

**TRAVERSE CITY LIGHT & POWER  
OFFICE OF THE EXECUTIVE DIRECTOR**

**EXECUTIVE ORDER #2015-004**

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**TITLE: TRVERSE CITY LIGHT & POWER ACT EMPLOYEE GROUP PROVISIONS**

**EFFECTIVE DATE: February 2013**

**AMENDED DATE: October 2015**

**AMENDED DATE: March 2016**

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**PURPOSE:** To provide written documentation of the provisions which affect the Traverse City Light & Power (TCL&P) Administrative, Confidential and Technical (ACT) Group.

**ELIGIBILITY:** The provisions of this Order shall cover exempt and non-exempt TCL&P ACT employees.

**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 TRAVERSE CITY LIGHT & POWER. 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. TRAVERSE CITY LIGHT & POWER 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

Manager of HR & Communications

Controller  
Computer Systems Specialist  
Energy Technician & Key Accounts  
Representative  
Field Engineering Supervisor  
Line Superintendent

Manager of Operations & Engineering  
Manager of Telecommunications &  
Technology  
Scheduling & Operations Coordinator  
System Engineer

Positions may be added to or deleted from the ACT Group by the Executive Director, subject to approval of the TCL&P Board. 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, unless required under State or Federal law.

Employees in the ACT Group are “at will” appointments and serve at the discretion of the Executive Director, with some positions subject to Board approval. TCL&P or the employee may terminate the employment relationship at any time, with or without cause.

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

The Employee is required to abide by all policies, executive orders, and established procedures during the term of employment; including Board Approved policies that may be created or amended from time-to-time (partial list of policies follows):

- Computer, Internet and Electronic Mail Policy
- Conflicts of Interest Policy
- Controlled Substance & Alcohol Abuse Policy
- Credit Card Policy
- Family and Medical Leave Act Policy
- Private Use of Public Property Policy
- Sexual harassment in the Workplace Policy
- Smoking Policy
- Social Media Policy
- Travel Expense Policy
- Volunteer Work, Use of Dept. Equipment Policy
- Workplace Violence Prevention Policy

All employees shall be citizens of the United States and shall maintain a permanent and bona fide residence within reasonable distance of the City, not to exceed a twenty (20) mile radius as measured from the nearest City limit.

The Employer and Employee agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, marital status, genetic makeup, or sexual orientation.

This policy supplements and is not intended to conflict with the Administrative Compensation Policy, adopted by the Board on October 5, 1982.

## **SECTION 2. SALARIES**

The salary rates for the ACT Group are performance based and determined by the Executive Director. Employee classifications and Compensation ranges shall follow the June 2015 Study performed by Municipal Consulting Services, as approved by the Board.

### **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 otherwise authorized by the Executive Director.

## **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 4<sup>th</sup>, Labor Day, Thanksgiving Day, Friday After Thanksgiving, Christmas Eve, Christmas Day, and Employee's Birthday (floating).

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 TCL&P. 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 5 years	3.08	80 hrs/10 days
6 to 15 years	4.62	120 hrs/15 days
16 to 24 years	6.15	160 hrs/20 days
= to or > 25 years	7.69	200 hrs/25 days

New hires may use accrued vacation time after six (6) months from date of hire. Vacation days accruing in excess of 25 days as of July 1<sup>st</sup> shall be used or lost prior to the following October 31<sup>st</sup>. Employees who have accrued 120 or more hours by July 1<sup>st</sup> may cash out 40 or 80 hours in lieu of vacation.

Employees separated from TCL&P employment who have completed at least six (6) months service will be paid at separation for their unused accumulation of annual vacation leave at their pay rate at date of separation.

**Short Term Leave**

On December 1<sup>st</sup> 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<sup>st</sup> to November 30<sup>th</sup> of each year. Effective the first full pay period following December 1<sup>st</sup> 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. New hires will receive a pro-rata amount of personal leave based on their date of hire with usage beginning on their benefit eligibility date.

**Frozen Accrued Sick Leave Bank**

ACT Group employees who were employed by TCL&P 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 making 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 making up this difference shall be deducted from the employee's sick leave bank.

Upon an employee's retirement, TCL&P 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:

- |             |  |
|-------------|--|
| wife        | son-in-law of current marriage         |
| husband     | daughter-in-law of current marriage    |
| child       | grandmother-in-law of current marriage |
| father      | father-in-law of current marriage      |
| mother      | mother-in-law of current marriage      |
| sister      | sister-in-law of current marriage      |
| brother     | brother-in-law of current marriage     |
| grandfather | grandfather-in-law of current marriage |
| grandmother | stepfather of current marriage         |

grandchild

stepmother of current marriage  
stepchild of current marriage

Such leave shall be granted from the date of death to the date immediately following the date of the funeral, not to exceed three (3) working days, or up to five (5) days, if the funeral is more than three hundred (300) miles from the City limits or in cases of the death of a spouse or child or any relative (listed above) living within the household of an employee. The employee may be asked to provide verification (obituary, death certificate, etc.)

### **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 TCL&P 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. The employee must report for work immediately following jury service.

## **Insurances**

### **Health Insurance**

TCL&P provides a High Deductible Health Plan (HDHP) with Health Savings Account (HSA) as its primary health plan. 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, TCL&P makes 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.

TCL&P makes this coverage available to ACT Group employees, the employee's spouse, and the employee's dependent children up to age twenty-six (26). Employees are required to complete an application for coverage and required to promptly notify the TCL&P of any changes in status affecting the employee's coverage. New hires are eligible for health insurance coverage pursuant to the terms and conditions of the City's health insurance contract.

1. For employees enrolled in the Priority Health HDHP with a HSA HMO 100% Hospital Plan, the employer shall be responsible for the cost of the plan deductible and premium up to the cap amount shown below plus fifty

percent (50%) of the cost of the plan deductible and premium in excess of the cap. Employees shall be responsible for fifty percent (50%) of the cost of the plan deductible and premium in excess of the cap and such amount shall be payroll deducted.

Effective July 1, 2009, the cap for the plan deductible and premium will be:

- (a) Single person coverage . . . . . \$266.00 per month
- (b) Double person coverage . . . . \$470.00 per month
- (c) Family coverage . . . . . \$496.00 per month

Per the above, the cost of the plan deductible will be paid into individual employee's health savings accounts on an annual basis in the first pay in July.

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 the cost of the premium up to the cap amount shown below plus fifty percent (50%) of the cost of the premium in excess of the cap. Employees shall be responsible for fifty percent (50%) of the cost of the premium in excess of the cap and such amount shall be payroll deducted.

Effective July 1, 2009, the cap premium will be:

- (a) Single person coverage . . . . . \$266.00 per month
- (b) Double person coverage . . . . \$470.00 per month
- (c) Family coverage . . . . . \$496.00 per month

TCL&P reserves the right to change health insurance providers and/or programs.

TCL&P agrees to compensate employees who have other health insurance coverage, two thousand four hundred dollars (\$2,400) per year pro-rated at two hundred dollars (\$200) 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. For those employees who terminate during the year, the applicable monthly opt-out compensation will be paid out in the employee's final paycheck. Eligible employees will be required to sign a Payment In Lieu of Insurance Waiver and Release form annually.

**Dental Insurance**

TCL&P 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. TCL&P pays 100% of the insurance premium.

**Life Insurance**

TCL&P 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. TCL&P 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 or the eighth day of an illness
- weekly benefit payment of 66-2/3% of the employee's gross wage.

TCL&P pays 100% of the insurance premium. STD insurance eligibility begins two (2) months following date of hire.

### **Long Term Disability Insurance**

TCL&P 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. TCL&P pays 100% of the insurance premium.

### **Vision Insurance**

TCL&P provides vision insurance coverage to ACT group employees. The coverage is VSP Plan A with \$20 eye exam co-pay and \$ 20 material co-pay. TCL&P pays 100% of the insurance premium.

### **Workers Compensation Insurance**

TCL&P provides Worker's Compensation protection for all employees as required by law.

## **Post Employment Benefits**

### **Pension Plan**

TCL&P provides a defined benefit pension plan through the Michigan Municipal Employees' Retirement System (MERS). 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-10 (10 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
E-2	Post retirement cost of living allowance of up to 2.5%/year based on CPI
Employee contribution	0%

**Section 457 Deferred Compensation Plan**

TCL&P offers a Section 457 Deferred Compensation Plan through Massachusetts Mutual or ICMA Retirement Corporation. Participation in the plan is voluntary. For ACT Group employees participating in the plan, TCL&P provides a 100% 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 TCL&P match.

**Health Care Savings Program (HCSP)**

TCL&P provides an IRS qualifying health savings plan that allows employees to save for retiree medical expenses with pre-tax dollars. TCL&P and ACT Group employees 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. Per IRS regulations, employee participation in the program is mandatory and irrevocable.

**Retiree Health Insurance**

TCL&P pays the single rate premium amount for the retiree only subject to the following conditions:

1. the employee must have qualified for a pension under the Michigan Municipal Employees’ Retirement System (MERS); and
2. the employee must leave employment collecting the MERS pension benefit.

**Miscellaneous Benefits**

**Mileage Allowance & Travel Expense Reimbursement**

TCL&P shall reimburse employees for reasonable expenses related to company related travel in accordance with the Travel Expense Policy. Mileage and Per Diem shall be reimbursed in accordance with IRS regulations.

**Section 125 Plan**

TCL&P in conjunction with 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 as outlined in the Board approved Defense and Indemnification of Officials and Employees Policy, adopted on October 28, 1986.

**Automobile Accident Reimbursement**

TCL&P shall pay an employee’s out-of-pocket losses for employees involved in accidents using personal vehicles to conduct TCL&P business as described in the *Use of Personal Vehicles For Light And Power Business Policy*, adopted by the Board on December 9, 2003.

**Employee Assistance Program**

The Employer recognizes the benefits derived from an Employee Assistance Program and will, as long as possible continue to provide the existing program to all of its employees.

**Longevity Benefits**

Effective October 1, 1983, new employees and rehires returning to employment shall not be entitled to longevity benefits except as outlined in the Employee Recognition Policy, adopted by the Board on November 28, 2000.

**College Education Incentives**

TCL&P will reimburse up to 100% of the cost of tuition for the education or training courses which are directly related to any company job description, subject to prior approval by the Executive Director and other certain conditions being met as outlined in the Educational Assistance Policy, approved by the Board on July 1, 1984.

**APPROVALS:**

*Timothy Arends*

March 17, 2016

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Timothy Arends, Executive Director  
Traverse City Light & Power

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Date