



Administrative, Confidential, and Technical (A.C.T.) Group Benefits Summary

This summary is intended as a guide to the conditions of employment and benefits that apply to the administrative, confidential and technical (A.C.T.) employees within the city. Nothing herein contained shall be construed to be a contract between the employer and the employee. The city retains the absolute right to terminate any A.C.T. employee, at any time, with or without cause. Management retains the right to change the contents of this policy as it deems necessary, with or without notice.

Definitions/Acronyms

Exempt: Exempt employees are not granted the protections of the Fair Labor Standards Act (FLSA) and are therefore not entitled to overtime pay. Some types of jobs are considered exempt by definition under the law, or an individual is an exempt employee if he or she is paid at least \$35,568 per year, is paid on a salary basis, and performs exempt job duties.

Non-Exempt: A non-exempt employee is entitled to overtime pay through the Fair Labor Standards Act (FLSA). Employers are required to pay time and a half the employee's regular rate of pay when they work more than 40 hours in a given pay week.

SECTION 1. COVERAGE AND STATUS

The A.C.T. Group consists of the following positions:

NON EXEMPT

Administrative Assistant (Police)	Executive Assistant/Purchasing Agent
Administrative Assistant (Fire)	Financial Analyst/Compliance Officer
Administrative Clerk (Police)	Human Resource Specialist
Asset Management/GIS Analyst	Legal Assistant
Asset Management/GIS Technician	Office Coordinator – Water and Sewer
Code Enforcement Officer	Police Social Worker/Coordinator
Communications Specialist	Public Services Assistant – Engineering
Deputy City Clerk	

EXEMPT

Assistant City Manager	Garage Superintendent
Chief of Police	GIS Coordinator
City Assessor	Human Resource Director
City Clerk	Human Resource Generalist
City Engineer	Hickory Hills Manager
City Treasurer/Finance Director	Parks and Recreation Superintendent
Civil Engineer I	Parks Supervisor
Civil Engineer II	Planning Director
Deputy City Assessor	Planning/Zoning Administrator
Deputy Treasurer/Assistant Finance Director	Streets Superintendent
Director of Public Services	Streets Supervisor
Director of Municipal Utilities	Water Treatment Plant Superintendent
Fire Chief	Water/Wastewater Maintenance Superintendent

Positions may be added to or deleted from the A.C.T. Group by the City Manager. Positions in the A.C.T. Group are full-time, forty (40) hours per week.

The work week for all full-time employees in A.C.T. Group is 8:00 a.m. to 5:00 p.m., Monday through Friday, including a daily non-compensable lunch period of 60 minutes. Variations from the workweek may be authorized by the City Manager. A workweek may not extend over more than six of any seven consecutive days.

Employees in the A.C.T. 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 the 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 A.C.T. 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. The City Manager may authorize a higher starting step dependent on comparable work experience or advanced academic qualifications. The City Manager in conjunction with the Human Resources Department will determine an appropriate starting step for employees who enter the A.C.T. Group by way of promotion or transfer from another City position.

Progression through the pay grade from Steps 1 to 9 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/promotion date or 12 months following the last step increase, whichever is later.

Changes to the salary table are determined annually by the City Manager. Any recommended changes by the City Manager shall be brought to the City Commission for inclusion to the budget. Annual market rate changes to the salary table is not guarantee.

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 after January 1, 1990, shall receive a pro-rated payment for longevity, which is added to the employee's hourly wage. This amount is calculated on the employees' anniversary date:

After 10 years continuous service- \$0.15
After 15 years continuous service- \$0.25
After 25 years continuous service- \$0.35

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 A.C.T. Group observes the following holidays:

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

A.C.T. Group Superintendents and Supervisors of GME employees observe the GME Holidays specified in the Collective Bargaining Unit:

New Year's Day	July 4 th	Day after Thanksgiving
President's Day	Labor Day	Christmas Day
Good Friday	Veterans Day	Floating Holiday
Memorial Day	Thanksgiving 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. A.C.T. Group employees receive eight (8) hours of holiday pay for each observed day. Holidays begin upon date of hire. The floating holiday is to be credited to the employee. Such holiday shall not accrue from year to year, or be paid out to the employee for any reason.

Vacation Leave

Vacation 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 vacation leave is to be used and the amount that is taken at one time are at the discretion of the employee's supervisor. Vacation leave may not be used before it is earned. Employees of the A.C.T. 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
15 to 19 years	6.15	160 hrs/20 days
= to or > 20 years	7.08	184 hrs/23 days

New hires may use accrued vacation time after six (6) months from the 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 shall be paid at separation for their unused accumulations of annual vacation leave at their pay rate at the date of separation. Such payment shall not be included in the Final Average Compensation for pension benefits.

Short Term Leave

On December 1 of each year, employees receive 56 hours 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 Leave

ACT Group employees are granted 24 hours Personal Leave for each fiscal year (July through June). Personal leave 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. Any personal leave remaining as of June 30 of each year shall be lost.

Bereavement Leave

Bereavement leave with pay is available to A.C.T. 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.

SECTION 4. INSURANCES

Health Insurance

-Effective 1st of the month following your date of hire

The employer shall provide the following health benefits. The coverage is the Priority Health HMO HSA/High Deductible Health Plan with minimum individual and family deductibles subject to annual deductible adjustment in accordance with Internal Revenue Service (IRS) regulations. For employees unable to qualify for the above plan due to IRS regulations, the City will make available Priority Health HMO Co-Pay 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 HMO HSA/High Deductible Health 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 HMO Co-Pay Plan, 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, three thousand six hundred dollars (\$3,600.00) per year pro-rated at three hundred dollars (\$300.00) 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. The Opt-Out Benefit payment shall not be included in the Final Average Compensation for pension benefits.

Dental Insurance

-Effective 1st of the month following your date of hire

The City provides Delta Dental Plan 2979-0001, or equivalent, to A.C.T. Group employees, the employee's spouse and dependent children to the end of the month in which they turn 26 and dependent unmarried children who are eligible to be claimed as an IRS dependent. The City pays 100% of the insurance premium.

Should the employee elect the Buy-Up option, the difference in the premium shall be borne by the employee through payroll deduction.

Vision Insurance

-Effective 1st of the month following your date of hire

The City makes available vision insurance coverage for employees who wish to purchase the coverage. The coverage is VSP network with \$10 eye exam co-pay and \$ 25 material co-pay. The City pays 0% of the insurance premium.

Life Insurance

-Effective 1st of the month following your date of hire

The City provides Group Life insurance to A.C.T. 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

-Effective 1st of the month following your date of hire

A.C.T. 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

-Effective 1st of the month following your date of hire

The City provides Long Term Disability insurance to A.C.T. 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.

Insurance Committee

The City reserves the right to change health insurance providers and/or programs. The health insurance provider selected by the City shall be licensed in the State of Michigan and shall be generally recognized and accepted by the health services community.

There shall be a City of Traverse City Group Health Insurance Committee consisting of representatives from each union and administrative group. Up to Two (2) members of the administrative group will be part of this committee. The committee shall examine the health insurance program including, but not limited to, alternate providers, benefit levels, and premiums and shall make recommendations to the City regarding such.

In the event that the Federal or State government take-over or substantially change the current system of employer-provided group medical insurance coverage, or costs related thereto, this policy may be amended.

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:	For years of service prior to July 1, 2014, 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:	For years of service after to July 1, 2014, 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 EMPOWER or MISSION SQUARE Retirement Corporation. Participation in the plan is voluntary. For A.C.T. 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. Employees can individually choose investment options offered through these programs. All employees are required to enroll in accordance with I.R.S. regulations covering such plans.

IRS Qualifying Health Care Savings Plan (HCSP)

The City provides an I.R.S. qualifying Health Care Savings Plan, through MERS, that allows employees to save for retiree medical expenses with pre-tax dollars. The City will contribute 2% and each employee will contribute ½ % of the employee's gross pay (including regular hours, overtime, vacation pay, short term leave pay, and longevity). Annual benefit cash-outs and retirement cash-outs are not subject to employer or employee contributions. 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 A.C.T. 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 HMO Plan 1, or equivalent. The single rate premium amount is deposited into the retiree's IRS qualifying Health Care Savings Plan account on the first of each eligible month.

A.C.T. Group employees who retire under the Traverse City Act 345 retirement system are not eligible for this benefit.

Effective for any employee hired on or after July 1, 2012, there will be no retiree health insurance.

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 A.C.T. 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.

Tuition Reimbursement

The City of Traverse City recognizes the value of continuing education. Therefore, a tuition reimbursement program has been established to help eligible employees improve job skills and enhance opportunities for advancement within the City. Tuition reimbursement is available to eligible employees who voluntarily pursue educational opportunities or training from an accredited college, university or trade school. 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 5. RESIDENCY

Employees must live within a radius of thirty (30) miles of the City limits as measured from the nearest City limit. Employees who were living outside such radius prior to March 10, 2000 shall be permitted to remain in such place of residence, but if they move, must move within the above mentioned distance. New Hires have one (1) year from date of hire to attain such residency. Failure to comply with this provision shall be a reason for termination. Extensions due to extenuating circumstance may be granted by the City Manager. Change of address shall be reported within seven (7) calendar days to the Office of Human Resources.