

**CITY OF TRAVERSE CITY
OFFICE OF THE CITY MANAGER
PERSONNEL POLICY NO. 215P**

TITLE: ACT GROUP PROVISIONS
DEPTS. AFFECTED: ALL
EFFECTIVE DATE: JULY 2, 2014

PURPOSE: To provide written documentation of the provisions which affect the Administrative, Confidential and Technical (ACT) Group.

ELIGIBILITY: The provisions of this Order shall cover employees in the positions listed in Section 1.

THIS POLICY IS INTENDED AS A GUIDE TO THE CONDITIONS OF EMPLOYMENT AND BENEFITS THAT APPLY TO THE ADMINISTRATIVE, CONFIDENTIAL AND TECHNICAL (ACT) EMPLOYEES WITHIN THE CITY. NOTHING HEREIN CONTAINED SHALL BE CONSTRUED TO BE A CONTRACT BETWEEN THE EMPLOYER AND THE EMPLOYEE. ADDITIONALLY, THIS POLICY IS NOT TO BE CONSTRUED BY ANY EMPLOYEE AS CONTAINING BINDING TERMS AND CONDITIONS OF EMPLOYMENT. THE CITY RETAINS THE ABSOLUTE RIGHT TO TERMINATE ANY ACT EMPLOYEE, AT ANY TIME, WITH OR WITHOUT GOOD CAUSE. MANAGEMENT RETAINS THE RIGHT TO CHANGE THE CONTENTS OF THIS POLICY AS IT DEEMS NECESSARY, WITH OR WITHOUT NOTICE.

SECTION 1. COVERAGE AND STATUS

The ACT Group consists of the following positions:

Administrative Assistant – Police	Code Enforcement Officer
Administrative Clerk	Deputy City Assessor
Asset Management/GIS Analyst	Deputy City Clerk
Asset Management Technician	Deputy Treasurer/Assistant Finance Director
Assistant City Manager	Director of Public Services
Chief of Police	Executive Assistant/Purchasing Agent
City Assessor	Financial Analyst/Compliance Officer
City Clerk	Fire Chief
City Engineer	Garage Superintendent
City Treasurer/Finance Director	GIS Administrator
Civil Engineer II	Human Resource Generalist

Legal/Human Resource Assistant
Marina Dockmaster/Hickory Hills Manager
Office Coordinator – Water and Sewer
Parks and Recreation Superintendent
Parks Supervisor
Planning Director

Public Services Assistant – Engineering
Streets Superintendent
Streets Supervisor
Water Treatment Plant Superintendent
Water/Wastewater Maint. Superintendent
Zoning Administrator

Positions may be added to or deleted from the ACT Group by the City Manager. Positions in the ACT Group are full-time, forty (40) hours per week. Part-time positions (less than forty (40) hours per week) are not in the ACT Group and are not eligible for benefits contained in Section 3.

Employees in the ACT Group are “at will” appointments and serve at the discretion of the City Manager. The City or the employee may terminate the employment relationship at any time, with or without cause. The City Clerk and City Treasurer are subject to appointment and removal provisions of the City Charter.

The policies, insurance and benefit coverages contained in this document are subject to change with or without notice.

SECTION 2. SALARIES

The salary rates for the ACT Group are determined by the City Manager with the approval of the City Commission, in accordance with budget appropriations.

New hires normally begin employment at Step 1 of the Grade. However, for recent, directly comparable work experience or advanced academic qualifications, the City Manager may authorize a higher starting step. The City Manager in conjunction with the Human Resources Department will determine an appropriate starting step for employees who enter the ACT Group by way of promotion or transfer from another City position.

Progression through the pay grade from Steps 1 to 5 shall be automatic. Employees will be granted an increase of one (1) pay step once every twelve (12) months based on the employee’s date of hire. *Progression through the pay grade from Steps 6 to 9 shall be merit based. An employee’s supervisor may submit a written request to advance the employee to the next higher step citing specific, meritorious service to the City, subject to approval by the City Manager. Employees may be granted a merit increase of one (1) pay step once every twelve (12) months based on the employee’s date of hire.*

Overtime Pay

Non-exempt employees are eligible to receive overtime pay in accordance with the provisions of the Federal Fair Labor Standards Act (FLSA). Employees may earn compensatory time in lieu of paid overtime in accordance with provisions of the FLSA. However, accumulated compensatory time cannot exceed forty (40) hours. The employee’s supervisor must authorize overtime in advance.

Exempt employees are not eligible for overtime pay unless specifically authorized by the City Manager.

Longevity Pay

Employees hired prior to January 1, 1990, receive the following payment added to their base wage:

After 10 years continuous service- 3% of base pay

After 15 years continuous service- 5% of base pay

After 25 years continuous service- 7% of base pay

Employees hired after January 1, 1990, receive the following lump sum payment annually in the payroll which includes their employment anniversary date:

After 10 years continuous service- \$300

After 15 years continuous service- \$500

After 25 years continuous service- \$700

SECTION 3. EMPLOYMENT AND INSURANCE BENEFITS

Employment benefits begin the first day of the month following the date of hire unless otherwise noted.

Leaves

Holidays

The ACT Group observes the following holidays:

New Year's Day, President's Day, Good Friday, Memorial Day, July 4th, Labor Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve Day, Christmas Day.

If the holiday falls on Saturday, the preceding Friday will be observed as the holiday. If the holiday falls on Sunday, the following Monday will be observed as the holiday. ACT Group employees receive eight (8) hours of holiday pay for each observed day. Holidays begin upon date of hire.

Annual Leave

Annual leave is earned and accumulated each pay period at a rate dependent on the length of the employee's service with the City. The determination of when annual leave is to be used and the amount that is taken at one time are at the discretion of the employee's supervisor. Annual leave may not be used before it is earned. Employees of the ACT group earn and accumulate annual leave according to the following schedule:

<u>Length of Service</u>	<u>Maximum Hrs Per Pay</u>	<u># of Hrs/Days Per Year</u>
0 to 4 years	3.08	80 hrs/10 days
5 to 14 years	4.62	120 hrs/15 days
= to or > 15 years	6.15	160 hrs/20 days

New hires may use accrued vacation time after six (6) months from date of hire. Effective the first full pay period following October 1 of each year, accumulated vacation shall not exceed five (5) weeks (200 hours). Employees separated from City employment who have completed at least six (6) months service will be paid at separation for their unused accumulations of annual vacation leave at their pay rate at date of separation.

Short Term Leave

On December 1 of each year, employees receive 56 hours (7 days) of short term leave. Short term leave may be used for illness or other purposes with the approval of the employee's supervisor. Short term leave does not accumulate. The benefit period is from December 1 to November 30 of each year. Effective the first full pay period following December 1 of each year, employees will be paid for any unused short term leave, not to exceed 56 hours, at the employees regular rate of pay. New hires will receive a pro-rata amount of short term leave based on their date of hire with usage beginning on their benefit eligibility date.

Personal Day Leave

ACT Group employees are granted three (3) personal days (24 hours) for each fiscal year (July through June). Personal days are non-accumulative and may be taken with approval of the supervisor. Upon separation and after at least six (6) months of service, employees are entitled to a payout of any unused personal time.

Frozen Accrued Sick Leave Bank

ACT Group employees who were employed by the City prior to November 30, 1987 may have a frozen accrued sick leave bank. The employee may use the frozen accrued sick leave bank for the following purposes:

- A. In lieu of Short Term Disability insurance coverage where the employee would otherwise qualify for benefits under the terms of the policy.
- B. For all days not covered by Short Term Disability insurance, provided the length of time lost, due to the illness or injury, would qualify the employee for benefits under the terms of the policy.
- C. In the event a member of the employee's immediate family living in the same household is ill and a doctor has recommended that the employee remain at home during this illness. The employee must provide the

Employer with written verification of the doctor's recommendation to be eligible to use accumulated sick leave for this purpose.

- D. Where the illness or injury arises out of or in the course of employment with the Employer; to provide the difference between the employee's regular pay, based on their normal forty (40) hour work week, and the weekly benefit provided through Worker's Compensation Insurance. Provided, however, only the amount of sick leave required to make up this difference shall be deducted from the employee's sick leave bank. Sick leave will not be deducted for the day of the injury.
- E. To provide the difference between the employee's regular pay, based on their normal forty (40) hour work week, and the weekly benefit provided through Short Term Disability Insurance. Provided, however, only the amount of sick leave required to make up this difference shall be deducted from the employee's sick leave bank.

Upon an employee's retirement, the City shall pay the employee fifty percent (50%) of their accumulated sick leave. Such payment shall be at the employee's regular rate of pay at the time of retirement. Such payment shall not exceed sixty (60) days (480 hours).

Bereavement Leave

Bereavement leave with pay is available to ACT Group employees in case of death of any relative living within the household of the employee or the death of:

- | | |
|--------------------------------|--------------------------------|
| Spouse | Child |
| Parents | Sister |
| Brother | Father-in-law |
| Mother-in-law | Sister-in-law |
| Brother-in-law | Son-in-law |
| Daughter-in-law | Grandparents |
| Grandchildren | Stepmother of current marriage |
| Stepfather of current marriage | Stepchild of current marriage |

Bereavement leave will be granted for three (3) consecutive work days, or up to five (5) days for relatives living in the household or if the funeral is more than 300 miles away.

Jury Duty Leave

Employees shall be paid their regular wage for any response to a summons from a court of jurisdiction to perform jury service. The employee must submit to the City the jury duty payment from the Court, less mileage allowance. The Employer's payment is limited to a maximum of eight (8) hours to an employee scheduled to work on the date(s) jury service is required.

Insurances

Health Insurance

The employer shall provide the following health benefits. The coverage is the Priority Health Savings Account HMO 100% Hospital Plan with minimum individual and family deductibles subject to annual deductible adjustment in accordance with Internal Revenue Service (IRS) regulations, and \$10 generic/\$40 brand name copayment for prescription drugs, or equivalent plan. For employees unable to qualify for the above plan due to IRS regulations, the City will make available Priority Health Copay Alignment HMO 100% Plan with \$20 copayment primary care provider office visit, \$35 copayment specialist office visit and \$10 generic/\$40 brand name copayment for prescription drugs, or equivalent plan or Priority Health HMO 100% Plan (Priority 1) with \$10 copayment primary care provider office visit, \$10 copayment specialist office visit and \$10 generic/\$30 brand name copayment for prescription drugs or equivalent plan.

The City shall make this coverage available to all regular full-time employees, the employee's spouse, and the employee's dependents in accordance with Federal Law. Employees shall be required to complete an application for coverage and required to promptly notify the City of any changes in status affecting the employee's coverage. New hires shall be eligible for health insurance coverage pursuant to terms and conditions of the City's health insurance contract.

1. For employees enrolled in the Priority Health Savings Account HMO 100% Hospital Plan, the employer shall be responsible for eighty percent (80%) of the cost of the plan deductible and premium. Employees shall be responsible for twenty percent (20%) of the cost of the plan deductible and premium and such amount shall be payroll deducted.

The applicable plan deductible will be paid into individual employee's health savings accounts on an annual basis. New hires and/or employees who increase coverage level from single to double/family after July 1 shall receive a pro-rata payment into their health savings account beginning with the first full month of insurance eligibility or coverage change through the end of the plan year. Employee shall be responsible for the remainder of the deductible.

2. For employees enrolled in the Priority Health Copay Alignment HMO 100% Plan, or Priority Health HMO 100% Plan (Priority 1), the employer shall be responsible for eighty percent (80%) of the cost of the premium. Employees shall be responsible for twenty percent (20%) of the cost of the premium and such amount shall be payroll deducted.

The City reserves the right to change health insurance providers and/or programs.

The City agrees to compensate employees who have other health insurance coverage, two thousand four hundred dollars (\$2,400.00) per year pro-rated at two hundred dollars (\$200.00) per month for each month the employee has opted out of the Employer's health insurance coverage. Opt-out compensation will be payable in the last pay in June for eligible employees. Eligible employees will be required to sign a Payment In Lieu of Insurance Waiver and Release form annually.

Dental Insurance

The City provides Delta Dental Plan 2979-0001, or equivalent, to ACT Group employees, the employee's spouse and dependent children to the end of the calendar year in which they turn 19 and dependent unmarried children who are eligible to be claimed as an IRS dependent. The City pays 100% of the insurance premium.

Life Insurance

The City provides Group Life insurance to ACT Group employees. The benefit is two (2) times annual earnings, rounded to the next higher multiple of \$500, if not already a multiple of \$500. The maximum benefit amount is \$100,000. The City pays 100% of the insurance premium.

Life insurance amounts in excess of \$50,000 are subject to Federal tax. Tax deductions for life insurance are taken on the final paycheck at the end of the calendar year.

Short Term Disability Insurance

ACT Group employees will be provided with Short Term Disability (STD) insurance for non-duty related injury or illness which provides the following:

- up to twenty-six weeks of coverage per occurrence
- coverage effective upon the first day of an accident and the eighth day of an illness
- a weekly benefit payment of 66-2/3% of the employee's gross wage.

The City pays 100% of the insurance premium. STD insurance eligibility begins two (2) months following date of hire.

Long Term Disability Insurance

The City provides Long Term Disability insurance to ACT Group employees. After a 180 day benefit waiting period, the benefit is 60% of the first \$6,667 of monthly pre-disability earnings, reduced by deductible income, with a maximum of \$4,000 before reduction by deductible income. The City pays 100% of the insurance premium.

Vision Insurance

The City makes available vision insurance coverage for employees who wish to purchase the coverage. The coverage is VSP Plan A with \$20 eye exam co-pay and \$ 20 material co-pay. The City pays 0% of the insurance premium.

Post Employment Benefits

Pension Plan

The City provides a defined benefit pension plan through the Michigan Municipal Employees' Retirement System (MERS).

Effective July 1, 2014 for employees hired before July 1, 2009, the pension multiplier shall be reduced to a 1.5% multiplier of FAC (final average compensation) upon termination for all future years of service. The plan includes the following benefit provisions:

Benefit Program B-3	2.25% multiplier, not to exceed 80% of employee's final average compensation (FAC)
Normal retirement age	60
Vesting:	V-6 (6 years)
Early retirement benefit	F55(25) – full retirement benefit at age 55 with 25 years of service
FAC-5	Average of the highest consecutive 5 year (60 months) period of earnings of the employee's credited service
Employee contribution	0%

For employees hired on or after July 1, 2009, the City provides a defined benefit pension plan through MERS. The plan includes the following benefit provisions:

Benefit Program C-1 New	1.5% multiplier
Normal retirement age	60
Vesting:	V-6 (6 years)
Early retirement benefit	F55(25) – full retirement benefit at age 55 with 25 years of service
FAC-5	Average of the highest consecutive 5 year (60 months) period of earnings of the employee's credited service
Employee contribution	0%

Section 457 Deferred Compensation Plan

The City offers a Section 457 Deferred Compensation Plan through MassMutual or ICMA Retirement Corporation. Participation in the plan is voluntary. For ACT Group employees participating in the plan, the City provides a guaranteed 4% (no employee contribution necessary). In addition to the guaranteed 4%, the City will also contribute a dollar-for-dollar match up to 6% of the employee's gross pay (including regular hours, overtime, vacation pay, short term leave/sick pay and longevity). Annual benefit cash-outs and retirement cash-outs are not eligible to receive the City match.

IRS Qualifying Health Savings Plan

The City provides an I.R.S. qualifying health savings plan that allows employees to save for retiree medical expenses with pre-tax dollars. The City and ACT Group employee each contribute ½% of the employee's gross pay (including regular hours, overtime, vacation pay, short term leave/sick pay and longevity). Annual benefit cash-outs and retirement cash-outs are not subject to employer or employee contributions. Employees can individually choose investment options offered through this program. All employees are required to enroll in accordance with I.R.S. regulations covering such plans.

Retiree Health Insurance

For employees hired prior to July 1, 2012 and who have not waived their eligibility for health insurance at retirement, the City will pay the single rate premium amount for the retiree only for the first three (3) years of retirement (36 consecutive months) for ACT Group employees who retire from the City subject to the following conditions:

1. The employee must have a minimum of six (6) years of service with the City; and
2. the employee must have qualified for a pension under the Michigan Municipal Employees' Retirement System (MERS); and
3. the employee must leave employment collecting the MERS pension benefit.

The single rate premium amount for retirees is the monthly single rate premium for Priority Health HMO Plan 1, or equivalent. The single rate premium amount is deposited into the retiree's IRS qualifying health savings account on the first of each eligible month.

Effective for any employee hired on or after July 1, 2012, there will be no retiree health insurance. Instead the City will add 1.5% to the current .5% into the I.R.S. qualifying health savings account for retiree health matched by an employee share of .5%.

ACT Group employees who retire under the Traverse City Act 345 retirement system are not eligible for this benefit even if they become vested under MERS.

Miscellaneous Benefits

Section 125 Plan

The City has established a Section 125 Plan that includes an employee pre-tax premium program for group health plans, a voluntary dependent care assistance program and a voluntary limited purpose health flexible spending account program.

Indemnification

Members of the ACT Group shall be indemnified against any and all claims and liabilities.

Automobile Accident Deductible Reimbursement

The City pays up to \$300 deductible for employees involved in accidents using personal vehicles to conduct City business.

Educational Advance

The tuition reimbursement is limited to a maximum of four (4) classes per fiscal year. Courses related to the attainment of Certificates, Associates, Bachelors and Master's degree programs shall be reimbursed if they are directly related to the employee's current job or deemed to improve job skills relative to potential advancement opportunities available within the City. The City, in its sole discretion, will determine whether or not a degree program or course is business or job related. Refer to Personnel Policy 224P, Tuition Reimbursement, for further requirements.

SECTION 4. RESIDENCY

Employees must live within a radius of twenty (20) miles of the City limits as measured from the nearest City limit. As of the date of the original Executive Order on this subject, May 11, 2002, employees who live outside the City limits shall be permitted to remain in such place of residence, but if they move, must move within the above mentioned distance.

APPROVALS:

No one will implement this policy except as specifically directed by the City Manager.



Jered Ottenwess, City Manager

History: Supersedes Personnel Policy #224P dated July 2011
 Supersedes Executive Order #311 dated August 15, 2007

Public Acts of 1999, Act No. 212 – This Act restricts certain governmental entities from requiring individuals to reside within certain geographic areas or specified distances or travel times from their place of employment as a condition of employment or promotion.

Cross Reference: Personnel Policy #216P - Separation Allowance Plan; MCL 15.602