# CITY OF MUSKEGON

## CITY COMMISSION MEETING

### OCTOBER 9, 2018 @ 5:30 P.M.

MUSKEGON CITY COMMISSION CHAMBERS
933 TERRACE STREET, MUSKEGON, MI 49440

## AGENDA

- □ **CALL TO ORDER:**
- □ **PRAYER:**
- □ **PLEDGE OF ALLEGIANCE:**
- □ **ROLL CALL:**
- □ **HONORS AND AWARDS:**

  **Medicaid CHIP Community Development Lead Hazard Control Program – 2019** Community and Neighborhood Services
- □ **INTRODUCTIONS/PRESENTATION:**
- □ **CITY MANAGER'S REPORT:**
- □ **CONSENT AGENDA:**

  A. **Approval of Minutes** City Clerk
  B. **Farmer's Market Metal Roof Ice Retention** City Clerk
  C. **2018 Blower Purchase** DPW/Cemetery
  D. **Evanston & Oak Grove Sewer Lining** DPW
  E. **Replacement Pump for Getty Street Lift Station** DPW
  F. **City-MDOT Agreement; Remembrance Drive Construction & Maintenance** Engineering
  G. **Evaluate Wastewater Collection System** DPW
  H. **Municipal Water Supply Agreement-First Amendment** City Manager
  I. **SEIU Collective Bargaining Agreement – Clerical Division** City Manager
- □ **PUBLIC HEARINGS:**

  A. **Request for an Industrial Facilities Exemption Certificate – KLO Acquisition** Planning & Economic Development
- □ **COMMUNICATIONS:**

- □ **UNFINISHED BUSINESS:**
- □ **NEW BUSINESS:**
- □ **ANY OTHER BUSINESS:**
- □ **PUBLIC PARTICIPATION:**

► **Reminder: Individuals who would like to address the City Commission shall do the following:**
► Fill out a request to speak form attached to the agenda or located in the back of the room.
► Submit the form to the City Clerk.
► Be recognized by the Chair.
► Step forward to the microphone.
► State name and address.
► Limit of 3 minutes to address the Commission.
► (Speaker representing a group may be allowed 10 minutes if previously registered with City Clerk.)

- □ **CLOSED SESSION:**
- □ **ADJOURNMENT:**

ADA POLICY: THE CITY OF MUSKEGON WILL PROVIDE NECESSARY AUXILIARY AIDS AND SERVICES TO INDIVIDUALS WHO WANT TO ATTEND THE MEETING UPON TWENTY-FOUR HOUR NOTICE TO THE CITY OF MUSKEGON. PLEASE CONTACT ANN MARIE MEISCH, CITY CLERK, 933 TERRACE STREET, MUSKEGON, MI 49440 OR BY CALLING (231) 724-6705 OR TTY/TDD DIAL 7-1-1- TO REQUEST A REPRESENTATIVE TO DIAL (231) 724-6705.

# Memorandum

To: Mayor and Commissioners

From: Frank Peterson

Re: City Commission Meeting

Date: October 4, 2018

Here is a quick outline of the items on our very full agenda(s):

WORK SESSION

1. Dave Alexander will be in attendance to give the Commission an update on happenings downtown.
2. Staff has come to a tentative agreement with the SEIU clerical unit related to their contract, which is expiring at the end of 2019. You'll notice similar themes in this contract as we have seen in others (pension changes, vacation changes, residency bonuses, etc.). This group has historically be one of the lower compensated groups. As part of this agreement, we are implementing a wage realignment that eliminates the five lowest steps in the wage scale. Previously, we have had to start our clerical staff at $12.98 an hour, and that has made it difficult to attract talent in today's job market. The new agreement will allow us to start clerical staff at $15.60 an hour and top out at $20.26 an hour. For comparison purposes, a laborer in the public works department will start at $17.24 an hour in 2019 and top out at $19.85 an hour.
3. Staff is asking that the Commission consider making an amendment to the water supply agreement with Roosevelt Park, North Muskegon, and Muskegon County. We are asking to a temporary reduction in the multiplier charged to these municipalities.
4. We need to have a conversation about the roof and HVAC/Dehumidification at the arena. We have about $1.5 Million in repairs needed.
5. Staff would like to have a discussion on attached housing in the downtown and near downtown neighborhoods. This topic is also on the Planning Commission agenda. Staff is looking for a little direction to follow over the next 1-5 years. Staff believes that our downtown neighborhoods can and should support a wide variety of housing – both market rate and income restricted. Projects like affordable housing (especially LIHTC-funded housing) typically needs to be planned/approved a number of years before it can be completed and made available to residents; knowing that, if we believe there is a need

for this type of housing in the next five years, decisions would likely be needed in 2019 and 2020.

6. The season is coming to an end at Fisherman's Landing. We'd like to talk about how the season went and how we think we can further improve the camping experience in Muskegon.

REGULAR MEETING

1. Under Honors and Awards Oneata will be here to talk about the city's new lead grant.
2. Under the Consent Agenda, we are asking the Commission to consider the following:
    a. Approval of meeting minutes from the most-recent City Commission meeting.
    b. Authorization to purchase and install ice protection equipment for the farmer's market roof.
    c. Purchase of a leaf blower for the public works department
    d. Authorization to enter into an agreement to undertake sewer lining on Evanston and Oak Grove sewers.
    e. Authorization to replace a pump at the Getty Street Lift Station
    f. Authorization to enter into a construction and maintenance agreement with MDOT for Remembrance Drive.
    g. Authorization to begin waste water collection system evaluation.
    h. Approval of first amendment to the municipal water supply agreement.
    i. Approval of the collective bargaining agreement with SEIU – Clerical Division.

3. Under Public Hearings we will accept comments and are requesting approval of a resolution granting an Industrial Facilities Exemption Certificate for KLO Acquisitions for a term of twelve (12) years for real property.

Let me know if you have any questions/comments/concerns

Date: October 3, 2018

To: Honorable Mayor and City Commissioners

From: Ann Marie Meisch, City Clerk

RE: Approval of Minutes

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SUMMARY OF REQUEST: To approve minutes of the September 25, 2018 Regular Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

# CITY OF MUSKEGON

## CITY COMMISSION MEETING

### SEPTEMBER 25, 2018 @ 5:30 P.M.

### MUSKEGON CITY COMMISSION CHAMBERS

### 933 TERRACE STREET, MUSKEGON, MI 49440

# MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, MI at 5:30 p.m., Tuesday, September 25, 2018. Mr. George Monroe, Evanston Avenue Baptist, opened the meeting with prayer, after which the Commission and public recited the Pledge of Allegiance to the Flag.

**ROLL CALL FOR THE REGULAR COMMISSION MEETING:**

Present: Mayor Stephen J. Gawron, Vice Mayor Eric Hood Commissioners Ken Johnson, Byron Turnquist, Willie German, Jr., Debra Warren, and Dan Rinsema-Sybenga, Acting City Manager Beth Lewis, City Attorney John Schrier, and City Clerk Ann Meisch.

**2018-70 CONSENT AGENDA:**

**A. Approval of Minutes** City Clerk

SUMMARY OF REQUEST: To approve minutes of the September 10, 2018 Worksession and September 11, 2018 Regular Meetings.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

**B. Fleet Vehicle Replacement – Chevy 1 Ton 3500 Cab and Chassis** DPW/Equipment

SUMMARY OF REQUEST: The Equipment Division is requesting permission to purchase one Chevy 1-ton 3500 Cab and Chassis coming from Berger Chevrolet off the Oakland County Contract, the lowest available price. The Equipment Division is also requesting permission for Arista Truck Systems to build and install the construction bed for this vehicle. $28,803.00 will be coming from the Equipment Department Budget for the Cab and Chassis along with $9,553.00 for the construction bed for a total purchase of $38,356.00.

FINANCIAL IMPACT: $38,356.00

BUDGET ACTION REQUIRED: None. Amount is what was budgeted.

STAFF RECOMMENDATION: Authorize staff to purchase one Chevy 1-ton 3500 construction truck from Berger Chevrolet.

**C. Fleet Vehicle Replacement – Chevy Colorado Pickup** DPW/Equipment

SUMMARY OF REQUEST: The Equipment Division is requesting permission to purchase one Chevy Colorado pickup coming from Berger Chevrolet off the Oakland County Contract, the lowest available price. The price of this vehicle is $33,216.00 coming from the Equipment Division Budget.

FINANCIAL IMPACT: $33,216.00

BUDGET ACTION REQUIRED: None. Amount is what was budgeted.

STAFF RECOMMENDATION: Authorize staff to purchase one Chevy Colorado pickup truck from Berger Chevrolet.

**D. Fleet Vehicle Replacement – 2019 International Plow Truck Cab and Chassis** DPW/Equipment

SUMMARY OF REQUEST: The Equipment Division is requesting permission to purchase one 2019 International plow truck cab and chassis coming from West Michigan International the State Mi-Deal contractor for a price of $88,487.08. We are requesting that Arista Truck Systems build the dump body and underbody plow for an additional price of $63,994.00 coming from what was budgeted from the Equipment Division Fund.

FINANCIAL IMPACT: $152,481.08

BUDGET ACTION REQUIRED: None. Amount is what was budgeted.

STAFF RECOMMENDATION: Authorize staff to purchase one 2019 International Plow truck cab and chassis and Arista Truck systems to build the Dump body and underplow body.

**E. Fleet Vehicle Replacement – Three (3) Chevy ½ Ton Pickups** DPW/Equipment

SUMMARY OF REQUEST: The Equipment Division is requesting permission to purchase three Chevy ½ ton pickup trucks coming from Berger Chevrolet off the Oakland County Contract, the lowest available price. $35,704.00 per vehicle will be coming from the Equipment Department Budget.

FINANCIAL IMPACT: $35,704 x three for a total of $107,112.00

BUDGET ACTION REQUIRED: None. Amount is what was budgeted.

STAFF RECOMMENDATION: Authorize staff to purchase three Chevy ½ ton pickups from Berger Chevrolet.

**H. <u>Remembrance Drive Construction and Maintenance</u>** Engineering

REMOVED PER STAFF REQUEST

**I. <u>Termination of Purchase and Option Agreement – Port City Construction</u>** City Manager

SUMMARY OF REQUEST: To authorize the City Manager to sign the Termination of Purchase and Option Agreement with Port City Construction regarding 880 First Street.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To authorize the City Manager to sign the Agreement.

**Motion by Commissioner Johnson, second by Commissioner Warren, to approve the consent agenda as presented, except items F & G.**

**ROLL VOTE: Ayes: Gawron, Hood, Warren, German, Rinsema-Sybenga, Turnquist, and Johnson**

**Nays: None**

***MOTION PASSES***

**2018-71 ITEMS REMOVED FROM CONSENT:**

**F. <u>Resolution of Authority to Sign Street Lighting Contracts with Consumers Energy</u>** Department of Public Works

SUMMARY OF REQUEST: Approve the resolution of authority to sign contracts with Consumers Energy to facilitate modifications to no more than 10 street lights per contract.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve the resolution.

**Motion by Commissioner German, second by Commissioner Johnson, to approve the resolution of authority to sign contracts with Consumers Energy to facilitate modifications to no more than 10 street lights per contract.**

**ROLL VOTE: Ayes: Hood, Warren, German, Rinsema-Sybenga, Turnquist, Johnson, and Gawron**

**Nays: None**

***MOTION PASSES***

**G.** **Resolution for Designation of Street Administrator** Department of Public Works

SUMMARY OF REQUEST: Approve the resolution to designate LeighAnn Mikesell, Director of Municipal Services, as the street administrator in all transactions with the Michigan Department of Transportation.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve the resolution.

**Motion by Commissioner German, second by Commissioner Rinsema-Sybenga, to approve the resolution to designate LeighAnn Mikesell, Director of Municipal Services, as the street administrator in all transactions with the Michigan Department of Transportation.**

**ROLL VOTE: Ayes: Warren, German, Rinsema-Sybenga, Turnquist, Johnson, Gawron, and Hood**

**Nays: None**

***MOTION PASSES***

**2018-72 NEW BUSINESS:**

**A.** **Concurrence with the Housing Board of Appeals Notice and Order to Demolish** Public Safety

**2084 Morton Avenue (garage only)**

**987 E. Forest Avenue (garage only)**

SUMMARY OF REQUEST: This is to request that the City Commission concur with the findings of the Housing Board of Appeals that the structures are unsafe, substandard, a public nuisance and that they be demolished within thirty (30) days or infraction tickets may be issued. It is further requested that administration be directed to obtain bids for the demolition of the structures and that the Mayor and City Clerk be authorized and directed to execute contracts for demolition with the lowest responsible bidder or staff may issue infraction tickets to the owner, agent or responsible party if they do not demolish the structure.

FINANCIAL IMPACT: General Funds

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals decision to demolish.

**Motion by Commissioner Rinsema-Sybenga, second by Commissioner Turnquist, to concur with the Housing Board of Appeals decision to demolish.**

**ROLL VOTE: Ayes: German, Rinsema-Sybenga, Turnquist, Johnson, Gawron,**

**Hood, and Warren**

**Nays: None**

***MOTION PASSES***

**B. <u>DDA On-Premise Liquor License for Rolf's Barbeque, LLC</u>** Planning & Economic Development

SUMMARY OF REQUEST: To approve the Resolution for a Downtown Development Authority On-Premise Liquor License for Rolf's Barbecue, LLC. The Liquor Control Commission allows for additional liquor licenses within Downtown Development Authority Districts under certain conditions.

FINANCIAL IMPACT: Approving the Liquor License will allow for a new restaurant in the downtown area which should result in increased revenue for the City.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the resolution.

**Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to approve the resolution.**

**ROLL VOTE: Ayes: Rinsema-Sybenga, Turnquist, Johnson, Gawron, Hood, Warren, and German**

**Nays: None**

***MOTION PASSES***

**ANY OTHER BUSINESS:** Commissioner German commented that the MML Conference was very informative and Commissioner Johnson thanked Mike Franzak for his presentation at Nelson and Nims Neighborhood meetings.

**PUBLIC PARTICIPATION:** No public comments were received.

**ADJOURNMENT:** The City Commission meeting adjourned at 6:30 p.m.

Respectfully Sumbitted,

Ann Marie Meisch, MMC – City Clerk

Date: October 8, 2018

To: Honorable Mayor and City Commissioners

From: City Clerk

RE: Farmers Market Metal Roof Ice Retention

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SUMMARY OF REQUEST: The barn of the Farmers Market hosts the indoor market in the winter time. The roof design causes snow to build up and slide at one time causing hazardous conditions for anyone its way. We reached out to roofing companies for quotes to changes to the market and Innovative Sheet Metals, the installer of the original roof responded with a bid of $13,300 to install SnoGard on the roof of the barn area for the safety of employees, vendors, and visitors of the market.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To authorize staff to enter into an agreement with Innovative Sheet Metals in the amount of $13,300.

**AGENDA ITEM NO.____________**

**CITY COMMISSION MEETING ____________________**

TO: Honorable Mayor and City Commission

FROM: Department of Public Works/Cemetery

DATE: October 9, 2018

SUBJECT: 2018 Blower Purchase

**SUMMARY OF REQUEST:**
Staff is requesting permission to purchase a Hurricane Z3 Blower from White Lake Nursery, Inc., for $10,020.00.

**FINANCIAL IMPACT:**
$10,020.00

**BUDGET ACTION REQUIRED:**
None.

**STAFF RECOMMENDATION:**
Approve request.

**COMMITTEE RECOMMENDATION:**

HURRICANE POWER

FIND A DEALER

# Stand-On Blower Z3

Model Number: Z3


- Blows Left, Right & Forward
- Patented Dual Deflector Air Flow System
- Torsion Mounted Front Axle Assembly
- L.E.D. Lights For Night Operation
- Air Shut Down On All 3 Discharges
- Built In Tie Downs Front & Rear
- Zero Turning Radius
- Patented Quad Control Handle System
- Lower RPM - Less Noise - 2600 RPM

## Specifications:

# QUOTATION



WHITE LAKE NURSERY, INC.
1311 COLBY ST
WHITEHALL, MI 49461
Phone #: (231)894-8574
Fax #: (231)893-4009

PHONE #: **(231)724-3206 Ext: MECH**
CELL #: **(231)329-1804**
ALT. #:
P.O.#:
TERMS: **Cash**
SALES TYPE: **Quote**

DATE: **9/11/2018**
ORDER #: **1139370**
CUSTOMER #: **2073**
CP: **GC**
LOCATION: **1**
STATUS: **Active**

**BILL TO 2073**

CITY OF MUSKEGON
DEPARTMENT OF PUBLIC WORKS
1350 E. KEATING
MUSKEGON, MI 49442

**SHIP TO**

CITY OF MUSKEGON
DEPARTMENT OF PUBLIC WORKS
1350 E. KEATING
MUSKEGON, MI 49442

| MFR | PRODUCT NUMBER | DESCRIPTION | QTY | PRICE | NET | TOTAL |
|---|---|---|---|---|---|---|
| HU | 5901793 | HURRICANE Z3 BLOWER 35HP BRIGGS BIG BLK | 1 | $11,699.00 | $10,020.00 | $10,020.00 |

Prices reflected on this quote are valid for 30 days.
Visit Us At WWW.WHITELAKENURSERYINC.COM

| | |
|---|---|
| SUBTOTAL: | **$10,020.00** |
| TAX: | **$0.00** |
| ORDER TOTAL: | **$10,020.00** |

Authorized By: ______________________________

# WEINGARTZ EVERYTHING FROM LAWN TO SNOW

## QUOTATION

To: *CITY OF MUSKEGON DPW*
1350 E KEATING AVE
MUSKEGON, MI 49442

Quote #: *80086271-00*
Date: 09/11/18
Exp Date:

Attn:
Phone: (231) 724-6912
Email:

Prepared By: *Bill Shallman - CS Manager*
Phone: (616) 696-2913
Email: bshallman@weingartz.com

| Product number | Product and Description | Qty | Sale Price | Total |
|---|---|---|---|---|
| HCHBV-Z3BV | Hurricane Zero-Turn Blo-Vac, Hydro 35Hp BS<br>List Price: $10,759.00 | 1 | $10,195.00 | $10,195.00 |

Total $10,195.00
Invoice Total $10,195.00

Approved By

Customer ______ Date ______ Weingartz Representative ______ Date ______



Weingartz,11875 Northland Drive,Cedar Springs, MI 49319,

WWW.WEINGARTZ.COM

☐ IN-CALL ☐ DONE ☐ ONHOLD ☐ CALLED

**Monroe**

**Truck and Auto Accessories**
2915 E Apple Ave
Muskegon, MI 49442
Tel. 231-773-0005
www.monroeta.com PO:

# INVOICE

No. 122,504

Date: 9/20/18

| BILLING ADDRESS | |
|---|---|
| Name: | CITY OF MUSKEGON |
| Address: | |
| | |
| City/State/Zip: | |
| Phone: | JOSH 231-393-7785 |

| QTY | DESCRIPTION | UNIT PRICE | LINE TOTAL |
|---|---|---|---|
| 1 | Z3 HURICANE BLOWER | | |
| | | 10,400 | |
| | | | |
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YEAR: MAKE: MODEL: CAB: BED:

***THANK YOU FOR YOUR BUSINESS!***

Please make all checks payable to: **Monroe Truck and Auto**

ITEMS RECIEVED BY: (NEED YOUR NAME AND AUTOGRAPH)

DUE TIME:

Norton's Small Engine Repair

5270 Apple Avenue
Muskegon, MI 49442

# Estimate

| Date | Estimate # |
|---|---|
| 9/21/2018 | 219 |

**Name / Address**

City of Muskegon
1350 Keating St
Muskegon, Mi 49441

Att: Joshua Fars

| Project |
|---|
| |

| Description | Qty | Cost | Total |
|---|---|---|---|
| Hurricane Blower 35hp Big Block Vanguard | 1 | 10,550.00 | 10,550.00 |

| | |
|---|---|
| **Subtotal** | $10,550.00 |
| **Sales Tax (6.0%)** | $0.00 |
| **Total** | $10,550.00 |

## Andy Twork

**From:** joshua you guys are funny my friends d fors <joshua.fors@gmail.com>
**Sent:** Wednesday, September 12, 2018 12:37 PM
**To:** Andy Twork
**Subject:** Fwd: Hurricane Quote - City of Muskegon

---------- Forwarded message ---------
From: **Rich Corney** <richc@pacelink.com>
Date: Tue, Sep 11, 2018, 1:53 PM
Subject: Hurricane Quote - City of Muskegon
To: joshua.fors@gmail.com <joshua.fors@gmail.com>
Cc: Ron Weingartz <RonWeingartz@weingartz.com>

City of Muskegon

Muskegon, MI

Attn: Josh

Josh,

Thank you for your interest in the Hurricane Riding Blower. Per your request, below is tax exempt bid pricing:

Hurricane Model X3: Bid Price - 9,117.06

Hurricane Model Z3: Bid Price - 10,997.06

Your local dealer is:

Weingartz

11875 Northland Dr.

Cedar Springs, MI 48319

(616) 696.2913

Date: October 2nd, 2018

To: Honorable Mayor and City Commissioners

From: Department of Public Works

RE: Evanston & Oak Grove Sewer Lining (S-682)

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SUMMARY OF REQUEST:

Award contract (S-682) for sanitary sewer lining on Oak Grove Street and Evanston Avenue. Four contractors submitted bids for this project as follows:

Insituform Technologies. ............................................$74,626.50
Corby Energy Services................................................$80,300.00
Inland Waters Pollution Control....................................$81,585.00
Liquiforce.....................................................................$105,500.00

FINANCIAL IMPACT:

$74,626.50

BUDGET ACTION REQUIRED:

None. This project is included in the FY18-19 Capital Project List.

STAFF RECOMMENDATION:

Award the project to the low bidder, Insituform Technologies

# City Of Muskegon

**Project Description:** Evanston & Oak Grove Sewer Lining (S-2) **Project Number:** S-682

**Project Engineer:** Matt Hulst (Prein & Newhof) **Bid Opening:** 2-Oct-18

| | | | | | Engineers Estimate | | Insituform Technologies | | Corby Energy Services | | Inland Waters Polution Control | | Liquiforce | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Line Item** | **Pay Code** | **Description** | **Units** | **Quantity** | **Unit Price** | **Total** | **Unit Price** | **Total** | **Unit Price** | **Total** | **Unit Price** | **Total** | **Unit Price** | **Total** |
| 1 | | Project Mobilization | LSUM | 1 | $ 10,000.00 | $ 10,000.00 | $ 7,954.70 | $ 7,954.70 | $ 2,500.00 | $ 2,500.00 | $ 5,020.00 | $ 5,020.00 | $ 3,500.00 | $ 3,500.00 |
| 2 | | Traffic Control | LSUM | 1 | $ 3,000.00 | $ 3,000.00 | $ 213.60 | $ 213.60 | $ 3,500.00 | $ 3,500.00 | $ 7,650.00 | $ 7,650.00 | $ 1,000.00 | $ 1,000.00 |
| 3 | | Construction Bypass Operation | LSUM | 1 | $ 6,000.00 | $ 6,000.00 | $ 343.00 | $ 343.00 | $ 2,000.00 | $ 2,000.00 | $ 640.00 | $ 640.00 | $ 1,500.00 | $ 1,500.00 |
| 4 | | Sewer Cleaning and Televising (pre and post inspection) | LSUM | 1 | $ 4,000.00 | $ 4,000.00 | $ 7,362.60 | $ 7,362.60 | $ 4,350.00 | $ 4,350.00 | $ 10,370.00 | $ 10,370.00 | $ 3,500.00 | $ 3,500.00 |
| 5 | | 10" Sanitary Sewer, CIPP | LF | 1450 | $ 50.00 | $ 72,500.00 | $ 26.80 | $ 38,860.00 | $ 29.00 | $ 42,050.00 | $ 25.00 | $ 36,250.00 | $ 38.00 | $ 55,100.00 |
| 6 | | Service Laterial Reinstatement | EA | 50 | $ 100.00 | $ 5,000.00 | $ 98.50 | $ 4,925.00 | $ 65.00 | $ 3,250.00 | $ 55.00 | $ 2,750.00 | $ 500.00 | $ 25,000.00 |
| 7 | | Pressure Grouting Mobilization | LSUM | 1 | $ 2,500.00 | $ 2,500.00 | $ 581.80 | $ 581.80 | $ 3,500.00 | $ 3,500.00 | $ 715.00 | $ 715.00 | $ 500.00 | $ 500.00 |
| 8 | | Pressure Grouting 10-inch Sewer Joints | EA | 30 | $ 400.00 | $ 12,000.00 | $ 476.00 | $ 14,280.00 | $ 605.00 | $ 18,150.00 | $ 585.00 | $ 17,550.00 | $ 510.00 | $ 15,300.00 |
| 9 | | Restoration | LSUM | 1 | $ 2,000.00 | $ 2,000.00 | $ 105.80 | $ 105.80 | $ 1,000.00 | $ 1,000.00 | $ 640.00 | $ 640.00 | $ 100.00 | $ 100.00 |
| | | | | | **Totals:** | **$ 117,000.00** | | **$ 74,626.50** | | **$ 80,300.00** | | **$ 81,585.00** | | **$ 105,500.00** |
| | | | | | | | ***As-Read*** | ***Same*** | | ***Same*** | | ***Same*** | | ***Same*** |

Date: 10/09/18

To: Honorable Mayor and City Commission

From: Department of Public Works

RE: Replacement Pump for Getty St. Lift Station

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SUMMARY OF REQUEST:

Authorize staff to purchase a replacement pump for the Getty Street sewer lift station at a cost of $17,126 from Kennedy Industries (sole supplier).

Due to lightning strike the pump motor needs to be replaced. The pump is 18 years old and was nearing the end of its life expectancy.

FINANCIAL IMPACT:

The cost of materials $17,126.

BUDGET ACTION REQUIRED:

None. Expenditures would come from the Sewer Budget FY 2018/19.

STAFF RECOMMENDATION:

Approve purchase of replacement pump from Kennedy Industries.

September 19, 2018

Mr. Wyatt Eggleton
City of Muskegon
1350 E Keating
Muskegon, MI 49442

**RE: Flygt 3140.090 Pump—Getty Pump Station**
**Serial Number: 9960027**
**Kennedy Industries #: 94915**

Mr. Eggleton:

Upon disassembly, it was found that the cost to repair exceeds the cost of a replacement pump.

Attached are photos with descriptions of the parts in need of repair or replacement. If you have any questions, please do not hesitate to contact us.

Sincerely,

*Sarah Rahn*
KENNEDY INDUSTRIES, INC.

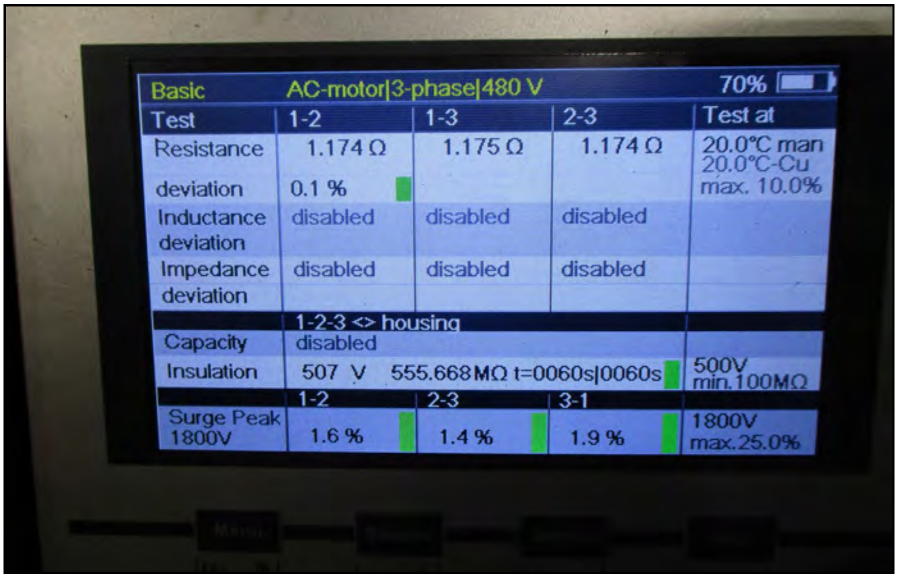
PUMP

- Pump upon arrival to our facility.
- Impeller rotates freely by hand.
- Pump is from 1999 and was last repaired in 2004.

PUMP

- Debris wrapped around back hub of impeller and mechanical seal causing seal failure.

PUMP




- Stator and cable passed initial electrical testing.
- High temperature sensor failed electrical testing and must be replaced.

ROTOR

- Rotor is severely damaged at impeller keyway.
- Rotor is beyond repair and needs to be replaced with new.

IMPELLER

- Impeller ring is severely worn. Clearance to missing case ring is .204—spec is .040.
- Impeller key is broken and beyond repair.
- Impeller needs to be replaced.

## VOLUTE

- Case ring in volute is broken and separating.
- Case ring fit in volute is oversized and eroded.
- New volute needs to be installed

## OIL CHAMBER

- Water in oil chamber from lower mechanical seal failure
- Mechanical seals, bearings, and O-rings need to be replaced with new

## VOLUTE

- Discharge flange pitted and would not provide a good seal.
- New volute will fix this problem.

## GUIDE RAIL BRACKET

- Guide rail bracket is worn beyond repair and would need to be replaced with new

Date: October 3, 2018

To: Honorable Mayor and City Commissioners

From: Engineering

RE: City – MDOT Agreement;
Remembrance Drive Construction & Maintenance

## SUMMARY OF REQUEST:

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Approve the attached contract with MDOT for the Remembrance Drive construction from Keating Avenue south to the road terminus and approve the attached resolution authorizing the Mayor and City Clerk to sign the contract.

## FINANCIAL IMPACT:

None.

## BUDGET ACTION REQUIRED:

None.

## STAFF RECOMMENDATION:

Approve the attached contract and resolution authorizing the mayor & clerk to sign both.

## COMMITTEE RECOMMENDATION:

RESOLUTION

RESOLUTION FOR APPROVAL OF A CONTRACT AGREEMENT BETWEEN THE MICHIGAN DEPARTMENT OF TRANSPORTATION AND THE CITY OF MUSKEGON FOR THE ROAD RECONSTRUCTION AND SANITARY SEWER INSTALLATION ALONG REMEMBRANCE DRIVE FROM KEATING AVENUE SOUTH TO THE ROAD TERMINUS TOGETHER WITH OTHER NECESSARY RELATED WORK ITEMS AND AUTHORIZATION FOR MAYOR STEPHEN J. GAWRON AND CITY CLERK, ANN MEISCH, TO EXECUTE SAID CONTRACT

Moved by ___________________________ and supported by ___________________________ that the following Resolution be adopted:

WHEREAS, entry by the City of Muskegon into Contract no. **18-5421** between the Michigan Department of Transportation and the City of Muskegon for the **Road reconstruction and sanitary sewer installation on Remembrance Drive** within the City is in the best interests of the City of Muskegon.

**RESOLVED**, that entry by the City into Contract Agreement Number **18-5421** be and the same is hereby authorized and approved and the Mayor and Clerk are authorized to execute said contract for and on behalf of the City of Muskegon.

Adopted this _____ day of _______, 2018.

BY

_______________________________________

Stephen J. Gawron, Mayor

ATTEST

___________________________________

Ann Meisch, City Clerk

CERTIFICATION

This resolution was adopted at a meeting of the City Commission, held on _______________**, 2018**. The meeting was properly held and noticed pursuant to the Open Meetings Act of the State of Michigan, Act 267 of the Public Acts of 1976.

CITY OF MUSKEGON

By_____________________________

Ann Meisch, City Clerk

| | | | |
|---|---|---|---|
| PERMIT | DA | | |
| SPECIAL TRUNKLINE | Control Section | 61072 | |
| MAINTENANCE | Permit Reference Number | 56820 | |
| | Contract | 18-5421 | |

THIS Contract is made and entered into this date of ____________________, by and between the MICHIGAN DEPARTMENT OF TRANSPORTATION, hereinafter referred to as the "DEPARTMENT"; and the CITY OF MUSKEGON, a Michigan municipal corporation, hereinafter referred to as the "AGENCY"; for the purpose of fixing the rights and obligations of the parties in agreeing to the maintenance and operation of utility improvements and roadway resurfacing constructed by the AGENCY.

WITNESSETH:

WHEREAS, the AGENCY is proposing the installation of storm sewer and sanitary sewer within the trunkline roadway right-of-way; and

WHEREAS, the DEPARTMENT has determined it to be acceptable to have the AGENCY construct the proposed work which is hereinafter referred to as the "PROJECT" and are further described and located as follows:

> Sanitary and storm sewer reconstruction work along Remembrance Drive from K L Outdoor to Keating Avenue including aggregate base, concrete curb and gutter, sidewalk ramp upgrades, hot mix asphalt resurfacing and pavement marking work; together with necessary related work, located within the corporate limits of the AGENCY; and

WHEREAS, the AGENCY will be responsible for the entire cost of the PROJECT; and

WHEREAS, the parties hereto have reached an understanding with each other regarding the performance of the PROJECT work and the maintenance and operation of the facility to be constructed as the PROJECT and desire to set forth this understanding in the form of a written Contract.

NOW, THEREFORE, in consideration of the premises and of the mutual undertakings of the parties and in conformity with applicable law, it is agreed:

1. The AGENCY will construct the PROJECT at no cost to the DEPARTMENT.

2. The AGENCY shall cause to be performed all the PROJECT work as defined in the permit obtained from the DEPARTMENT. It is understood that portions or all of the PROJECT work will be placed under contract by the AGENCY. The performance of the

PROJECT work will be subject to the conditions established in PERMIT REFERENCE NUMBER 56820.

3. Upon completion of construction, the AGENCY will, at its sole cost and expense, inspect, maintain and operate the facility constructed as the PROJECT. All future maintenance activities will require a permit from the DEPARTMENT. The AGENCY shall conform with all DEPARTMENT permit requirements for any work to be performed within the state trunkline right-of-way. As built plans will be provided to the Muskegon Transportation Service Center.

A. The AGENCY agrees that the PROJECT location will be maintained so as to assure that any Trunkline facilities, structures and the area within the Trunkline right-of-way boundaries will be kept in good condition, both as to safety and appearance. The maintenance of the facilities by the AGENCY will be accomplished in a manner so as not to cause interference with the reconstruction, maintenance or operation of the Trunkline facility and right-of-way.

B. The DEPARTMENT reserves the right to enter the PROJECT location for the purpose of inspection, maintenance or reconstruction of the Trunkline facility when necessary. Additionally, the DEPARTMENT reserves the right to access the PROJECT location as deemed necessary for inspection relating to the DEPARTMENT'S interests. Such inspections are made for the DEPARTMENT'S own purposes and shall not relieve the AGENCY of its duties and obligations under the terms of this Contract. Any deficiencies discovered will be corrected or repaired by the AGENCY at no cost to the DEPARTMENT.

C. Prior to occupancy and/or use of the PROJECT location, the DEPARTMENT will inspect and approve the construction of the PROJECT.

4. The parties hereto agree to comply with all applicable requirements of the Natural Resources and Environmental Protection Act, 1994 P.A., 451, MCL 324.01 et. Seq. for all PROJECT work performed under this Contract and future maintenance work, and the AGENCY shall require its contractors and subcontractors to comply with the same.

5. The AGENCY will not store, allow the storage of or discharge of any radioactive, toxic, flammable, poisonous, explosive or other dangerous, hazardous materials, or waste on the said premises. In addition, the AGENCY will not permit objectionable smoke, fumes, vapors, or odors to rise above the grade line of the Trunkline. No signs, displays or devices may be erected on the right-of-way for the PROJECT unless specified herein or approved by the DEPARTMENT.

6. It is expressly understood and agreed that in case of non-performance of any of the covenants herein made by the AGENCY and after said AGENCY has been furnished written

notice of same by the DEPARTMENT and has been granted a reasonable period of time as determined by the DEPARTMENT for performance or correction thereof, this Contract shall be terminated and said AGENCY shall lose and be barred from all rights, remedies, and actions both at law and in equity upon or under this Contract.

7. It is expressly understood that use of the trunkline right-of-way is subject to the paramount right of the DEPARTMENT and that upon a determination by the DEPARTMENT that such right-of-way is required for the construction, operation, and/or maintenance of any present or proposed trunkline or trunkline use, this Contract may be terminated at the discretion of the DEPARTMENT and the facility constructed as the PROJECT may be removed without reimbursement to the AGENCY.

8. Upon termination of this Contract, the AGENCY will peacefully yield up said PROJECT in as good order and condition as when delivered to the AGENCY at no cost to the DEPARTMENT. In the event this Contract is terminated and if the DEPARTMENT deems it necessary to request the removal of any facility occupying the premises, such removal shall be accomplished by the AGENCY in a manner as prescribed by the DEPARTMENT, at no cost to the DEPARTMENT or the Federal Highway Administration.

9. Any removal or modification of the facilities of the AGENCY, when necessary for Trunkline purposes, shall be performed by the AGENCY at no cost to the DEPARTMENT. Upon failure to so perform, the DEPARTMENT at its discretion may perform such work at the cost of the AGENCY or terminate this Contract.

10. The AGENCY recognizes and acknowledges that private and/or public utility companies may require the modification of the AGENCY'S facilities and it shall cooperate with the utility when requested by the DEPARTMENT at no cost to the DEPARTMENT, or interference with the Trunkline right of way and Trunkline facility.

11. It is understood that if the AGENCY discontinues, abandons or changes the usage of the PROJECT right-of-way, then this Contract shall be terminated and the DEPARTMENT shall have the right to immediately remove the facility constructed as the PROJECT without reimbursement to the AGENCY.

12. Each party to this Contract will remain responsive for any and all claims arising out of its own acts and/or omissions during the performance of the Contract, as provided by this Contract or by law. In addition, this is not intended to increase or decrease either party's liability for or immunity from tort claims. This Contract is also not intended to nor will it be interpreted as giving either party a right of indemnification, either by contract or by law, for claims arising out of the performance of this Contract.

13. This Contract shall become binding on the parties hereto and of full force and effect upon the signing thereof by the duly authorized officials for the AGENCY and for the DEPARTMENT and upon the adoption of a resolution approving said Contract and authorizing the signatures thereto of the respective officials of the AGENCY, a certified copy of which resolution shall be attached to this Contract.

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

| | |
|---|---|
| CITY OF MUSKEGON | MICHIGAN DEPARTMENT OF TRANSPORTATION |
| By____________________<br>Title: | By____________________<br>Department Director MDOT |
| By____________________<br>Title: | FORM APPROVED<br>9-21-18<br>JCJ<br>ASSISTANT ATTORNEY GENERAL |

RDB
9/19/18

APPROVED BY:

9/21/2018

Administrator
Real Estate

Date

**TO:** Honorable Mayor and City Commission

**FROM:** Department of Public Works

**DATE:** October 9, 2018

**SUBJECT:** Evaluate Wastewater Collection System

## SUMMARY OF REQUEST:

Authorize staff to sign the attached Letter of Intent with Mercy Hospital and to enter into the attached agreement with Prein & Newhof for Professional Engineering Service to evaluate our wastewater collection system in the Mercy Hospital and Industrial Park areas. This study will evaluate system capacity concerns and serve as the master plan for the areas.

Prein & Newhof is being recommended since they managed the SAW Grant work and have familiarity with the needs of our sanitary system. The proposed engineering work is for a not to exceed cost of $16,000. Mercy will be responsible for $7,000 and the City will be responsible for the remaining $9,000.

## FINANCIAL IMPACT:

Total Cost $9,000 to be covered by the sewer fund.

## BUDGET ACTION REQUIRED:

None at this time, will be addressed during the first quarter budget reforecast.

## STAFF RECOMMENDATION:

Authorize staff to sign the Letter of Intent with Mercy Hospital and enter into an agreement with Prein & Newhof for Professional Engineering Services.

Affirmative Action
(231)724-6703
FAX (231)722-1214

Assessor/
Equalization Co.
(231)724-6386
FAX (231)724-1129

Cemetery/Forestry
(231)724-6783
FAX (231)724-4188

City Manager
(231)724-6724
FAX (231)722-1214

Clerk
(231)724-6705
FAX (231)724-4178

Comm. & Neigh.
Services
(231)724-6717
FAX (231)726-2501

Computer Info.
Technology
(231)724-4126
FAX (231)722-4301

Engineering
(231)724-6707
FAX (231)727-6904

Finance
(231)724-6713
FAX (231)726-2325

Fire Department
(231)724-6795
FAX (231)724-6985

Human Resources
Co. (Civil Service)
(231)724-6442
FAX (231)724-6840

Income Tax
(231)724-6770
FAX (231)724-6768

Mayor's Office
(231)724-6701
FAX (231)722-1214

Planning/Zoning
(231)724-6702
FAX (231)724-6790

Police Department
(231)724-6750
FAX (231)722-5140

Public Works
(231)724-4100
FAX (231)722-4188

SafeBuilt
(Inspections)
(231)724-6715
FAX (231)728-4371

Treasurer
(231)724-6720
FAX (231)724-6768

Water Billing
(231)724-6718
FAX (231)724-6768

Water Filtration
(231)724-4106
FAX (231)755-5290

MUSKEGON

West Michigan's Shoreline City
www.shorelinecity.com

October 4, 2018

Mr. Lon Morrisson
Sr. Director, Facility Services and Capital Projects
Mercy Health mercy Campus
1500 E. Sherman Blvd
Muskegon, MI 49444

Subject: Letter of Intent for engineering services and payment

Dear Mr. Morrisson:

The City of Muskegon plans to perform an engineering study pertaining to the sanitary sewer in the Mercy Hospital and the Industrial Park drainage areas. We plan on entering into the attached engineering agreement with Prein & Newhof to evaluate system capacity and possible rerouting options.

Per our verbal agreement, Mercy committed to sharing the cost of the study which is for a not to exceed cost of $16,000. Mercy Hospital will pay $7,000 for the engineering services pertaining to the mercy drainage area. The City will pay $9,000 for the engineering services pertaining to the Industrial Park drainage area.

Sincerely,

David Baker
Superintendent of Public Utilities

______________________________
Mercy Hospital representative

______________________________
City of Muskegon Representative

Prein&Newhof

Engineers ▪ Surveyors ▪ Environmental ▪ Laboratory

August 31, 2018

Mr. Dave Baker, Public Utilities Superintendent
City of Muskegon Department of Public Works
1350 Keating Avenue
Muskegon, MI 49442

Re: Proposal for Professional Engineering Services to Evaluate Wastewater Collection System in Hospital and Industrial Park Areas

Dear Mr. Baker:

We are submitting this proposal to provide professional engineering services to assist you with evaluating the capacity of your wastewater system serving the new hospital, the prison and industrial park areas. It appears that the collection system will be near capacity once the new hospital comes on line. You are also anticipating additional customers/flows in the industrial park area.

There are several options that can be considered including rerouting flows to other lift stations such as the prison, Q, J or Keating stations, or building a new lift station. This study can serve as your master plan for the area. We are not planning to do any flow monitoring within the City at this time but some may be needed eventually to confirm model results. For now we will use existing lift station flow histories and area of contribution.

Based on the location of a potential development in the industrial park, the flow for this development would potentially leave the City and flow through Muskegon Township sewers to the County J station. We have very limited information on this sewer and the Township system at this time. We do know that Muskegon Township has significant infiltration and inflow (I/I) issues that severely limit the available capacity of the sewer and J Station. In order to study this option, flow monitoring will be required to develop and calibrate a model of the Muskegon Township sanitary sewer trunk line. Furthermore, we will need access to a township sanitary sewer map and preferably any record plans of the sewer line. This model will be limited to only the trunk line sewer and will not extend into the Township collection system.

**Scope of Services**

In order to evaluate the options, we propose to:

- Gather and review available information of the collection system, including data for lift stations serving those areas;
- Develop a hydraulic model to evaluate the capacity of the existing system;
- Use the hydraulic model to evaluate alternatives for rerouting the flows through other lift stations or possibly a new one;
- Calibrate the Muskegon Township trunk line model with flow monitoring data provided by the City;
- Review the advantages and disadvantages of each option;
- Prepare cost estimates for each option;

- Develop map(s) of options; and
- Prepare two letter reports of the results. One letter report will discuss the recommendations for serving the hospital expansion and the second will be for the long term recommendations for the area east of U.S. 31 served by the Sherman L.S., Industrial Park L.S., and the Muskegon Township system.

**Schedule**

We anticipate activities can be completed by the end of November following results from flow monitoring in the Township system. Identifying options for the hospital capacity issues could be completed earlier. If the Township has available modeling data and possibly previous I/I studies this schedule may be sped up.

**Fee**

Based on the scope of work described above, we propose to complete the work for a not to exceed cost of $16,000. This fee is based on the assumption that the City will install City meters in the Township system and provide the data to us for analysis. This fee also assumes that Muskegon Township has record plans available of the existing trunk line sewer showing pipe sizes and invert elevations. If not, field work may be required to determine pipe slopes and pipe sizes in order to develop a usable model. Any potential field work is not included in this fee. Due to the modeling in the Township we determined there will be more work required on the City capacity study east of U.S. 31 than the Hospital capacity analysis. We estimate $7,000 is attributed to the Hospital capacity analysis and $9,000 is for the City east of U.S. 31. Our estimated time/work level of effort is attached.

Thank you for the opportunity to provide this proposal. Please contact us if you have any questions

Sincerely,

**Prein&Newhof**

Barbara E. Marczak

Barbara E. Marczak, P.E.

C: Leo Evans, P.E., City Engineer

Enclosures: Estimate work effort/fee

# Industrial Park and Sherman Flow Study
# City of Muskegon

| | In-House | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Position | Sen. Proj. Man | Sen. Engineer | Engineer | GIS | Modeling | Clerical | | |
| Staff Member | Marczak | Hulst | Staff | Dempsey | Smith | | Mileage | Total Cost |
| Meeting with Client | 2 | 2 | | | 3 | | 85 | $961 |
| Data Acquisitiona and review | | | 6 | | 2 | | | $820 |
| Capacity Modeling | | 3 | | | 36 | | | $5,145 |
| Alternative Development | 3 | 15 | | 6 | 12 | | | $4,458 |
| Letter Report | 4 | 9 | | 3 | 3 | 3 | | $2,580 |
| Cost Estimate | | 5 | 6 | | | | | $1,087 |
| Review Meeting with Client | 2 | 2 | | | 3 | | 85 | $961 |
| | | | | | | | | **$16,000** |
| **Total Estimated Services** | **11** | **36** | **12** | **9** | **59** | **3** | **170** | **$16,000** |

AGENDA ITEM NO. ________________

CITY COMMISSION MEETING ____________________________

TO: Honorable Mayor and City Commissioners

FROM: Frank Peterson, City Manager

DATE: October 4, 2018

RE: Municipal Water Supply Agreement – First Amendment

**SUMMARY OF REQUEST:**

City Staff is recommending changes to the Municipal Water Supply agreement. This agreement impacts all of the city's non-resident customers, with the exception of Fruitport and Norton Shores. The amendment will temporarily reduce the multiplier in which the rate is calculated from 1.25 to 1.21. The reduction is offset by the water rate increase enacted by City Commissioners in July 2018.

**FINANCIAL IMPACT:**

None.

**BUDGET ACTION REQUIRED:**

None.

**STAFF RECOMMENDATION:**

To approve the First Amendment to the Municipal Water Supply Agreement.

**COMMITTEE RECOMMENDATION:**

DRAFT
09/21/18

# FIRST AMENDMENT TO AGREEMENT FOR MUNICIPAL WATER SUPPLY

This **FIRST AMENDMENT TO AGREEMENT FOR MUNICIPAL WATER SUPPLY** is made this _____ day of _____________, 2018 (the "**First Amendment**"), by and between the **CITY OF MUSKEGON**, ("Muskegon"), whose address is 933 Terrace Street, Muskegon, Michigan 49441, the **CITY OF NORTH MUSKEGON**, 1502 Ruddiman Drive, North Muskegon, MI ("North Muskegon"), the **CITY OF ROOSEVELT PARK**, 900 Oakridge Road, Roosevelt Park, MI ("Roosevelt Park") and the **COUNTY OF MUSKEGON** by and through its **BOARD OF PUBLIC WORKS**, 990 Terrace Street, Muskegon, MI ("County"). North Muskegon, Roosevelt Park and County are referred to herein as "Buyer" or collectively as "Buyers".

## RECITALS

WHEREAS, Muskegon, North Muskegon, Roosevelt Park and County are parties to an Agreement For Municipal Water Supply, dated as of October 1, 2012 ("Agreement"); and

WHEREAS, Muskegon raised its residential water rates 4% effective July 1, 2018 and will increase an additional 4% on July 1, 2019, July 1, 2020, July 1, 2021, and July 1, 2022; and

WHEREAS, Muskegon, North Muskegon, Roosevelt Park and County wish to amend the Agreement on the terms and conditions set forth in this First Amendment ("First Amendment").

**NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:**

1. **INCORPORATION OF RECITALS AND DEFINED TERMS**. The above recitals are hereby incorporated into this First Amendment as if fully set forth herein.

2. **RATES FOR WATER SUPPLY**. The rate to be charged by Muskegon to North Muskegon, Roosevelt Park and County as provided in Paragraph 3 of the Agreement is amended to read as follows:

> For the period of October 1, 2012 through June 30, 2018, the water supplied by Muskegon shall be paid for by each Buyer at a rate of 1.25 times the rate Muskegon charges a majority of its own commercial/industrial/residential customers within its corporate limits. For the period of July 1, 2018 through June 30, 2023, the water supplied by Muskegon shall be paid for by each Buyer at a rate of 1.21 times the rate Muskegon charges a majority of its own commercial/industrial/residential customers within its corporate limits. For the period of Jul 1, 2023 through June 30, 2024, the water supplied by Muskegon shall be paid for by each Buyer at a rate of 1.23 times the rate Muskegon charges a majority of its own commercial/industrial/residential customers within its corporate limits. For the period of July 1,

2024, the water supplied by Muskegon shall be paid for by each Buyer at a rate of 1.25 times the rate Muskegon charges a majority of its own commercial/industrial/residential customers within its corporate limits. The charges for water supply shall be determined using the metered volume of water supplied to each Buyer.

3.1 Muskegon reserves the right to increase its rates to its own customers for water service, and in such event, Buyer's rate shall increase as provided above.

3.2 Any rate increase shall not be effective, unless otherwise agreed, until Muskegon has given Buyers 90 days written notice thereof.

3.3 In the event any of the master meters fail to register the supply of water due to a breakdown or other failure, the charge for the water supply shall be determined by utilizing the average of the 30 day period prior to the breakdown. In the event the said measure is inaccurate because of a progressive breakdown or other reason, Muskegon reserves the right to use an average derived from a period of up to one year prior to the breakdown, in order to determine the charge for water supplied to that meter.

3.4 The current water rate-setting methodology employed by the City of Muskegon does not include a ready-to-serve (RTS) component. Should the City opt to return to a rate format that includes an RTS charge, the Parties may negotiate a new rate multiplier.

3.5 The Parties may renegotiate the rate if Muskegon secures a substantial new municipal water customer (municipality). Muskegon may agree to sell water from its distribution system to any person or entity (including any municipal corporation or authority) outside Muskegon at a lesser rate than that payable hereunder, unless Buyer gives Muskegon written notice of unanimous disapproval within 90 days of receipt of a copy of the proposed agreement. In no event shall Muskegon sell water for less than Muskegon's cost to produce and pump finished water.

3. **Intermediary**. Muskegon, North Muskegon and Roosevelt Park acknowledge that Parmenter Law has represented Muskegon, North Muskegon and Roosevelt Park for many years and all three parties consent to Parmenter law acting as an intermediary in providing legal services on this First Amendment. County acknowledges that Parmenter Law does not represent the County. County had the advice of legal counsel (or an opportunity to obtain the same) before entering into this First Amendment and it is to be interpreted as if it were mutually drafted.

Rule 2.2 of the Rules of Professional Conduct allows Parmenter Law to act as an intermediary in this transaction provided that Parmenter Law consulted with each party concerning the decisions to be made and the considerations relevant in making them, so that each party can make adequately informed decisions.

Parmenter Law reserves the right to withdraw from its representation in the event continued representation of any party, in the sole opinion of Parmenter Law, would adversely affect its relationship with any other party.

4. **MISCELLANEOUS**.

4.1 Entire Agreement. This is the entire agreement between the Parties regarding the subject matter of this First Amendment. It may not be modified or amended except in a written amendment executed by both Parties.

4.2 Construction. The terms of this First Amendment amend and modify the Agreement as if fully stated therein.

4.3 Ratification. All other provisions of the Agreement not specifically modified by this First Amendment are preserved, confirmed and shall remain in full force and effect.

4.4 Counterparts. This First Amendment may be signed in counterparts and delivered electronically or by facsimile, and each such counterpart and delivery will be a binding and valid execution and delivery of this First Amendment.

4.5 Binding Nature. This First Amendment shall be binding upon the Parties and their subrogees, successors, and permitted assigns.

4.6 Authority. Each of the undersigned who execute this document on behalf of an entity represent and warrant that they are authorized by the appropriate agents, members, managers, directors or stockholders of the entity for the purpose of binding the entity to the obligations of this Third Amendment.

**THIS FIRST AMENDMENT IS HEREBY EXECUTED ON THE DATE IDENTIFIED ABOVE.**

CITY OF MUSKEGON

By: ___________________________

Title: __________________________

CITY OF NORTH MUSKEGON

By: ___________________________

Title: __________________________

CITY OF ROOSEVELT PARK

By: ___________________________

Title: __________________________

COUNTY OF MUSKEGON
BOARD OF PUBLIC WORKS

By: ___________________________

Title: __________________________

AGENDA ITEM NO. _______________

CITY COMMISSION MEETING ___________________________

TO: Honorable Mayor and City Commissioners

FROM: Frank Peterson, City Manager

DATE: October 4, 2018

RE: SEIU Collective Bargaining Agreement – Clerical Division

**SUMMARY OF REQUEST:**

City Staff and Service Employees International Union representatives have worked over the past four weeks to develop a new five-year contract for the City's clerical personnel. As part of the agreement, a number of issues were addressed, including pension costs, wages, and benefits. The new agreement is beneficial to both parties.

**FINANCIAL IMPACT:**

None.

**BUDGET ACTION REQUIRED:**

None.

**STAFF RECOMMENDATION:**

To approve the Collective Bargaining Agreement with the Service Employees International Union as presented.

**COMMITTEE RECOMMENDATION:**

AGREEMENT

Between

CITY OF MUSKEGON
And

SERVICE EMPLOYEES
INTERNATIONAL UNION, LOCAL 517M
(Clerical)

JANUARY 1, 2019-- DECEMBER 31, 2023

## INDEX

* * * * * *

## AGREEMENT

This Agreement effective and entered into on this ____ day of January, 2018, between the City of Muskegon (hereinafter referred to as "EMPLOYER"), and the Service Employees International Union, Local 517M (hereinafter referred to as "UNION").

(NOTE: The headings used in this Agreement and exhibits neither add to nor subtract from the meaning, but are for reference only.)

## PURPOSE AND INTENT

The general purpose of this Agreement is to set forth terms and conditions of employment, and to promote orderly and peaceful labor relations for the mutual interest of the Employer, the employees and the Union.

The parties recognize that the interest of the community and the job security of the employees depend upon the Employer's success in establishing a proper service to the community.

To these ends, the Employer and the Union encourage, to the fullest degree, friendly and cooperative relations between the respective representatives at all levels and among all employees.

## ARTICLE 1. RECOGNITION - EMPLOYEES COVERED

Pursuant to and in accordance with all applicable provisions of Act 379 of the Public Acts of 1965, as amended, the Employer does hereby recognize the Union as the exclusive representative for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment, and other conditions of employment for the term of this agreement of all employees of the Employer included in the bargaining unit described below:

> Customer Service Representative, Housing Maintenance Counselor, Housing Rehabilitation Counselor, Rehabilitation Loan Specialist, Permit Technician, Community and Neighborhood Specialist, Section 8 Coordinator, and Tenant Affairs Specialist but excluding Supervisors, Executives and confidential employees, the City Manager's Secretary, all Administrative Secretaries including the Administrative Secretary to Personnel/Purchasing and Planning, Finance Clerks, Administrative Services Supervisor – Department of Public Works, and Administrative Aide/Office Manager in the Police Department, and effective January 1, 1995, the Deputy City Treasurer and effective September 11, 1996, the Deputy City Clerk.

## ARTICLE 2. RECOGNITION OF MANAGEMENT

Except as specifically restricted by this Agreement, and unless limited by law, the City retains all rights, functions and prerogatives, including, but not limited to:

(a) The right and responsibility to direct the operations of the City, including, but not limited to: the selection of the kinds and sources of materials, supplies, machinery and equipment; the determination of the kind, size, number and location of its offices; the determination of the services to be performed by it; the determination of the services to be purchased from others; the determination of the work schedules; the determination of the persons, firms or corporations with whom it will do business; the method of doing business; the determination of the size of the working force to satisfy City requirements; hiring of new employees or determination of whom it will retain at the end of the probationary period; the right to maintain order and efficiency, to relieve employees from duty because of lack of work or for other legitimate reasons; the right to establish, change or introduce new or improved methods, equipment, quality standards or facilities; to terminate employment, suspend, discipline or discharge any employee for just cause; the right to establish, change or introduce standards of safety and safe operating practices; the right to establish and alter all conditions and qualifications of employment (as related to the hiring of new employees).

(b) Any complaint or dispute concerning the exercise of any such management functions in a manner contrary to any express provision of this Agreement shall constitute a grievance within the meaning of this Agreement.

## ARTICLE 3. UNION SECURITY

(a) Upon receipt of a written authorization from an employee, and to the extent permitted by law, the employer will deduct from the employees' wages an amount equal to monthly union membership dues which shall be deducted in a fixed amount each pay period, regardless of the employee's membership status, and remitted to the Union. Once authorized, payroll check-off shall be irrevocable for a period of one year and automatically renewed each year thereafter, except that authorization may be withdrawn by sending a written notice to the Union by registered mail during the period of ten (10) days immediately prior to the annual anniversary date of the contract (Dec. 16th through Dec. 31st).

(b) The employer agrees to provide this service without charge to the union.

## ARTICLE 4. REMITTANCE OF DUES AND FEES

(a) When Deductions Begin.

Check-off deductions under all properly executed authorization for check-off shall become effective at the time the application is signed by the employee and the total dues for the year divided by twenty-six (26) pay periods will be deducted from each pay period of the month in each month thereafter.

(b) Remittance of Dues to Financial Officer.

Deductions for any calendar month shall be remitted to such address designated to the designated financial officer of Service Employees International Union, Local 517M, with an alphabetical list of names and addresses of all employees from whom deductions have been made no later than ten (10) days following the end of the month for which they were deducted.

(c) The employer shall additionally indicate the amount deducted and notify the financial officer of the Union of the names and addresses of employees, who through a change in their employment status, are no longer subject to deductions and further advise said financial officer by submission of an alphabetical list of all new hires since the date of submission of the previous month's remittance of dues.

(d) The Employer shall not be liable to the Union or its Local for the remittance or payment of any account other than that constituting actual deductions made by the Employer at the request of the Union from employees' wages earned. The Union assumes full responsibility for the disposition of the funds once remitted to the Union. The Union shall defend and hold harmless and indemnify the Employer against any expense incurred or liabilities required to be paid arising out of any action resulting from a deduction found to be improper.

## ARTICLE 5. UNION REPRESENTATION

(a) Stewards, Alternate Stewards and Unit Chairmen.

The employees covered by this Agreement will be represented by two stewards. The union shall have the exclusive right to assign said stewards.

1. The employer will be notified of the names of the alternate stewards who would serve only in the absence of a regular steward.

2. The steward involved during his/her working hours, without loss of time or pay, may present grievances to the Employer during working hours.

3. The Unit Chairperson shall be allowed the necessary time off during working hours, without loss of time or pay, to present grievances to the

Employer in accordance with the grievance procedure.

(b) Union Bargaining Committee.

1.1. Employees covered by this Agreement will be represented in negotiations by three negotiating committee members who will be paid by the Employer.

2. Members of the bargaining committee shall not lose time or pay for hours spent in negotiations which occur during normal working hours.

## ARTICLE 6. SPECIAL CONFERENCES

(a) Special conferences for important matters will be arranged between the Chairman of the Union and the Employer or its designated representative upon the request of either party. Such meetings shall be between at least two representatives of the Union and two representatives of Management. Arrangements for such special conferences shall be made in advance and an agenda of the matters to be taken up at the meeting shall be presented at the time the conference is requested. Matters taken up in special conference shall be confined to those included in the agenda. This meeting may be attended by representatives of the Union and/or representatives of the International Union.

(b) The Union representatives may meet on the Employer's property for at least one-half hour immediately preceding the conference.

## ARTICLE 7. GRIEVANCE PROCEDURE

It is the intent of the parties to this Agreement that the grievance procedure set forth herein shall serve as a means for a peaceful settlement of disputes that may arise between them as to the application and interpretation of this Agreement or other conditions of employment. In order to be a proper matter for the grievance procedure, the grievance must be presented to the Employer within ten (10) working days of its occurrence. The Employer will answer, in writing, any grievance presented to it, in writing, by the Union.

"Working days" for purposes of this article shall be Monday through Friday, excluding Saturday, Sunday and holidays.

STEP 1. Any employee having a grievance shall present it to the Employer as follows:

(a) If an employee feels he/she has a grievance, he/she shall discuss the grievance with the steward.

(b) The steward may discuss the grievance with the immediate supervisor.

(c) If the matter is thereby not disposed of, it will be submitted, within ten (10) working days of its occurrence, in written form by the steward to the grievant's Department Head. Upon receipt of the grievance the Department Head shall sign and date the steward's copy of the grievance.

(d) The Department Head shall give his/her answer to the steward and the Employee within ten (10) working days of receipt of the grievance.

(e) Prior to submission of the grievance at the City Manager's level, the grievant shall elect whether he/she desires to proceed under the Civil Service Rules and Regulations or to arbitration, under the terms and conditions of the grievance procedure.

<u>STEP 2</u>. If the grievance remains unsettled, it shall be presented by the Chairman of the Union, in writing, to the City Manager or his designate within ten (10) working days after the response of Step 1 is due. The City Manager or his designate shall sign and date the chapter chairperson's copy. As soon as possible thereafter, if requested by either party, but in any event no later than ten (10) working days, the City Manager or his designate shall schedule a meeting with the Union to discuss and attempt to resolve the grievance. The City Manager or his designate shall respond in writing to the Chairman of the Union within ten (10) working days of the meeting.

<u>STEP 3</u>.

(a) If the answer at STEP 2 is not satisfactory, and the Union wishes to carry it further, the Chairman of the Union shall refer the matter to the Service Employees International Union, Local 517M.

(b) In the event the Employees of the Service Employees International Union, Local 517M wishes to carry the matter further, it shall, within ten (10) working days from receipt of the Employer's answer at Step 2, serve notice of intent to arbitrate on the City Manager or his/her designated representative. The parties shall attempt to mutually select an arbitrator. If the parties are unable to mutually select an arbitrator, the Union shall request a panel from the Federal Mediation and Conciliation Service in accordance with its rules and procedures.

(c) The arbitration proceedings shall be conducted in accordance with the Federal Mediation and Conciliation Service Rules and Regulations.

(d) There shall be no appeal from any arbitrator's decision. Each such decision shall be final and binding on the Union, its members, the employee or employees involved, and the

Employer. The arbitrator shall make a judgment based on the express terms of this Agreement, and shall have no authority to add to or subtract from any of the terms of this Agreement. The expenses for the arbitrator shall be shared equally between the Employer and the Union except as follows:

1. If the Union requests arbitration and then cancels or withdraws the grievance, the Union shall pay the full costs and expenses of the arbitrator;

2. If the Union requests arbitration and the City grants the grievance, the City shall pay the full costs and expenses of the arbitrator; and

3. If the Union requests arbitration and the grievance is resolved or the matter is arbitrated, the costs and expenses shall be shared equally between the Employer and the Union.

(e) Any grievance not answered within the time limits by the Employer shall be deemed settled on the basis of the Union's original demand.

(f) Any grievance not appealed by the Union within the time limits shall be deemed settled on the basis of the Employer's last answer.

## ARTICLE 8. COMPUTATION OF BACK WAGES

No claim involving a claim for back wages shall exceed the amount of wages the employee would otherwise have earned.

## ART ICLE 9. DISCHARGE AND SUSPENSION

(a) Notice of Discharge or Suspension.

The Employer agrees, promptly upon the discharge or suspension of an employee, to notify, in writing, the employee and his/her steward of the discharge or suspension. Said written notice shall contain the specific reasons for the discharge or suspension.

(b) The discharged or suspended employee will be allowed to discuss his/her discharge or suspension with his/her steward if he/she so requests, and the Employer will make available a meeting room where he/she may do so before he/she is required to leave the property of the Employer.

(c) Appeal of Discharge or Suspension.

Should the discharged or suspended employee consider the discharge or suspension to be improper, he/she may file a grievance at the City Manager's step in the grievance procedure within ten (10) working days of the notice of suspension or discharge.

(d) Use of Past Record.

In imposing any discipline or discharge on a current charge, the Employer will not take into account any prior infractions which occurred more than three (3) years previously.

## ARTICLE 10. SENIORITY - PROBATIONARY EMPLOYEES

(a) Seniority shall be defined as an employee's continuous service with the City of Muskegon.

(b) New employees hired in the unit shall be considered as probationary employees for the first six (6) months of their employment. When an employee finishes the probationary period he/she shall be entered on the seniority list of the unit and shall rank for seniority from the day six (6) months prior to the day he/she completes the probationary period. There shall be no seniority among probationary employees.

(c) The Union shall represent probationary employees for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment, and other conditions of employment as set forth in Section (1) of this Agreement, except discharged and disciplined probationary employees for other than union activity.

## ARTICLE 11. SENIORITY LISTS

(a) Seniority shall not be affected by the age, race, sex, marital status, or dependents of the employee.

(b) The seniority list on the date of this Agreement will show the date of hire, names and job titles of all employees of the unit entitled to seniority.

(c) The Employer will keep the seniority list up to date at all times and will provide the Service Employees International Union, Local 517M with up-to-date copies at least once each calendar year unless amended or revised.

(d) The Union's copy of the seniority list, as set forth above, shall be forwarded to the Service Employees International Union, Local 517M, or at such address as notified in writing.

## ARTICLE 12. LOSS OF SENIORITY

An employee shall lose his/her seniority for the following reasons only:

(a) He/she quits.

(b) He/she is discharged and the discharge is not reversed through the procedure set forth in this Agreement or through Civil Service Procedures.

(c) He/she is absent for three (3) consecutive working days without notifying the Employer. The Employer will notify the employee in accordance with the Civil Service procedures at his/her last known address that he/she has lost his/her seniority, and his/her employment has been terminated. The employee will have such rights available to him/her as are provided him/her by said Civil Services Rules and Regulations.

(d) If he/she does not return to work when recalled from layoff as set forth in the recall procedure.

(e) Return from sick leave and leaves of absence will be treated the same as (c) above.

(f) He/she is laid off for three (3) years or for a period not to exceed his/her seniority within his/her classification whichever is less.

## ARTICLE 13. SENIORITY OF OFFICERS AND STEWARDS

The Chairman of the Union, and the two (2) stewards, in that order, shall head the seniority list of the unit during their term of office.

## ARTICLE 14. CONTRACTING OUT WORK

The City has the right to subcontract work customarily done by the bargaining unit only if the cost to subcontract is less than the cost to perform the work internally. The City shall only contract out the work of an employee within the unit when the work of a specific City function is being contracted out. No subcontract shall be entered into without the City having given thirty (30) days written notice to the Union in advance of said subcontract and without first having negotiated with the Union as to the effects of said subcontract upon members of the bargaining unit.

## ARTICLE 15. LAYOFF DEFINED

(a) The word "layoff" means a reduction in the work force.

(b) When a layoff takes place, probationary employees within the classification shall be laid off first. Thereafter, employees having seniority within the classification shall be laid off in the inverse order of their seniority, i.e., the least senior employee on the seniority list being laid off first.

(c) Employees to be laid off will receive notice of the layoff in accordance with Civil Service Rules and Regulations.

(d) Bumping will take place only within the bargaining unit.

(e) An employee who chooses to utilize their bumping rights will bump the lowest senior employee within their classification. If such laid off employee is currently the lowest senior employee within the classification then he/she may choose to bump the lowest senior employee in a different classification for which they are qualified.

## ARTICLE 16. RECALL PROCEDURE

When the working force is increased after a layoff, employees will be recalled according to seniority, with the most-senior employee on layoff being recalled first. Notice of recall shall be sent to the employee at his/her last known address by registered or certified mail. If an employee fails to report for work within ten (10) calendar days from the date of mailing of notice of recall, he/she shall be considered a quit.

## ARTICLE 17. TRANSFERS

(a) Transfer of Employees. If an employee transfers to a position under the Employer, the employee shall have thirty (30) calendar days within which the employee may transfer back. This provision does not apply to employees promoted to another position and failing the promotion or choosing to return to the former position.

(b) Retention of Seniority. If an employee transfers to a position not included in the bargaining unit, and thereafter, within six (6) months, transfers back to a position within the bargaining unit, he/she shall have accumulated seniority while working in the position to which he/she transferred. Employees transferring under the above circumstances shall retain all rights accrued for the purpose of any benefits provided in this Agreement.

## ARTICLE 18. JOB POSTING AND EXAMINATION PROCEDURE

(a) In accordance with Civil Service Rules and Regulations, all open competitive and competitive promotional examinations shall be posted at least five (5) days in each department that employs bargaining unit members, but the posting must continue into the first work day of the week after it was first posted. Employees interested shall apply in writing to the Civil Service Department within the five (5) day posting period. All open competitive and competitive promotional examinations shall be conducted in accordance with Civil Service Rules and procedures.

(b) In accordance with Civil Service Rules and Regulations all examinations for classifications included within this agreement which are above the entry level rate for a clerk-typist shall be considered as competitive promotional examinations. Competitive promotional examinations shall be based upon records of efficiency, character, merit, conduct and seniority and shall be open only to employees within the municipal service who meet the minimum qualifications for the position.

(c) The City will not be required to post a position for promotion in any classification more than once in a six month period. Any employee that would become eligible to apply for the position during that period would be allowed to test for such. If they are successful in the testing, they will be placed on the eligibility list. However, that person cannot promote until such time as they would otherwise meet the time requirements for eligibility.

(d) Employees who apply and who meet the minimum qualifications (as established pursuant to paragraph (b) above) will be placed on an eligible list limited to applicants from within the bargaining unit. No employee's name will be removed from the eligible list unless that employee requests that his/her name be removed. Employees within this bargaining unit shall have preference over all other applicants for an open position. However, if no bargaining unit members apply, the Employer will be authorized to appoint persons from the outside.

(e) Eligible lists will be effective for a period of one (1) year unless during a shorter period of time all bargaining unit members who are on a list have their name(s) removed because of accepting a promotion or by request. In the event all bargaining unit names have been removed as provided above, a vacant position will be posted for promotional examination and a new eligible list established.

(f) Upon making a request to Civil Service, the chapter chairperson will have copies of notices of posting, and names of employees granted positions, made available to him/her.

(g) Employees awarded a position pursuant to the above procedures will be granted a trial period in the new position in accordance with Civil Service Rules and Regulations. If the employee is unsatisfactory in the new permanent position, notice and reasons shall be submitted to the employee and his/her steward in writing. In the event the employee disagrees, it shall be a proper subject for the grievance procedure.

(h) Any employee filling a vacancy of a promotional nature with the City, for which he/she has not been previously classified, shall be given up to six (6) calendar months to prove his/her ability. If the department head fails the employee during this probationary time period, then the employee may return to the former position at the rate of pay for that position.

## ARTICLE 19. JURY DUTY

An employee who is summoned and reports for jury duty as prescribed by applicable law shall be paid by the employer an amount equal to the difference between the amount of wages the employee otherwise would have earned on that date and the daily jury duty fee paid by the Courts, not including travel allowances or reimbursements or expenses for each day on which he/she reports for or performs jury duty and on which he/she otherwise would have been scheduled to work for the Employer. The employee shall notify the Department Head as soon as possible of the dates of absence required by jury service. Jury duty includes witness service by subpoena. In most situations, an employee will continue to receive his/her regular paycheck from the Employer and will turn over checks for daily jury duty fees to the Employer.

## ARTICLE 20. MILITARY LEAVES

(a) The right to re-employment and the continuing seniority rights are guaranteed for any employee, now or hereinafter, upon the seniority list and who, now or hereafter, is a member of the Armed Forces of the United States, State of Michigan.

(b) A leave of absence shall be granted to employees in the classified service for service in defense of the Country or who are members of the National Guard or militia or of the Reserve Corps or forces in the Federal Military, Naval, Marine or Coast Guard Service as authorized and provided for by the Veterans Preference Act of the State of Michigan, and privileges authorized by said Veterans Preference Act with respect to status and re-employment.

(c) Whenever employees who are members of the National Guard, Naval Reserve, Army Reserve, Marine Reserve, or Air Force Reserve, are called to active duty, they shall be entitled to a leave of absence, in addition to their annual vacation leave from their respective duties, without loss of pay for such time as they are engaged in active-duty defense training. Such leaves not to exceed two (2) calendar weeks (ten (10) working days) per year. The parties agree that this provision allows an employee to receive the difference between his/her military pay and his/her regular salary while on the two (2) week training leave.

## ARTICLE 21. UNPAID LEAVES OF ABSENCE

Unpaid leaves of absence shall be approved or rejected in accordance with applicable ordinances, Civil Service Rules and Regulations and applicable statutes.

## ARTICLE 22. RATES FOR NEW JOBS

When a new job is created, the Employer will notify the Union of the classification and rate structure prior to its becoming effective. In the event the Union does not agree that the classification and rate are proper, it shall be subject to negotiations, but not subject to arbitration.

During the life of this contract, the Employer may choose to revise the classification and rate structure prior to its becoming effective. Any change will not result in a loss of pay for an employee. In the event the Union does not agree that the classification and/or a rate change are proper, it shall be subject to negotiations, but not subject to arbitration.

## ARTICLE 23. TEMPORARY ASSIGNMENTS

Temporary Assignments may be made within a Department by the Employer, and employees will receive the higher rate of pay after forty (40) hours in the higher classification. Temporary assignments shall not normally exceed a one (1) year period of time. Temporary assignments made through the Civil Service System will result in payment at the higher rate of pay effective upon appointment.

## ARTICLE 24. WORKING HOURS

(a) The normal workday shall consist of seven and one-half (7-1/2) hours per day. The normal workweek shall consist of thirty-seven and one-half (37-1/2) hours per week, Monday through Friday. Work hours for employees at the Police Department Complaint Desk will be between 6:00 a.m. and 7:00 p.m. Work hours for all other employees will be between 7:30 a.m. and 6:00 p.m.

Notwithstanding anything else in this section, the use of non-mandatory flextime shall be permitted so long as both the employee and the department head agree to the use of the flextime. Flextime hours which are banked must be used or paid for in the next pay period.

(b) Employees shall be allowed sixty (60) minutes unpaid off for lunch.

(c) Employees may take a fifteen (15) minute coffee break in the A.M., and also a fifteen (15) minute coffee break in the P.M., or the first half and second half of their regular shift, whichever may apply.

(d) If the normal hours are changed, the employees will be provided one (1) week notice, if possible.

## ARTICLE 25. OVERTIME

(a) Time and one-half will be paid as follows:

1. For hours in excess of forty (40) in one week.

2. For all hours worked on holidays that are defined by this Agreement in addition to holiday pay.

3. Non-mandated hours on Saturday or Sunday.

If the City mandates that the work be performed on a Sunday or holiday, double time will be paid. If overtime is mandated but the employee elects to do the work on a Sunday or holiday, time and one-half will be paid.

(b) Overtime shall be equalized as much as possible among all employees within a classification within a department.

(c) Employees shall receive the overtime benefits provided for in this Agreement provided they work their full straight time scheduled workweek as established in this Agreement. Paid holidays, sick leave, vacation leave, bereavement leave and other authorized time off, other than disciplinary time off, will be considered as time worked for the purpose of computing overtime and fringe benefits.

(d) For all hours accumulated between thirty-seven and one-half (37-1/2) hours and forty (40) hours per week, credit for actual time worked will be in the form of compensatory time off at a straight time rate of one (1) hour for each hour worked. Unless extenuating circumstances prevail, compensatory time off should be taken during the pay period in which it was earned.

## ARTICLE 26. SICK LEAVE

(a) All employees covered by this Agreement shall accumulate one (1) sick leave day per month, not to exceed twelve (12) days per year, with a maximum accumulation of one hundred thirty (130) days.

(b) Any employee who has accumulated one hundred thirty (130) days of unused sick leave will be compensated on an annual basis for seventy-five percent (75%) of the accumulated, but unused, sick time in excess of one hundred thirty (130) days. This compensation will be paid no later than January 31 of the year following the accumulation. In lieu of being paid seventy-five percent (75%) accumulated but unused sick time, an employee may elect to contribute, on an annual basis, one hundred percent (100%) of the accumulated, but unused, sick time in excess of one hundred thirty (130) days into either the City's Deferred Compensation Program or a Michigan Education Savings Program.

(c) An employee while on paid sick leave will be deemed to be on continued employment for the purpose of computing all benefits referred to in this Agreement and will be construed as days worked specifically.

(d) Sick leave accruals shall be retained by an employee in each of the following cases: an employee who is absent on authorized leave of absence; an employee who transfers from one classification or department to another; a classified employee who is called from a layoff.

(e) Upon termination of employment under honorable conditions, the employee will be compensated at the rate of seventy-five percent (75%) of the value of the accumulated unused sick leave, provided the employee has worked a minimum of twelve (12) consecutive months. In lieu of being paid seventy-five percent (75%) accumulated but unused sick time, an employee may elect to contribute one hundred percent (100%) of the accumulated, but unused, sick time in excess of one hundred thirty (130) days into either the City's Deferred Compensation Program or a Michigan Education Saving Program.

(f) Sick leave will be accumulated and accounted for on a bi-weekly basis based on a maximum of 96 hours per year.

(g) The City will allow use of up to twelve (12) days per year for sick leave for injury or illness in an employee's immediate family which requires presence away from work. Immediate family will include spouse, children, grandchildren, parents, grandparents and parents-in-law.

(h) The minimum increment of sick use shall be one (1) hour.

Employees can change the time the lunch hour is taken to accommodate appointment with supervisor approval.

If employee provides a doctor's slip, sick time can be taken in ¼ hour increments, excluding repeated scheduled appointments at the end of the working day. After the first hour, sick time may be taken in ¼ hour increments.

(i). A medical certificate shall be required in the absence of reasonable evidence of an employee's illness, an illness or injury in his/her immediate family, or injury that prevented his/her attendance at work for a period in excess of four (4) days before compensation for the period will be allowed. A medical certificate may be required in the absence of reasonable evidence of an employee's illness or injury that prevented his/her attendance at work for any length of absence after an employee has taken eight (8) separate periods of sick leave in any calendar year before compensation for the period will be allowed. A "separate period" shall be defined as any time away from work. However, in accruing the "eight (8) separate periods of sick leave in any calendar year", an employee will not have a "separate period" credited to him if a medical certificate is provided as to such sick leave. Following eight (8) separate periods of sick leave in any calendar year where the employee has failed to provide a medical certificate, then each additional separate period of sick leave will be counted as unauthorized and unpaid leave of absence unless the employee or a member of his/her immediate family is subject to a severe or chronic illness of substantial duration.

A "medical certificate" shall either be a completed form provided by the City or a completed form from some other source. A supervisor has the right to refuse any form which is not the City's form and the employee shall have two (2) work days to return the City form. An original signature is not required in the City's medical form.

## ARTICLE 27. WORKER'S COMPENSATION

(a) An employee disabled and absent from duty as a result of a service-connected injury incurred in the employment of the City, shall receive his straight-time salary without deduction from accumulated sick leave for the period of said disability and absence, but not to exceed five (5) working days commencing with the date of injury. All Worker's Compensation payments received by the employee for this period shall be turned over to the City. This paragraph is limited to those situations where the City's physician requires the employee to be off work.

(b) Sick leave will be applied to lost time and deducted for service-connecting disability other than that for which the employee receives Worker's Compensation insurance benefits for lost time, only upon receipt of a statement signed by the City Physician to the effect that the injured employee is unable to perform the regular duties or such other temporary task available in the framework of City functions, in which event said employee's earned sick leave shall be used at the rate of one (1) sick leave day for each day of such service-connected disability until such sick leave accumulation has been exhausted.

(c) An employee's absence from duty due to a service-connected disability for which he/her is receiving Worker's Compensation benefits shall not be compensated for or deducted from his/her sick leave unless he/she shall elect to be paid the difference between the Worker's Compensation received by him/her for such service-connected disability and his/her normal wage or salary; in which event, said employee's earned sick leave shall be used at the rate of one-third (1/3) sick leave day for each day of such service-connected disability until such sick leave accumulation has been exhausted.

(d) Any employee disabled and absent from duty as a result of a service-connected injury incurred in the course of employment with the City of Muskegon, who has exhausted their sick leave option, shall receive economic accruals as of that date, except as specifically stated in the following sub-paragraphs:

1. "Seniority shall continue to accrue (for example, if the employee is injured in the course of his/her employment in his tenth (10th) year of employment and returns to work three (3) years later, his/her seniority shall be as a thirteen-year (13) employee)."

2. "Sick leave shall not be accrued, accumulated, or paid to an employee for any time when the employee has not worked."

(e) In no event shall any employee who has been disabled and absent from duty as a result of a service-connected injury incurred in the course of employment with the City of Muskegon take vacation time off in any one year in excess of that provided for in Article 31, Vacations. Any vacation days accumulated, but not used prior to the injury in excess of the maximum under Article 31 shall be paid to the employee in the year the employee returns to duty.

## ARTICLE 28. BEREAVEMENT LEAVE

(a) In the event there is a death in the immediate family of an employee, consisting only of spouse, parent, child, and the employee attends the funeral service, such shall be granted up to five (5) consecutive work days leave of absence with full pay. If the funeral is on a Saturday or Sunday, the five (5) consecutive work days must commence no sooner than the Wednesday prior to the funeral and extend no later than the Wednesday after the funeral.

In the event there is a death in the family of an employee, consisting only of , grandparent, , brother, sister, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandchild, and grandparent-in-law, and the employee attends the funeral service, such shall be granted up to three (3) consecutive work days leave of absence with full pay. If the funeral is on a Saturday or Sunday, the three (3) consecutive work days must commence no sooner than the Wednesday prior to the funeral and extend no later than the Wednesday after the funeral.

In the event there is a death in the step family of an employee, consisting only of step-parent, step-grandparent, step-child, step-brother, step-sister, step-mother-in-law, step-father-in-law, step-son-in-law, step-daughter-in-law, step-brother-in-law, step-sister-in-law, step-grandchild, and step-grandparent-in-law, and the employee attends the funeral service, such shall be granted up to two (2) consecutive work days leave of absence with full pay. If the funeral is on a Saturday or Sunday, the two (2) consecutive work days must commence no sooner than the Thursday prior to the funeral and extend no later than the Tuesday after the funeral.

An employee shall be granted one (1) day absence with pay in the event of a death in the family of such employee other than herein set forth, which shall be taken on the day of the funeral; provided the employee attends the funeral service.

(b) There shall be no bereavement leave for friends, other than fellow employees. Up to one (1) day special leave will be granted to attend funerals of fellow employees. In the event a substantial number of employees of a particular department would ask for time off to attend the funeral of a fellow employee, the needs of the department will be of primary concern, the Department Head will consider the needs in determining the number of employees to receive time off.

(c) Provided that twenty-four (24) hour notice is submitted, bereavement leave shall be credited to the pay period in which it is taken.

(d) Up to five (5) days of accumulated unused sick leave may be used by an employee each year for bereavement leave in order to attend the funeral service for any of those persons identified herein (in this Article), provided that the employee is required to travel either outside the State of Michigan, or two hundred fifty (250) miles, in order to attend the funeral service, and to provide documentation thereof.

(e) An employee may use (1) one of the five (5) days (sick leave used for bereavement leave), set forth in (d) above, each year to attend the funeral of a friend.

## ARTICLE 29. HOLIDAY PROVISIONS

(a) The paid holidays at City Hall are designated as follows:

| | |
|---|---|
| New Year's Day | Veteran's Day |
| Martin Luther King's Birthday | Thanksgiving Day |
| Memorial Day | Day after Thanksgiving |
| Independence Day | Day before Christmas |
| Labor Day | Christmas Day |
| | Day before New Year's Day |

(b) Employees who work at other than City Hall shall have the holiday schedule consistent with the schedule at the building the employees work. At the DPW Department, one employee will have the opportunity to work the Day after Thanksgiving. Such employee will be chosen, by seniority, from a list of volunteers within the DPW Department. No employee shall receive less than thirteen (13) days off as a combination of holiday/personal leave day. To the extent that an employee receives fewer than eleven (11) holidays, the employee shall receive a corresponding increased number of personal leave days.

(c) Paid holidays which fall on Saturday shall be recognized on the Friday preceding the holiday. Paid holidays which fall on Sunday shall be recognized on Monday following the holiday.

(d) Holidays shall not be accrued, accumulated, or paid to an employee for any time when the employee has not worked.

(e) Permanent part-time employees shall receive holiday pay on a pro-rated basis.

## ARTICLE 30. PERSONAL LEAVE DAYS

(a) After the first year of employment, each employee shall be entitled to two (2) personal leave days per year subject to notice of twenty-four (24) hours in advance of the date requested.

(b) After the first six (6) months of employment, each employee shall be entitled to personal leave days on a pro rata basis.

(c) Personal leave days are not accumulative, but if not granted as time-off, they shall be compensated as a day's pay. If not requested, the days shall be forfeited.

(d) Personal Leave may be taken in one (1) hour increments if so requested by the employee.

(e) Each employee shall have the option to convert one (1) sick leave day per year to a personal leave day, which shall be used as permitted by this article.

(f) Personal leave days shall not be accrued or paid to an employee for any time the employee has not worked.

## ARTICLE 31. VACATIONS

(a) Eligibility. An employee will earn credits toward vacation with pay in accordance with the following schedule:

1. One (1) day per month of employment, but not to exceed ten (10) days per year during the first six (6) years of continuous service.

2. One and one-half (1 ½) days per month of employment, but not to exceed fifteen (15) days per year, beginning the seventh ($7^{th}$) year of employment through fourteen (14) years of continuous service.

3. Two (2) days, but not to exceed twenty (20) days per year, beginning the fifteenth (15th) year of continuous service.

4. Effective 1, 2020, two and one-half (2 ½) days, not to exceed twenty-two and one-half (22 ½) days per year, beginning upon completion of twenty (20) years of continuous service.

5. Two and one-half (2 ½) days, not to exceed twenty five (25) days per year, beginning upon completion of twenty four (24) years of continuous service.

(b) Vacation Scheduling.

1. Vacations will be granted at such times during the year as requested by the employee subject to approval of the Department Head or his/her designee. If more than one employee in a Department should request the same time period or periods, then overall seniority within the clerical unit shall prevail.

Senior departmental employee(s) shall have first choice. They may choose units of not less than one (1) full scheduled work day. In selecting a single-day unit of vacation, the employee shall forfeit a right to a preferred choice by seniority unless arrangements are made with the Department Supervisor/Head thirty (30) days prior to the desired date, and provided further that departmental employees with more seniority have not previously selected such date or dates for their vacation to the extent that such scheduling would serve as a hardship on departmental employment needs.

Between December 1 and December 20 of the calendar year in which vacation is earned, management of the department shall prepare a calendar or schedule for vacations, which shall be circulated among employees with each department for their selection of vacation time in the next succeeding year. The Department head will determine the number of employees that can be on vacation during any given time. This schedule shall be completed by the employees within the department within forty-five (45) calendar days from the date of circulation, but no later than February 15th of the next succeeding year. As of February 15th of each year, the vacation schedules shall be posted in a conspicuous place within each department in order to allow for employees' changes as to vacation scheduling. Thereafter, management shall complete the vacation schedules no later than March 2nd of any calendar year, and they shall be posted as the final vacation schedules, subject only to the following:

Each employee shall have the right to make changes as to his/her personal vacation schedule following March 2nd of any calendar year except that no employee shall be able to declare seniority rights in altering said schedule after March 2nd.

2. When a holiday is observed by the Employer during a scheduled vacation, the vacation will be extended one (1) day continuous with the vacation.

3. A vacation may not be waived by an employee and extra pay received for work during that period.

4. No vacation shall be taken by an employee until the employee has been on the payroll beyond the probationary period.

5. Vacation Leave shall not be cumulative and shall be taken during the calendar year following the one in which it was earned.

6. The minimum increment for vacation use shall be four (4) hours.

(c) Vacation Pay.

1. Subject to Civil Service Rules and Regulations if an employee is discharged, laid off or retired, or severs his/her employment, he/she will receive any earned but unused vacation credit including that accrued in the current calendar year on a prorated basis. A recalled employee who received credit at the time of layoff for the current calendar year will have such credit deducted from his/her vacation the following year.

2. Rate During Vacation. Employees will be paid their regular pay while on vacation and will receive credit for any benefits provided for in this Agreement.

3. Vacation time shall not be accrued, accumulated or paid to an employee for any time when the employee has not worked.

## ARTICLE 32. CHILD CARE EMERGENCY LEAVE

An employee who is unable to report for or remain at work due to a child care emergency may use any accrued leave.

## ARTICLE 33. INSURANCE

(a) Qualifying Beneficiaries.

For employees who leave City employment after January 1, 1989, except to the extent the employee qualifies for immediate payable benefit from the General Employees' Retirement System, retiree health benefits will be limited as follows:

10 years of service - 50% of retiree health benefit
15 years of service - 75% of retiree health benefit
20 years of service - 100% of retiree health benefit

The City reserves the right to change, limit or eliminate the non-traditional health insurance providers.

For individuals hired by the City prior to January 1, 2003, retiree health insurance shall be provided to retirees under the age of 65 and their eligible dependents. Retirees over the age of 65 and their eligible dependents shall be covered under a "Supplement to Medical Plan" for the duration of this Agreement.

For individuals hired by the City after January 1, 2003, retiree health insurance shall be provided only if the retiree immediately qualifies for retirement benefits from the General Employees' Retirement System. If the retiree is eligible for health insurance, the insurance shall cover the retiree only. If the individual does not immediately draw a retirement benefit, no retiree health insurance shall be provided.

Employees hired after January 1, 2009 will not be eligible for retiree health benefits. Instead, the City and the employee will each pay 3% of wages into a Health Care Savings Plan (HCSP).

(b) Hospitalization.

The Employer agrees to provide employees and their dependents with the level of benefits equal to the group health plan presently in effect for the duration of this Agreement, a summary of which is attached as Appendix D. The plan shall include the base plan with coverage of a semi-private per diem room rate charged by hospitals in the Muskegon area and major medical coverage.

The major medical cap shall be:

1) Effective January 1, 1991, One Hundred Fifty Thousand ($150,000) per person;

2) Effective January 1, 1997, Two Hundred Twenty-five Thousand ($225,000) per person; and

3) Effective January 1999, Three Hundred Thousand ($300,000) per person.

Effective January 1, 2012, employees shall pay a premium co-pay of 10% of the premium paid by the City on behalf of the employee, to be deducted from his/her paycheck.

For non-emergency in-patient hospital surgical care, covered employees or dependents shall be required to seek a second opinion, at the City's expense, prior to incurring hospital or surgical expenses. Failure to obtain a second opinion will result in a Two Hundred Fifty ($250) deductible for such service.

The City reserves the right to change, limit or eliminate the non-traditional health insurance providers.

(c) Prescriptions.

Effective January 1, 2006, the City shall maintain, as agreed upon, a prescription drug plan with a Twenty Dollar ($20) drug rider, for generic drugs, and a Forty Dollar ($40) co-pay for brand names. If the brand name drug is equal or cheaper in price than the generic brand, the co-pay shall be Twenty Dollars ($20).

For individuals who retire after January 1, 1999, for anyone eligible for a prescription drug plan, the co-pay for generic drugs shall be $10 and $15 for brand name drugs. This provision shall be applicable when the same provision is applicable to non-union employees and any other union.

For individuals who retire after January 1, 2006, for anyone eligible for a prescription drug plan, the co-pay for generic drugs shall be Twenty Dollars ($20) and Forty Dollars ($40) for brand name drugs. If there is no generic brand, then the generic brand co-pay shall apply.

(d) Life Insurance.

The employer agrees to pay the premiums for group term life insurance on the life of each employee in the face amount equal to the annual salary of each employee, but not less than Sixteen Thousand Five Hundred ($16,500) Dollars.

(e) Optical and Dental Insurance.

Effective January 1, 2003, the employer agrees to pay the premiums for optical and dental insurance with a benefit level consistent with that provided to non-represented employees in 2003. The Employer will pay a lifetime maximum of $2000.00 for orthodontia services.

(f) Long-term Disability Insurance.

Effective January 1, 1999, the employer agrees to pay the premiums for long term disability insurance, with a benefit level consistent with that provided non-represented employees.

(g) Employee Health Insurance Savings Account.

During the 2006-2008 collective bargaining agreement, the City will investigate the possibility of establishing an employee health insurance savings account in order to allow employees to contribute pre-tax monies to be used for health and prescription costs after retirement.

(h) The City's payment of the Health Reimbursement Account (HRA) deductible ($1000 per individual; $2000 per double or family) is contingent upon both the employee and spouse participating in the wellness program.

## ARTICLE 34. DEFINED BENEFIT RETIREMENT PLAN

(a) ELIGIBILITY. The Defined Benefit Retirement Plan is applicable only to unit members hired on or before January 1, 2006.

(b) TRANSFER TO MUNICIPAL EMPLOYEES RETIREMENT SYSTEM. Effective January 1, 2006, the assets and liabilities of the City of Muskegon General Employees' Retirement System associated with City employees represented by SEIU Local 517M (Clerical) shall be transferred to the Municipal Employees Retirement System (MERS). Employees shall no longer have any rights from claims against or participation in the City of Muskegon General Employees' Retirement System.

(c) CONTRIBUTION RATE. Employees shall contribute five percent (5%) of compensation as defined by MERS.

(d) RETIREMENT BENEFIT. An Employee who retires after January 1, 2006 shall be entitled to a retirement benefit pursuant to the MERS (B-3) Benefit Program. The pension multiplier shall be 2.25% of final average compensation (MERS FAC-3), not to exceed 80% of employee's final average compensation. Effective January 1, 2012, final average compensation shall not include more than 240 hours of leave time per year and shall not include any overtime paid on or after January 1, 2012. Employees shall also be entitled to the MERS RS50 spousal benefit.

An employee who retires on or after January 1, 2019 shall receive a bridged benefit as follows:

a. A pension multiplier of 2.25% for service prior to January 1, 2019 times the employee's :frozen final average compensation". "Frozen final average compensation" is defined as the highest compensation in thirty six consecutive months between the date of hire and December 31, 2018; plus

b. A pension multiplier of 2.0% for service on or after January 1, 2019 times the employee's "termination final average compensation". "Termination final average compensation" is defined as the highest compensation in thirty six consecutive months between the date of hire and date of expiration.

(e) DEFERRED RETIREMENT. Effective January 1, 2006, a former Employee who is vested (MERS V-5) and is entitled to a deferred retirement benefit shall receive those deferred benefits afforded by MERS. A member who elects to receive a deferred retirement shall receive the benefit that was in place at the time they left employment.

(f) DISABILITY BENEFITS. Effective January 1, 2006, an Employee eligible for disability benefits, as determined by MERS, shall receive those disability benefits afforded by MERS (MERS F55/30).

(g) RETIREMENT ELIGIBILITY. Employees are eligible to retire at age sixty (60) with ten (10) years of service (MERS F60/10) or at age fifty-five (55) with twenty-five (25) years of service (MERS F55/25).

(h) WITHDRAWAL OF EMPLOYEE CONTRIBUTIONS. To the extent allowed by MERS, an Employee who retires on or after January 1, 2006 may elect to be paid a refund of the accumulated contributions standing to the member's credit at the effective date of retirement. Upon election of this refund provision, the retiree's MERS pension payment options shall be reduced by an amount that is actuarially equivalent to the refunded accumulated contributions.

(i) OUTSTANDING SICK LEAVE. Accumulated sick leave hours paid out at retirement at one-half rate under Section 26(e) will be reclassified as vacation time for purposes of computing the final average compensation reported to MERS. The maximum number of reclassified sick leave hours included in the Employer's FAC computation will be 144 hours.

(j) PURCHASING ADDITIONAL SERVICE CREDIT. To the extent allowed by MERS, members may purchase additional service credit at actuarial cost.

(k) POST-RETIREMENT BENEFIT ESCALATOR. The City Commission will decide each year whether and to what extent a MERS Flexible E postretirement benefit shall be given.

## ARTICLE 35. DEFERRED COMPENSATION

The employer agrees to match employee contributions to the Internal Revenue Code Section 457 (Deferred Compensation) retirement plan on a $1 for $1 basis in the amount of $500 per employee per year.

The Employer will make a one-time contribution of $250.00 on January 1, 2019.

## ARTICLE 36. DEFINED CONTRIBUTION RETIREMENT PLAN

(a) ELIGIBILITY. The Defined Contribution Retirement Plan shall be available to all members of this unit that entered the unit after January 1, 2006 and any current employees who have opted to quit the Defined Benefit Retirement Plan and opted to join the Defined Contribution Retirement Plan. A decision to opt out of the Defined Benefit Retirement Plan and to join the Defined Contribution Retirement Plan is irrevocable.

(b) CONTRIBUTIONS. The City shall contribute six percent (6%) of compensation. The member in this plan may make a one-time election to either not contribute or to contribute three percent (3%) of compensation. If the member elects to contribute, then the City shall match that contribution, dollar for dollar. "Compensation" shall be Medicare taxable wages as reported on the employee's W-2 Form.

(c) VESTING. Member contributions, including any member contributions transferred from the Defined Benefit Retirement Plan, shall be fully vested when made. City contributions, including any non-member contribution transferred from the Defined Benefit Retirement Plan, shall become vested according to the following schedule:

20% after the first full year of service;

40% after the second full year of service;

60% after the third full year of service;

80% after the fourth full year of service; and

100% after the fifth full year of service.

A year of coverage will include time on the City's payroll and a member of the Defined Benefit Retirement Plan.

(d) TRANSFERS FROM DEFINED BENEFIT PLAN. With respect to money transferred from the Defined Benefit Plan, the affirmative election made by the defined benefit plan participant will result in a transfer of the greater of the employee's contributions to the Defined Benefit Plan and the present value of the individual's accrued benefit payable at their deferred retirement date as a life annuity. If the defined benefit plan participant is eligible to receive an immediate benefit, the transfer will be based upon the present value of the individual's accrued benefit payable immediately as a life annuity.

The defined benefit plan participants will be notified of their right to transfer to the Defined Contribution Plan. Defined benefit plan participants shall have until April 30, 2006 to elect to transfer. Failing to elect a transfer shall be deemed a refusal to transfer. A defined benefit plan participant who elects to transfer shall terminate their participation in the Defined Benefit Plan effective May 31, 2006. Assets shall be transferred as soon as possible and shall be based upon the values specified above as of May 31, 2006. Contributions shall commence in the Defined Contribution Plan with the pay period commencing May 21, 2006 with the first contribution occurring in June, 2006.

(e) INTERNAL REVENUE CODE COMPLIANCE. This plan shall fully comply with all Internal Revenue Code provisions, regulations, and rulings. To the extent that there is a conflict, the Internal Revenue Code supersedes any collective bargaining agreement provision.

## ARTICLE 37. CONTINUING BENEFITS

Any employee privileges or benefits which were generally in effect prior to the effective date of this Agreement, which were not changed by this Agreement, will continue in force throughout the life of the Agreement unless altered by mutual consent of the Employer and the Union.

## ARTICLE 38. DISTRIBUTION OF AGREEMENT/BULLETIN BOARDS

(a) The Employer agrees to make available to each employee a copy of this Agreement and to provide a copy of the same Agreement to all new employees entering the employment of the Employer.

(b) The Employer agrees to provide bulletin boards at any City building where City employees work. Bulletin boards are for the purpose of posting notices and information pertaining to Union business.

## ARTICLE 39. WORK PERFORMED BY SUPERVISORS

Supervisory employees, as defined by MERC, shall not be permitted to perform work within the bargaining unit except in cases of emergency arising out of an unforeseen circumstance which calls for the immediate attention and instruction or training of employees, including demonstrating the proper method to accomplish the task assigned. This article shall not apply to confidential employees excluded from this Agreement.

## ARTICLE 40. CIVIL SERVICE JURISDICTION

(a) For the duration of this Agreement, Civil Service Rules and Regulations as set forth in the Charter of the City of Muskegon, applicable to conditions of employment exclusive of provisions as set forth in this Agreement, shall be recognized as binding and adherent policies by the Employer and the Union.

(b) It is further agreed that in the event any provision(s) of said Civil Service Rules and Regulations is declared invalid, unenforceable or non-functional, the parties affected by this Agreement shall enter into immediate collective bargaining negotiations upon the request of the Employer or the Union for the purpose of arriving at mutually satisfactory replacements for such provisions.

## ARTICLE 41. UNEMPLOYMENT INSURANCE

The Employer agrees to provide unemployment insurance coverage for all employees under this Agreement.

## ARTICLE 42. USE OF TEMPORARY HELP

The employer may use temporary nonbargaining unit individuals as follows:

(a) the names of temporary employees and the departments in which they work will be provided to the Union on a monthly basis;

(b) an individual temporary employee may fill a position for six (6) months. At the end of six (6) months, the position may be filled by a different temporary employee or by a city employee;

(c) after a temporary employee has worked for the city for six (6) months, he or she may not work for the City for fifteen (15) calendar days.

## ARTICLE 43. RESIDENCY

The Union acknowledges the City's desire to encourage residency but not require such for employees of this bargaining unit. Effective after signing the 1999-2002 contract, all employees who are members of this bargaining unit are free to maintain their residence at any location and are no longer bound by collective bargaining agreements requiring residency.

Union acknowledges that City may adopt, amend, modify or eliminate any incentive plan to encourage employees to live in the city. For purposes of any incentive, City reserves the right, in its sole discretion, to determine whether an employee is a resident. The incentives will not eliminate, change or modify any present benefit provided for in this collective bargaining Agreement.

Bargaining unit members will receive the same residency incentive as non-union employees.

## ARTICLE 44. AFFIRMATIVE ACTION

The City and Union agree to reopen negotiations upon notification for the limited purpose of negotiating an affirmative action plan. The reopened negotiations would be limited to this issue.

## ARTICLE 45. UNIFORMS AND DRY CLEANING ALLOWANCE FOR POLICE CLERKS

For Police Clerks required to wear uniforms, the City will purchase uniforms for employees with a limited maximum expenditure per employee of One Hundred Fifty ($150) Dollars per year. Newly appointed employees shall be allowed an expenditure of Three Hundred ($300) Dollars in the first twenty-four (24) months of service. Thereafter, the regular fiscal allowance shall apply on a pro rata basis to the number of months in any fiscal year.

Police Clerks will be allowed an annual dry cleaning allowance of Twenty-five ($25) Dollars. The dry cleaning allowance will be payable on December 31 for all employees who have worked that complete year.

Uniform allowance and dry cleaning allowance may not be carried over, except as provided above, and shall be forfeited if not used. Payment shall be on a pro rata basis if an employee is not required to wear a uniform the entire year.

## ARTICLE 46. DRUG AND ALCOHOL TESTING

The parties recognize and support the enactment of the Drug Free Workplace Act of 1988.

Effective January 1, 1996, all employees covered by this contract shall be covered by the City's Drug and Alcohol Policy. Drug testing will be applied as provided for in Appendix F. Random drug testing will apply only to employees in positions requiring a commercial drivers license.

## ARTICLE 47. WAGE AND SALARY SCHEDULE

(a) Appendix A. A wage and salary agreement set forth in Appendix A shall be observed during the term of this Agreement. Appendix A shall reflect wage realignment in 2019, a 1% increase for 2020, a 1% increaser for 2021, a 2.5% increase for 2022, and a 2.5% increase for 2023.

Pursuant to MCL § 423.251b, after the expiration date of a collective bargaining agreement and until a successor collective bargaining agreement is in place, a public employer shall pay and provide wages and benefits at levels and amounts that are no greater than those in effect on the expiration date of the collective bargaining agreement. Accordingly, there will be no retro pay.

(b) Merit Pay Plan. Every employee covered by this Agreement shall each year be evaluated by the Supervisor or Department Head using the current performance evaluation form provided by the Civil Service Commission. Progression from one step to the next higher step shall occur on the first day of the pay period commencing closest to July 1 of each year. Progression from Step 1 through Step 4 shall occur if, and only if, the employee receives a score of average or better on the performance evaluation form, i.e., if the performance evaluation form is a five (5) point scale, the employee must receive a three (3) or higher to move to the next step. After reaching Step 4, progression from one step to the next higher step shall occur automatically.

When a step increase is not granted, the employee's supervisor shall notify the employee of such action and shall inform the employee of the reason prior to July 1. Failure to provide such notice shall not entitle the employee to the step increase. When a step increase is not granted, the employee shall have until October 1 as a probationary period for purposes of obtaining a merit pay increase. On October 1, the employee's supervisor may review the initial decision and shall inform the employee of his/her decision to grant or deny the merit pay increase. An employee who is not granted a step increase may appeal that decision to the City Manager or his delegate, but is not subject to the grievance procedure.

Effective July 1, 2003, in addition to the above possible increase on July 1, there shall be an automatic step increase upon passing probation.

(c) Direct Deposit. All payment shall be by full direct deposit of bi-weekly pay, including overtime payments.

(d) Bi-Lingual Payment. Bi-lingual (including sign language) employees will receive an annual payment of Four Hundred and Fifty Dollars ($450.00) payable at the end of each calendar year. The payment is made as compensation for acting as a translator for the City. Such service performed by the employee will be limited to within City Hall, unless the employee consents to leave City Hall. If at some point such service ceases, so does the obligation to make the annual payment.

## ARTICLE 48. UNION CONFERENCES

The City shall establish a bank of thirty-two (32) hours per calendar year for the purpose of allowing union representatives to attend union conferences. No more than two SEIU representatives may use this bank per day. When the Union requests that employees attend union conferences, the employees shall receive compensation from this account. SEIU shall provide the City with the names of attending employees and the dates of conferences at least three (3) weeks prior to the meeting date. The City reserves the right to refuse attendance based upon weather conditions, staffing requirements, or other factors that would require the individual to perform his or her normal City duties. Upon completion of the conference, the Union shall reimburse the City for the hours deducted from the Union bank.

The City will charge the actual salary expense plus the cost of fringe benefits for the attending employee. The City shall be reimbursed either by check issued by the SEIU or by an offset of the union dues to be forwarded by the City to the SEIU. Deductions from the Union bank may be in increments of no less than eight (8) hours. Any time in the bank not spent by midnight on December 31 shall be lost. At 12:01 a.m. on January 1 of each year the time in the bank shall be increased to 32 hours.

## ARTICLE 49. APPENDIXES

The following appendixes are incorporated and made a part of this Agreement:

Appendix A - Classification and Rates
Appendix B - Longevity
Appendix C - Exclusions
Appendix D - Insurance Benefit Summary
Appendix E - Part-Time Employees
Appendix F - Drug and Alcohol Testing

## ARTICLE 50. SUCCESSOR CLAUSE

This Agreement shall be binding upon the Employer's successors.

## ARTICLE 51. TERMINATION AND MODIFICATION

This Agreement shall continue in full force and effect until 11:59 p.m. December 31, 2016.

(a) If either party desires to amend and/or terminate this Agreement, it shall, sixty (60) days prior to the above termination date, give written notification of same.

(b) If neither party shall give such notice, this Agreement shall continue in effect from year to year thereafter, subject to notice of amendment or termination by either party, on sixty (60) days' written notice prior to the current year's termination date.

(c) If notice of amendment of this Agreement has been given in accordance with the above paragraphs, this Agreement may be terminated by either party on ten (10) days' written notice of termination.

(d) Any amendments that may be agreed upon shall become and be a part of this Agreement without modifying or changing any of the other terms of this Agreement.

(e) It is acknowledged that during the negotiations which resulted in the agreement, both the Union and City had unlimited right and opportunity to make demands and proposals with respect to all proper subjects of collective bargaining. Therefore, for the life of this Agreement, both the Union and the City agree that both parties shall not be obligated, unless by mutual agreement, to bargain collectively with respect to any subject or matter not specifically referred to or covered in this Agreement.

(f) If during the life of the Collective Bargaining Agreement, the Civil Service Commission is no longer recognized by the City, the Union and City will renegotiate any affected articles addressing the Civil Service Commission.

(g) Notice of Termination or Modification. Notice shall be in writing and shall be sufficient if sent by certified mail, addressed to the Union, to: Service Employees International Union, Local 517M, 118 W. Maple Street, Wayland, MI 49348; and, if to the Employer, addressed to: City of Muskegon, City Hall, P.O. Box 536, Muskegon, MI 49443; or, to any such address as the Union or the Employer may make available to each other.

## ARTICLE 52 – EMERGENCY MANAGER

Pursuant to the Local Government and School District Fiscal Accountability Act ("Act"), MCL § 141.1501 et. seq., an emergency manager may be appointed and he/she shall be allowed to reject, modify or terminate this collective bargaining agreement as provided for in the Act.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed this _____ day of ______________, 2018.

SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 517M

CITY OF MUSKEGON

______________________
Christine Stressman
Business Representative

______________________
Stephen Gawron, Mayor

______________________
Maria Deephouse, Unit President

______________________
Ann Cummings, MMC, City Clerk

# 2019

| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Clerical 12** | | | | | | | | | | | |
| Customer Service Representative | hourly rate | $ 15.60 | $ 16.05 | $ 16.50 | $ 16.94 | $ 17.39 | $ 17.83 | $ 18.62 | $ 19.10 | $ 19.67 | $ 20.26 |
| | annual rate | $ 32,456.08 | $ 33,383.83 | $ 34,310.49 | $ 35,238.24 | $ 36,162.73 | $ 37,089.40 | $ 38,734.18 | $ 39,719.89 | $ 40,911.49 | $ 42,138.83 |
| **Clerical 3** | | | | | | | | | | | |
| Community/Neighborhood Services Technician | hourly rate | $ 18.37 | $ 18.90 | $ 19.42 | $ 19.94 | $ 20.47 | $ 21.00 | $ 21.41 | $ 21.83 | $ 22.48 | $ 23.16 |
| Housing Rehab Counselor | annual rate | $ 38,210.02 | $ 39,304.10 | $ 40,394.02 | $ 41,483.10 | $ 42,579.06 | $ 43,670.02 | $ 44,532.80 | $ 45,406.40 | $ 46,768.59 | $ 48,171.65 |
| Housing Maintenance Counselor | | | | | | | | | | | |
| Permit Technician | | | | | | | | | | | |
| Section 8 Coordinator | | | | | | | | | | | |
| Tennant Affairs Specialist | | | | | | | | | | | |
| **Clerical 2** | | | | | | | | | | | |
| Family Self-Sufficiency Coordinator | hourly rate | $ 19.28 | $ 19.83 | $ 20.38 | $ 20.93 | $ 21.49 | $ 22.04 | $ 22.45 | $ 22.87 | $ 23.56 | $ 24.26 |
| Rehab Loan Specialist | annual rate | $ 40,105.94 | $ 41,254.10 | $ 42,397.06 | $ 43,543.97 | $ 44,689.01 | $ 45,836.96 | $ 46,696.00 | $ 47,569.60 | $ 48,996.69 | $ 50,466.59 |
| **Clerical 1** | | | | | | | | | | | |
| Community Development Specialist | hourly rate | $ 20.50 | $ 21.09 | $ 21.68 | $ 22.62 | $ 22.85 | $ 23.43 | $ 23.85 | $ 24.27 | $ 25.00 | $ 25.75 |
| | annual rate | $ 42,648.94 | $ 43,866.99 | $ 45,087.95 | $ 47,039.20 | $ 47,521.97 | $ 48,742.93 | $ 49,608.00 | $ 50,481.60 | $ 51,996.05 | $ 53,555.93 |

# 2020

| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Clerical 12** | | | | | | | | | | | |
| Customer Service Representative | hourly rate | $ 15.76 | $ 16.21 | $ 16.66 | $ 17.11 | $ 17.56 | $ 18.01 | $ 18.81 | $ 19.29 | $ 19.87 | $ 20.46 |
| | annual rate | $ 32,780.64 | $ 33,717.67 | $ 34,653.60 | $ 35,590.63 | $ 36,524.36 | $ 37,460.29 | $ 39,121.52 | $ 40,117.09 | $ 41,320.60 | $ 42,560.22 |
| **Clerical 3** | | | | | | | | | | | |
| Community/Neighborhood Services Technician | hourly rate | $ 18.55 | $ 19.09 | $ 19.61 | $ 20.14 | $ 20.68 | $ 21.21 | $ 21.62 | $ 22.05 | $ 22.71 | $ 23.39 |
| Housing Rehab Counselor | annual rate | $ 38,592.12 | $ 39,697.14 | $ 40,797.96 | $ 41,897.94 | $ 43,004.85 | $ 44,106.72 | $ 44,978.13 | $ 45,860.46 | $ 47,236.28 | $ 48,653.37 |
| Housing Maintenance Counselor | | | | | | | | | | | |
| Permit Technician | | | | | | | | | | | |
| Section 8 Coordinator | | | | | | | | | | | |
| Tennant Affairs Specialist | | | | | | | | | | | |
| **Clerical 2** | | | | | | | | | | | |
| Family Self-Sufficiency Coordinator | hourly rate | $ 19.47 | $ 20.03 | $ 20.59 | $ 21.14 | $ 21.70 | $ 22.26 | $ 22.67 | $ 23.10 | $ 23.79 | $ 24.51 |
| Rehab Loan Specialist | annual rate | $ 40,507.00 | $ 41,666.64 | $ 42,821.03 | $ 43,979.41 | $ 45,135.90 | $ 46,295.33 | $ 47,162.96 | $ 48,045.30 | $ 49,486.65 | $ 50,971.25 |
| **Clerical 1** | | | | | | | | | | | |
| Community Development Specialist | hourly rate | $ 20.71 | $ 21.30 | $ 21.89 | $ 22.84 | $ 23.08 | $ 23.67 | $ 24.09 | $ 24.51 | $ 25.25 | $ 26.01 |
| | annual rate | $ 43,075.43 | $ 44,305.66 | $ 45,538.83 | $ 47,509.59 | $ 47,997.19 | $ 49,230.36 | $ 50,104.08 | $ 50,986.42 | $ 52,516.01 | $ 54,091.49 |

## 2021

| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Clerical 12** | | | | | | | | | | | |
| Customer Service Representative | hourly rate | $ 15.92 | $ 16.37 | $ 16.83 | $ 17.28 | $ 17.74 | $ 18.19 | $ 19.00 | $ 19.48 | $ 20.06 | $ 20.67 |
| | annual rate | $ 33,108.44 | $ 34,054.84 | $ 35,000.13 | $ 35,946.53 | $ 36,889.60 | $ 37,834.89 | $ 39,512.74 | $ 40,518.26 | $ 41,733.81 | $ 42,985.82 |
| **Clerical 3** | | | | | | | | | | | |
| Community/Neighborhood Services Technician | hourly rate | $ 18.74 | $ 19.28 | $ 19.81 | $ 20.34 | $ 20.88 | $ 21.42 | $ 21.84 | $ 22.27 | $ 22.94 | $ 23.62 |
| Housing Rehab Counselor | annual rate | $ 38,978.04 | $ 40,094.11 | $ 41,205.94 | $ 42,316.91 | $ 43,434.90 | $ 44,547.78 | $ 45,427.91 | $ 46,319.07 | $ 47,708.64 | $ 49,139.90 |
| Housing Maintenance Counselor | | | | | | | | | | | |
| Permit Technician | | | | | | | | | | | |
| Section 8 Coordinator | | | | | | | | | | | |
| Tennant Affairs Specialist | | | | | | | | | | | |
| **Clerical 2** | | | | | | | | | | | |
| Family Self-Sufficiency Coordinator | hourly rate | $ 19.67 | $ 20.23 | $ 20.79 | $ 21.36 | $ 21.92 | $ 22.48 | $ 22.90 | $ 23.33 | $ 24.03 | $ 24.75 |
| Rehab Loan Specialist | annual rate | $ 40,912.07 | $ 42,083.30 | $ 43,249.24 | $ 44,419.20 | $ 45,587.26 | $ 46,758.28 | $ 47,634.59 | $ 48,525.75 | $ 49,981.52 | $ 51,480.97 |
| **Clerical 1** | | | | | | | | | | | |
| Community Development Specialist | hourly rate | $ 20.92 | $ 21.51 | $ 22.11 | $ 23.07 | $ 23.31 | $ 23.91 | $ 24.33 | $ 24.76 | $ 25.50 | $ 26.27 |
| | annual rate | $ 43,506.19 | $ 44,748.72 | $ 45,994.22 | $ 47,984.69 | $ 48,477.16 | $ 49,722.66 | $ 50,605.12 | $ 51,496.28 | $ 53,041.17 | $ 54,632.40 |

# 2022

| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Clerical 12** | | | | | | | | | | | |
| Customer Service Representative | hourly rate | $ 16.32 | $ 16.78 | $ 17.25 | $ 17.71 | $ 18.18 | $ 18.64 | $ 19.47 | $ 19.97 | $ 20.57 | $ 21.18 |
| | annual rate | $ 33,936.15 | $ 34,906.21 | $ 35,875.14 | $ 36,845.19 | $ 37,811.84 | $ 38,780.76 | $ 40,500.56 | $ 41,531.22 | $ 42,777.15 | $ 44,060.47 |
| **Clerical 3** | | | | | | | | | | | |
| Community/Neighborhood Services Technician | hourly rate | $ 19.21 | $ 19.76 | $ 20.31 | $ 20.85 | $ 21.40 | $ 21.95 | $ 22.39 | $ 22.83 | $ 23.51 | $ 24.22 |
| Housing Rehab Counselor | annual rate | $ 39,952.49 | $ 41,096.46 | $ 42,236.08 | $ 43,374.84 | $ 44,520.77 | $ 45,661.48 | $ 46,563.61 | $ 47,477.05 | $ 48,901.36 | $ 50,368.40 |
| Housing Maintenance Counselor | | | | | | | | | | | |
| Permit Technician | | | | | | | | | | | |
| Section 8 Coordinator | | | | | | | | | | | |
| Tennant Affairs Specialist | | | | | | | | | | | |
| **Clerical 2** | | | | | | | | | | | |
| Family Self-Sufficiency Coordinator | hourly rate | $ 20.16 | $ 20.74 | $ 21.31 | $ 21.89 | $ 22.46 | $ 23.04 | $ 23.47 | $ 23.91 | $ 24.63 | $ 25.37 |
| Rehab Loan Specialist | annual rate | $ 41,934.87 | $ 43,135.39 | $ 44,330.47 | $ 45,529.68 | $ 46,726.94 | $ 47,927.24 | $ 48,825.45 | $ 49,738.89 | $ 51,231.06 | $ 52,767.99 |
| **Clerical 1** | | | | | | | | | | | |
| Community Development Specialist | hourly rate | $ 21.44 | $ 22.05 | $ 22.67 | $ 23.65 | $ 23.89 | $ 24.50 | $ 24.94 | $ 25.38 | $ 26.14 | $ 26.92 |
| | annual rate | $ 44,593.84 | $ 45,867.44 | $ 47,144.08 | $ 49,184.31 | $ 49,689.09 | $ 50,965.73 | $ 51,870.25 | $ 52,783.69 | $ 54,367.20 | $ 55,998.21 |

## 2023

| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Clerical 12** | | | | | | | | | | | |
| Customer Service Representative | hourly rate | $ 16.72 | $ 17.20 | $ 17.68 | $ 18.16 | $ 18.63 | $ 19.11 | $ 19.96 | $ 20.47 | $ 21.08 | $ 21.71 |
| | annual rate | $ 34,784.56 | $ 35,778.87 | $ 36,772.01 | $ 37,766.32 | $ 38,757.14 | $ 39,750.28 | $ 41,513.07 | $ 42,569.50 | $ 43,846.58 | $ 45,161.98 |
| **Clerical 3** | | | | | | | | | | | |
| Community/Neighborhood Services Technician | hourly rate | $ 19.69 | $ 20.25 | $ 20.81 | $ 21.37 | $ 21.94 | $ 22.50 | $ 22.95 | $ 23.40 | $ 24.10 | $ 24.82 |
| Housing Rehab Counselor | annual rate | $ 40,951.30 | $ 42,123.87 | $ 43,291.99 | $ 44,459.21 | $ 45,633.79 | $ 46,803.01 | $ 47,727.70 | $ 48,663.97 | $ 50,123.89 | $ 51,627.61 |
| Housing Maintenance Counselor | | | | | | | | | | | |
| Permit Technician | | | | | | | | | | | |
| Section 8 Coordinator | | | | | | | | | | | |
| Tennant Affairs Specialist | | | | | | | | | | | |
| **Clerical 2** | | | | | | | | | | | |
| Family Self-Sufficiency Coordinator | hourly rate | $ 20.67 | $ 21.26 | $ 21.85 | $ 22.44 | $ 23.03 | $ 23.62 | $ 24.06 | $ 24.51 | $ 25.25 | $ 26.00 |
| Rehab Loan Specialist | annual rate | $ 42,983.24 | $ 44,213.77 | $ 45,438.73 | $ 46,667.92 | $ 47,895.11 | $ 49,125.42 | $ 50,046.09 | $ 50,982.37 | $ 52,511.84 | $ 54,087.19 |
| **Clerical 1** | | | | | | | | | | | |
| Community Development Specialist | hourly rate | $ 21.98 | $ 22.60 | $ 23.23 | $ 24.24 | $ 24.49 | $ 25.12 | $ 25.56 | $ 26.01 | $ 26.79 | $ 27.60 |
| | annual rate | $ 45,708.69 | $ 47,014.12 | $ 48,322.68 | $ 50,413.91 | $ 50,931.32 | $ 52,239.87 | $ 53,167.01 | $ 54,103.28 | $ 55,726.38 | $ 57,398.17 |

## APPENDIX B

## LONGEVITY PAY PLAN RULES AND REGULATIONS

1. Effective January 1, 2003, semi-annual longevity payments shall be paid in June and December using the following formula:

| | |
|---|---|
| 2% of Base Pay | after 5 years of service |
| 4% of Base Pay | after 10 years of service |
| 6% of Base Pay | after 15 years of service |
| 8% of Base Pay | after 20 years of service |
| 10% of Base Pay | after 25 years of service |

2. Base Pay shall be equal to the lesser of actual annual gross salary or $15,000.

3. All employees with five (5) years or more of service on June 1, 1957, will be eligible for longevity pay.

4. Employees with leaves of absences or a break in continuous service prior to January 1, 1957, will be regarded as continuous employees for longevity pay purposes. Anyone whose employment with the City has been terminated after January 1, 1957, or who is not on the payroll as of January 1, 1957, will be considered as a new employee should he/she return.

4a. Persons reinstated after a break in service will be granted their prior longevity status minus their last five (5) years accumulation upon re-employment. Each additional year of service after re-employment is to be added to this reduced credit for the next longevity increment. (Amended on February 11, 1969.)

4b. Any employee receiving benefits from a City of Muskegon Retirement system shall not be entitled to longevity pay service credit for time worked prior to receiving their first pension benefit. (Amended on February 24, 1976.)

5a. Any employee who reaches 5, 10, 15, 20, or 25 years of service on or before June 30, and is on the payroll as of June 1st will be eligible for one-half the longevity payment in June and each successive semi-annual payment in December and June thereafter.

5b. Any employee who reaches 5, 10, 15, 20 or 25 years of service on or before December 31, and is on the payroll as of December 1st will receive one-half the longevity payment in December and each successive semi-annual payment thereafter.

6. During the calendar year in which an employee retires under one of the City's retirement plans, he/she shall be entitled to receive, at the time of the semi-annual payment of longevity, a pro-rated portion of his/her longevity pay based on days worked. (Amended on March 22, 1960.)

7. All compensation for employees is subject to deduction for income tax, retirement, and social security benefits. (Police and Firemen excluded from social security deductions.)

8. Longevity will not accrue during unpaid leave of absence in excess of thirty (30) days.

9. Longevity shall not be accrued, accumulated or paid to an employee for any time when the employee has not worked.

| | |
|---|---|
| Longevity rules adopted May 14, 1957 | 57-322 |
| Amendment adopted March 22, 1960 | 60-133 |
| Amendment adopted February 11, 1969 | 69-80 |
| Amendment adopted February 24, 1976 | 76-76 |

# APPENDIX C

## EXCLUSIONS

1. City Manager's Secretary
2. Administrative Secretary to Personnel/Purchasing
3. Administrative Secretaries
4. Account Clerk IIs (finance department)
5. Administrative Aide - Public Works
6. Administrative Secretary in Planning Department
7. Effective January 1, 1995, Deputy City Treasurer
8. Effective January 1, 2003, Computer Technician
9. Effective January 1, 2003, Network Technician

# APPENDIX D

CITY OF MUSKEGON

1989 HEALTH CARE PLAN

## SERVICES IN HOSPITAL

| | |
|---|---|
| Number of days of care | 365 days, covered in full |
| Private Room | covered to semi-private rate |
| Semi-private room | covered in full |
| Intensive care | covered to 2 times semi-private rate |
| Necessary ancillary services | covered in full |
| Physician Services, including | covered $15 per visit; balance subject to deductible and 20% copay |
| Surgery | 100% of reasonable and customary charges; maximum $21,000 per surgery |
| Blood | covered in full |
| Anesthesia | covered in full |
| Drugs/Medications | covered in full |
| Hemodialysis | covered in full |
| Laboratory services | covered in full |
| X-ray services | covered in full |
| Physical therapy | covered in full |
| Inpatient Mental Health | covered in full-service hospital 365 days; covered subject to deductible and 20% copay to $20,000 or $50,000 maximum. |
| Inpatient Substance Abuse: | |
| - Acute Detoxification | covered in full |
| - Rehabilitation | covered subject to deductible and 20% copay |

## EMERGENCY MEDICAL CARE

| | |
|---|---|
| Hospital Emergency Room (including physician charges) | accident, covered in full; illness, covered subject to deductible and 20% copay |

## EMERGENCY MEDICAL CARE (Cont.)

| | |
|---|---|
| Urgent Care Centers | covered, subject to deductible and 20% copay |
| Emergency services in physician office: medical or accidental | covered, subject to deductible and 20% copay |
| Emergency Ambulance | covered, subject to deductibles and 20% copay |

## MEDICAL SERVICES

| | |
|---|---|
| Physician's office visit | covered, subject to deductible and 20% copay |
| Office surgical procedures | covered in full per R & C; balance covered subject to deductible and 20% copay |
| Diagnostic laboratory tests | covered in full to $100, balance covered subject to deductible and 20% copay per benefit period |
| Diagnostic x-ray tests | covered in full to $100, balance covered subject to deductible and 20% copay per benefit period |
| Periodic Health Exams | not covered |
| Pap Smears | routine, not covered; diagnostic, covered subject to deductible and 20% copay |
| Maternity, including pre and postnatal care | covered in full to schedule; balance covered subject to deductible and 20% copay |
| Well child care | not covered |
| Health Education and Counseling | not covered |
| Immunizations | routine childhood not covered, adult covered subject to deductible and 20% copay |
| Allergy Injections | covered subject to deductible and 20% copay |
| Allergy Serum | covered, subject to deductible and 20% copay |

## MEDICAL SERVICES (Cont.)

| | |
|---|---|
| Dermatology Services | covered, subject to deductible and 20% copay |
| Voluntary Sterilization | 100% of reasonable and customary charges |
| Infertility testing and treatment | covered subject to deductible and 20% copay, reasonalbe and customary (R&C) |

## OUTPATIENT SERVICES

| | |
|---|---|
| Chiropractic services | covered, subject to deductible and 20% copay, according to plan |
| Physical, speech and occupational therapy | covered, subject to deductible and 20% copay |
| Chemotherapy | covered, subject to deductible and 20% copay |
| Hemodialysis | covered, subject to deductible and 20% copay |
| Prescription Drugs | $2 copay, birth control pills not covered |
| Mental Health visits | not covered |
| Substance Abuse visits | covered in full to $2,069 per year |

## OTHER BENEFITS

| | |
|---|---|
| Durable Medical Equipment | covered, subject to deductible and 20% copay |
| Prosthetic/Orthotic Appliances | covered, subject to deductible and 20% copay |
| Skilled Nursing Facility, including physician fees | not covered |
| Coordinated Home Health Care | covered, subject to deductible and 20% copay |
| Impacted Wisdom Teeth | covered per schedule, balance covered subject to deductible and 20% copay |
| Custodial Care | not covered |

## CONSIDERATIONS

| | |
|---|---|
| Physicians | Freedom of choice |
| Claim Forms | yes |
| Dependent Children | Eligible, full-time students covered indefinitely. |
| Conversion privileges | yes |
| Deductibles, maximums | $100 deductible/individual. $300 decuctible/family 80/20 copay up to $500 out of pocket max/individual, then at 100%, $25 deductible/hospital admission |
| Pre-existing condition | Yes; covered starts 30 days following complete recovery from illness for services and supplies. |

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"Reasonable and Customary" (R&C) -- Fixed dollar amount as determined by regional review board beyond which payment will not exceed. Employee is responsible for amounts beyond R&C.

"Per Schedule" - a list of dollar amounts payable for a specific surgery.

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APPENDIX E

## MEMORANDUM OF AGREEMENT
## PART-TIME EMPLOYEES

### DEFINITION

A part-time employee is an employee who is employed by the City on a regular basis and whose normal work schedule usually consists of less that 37.5 hours and more than 18.75 hours in a work week on a continuous basis.

### WAGES & BENEFITS

1. The hourly rate for part-time employees will be based on the annual rate for their classification, as provided in Appendix A, divided by Two Thousand Eighty (2,080) hours.

2. Part-time employees will receive step increases based on the time in the position.

3. Sick leave and vacation will be accrued on a prorated basis according to the actual time worked.

4. Each employee shall be entitled to two (2) Personal Leave days per year.

5. No other benefits will accrue to part-time employees.

6. Part-time employee shall be entitled to holiday pay on a prorated basis.

### MISCELLANEOUS

1. There shall be at least a fourteen (14) day notification of a substantial change in the work schedule of a part-time employee.

2. Current employees in the same or higher classifications will have the opportunity to submit a transfer request for part-time positions when they become available.

**APPENDIX F**

# CITY OF MUSKEGON

933 Terrace Street
Muskegon, MI 49443-0536

## ADMINISTRATIVE REGULATIONS GOVERNING DRUG AND ALCOHOL USE AND ABUSE

## I. PURPOSE

The City of Muskegon is dedicated to the well-being and safety of our employees, and the community we serve. We're also committed to the successful operation of our city for its citizens. We're committed to improving employee productivity and in servicing the needs and demands of our employees and residents.

We abide by the *Federal Drug Free Workplace Act of 1988 (Section 4804 of the Anti-drug Abuse Act of 1988)*. We must comply with the regulations of the *Federal Highway Administration, Department of Transportation (DOT) Qualification of Drivers and Procedures for Transportation Workers Drug Testing Programs (49 CFR, Parts 40 and 382)*.[1] *We're also covered by the Americans with Disabilities Act (Public Law 101-336, July 1990)*. Finally, we must comply with Michigan's Motor Carrier Safety Act No. 339 of 1990. (MCL 480.11) and all revisions to that act, specifically, *Public Act No. 100 of 1991.*

In the City of Muskegon, we're striving to provide a working environment that is free from the unlawful or illegal consuming, growing, producing, giving, sharing, possessing, selling, manufacturing, or transporting of any controlled or illegal substance.

We are, therefore, setting up these regulations based upon the federal regulations governing the use and abuses of alcohol and/or illegal or otherwise, controlled substances in our workplace.

## II. POLICY

The City of Muskegon's goal is to provide a drug and alcohol-free workplace and environment for all our employees.

A. ILLEGAL AND UNAUTHORIZED DRUGS: The City of Muskegon attempts to provide a drug free, healthful, safe and secure working environment.[2] None of our employees will report to work displaying the effects of illegal, illicit, controlled or unauthorized drugs. No employee will take, make, sell, give, transport or possess a controlled or illegal substance listed within the context of the Controlled Substance Act (CSA). This specifically includes all Schedule I. and II. substances as well as Schedule III. through V. substances being used or possessed without approval or authorization.

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1 *49 CFR, Part 382, @107*

2 49 CFR, @382.103(a)

B. CONTROLLED SUBSTANCE LEVELS: All substance testing will be accomplished according to the guidelines established by the U.S. Department of Health and Human Services and the Department of Transportation, *49 CFR Parts 40, 382 and 391.*[3] Testing is required for the following five substances, the use of which we consider unacceptable in our business environment.

1. Amphetamines: (Cutoff level of 1,000 NG/ml)
   a. Amphetamine confirmatory level of 500 NG/ml
   b. Methamphetamine confirmatory testing levels of 500 NG/ml

2. Cocaine: (Cutoff level of 300 NG/ml)
   a. Metabolite confirmatory levels of 150 NG/ml
   b. Benzoylecgonine

3. Marijuana: (Cutoff level of 50 NG/ml)
   a. Metabolite Confirmatory level of 15 NG/ml
   b. Delta-9-tetrahydrocannabinol

4. Opiates: (Cutoff level of 300* NG/ml)
   a. 25 NG/ml if immunossay specific for free morphine
   b. Morphine confirmatory levels of 300 NG/ml
   c. Codeine confirmatory levels of 300 NG/ml

5. Phencyclidine: (Cutoff level of 25NG/ml)
   a. Metabolite confirmatory level of 25 NG/ml

6. Test Use: Any urine specimens collected may only be used to test for controlled substances designated or approved for testing and shall not be used to conduct any other analysis or test unless otherwise specifically authorized by FHWA regulations. Always, the Chain of Custody will show the test required.[4]

   a. Split Samples[5]: The specimen collected must consist of not less than 45 milliliters of urine, 30 of which are poured into a container for initial testing and 15 ml of which will be poured into a second container for storage by the testing laboratory for not less than 60 days from receipt of both specimens by the lab.

   b. The split sample confirms contested positive test results if the primary sample shows a positive test result. The split sample will result in a negative report if it overturns a previously reported positive test.

   c. Further, our program does not prohibit procedures incidental to an analysis of the specimen for controlled substances.

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[3] *49 CFR, Part 40, @40.29(e)*

[4] 49CFR, @391.93

[5] 49 CFR, Part 40, @40.25(B)(1)

C. ALCOHOLIC BEVERAGES: The use of alcoholic beverages by employees affects safe and efficient operations. No employee will use or possess alcoholic beverages during working hours.[6] Further, no employee shall report to work while under the influence of alcoholic beverages, displaying the effects of having used alcohol, or within four (4) hours of having used alcohol.[7]

1. The odor of alcohol on any employee's breath is reason enough for us to believe that the employee has used and may be under the influence of alcohol. Any employee who engages in such conduct may be subject to discipline, up to and including immediate termination. Termination action, under these administrative regulations will be initiated when:

   a. An employee refuses to submit to a required preliminary breath test (PBT) followed by an evidential breath test (EBT) or any other DOT-approved test to measure the extent and level of alcohol within a worker's body.[8]

   b. An employee tests above .04 percent Breath Alcohol Level (BAL) and refuses assessment or fails to complete the treatment plan prescribed by the assessment professional.

   c. Tests above .07 percent BAL while reporting for duty, while on duty, or within eight (8) hours following a reportable accident.

D. NOTIFICATION OF CRIMINAL CONVICTION: All employees will notify the City of Muskegon of any criminal drug statute conviction.

E. NOTIFICATION OF CIVIL OR CRIMINAL DRIVING INFRACTION CONVICTIONS: Likewise, any and all employees will notify the City of Muskegon of any civil or criminal driving conviction resulting from an arrest for impaired driving or operating under the influence moving violation or related offense.

1. The employee must notify their immediate supervisor, in writing, of any such conviction for drug or alcohol within twenty-four (24) hours of the conviction. The immediate supervisor will report the incident to the Director of Personnel of the City of Muskegon. Such convictions include:

   a. Refusal to submit to chemical test (Michigan Implied Consent Law).

   b. Operating with an unlawful blood alcohol level (UBAL) of .10 percent or more

   c. Operating under the influence of liquor (OUIL).

   d. Operating under the influence of drugs (OUID).

   e. Operating while impaired (OWI) by alcohol and/or other drugs.

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[6] 49 CFR, @382.205

[7] 49 CFR, @382.207

[8] 49 CFR, @382.211

2. This provision also requires each employee to notify the City of Muskegon, in writing, within twenty-four hours or by the end of the next business day of any such action involving:

   a. any license suspension or revocation.

   b. any cancellation, lost privilege or disqualification.

F. **AMNESTY AGREEMENT:** It is not the intent of the City of Muskegon to cause undue hardships, prolong suffering caused by addiction or dependence to controlled substances or alcohol, or invoke unreasonable disciplinary action. We are urging any of our employees who may have a problem to come forward before the first testing takes place. Those who voluntarily come forward can expect:

1. COMPLETE and total confidentiality, and

2. Pompt referrals to certified and licensed substance abuse professionals capable of:

   a. Providing accurate and clinically sound assessments.

   b. Referrals to licensed and experienced employee assistance providers, and

3. REASONABLE EXPECTATIONS of return to duty provided:

   a. All terms and conditions of any treatment plan are fully met, and

   b. The employee is capable of holding a current license allowing them to retain employment in that classification, and

   c. Is not medically disqualified from operating any commercial motor vehicle (CMV).

4. ANY EMPLOYEE failing to meet any of the stipulations contained in the preceding paragraph can expect appropriate levels of disciplinary action up to and including termination of employment.

5. EMPLOYEES FAILING to come forward under this *last chance* agreement and who are found to have a positive test under the provisions of Part III *(following)* of these regulations can expect to be subjected to the appropriate levels of discipline.

## III. DRUG AND ALCOHOL SCREENING:

All substance testing will be done by a reliable hospital or independent laboratory using qualified and trained medical technicians or professionals.

A. EMPLOYEES will be transported to and from the collection site in all cases involving reasonable suspicion, cause or post accident testing.

1. The employee's department head will make final determination whether to suspend employees or not, and/or with or without pay.

2. Should the tests prove negative, the employee will be returned to work without discipline or loss of pay. Positive testing of drug or alcohol use or abuse or refusal to submit to this testing can be grounds for discipline up to and including termination.

C. **OFF DUTY ALCOHOL USE:** No City employee engaged in operating a commercial motor vehicle will consume any alcoholic beverage within four (4) hours of expected starting time or beginning a safety-sensitive function.[9]

1. **ANY EMPLOYEE** called to work and having consumed alcohol within the four (4) hour period will advise their supervisor or dispatcher they are unable to report for work.

2. **BREATH ALCOHOL LEVEL OF .02 TO .04 PERCENT:** *Federal Motor Carrier Safety Regulation (FMCSR) 392.5* A person, whether licensed or not, whose breath contains .02 percent or more but less than .04 percent by weight of alcohol shall not operate a commercial motor vehicle within the State of Michigan. Any operator found operating a commercial motor vehicle in this condition is subject to suspension up to and including termination.

   a. Any vehicle or equipment being operated by an employee testing positive for alcohol use to these levels will be shut down, locked, secured, or otherwise locked-out and tagged-out until a designated representative of the City can retrieve the vehicle and/or equipment.

   b. Any employee found to have violated the mandatory twenty-four (24) hour stand down order will be considered violating these regulations and appropriate disciplinary action can be taken.

   c. Any employees who operate a publicly-owned commercial motor vehicle violating law enforcement imposed out-of-service order may be guilty of a misdemeanor and may have their CDL suspended for one (1) year. Such an action would disqualify that employee from continued employment as a driver.

   d. Any employee refusing to submit to a Preliminary Breath Test (PBT) for cause or whose Breath alcohol level measures .02 percent or more but less than .04 percent as measured by a PBT and confirmed by an Evidential Breath Test (EBT) will be suspended for 24 hours.

   The employee who refuses to submit to PBT or EBT and was operating a commercial motor vehicle will be considered to have a BAL. of above .04 percent and is medically disqualified from operating a commercial motor vehicle until they can successfully pass a chemical analysis of breath and submit to an assessment by a licensed substance abuse professional.

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9 49 CFR, Part 382, @382.207

(i). Under the terms of 49 CFR, part 382, subpart A, 382211, No employer shall allow a driver who refuses to submit to a required alcohol or controlled substance test to perform or continue to do safety-sensitive functions.

## IV. EMPLOYMENT CONSIDERATION TESTING[10]

All regulated *(safety-sensitive)* applicants must submit to and pass a urine drug screening test to be considered for employment.

A. POST-OFFER CANDIDATES: All other job candidates, if appropriate, will submit to, and pass a urine drug screen.

1. An applicant who has received a firm job offer is cautioned against giving notice at their current position, selling real estate, or incurring other costs associated with accepting employment with the City of Muskegon until drug screening testing clearance has been received. Under no circumstances should a new employee report for work until clearance is received by the City.

2. If an applicant protests a positive urine drug test screening result, the City may exercise its discretion to allow the applicant to submit the split sample portion of the original specimen, immediately and without prior notice, for testing. An applicant who refuses screening will be denied any further consideration.

3. If the split-sample urine drug screen test is requested, the applicant will pay for the test. If the split sample test is reported as a negative, the employee will be reimbursed for the cost of the split sample test. If the split sample test's results overturn a first test positive, the test will be considered a negative and a copy of the second test results will be placed in the employee's drivers or personnel file and a copy provided to the employee or applicant.

## V. REASONABLE SUSPICION or FOR CAUSE TESTING

Any employee whose performance suggests that they are unfit for duty and are possibly using or abusing drugs or alcohol will be subject to a drug or alcohol screening test.[11]

A. REASONABLE SUSPICION: For the purposes of our regulations, the term "reasonable suspicion" applies to only testing for controlled substances. The term, "reasonable cause", applies to testing for consumption and use of alcohol.

B. JUSTIFICATION OF REASONABLE SUSPICION TESTING: A trained supervisor may insist on a reasonable suspicion drug or reasonable cause alcohol test any time he or she has a valid and supportable reason to believe that the employee's actions, behavior, appearance or symptoms suggest the use or abuse or illegal or unauthorized drugs and/or alcohol. The trained supervisor must document incidents

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10 49 CFR, Part 382, Subpart C, @382.301

11 @382.307

of reasonable suspicion (for cause) and the justification should include two or more of the indicators contained on the *Supervisor's Incident*

Report (AD-102) and as outlined in Paragraph C of this section except reportable accidents.

1. A trained supervisor is one who has received not less than 60 minutes of initial training in detecting the signs and symptoms of drug use and 60 minutes in detecting the signs and symptoms of alcohol use and abuse.[12]

C. **DRUG OR ALCOHOL SCREENING TESTS:** Approved tests will be required of a specific employee, or group of employees, anytime the City, based upon the observations of a trained supervisor, thinks that such testing may be appropriate, including, but not limited to the following:[13]

1. Employee absenteeism or tardiness
2. Accident investigation
3. Unexplained deterioration of individual job performance
4. A significant change in the individual's personality
5. Reports that an individual employee, or groups of employees, have been using drugs or alcohol violating this policy.
6. Admission regarding the employee's use of drugs or alcohol.
7. Unexplained absences from the normal workplace when there is reason to suspect drug or alcohol-related activity violating this policy.
8. Smell or odor suggesting the presence of drugs or alcohol.
9. Behavior suggesting the employee is under the influence of drugs or alcohol.
10. Safety violation including injuries.

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12 49 CFR, Part 382, Subpart C, @382.307 and Subpart F, @382.603

13 @382.307 (a)(b)(c)(d)

## VI. POST-ACCIDENT TESTING:

Any employee involved in a reportable vehicle accident[14] while operating any vehicle owned or operated by the City of Muskegon may be required to submit to a urine drug screen or Evidential Breath Test. By definition, the City of Muskegon considers an accident reportable when:

A. **ACCIDENT:** An accident resulted in personal injury requiring medical attention[15], or

B. **CITATION:** An employee was cited by an investigating law enforcement agency. [16], or

C. Any vehicle or heavy equipment involved in the accident is unable to be driven from the scene under its own power.[17]

## VII. RANDOM AND PERIODIC SELECTION: (CDL's only)

A. **RANDOM SELECTION:** All CDL employees will be included in casual selections of employees to undergo unannounced urine drug screens and alcohol tests. Such casual selections are called random tests and selection will be conducted from a pool of eligible workers employed by the City.[18] Selection will be based upon:

1. Regulated Selection:. A casual or random draw of the selected employees from a pool containing the last four digits of employee social security numbers of all regulated employees.

    a. Random Drug Tests will equal not less than 50 percent of all employees listed within the pool in a calendar year.[19]

    b. Random Alcohol Tests will equal not less than 25 percent of all employees listed within the pool for at least the first year of operation.

    c. Random alcohol tests may be selected from those to participate in the drug screen random selection provided;

        (i.) Each employee within the pool has an equal chance of being selected for either or both tests.

        (ii.) If <u>industry wide</u> positive levels exceed more than one (1) percent for two years running, the random alcohol testing rate will increase to fifty (50) percent.

        (iii.) If industry wide levels fall below one (1) percent positives for two years running, the random alcohol

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14 e382.303

15 City of Muskegon Work Rule

16 49 CFR, Part 382, Subpart C, e382.303(a)(2) and (b)(2)

17 City of Muskegon Work Rule

18 e382.305(e)(f)

19 e382.305(g)

rate will fall to ten (10) percent.

## VIII. TEST LEVELS

For the purposes of these regulations, any employee will be considered to have failed (*with a positive test result*) any administered urine drug screen if, after analysis, test levels exceed the established cut-off levels and show the use of a controlled substance included in Schedule I or II as defined by @802(6) of Title 21 of the United States Code [Section @802(6) of Title 21, Food & Drugs]: the possession of which is unlawful under Chapter 13 of that title [@801 et seq. of Title 21]. The term *illegal drug* does *not* mean the use of a controlled substance pursuant to a valid prescription of other uses authorized by law. Valid prescriptions used following the physician's instructions must be recorded and treated as negative test results.

## VIII. CONFIDENTIALITY

All actions taken by the City of Muskegon under the authority of these regulations will be taken to insure the confidentiality of the employees.[10] Information related to investigations, possible employee violations, or drug or alcohol screening test results will be made available only on a strict "*need-to-know*" basis.

A. NEED-TO-KNOW: For the purposes of our regulations, "*need to know*" is limited to:

1. Auditors or Enforcement Officials of the U.S. Department of Transportation, Michigan Department of Transportation, Motor Carrier Division of the Michigan State Police, or
2. The regulation administrator's principal, Specialists Limited, or
3. The appropriate level of management of the Personnel Department of the City of Muskegon, the City Manager and appropriate department head, or
4. The Medical Review Officer (MRO) responsible for interpreting the results of a urine drug screen, or
5. The Substance Abuse Professional (SAP) responsible for learning the extent and degree of addiction or dependance on alcohol and drug resulting from a positive alcohol EBT.

B. CONFIDENTIAL DISCUSSIONS: All discussions with employees will be conducted as privately as circumstances permit. The employee may exercise his rights under the terms of the collective bargaining agreement to have his or her union representative present if they so desire. The union representative is bound by the same rules of confidentiality as those with a need-to-know as shown in Paragraph A., parts 1 through 7 (above).

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10 49 CFR, Part 382, Subpart D. @382.401

## X. SUSPENSIONS

Any employee, support person, supervisor, or administrator who is sent for a illegal drug or alcohol test, may be suspended immediately immediately[21] (with pay). However, once a test is positive, then appropriate actions will be taken. Successful completion of a voluntary, supervised substance abuse treatment or rehabilitation program will reduce the level of disciplinary action for first time offenders.

A. POSITIVE TEST RESULTS: If, first positive test with rehabilitation, there will be no termination; second positive within 18 months may terminate; second positive after 2 years, there will be no termination; third positive any time, will constitute termination.

## XI. EMPLOYEE ASSISTANCE

The City of Muskegon actively supports the Employee Assistance concept.[22] This program openly promotes the treatment of employees suffering from addiction or abuse problems. As a matter of policy, we provide our employees, support personnel, supervisors and administrators with information regularly. This information will include dangers of abuse, awareness, community and professional efforts and community or private treatment availability. We cannot, however, financially support an employee who voluntarily submits to treatment beyond the benefits normally provided by virtue of our existing health care program, medical insurance or employee assistance program.

A. SUBSTANCE ABUSE ASSESSMENTS: Employees testing positively for alcohol use following an Evidential Breath Test will be afforded the opportunity to undergo an assessment by a licensed and certified Substance Abuse Professional.[23] The SAP will be trained at minimum to the level of MSW (Masters of Social Work) and preferably be a Clinical Psychologist.

B. THE SUBSTANCE ABUSE PROFESSIONAL (SAP) may prescribe a treatment or rehabilitation program for a positive tested employee following the inital assessment.

1. A positively tested employee refusing assessment may be terminated from continuing employment.

2. A positively tested employee failing to complete the prescribed treatment plan may be terminated from continuing employment.

3. A positively tested employee testing positive following treatment may be terminated from continuing employment.

4. Frequently, assessments to find an employee's level of addiction or dependency is covered by our existing health care benefit

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21 49 CFR, Part 382, Subpart E

22 49 CFR, Par 382, Subpart F

23 49 CFR, Part 382, Subpart F, e382.605

package and we encourage our employees to seek out assistance whenever and wherever possible.

5. The Substance Abuse Professional may not refer the driver to the SAP's private practice.[24]

C. REFERRALS: All of our employees are urged to contact our EAP provider in cases where:

1. They wish to refer themselves for treatment, or

2. Treatment is recommended by their supervisor or official of the City of Muskegon, or

3. The employee's drug or alcohol tests result in a positive indicator, or

4. They or members of their family show signs of needing assistance or through intervention by family members.

D. EMPLOYEE ASSISTANCE PROVIDER: Our Employee Assistance Provider is tentatively identified as:

Child & Family Services
1352 Terrace
Muskegon, MI 49443
Telephone (231) 726-3582

E. PAY DURING TREATMENT: Except where specifically authorized in our collective bargaining agreement with the association or our existing benefit package, employees may not collect pay, unless they have been authorized sick or vacation leave.

## XIII. RETURN TO WORK

The City of Muskegon will attempt to, where possible, return a recovering employee to work. A recovering employee is one who is currently participating in, or has successfully completed a supervised treatment or rehabilitation program. A return to work is not a guarantee of an employee's previous position or classification. Regulated employees who prove recovery may be reinstated provided our insurance carrier will insure a driver in that capacity and the driver can be licensed according to state and federal law or regulation.

A. CONTROLLED SUBSTANCE RECOVERY TESTING: Employees recovering from a controlled substance abuse or addiction will submit to unannounced urine drug screens at least six times in the first 12 months following the driver's return to duty.[25]

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24 e382.605(e)

25 49 CFR, Part 382, Subpart F, e382.605(c)(2)(ii)

B. ALCOHOL RECOVERY TESTING: Employees recovering from alcohol abuse or addiction will submit to unannounced evidential breath tests at least six times within the first year following return to work.[26]

C. REGULATION REQUIREMENTS: The preceding return to work and follow-up testing requirements are regulated by the U.S. Department of Transportation, Federal Highway Administration under 49 CFR, Part 382. These regulations specifically address coverage of employees of local and state units of government, and drivers operating intrastate and interstate.[27]

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for the City of Muskegon

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26 e382.605(c)(2)(ii)

27 Federal Register, Vol. 59, No. 31, February 15, 1994, p. 7486

Commission Meeting Date: October 9, 2018

Date: October 4, 2018

To: Honorable Mayor and City Commissioners

From: Planning & Economic Development

RE: Public Hearing - Request for an Industrial Facilities Exemption Certificate – KLO Acquisition

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SUMMARY OF REQUEST:

Pursuant to Public Act 198 of 1974, as amended, KLO Acquisitions, LLC, 2420 Remembrance Dr, has requested the issuance of an Industrial Facilities Tax (IFT) Exemption Certificate. The new facility will result in a $17,066,206 investment in real property and qualifies them for a 12-year abatement.

FINANCIAL IMPACT:

The City will capture certain additional property taxes generated by the expansion.

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Approval of the attached resolution granting an Industrial Facilities Exemption Certificate for a term of twelve (12) years for real property.

COMMITTEE RECOMMENDATION:

None

Resolution No. _______

**MUSKEGON CITY COMMISSION**

RESOLUTION APPROVING APPLICATION FOR ISSUANCE
OF INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
***KLO ACQUISITION, LLC***

WHEREAS, pursuant to P.A. 198 of 1974 as amended, after duly noticed public hearing held on July 10, 2018, this Commission by resolution established an Industrial Development District as requested by KLO Acquisition, LLC, which included the property leased by KLO Acquisition, LLC, 2420 Remembrance Dr, Muskegon, Michigan 49442; and

WHEREAS, KLO Acquisition, LLC, has filed an application for the issuance of an Industrial Facilities Tax Exemption Certificate with respect to building improvements to be installed within said Industrial Development District; and

WHEREAS, said application was filed no later than six months after project commencement and the Muskegon City Commission held a public hearing on October 9, 2018, at the Muskegon City Hall in Muskegon, Michigan at 5:30 p.m. at which hearing the applicant, the assessor and representatives of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

WHEREAS, the real property improvements are calculated to and will have the reasonable likelihood to retain, create, or prevent the loss of employment in Muskegon, Michigan; and

WHEREAS, the aggregate SEV of real property exempt from ad valorem taxes within the City of Muskegon, will not exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal and real property thus exempted.

NOW, THEREFORE, BE IT RESOLVED by the Muskegon City Commission of the City of Muskegon, Michigan that:

1) The Muskegon City Commission finds and determines that the Certificate considered together with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Act of 1974 as amended and Act No. 255 of the Public Acts of 1978 as amended shall not have the effect of substantially impeding the operation of the City of Muskegon or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Muskegon.

2) The application of KLO Acquisition, LLC, for the issuance of an Industrial Facilities Tax Exemption Certificate with respect to the installation of real property improvements on the following described parcel of real property situated within the City of Muskegon to wit:

CITY OF MUSKEGON ALL THAT PART OF THE NW 1/4 OF SW 1/4 OF SEC 34 T10N R16W

3) The Industrial Facilities Tax Exemption Certificate is issued and shall be and remain in force and effect for a period of 12 years on real property.

Adopted this 9th Day of October 2018.

Ayes:

Nays:

Absent:

BY: ________________________________
Stephen J. Gawron
Mayor

ATTEST: ________________________________
Ann Meisch
Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete a resolution adopted by the Muskegon City Commission, County of Muskegon, Michigan, at a regular meeting held on October 9, 2018.

________________________________
Ann Meisch
Clerk

MUSKEGON

West Michigan's Shoreline City

# City of Muskegon
# Industrial Facilities Exemption Application
# Summary Sheet

**Employment Information:** **229 employees**

Racial Characteristics:

| | |
|---|---|
| White | 188 (82%) |
| Minority | 42 (18%) |

Gender Characteristics:

| | |
|---|---|
| Male | 179 (78%) |
| Female | 50 (22%) |

Total No. of Anticipated New Jobs: 125

**Investment Information:**

| | |
|---|---|
| Real Property: | $17,066,206 |
| Personal Property | $0 |
| Total: | $17,066,206 |

| **Property Tax Information:** (Annual) | All Jurisdictions | City Only |
|---|---|---|
| Total New Taxes Generated | $ 487,752 | $ 94,460 |
| Value of Abatement | $ 243,876 | $ 47,230 |
| Total New Taxes Collected | $ 243,876 | $ 47,230 |

**Income Tax Information:** (Annual)

Total Additional Income Tax Generated: $21,840

**Company Requirements:**

| | | |
|---|---|---|
| Adopted Affirmative Action Policy | ☒ Yes | ☐ No |
| Meeting w/ City Affirmative Action Director | ☐ Yes | ☒ No |
| Signed Tax Abatement Contract | ☒ Yes | ☐ No |
| Taxes Paid In Full | ☒ Yes | ☐ No |
| Zoning Conflicts | ☐ Yes | ☒ No |

Mike Franzak
Planning Director

Dwana Thompson
Dwana Thompson
Affirmative Action Director

# <u>CITY OF MUSKEGON</u>

<u>CONTRACT FOR TAX ABATEMENT</u>
<u>Act 198 Public Acts of 1974</u>

AGREEMENT between CITY OF MUSKEGON, a municipal corporation of 933 Terrace Street, Muskegon, Michigan 49441, ("City") and KLO Acquisition, LLC. ("Company").

**<u>Recitals:</u>**

A. The Company has applied to City for the establishment of an industrial development district or industrial rehabilitation district pursuant to the provisions of Act 198 of the Public Acts of 1974, as amended, which act requires a contract between the City and the Company to be agreed and submitted with the Company's subsequent anticipated application for an industrial facilities exemption certificate.

B. That in addition to the statutory requirement, the City has determined that it is in the best interests of the taxpayers, property owners and residents of the City that this Agreement be approved and executed prior to the establishment of the requested district, and the City deems this Contract, together with the conditions set forth in the said Act to constitute a necessary element in the City's determination whether or not to create the district.

C. The Company intends to install the project set forth in its application ("project") which it believes qualifies for the process of establishing the district and the application for industrial facilities exemption certificate.

D. The City, provided this Agreement is executed, will determine whether to create the district based upon the potential for the production of permanent jobs, the continuation or increase of economic activity, planning and zoning considerations and the City's general plan and intentions regarding economic development. In addition to the City policy considerations and predictions that the Company's proposed district and certificate benefit the community in those ways, the City has further determined that the contractual commitments made by the Company to thereby assist the community shall be binding on the Company and necessary to continue the tax exemption made possible by the certificate.

NOW THEREFORE THE PARTIES AGREE:

1. **<u>COMPANY AGREEMENT</u>**. The Company irrevocably commits to the investment, job retention and job creation promises made in its application, a copy of which is attached hereto and incorporated herein. In particular the Company agrees:

1.1 That 100% of the jobs shall be filled and in existence with full-time employees by a date no later than two (2) years from the date of the granting of the certificate by the State Tax Commission.

1.2 The Company shall meet the affirmative action goal included in the application or in any documents supplied by the City and utilized by the Company, including any additional representations made to the City Commission on or before the date two (2) years after the granting of the certificate by the State Tax Commission. It shall maintain the said levels of employment diversity during the period of the certificate.

1.3 The Company, by the end of two (2) years from the date of the grant of the certificate by the State Tax Commission shall have completed the investment of $17,166,206 in real property improvements as shown in the application.

1.4 That the improvements and equipment to receive the tax abatement treatment shall be completed on or before the date two (2) years from the date of granting of the certificate by the State Tax Commission.

1.5 The Company shall pay its specific taxes required by the act in a timely manner, and shall not delay payments so as to incur any penalties or interest.

1.6 The Company shall not appeal the valuation of any real or personal property at the facility to the Michigan Tax Tribunal or the State Tax Commission.

1.7 The Company shall fully cooperate with the City representatives in supplying all requested and required documentation regarding jobs, investment, the meeting of all goals and the timely installation and utilization of equipment and improvements. The City shall be entitled to inspect at reasonable hours the Company's premises where the said improvements and equipment have been installed and where the said jobs are performed.

1.8 The Company shall maintain, during the entire period for which the tax abatement is granted, the level of jobs, affirmative action goals, production and utilization of the improvements and equipment at the site where the district has been created and for which the tax exemption has been granted.

1.9 The Company shall not cause or fail to cure the release of any hazardous substance, or the violation of any environmental law on its premises in the City. It shall report any releases to the appropriate governmental authority in a timely and complete manner, and provide copies of said report documentation to the City. It shall comply with all orders and actions of any governmental agency having authority.

1.10 The Company shall maintain the equipment and improvements so as to minimize physical or functional obsolescence.

1.11 The Company shall continue to operate its business location in the City, containing the same number of and type of jobs, for the term of the certificate.

2. **AGREEMENT BY THE CITY**. Provided this contract has been executed and further provided all applications to create the district and achieve the industrial facility exemption certificate have been properly filed, the City shall, in a timely manner, determine in a public meeting to create the district and receive, process, and approve thereafter the Company's application for an industrial facilities exemption certificate. The City may consider this contract in a meeting separate from and prior to the meeting in which the City considers the creation of the district and approval of the application for certificate. Further, the City shall require the submission of this contract signed by the Company together with its applications, before creating the district.

3. **EVENTS OF DEFAULT**. The following actions or failures to comply shall be considered events of default by the Company:

3.1 Failure to meet any of the commitments set forth above.

3.2 The closing of the Company's facilities in the City. Closing shall mean for purpose of this Agreement, the removal, without transfer to another site within the City of substantially all of the production facilities, and the elimination of substantially all the jobs created or retained thereby, which are set forth in the Company's application.

3.3 Failure to afford to the City the documentation and reporting required.

3.4 The failure to create or retain jobs, meet affirmative action goals or expend the funds on equipment and improvements as represented in the application within the times required hereby.

3.5 The bankruptcy or insolvency of the Company.

3.6 The failure to pay any and all taxes and assessments levied on the Company's property or any other taxes, local, state or federal, including but not limited to City income taxes and the withholding of said City income taxes from employees as required by the City Income Tax Ordinance.

3.7 The performance or omission of any act which would lead to revocation under MCLA 207.565, being §15 of the Act.

3.8 The violation of any provisions, promises, commitments, considerations or covenants of this Agreement.

4. **REMEDIES ON DEFAULT.** In the event of any of the above defaults the City shall have the following remedies which it may invoke without notice, except as may be reasonably required by the Company's rights to due process:

4.1 In the event of closing as determined after investigation of the facts and a public hearing, the Company shall be immediately liable for penalties to be paid forthwith to the city as determined as follows:

> 4.1.1 The Company shall pay to the City for prorata distribution to the taxing units experiencing the abatement, an amount equal to the difference between the industrial facilities tax which it has paid, and the total property taxes to the relevant taxing units which it would have paid, given its installations of improvements and equipment, during the years for which the certificate was in effect.
>
> 4.1.2 Immediate Revocation. The Company hereby consents to revocation to the IFT certificate before the State Tax Commission, without hearing, and the City shall submit a copy of this Agreement to the State Tax Commission in connection with its revocation procedure, giving notice that the default has occurred and immediate revocation should occur.

4.2 In the event the improvements and equipment have not been installed before the two (2) year period, in addition to the revocation procedures before the State Tax Commission, the abatement should immediately be reduced by the City proportionately, and any installations which have not been finished at the end of said two (2) year period shall not be eligible for the abatement thereafter and shall be placed on the regular tax roll.

4.3 Failure to Expend the Funds Represented. In the event, (whether or not the installations have been completed), the Company has not expended the funds it has represented on its application that it would invest for the installation of equipment, the abatement shall be reduced prorata, and any remaining value of equipment shall be placed on the regular tax roll.

4.4 Job Creation and Retention. In the event the promised number of jobs have not been created or retained at the end of the two (2) years after the grant of the certificate by the State Tax Commission, the abatement shall be proportionately reduced.

4.5 Affirmative Action Goals. In the event, after one (1) year from the grant of the certificate by the State Tax Commission, the affirmative action goals of the City for additional jobs have not been met on a prorata basis, the abatement shall be revoked.

4.6 For other violations of this Agreement or for actions or omissions by the Company amounting to grounds for revocation by statue, the City shall recommend to the State Tax Commission immediate revocation of the certificate.

4.7 Special Assessment. For any amount due to be paid to the City, under this Section 4, the Company consents that the City shall have a personal action against the Company for the said amount, and in addition, cumulatively, and not by election, the City shall have a special assessment lien on all the property of the Company personal and real, located in the City, for the collection of the amounts due as and in the manner of property taxes and in such case the collection of the said special assessment shall be accomplished by addition by the City to the Company's property tax statement regularly rendered.

5. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Michigan applicable to contracts made and to be performed within the State of Michigan.

6. Counterparts. This Agreement may be executed in one or more counterparts. Notwithstanding such execution all such counterparts shall constitute one and the same Agreement.

7. Benefit. This Agreement shall be binding upon and inure to the benefit of the respective parties, their successors and personal representatives.

8. Effective Date. This Agreement shall be effective on the date the State of Michigan Tax Commission grants the company at Industrial Facilities Exemption Certificate.

CITY OF MUSKEGON

By ___________________________
Stephen J. Gawron, Mayor

Date ___________________________

and___________________________
Ann Meisch, Clerk

Date ___________________________

By___________________________

Its_______________________

Date ___________________________