees with access to a supplemental allotment of paid sick leave in order to enable an employee who is absent due to a serious non-work-related injury/illness to himself/herself or his/her spouse or child to continue to receive pay during an approved leave.
2. Employees may donate hours of sick leave to the CSLB. Such donations are voluntary and will be deducted from the employees' total accumulation of sick leave.

B. Donations to CSLB

1. No employee may donate more than a total of forty (40) hours per calendar year to the CSLB. All employee donations to the CSLB are irrevocable.
2. Donations must be made in whole-hour increments.

C. Eligibility for Use of CSLB

In order to qualify to utilize paid sick leave from the CSLB, an employee shall meet all of the following requirements:

1. The employee shall be off work and satisfy the Employer that he/she is facing financial hardship due to a serious non-work-related injury/illness of the employee or the employee's spouse or child.
2. The employee shall have exhausted all other leaves credits (sick, vacation, etc.).
3. The employee shall make written application to the Employer, which shall include the following information:
 - a. A doctor's statement detailing the extent of the serious non-work-related injury/illness of the employee, the employee's spouse or child. The doctor's statement shall include the diagnosis, prognosis, approximate length of time needed off from work and the approximate amount of hours or days from the CSLB; and
 - b. The date that the employee would begin drawing time from the CSLB; and
 - c. The nature of the employee's serious non-work-related injury/illness or the employee's spouse or child's serious injury/illness and expected

length of absence for purposes of soliciting donations from other employees.

4. The employee shall be on an approved leave, and the Employer shall authorize use of the CSLB in accordance with the requirements of this section.

D. Employee's Use of CSLB

1. Once an employee's application to use leave from the CSLB is approved, the City Manager or his/her designee shall distribute a memo requesting that employees voluntarily donate sick leave time to the CSLB on behalf of a specific employee. Until such specific employee has no further need to use the CSLB in connection with the serious non-work-related injury/illness described in the application, leave time donated to the CSLB on behalf of the specific employee shall be used only by such specific employee. After the specific employee has no further need to use the CSLB in connection with the serious non-work-related injury/illness described in the application, any balance of leave time, which was donated on behalf of the specific employee but remains in the CSLB, may be used at the Employer's discretion on behalf of other authorized CSLB applicants.
2. Provided there is donated leave time in the CSLB available for his/her use and he/she has no other non-CSLB leave credits available to use, an authorized employee shall draw from the CSLB for each regularly scheduled work day after authorization is granted on which he/she is absent from work due to the serious non-work-related injury/illness described in the application.
3. The daily amount drawn from the CSLB shall be equal to the number of hours the employee would have worked in a regularly scheduled day for which the employee has no other non-CSLB leave credits available to use.
4. Where circumstances warrant in the discretion of the Employer, and provided there is donated leave time in the CSLB available for use, amounts from the CSLB may also be applied retroactively to compensate for regularly scheduled work days before authorization was granted on which the employee was absent due to the serious non-work related injury/illness described in the application and was unable to receive full pay.

E. Status of CSLB

At the request of the Union, the Employer shall provide the Union with a status report on the CSLB including prior usage and the current balance.

MILITARY LEAVE

ARTICLE 17

1. Any employee who is drafted or who enlists in the Army, Navy, Coast Guard, Marines, Air Force, or who is called to active duty in the National Guard or an Organized Reserve unit, shall be granted such rights or reinstatement of his/her position as required by law.

UNPAID LEAVES OF ABSENCE

ARTICLE 18

1. An employee elected or appointed to a Local 517M Union Office shall be eligible for an unpaid leave of absence during his/her tenure in office. An employee's seniority shall accumulate during such leaves of absence under the above condition.

2. Subject to the Employer's approval of an employee's written request, an employee may be granted an unpaid leave of absence for personal reasons other than those addressed in Article 16 for a period not to exceed thirty (30) consecutive days within one calendar year. Such leave of absence shall be extended with proper approval from the Employer, and seniority shall accumulate during such leave. The Employer shall comply with the Family and Medical Leave Act of 1993, per Federal requirements only, effective August 5, 1993.

3. The Employer shall provide a total of forty (40) hours of unpaid leave per contract year to allow employees to attend Union conferences or classes. The Employer shall permit the employee to use his/her vacation leave to attend such Union conferences or classes. The 40-hour limit shall apply to the Union membership as a whole and not to each employee. The Union or employee shall provide the Employer with sufficient advanced notice of the request to attend such Union conferences or classes.

CALL-IN TIME

ARTICLE 19

1. Any employee called out to work outside his regular working hours shall receive a minimum of two (2) hours pay. The maximum paid time between the time of the call and the time in which the employee reports to the work area shall be twenty-five (25) minutes.

2. If no work is available when employees report for work at the start of their regular shift, they shall receive not less than four (4) hours pay at their regular rate unless such employees are notified at least one (1) hour prior to their regular starting time.

3. With the exception of Crew Leaders and employees working in the Water Plant and the Wastewater Treatment Plant, employees on standby shall receive two (2) hours pay at straight time for each day. Such compensation shall be in addition to the compensation received for being called into work or the compensation for actual hours worked. The Employer shall post a standby list for any department where standby is needed.

4. Crew Leaders shall not receive any additional compensation for being on standby.

5. The Maintenance Relief Operators and the Maintenance Mechanic working in the Water Plant shall be on standby for rotating 21-day periods. These employees shall not receive any additional compensation for being on standby.

6. The employee working on the weekend at the Wastewater Treatment Plant shall also be on standby for that weekend (from midnight Friday to midnight Sunday). This employee shall receive two (2) hours of pay at straight time for each day that he/she is on standby.

7. A roster of all regular employees who desire overtime work shall be set up by classifications within the departments. Overtime work shall be equalized to the fullest extent possible among those who normally perform the work. The department head, where practicable, will first exhaust such rosters before calling other employees for overtime work. An employee on such roster, who is called for overtime work and does not report, shall be charged with refused overtime equal to the highest number of hours worked on that job and shall have his name placed at the bottom of the list and called last for subsequent overtime work. An up-to-date overtime list shall be made available to all employees for their inspection by posting where practical or by a satisfactory equivalent method.

SUPERVISION WORKING

ARTICLE 20

1. Supervisory employees may work in emergencies when regular employees are not available for the instructing or training of employees and in the performance of necessary work when job difficulties are encountered, so long as the supervisory employee's work does not result in the loss of regular or overtime work for any Union employee.

2. Supervisory personnel may perform nominal work outside of normal working hours in the interest of protecting the public, provided such work does not exceed fifteen (15) minutes and does not require the use of tools (examples: replacement of loose manhole covers and catch basin covers, placement of barricades, etc.).

3. Employees acting as foremen shall not hold seniority over employees under this Agreement.

GENERAL CONDITIONS

ARTICLE 21

1. Payday shall be on Thursday of each week, except where Thursday falls on a holiday. In such cases, payday shall be on Wednesday. All employees shall be paid each week, with one week held back. All employees shall be paid at the end of their work shift on such payday. The Employer may, with ninety (90) days advance notice, change to a two-week pay period.

2. No steward or member of the Bargaining Committee shall be transferred to any job rendering such employee ineligible for Union membership during his/her term of office except by mutual agreement between the Employer and the Bargaining Committee.

3. The Employer reserves the right to issue reasonable working rules governing the conduct of employees, the violation of which may result in discharge or other disciplinary action. Such disciplinary actions imposed by the Employer upon any employee shall be subject to the grievance procedure in which the reasonableness of the rules and the disciplinary action may be questioned. Such grievance shall be filed within two (2) working days after the disciplinary action is imposed. Discharge shall be only for just cause.

4. The Union membership agrees to abide by all safety rules and regulations while on the job, and the Employer agrees to do its utmost in regards to safety and safety equipment.

5. All employees, as a condition of employment, shall reside within twenty (20) miles or less from the nearest boundary of the City of Ludington. New hires shall be given six (6) months from the date of hire to meet the residency requirement.

6. The City shall post a list of job classifications and their pay rates. All present jobs shall remain in the pay grades as now evaluated for the life of this contract. In the event there are new job classifications, the City and the Union shall attempt to fix the pay rate by comparison with the pay rates of other jobs in the City. If an agreement on the pay rate cannot be reached, the pay rate shall be placed into effect but subject to the grievance procedure.

7. The initial pay rate for all new employees may be up to \$4.00 per hour under the present rate for their classification based on the new employee's qualifications (education, training and past work experience). A new employee shall receive fifty cent (\$0.50) per hour increases until he/she receives the top rate of pay called for in his/her classification. This \$0.50 per hour increase is over and above the wage increases specified in Article 25 of the union contract.

8. The Employer shall furnish all employees of the unit with, at the Employer's discretion, either an electronic copy or a printed copy of this contract as soon as possible. A copy shall be furnished to all new employees of the unit on their dates of hire.

9. The Employer shall provide all safety equipment required by law at no cost to the employee, except for safety shoes.

10. The Employer shall pay the cost of repair to eyeglasses broken in the line of duty. The Employer shall determine the place where the eyeglasses shall be repaired.

11. Maternity leave shall be granted in accordance with the sick-leave provision of this agreement and applicable law.

12. The Employer shall form a labor-management committee, which would emphasize quality, workmanship, training, and other areas not normally covered by contract procedures.

13. The Employer agrees to a "me-too" provision for payment of a retiree's medical insurance and payment for unused sick days. Future changes in these benefits for other municipal employees covered by M.E.R.S., excluding the City Manager and elected officials, would automatically pass on the benefits to the S.E.I.U. members.

14. The Safety Committee shall be comprised of the City Manager or his designee, one supervisor and two bargaining unit members.

REST PERIODS

ARTICLE 22

1. An employee shall be granted two (2) paid rest periods of fifteen (15) minutes each on his/her scheduled shift, which may be used as "coffee breaks," as governed by departmental regulations, provided the right of reasonable temporary relief at other times shall not be eliminated.

INSURANCE

ARTICLE 23

1. The health insurance coverage that was in effect at the time of the ratification of this agreement shall remain in effect through the expiration of this Agreement. The parties acknowledge that they are subject to the Publically Funded Health Insurance Contribution Act, MCL 15.561 *et. seq.*, being Public Act 152 of 2011, and that the Employer has the right to make the elections and allocations described in that Act. However, the parties agree that if the Employer opts out of the cost-sharing provisions of that law, or if the law is repealed or is no longer applicable to members of the unit, the Employer's payments towards health-insurance premiums, deductibles, taxes and fees shall not exceed the annual hard caps listed below, which became effective January 1, 2016:

<u>Plan</u>	<u>Employees Hired Before June 1, 2011</u>	<u>Employees Hired On Or After June 1, 2011</u>
Single	\$6,662.50	\$6,252.50
Two-Person	\$15,375.00	\$13,940.00
Family	\$18,450.00	\$16,912.50

2. The annual hard caps shall increase on January 1st of each year by the change in the medical care component of the United States consumer price index for the most recent 12-month period for which data are available from the United States Department of Labor, Bureau of Labor Statistics. The intent of this section is to use the same consumer price index that the State of Michigan uses pursuant to MCL 15.563.

3. If the total cost of the premiums, taxes and fees is less than the applicable hard cap, then the Employer shall deposit the difference into the employee's HSA account. If the total cost of the premiums, taxes and fees is more than the applicable hard cap, then the employee shall pay through payroll deduction the amount of premium in excess of the applicable hard cap. In this event, the employer would not contribute any funds to an employee's HSA account. The Employer shall attempt to provide at least one health-insurance plan whose premiums, taxes and fees total approximately the same or less than the hard cap in any given calendar year.

4. All employees on the seniority list who have completed their probationary period shall receive a certificate of life insurance upon such employee's life in the sum of twenty-five thousand dollars (\$25,000). The Employer shall pay the premiums such life insurance, and the employee shall determine his/her beneficiaries.

5. The Employer shall permit retirees and their spouses to remain on the Employer's health-insurance plan if the retirees pay their own health-insurance premiums to the Employer, and the Employer shall pay premiums to the health-insurance carrier.

6. An employee who retires at 57 years of age or older shall, along with his/her spouse, be eligible to have the Employer make monthly payments towards the cost of the health-insurance premiums, subject to the following:

A. Insurance coverage shall begin on the date of the employee's retirement from the Employer and continue until the employee becomes eligible for Medicare or age 67, whichever comes first.

B. The Employer shall make monthly payments towards the cost of the retirees' health-insurance premiums as follows:

20 - 25 Years of Service	\$100
26 - 30 Years of Service	\$150
More than 30 Years of Service	\$200

These monthly payments shall not apply to any employee hired on or after June 1, 2014. For those employees hired on or after June 1, 2014 and who reach ten (10) years of full-time service to the Employer, the Employer shall make a one-time lump-sum payment in the amount of \$750.00 into the MERS Health Care Savings Program.

C. The Employer's contribution towards the cost of a retiree's health-insurance premiums shall be based on the level of contribution, which was in effect at the time of the individual retiree's date of retirement and shall never increase.

D. Employees may apply the above amounts toward the insurance plan offered by the Employer or to another plan available to them. It is understood that taxes may be withheld from payments made to the employees for a plan other than that offered by the Employer as required by any federal and state laws.

E. The Employer's contribution towards the cost of a retiree's health-insurance premiums shall cease upon the death of the retiree.

7. If an employee is covered under his/her spouse's health-insurance policy and does not require the Employer to provide health insurance, then the Employer shall pay the employee 50% of the applicable annual hard cap. The Employee must be off the Employer's insurance for one year prior to receiving payment. The employee shall provide proof of insurance coverage with his/her spouse's insurance policy. Should the employee choose to be removed from the Employer's insurance and later choose to be placed back on the Employer's insurance, the employee shall be unable to receive Employer-provided health-insurance coverage until the next eligibility date under the health insurance company's requirements.

8. The City shall provide vision insurance for the employee and his/her dependents (VSP Plan).

9. The Employer shall implement a Section 125 Plan.

RETIREMENT

ARTICLE 24

1. Employees shall not be forced into retirement except as allowed by the State and/or Federal statutes and/or laws. An employee reaching his/her retirement age shall set his/her retirement date to either the last day of the month in which he/she attains automatic retirement age or, at the option of the employee, he/she may select a date within the calendar year in which he/she attains retirement age. The retiring employee shall notify the Employer at least sixty (60) days in advance before his/her retirement date for the purpose of selecting an alternate retirement date. The advance notification may be waived in case of illness.

2. License premiums are as follows:

<u>License</u>	<u>Annual Premium</u>
A, F1, S1	\$2,000
B, F2, S2	\$1,000

3. Employees who hold licenses in more than one field shall be paid for both licenses provided they have worked in the area of both licenses in the previous twelve-month period. The Employer shall request an employee to work in each area as the need arises but no less than annually. License premiums shall be paid annually with the first pay period in December. Employees required by the Employer to have a Pesticides License shall receive a \$200.00 annual license premium.

4. A shift premium of \$0.40/hour shall be paid to employees who work shifts other than their regularly scheduled shift when directed by the Employer.

5. Employees have the right to refuse to climb the water tank with the understanding that there are employees in the Utility Maintenance Department that will climb the tank. Job descriptions in the future shall include the requirement to climb the water tank. Employees required to work on the water tank shall receive three (3) hours minimum at time and one-half for all work done on the catwalk or higher.

6. The Employer shall provide an annual shoe/clothing allowance of \$150.00 per employee. Employees hired between June 1 and December 31 shall receive the shoe/clothing allowance for that year. Employees hired between January 1 and May 31 shall receive the shoe/clothing allowance on June 1 of the current year. Employees shall be required to wear steel-toed safety shoes at all times.

7. Initial CDL license fees are the responsibility of the employee. Employees shall be responsible for completing both the written and driving CDL tests, as required by the State of Michigan. If an employee fails the test, he/she shall be given the opportunity within ninety (90) days to take a second test and pass it. The Employer shall pay the full cost of the CDL License renewal fee, including medical/physical examinations, for all employees required to have a CDL License for their position only every two (2) years, even if the State of Michigan requires an employee to renew his/her CDL or to undergo a medical/physical examination more frequently than every two (2) years. The employee shall provide a receipt, and then the Employer shall reimburse the employee for the cost of the CDL license renewal fee and the medical/physical examination if such examination is not covered by the Employer's health-insurance plan.

8. At the employee's discretion, each employee shall receive each year of the Agreement either a \$300.00 gross (before taxes) lump-sum bonus or a \$300.00 lump-sum contribution into the employee's Health Savings Account. The payments shall be made at the first payroll in June of each year of the Agreement with the exception of the 2016 payment, which shall be made upon the ratification and signing of this Agreement. The employee shall notify the Employer in writing of the employee's decision by May 15th of each year.

DISCIPLINE

ARTICLE 26

1. Under the labor agreement, the Employer reserves the right to issue reasonable work rules governing the conduct of the employees while engaged in City business, the violation of which may result in discharge or other disciplinary action. The purpose of these rules is not to impose a hardship, but to protect the rights of all and for the mutual benefit of City employees and City management.

2. The purpose of imposing disciplinary action, short of discharge, on an employee is to correct unsatisfactory behavior or work practices. In the event of disciplinary action or discharge, the employee may contact a Union representative before he/she is required to leave the premises.

2. The Employer shall pay the employees' share of premiums for the Municipal Employees' Retirement System of Michigan (MERS) B-4 retirement plan and maintain the FAC-3, F-55 and E-2 Riders. Effective January 1, 2017, all employees hired before June 1, 2011 shall bridge down to the MERS B-3 retirement plan with the FAC-3, F-55 and E-2 riders. Such retirement plan shall calculate pension benefits using a 2.25% multiplier for all years of service beginning on January 1, 2017 using a frozen Final Average Compensation (FAC) calculation.

3. For all new full-time employees hired on or after June 1, 2011, the Employer shall provide the Municipal Employees' Retirement System of Michigan (MERS) B-1 retirement plan with the FAC-5, F-55 and E-2 Riders and 10-year vesting period. Employees on this plan shall contribute 5% of their wages towards the cost of this plan.

4. Upon retirement under MERS, employees with twenty (20) or more years of service shall be compensated at the rate of one-half (1/2) of the value of the accumulated unused sick leave, up to a maximum of twelve-hundred (\$1,200.00) dollars.

CLASSIFICATION AND WAGES

ARTICLE 25

1.	CURRENT	(1.5%) 8/22/2016	(1.5%) 6/1/2017	(1.5%) 6/1/2018
A. Licensed				
Plant Operator I	18.17	18.44	18.72	19.00
Plant Operator II	17.69	17.96	18.23	18.50
Plant Operator III	17.39	17.65	17.91	18.18
Chief Operator	18.81	19.09	19.38	19.67
Utility Maintenance I	18.17	18.44	18.72	19.00
Utility Maintenance II	17.44	17.70	17.97	18.24
Maintenance Relief Operator	18.90	19.18	19.47	19.76
Maintenance Mechanic	17.94	18.21	18.48	18.76

B. UNLICENSED				
Equipment Operator I	17.70	17.97	18.24	18.51
Equipment Operator II	17.00	17.26	17.52	17.78
Equipment Operator I/Custodian	17.70	17.97	18.24	18.51
Custodian	17.00	17.26	17.52	17.78
Electrician/Mechanic	18.52	18.80	19.08	19.37
Mechanic	18.29	18.56	18.84	19.12

(The Mechanic Classification shall receive an additional \$104 annual tool allowance, payable in the first pay period in December.)

C. CREW LEADERS (Working)				
Crew Leader	19.61	19.90	20.20	20.50

Note: The wages for Maintenance Relief Operator, Maintenance Mechanic, and Crew Leader classifications include standby pay.

3. Disciplinary action shall follow the following format:

A. All written reprimand records shall remain in the employee's personnel file, even though such records may not be held against the employee in regard to disciplinary action in reference to the accumulation time limits stated in the contract. If a reprimand is revised, the original reprimand shall remain in the employee's personnel file, and the revised reprimand shall be stapled on top of the original.

B. Group 1 - Minor Offenses (Violations under Group 1 shall not accumulate for more than twelve (12) months.)

First Offense	Written and recorded warning.
Second Offense	Suspension without pay up to one (1) week.
Third Offense	Suspension or discharge depending on the circumstances.

C. Group 2 – Intermediate Offenses (Violations under Group 2 shall not accumulate for more than eighteen (18) months.)

First Offense	Three (3) days suspension without pay.
Second Offense	Seven (7) days suspension without pay.
Third Offense	Discharge.

D. Group 3 - Major Offenses

This group of offenses shall be grounds for immediate discharge.

4. Drug-Testing Provision

A. The Employer reserves the right to require testing for alcohol and/or illegal drugs based upon a reasonable suspicion that the employee has used or injected such prohibited substances. An employee's failure of a drug test or an employee's refusal to submit to a drug test shall result in disciplinary action up to and including discharge.

B. Drug testing shall be given "on-the-job" only for reasonable suspicion that the employee is under the influence of alcohol and/or illegal drugs.

C. If a supervisor has reasonable suspicion that an employee is under the influence of alcohol and/or illegal drugs while on-the-job, the supervisor shall contact the City Manager for his/her opinion prior to having any testing done. If the City Manager is unavailable, the supervisor shall then contact another supervisor for a second opinion prior to any testing.

D. Drug testing shall consist of a urine test to be given at either the James Street Clinic or at Memorial Medical Center.

E. All SEIU Union members shall be included in the random drug testing, as set forth by the Michigan Department of Transportation's standards and administered by a third party, such as the Michigan Municipal League.

DURATION

ARTICLE 27

The term of this contract is **June 1, 2016 through May 31, 2019**. An emergency manager appointed under the Local Financial Stability and Choice Act shall be allowed to reject, modify or terminate this collective bargaining agreement as allowed in the Local Financial Stability and Choice Act. This section was added in compliance with Section 15(7) of the Michigan Employment Relations Act and was not negotiated by the parties.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed this 15th
day of September, 2016.

City of Ludington
John E. Shay
City Manager

John E. Shay

Deborah L. Luskin
City Clerk

Deborah L. Luskin

Local 517M S.E.I.U. Unit No. 1 Bargaining Committee

John Dickenson

John Dickenson

Michael Johnson

Michael Johnson

Richard Lathers

Richard Lathers

Christine Stressman
Program Coordinator
Region 2

Christine Stressman