

LINCOLN PARK CHIEF OF POLICE

Employment Agreement



JANUARY 1, 2018
CITY OF LINCOLN PARK
1355 Southfield Road

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AGREEMENT

This Agreement entered into this 1st day of January, 2018 between the City of Lincoln Park, Michigan, hereafter referred to as the City, and the Chief of the Police Department, hereafter referred to as the Chief.

Article I – PURPOSE AND INTENT

The general purpose of the Agreement is to set forth terms with respect to salaries, hours and other conditions of employment, between the City of Lincoln Park and the Police Chief. The City reserves all its rights except as otherwise specifically outlined herein under the law and Charter.

Article II – WAGES

This base pay will compensate for overtime, and no overtime will be accumulated as Chief. On termination or retirement there will be no time off or payoff for overtime worked as Chief.

Police Chief	Effective January 1, 2018	\$85,000	Hourly \$40.865
	Effective January 1, 2019	\$87,500	Hourly \$42.067

Article III – DEFINITIONS

RETIREMENT – For the purposes of leave and sick time payout retirement shall be defined as the attainment of age fifty (50) with twenty-five (25) or more years of service or after twenty-eight (28) years of service regardless of age, duty disability retirees and vested members who reach age sixty (60) with at least eighteen (18) years of service time.

Article IV – OTHER ALLOWANCES

Section 1 – In Lieu of Overtime

The Chief will receive an allowance of six percent (6%) of his base pay in lieu of overtime, to be paid by October 15th of each year.

Section 2 – Gun Allowance

The Chief will receive an allowance of four percent (4%) of his base pay for carrying his service revolver or other Departmental authorized weapon while not on active duty, to be paid by October 15th of each year.

Section 3 – Clothing Allowance

The Chief will receive a clothing allowance of \$800. This payment will be made by February 1st of each year.

Article V – LONGEVITY

The Chief shall receive an annual longevity payment of \$900. This payment will be made on the anniversary date of employment.

Article VI - COMPULSORY SCHOOLING

Section 1 - Time Off to Attend

The Chief shall be granted time off work, at the discretion of the City, in order to obtain and/or maintain the qualifications listed in this agreement.

Section 2 - Payment of Tuition, Books, Fees & Accommodations

The City of Lincoln Park shall reimburse the Chief for tuition and all required material (Books, Lab Fees, etc.) for courses enabling the Chief to meet the qualifications listed in this agreement with a cap of \$2000.00 subject to approval of the City Manager. The Chief must achieve a "C" or higher for the class to receive reimbursement. Further, the City shall pay directly for or reimburse the Chief the cost of overnight accommodations and meals (based on the City's policy) for training with the approval of the City Manager.

Article VII – HOLIDAY

The Chief shall be entitled to a day off on the following paid holidays:

New Year's Day	Martin Luther King Day	President's Day
Memorial Day	Independence Day	Labor Day
Veteran's Day	Thanksgiving Day	Friday after Thanksgiving
Christmas Eve	Christmas Day	New Year's Eve

When any of the said holidays fall on a Saturday, Friday shall be a paid holiday; or on Sunday, Monday shall be a paid holiday; provided, however, that the Chief shall not receive holiday pay unless he shall have reported for work on the regular work day immediately preceding and following said holiday, except where his absence is based upon bank time authorized in writing in advance, or is due to sickness certified by a licensed physician.

Article VIII – LEAVE TIME

Section 1 – Personal Leave

The Chief shall receive 3 Personal days (24 hours) per fiscal year, on July 1st. Personal days are non-accumulative and non-compensable.

Section 2 – Vacation

The Chief shall receive 20 Vacation days (160 hours) per year, credited on their anniversary date of employment. Accumulation of Vacation time shall not exceed 40 days (320 hours) in a two (2) year period. The Chief shall be entitled to receive payment for Vacation time at termination or retirement with a maximum of 30 days (240 hours), as long as a two (2) week notice has been received by the City and the Chief has made himself available to work at the City's request for at least seven (7) working days before departing to aid with transition.

Article IX – BEREAVEMENT

The Chief shall be granted five (5) eight (8) hour working days, with no loss of pay, for the purpose of attending the funeral of:

Current Spouse	Child	Sister	Mother-in-law
Parent	Step Child	Brother	Father-in-law
Step Parent			

The Chief shall be granted three (3) eight (8) hour working days, with no loss of pay, for the purpose of attending the funeral of:

- | | | | |
|---------------------|-------------|----------------|---------------|
| Sister-in-law | Grandparent | Brother-in-law | Grandchildren |
| Daughter-in-law | Niece | Son-in-law | Nephew |
| Member of Household | | | |

The Chief shall be granted one (1) eight (8) hour working days, with no loss of pay, for the purpose of attending the funeral of:

- | | |
|---------------------------------|--------------------------------|
| Current Spouse’s Brother-in-law | Current Spouse’s Sister-in-law |
| Aunt | Uncle |

If the funeral occurs over 250 miles away, or in an unusual hardship case, an additional two (2) days shall be granted. Proof of attendance at the funeral may be required of any member requesting bereavement leave.

Article X - SICK LEAVE USAGE POLICY

Section 1 – Accumulation, Payout & Short Term/Long Term Disability Insurance

Effective July 1, 2015, the Chief shall earn eight (8) hours per month. Time earned will be placed in their sick leave bank at the end of each fiscal year.

The City may change this policy at any time if, in its sole discretion, it believes the spirit of the Agreement to not abuse sick time is being violated.

In August of each fiscal year, the Chief will be paid for all sick time in excess of 720 hours. Said time will automatically be contributed into the Chief’s HCSP or HSA or other vehicle established to provide for retiree healthcare funding.

The employer shall provide, and pay for, a short/long term disability policy for the Chief which will provide three hundred and sixty-five (365) calendar days of disability after the ninety (90) calendar day elimination period has been met. The policy shall provide employees compensation at 66.67% of base salary with a maximum of \$5000 per month.

If the Chief is eligible for retirement as defined herein and retires from the City, the employer shall pay for 50% of all sick time in the Chief’s sick bank not to be applied to FAC as long as a 14-day notice of separation has been provided. The Chief must also be available on seven (7) work days prior to his separation date to assist in transition to be eligible for payment. No more than 360 hours will be paid under this provision.

Any job-related injury to the Chief which requires medical treatment and results in lost time shall be compensated in the following manner:

If determined to be a work-related injury, the City will compensate the difference between Workers Compensation and the base salary for a period of one year without loss of time. The Chief must meet and cooperate with the requirements set forth by the Workers Compensation Administrator. The Chief must comply with all directives and orders of medical personnel, institutions or facilities.

Section 2 – Non-Rehabilitative Work-Related Injury or Illness

If the Chief has a work related medical problem which in the opinion of a qualified physician is non-rehabilitative, the disposition shall be determined in accordance with the provisions of this Agreement and the Pension System.

Section 3 - Family Medical Leave Act

Notwithstanding the Federal Family and Medical Leave Act, (FMLA) which is hereby incorporated by reference into the contract, a member who takes FMLA leave to which he or she is entitled:

- 1) Shall continue to accrue seniority for promotional purposes only; and,
- 2) Must use accrued paid leave consistent with City policy. The City's policy, as amended, is incorporated by reference herein.

Article XI - INSURANCE BENEFITS

Section 1 - Medical Insurance – Hospitalization

The City shall provide for the Chief and eligible members of the Chief's family, the following insurance coverage subject to the following provision:

The City shall provide a Simply Blue PPO 500 Plan as outlined in the attached benefits at a glance. The City shall comply with the hard cap provisions of PA 152. The City retains the right to change health insurance carriers or become self-insured provided the benefits remain reasonably similar to the present benefits. The Parties agree that should the City receive a rate increase in excess of 10% for any contract year the parties will meet to discuss the impact.

The City or the Union may reopen the Collective Bargaining Agreement to address the repeal of the Patient Protection and Affordable Care Act, changes in federal healthcare or actions taken by the State legislature regarding retiree healthcare issues.

Should the Chief elect not to participate in the City's health insurance program, he shall receive \$400 per month in lieu of health insurance as long as he is enrolled in a group health insurance plan. The only time that an employee who is receiving the in lieu of payment can enroll in the health plan is during open enrollment, unless there is a qualifying event.

Section 2 - Dental Insurance

The City shall assume the full cost of all dental insurance premiums.

Section 3 - Optical Program

The City shall assume the full cost of all optical insurance premiums.

Section 4 - Life Insurance

The City shall provide the following life insurance coverage:

- 1) A \$50,000.00 Term Life Insurance Policy with \$50,000.00 Accidental Death and Dismemberment.
- 2) A \$15,000.00 Term Life Insurance Policy shall be continued for the Chief who retires, under the Police and Fire Retirement system. If the Chief receives a disability retirement, and is eligible for Waiver of Premium benefits, would have that benefit reduced to the same amount an active Chief would receive upon their retirement. The benefit would be the amount in effect at the time the disabled Chief attains normal retirement age.

Section 5 - Retiree Health Care

The Chief will participate in a Medical Health Plan (individual retirement health insurance plan Health or Retirement Savings Account In lieu of City of Lincoln Park Retiree Health Insurance). It will be through MERS or ICMA, unless the City decides to utilize another carrier. The City will sit down and discuss carriers with the Chief.

The City and the Chief agree that effective upon implementation of the plan, the Employer will contribute 2% of the gross base wage into the plan. The Employee may add an additional amount of their gross base wage if authorized by the carrier which will not be matched by the City. The City will begin contributing effective March 1, 2015.

This plan is immediately vested on the Employer contribution.

This will acknowledge that retiree healthcare is eliminated for the Chief.

The City will attempt to provide a catch-up provision that provides additional funding for the Chief if hired prior to July 1, 2010. This is not a guarantee. The decision will be at the sole discretion of the City. The City will continue to discuss this issue with the Chief before a final decision is made.

Section 6 - Changes in Benefits/Carriers

In the event the City desires to change or is required by State or Federal Law, any aspect of insurance benefits or carriers as noted in this Article, notice will be provided to the Chief

Language for Health Care Reform:

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

Section 7 - Flexible Spending Arrangement (FSA)

The City shall offer a Flexible Spending Arrangement (FSA) as provided by I.R.S. guidelines for employees.

Section 8 - Line of Duty Disability or Death

In the event the Chief is killed or disabled in the line of duty the City shall continue to provide Health, Optical and Dental Insurance to the Chief and/ or their beneficiary for three years. These benefits shall be equal to an active Chief.

Article XII – TERMINATION BENEFITS***Section 1 – Severance and Layoff***

In case of severance or layoff from the Police Department, the Chief shall receive their health insurance and life Insurance coverage for a period of three (3) months from the date of their separation, except in case of voluntary resignation. Provided, however, that all insurance coverage provisions shall be subject to the rules and regulations of the insurance carrier.

Section 2 – Benefits at Death

In the event termination is due to the Chief's death, said termination benefits, including 50% of unused sick leave accumulation not to exceed 360 hours, vacation leave accumulating not to exceed 30 days, shall be paid to their beneficiary, heirs or estate.

Additionally, In Lieu of Overtime and Longevity payments will be prorated and shall be paid to their beneficiary, heirs or estate.

Article XIII – GENERAL

Section 1 – Laws of the State of Michigan

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

Section 2 – Copy of Agreement

A copy of this Agreement shall be distributed by the City to the Chief.

Section 3 – Residency/Non-Residency

The City shall be given the same privileges regarding the residency/non-residency as awarded to any personnel or bargaining unit under their supervision.

Article XIV – PENSION

Employee Pension administration and assets may be transferred, assigned or otherwise contracted to the Municipal Employees Retirement System (MERS). Prior to such transfer, notification will be provided to the Union and the parties will sit down to discuss the transfer.

Section 1:

- (a) The COLA benefit was eliminated effective November 1, 2014.
- (b) Effective July 1, 1999, upon retirement, the Chief shall receive a straight life annuity equal to 2.8% of his/her average compensation, multiplied by the number of years and fraction of a year of credited service, subject to a maximum of 78.4% of his/her average final compensation. **This benefit is modified below.**
- (c) Effective July 2014, the multiplier was reduced to 2.5% for employees hired before April, 2010.

Section 2: - The retirement benefit effective October 1, 2015 for employees hired before April, 2010, will be as follows and modifies the above:

- (a) A 2.0% multiplier prospectively, however, if the Chief meets the retirement definition of attainment of age fifty (50) with twenty-five or more years of service or after twenty-eight years of service regardless of age, as well as duty disability retirees and vested employees who are retiring due to mandatory age restrictions who reach age sixty (60) with at least eighteen years of service time, the multiplier will revert to 2.5%.
- (b) Annuity withdrawal: Effective January 1, 2018, annuity accrual for employee pension contributions shall cease.

The Chief shall be allowed to accrue twenty (22) years of credited service in his annuity.

All annuities going forward will earn a maximum 4.0% annual rate of return starting with the annuity applicable to the valuation period ending on June 30, 2015. The rate paid will match that of the rate of return of the system with a 4% cap. Should the plan have a negative rate of return, no monies will be paid.

- (c) Final Average Compensation is base pay, longevity, and gun allowance.
- (d) There is no ability to purchase additional years of service.

Pension Contributions

The Chief's pension contribution rate is 8.18%.

A. Effective January 1, 2018 the employee pension contribution shall be raised by 1% to 9.18%.

B. Effective January 1, 2019 the employee pension contribution shall be raised by 1% to 10.18%.

(d) New retirees shall receive a partial retirement payment as deemed by the Retirement Commission until the actuarial costs are returned and regular pension checks are received, so as not to disrupt the retiree's pay schedule.

The Police & Fire Retirement Commission shall provide an annual update of assets and liabilities unless transferred to MERS.

Article XV – DURATION

Section 1 – Full Force and Effect

This Agreement shall be effective the 1st day of January, 2018 and shall remain in full force and effect to and including December 31, 2019, unless the Chief's services are terminated or ended because the Chief did not pass probation, for just cause, the Chief resigns or retires before the expiration date or the position of Police Chief is eliminated or combined into another position or is contracted out.

If termination is for just cause it may be the results of the inability or unwillingness to perform the duties of the Police Chief in a manner expected acts of insubordination, abandonment, gross misconduct on or off duty, willful violation of act, statute, law or ordinance, misfeasance, malfeasance, nonfeasance in the performance of the Chief's duties and/or conduct unbecoming a Chief or other reasons which amount to just cause.

Article XVI – ARBITRATION

If a dispute arises concerning this Agreement or Employee's employment with the Employer, such dispute can be resolved only through binding arbitration pursuant to the terms of this arbitration provision. Within one hundred eighty (180) days of the event or occurrence which gives rise to the dispute, either Employee or the Employer may file a demand for arbitration with the American Arbitration Association ("AAA"). Such arbitration shall be heard by a single Michigan arbitrator. The determination of the arbitrator shall be binding upon both the Employer and Employee. All expenses, costs, administrative filing fees and arbitrator's fees shall be shared equally by the Employer and Employee. The parties further agree that they will comply with the terms of this arbitration provision and any award rendered by the arbitrator, and that a judgment of a court having jurisdiction may be entered upon the award as long as the arbitrator does not exceed their authority or jurisdiction. This arbitration agreement specifically includes, but is not limited to, statutory claims of employment discrimination.

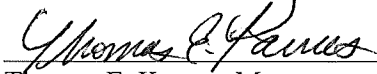
Police Chief

01/01/2018 – 12/31/2019

The parties also specifically agree that no Arbitrator has the authority to modify or amend the Agreement in any way.

Moreover, where a decision has been reserved to the City, the Arbitrator has no authority or jurisdiction to modify same.

CITY OF LINCOLN PARK



Thomas E. Karnes, Mayor

CHIEF



Ray Waters, Police Chief

Dated: 1-5-18

Dated: 1/4/2018

