

AGREEMENT

Between

CITY OF BATTLE CREEK

And

**POLICE OFFICERS LABOR COUNCIL OF MICHIGAN
ON BEHALF OF THE ORGANIZATION OF
SUPERVISORY PERSONNEL/LIEUTENANTS OF THE
BATTLE CREEK POLICE DEPARTMENT**

July 1, 2016

To

June 30, 2019

INDEX

	<u>Page</u>
ARTICLE 1 RECOGNITION	1
Section 1.1 Recognition	1
Section 1.2 Representation	1
Section 1.3 Union Security	1
Section 1.4 Payroll Deduction for Dues	2
Section 1.5 Indemnity Provision	2
Section 1.6 Management's Rights	2
Section 1.7 Anti-Discrimination	2
Section 1.8 New Supervisory Positions	2
 ARTICLE 2 GRIEVANCE PROCEDURE	 3
Section 2.1 Definition of Grievance	3
Section 2.2 Grievance Procedure	3
Section 2.3 Time Limits	4
Section 2.4 Second Step Meetings	4
Section 2.5 Policy Grievances	4
Section 2.6 Indefinite Suspension	4
Section 2.7 Grievance Investigation	5
 ARTICLE 3 DISCHARGE AND DISCIPLINE	 5
 ARTICLE 4 SALARIES	 5
Section 4.1 Salary Schedule	5
Section 4.2 Direct Deposit	5
 ARTICLE 5 VACATIONS	 6
Section 5.1 Vacation Schedule	6
Section 5.2 Vacation Pay	7
Section 5.3 Vacation Call In For Duty	7
Section 5.4 Termination of Employment	7
Section 5.5 Pay Out Accrued/Unused Vacation	8
 ARTICLE 6 HOLIDAYS	 8
Section 6.1 Holidays Celebrated	8
Section 6.2 Holiday Pay	8
 ARTICLE 7 INSURANCE	 9
Section 7.1 Health Insurance	9
Section 7.2 Dental Insurance	10
Section 7.3 Life Insurance	10
Section 7.4 Conditions of Insurance Coverage	11
Section 7.5 Public Employees Liability Insurance	11

ARTICLE 8	SICK LEAVE	11
Section 8.1	Sickness and Accident Policy	11
Section 8.2	Accumulated Sick Leave Credits	13
Section 8.3	Sick Pay Qualification	14
Section 8.4	Emergency Leave of Absence	14
Section 8.5	Abused Sick Leave	14
ARTICLE 9	SERVICE AND SENIORITY	14
Section 9.1	Definition of Service	14
Section 9.2	Definition of Seniority	15
Section 9.3	Definition of Classification Seniority	15
Section 9.4	Shift Assignments	16
ARTICLE 10	PROMOTIONAL PROCEDURE	16
Section 10.1	Application of Promotional Procedure	16
Section 10.2	Promotional Procedure	16
Section 10.3	Testing	16
Section 10.4	Selection of Candidate	17
Section 10.5	Salary Upon Promotion	17
Section 10.6	Probationary Period Following Promotion	17
ARTICLE 11	LEAVES OF ABSENCE	17
Section 11.1	Personal Leave	17
Section 11.2	Medical Leave	17
Section 11.3	Military Field Training Leave	18
Section 11.4	Military Service Leave	18
Section 11.5	Supplemental Pay to Worker's Compensation	18
Section 11.6	Funeral Leave	18
Section 11.7	Union Business Leave	19
ARTICLE 12	PREMIUM PAY	19
Section 12.1	Additional Compensation	19
Section 12.2	Call In For Court	20
Section 12.3	Compensatory Time	20
Section 12.4	Standby Pay	21
ARTICLE 13	MISCELLANEOUS	21
Section 13.1	Safety Standards	21
Section 13.2	Copy of Departmental Rules	21
Section 13.3	Out-of-Class Pay	21
Section 13.4	Equipment Supplied by the City	21
Section 13.5	Off-Duty Protection	21
Section 13.6	Payday	21
Section 13.7	Take Home Vehicles	22
Section 13.8	Weapons Proficiency	22

ARTICLE 14	RETIREMENT PLAN	22
Section 14.1	Pension Plan	22
Section 14.2	Pension Contribution During Disability	23
Section 14.3	Deferred Retirement Option Plan:	23
ARTICLE 15	BENEFICIARY	26
ARTICLE 16	WORK STOPPAGE	26
Section 16.1	No Strike - No Lockout	26
Section 16.2	Violation of No Strike Pledge	26
ARTICLE 17	SAVINGS	27
Section 17.1	Amendments	27
Section 17.2	Entire Agreement	27
Section 17.3	Gender Clause	27
Section 17.4	Savings Clause	27
ARTICLE 18	DURATION	27
APPENDIX A	WAGE SCHEDULE	30

AGREEMENT

THIS AGREEMENT, entered into this day _____ of _____, 2016, by and between the CITY OF BATTLE CREEK, hereinafter referred to as the "City", and the Police Officers Labor Council on behalf of the ORGANIZATION OF SUPERVISORY PERSONNEL/LIEUTENANTS AND CAPTAINS OF THE BATTLE CREEK POLICE DEPARTMENT, hereinafter referred to as the "Union."

WITNESSETH

Pursuant to, and in accordance with, the applicable provisions of the Public Acts of 1965, the parties hereto have engaged in collective bargaining with respect to the salaries, hours of work and other conditions of employment for the employees occupying, or who may occupy, during the life of this Agreement, the job classification of Police Captain and Police Lieutenant and have agreed as follows:

ARTICLE 1 – RECOGNITION

Section 1.1 - Recognition: The City agrees that during the life of this Agreement, it will not recognize any labor organization other than the Union as the collective bargaining agent for the employees occupying, or who may, during the life of this Agreement, occupy the job classifications of Police Captain and Police Lieutenant.

Section 1.2 - Representation: Employees within the bargaining unit shall be represented by a President, Vice-President, Secretary and Treasurer, all of whom shall be full-time employees of the City and part of the collective bargaining unit covered by this Agreement. The aforementioned elected persons shall constitute the Union's negotiating committee and grievance committee and shall be responsible for the processing of grievances under the grievance procedure and other Union matters. The President shall act as Chairman of the grievance committee. The Union shall furnish the City with a list of Union officers and shall notify the City if, and when, any changes are made.

Section 1.3 - Union Security: It is understood and agreed that all present employees covered by this Agreement, who are members of the Union, shall remain members in good standing for the duration of this Agreement as a condition of continued employment. All present employees covered by this Agreement who, on the effective date thereof, were not members of the Union shall, within thirty-one (31) days after the effective date hereof, become and remain members in good standing of the Union or cause to be paid to the Union a representation fee equivalent to their fair share of the Union's cost of negotiating and administering this collective bargaining Agreement as determined by the Union. All Police Officers who are assigned and/or promoted to any position covered by this Agreement after the effective date hereof, shall become

and remain members of the Union in good standing or pay a representative fee equivalent to their fair share of the cost of negotiating and administering this Agreement as determined by the Union within thirty-one (31) days after the date of assignment and/or promotion.

Section 1.4 - Payroll Deduction For Dues: For those employees who are or become members of the Union and who properly execute payroll deduction authorization cards; therefore, the provisions of which must conform to the legal requirements imposed by State law, the City agrees to deduct from each paycheck a pro rata portion of the total annual cost of regular monthly Union dues in the amount certified to the City by the Financial Secretary of the Union and to forward the same to said Financial Secretary within fifteen (15) calendar days.

Section 1.5 - Indemnity Provision: The Union agrees to indemnify and save the City harmless from any and all claims, suits and all other forms of liability that may arise out of, or by reason of, the City's compliance with Sections 3 and 4 above.

Section 1.6 - Management's Rights: The Union recognizes that, except as specifically limited or abrogated by the terms and provisions of this Agreement, all rights to manage, direct or supervise the operations of the City and the employee, are vested solely and exclusively in the City.

- (a) The parties recognize that the responsibility for operating the Department rests with the Chief of Police and that any changes in working rules, regulations and past practices may be made from time to time. The Chief shall notify the Union of any changes in rules, regulations and past practices. In the event the Union believes such new rule or regulation to be unreasonable, it shall have the right to file a grievance within fourteen (14) calendar days after the rule or regulation becomes effective.

Section 1.7 - Anti-Discrimination: The City and the Union recognize and agree that, for the duration of this Agreement, neither shall discriminate against any employee because of such person's political belief. Nor shall the City or its agents nor the Union, its agents or members discriminate against any employee because of his membership or non-membership in the Union as defined in Article 1, Section 3.

Section 1.8 - New Supervisory Positions: The City shall establish the rate of pay and requirements for the position and will notify the Union of its decision. If the City and the Union agree that the new supervisory position is within this bargaining unit, the Union shall have ten (10) regularly scheduled working days after receipt of the notice of the new position and the rate of pay to notify the City in writing of its disagreement. If a mutually satisfactory salary is not agreed upon within thirty (30) calendar days after serving such notice to the City, the issue may be referred to the grievance procedure. If, in the above procedure, a different salary is arrived at,

the different rate shall become effective retroactively to the date the job classification was created. Failure of the Union to notify the City in writing of its desire to negotiate within ten (10) days, or having served such notice, failure to refer the matter to the grievance procedure within the aforementioned thirty (30) day period shall constitute acceptance by the Union of the salary.

ARTICLE 2 - GRIEVANCE PROCEDURE

Section 2.1 - Definition of Grievance: A grievance shall be defined as any dispute regarding the meaning, interpretation, application or alleged violation of the terms and provisions of this Agreement. A written reprimand shall also be subject to the grievance procedure.

Section 2.2 - Grievance Procedure: All grievances shall be discussed orally with the employee's immediate supervisor, and if the matter is not resolved by discussion, the following procedure shall apply:

- (a) FIRST STEP: Within seven (7) calendar days after the employee has knowledge of the event or reasonably should have knowledge of the event upon which the grievance is based, whichever occurs first, the employee shall reduce the grievance to writing. State the facts upon which it is based, when they occurred, specify the section of the contract allegedly violated, sign the grievance and present said grievance to the Chief of Police. The Chief shall meet with the aggrieved employee to discuss the grievance within seven (7) calendar days after receipt of the written grievance. The Chief of Police shall give a written answer to the aggrieved employee within seven (7) calendar days after the meeting.
- (b) SECOND STEP: If the grievance has not been settled at the First Step, it shall be appealed in writing within seven (7) calendar days after receipt of the First Step answer to the City Manager, or his designated representative, for a meeting between the City's grievance committee, consisting of the City Manager and/or his designated representatives, and three (3) members of the Union grievance committee. The business representative for the Union and/or the City's Labor Relations Counsel may be present at such meetings, and as a courtesy, a notice of such attendance will be given to the other party in advance of the meeting. Such meeting must be held no later than seven (7) calendar days from the time the appeal has been taken to this step, and the City must answer the grievance in writing within seven (7) calendar days after such meeting.
- (c) THIRD STEP: If, at this point, the grievance has not been satisfactorily settled and the Union desires to carry the grievance further, it shall submit such grievance to arbitration by the Federal Mediation and Conciliation Service (FMCS) in accordance

with its voluntary labor arbitration rules, then pertaining, provided such submission is made in writing to both the City and the Federal Mediation and Conciliation Service within thirty (30) calendar days after receipt by the Union of the City's Second Step answer. If the grievance has not been submitted to arbitration within said thirty (30) calendar day period, it shall be considered as being withdrawn by the Union. The arbitrator shall have no authority to add to, subtract from, change or modify the provisions of this Agreement, but shall be limited solely to the interpretation and application of the specific provisions contained herein. However, nothing contained herein shall be construed to limit the authority of an arbitrator, in his own judgment, to sustain, or reverse any alleged unjust discharge that may reach this stage of the grievance procedure. The decision of the arbitrator shall be final and binding upon the parties hereto. The expenses and fees of the arbitrator and the Federal Mediation and Conciliation Service shall be shared equally by the City and the Union. The decision of the arbitrator shall be final and binding upon the City, the Union, and the individual grievant(s).

Section 2.3 - Time Limits: Time limits at any step of the grievance procedure may be extended only by mutual agreement in writing. In the event the City fails to reply to the grievance at any step of the grievance procedure within the specified time limit, the grievance shall advance to the next succeeding step of the grievance procedure. In the event the grievance is not appealed by the Union to the next succeeding step within the time limit provided for such appeal, such grievance shall be considered as having been withdrawn by the Union.

Section 2.4 - Second Step Meetings: Joint meetings of the grievance committees provided for in the Second Step of the grievance procedure shall start no later than 2:00 p.m. on the day for which they are scheduled. The Union grievance committee members shall be paid at their straight time hourly rate of pay for all time away from their regularly scheduled work to attend grievance meetings, but not to exceed twenty (20) minutes prior to the start of such meetings.

Section 2.5 - Policy Grievances: Grievances on behalf of the entire Union shall be filed by the Union grievance committee and shall be processed starting with the First Step of the grievance procedure.

Section 2.6 - Indefinite Suspension: The parties hereto agree that any suspension or discharge is recognized to be the decision of the Chief of Police. Any suspension or discharge occurring as a result of authority delegated to a subordinate supervisor shall be temporary, contingent upon concurrence of the Chief of Police.

Section 2.7 - Grievance Investigation: The Union representatives, during their working hours, without loss of time or pay, may investigate or present grievances in accordance with the grievance procedure to the City provided they notify the Chief of Police that they will be absent for such purposes and provided further, that, if necessary and in those cases where a replacement is required, they will wait until such replacement is acquired. It is understood that such replacement will not require any overtime pay by the City.

ARTICLE 3 - DISCHARGE AND DISCIPLINE

Section 3.1: In the event an employee under the jurisdiction of the bargaining unit shall be suspended from work for disciplinary reasons or is discharged from employment after the date hereof, and he believes he has been unjustly suspended or discharged, such suspension or discharge shall constitute a case arising under the grievance procedure, provided a written grievance with respect thereto is presented to the City Manager, or his designated representative, within seven (7) calendar days after such discharge or after the start of a suspension. Such grievance shall be processed starting at the Second Step of the grievance procedure.

- (a) The Chief of Police agrees to promptly notify, in writing, the employee's Union representative or, in his absence, the Chairman of the Union's grievance committee, of such suspension or discharge and shall furnish copies of the charges, specifying incident(s), time(s) and date(s).
- (b) A suspended or discharged employee, if he so desires, will be allowed to discuss his suspension or discharge with his Union representative or, if he is not readily available, with the Chairman of the Union's grievance committee. The City shall make available a suitable area, which is private where the suspended or discharged employee may discuss his suspension or discharge with his Union representative.

ARTICLE 4 - SALARIES

Section 4.1 – Salary Schedule: For the life of this Agreement, the salary schedule set forth in Appendix "A" attached hereto and by this reference made a part hereof shall remain in full force and effect.

Section 4.2 – Direct Deposit: Employees hired on or after September 16, 2000, must have their entire paycheck direct deposited. All employees hired prior to 9/16/00 must make arrangements for direct deposit of their entire paycheck on or before April 30, 2001.

ARTICLE 5 - VACATIONS

Section 5.1 - Vacation Schedule: Employees hired prior to 10/21/08 that have completed one (1) or more years of continuous service with the City since their last hiring date shall receive vacation pay in accordance with the following:

- (a) Employees who, at the anniversary date of their employment, have completed one (1) year, but less than five (5) years of continuous employment since their last hiring date shall be entitled to two (2) weeks of vacation, with pay. Effective for anniversary dates in 2010 and beyond: 92 hours.
- (b) Employees who, at the anniversary date of their employment have completed five (5), but less than ten (10) years of continuous employment since their last hiring date shall be entitled to three (3) weeks of vacation, with pay. Effective for anniversary dates in 2010 and beyond: 132 hours.
- (c) Employees who, at the anniversary date of their employment have completed ten (10), but less than fifteen (15) years of continuous employment since their last hiring date shall be entitled to four (4) weeks of vacation, with pay. Effective for anniversary dates in 2010 and beyond: 172 hours.
- (d) Employees who, at the anniversary date of their employment have completed fifteen (15), but less than twenty (20) years of continuous employment since their last hiring date shall be entitled to five (5) weeks of vacation, with pay. Effective for anniversary dates in 2010 and beyond: 212 hours.
- (e) Employees who, at the anniversary date of their employment have completed twenty (20) or more years of continuous employment since their last hiring date shall be entitled to six (6) weeks of vacation, with pay. Effective for anniversary dates in 2010 and beyond: 252 hours.

Employees hired on or after 10/21/2008 shall receive vacation benefits in accordance with the following schedule:

- (f) less than one year of continuous service: 52 hours.
- (g) one (1), but less than two (2) years of continuous service: 92 hours.
- (h) two (2), but less than seven (7) years of continuous service: 132 hours
- (i) seven (7), but less than thirteen (13) years of continuous service: 172 hours
- (j) thirteen years or more of continuous service: 212 hours.

Employees hired prior to 10/21/2008 may choose to transfer to the schedule set forth in paragraphs (f) through (j) above. Employees desiring to transfer must do so on or before their next anniversary date (between 10/01/09 and 10/01/10). For those employees who transfer, the change will occur on their anniversary date. An employee's vacation transfer is irrevocable. Failure to make a selection will result in the employee remaining on the vacation schedule set forth in paragraphs (a) through (e) above.

Employees who have actually worked or been on vacation eighteen hundred (1800) hours or more during the twelve (12) months preceding their anniversary date of employment, shall have paid vacation in accordance with the above schedule. Employees who have actually worked or been on vacation less than eighteen hundred (1800) hours, shall receive a pro rata vacation benefit rounded upward to the nearest half day. Only for the purpose of determining whether the eighteen hundred (1800) hour test is satisfied, an employee shall be given credit for hours lost from scheduled work due to an injury determined to be non-preventable under Article XII, Section 5 that is compensable under the Michigan Workers' Compensation Act, up to a maximum of three hundred (300) hours.

Section 5.2 - Vacation Pay: A week of vacation pay as provided for in Section 1 above shall equal forty (40) hours of pay at the employee's straight time hourly rate in his permanent job classification as of the time the employee takes his vacation. Vacation time off shall not be cumulative from year to year. Vacation paychecks shall be delivered on the last regularly scheduled payday immediately preceding the start of the employee's vacation, if it is requested three (3) weeks prior to the vacation date by the employee. The Chief of Police shall determine the number of employees who can be excused for vacation purposes at any one time. When a holiday falls within an employee's vacation, the employee shall have the option of extending the vacation for one (1) day continuous with the vacation or "banking" eight (8) hours. An employee's banked time may be used at any time with the approval of the Chief of Police.

Section 5.3 - Vacation Call In For Duty: In the event an employee is called in for duty while he is on vacation or during off-duty days continuous therewith, he shall be paid for each hour worked during the twenty-four (24) hour period after he returns to duty at time and one-half his regular rate with a minimum payment of four (4) hours at time and one-half in addition to vacation pay, or rescheduled vacation, at the employee's option.

Section 5.4 - Termination of Employment: If an employee who is otherwise eligible for vacation with pay quits or is discharged on or after his employment anniversary date without having received the same, such employee will receive, along with his final paycheck, the unused vacation pay for which he qualified as of his anniversary date and his pro rata share of vacation earned thereafter until such time as he leaves the employment of the City.

Section 5.5 – Pay Out – Accrued but Unused Vacation Time: On an annual basis, (based on anniversary date) an employee may cash out up to two weeks of unused vacation time.

ARTICLE 6 - HOLIDAYS

Section 6.1 - Holidays Celebrated: All full-time employees shall be entitled to receive the following paid holidays provided they qualify for such as set forth below:

New Year's Day Labor Day

Martin Luther King Day Veteran's Day

Good Friday Thanksgiving Day

Memorial Day Friday Following Thanksgiving Day

Independence Day Day before Christmas

Presidents Day Christmas Day

Pursuant to an agreement reached for the collective bargaining agreement beginning June 30, 2011, the parties have agreed to suspend Christmas Eve and the day after Thanksgiving as holidays for calendar years 2011 and 2012.

The birthday holiday is eliminated effective 1/1/2010. All employees will have 12 hours vacation added to their vacation bank when they have their service anniversary in 2010 (as set forth in vacation language).

- (a) To qualify for pay hereunder, the employee must either work his entire scheduled work day on a holiday, or if not scheduled, then his entire last regularly scheduled working day before and after the day celebrated as a holiday, unless excused due to an illness or injury, verified to the City's satisfaction by a doctor, or excused early from work due to unavoidable circumstances, or on a pre-approved vacation.

Section 6.2 - Holiday Pay: In the event an employee is regularly scheduled for and works on any recognized holiday, he shall receive time and one-half (1-1/2) his regular hourly rate for all hours actually worked in addition to his regular pay. Employees will have the option of "banking" twelve (12) hours in lieu of the premium pay. Employees who are regularly scheduled to work on a day that is celebrated as a holiday, but are given the day off, shall continue to receive pay for that day even though they are not required to work.

ARTICLE 7 - INSURANCE

Section 7.1 – Health Insurance: The City offers a High Deductible Health Care Plan (HDHP) as the City's base plan for health care coverage.

- (a) In addition to the base plan, the City agrees to provide at least one additional plan through an insurance carrier authorized to conduct business in the State of Michigan. Employees electing coverage other than the City's base plan will be responsible for payment of any increase in the cost of coverage as compared to the base plan cost. Such coverage will be available to active, regular full-time employees and their dependents under the age of 26 if the employee authorizes the payroll deduction for their portion of the premium.
- (b) Effective July 1, 2016, all employees who elect health insurance will pay 20% of the annual premium cost for the single, double or family coverage, in addition to any costs identified in Sub-Section b. The cost of the annual premium will be deducted on a pro-rata basis each pay period each month.

For health care year beginning 1/1/2017, solely in consideration of employees' contribution to the cost of the premium, the City will fund the deductible at \$2,000 single/\$4,000 2-person or family or \$500/\$1,000 at the end of the quarter in exchange for the implementation of co-sharing the premium.

For health care year beginning 1/1/2018, the City will fully fund the deductible at \$2,000 single/\$4,000 2-person or family or \$500/\$1,000 at the end of the quarter.

The City will allow employees the opportunity to opt out of health care coverage, provided the employee provides proof of other coverage at open enrollment. Employees who opt out of coverage would receive a payment of \$200 per month. Employees can opt back in at the next open enrollment or if there is a qualifying event under COBRA and the employee loses their other coverage.

- (c) Health Insurance - Retirees: Bargaining unit members retiring on or before December 31, 2006, may have the option of continuing coverage through the City's group health insurance plan pursuant to resolutions adopted by the Battle Creek City Commission at its April 10, 2007, meeting, which established a base insurance plan for retirees of Act 345, and also pursuant to Resolution 128 (amended), adopted April 17, 2007, which established policy on the distribution of §401(h) monies.

Bargaining unit members retiring on or after April 29, 2007 with a pension benefit immediately payable will be allowed to continue on the City's group health insurance

plan pursuant to the terms of a Letter of Understanding (LOU), ratified by this bargaining unit and approved by the Battle Creek City Commission (Resolution 129 added, 4/17/07). The terms and provisions of that LOU are incorporated into this agreement by reference.

- (d) The City will continue to provide health insurance benefits for the period of time that an employee is receiving Sickness & Accident benefits. Employees on an unpaid leave of absence, suspension, or layoff shall continue to have their insurance benefits (health, dental and life) paid by the City for the first sixty (60) calendar days. After sixty (60) days, the employee may continue the insurance benefits in effect, to the extent allowed by the insurance companies, by paying in advance the monthly premium to the City. Employees receiving Sickness & Accident benefits or Workers' Disability Compensation benefits shall receive insurance benefits paid by the City for the period of time they are compensated for those benefits or twelve (12) months, whichever occurs first.

Section 7.2 - Dental Insurance: The City agrees to pay the premium for dental insurance for employees and their eligible dependents. The plan shall be the Delta Dental of Michigan traditional 80/20 plan (or equivalent), with the following benefits:

- Deductible: No deductible on Diagnostic, Preventive or Emergency Palliative (Class I)
- Deductible: \$25.00 per person on balance of Class II and Class III benefits
- Benefit: \$1,500 annual maximum contract benefit per person for Class I, II and III benefits
- Orthodontics: 50% co-pay on Class IV benefits, with lifetime maximum of \$1,000 per eligible person
- Charges: pays based on usual, customary, and reasonable as determined by the insurance carrier

Employees newly hired by the City shall receive coverage effective the first day after completing six (6) months of service with the City.

Section 7.3 - Life Insurance: The City agrees to pay the premium for term life insurance, with an accidental death and dismemberment rider, for each eligible employee. The amount of insurance shall equal one times the employee's base annual salary, rounded up to the next thousandth dollar. The City shall also provide, at no cost to the employee, term life insurance for

an eligible employee's spouse and dependents. Spousal coverage shall equal \$2,000; dependent coverage shall be \$1,000 per dependent.

Section 7.4 - Conditions of Insurance Coverage: Insurance provided under Sections 1 through 3 above shall be subject to conditions imposed by the various insurance carriers. The City's responsibility under this Article is limited solely to the payment of necessary premiums to purchase the insurance described in Section 1 through 3 of this Article. The City agrees to maintain the level of City-paid group insurance benefits as outlined in this Article during the life of this agreement.

Section 7.5 - Public Employee Liability Insurance: The City shall defend and indemnify employees pursuant to the terms of Resolution No. 186 of 1980, adopted by the Battle Creek City Commission on July 1, 1980. The Resolution states that it is the policy of the City of Battle Creek to defend and indemnify employees from any claims, liabilities, costs, judgments or settlements which said employees shall be legally obligated to pay as a result of actions taken, or not taken, while acting in the course of their employment or in the performance of their duties and while acting in the scope of their authority, to the extent not covered by insurance.

ARTICLE 8 - SICK LEAVE

Section 8.1 - Sickness and Accident Policy: The following sick leave program shall be in effect, subject to the provisions of the insurance policy presently in effect:

- (a) If accidental bodily injury shall be sustained by an employee while insured hereunder and shall, from the date of the accident, directly and independently of all other causes, result in the total disability of such employee, the insurance company will pay weekly commencing with the first (1st) day of such continuous disability, a weekly indemnity for which such employee is insured for the period of such disability, but not to exceed twenty-six (26) weeks for any one accident. For each day of any such period of disability for which a weekly indemnity is payable and which is less than a full week, the insurance company will pay a weekly indemnity representing 66% of employee's base salary for which such employee is insured
- (b) An employee shall not be insured for and no weekly indemnity shall be payable for any disability:
 - 1. For which the employee is not regularly treated by a legally qualified physician.
 - 2. Resulting from intentionally self-inflicted injury or attempted self-destruction.

3. Resulting from injury sustained as a result of war, declared or undeclared, or any act incident thereto, or engaging in a riot as a participant.
 4. Resulting from injury sustained while doing any act or thing pertaining to any occupation or employment for remuneration or profit.
- (c) If sickness or pregnancy shall cause total disability and if such disability begins while the employee is insured hereunder, the insurance company will pay periodically, commencing with the eighth (8th) day of such continuous disability, a weekly indemnity at the rate of such continuous disability, but not to exceed twenty-six (26) weeks for any one sickness. . For each day of any such period of disability for which a weekly indemnity is payable and which is less than a full week, the City will pay a weekly indemnity representing 66% of employee's base salary for which the employee is insured.
- (d) An employee shall not be insured for and no weekly indemnity shall be payable for any disability:
1. For which the employee is not regularly treated by a legally qualified physician.
 2. Resulting from sickness contracted as a result of war, declared or undeclared, or any incident thereto, or engaging in a riot as a participant.
 3. For which the employee is entitled to indemnity in accordance with the provisions of any Workmen's Compensation or Occupational Disease Act or similar law.
- (e) Payment shall not be made under both the weekly indemnity accident insurance and the weekly indemnity sickness insurance provisions in respect to any day of disability.
- (f) Successive periods of disability, whether under the weekly indemnity accident insurance or the weekly indemnity sickness insurance, will be considered due to one accident or sickness unless the successive periods are separated by the employee's return to full-time, active work with the City for at least six (6) months.
- (g) Total disability, as used herein, shall mean:
1. Complete inability of the insured employee to perform any of the duties of his regular occupation or employment during the continuous disability after the

elimination period and not engaged in any other substantially gainful employment or occupation.

2. Complete inability to perform any of the duties of any gainful occupation or employment for which he is or may reasonably become qualified by reason of education, training or experience. An employee who is disabled from his regular assigned position in the Police Department with an accident or sickness which may disable him from ever returning to that assigned position in the Police Department again, may be retrained for another position outside the Battle Creek Police Department dependent upon an evaluation by qualified medical and psychological personnel selected by the City for the review of the injured employee and the proposed then-occurring vacant position.

If a period of re-assignment is necessary, during such period of re-assignment continuous with the end of the sickness and accident period, the employee shall be paid at the rate of pay the individual was earning under the sickness and accident plan weekly benefits for an additional six (6) month adjustment period or the pay assigned to the new position, whichever is greater. After which time the employee shall receive the pay assigned the position for which the employee is qualified and has been so selected.

The City reserves the right of final decision in all such cases as to the type of position the above-mentioned evaluation may indicate and the type of training needed for such position.

3. In the event of disagreement on total disability, a three (3) doctor panel will be convened; one (1) selected and paid by the employee, and two (2) selected and paid by the City. The majority opinion by the doctors will be final and binding on the parties.
- (h) The following weekly indemnity benefits begin with the first (1st) day of disability due to an accident and on the eighth (8th) day due to a sickness or pregnancy. The amount of benefit shall equal sixty-six percent (66%) of the employee's base pay in effect on the date the disability concerned.

Section 8.2 - Accumulated Sick Leave Credits: All accumulated sick leave credits through September 1, 1972, will be frozen and shall be in effect at the rate of pay on September 1, 1972, and may be used by employees who have such benefits during the period of sickness from the first (1st) to the eighth (8th) day under the provisions of the sickness and accident insurance policy when such policy does not provide payment. Upon retirement with a pension

benefit immediately payable, deferred retirement with twenty-five (25) years of service credit, or death of an employee, the employee or his named beneficiary on record with the City Personnel Office, shall receive an amount equal to the remaining unused sick leave pay. Such payment shall be at the rate in effect on September 1, 1972, and shall be made as soon as possible after the date of death or retirement, and shall not be considered compensation for the purpose of the pension plan. All police officers formerly of the Battle Creek Township Police Department, who became employees of the City's Police Department as a result of the merger of the City and Township, shall be allowed to retain their accumulated sick leave credits. Such employees will be entitled to a one hundred (100%) percent payout of their sick leave fund upon retirement or death at the wage rate in effect as of the date of the implementation of said merger.

Section 8.3 - Sick Pay Qualification: In order to qualify for sick leave payments, the employee must: (a) for those short-term illnesses (contemplated to be of less than a week's duration), notify his department in accordance with the Personnel Policy prior to his normal starting time on each day of the absence and must, (b) for those long-term illnesses (contemplated to be of more than a week's duration), notify the department prior to his return from such absence unless the circumstances surrounding the absence made such reporting impossible, in which event such report must be made as soon thereafter as possible.

Section 8.4 - Emergency Leave of Absence: Permission to take paid emergency leave will be granted to each permanent employee who, in the opinion of the Chief and the Human Resources Manager, furnishes adequate proof that his then current spouse, child or parent has an extreme critical illness. Emergency leave may be granted for a period not to exceed four (4) consecutive calendar days. For the first two (2) emergency leave days, there shall be no charge made to the employee's accumulated sick leave or comp time bank, thereafter, the paid emergency leave payment will be conditioned on charging the employee's accumulated sick leave or comp bank. The employee shall designate which accumulated bank shall be used.

Section 8.5 - Abused Sick Leave: Any employee who makes a false claim for paid sick leave shall be subject to disciplinary action.

ARTICLE 9 - SERVICE AND SENIORITY

Section 9.1 - Definition of Service: Service shall be defined as a full-time employee's length of continuous service with the City since his last hiring date. "Last Hiring Date" shall mean the date upon which the employee first reported to work at the direction of the City, since which he has not quit, retired, or been justifiably discharged. No time shall be deducted from an employee's service due to absences occasioned by authorized personal leaves of absence of less than sixty (60) calendar days, or vacations, sick or accident leaves, suspensions, military leaves, or for layoffs due to lack of work or funds, except as hereinafter provided.

Section 9.2 - Definition of Seniority: Seniority shall be defined as an employee's length of continuous service with the Battle Creek Police Department since his last hiring date. "Last Hiring Date" shall mean the date on which an employee first reported for work with the Battle Creek Police Department at the direction of the City, since which he has not quit, retired, been transferred outside of the Police Department, or been justifiably discharged. No time shall be deducted from an employee's seniority due to absences occasioned by authorized personal leaves of absence of less than sixty (60) calendar days, or vacations, sick or accident leaves, suspension, military leaves, or for layoffs due to lack of work or funds, except as hereinafter provided.

Section 9.3 - Definition of Classification Seniority: Seniority in classification shall be defined as an employee's length of service since his promotion or appointment to that classification, but shall exclude personal leaves of absence beyond sixty (60) calendar days and probationary periods that are not contemplated for reasons other than a reduction of personnel in the classification. Classification seniority shall apply preference for shift assignment, vacation scheduling and time off. If two or more employees receive a promotion on the same date, to the same classification, the classification seniority shall be determined by their uninterrupted seniority since their last departmental hiring date. In the event that two or more employees have been promoted to the same classification on the same date, and their last hiring date is the same, their names shall appear on the classification seniority list alphabetically.

- (a) If it becomes necessary to reduce the number of employees in any classification within this bargaining unit, employees shall be reduced on the basis of inverse order of classification seniority. Employees removed from a classification may exercise their classification seniority in any lower classification in the bargaining unit in which they have classification seniority. Employees shall be recalled in accordance with their classification seniority.
- (b) Any member's classification seniority shall be terminated upon transfer out of this bargaining unit for cause as a result of a disciplinary measure. Any member so transferred shall have no vested right to classification seniority credited to him as a result of a subsequent promotional appointment.
- (c) If an employee is promoted either on a temporary or permanent basis to a position in the Department not included in the bargaining unit, during the first sixty (60) days following the promotion he shall have accumulated seniority and classification seniority while working in the position to which he was promoted. Employees returned to the bargaining unit during such sixty (60) day period shall retain all rights accrued for the purpose of any benefits provided for in this Agreement. Employees who do not return to the bargaining unit during the sixty (60) day period shall not lose their seniority, but shall cease to accrue additional seniority in this bargaining unit.

Section 9.4 - Shift Assignments: An employee may bid for a shift assignment and consecutive days off, and vacation based upon his seniority. Such bids shall be made twice a year. Bidding will be conducted according to the following schedule:

- (a) For the twenty-six (26) week period commencing with the beginning of the first pay period following September 1, bidding for shift will be conducted between the first and sixth of the preceding August. Shift assignments will be posted on or before the 14th of August. Bidding for vacation will be done the 15th through the 21st. Vacation schedules will be posted on or before the 31st of August.
- (b) For the twenty-six (26) week period commencing with the beginning of the first pay period following March 1, bidding for shift will be conducted the 1st through the 7th preceding February. Shift assignments will be posted on or before the 14th of February. Bidding for vacation will be conducted the 15th through the 21st of February. The vacation schedule will be posted on or before March 1.

If a vacancy occurs after shifts have been bid, and more than sixty (60) days remain before the annual bidding period, the vacancy will be opened for rebidding within thirty (30) days after such vacancy has been filled.

ARTICLE 10 - PROMOTIONAL PROCEDURE

Section 10.1 - Application of Promotional Procedure: In accordance with the City of Battle Creek's policy of filling vacancies by promotion from within the Police Department, the following promotional procedure shall apply to all promotions to job classifications covered by this Agreement.

Section 10.2 - Promotional Procedure: In order to be eligible for promotion, an employee must have completed his/her job classification probationary period in the job classification immediately below the job classification to which he/she seeks promotion.

Section 10.3 - Testing: The City reserves the right to require oral, written, and/or physical tests to determine an individual's fitness and qualifications for the promotional position.

All examinations for promotion shall be practical in their character and shall relate to such matters and include such inquiries as will fairly and fully test the comparative merit and fitness of the persons examined to discharge the duties of the job classification.

Physical examinations may be required by the City as a condition precedent for promotion. If a physical examination is required, the selected individual shall be required to take the physical. If it is determined by the City's doctor that the employee is not physically able to perform the duties of the job classification sought, the employee shall have the right to have a physical examination by a doctor of his/her choice. If the City's doctor and the employee's doctor disagree on whether the employee is physically able to perform the duties of the position, a third doctor shall be appointed by the City's doctor and the employee's doctor, and the third doctor's finding shall be final and binding on the parties. The expenses of a third doctor shall be shared equally by the City and the Union.

Section 10.4 - Selection of Candidate: In the filling of vacancies, the selection of individuals for promotion shall be at the sole discretion of the Chief of Police. Such selection shall be done without regard to the seniority status of individuals expressing an interest in the position, and without regard to the outcome of tests required by the City.

Section 10.5 - Salary Upon Promotion: When an employee is awarded a job through the promotional procedure, for which the maximum of the rate range is higher than the maximum of the rate range for the job from which he was promoted, he shall, as of the start of the next succeeding pay period, be placed at the lowest step for the classification to which he had been promoted, which will result in a pay increase. Upon completion of his probationary period, not to exceed one (1) year, he shall receive the incremental step increase which will advance him one step in the pay scale for the job he was thus awarded.

Section 10.6 - Probationary Period Following Promotion: The probationary period following promotion to the Lieutenant's and Captain's classifications is six (6) months. The probationary period is for the purpose of enabling the City to determine if an employee has the attributes, attitude and capabilities of becoming a permanent, full-time employee in the classification. A probationary employee may be reduced to his former classification at the discretion of the City during such period. The employee shall be notified of the reason(s) for the reduction in writing at the time of his reduction.

ARTICLE 11 - LEAVES OF ABSENCE

Section 11.1 - Personal Leave: The City may grant a leave of absence without pay for personal reasons of not to exceed sixty (60) calendar days in a calendar year without loss of seniority to an employee, provided he obtains advance written permission from the Chief of Police.

Section 11.2 - Medical Leave: An employee who, because of illness, accident or pregnancy, is physically unable to work shall, upon request, be given a leave of absence without

pay for the duration of such disability, provided: (1) that he promptly notifies the City of the necessity thereof; (2) that he supplies the City with a certificate from a medical/osteopathic doctor of the necessity for the absence and continuation of such absence when the same is requested by the City; and, (3) that such leave of absence shall not exceed two (2) years.

Section 11.3 - Military Field Training Leave: Leaves of absence shall be granted to employees who are active in the National Guard or a branch of the Armed Forces Reserve for the purpose of fulfilling their annual field training obligations and/or responding to any civil disorder. Applications for leaves of absence for such purpose must be made as soon as possible after the employee's receipt of his orders. Employees presenting evidence as to the amount of compensation received from the government shall be paid the difference, if any, between what they received in the form of pay therefore, and what they would have received from the City had they worked during such period. Such payments shall be limited in a calendar year to two (2) weeks for annual field training and a maximum of eight (8) weeks for civil disorders.

Section 11.4 - Military Service Leave: Any employee who enters the military service by draft or enlistment shall be granted a leave of absence for that purpose, and at the conclusion of such leave of absence shall be reinstated in accordance with all applicable provisions of the Selective Service and Training Act and any other applicable laws then effective.

Section 11.5 - Supplemental Pay to Worker's Compensation: The City will allow an employee injured on the job and eligible for Workers' Compensation to draw the difference between the Workers' Compensation check and his normal net rate of pay (less Federal, State and City taxes) by charging his accumulated sick leave or holiday leave bank. A three (3) member board consisting of a representative of the Union, Chief of Police and Risk Manager shall establish responsibility for each duty-connected injury. If the injury is ruled non-preventable on the part of the injured employee, he shall receive the above-mentioned supplemental compensation for a period of six (6) months without any charge to his accumulated sick leave or holiday leave bank. At the conclusion of the first six (6) month period, the Board shall review the case and recommend to the City Manager whether such supplemental payments should be continued for an additional period of six (6) months without any charge to accumulated sick leave or holiday leave bank. The City Manager shall, in his sole discretion, make the final determination. Awards specified in this section shall be made based on the salary at the time of injury. All Board decisions shall be by majority vote and not be subject to the grievance procedure. To the extent that wage loss differentials are made up by no-fault auto insurance, the provisions of this section shall not apply. An employee shall not receive, pursuant to this section, more than the employee's normal net rate of pay.

Section 11.6 - Funeral Leave: Employees shall receive the amount of pay they would have received on a regular eight (8) hour straight time basis for each day necessarily lost from

regularly scheduled duty, not to exceed three (3) days, to make arrangements for and attend the funeral of a member of their immediate family. This payment shall not be made for any such day of such three (3) days on which the employee for any other reason would have been absent from work. Such paid funeral leave shall not extend beyond the day following the funeral, and to be eligible for such pay, the employee must notify the City as soon as possible of the necessity for such absence, must attend the funeral and, if requested by the City, must present proof of death.

- (a) Immediate family is to be defined as: current spouse, children, stepchild (having resided with the employee for a continuous period of six (6) months), brother, sister, mother, father, mother-in-law, father-in-law, grandmother and grandfather.
- (b) Notwithstanding the above, in the advent of the death of the spouse or child as defined in subsection (a), the employee shall be granted four (4) days funeral leave at his regular rate of pay.

Section 11.7 - Union Business Leave: The City agrees to grant reasonable time off without loss of seniority and without loss of pay to any employee designated by the Union to attend an official meeting or to serve in any capacity on other official Union business:

- (a) Provided adequate notice is given to the City by the Union specifying the length of time off requested;
- (b) Provided the length of time does not exceed six (6) working days within any twelve (12) month period.
- (c) Provided no more than two (2) employees shall be granted such time off for such purpose at any one time;
- (d) Provided in the judgment of the Chief, the employee(s) can be spared from work on the dates and times requested.

ARTICLE 12 - ADDITIONAL COMPENSATION

Section 12.1 – Additional Compensation: The parties acknowledge that the position of Lieutenant is an administrative/executive position that is exempt from the overtime provisions of the Fair Labor Standards Act. Lieutenants exercise discretion and judgment in the day-to-day operations of the police department and are responsible for supervision, discipline, scheduling, and recommending new hires and termination. The parties also acknowledge that the traditional nature of shift work as well as the regular emergencies associated with police work support the payment of additional compensation for certain activities and events. As such, Lieutenants shall

receive (in addition to their salary) payment at a rate of time and one half (1 ½) the employee's regular hourly rate of pay for all approved time necessarily spent on the job in excess of forty (40) hours per week, participating in the following activities:

- (a) Balloon Festival
- (b) Natural Disasters / Civil Unrest
- (c) Principal Downtown Events (i.e. breakfast table)
- (d) Election Candidate visit
- (e) Multiple Specialized Team event (i.e. barricaded gunman)
- (f) When required to work as the primary responsible officer in charge of a Special Unit
- (g) Shift coverage as necessary (as determined by the Chief).

Section 12.2 - Call In For Court: Whenever it is necessary for an off-duty officer to be called to appear: (1) in court; (2) before the Prosecutor or his representative; or, (3) before any other official body or investigatory agency on matters pertaining to police business, he shall be paid a minimum of two (2) hours at the employee's straight time rate or at time and one half of the total time spent until released for the day, whichever is greater unless such time be continuous with his scheduled shift, which is defined as within thirty (30) minutes of the starting time of a shift, in which case the guaranteed minimum payment shall not apply. Employees shall have the option of "banking" said time and one-half (1-1/2) in lieu of pay. An employee's "banked" time may be used upon approval of the Chief or his designee.

Section 12.3 - Compensatory Time: Employees hired on or after November 21, 2008, shall have a maximum two hundred forty (240) hour CT bank accrual. Such accrual shall begin April 15, 1986. All hours of comp time banked prior to April 15, 1986 shall be kept in a separate bank and shall not affect the hours accumulated after April 25, 1986.

Beginning July 1, 1986, an employee may cash-in up to forty (40) hours of comp time per year at the employees' rate of pay at the time such comp time is cashed-in provided that, if after a review by the Finance Director and the Police Chief, funds are available for such payment. The City may require up to fourteen (14) days advance notice prior to payment of such time. Effective July 1, 2000, employees are allowed to bank a maximum of 40 vacation hours per anniversary year into the employee's compensatory time bank. The maximum number of hours

of vacation an employee may bank is 120 over the employee's lifetime. The maximum contribution is further limited by the hour cap in the comp time bank. Unused comp time shall be paid upon an employee's separation, retirement, or death. In the case of death, the payment shall be made to the employee's estate. Payments shall be made at the rate of pay in effect at the time of retirement, separation or death.

Section 12.4 – Standby Pay: Bargaining unit members required to serve in a standby capacity will receive 1 hour of compensatory time for each day served in that capacity. This time will be kept in a separate bank. The employee has the option of using the time or cashing in 50% of the hours earned in a calendar year. Requests to cash in time must be made in January of each year. Time not cashed in will remain in the employee's bank and will be cashed out at retirement (effective 9/3/09).

ARTICLE 13 - MISCELLANEOUS

Section 13.1 - Safety Standards: Employees purchasing safety equipment and authorized footwear, over and above that supplied by the City, will receive \$125 per contract year; payable in the pay period that includes July 1st.

Section 13.2 - Copy of Departmental Rules: The City will provide each new member of the bargaining unit, upon request, a handbook stating the rules and regulations of the Police Department and a copy of this Agreement.

Section 13.3 - Out-of-Class Pay: When any supervisor is required to assume a higher position, he shall be compensated at a rate of pay equal to that which would be applicable if the assignment were made on a permanent basis, commencing with the first working day the responsibilities were assumed.

Section 13.4 - Equipment Supplied By The City: The City shall furnish as now provided, at no cost to the employee, all necessary weapons and equipment.

Section 13.5 - Off-Duty Protection: All sworn personnel are presumed to be subjected to duty twenty-four (24) hours per day. Therefore, any action taken by a member of the Union on his time off, which would have been appropriate if taken by an officer on duty, shall be considered police action and the officer shall be protected by the sick leave, Workers' Compensation, civil liability and other insurance benefits provided by the City, as if he had been on active duty at the time he took the action.

Section 13.6 - Payday: Payday shall be on a weekly basis. Effective June 1, 2012, the parties agree to change to a bi-weekly pay period. A normal workday shall consist of eight (8) hours, which includes a paid lunch period. If employees are scheduled for ten (10) hour shifts,

the ten hours shall include a paid lunch hour, but overtime on ten hour shifts shall be paid after working ten (10) hours.

Section 13.7 – Take Home Vehicles: members shall be entitled to the use of a take home vehicle to be used for work purposes and minor incidental personal stops to and from the work site.

Section 13.8 – Weapons Proficiency: The City will provide to the employees a yearly weapon proficiency allowance to be paid the payday closest to June 1, under the following conditions:

- (a) Each sworn officer, in order to be eligible for a gun proficiency allowance, must achieve a minimum level of proficiency with his or her department issued weapon.
- (b) The department operates an indoor range during the winter months and an outdoor range in the summer. Adequate opportunity will be provided all personnel to be proficient with their service weapon. Special instruction classes will be held for officers who request assistance in improving their efficiency.
- (c) The Police "Auto Pistol Course" will be used for the "Shoot for Qualification" which will be held for each officer wishing to qualify. The "Shoot for Qualification" will be held from April 15 to May 15 of each year on the indoor range. Each officer wishing to qualify may do so once during this period. Dependent upon the conditions set forth below, the officers will receive their weapon proficiency allowance.

1. Standard for 40 caliber:

Distinguished Expert 100% - \$350

ARTICLE 14 - PENSION PLAN AND DEFERRED RETIREMENT OPTION

Section 14.1 – Pension Plan: The City agrees for the life of this Agreement to maintain the same level of retirement benefits in effect as were in effect on the date of this Agreement. Employees promoted to this bargaining unit on or after September 3, 2013, shall maintain the pension benefit they had at the time of their promotion, including any limitation on overtime or pay-offs at separation from service.

- (a) Effective July 1, 1997, those employees covered by the Firemen and Policemen Pensions Act (1937 P.A. 345) shall have their retirement benefit calculated on the basis of 3.0% of average final compensation multiplied by the first 25 years of service

credited, plus 1% of final average compensation for each year or fraction thereof after 25 years up to a maximum benefit equal to 80% of final average compensation. Effective July 1, 2001, a member's final average compensation (FAC) will be based on the average of the highest annual compensation received during a period of three consecutive years of service contained within the last ten years of employment.

- (b) Effective July 1, 1997, employees may retire with 25 or more years of service regardless of age or age 60 regardless of service.
- (c) Effective July 1, 1997, the employee pension contribution rate shall be increased to 7.75%. Effective July 1, 2001, the employee pension contribution rate shall be increased to 10.0%.

These provisions shall cover all employees who retire on or after July 1, 1996.

- (d) The then present spouse of an employee who dies from a non-duty related cause with ten (10) or more years of service for the City shall be eligible to receive a reduced pension benefit, as determined pursuant to the terms of the retirement plan.
- (e) Effective for employees retiring after December 1, 2011, the maximum vacation pay out at separation of service that may be included in calculating an employee's final average compensation is six (6) weeks.

Section 14.2 - Pension Contribution During Disability: In the event an employee covered by this Agreement is temporarily disabled due to illness or injury, under the City's weekly indemnity plan he shall be allowed to continue to make his regular contribution to the Police/Fire Pension Plan, therefore providing for no break in years of service during his disability. Therefore, no time will be lost in the computation of his final average compensation for illness or injury.

Section 14.3 – Deferred Retirement Option Plan:

A. Overview. The City agrees to offer members of the bargaining unit a Deferred Retirement Option Plan (DROP) consistent with the terms and conditions in this Section.

B. Eligibility. Any member of the bargaining unit may voluntarily and irrevocably elect to participate in the DROP at any time upon or after attaining 25 years of credited service up to attaining 30 years of credited service.

C. Participation Period. The maximum period for participation in the DROP is five (5) years (the "Participation Period"), unless a lesser period is elected and submitted in writing to the Human Resource Department (or designated department) by the bargaining unit member at the time of DROP election. Members must declare the duration (in months) of the participation period when electing to participate in DROP.

An employee must cease or will be separated from employment with the Battle Creek Police Department at the end of the 5 year standard DROP participation period or at the end of any lesser participation period that has been submitted in writing by the bargaining unit member at the time of election to participate.

D. Election to Participate. Once commenced, participation in the DROP program is IRREVOCABLE, unless the DROP participant becomes disabled. A member who wishes to participate in the DROP shall complete and sign such application form or forms as shall be required by the City. The City shall review the application within 5 business days and notify the member of the approval of the application after verifying the member's eligibility for participation in the DROP. On the member's effective DROP Date, he or she shall become a DROP participant and shall cease to be an active member of the Fire and Police 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; however, DROP participants shall continue to receive all contractual benefits due active employees throughout their participation in the DROP.

E. Drop Benefit. The participant's DROP Benefit shall be the regular monthly retirement benefit to which the member would have been entitled if the member had actually retired on the DROP Date. The participant's DROP Benefit shall be credited monthly to the participant's individual DROP Account.

F. 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 by the Police and Fire Pension Administrator/City Treasurer and any other person so designated by the Pension Board for the benefit of each DROP participant. DROP Interest for each DROP participant prior to termination of employment shall be at a fixed rate of 2% per annum. DROP Interest will be credited and accrued quarterly on the participant's DROP Account balance at the end of each quarter. The Police and Fire Pension Administrator/City Treasurer shall provide each participant with an annual statement of their account activity.

G. Participant Contributions. The Employer's and the employee's contributions to the Police and Fire Retirement System as specified in this collective bargaining agreement shall continue without interruption as of the participant's DROP Date for each employee entering the DROP until termination of employment.

H. Distribution of Drop Funds. Upon termination of employment, the former DROP participant must choose one 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 lump sum direct rollover to another qualified plan. DROP participants' funds under the Plan shall be made available as soon as practical after termination of employment.

I. Death During DROP Participation. 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 distribution of the DROP account balance, the participant's designated beneficiary(ies) shall receive the balance in the participant's DROP Account in the manner in which they elect from distribution methods listed in subsection H. If the death occurs before full retirement the penalties outlined in Section L will not apply. In the event the participant has failed to name a beneficiary, the account balance shall be paid in a lump sum to the participant's estate.

J. Disability During DROP Participation. In the event a DROP participant becomes totally and permanently disabled from further performance of duty as a Police Lieutenant in accordance with the provisions of the Fire and Police Retirement System, the participant's participation in the DROP shall cease and the member shall receive such benefits as if the member had terminated employment during the participation period. Penalties outlined in Section L will not apply. Application for and determination of disability shall be conducted in accordance with the and Police Retirement System provisions.

K. Internal Revenue Code 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 IRS to be in conflict with an applicable provision of the Internal Revenue Code of the United States is hereby declared null and void.

L. Penalties. In the event a member terminates employment before fulfilling the DROP period elected, the member shall be charged the following penalties:

- (1) A penalty of 75% of the DROP interest accrued will be assessed if the participant terminates employment before completing ½ of the DROP participation period.
- (2) A penalty of 10% of the DROP interest accrued will be assessed if the participant terminates employment after completing ½ or more of the DROP participation period but before completing the participation period.
- (3) Before assessing a penalty, the member shall have the opportunity to appear before the Pension Board to discuss any reason why the member believes the penalty shall not be assessed. The Pension Board's decision is not subject to the grievance process.

M. Cost: The parties intend that implementation, administration, and any other aspect of the DROP be cost neutral to the City. As such the parties agree that the City will receive 5% of each individual participant's DROP interest at the time of distribution of the account. In the event the City Treasurer or designee of the Pension Board notifies the Union and the City that the DROP is no longer cost neutral to the City, the parties will meet and determine how the additional cost of the program will be met.

ARTICLE 15 - BENEFICIARY

Section 15.1: In the event of the death of any member of the Union while employed by the City, payment to the named beneficiary on record with the Human Resources Office, of a deceased member, shall be made for City benefits which he may have accrued as a result of employment, except those retirement benefits controlled by the Retirement Board which shall be paid in accordance with the then effective Retirement Board Policies. City benefits will be paid on a pro rata basis as of the day of the employee's death. In the absence of a named beneficiary, such benefits will be paid to the deceased member's widowed spouse, or if none, then to his estate.

ARTICLE 16 - WORK STOPPAGE

Section 16.1 - No Strike - No Lockout: The Union agrees that, during the life of this Agreement, neither the Union, its officers or agents will authorize, instigate, aid, condone or engage in a strike, sympathy strike, slowdown, mass sick call-in, unlawful picketing, or other interference (including concerted refusal to work overtime) with the City's operations. The City agrees that during the same period there shall be no lockouts.

Section 16.2 - Violation of No Strike Pledge: Individual employees, groups of employees or Union officials who instigate, aid or engage in a strike, sympathy strike, slowdown, mass sick call-in, unlawful picketing, or other interference (including concerted refusal to work overtime)

with the City's operations may be disciplined or discharged at the sole discretion of the City. Notwithstanding the above, any dispute concerning whether an employee or group of employees actually participated in such proscribed activity may be submitted to the grievance procedure for resolution.

ARTICLE 17 - SAVINGS

Section 17.1 - Amendments: This Agreement constitutes an entire agreement between the parties and no verbal statement shall supersede any of its provisions. The Agreement may not be amended, altered or added to, except by mutual consent of the parties in writing.

Section 17.2 - Entire Agreement: The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make requests and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after exercise of that right and opportunity are set forth in this Agreement. The City and the Union, for the life of this Agreement, each voluntarily and unqualifiedly waive the right and mutually agree that the other shall not be obligated to bargain collectively with respect to any subject or matter referred to or covered by this Agreement, or with respect to any subject or matter not specifically referred to or covered by this Agreement, even though such subject or matter may not have been known or contemplated by either or both parties at the time they negotiated or signed this Agreement.

Section 17.3 - Gender Clause: The term "employee" or "employees" shall refer to a full-time employee or full-time employees whenever used, unless specifically provided otherwise. Reference to a masculine noun in this Agreement shall be interpreted to include the feminine, unless specifically provided otherwise.

Section 17.4 - Savings Clause: If, during the life of this Agreement, any of the provisions contained herein are held to be invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any provisions should be restrained by such tribunal pending a final determination as to its validity, the remainder of this Agreement shall not be affected thereby. In the event any provision herein contained is so rendered invalid, upon written request by either party hereto, the City and the Union shall enter into collective bargaining for the purpose of negotiating a mutually satisfactory replacement for such provision.

ARTICLE 18 – DURATION

Section 18.1: This Agreement shall become effective as of the 19th day of April, 2016 and remain in full force and effect through the 30th day of June, 2019, and from year to year thereafter, unless either party hereto serves a written notice upon the other of at least sixty (60)

days prior to the expiration of any subsequent automatic renewal period of its intention to amend, modify or terminate this Agreement.

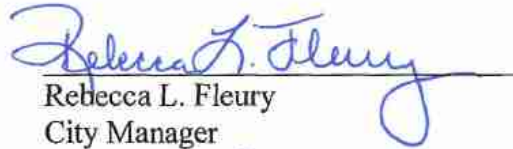
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year first above written.

ORGANIZATION OF SUPERVISORY
PERSONNEL/LIEUTENANTS AND
CAPTAINS OF THE BATTLE CREEK
POLICE DEPARTMENT

CITY OF BATTLE CREEK



Stephen Bush
President



Rebecca L. Fleury
City Manager



Vice President, Treasurer



Nancy Mullett
Labor Relations Attorney



Greg Huggett
Business Agent



Joyce A. Snow
Human Resources Director

APPENDIX A

2016	\$84,416.00
2017	2016 plus 2.25%
2018	2-17 plus 2.25 %