

Agenda

Board of Directors Meeting

**HOLLAND BOARD OF PUBLIC WORKS
625 HASTINGS AVENUE
HOLLAND, MICHIGAN**

**June 29, 2009
4:00 p.m.**

Call to order

1.	CONSENT AGENDA	All items marked (Consent) are considered routine and/or have previously been reviewed and will be enacted with one motion. There will be no separate discussion of these items unless a Board Member or an audience member so requests. When requested, the item will be removed from the consent agenda and considered in its normal sequence: 1. Announcement of above by the facilitator 2. Summary of the Consent 3. Request to remove or add items 4. Motion & Support to approve Consent Agenda items 5. Voice Vote
1B.	MINUTES (Consent)	Open Minutes: Not Yet Available
2.	COMMUNICATIONS	The Board welcomes input from the audience at this time. Please state your name and address before addressing the Board. Please limit your comments and/or questions to 5 minutes
3.	FINANCE	Financial Statement – Available at July 6, 2009 meeting <i>Recommendation: None</i>
4.	BUSINESS SERVICES CC	Technical Professional and Office Workers Association of Michigan (TPOAM) Labor Agreement Presentation by Jon Hofmann, Human Resources Manager <i>Recommendation: Approve the Labor Agreement with the Technical, Professional, and Office workers Association of Michigan for the term of April 1, 2009 through March 31, 2012, as presented and forward it to the City for approval by the City Council.</i>

5.	UTILITY SERVICES	<p>Energy Optimization Agreement Presentation by John Van Uffelen, Utility Services Director</p> <p><i><u>Recommendation:</u> Approve the Municipal Public Power Agency (MPPA) Energy Efficiency Service Committee Agreement, pending city attorney approval</i></p>
6.	FINANCE	<p>Insurance for Fiscal Year 2010 Presented by Freda Velzen, Finance Director, and Insurance guests</p> <p><i><u>Recommendation:</u> Approve in support of City Council's approval, the proposal from HUB International for insurance coverage for FY 2010. The package includes policies for \$10,000,000 liability coverage, an additional \$10,000,000 in excess coverage, property, automobile, boiler, pollution, and workers compensation. The premium for the HBPW portion is \$956,530 for the package and \$69,673 for the workers compensation.</i></p>
7.	FINANCE CC	<p>Rate Format Modification Presented by Freda Velzen, Finance Director</p> <p><i><u>Recommendation:</u> Approve the tariffs per the residential rate sheets that represent the EO billing of \$.001373 per kWh effective July 1, 2009 for the Electric Utility.</i></p>

"Reports and Attachments" available at www.hollandbpw.com OR by request

*Accommodations are available for persons with disabilities.
 If you need any aid, please contact the Holland Board of Public Works
 at 616/355-1520
 in advance of this Board meeting*

AUDIENCE PARTICIPATION:

*Members of the audience may address the Board of Directors during public hearings and under "Communications from the Audience".
 Audience participation includes stating name and address and limiting speaking time to five minutes or less.*

HOLLAND BOARD OF PUBLIC WORKS
Business Services Department
June 29, 2009

**Labor Agreement between the
Holland Board of Public Works and the Technical, Professional,
and Officeworkers Association of Michigan**

Introduction

The Labor Agreement between the Holland Board of Public Works (HBPW) and the Technical, Professional, and Officeworkers Association of Michigan (TPOAM) has expired. A three-year successor agreement has been successfully negotiated with the union and was ratified by its membership on June 10, 2009.

Recommendation

Approve the Labor Agreement with the Technical, Professional, and Officeworkers Association of Michigan for the term of April 1, 2009 through March 31, 2012, as presented and forward it to the City for approval by the City Council.

Discussion

In December 2008, the HBPW entered into contract renewal discussions (negotiations) with TPOAM Holland BPW Utilities Local. TPOAM represents approximately 95 HBPW employees (roughly 54% of the utility's workforce). The existing Labor Agreement was due to expire April 1, 2009.

Using collaborative bargaining techniques, management and union reviewed and reached consensus regarding a wide variety of contractual issues.

When it became apparent that a successor agreement would not be ratified prior to April 1, 2009, the existing Labor Agreement was extended to May 1, 2009, by action of the HBPW Board of Directors and City Council.

On May 5, 2009, management and union reached final consensus on the terms of a tentative agreement. The union successfully ratified this tentative agreement with its membership on June 10, 2009.

HBPW management recommends approval of the tentative agreement.

Attachment:

Collective Bargaining Agreement between HBPW and TPOAM for the period of April 1, 2009 through March 31, 2012

Prepared by Jon Hofman, Human Resources Manager
Submitted by Dan Nally, Business Services Director

A G R E E M E N T

Between

HOLLAND BOARD OF PUBLIC WORKS

And

TECHNICAL, PROFESSIONAL AND OFFICEWORKERS

ASSOCIATION OF MICHIGAN

April 1, 2009 through March 31, 2012

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AGREEMENT

This Agreement made and entered into by and between the City of Holland on behalf of the Board of Public Works, Holland, Michigan, hereinafter referred to as the “Board” or the “Employer,” and the Technical, Professional, and Officeworkers Association of Michigan, hereinafter referred to as the “Union.”

WITNESSETH

In consideration of the Premises and the mutual covenant and promises of the parties hereto, it is hereby agreed as follows:

ARTICLE 1

PREAMBLE

Whereas, it is the desire of the parties to this Agreement to continue to work together harmoniously and to promote and maintain the relations between the Board and the Union which will serve to the best interest of all concerned, now, therefore, the parties hereto agree as follows:

ARTICLE 2

RECOGNITION

Section 2.1 The Board recognizes the Union as the exclusive representative of all non-supervisory, non-professional, non-office clerical employees of the Holland Board of Public Works, excluding supervisors, employees in classifications excluded under Section 2.2, and all other employees, for the purpose of collective bargaining with respect to rates of pay, wages or salary, hours of work and other terms and conditions of employment. Nothing herein contained shall abridge the right of the individual employee to have his/her grievance adjusted consistent with the terms of this Collective Bargaining Agreement, provided the bargaining representative has been given an opportunity to be present at such adjustment.

Section 2.2 Effective April 1, 2009, each of the following classifications will be excluded from the collective bargaining unit represented by the Union beginning immediately if the classification is vacant or, if the classification is not vacant, when either of the following events occurs: 1) the current incumbent is no longer employed by the Employer in the classification; or 2) the current incumbent notifies the Employer and the Union that he or she wishes to leave the collective bargaining unit. The classifications affected by this section and the number of current incumbents are as follows:

Position

Utility Engineering Aide	one incumbent
Engineering Technician II	one incumbent
Engineering Technician I	currently vacant
Electrical Draftsperson	one incumbent

ARTICLE 3

UNION SECURITY

Section 3.1 To the extent that the laws of Michigan permit, it is agreed that members covered by this Agreement at the time it becomes effective and who are members of the Union at that time, and all employees who voluntarily become members thereafter, shall be required as a condition of continued employment to maintain his/her membership in the Union to the extent of paying the periodic dues uniformly required as a condition of maintaining membership.

Section 3.2 Eligible employees who were not members of the Union as of July 1, 1980, shall not be required to join the Union, nor pay an Agency fee, nor pay a Charity fee. However, if such employee later joins the Union, such employee must maintain his/her membership and pay the required dues or Agency fee equal to the amount of regular monthly dues.

Section 3.3 All employees hired on or after the July 1, 1980 date, as a condition of continued employment, shall either join the Union or pay an Agency fee equal to the amount of regular monthly dues paid by employees who are members of the Union.

Section 3.4 An employee who has a bona fide religious objection to paying Union dues or an Agency fee may pay a Charity fee equal to the monthly Agency fee. All Charity deductions will be made through authorized payroll deductions, and will be paid quarterly by the Board of Public Works to the Charity designated in the name of the employee. Designated charities are the Greater Holland United Way and the Holland Salvation Army.

ARTICLE 4

CHECK OFF

Section 4.1 The Board will deduct from the wages of each employee, who individually and voluntarily certifies in writing to the Board, on standard forms to be provided by the Union, that he/she authorizes such deductions, the uniform monthly dues in effect at the date of deduction. Such authorization shall not apply to fines or special assessments. Such authorization shall be effective starting the month following receipt by the Board.

Section 4.2 The authorization shall continue in effect for yearly periods beyond the original date of authorization unless revoked by the employee not more than twenty (20) and not less than ten (10) days prior to the anniversary date of this Agreement in any year during the term of this Agreement or the ten (10) day period prior to the termination date of this Agreement or any extension thereof, whichever occurs sooner.

Section 4.3 The Board will promptly remit the dues deducted pursuant to such assignments, with a written statement of the names of the employees for whom deductions were made. Normally the deductions will be from the payroll ending nearest to the mid-month for the then current Union dues.

Section 4.4 In the event employees have no earnings from work during the regular monthly deduction period, his/her Union dues shall be checked off at the next regular deduction period.

Section 4.5 The Union agrees to indemnify and hold harmless the Board for any loss or damages or claims arising from the operation of this Article. It also agrees that neither any

employee nor the Union shall have any claim against the Board for any deductions made or not made as the case may be unless a claim of errors is made in writing to the Board within ten (10) calendar days after the date the deductions were made or should have been made.

ARTICLE 5

MANAGEMENT RIGHTS

Section 5.1 The Board retains exclusively all its customary and normal Functions of management of the affairs of the Board not otherwise restricted by the language of this Agreement including but not limited to, the right to hire, recall, transfer and promote employees, to reprimand, demote, suspend, discipline and discharge employees for just cause, to lay off employees for lack of work or other legitimate reason, to establish and enforce reasonable rules, and to maintain discipline and efficiency of employees. The Union reserves the right to grieve, in accordance with the procedure provided herein, when action taken by the Board may reasonably and sensibly be claimed to be contrary to a specified limitation, set forth in this Agreement, of such rights of the Board.

Section 5.2 Nothing in this Agreement shall prevent non-bargaining unit personnel from performing bargaining unit work provided the performance of such work by non-bargaining unit personnel does not result in lay off of members of the bargaining unit, nor result in loss of scheduled overtime for bargaining unit personnel.

Section 5.3 Without limitation, and by way of illustration of rights covered by Section 5.1, it is recognized that the Employer has the right to change, eliminate, add, or combine departments or classifications.

Employer agrees to negotiate the classification seniority of affected employees. The provision of Section 36.3 will be followed.

ARTICLE 6

REPRESENTATION

Section 6.1 All employees who are covered by this Agreement shall be represented for the purpose of the grievance procedure by stewards chosen by the Union in the areas as set forth below and by a Bargaining Committee which shall represent the employees in bargaining and the higher levels of the grievance procedure, and assist in the interpretation of the Agreement over its term.

The Bargaining Committee shall be composed of five (5) employees selected by the Union, provided that no more than one (1) member shall be from any one department. If the Union is unable to comply with this provision, the Employer and Union shall meet to agree on how to complete the Bargaining Committee.

Section 6.2 A steward shall serve in his/her respective work locations as employee and union representative. There will be one steward for each of the following areas:

Electric Production

Water Treatment
Wastewater Treatment
Electric Distribution
Service Center

Section 6.3 The names of stewards, committeepersons, and alternates shall be given in writing to the Board. No stewards, committeepersons, or alternates shall function as such until the Employer has been advised in writing by the officers of the local union or international or local representatives. Stewards, committeepersons, and alternates shall remain in their respective positions unless replaced in that position by the Union. Any changes in stewards, committeepersons, or alternates shall be reported to the Board, in writing, as far in advance as possible.

Section 6.4 Executive Officers of the International Union or local and/or their representatives duly authorized to represent the Union will be permitted to participate in any discussion arranged pursuant to other provisions of this Agreement relative to hours, wages, and working conditions at any time.

Section 6.5 Any stewards, committeepersons, alternates having an individual grievance in connection to his/her own work may ask another member of the committee to assist him/her in adjusting the grievance.

Section 6.6 Any day when a steward is not scheduled or is not at work because of an excused absence, an alternate steward from among the employees working may fulfill the functions of the absent stewards, provided the Board is notified, in writing, of the designation of the alternate steward.

Section 6.7 Members of the bargaining committee attending bargaining meetings scheduled during the working hours by mutual agreement of the Union and the Board will receive their straight-time regular rate of pay for time lost from their regular scheduled hours because of participation in such meetings, provided non-bargaining unit personnel may fill in for such employees absent during their regular hours to participate in such joint meetings, and provided further that the Board's payment obligation under this section shall not exceed two hundred (200) total hours of pay for all bargaining committee members combined.

Section 6.8 The Employer will provide to the Union one signature copy of the current contract. The Union will be responsible for the distribution of the contract to the Union membership.

ARTICLE 7

GRIEVANCE PROCEDURE

Section 7.1 A grievance is defined as a claim, reasonably and sensibly founded, of a violation of a specific provision or provisions of this Agreement. Any grievance filed shall refer to the specific provision or provisions of this Agreement alleged to have been violated and it shall summarize the facts pertaining to such alleged violations, and specify the relief requested.

Section 7.2 All time spent in connection with grievance investigation and processing shall be done during non-work time, except for scheduled meetings with management which are specifically provided for in this Article. Such meetings shall be scheduled during working or non-working hours by the mutual agreement of the parties. Employees shall notify their supervisor before stopping work to attend such a meeting with management.

Section 7.3 Step One. Any employee who has a grievance shall discuss the grievance with their Supervisor within seven (7) calendar days following the occurrence of the alleged grievance. For employees on authorized leave, the initial period for discussing the grievance shall be fourteen (14) calendar days after return from leave or forty-five (45) calendar days after occurrence of the incident giving rise to the grievance, whichever is sooner. Any resolution of the grievance at this Step One shall be without precedent. The Supervisor shall respond to the grievance within seven (7) calendar days.

Section 7.4 Step Two. If the grievance is not resolved at Step One, the Union may file a written grievance, on the form mutually approved by the Employer and Union, within seven (7) calendar days after the Supervisor's Step One answer. The grievance will state when the grievance was discussed at Step One, the name of the Supervisor, and the date of the Supervisor's verbal response. The grievance will be filed with the Superintendent or his designee, who shall meet with the Chief or Department Steward, whichever is designated by the Union, in an attempt to settle the issue. Each party may be accompanied by one other person at this meeting. The Superintendent or his designee shall return a written decision of the grievance within seven (7) calendar days after the meeting.

Section 7.5 Step Three. If the grievance is not settled at Step Two, the Union President or his designee may appeal by giving written notice to the General Manager or his designee within seven (7) calendar days after the Step Two Answer. If the Union President decides to appeal the Employer's decision, he shall contact the General Manager or his designee to schedule a meeting. The General Manager or his designee will make himself available for the meeting within fourteen (14) calendar days of the Union's President request. The Local Representative and up to two (2) additional Union representatives and the General Manager or his designee and up to two (2) additional management representatives shall meet in an attempt to resolve the grievance. Following this meeting, the General Manager or his designee will provide the Union with a written response within seven (7) calendar days of the meeting.

Section 7.6 If the grievance is not resolved by any of the above steps, the parties may mutually agree, within seven (7) calendar days after the Union's receipt of the Employer's Step Three answer, to submit the grievance to non-binding mediation before the Michigan Employment Relations Commission ("MERC") pursuant to the procedures established by the MERC.

Section 7.7 If the grievance is not submitted to mediation and remains unresolved, the Union may, within fourteen (14) calendar days after receipt of the Employer's Step Three answer, give notice in writing to the General Manager or his designee of its intent to submit the grievance to arbitration. If the grievance is submitted to mediation and remains unresolved after completion of mediation, the Union may, within fourteen (14) calendar days after completion of mediation, give notice in writing to the General Manager or his designee of its intent to submit the grievance to arbitration.

Section 7.8 If the parties are unable to mutually agree on the arbitrator to be used, the arbitrator shall be selected from a panel of seven names obtained through the procedures of the Federal Mediation and Conciliation Service by each party deleting in turn one name until only one remains.

The Arbitrator may determine the effective date for his/her disposition of a grievance, but no award shall be retroactive to a date more than thirty (30) days prior to filing the grievance.

The arbitrator shall have jurisdiction and authority only to interpret, apply and determine compliance with this Agreement and shall not add to, detract from or alter in any way its provisions. The arbitrator shall have no jurisdiction to determine wage rates on new or changed job classifications. The arbitrator's decision shall be final and binding on the Employer, Union, and employees. If the issue of arbitrability is raised, the arbitrator shall only decide the merits of the grievance if arbitrability is affirmatively decided. The arbitrator shall have no authority to award interest or punitive damages. Reinstatement of a grievant to their former position is not considered "punitive" for the purposes of the previous sentence.

Section 7.9 The arbitrator will be requested to provide his/her written award within thirty (30) days of receipt of closing briefs from the parties, but the final decision as to when the award will be issued will be within the arbitrator's authority.

Section 7.10 If additional time is deemed necessary to properly investigate matters relative to the grievance at any of the steps outlined above, such additional time may be granted only if mutually-agreed upon between the Union and the Board. Failure to abide by the time limits set forth herein shall result in dismissal of the grievance.

Section 7.11 The expenses and fees of the arbitrator shall be shared equally by the parties. The parties shall bear individually the cost of presenting their respective cases in arbitration.

ARTICLE 8

SENIORITY

Section 8.1 New employees will be considered as probationary employees until they have been employed continuously for twelve (12) months. After the completion of the probationary period, the employee will be considered as a regular employee and his/her seniority will be the last date of hire. Probationary employees may be laid off or dismissed without recourse to the grievance procedure. Part-time employees do not accrue seniority.

If the Board hires permanent, regular, part-time employees, the Board shall promptly notify the Union and shall, upon request by the Union, promptly enter into negotiations concerning the wages, benefits, and other terms and conditions of employment of such part-time employees. Such negotiations shall not extend to other matters, and shall not cover terms and conditions of employment which are already established by the language of the collective bargaining agreement.

Section 8.2 When an employee completes probation, the employee's name shall be placed on the appropriate seniority list.

Section 8.3 Seniority shall be accrued in the following areas, and in the following manner: Unit-wide seniority shall be the length of uninterrupted employment with the Board of Public Works, within the bargaining unit, commencing with the latest date of hiring less such time as seniority was not accrued during the employee's absence as provided in this Agreement, which includes time lost due to the employee being laid off.

Section 8.4 Departmental seniority shall be determined to be the amount of accumulative service within a department, commencing with the latest hiring date. (The exercise of departmental seniority is limited to the employee's current department.)

Section 8.5 Classification seniority shall be determined to be the amount of accumulative service within a classification, commencing with the latest hiring date. (The exercise of classification seniority is limited to the employee's current classification.)

Section 8.6 In order to preserve the integrity of the Union's Pension system, any employee transferring out of the bargaining unit to a non-bargaining position may generally not return to the bargaining unit. The only exception would be for unique and compelling reasons, and will require the approval of the Board and a letter of agreement from the Union.

ARTICLE 9

SENIORITY LISTS

Section 9.1 Up-to-date seniority lists shall be made available to all employees for their inspection; either by posting where practical or by satisfactory equivalent method. The seniority list shall contain each employee's name, classification seniority date, departmental seniority date and unit-wide seniority date.

Section 9.2 At the request of the Union or each year, the Employer shall provide the Union with two (2) up-to-date and complete seniority lists. Such lists shall include the name and the most current address provided to the Employer by the employee.

Section 9.3 Loss of Seniority: Employees will lose their seniority status:

- (1) When an employee quits, or is discharged.
- (2) When an employee is laid off for a period of one (1) year or the length of his or her seniority at the time the layoff began, whichever is lesser, unless otherwise required by law or the Employer decides to extend this period in its sole discretion.
- (3) When an employee is absent for three (3) consecutive work days without permission, which permission shall not arbitrarily be withheld.
- (4) When an employee fails to report to work within three (3) work days after notice of return to report from layoff.
- (5) Failure to report the first work day after an unpaid leave of absence expires.

- (6) When an employee is on leave(s) of absence of any kind, for a period of one (1) year (two (2) years in the case of leave(s) of absence due to workplace injury covered under Workers' Compensation Law) or the length of his or her seniority at the time the leave(s) began, whichever is lesser, unless otherwise protected by law or the Employer decides to extend this period in its sole discretion.

ARTICLE 10

LAYOFFS AND RECALLS

Section 10.1 It is understood that in the case of layoffs, the employee retained must have the skill and ability to perform the duties normally associated with the assignment.

Section 10.2 Subject to these general conditions, when it becomes necessary to lay off, the employee with the least seniority in the classification affected will be laid off first, subject to Section 10.3 below. Whenever possible, the Employer will give seven (7) calendar days advance notice of layoff.

Section 10.3 The senior employee in the classification will be laid off. That employee may bump a junior employee in the classification, or may be laid off. This procedure will be followed until the layoff process is completed. If the layoff lasts longer than expected, the senior employee may elect to return to work and bump a junior employee in the classification.

Section 10.4 Employees laid off from their department after following the above procedure will be given first consideration in case of a job opening in other departments.

Section 10.5 The classifications and departments are listed in Schedule "A" which is incorporated herein by reference.

Section 10.6 In case of change in classification or department because of exercise of the above rights, the employee moving to the new classification or department shall receive a rate of pay within the rate range of the new job commensurate with his/her skill and ability.

Section 10.7 In the event the Board determines to establish a new classification, the Board shall determine the content of the job and the requirements and qualifications to be met by persons considered for employment in the new classification. The wage rate for the new classification will be established by the Employer based on the contents and requirements of the job.

Section 10.8 In case of recall, employees will be returned to their own department before any other laid-off employee with less seniority in the department is recalled.

Section 10.9 When recalling laid-off employees to work, the Employer will notify in person or by certified mail to the employee's last known address. The Board's obligation is satisfied if the last known address given by the employee is used. The employee so notified shall report to work within three (3) work days after date of his call-back notice.

Section 10.10 If an employee is displaced from their current job classification as a result of an arbitrator's reinstatement of a discharged employee, the Employer will meet with the Union to consider ways in which the impact on the displaced employee can be eased. All relevant

circumstances and possibilities may be discussed, although the Employer reserves the final decision on any action which is not otherwise required by contract.

ARTICLE 11

TRANSFERS AND PROMOTIONS

Section 11.1 All permanent job openings in all classifications shall be posted on the bulletin board within departments for a minimum of three (3) work days from Monday to Friday and shall be open to bid by employees. The Board may fill any vacancy on a temporary basis for a period not to exceed sixty (60) days. The Board has the right to hire outside the department to fill a position whenever a job is not filled by an employee from within.

Section 11.2 In the event of a job opening in an established Job Group, the employee with the most unit-wide seniority currently in the established Job Group who bids and possesses the minimum qualifications shall be given the position. The existing Job Groups are listed in Appendix C.

Section 11.3 If the opening is not part of an established Job Group or is not filled from within the established Job Group, the first consideration will be given to the employee with the most unit-wide seniority currently working in the Department who bids and has the minimum qualifications. Minimum qualifications shall consider such factors as skill, ability, applicable test results, work record, dependability, and others. Any test administered for use in connection with this procedure may be verified for consistency (i.e. all candidates for the opening are given the same test) by a single union official, either the President or Chief Steward, and in strict confidence.

Section 11.4 If no departmental employee is awarded the position, then the position will be open to all candidates including employees from other departments, other areas of city employment, and applicants for employment. The job will be awarded to the person with the best overall qualifications; however, first consideration will be given to present BPW employees where overall qualifications are relatively equal. Overall qualifications shall consider such factors as skill, ability, applicable test results, work record, dependability, BPW seniority, and others.

Section 11.5 The Board need not entertain more than one (1) successful bid from an employee during any six (6) month period. A "successful bid" is defined as a bid which results in an offer of the position, regardless of whether or not the offer is accepted by the employee.

Section 11.6 The employee filling the vacancy shall be given a fair trial period to prove his/her ability. The length of the trial period will depend upon the difficulty of the job and the early performance of the employee. In the event the trial period is to be extended beyond sixty (60) days, the Union will be notified of the extension and the reasons for it. Any dispute regarding applications of this provision will be subject to the grievance procedure.

Section 11.7 If the employee is unable to qualify within the trial period, the employee shall be returned to the employee's former position and pay level. Any other employee(s) who is (are) displaced by this process shall likewise return to their former classification and pay level.

Section 11.8 An employee may exercise the prerogative to refuse a promotion or permanent transfer without loss of seniority. Such refusal may take place only during the first thirty days of the trial period. If an employee does refuse a promotion or permanent transfer the employee will be returned to the employee's former position and pay level. Any other employee(s) who is (are) displaced by this process shall likewise return to their former classification and pay level.

Section 11.9 Any employee moving permanently to a classification bearing a lower starting rate than the rate he/she received at the time of change in classification shall receive a rate in the rate range of the new classification commensurate with his/her skill and ability but, under no circumstances will the rate paid exceed the top of the rate range in the new job classification, and shall be subject to such further increment adjustments in the new classification until the top rate for the working classification is received.

ARTICLE 12

WORKWEEK AND WORKDAY

Section 12.1 The regular workweek for all employees will be forty (40) hours. The regular workday will be eight (8) hours. By mutual agreement between the Employer and the Union, a particular department, work group, or position may be placed on an other than eight (8) hour workday schedule. More than fifty (50) percent of the affected bargaining unit employees must support the trial period in order for the Union and Employer to implement the trial period. In all cases a ninety (90) day trial period will be implemented. Either party may extend the trial period for a second ninety (90) days and the trial may be extended for additional ninety (90) day period(s) by mutual agreement between the Employer and the Union. Either party may cancel the trial period by fourteen (14) days written notice. At least sixty (60) percent of the affected bargaining unit employees must support a permanent change in order for the Union and Employer to implement a permanent change.

An other than eight (8) hour workday schedule will not affect the full time status of any employee who is paid for at least 2080 hours during the year.

Section 12.2 Bi-weekly payroll checks normally will be distributed in the afternoon of the Thursday following.

The standard work week will commence at 10:00 p.m., 11:00 p.m., or midnight each Saturday. One of those specific work weeks will be designated by the Employer for each department or operation.

Section 12.3 Breaks and Meal Periods. Employees working at least eight consecutive hours will receive two fifteen (15) minute breaks. Employees working four or more consecutive hours, but less than eight hours, will receive one fifteen (15) minute break. Employees working less than four consecutive hours are not entitled to a paid break period.

All breaks are paid and will be scheduled by supervision. During all paid breaks, employees are required to remain on the premises and to be available for emergency assignment as requested. Special arrangements may be made for off premise workers.

On paid breaks, travel time from the work site to the break location, or to pick up food, will be counted as part of the break. Trips to obtain lunch will be counted as part of the meal period.

ARTICLE 13

OVERTIME

Section 13.1 The Board has the right to require employees to work overtime. In the event that supervision experiences difficulty in getting overtime done willingly, the work will be assigned in a generally non-discriminatory manner.

All authorized overtime worked over forty (40) hours per week or over eight (8) hours per day by employees on hourly basis will be paid for at time and one-half (1½) the regular hourly rate. However, as provided by Article 12, Section 1 of the Agreement, this provision will not apply to hours worked over forty (40) hours per week or over eight (8) hours per day by employees placed on an alternative work week schedule pursuant to an agreement between the Board and the Union. There shall be no pyramiding of overtime hours or pay under any provision of this Agreement.

In situations involving emergency and storm work, all hours worked beyond 16 hours of continuous work (not including unpaid meal periods) will be paid at double time, until the employee is relieved of service for not less than six consecutive hours. If the employee is relieved for less than six consecutive hours, upon returning to work he/she will continue to be paid double time for time worked, until he/she is relieved for at least six hours. There shall be no pyramiding of double time hours or pay under any provision of this Agreement.

Section 13.2 The Employer may, upon an employee's request, grant compensatory time off ("CTO") to the employee in lieu of immediate cash payment for any actual overtime hours worked that are subject to time and one half or double time rates under this Agreement (which includes hours actually worked on a call-out but does not include call-out incentive pay or standby pay). The amount of CTO earned will be 1.5 hours of CTO for each hour of overtime worked subject to a time and one half rate and two hours of CTO for each hour of overtime worked subject to a double time rate. Employees will be allowed to accumulate up to forty (40) hours of CTO in a CTO bank. In order to be taken by an employee, CTO that the employee has accumulated must be scheduled and approved in advance by the appropriate supervisor. The Employer reserves the right to deny employee requests to use CTO, including, but not limited to, situations where the use of CTO would require overtime work by other employees. Employees are encouraged to request use of CTO in increments of not less than one day. The Employer reserves the right to pay off in cash an employee's banked CTO at any time. The employee may request payment of banked CTO at any time, which the Employer will pay through its normal payroll process.

Section 13.3 For the purpose of computing overtime, an employee absent on authorized leave with pay, including sick leave, jury leave, holiday or vacation, shall be considered to have worked his/her normal work shifts during such absences. Employees absent on unpaid leave shall not be considered to have worked during such absence.

ARTICLE 14

CALL-OUT

Section 14.1 An employee called back to work at a time other than his/her scheduled work shift shall be paid one and one-half times his/her hourly rate for actual hours worked.

Such employee will also receive a lump sum call out incentive. The call out incentive shall be an amount equal to the average of one and one-half hours pay of the top step of the following positions, rounded to the nearest \$5.00: Lineman A, Service & Maintenance II.

Section 14.2 Two (2) or more consecutive call outs may be considered as one call out within the meaning of this provision, provided that the employee has not already completed the preceding call out and left for home.

Section 14.3 On call-out time, there shall be either a meal provided or a ten dollar (\$10) meal allowance for every four hours worked. If a meal is provided, it is understood and agreed that the meal allowance reimbursement will not apply. Breaks and meal periods while on call-out are governed by Section 12.3.

Section 14.4 A ten dollar (\$10) meal allowance shall be paid or a meal shall be provided for every four continuous hours of unscheduled overtime. If a meal is provided, it is understood and agreed that the meal allowance reimbursement will not apply. If the employee receives notice at least nine (9) hours in advance of the overtime, the allowance will not apply.

Section 14.5 If an employee works on a call out within eight (8) hours of the start of the employee's next scheduled shift, then by mutual agreement between the employer and the employee, the employee may be released from working up to as many hours during such regular shift as the employee actually worked on such call out. As provided in Section 14.1, releasing an employee early in no way affects an employees call-out pay.

Section 14.6 Mutual Aid Work. If storm work is being performed in another municipality pursuant to a mutual aid agreement, and the employees of that municipality are being paid premium time for storm work as such (not overtime), and if the Holland BPW is reimbursed under the mutual aid agreement, then the employees who work will be paid at the premium rate (e.g., 1½, 2) in effect at the other municipality. This shall not effect the base hourly rate or any other benefit and such premium pay will not be pyramided with other premium or overtime pay.

ARTICLE 15

STAND-BY

Section 15.1 When an employee is placed on "stand-by" between midnight Friday and the starting time of his/her regularly scheduled shift the following Monday, and is on stand-by during a holiday, he/she shall receive two (2) hours pay at his/her regular straight time rate each for Saturday stand-by and Sunday stand-by; and four (4) hours pay for holiday stand-by. An employee placed on stand-by from the end of his/her shift on Friday until Friday midnight or Holiday eve (both shall not apply) shall receive one (1) hour pay at his/her regular straight time rate. The stand-by assignments of the Water Distribution Department and the Waste Collections system may be combined without duplication of payments or pyramiding.

Stand-by on non-holiday weekdays (Monday-Thursday from the end of one shift until the starting of the next regular shift) will be paid at one (1) hour at the regular, straight time rate.

The Employer will establish procedures that allow qualified employees to voluntarily accept stand-by assignments, prior to the Employer assigning stand-by duties and schedules on an involuntary basis.

Section 15.2 A “stand-by” employee agrees to hold himself/herself available at all times for special calls outside his/her regularly scheduled working hours by means of one or more Employer-designated communication devices, and shall remain within a twenty (20) mile radius of nearest municipal boundary of the City of Holland.

Section 15.3 Failure of a “stand-by” employee to be available for a call out will result in forfeiture of stand-by pay described above for that day. In addition, the employee will be subject to discipline if he/she lacks sufficient reason for the failure to be available.

ARTICLE 16

INJURY LEAVE

Section 16.1 All leaves under this Article, whether paid or unpaid, shall be subject to the limitations of Sections 9.3(6) and shall be combined with all other types of leave for that purpose. An employee injured on the job who has sick leave or vacation accrued may elect to use such time as paid injury leave in conjunction with Workers’ Compensation payments. Any other employee may be granted a leave of absence without pay as provided below and shall be paid in accordance with the Workers’ Compensation Law.

Section 16.2 If an employee elects paid injury leave, his/her sick leave and/or vacation shall be charged at the full rate for the first week of disability due to injury, and at a fraction of the full rate for the following weeks until sick leave and/or vacation is used up. The fractional charge shall be the ratio between full pay and the amount of pay remaining after the deduction of Workers’ Compensation payment. If the disability lasts longer than two (2) weeks, the fractional charge against sick leave and/or vacation shall be applied to the first week also.

Section 16.3 If paid injury leave is not elected, or an employee has no sick leave or vacation accrued, or his/her injury leave as provided above is used up before he/she is able to return to work, he/she shall be granted a leave of absence without pay for a reasonable period upon recommendation of a physician approved by the Board.

Section 16.4 While on injury leave or leave of absence for duty-incurred disability, an employee shall continue to earn vacation and personal leave at a regular rate.

Section 16.5 To be eligible for injury leave an employee shall immediately report any injury, however minor, to his/her supervisor and take, or waive in writing, such first aid treatment as may be recommended.

Section 16.6 An employee on occupational injury leave shall not receive a combination of Workers’ Compensation payment and leave pay in excess of his/her regular pay for a forty (40) hour workweek.

ARTICLE 17

VACATION

Section 17.1 Vacation time will be computed from the employee's date of hiring. Vacation eligibility will be as of the employee's employment anniversary date in accordance with Section 17.6.

Section 17.2 Vacations will be scheduled at times mutually agreeable to the employees and the Board consistent with proper and efficient conduct of department functions. Seniority shall be honored in deciding between the employees' requests for equally available vacation periods. Vacation schedules will be posted for the employees' preferences to be noted prior to April 1st.

Section 17.3 Shift employees in the Power Plant shall be allowed to bid prior to February 1 of any year for their preference on the first week of vacation and preferences for the first week shall be granted in order of seniority, subject to the needs of the Board to have qualified personnel available. For the purpose of this section, a "week" shall mean any period of seven consecutive calendar days. Once the first week has been selected, it shall be protected against exercise of seniority rights by other employees at any later date.

Section 17.4 Between February 1 and April 1, shift employees in the Power Plant may designate their choice for the balance of their vacation time and such choices shall be granted in order of seniority, subject to the needs of the Board to have qualified personnel available. Employees' selections shall be protected against exercise of seniority rights by any other employees at any later date.

Section 17.5 After April 1, seniority shall not be a determining factor in selection of vacation time nor may it be used to displace other employees' earlier selections.

Section 17.6 Employees who otherwise qualify shall be entitled to the following schedule of benefits:

- A. After completing one full year of employment, employee will receive five (5) days (40 hours) of vacation.
- B. After completing two full years of employment, employee, will receive ten (10) days (80 hours) of vacation.
- C. After completing seven full years of employment, employee will receive fifteen (15) days (120 hours) of vacation.
- D. After completing seventeen full years of employment, employee will receive twenty (20) days (160 hours) of vacation.
- E. After completing twenty-four full years of employment, employee will receive twenty-five (25) days (200 hours) of vacation.

Section 17.7 Vacations earned during one employment year are paid the following employment year. To receive a vacation, an employee must be on the payroll as of his/her employment anniversary date. If a person leaves the employment of the Board of Public Works, he/she will be paid for any unused vacation earned the previous year but not taken.

If an employee leaves prior to his/her anniversary date, no vacation credit will be given for the year in which employment terminates. However, an employee who retires in accordance with provisions of the MERS retirement plan will be paid vacation pay prorated according to the number of months worked in the vacation year in which he/she retires.

Section 17.8 In case of illness or injury whereby an employee is not able to continue working, he/she will be carried on the payroll until their anniversary date for the purpose of qualifying for vacation benefits earned during the year, and after their anniversary date will be paid vacation pay pro-rated according to the number of regular hours worked.

Section 17.9 Vacation time is not cumulative and will be forfeited if not taken by the employee's next employment anniversary date, except for carryover permitted by Section 17.10 and 17.11 or in other cases where scheduled vacations are delayed or postponed at the Board's request. No payment will be made for vacation not taken, except as provided in Section 17.10 and 17.11.

Section 17.10 Employees with two weeks' vacation or less will be allowed to "carry-over" one week to the next vacation year.

Section 17.11 Employees with seven (7) years of service that have earned three weeks of vacation or more will be allowed to request to exchange, or "sell," one week of vacation time in each anniversary year for a lump-sum payout. All requests for selling a week of vacation will be processed only within the first or last full pay period of the employee's current anniversary year. When approved, payment will be for 40 hours the following payday.

Section 17.12 Shift personnel shall be allowed to take two (2) weeks of vacation (maximum 10 days) one day at a time, provided the employee requests the time off in writing at least two weeks (14 calendar days) in advance, and otherwise complies with the terms of this agreement, Additional single day vacations may be approved, but are not guaranteed to be available.

ARTICLE 18

SICK LEAVE BANK

Section 18.1 Sick Time Bank. Regular employees who have previously placed accumulated unused sick time into their sick time bank may use this time if the employee is unable to work due to illness or injury lasting five (5) consecutive working days or longer, with medical verification. Effective April 1, 2009, no additional time may be placed into this sick time bank. Employees may place accumulated unused personal leave in their personal leave sick bank pursuant to the provisions in Section 29.4.

Section 18.2 Medical Leave of Absence. All leaves under this Article, whether paid or unpaid, shall be subject to the limitations of Section 9.3(6) and shall be combined with all other types of leave for that purpose. When an employee goes out on an approved Medical Leave of Absence or has been transferred to a different job for medical reasons, his/her former position will be held for a sixty (60) day period or the period required by FMLA, whichever is longer. Management may fill the job on a temporary basis. If the employee has not returned to his/her former position by the end of the sixty (60) day or FMLA period, the position will be posted for bid.

If the employee is able to return to his/her former position within the limitations of Section 9.3(6), he/she will be eligible to do so providing he/she is capable of performing all of the required duties. If the employee returns to his/her former position, the individual filling the job will return to his/her former classification and rate of pay. Any other employee(s) displaced by this process will also return to their former classification with its current pay grade.

Section 18.3 In cases of absences for personal injury incurred during paid supplemental employment by an employer other than the Board and in other cases where a question exists as to the employee's fitness to perform assigned work, prior to returning to work, the Board may require the employee to furnish a doctor's statement regarding the employee's physical condition and his/her ability to perform duties as required, or may require the employee to undergo a medical examination.

Section 18.4 Authorized holidays occurring within a period of sick leave, for which an employee is normally not required to work and for which he/she normally receives holiday pay, will be charged to holiday pay and not to sick leave.

Section 18.5 If an employee is admitted to a hospital as a result of an injury or illness commencing prior to or during vacation leave, the employee may request sick leave in lieu of vacation pay.

Section 18.6 No payment will be made for accrued sick leave upon termination of employment with the Board.

ARTICLE 19

FLEXIBLE SPENDING ACCOUNTS

The Employer provides a Flexible Spending Account program allowed under Section 125 of the Internal Revenue Code, which gives employees the opportunity to use before-tax dollars to pay for medical and child care costs. Information and forms regarding this program are available from the Human Resources Office.

ARTICLE 20

DEFERRED COMPENSATION

Full-time and eligible part-time employees are eligible for participation in the deferred compensation plans offered by the Employer, as they may be changed at any time by the Employer. These plans provide an opportunity for employees to defer a portion of their earnings until later, thereby gaining possible valuable tax advantage. Information and forms regarding these plans are available from the Human Resources Office.

ARTICLE 21

GROUP INSURANCE

Section 21.1 The Employer shall provide eligible full-time employees and their properly enrolled dependents with health insurance under its group health insurance program, currently administered by Blue Cross/Blue Shield, as set forth below, subject to the availability of the described plans and subject to the provisions of the Wellness Plan set forth in Appendix E:

- A. The base plan shall be the Community Blue PPO Plan 10. The Employer may also offer additional plans.
- B. The prescription drug co-pay will be adjusted on an ongoing basis as necessary to match the prescription drug co-pay in effect for Board non-represented management employees.
- C. Beginning July 1, 2009, the Employer shall pay 92.5% of the cost of the premium for the base plan for the duration of this Agreement, subject to the provisions of the Wellness Plan set forth in Appenix E. Payment for the remaining 7.5% of the base plan premium, payment for special rider provisions, and payment for any difference in premium between the plan chosen by an employee and the base plan shall be the responsibility of the employee through authorized payroll deduction.

Section 21.2 Extended payment of Blue Cross/Blue Shield: The Employer will continue to pay the premium while the employee is on sick leave, vacation leave, personal leave and/or short-term disability. Thereafter, the employee may continue coverage by continuing to pay the full premium at the City's group rate, as long as the employee retains status as an employee. The foregoing is available to employees at such time as they accumulate four years of service.

Note: This section is subject to the provisions of federal legislation (C.O.B.R.A.). The Employer will fully comply with such legislation and to the extent that this Section is inconsistent with federal law, that law will control.

Section 21.3 Employer reserves the right to change carriers provided any new carrier will provide benefits at least equal to benefit levels negotiated in this Agreement.

Section 21.4 The cost of the premium for \$35,000 term life insurance with accidental death and dismemberment coverage will be paid by the Employer. Details of eligibility are covered in the Master Agreement. The short term benefit plan is as follows:

The plan provides 65% of the employee's gross weekly income up to a maximum of \$900 per week if the employee is disabled. The employee is eligible for this disability benefit only when his/her accrued sick leave has been exhausted and after a minimum of thirty (30) calendar days of disability. This benefit will be paid for a maximum of 48 weeks or until the employee is no longer disabled, whichever is less. Coverage begins the 1st of the month following 90 days of employment.

Section 21.5 Each employee is responsible for keeping the Employer informed of the current number and status of dependents. Any lack of coverage or incorrect coverage which results from

an employee's failure to comply with this Section will be the employee's responsibility. Any overpayments by the Employer will be reimbursed by the employee, including payroll deductions at the Employer's option.

Section 21.6 The group dental insurance plan of Blue Cross/Blue Shield known as the 100-50-50 plan with an \$800 maximum per person per year, will be purchased for all eligible employees and their eligible dependents. The maximum cost to be paid by the Employer for this insurance will be \$46.98 per month for a family, \$26.10 per month for a two person family, and \$16.77 per month for a single employee. Future premium increases will be shared 50-50 by employer and employee and the Employer is hereby authorized to proceed with payroll deductions of the employee's contribution.

Section 21.7 Retirees. Employees who retire consistent with the rules and regulations of the Michigan Employees' Retirement System, and who are enrolled in the Employer's group health insurance program shall be allowed to enroll in single, double, or family coverage in the program as a retiree and shall privately pay for the premiums under the Employer's group rate.

In addition, an employee who retires at age 55 or older with at least 25 years of service or at age 60 or older with at least 10 years of service, or who retires on duty-related disability with at least 10 years of service, will be eligible for an Employer payment toward health insurance costs, subject to the following:

- a. The Employer will pay up to \$120.00 per month for single coverage or up to \$250.00 per month for double (couple) coverage or family coverage until the retiree reaches age 65. Once the retiree reaches age 65, all Employer payments will cease.
- b. No payment will be made if the employee is able to obtain no-cost coverage through other employment or through a spouse's employment. However, retired employees who are eligible to receive hospital, surgical and medical coverage from another employer-sponsored plan may request reimbursement for any premium cost up to a maximum as stated above.
- c. The coverage which is provided may be changed if the overall group plan is changed, and retirees will be subject to any such future changes in coverage, subject to negotiations between the Employer and the Union.

Section 21.8 Alternative Health Plans. The Employer will cooperate in making a POS and/or other alternative plans available to employees, subject to the following:

- a. The total cost to the Employer will not exceed 92.5% of the premiums that the Employer pays for the Community Blue PPO Plan 10 (including prescription coverage). Any excess costs will be charged to the employee by payroll deductions.
- b. The Employer's sole obligation is to pay premiums. The Employer is not an insurer or health care provider or guarantor.
- c. Each eligible employee may elect such plan as an alternative to health insurance.

- d. The Employer will offer a high-deductible insurance program with health savings account (HSA) option to be effective no later than January 2010.

Section 21.9 Vision coverage. Vision coverage will be made available to employees, to be paid by the employees who elect coverage, by means of payroll deduction.

ARTICLE 22

PENSION

Section 22.1 All employees covered by, and who retire during, this Agreement are covered by the B-3 benefit plan as provided by the Municipal Employees Retirement System (MERS). In addition to this basic plan, a waiver of reduction in Retirement Benefits is in effect which allows early retirement at age 55 with 25 years of service. Subject to the foregoing, all costs of the Pension Plan are paid by Employer. Details are available upon request.

Section 22.2 Defined Contribution Pension Plan. The Employer has adopted a defined contribution pension plan. All employees hired on or after the adoption date of the plan (December 1, 2006) shall be subject to the defined contribution plan and not the defined benefit plan. The Employer shall make a fixed contribution equal to 6% of an eligible employee's gross wages toward the defined contribution plan. Eligible employees shall be permitted a one-time option to contribute an additional 4% of gross wages. If an eligible employee chooses to contribute the additional 4%, the Employer will make a matching 4% contribution. There shall be a maximum Employer contribution of 10%. Eligible employees shall be fully vested after five years of service with the Employer.

ARTICLE 23

HOLIDAYS

Section 23.1 All regular full time employees shall be eligible to receive holiday pay under the following regulations: (a) The employee must work the scheduled hours of the employee's last scheduled work day before the holiday and his first scheduled day after the holiday, or have an approved paid leave of absence; (b) The following days will be considered holidays:

New Years Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Fourth of July	Christmas Eve
Labor Day	Christmas Day

Section 23.2 An employee scheduled to work on a holiday who fails to report for and perform such work, without a reason acceptable to the Employer, shall not receive holiday pay. Employees who work on a holiday shall receive one and one half their regular hourly rate for hours worked in addition to holiday pay.

Section 23.3 Employees eligible under these provisions shall receive eight hours pay for each of the holidays specified in the above paragraph computed at their regular straight time hourly rate, exclusive of overtime premium.

Section 23.4 If a holiday occurs during the week when an employee is on vacation for a full calendar week, holiday pay will be paid in addition to vacation pay.

Section 23.5 If a holiday occurs during an authorized paid sick leave which commenced prior to the holiday, holiday leave will be charged to the holiday and not to sick leave.

ARTICLE 24

BEREAVEMENT LEAVE

Section 24.1 In the event of a family death, Bereavement Leave will be issued as follows:

- A. Five (5) days leave in case of the death of a current spouse or dependent child.
- B.** Three (3) days leave in case of the death of a parent, non-dependent child, brother, sister, parent-in-law, son-in-law, or daughter-in-law.
- C.** One (1) day of leave for the death of a brother-in-law or sister-in-law, grandparent, grandchild, or other relative who resides in the same household as the employee.

Section 24.2 Time to attend the funeral, not-to-exceed one day, will be granted in case of the death of a relative other than those specified above, or in the case of a death of a fellow employee or former employee. (Provided that it does not unduly impact the ability to sustain normal business.)

Section 24.3 All time provided above will be charged to bereavement leave as such, and must be clearly shown on the employee's time card.

Section 24.4 Should additional time be needed other than the bereavement leave above, paid time (vacation time, compensatory time, or personal days) may be used, or an unpaid leave may be requested from the employee's supervisor. Both paid and unpaid time off is to be clearly documented on the employee's time card.

ARTICLE 25

JURY DUTY

Section 25.1 During the period when an employee is performing required jury duty service during hours when they would otherwise be regularly scheduled to work, the Board will pay the difference between the fees for jury duty and pay at the employee's straight time rate for the hours they would have worked on their regularly scheduled shifts, during the period of jury duty, provided the employee gives their Department Head prompt notice of the call to jury duty, and thereafter provides to the Board evidence of performance of jury service and of the payment received for it.

Section 25.2 Under the same conditions the Board will provide time off without loss in pay when an employee is subpoenaed as a witness to appear in courts in Allegan, Ottawa County, or U.S. Federal District Court for Western Michigan. Amount to be allowed to be less any witness fees paid to employee.

ARTICLE 26

MILITARY LEAVE

Section 26.1 Any regular employee who, while employed by the Board of Public Works, enters or has entered into active service in the United States Armed Forces, and who receives an honorable discharge and is still qualified to perform the duties of his/her former position and makes application for reinstatement within ninety (90) days after his/her discharge, shall be reinstated to his/her former position if it still exists, consistent with this seniority.

Section 26.2 In the event employees who are members of the National Guard or Reserves are ordered to participate in activities which result in lost time, such employees will be paid the difference between the amount paid by the Government and their regular weekly pay. Regardless of time spent in such activities, the Board shall make up such pay only for the first ten (10) working days in each year that the employee is engaged in such activities.

ARTICLE 27

UNPAID LEAVES OF ABSENCE; FMLA

Section 27.1 Leaves of Absence. Upon written application by the employee to the Department Superintendent, unpaid leaves of absence may be granted in case of illness or other justifiable causes (including terminal illness of a spouse or child) for a period not to exceed twelve (12) months. All leaves under this Article, whether paid or unpaid, shall be subject to the limitations of Section 9.3(6) and shall be combined with all other types of leave for that purpose. Seniority shall accumulate during such leaves. FMLA leave may run concurrently with such leave. Vacation and Personal Leave Days must be used up before an employee will be eligible for an unpaid leave.

Section 27.2 FMLA. To the extent required under applicable law, according to the Federal Family and Medical Leave Act, an eligible employee shall be granted leave for the purpose and under the terms and conditions as provided by that law in all respects. It is recognized that the interpretation and application of this law may change as court and agency rulings are issued, and also that the Employer may adopt policies to effectuate the Act provided that such policies are consistent with the Act. It is understood that the Employer's FMLA policy in effect for other employees will be applied for employees covered under this bargaining agreement.

ARTICLE 28

NO STRIKE - NO LOCKOUT

Section 28.1 During the term of this Agreement, the Board agrees there will be no lockout, and the Union agrees on behalf of itself and the employees represented by it, that there will be no concerted absence from work, cessation, or interruption of work, slowdown, strike, boycott, or any type of organized or concerted interferences, express or implied, direct or indirect, with the Board's business or abstinence from the full, faithful and proper performance of their duties. The Union further agrees that should any such acts be committed by any employee or employees, it will openly and publicly denounce and discourage such acts.

Section 28.2 It is mutually understood and agreed that the Board shall have the right to take disciplinary action, including discharge, against any employee who may engage in any type of conduct described in the above paragraph.

ARTICLE 29

PERSONAL LEAVE

Section 29.1 After one year of service, all Employees shall be eligible for eleven (11) days (88) hours of personal leave per anniversary year. An employee may carry over up to five (5) unused Personal Leave days to the following year. These hours are to be credited to each person's vacation account on their employment anniversary date. New employees are allowed to take up to two (2) days of borrowed personal leave after six (6) months of service.

Section 29.2 Personal leave days may be taken when prior arrangements have been completed with the employee's supervisor. Granting of such leave is subject to availability of other qualified personnel to handle the work responsibilities of the employee. When leave days are being used for the bona fide illness of the employee or a member of the employee's immediate family (as defined by FMLA), the Employer will grant the leave provided that the employee has given as much prior notice as circumstances permit.

Section 29.3 An eligible employee of the bargaining unit who is absent from service due to an unpaid leave, or who for any reason terminates or is separated from the Board of Public Works, shall receive personal leave pay on a prorated basis for all time worked.

Section 29.4 Personal Sick Leave Bank. An employee, at the end of each anniversary year, may elect to put up to 48 hours of personal leave earned during the year into a personal sick leave bank. This bank may accrue from year to year to a maximum of 240 hours. Once personal leave is put into the personal sick leave bank, it may only be used for absence caused by illness or injury rendering an employee unable to perform his or her job duties.

- a. An employee shall inform his or her immediate Manager/Director of his or her inability to work as early as possible prior to his or her reporting time.
- b. The Employer may require an employee to substantiate the medical necessity of using leave from the personal leave sick bank. Failure to provide such substantiation means that the leave will not be paid and the absence will be unexcused unless covered elsewhere in the Agreement. The Employer has the right to require substantiation in some cases and not in others, regardless of past enforcement or lack thereof. An employee abusing or misusing personal sick leave bank privileges shall be subject to discipline. Such discipline may include dismissal.
- c. Leave from the personal sick leave bank will not be paid to an employee for use in circumstances where it is determined that the employee's absence was caused by a conviction for a violation of an ordinance or law.
- d. An employee with at least five years of service with the Employer who separates from employment with the Employer shall be paid for the accrued hours in his or her personal sick leave bank, up to a maximum of 240 hours.

ARTICLE 30

BULLETIN BOARDS

The Board will furnish bulletin boards, to be used by the employees and the Union, to post notices of Union meetings, Union Elections and recreational and social activities.

ARTICLE 31

EDUCATIONAL ASSISTANCE

Section 31.1 The Holland Board of Public Works is dedicated toward education development of all types. This program is designed to assist employees in improving job capabilities by reimbursement of tuition expenses incurred while taking approved training. The program is limited to full-time employees with at least one full year of active service to the Employer. Employee financial assistance and other types of assistance which fall into one of these categories will be reimbursed as provided below:

Section 31.2 Category “A” consists of educational offerings (seminars, classes, courses, etc.) which are mandatory for the employee to attend and attendance is directed by the Employer. Employees will receive full pay while attending and the Board will pay the full expenses, including transportation and related required expenses. Employer-provided apprenticeship programs shall be governed by the specific program documents as agreed to by the Employer and Union and individual employees (if applicable), and amended from time to time.

Section 31.3 Category “B” consists of educational offerings that are not Employer mandated, but are employee requested and are directly related to the duties within the employee’s present job group. Advance approval is required. Upon completion, the employee will be reimbursed for the course tuition cost. As an alternative, the Employer may pay directly for the tuition course. If the course provides a formal grade, reimbursement will be made pursuant to the reimbursement schedule in Section 31.4. Travel expenses and other costs incidental to the training do not qualify for reimbursement. Course time and travel which occurs during the employee’s normal working hours will be paid. Course time and travel which occurs outside of the employee’s normal working hours will not be paid. Total maximum reimbursement under this Section and Section 31.4 combined is \$3,000 per employee per fiscal year.

Section 31.4 Category “C” consists of educational offerings that are not Employer mandated, but are employee requested and are part of an Employer-approved degree program and relate to the attainment of a degree and advancement in position. An employee wishing to take more than one such course of training must submit an outline of future training courses for the approval of the Review Committee. In this way, the Committee can inform the employee in advance whether the course s/he wishes to take will qualify in the program. The emphasis of the program is on compensating the employee for training s/he takes on his/her own time which results in direct benefit to the Employer. The Review Committee shall consist of the employee’s Department Head and/or Superintendent, the Human Resources Manager, and the General Manager. After approval, and upon receipt of a satisfactory completed grade, the employee will be reimbursed as stated below.

Reimbursement Schedule

- A) A reimbursement of 100% will be granted for a grade of “A” (or “Pass” for a

- Pass/Fail course) upon completion of approved courses.
- B) A reimbursement of 90% will be granted for a grade of “B” upon completion of approved courses.
- C) A reimbursement of 75% will be granted for a grade of “C” upon completion of approved courses.
- D) No reimbursement will be granted for grades of less than “C” (or “Fail” for a Pass/Fail course).

Total maximum reimbursement under this Section and Section 31.3 combined is \$3,000 per fiscal year.

Section 31.5 Employees who are receiving, or are eligible to receive, any other financial assistance for education (e.g., scholarships, tuition reduction) are not eligible for dual benefits for the same course by virtue of this program. However, supplemental benefits will be considered on a case-by-case basis.

Section 31.6 Termination of employment within three (3) years of the date of training completion will result in the employee being required to repay, by payroll deduction or otherwise, all or a portion of the reimbursement based on the following schedule, plus interest:

Repayment Schedule

- A) Termination within one (1) year of training completion 100%
- B) Termination within two (2) years of training completion 67%
- C) Termination within three (3) years of training completion 33%
- D) Termination after three (3) years of training completion 0%

This schedule will not apply if a different schedule has been agreed upon in writing by the Employer and the employee.

ARTICLE 32

UNIFORMS

Section 32.1 If the Board requires an employee to wear uniforms or other protective apparel or equipment, such uniforms or apparel will be provided at no cost to the employee. An employee who is required to wear a uniform or equipment and fails to do so will be subject to progressive discipline, by the employee’s chain of command, with the degree of discipline to be commensurate with the seriousness and repetitiveness of the offense. The uniform allowance is detailed in the General Provisions of the Uniform Policy.

ARTICLE 33

COMPENSATION

Section 33.1 There will be no general wage increase until April 1, 2010.

Section 33.2 Effective April 1, 2010, the general wage increase will be equal to the percentage increase in the CPI-U (U.S. average) for the 20-month period May 2008 (Index was 216.63) through January 2010 (Index to be determined) with a minimum increase of 0% and a maximum increase of 5%.

Section 33.3 Effective April 1, 2011, the general wage increase will be equal to the percentage increase in the CPI-U (U.S. average) for the 12-month period February 2010 through January 2011 with a minimum increase of 1% and a maximum increase of 5%.

Section 33.4 If the percentage increase (or decrease) determined under the formulas in Section 33.2 or 33.3 is more than 3% lower than the applicable minimum or more than 3% higher than the applicable maximum, either party may reopen this Agreement by providing written notice to the other party by April 1 of the applicable year for negotiations relating to this Article only.

ARTICLE 34

SERVICE AVAILABILITY

Section 34.1 *Service Availability* - The supply of electric power, water and wastewater services to the customer is of primary concern to the Holland Board of Public Works. To ensure such service at special times it is imperative to have qualified employees available.

Section 34.2 Accordingly, as a condition of employment, the employees or groups of employees indicated on Appendix A, will be required to reside within 20 miles from the nearest municipal boundary of the City of Holland.

ARTICLE 35

EFFECT OF LEGISLATION

If any law now existing or hereafter enacted, or any proclamation, regulation or edict of any state or national agency shall invalidate any portion of this Agreement, the entire Agreement shall not be invalidated, and either party hereto upon notice to other may re-open for negotiations the invalidated portion and, if any agreement hereon cannot be reached within thirty (30) days, either party may submit the matter to mediation.

ARTICLE 36

MISCELLANEOUS

Section 36.1 *Safety Clause* - The Board and the Union agree to all applicable safety laws and regulations. If MIOSHA requires certain safety equipment, the Board will meet such obligations at no cost to employees. Employees who fail to comply with safety rules and procedures will be subject to discipline.

Section 36.2 A committee shall be established consisting of one Union representative designated by the Union from each department and Management representatives designated by the General Manager to participate on a mutually-agreeable basis in a Safety Committee to consider safety matters to be submitted for consideration of the General Manager. Meetings to be held monthly with written reports of meetings to be posted on all department bulletin boards.

Section 36.3 *New Job Classification*. In the event that the Board establishes a new job classification, or changes an existing classification so substantially that the Board decides to also change the wage rate, then the Board shall have the right to establish and implement a wage rate for the new or changed classification. The employer will notify the union of the changes in an

existing classification and rate or new classification and rate 30 days prior to its implementation. If the union president or his designee wishes to meet with the employer to discuss the new job, they must promptly make a written request for a meeting. The meeting with the union will not delay the implementation of the new job, nor will it alter the fact that the employer will make the final decision on the creation and pay rate of the new job. However, implementation of the new rate shall be subject to the following:

- a. In no event will any new rate fall below the C-1 rate.
- b. If the new wage rate for a changed classification is lower than the old rate, then an employee who occupies the classification at the time that the new rate is implemented will not be reduced in pay, will be red-circled at the previous rate, and will receive normal contractual wage increases. This special status will continue until the employee leaves the classification, or this contract expires, whichever occurs first. However, all employees who are hired, promoted or transferred into the classification after the new wage rate has been implemented will be paid at the new rate.

Section 36.4 The Employer will promptly notify the union president of changes in job descriptions, including elimination of job classifications. In the event the Employer does not promptly notify the union president of changes in job descriptions, the time frame for grieving items relating to the job description changes shall be extended to the earlier of seven (7) days after the Employer notifies the union president, or seven (7) days after the revised job description is publicly posted.

The Union president or his designee may make reasonable requests for job descriptions, which will be provided by the Employer. The Union president or his designee may in writing request in April of each year a meeting with management to discuss current positions and rates if the union feels there have been substantial changes to these positions. Nothing in this Section will alter the rights of the parties under Section 36.3.

Section 36.5 Evaluations - The employer will adopt a formal procedure for evaluation of employees, according to the following:

- a. Evaluations will occur annually or when an employee is scheduled for consideration for merit wage rate increase. The Employer is committed to conducting evaluations consistently over the duration of the contract. The parties have agreed upon the form in use as of April 1, 2009, and may amend the form through mutual agreement.
- b. Copies of evaluations will be kept in each employee's personnel file.

Section 36.6 Equal Employment Opportunity - The Employer and the Union agree to comply with all applicable Equal Opportunity laws.

An employee who has a civil rights claim pending will not have recourse to the arbitration provision of this Agreement.

Section 36.7 The parties have agreed upon an Alcohol and Drug Policy (Appendix D).

ARTICLE 37

TERM OF AGREEMENT

This agreement shall be effective April 1, 2009, and shall remain in full force and effect from said date until 12:01 a.m., April 1, 2012.

FOR THE UNION

FOR THE CITY OF HOLLAND

Technical, Professional and Officeworkers
Association of Michigan

Wayne Beerbower, Agent Date

Albert H. McGeehan, Mayor Date

Lorenzo Spoons, President Date

Anna Perales, Acting City Clerk Date

Approved as to Form:

Andrew J. Mulder Date
Holland City Attorney

APPENDIX A

Departments

Power Production

Electric Distribution

Water Treatment Plant

Wastewater Treatment Plant

Water Distribution/Wastewater Collection

Central Services

Classification⁽¹⁾:

<u>Power Production</u>		<u>Water Treatment Plant</u>	
Utility I	C-1	Utility I	C-1
Utility II	C-4	*Maintenance I	C-4
Utility Operator	C-5	*Maintenance II	C-5
Stockkeeper	C-5	Plant Operator	C-7
Coal & Ash Handler	C-6	*Lead Maintenance	C-8
*Mechanical Maintenance C	C-6		
Coal & Ash Lead	C-7		
Auxiliary Operator	C-8	<u>Wastewater Treatment</u>	
*Mechanical Maintenance B	C-8	Utility II	C-3
*Mechanical Maintenance A	C-9	Utility II (Operator Assistant)	C-3(6)
Plant Operator	C-9	*Maintenance I	C-4
* Electric Prod. Mechanical Lead	C-10	*Maintenance II	C-6
*Instrumentation & Controls Tech	C-10	Pollution Control Tech	C-6
*Instr. & Controls Tech/Oper	C-10	Plant Operator	C-7
*Electric Prod. I&C Lead	C-11	Laboratory Analyst	C-7
Lead Plant Operator	C-11	*Lead Maintenance	C-8
		*Industrial Electrician	C-9
<u>Electric Distribution</u>			
Draftsperson	C-5	<u>Water Dist/Wastewater Collection</u>	
*Ground Worker & Equip. Oper.	C-5	*Service & Maintenance I	C-4
*Electric Distribution Tech I	C-6	*Service & Maintenance II	C-5
Engineering Tech I	C-7	*Lead Service & Maintenance	C-6
*Line Worker B – Noncertified ⁽²⁾	C-8 ⁽²⁾	*Engineering Field Tech.	C-6
*Line Worker B	C-8		
Engineering Tech II	C-8	<u>Central Services</u>	
*Electric Distribution Tech II	C-9	Utility I	C-1
Utility Engineering Aide	C-9	Utility II	C-3
*System Operation Tech	C-10	Courier	C-3
*Line Worker A	C-11	Maintenance I	C-4
*Lead Line Worker	C-12	Lead Meter Reader	C-5

Notes:

* Positions required to meet service availability requirement (Article 34).

(1) Any changes from previous Schedule A are effective as of April 1, 2009.

(2) Former Equipment Operator II employees are transferred to Lineworker “B” as noncertified and will be held at Step C of wage scale C-8.

APPENDIX B

HOLLAND BOARD OF PUBLIC WORKS

**“C” SCALE
Effective April 1, 2009**

Classification

	A	B	C	D	E
C-1	13.82	14.51	15.23	15.99	16.79
C-2	14.65	15.38	16.15	16.95	17.80
C-3	15.52	16.30	17.12	17.97	18.87
C-4	16.46	17.28	18.14	19.05	20.00
C-5	17.44	18.31	19.23	20.19	21.20
C-6	18.49	19.41	20.38	21.40	22.47
C-7	19.60	20.58	21.61	22.69	23.82
C-8	20.77	21.81	22.90	24.05	25.25
C-9	22.02	23.12	24.28	25.49	26.77
C-10	23.34	24.51	25.74	27.02	28.37
C-11	24.74	25.98	27.28	28.64	30.08
C-12	26.23	27.54	28.92	30.36	31.88

**GS SCALE
Effective April 1, 2009**

GT-3	Step E - \$18.95
GS-5	Step E - \$21.42

The “GT-3” and “GS-5” classifications are retained for the “grandfathered” employees who held their current positions prior to April 1, 1990. When these employees vacate their positions, the applicable classification will be retired.

APPENDIX C

BOARD OF PUBLIC WORKS PROMOTIONAL JOB GROUPS

Power Production

1. Utility I - Utility II
 2. Utility Operator- Auxiliary Operator - Plant Operator - Lead Operator
 3. Mechanical Maint. C – Mechanical Maint. B – Mechanical Maint. A – Mech. Lead
 4. Instrumentation & Controls Technician – Instrument & Controls Lead
 5. Coal & Ash Handler - Truck Driver/Coal & Ash Handler - Lead Coal & Ash Handler
(Note: The I&C Tech/Operator is considered an I&C Tech for purposes of promotional job groups.)
-

Electric Distribution

1. Ground Worker & Equip. Oper. – Line Worker B – Line Worker A - Lead Line Worker
 2. Electric Distribution Tech I – Electric Distribution Tech II - Systems Oper Tech
 3. Engineering Tech 1 - Engineering Tech 2 - Utility Engineering Aide
-

Water Treatment

1. Maintenance I - Maintenance II - Lead Maintenance
 2. Utility I
-

Wastewater Treatment

1. Maintenance I - Maintenance II - Lead Maintenance
 2. Utility I - Utility II
 3. Lab Tech - Lab Analyst
-

Water Distribution/Wastewater Collection

1. Service & Maintenance I – Service & Maintenance II – Lead Service & Maintenance
-

Central Services

1. Utility I – Utility II
-

Future changes in operations, classifications, job duties, training methods, etc., may result in changes in job groups.

APPENDIX D

CITY OF HOLLAND, BOARD OF PUBLIC WORKS

EMPLOYEE ALCOHOL AND DRUG ABUSE POLICY

This policy is adopted pursuant to the Drug-Free Workplace Act of 1988 (Pub, L. 100-690, Title V, Subtitle D), in an effort to provide a safe and healthy work environment for our employees.

The use and effects of illegal drugs and alcohol pose very serious problems. While the Board of Public Works of the City of Holland (the “Employer”) would prefer not to intrude into the personal lives of its employees, it must be recognized that employees who use illegal drugs or abuse other controlled substances or alcohol tend to be less productive, less reliable and prone to accidents and absenteeism. Each employee has a responsibility to our community to deliver services in a safe and conscientious manner. In order to ensure that this responsibility is met, employees must work free from the effects of alcohol and other performance impairing substances.

Accordingly, the Employer wants to state clearly its policy so that present and future employees understand our objectives: to remove problems associated with illegal drugs and alcohol abuse from our workplace, either through treatment, cessation of use or termination of employment. Our policy is as follows:

I. DRUG-FREE AWARENESS PROGRAM

A Drug-Free Awareness Program has been developed to inform employees about: (1) the dangers of alcohol and drug abuse in the workplace; (2) the Employer’s Alcohol and Drug Abuse Policy; (3) the availability of treatment and counseling for employees who voluntarily seek such assistance; and (4) the sanctions the Employer will impose for violations of its Alcohol and Drug Abuse Policy.

II. ASSISTANCE TO EMPLOYEES IN OVERCOMING ALCOHOL OR DRUG ABUSE

Early recognition and treatment of alcohol or drug abuse is important for successful rehabilitation and for reduced personal, family, and social disruption. The Employer encourages the earliest possible diagnosis and treatment for alcohol and drug abuse. However, the decision to seek diagnosis and accept treatment for alcohol or drug abuse is primarily the individual employee’s responsibility.

To assist employees in obtaining early voluntary treatment, the Employer refers such employees to an Employee Assistance Program (“EAP”). The EAP is an assessment, counseling and referral service for employees with substance abuse problems. The Employer also provides an insurance plan to full-time employees to help pay for treatment. Finally, the Employer offers a variety of leave options for full-time employees who need time off work for treatment of substance abuse problems. To ensure that these benefits are available, however, employees must voluntarily seek help. These benefits may not be available to employees who do not seek help on their own.

Employees with alcohol or drug abuse problems should request the assistance of the EAP. Employees may seek help without the approval or knowledge of their supervisor. The EAP will provide assistance on a confidential basis and will refer the employee to the appropriate counseling and treatment services. Employees who voluntarily request the EAP's assistance in dealing with an alcohol or drug abuse problem may do so without jeopardizing their continued employment with the Employer.

Voluntary requests for assistance from the EAP will not result in discipline. However such requests and participation will not prevent disciplinary action for other violation(s) of this Alcohol and Drug Abuse Policy. Employees who undergo voluntary counseling or treatment pursuant to a referral by the Employer and who continue to work must meet all established standards of conduct and job performance.

III. APPLICATION

The Policy applies to all employees.

For purposes of this Policy:

- "Employer premises" includes, but is not limited to, all property, whether owned, leased or used by the Employer. This Policy also includes any other locations or mode of transportation to and from those locations while in the course and scope of employment.
- "Employer time" includes, but is not limited to, all time spent on any Employer activity. This does not include the lawful use of alcohol for authorized Employer-related purposes (e.g., authorized social functions, off-hours dinner while traveling on Employer business, etc.).
- "Prohibited substances" are defined as: illegal drugs or controlled substances (including trace amounts); alcoholic beverages; prescription drugs--except as provided in Section IV of this Policy; and any other substance which affects or may affect the employee's ability to competently or safely perform.
- "Under the influence" of any prohibited substance means any detectible level of a prohibited substance in an employee's system. If an employee is "called out," the employee shall not report to work with any prohibited substance in his/her system except that the employee may report where the presence of alcohol does not exceed the standard set by the U.S. Department of Transportation for truck drivers in interstate commerce. (Blood alcohol less than .04%.)
- "Reasonable suspicion" includes, but is not limited to: observation of behavior such as slurred speech, unsteady walking, abrupt mood swings, breath (alcohol) or odor; observation of physical manifestations frequently associated with some forms of substance abuse, e.g., needle marks, sudden nosebleeds, frequent illness not explained by other medical conditions; absenteeism; declining productivity; excessive tardiness; and suspicious activity indicating possible involvement with prohibited substances in violation of this Policy.

IV. AUTHORIZED USE OF PRESCRIBED MEDICINE

Employees undergoing prescribed medical treatment with any substance which may alter their behavior or physical or mental ability must report the effects such treatment may have on their ability to perform their job to their immediate supervisor or the Personnel Director, who will determine whether the Employer should temporarily change the employee's job assignment during the period of treatment.

V. PROHIBITIONS

The Employer's Policy prohibits the:

1. Use, possession, manufacture, distribution, dispensation, transportation or sale of prohibited substances or drug paraphernalia on Employer premises or being under the influence of a prohibited substance on Employer premises on Employer time or at an Employer activity;
2. Storing by an employee of any prohibited substance in a locker, desk, vehicle or other repository on Employer premises or refusing to submit to an inspection (This does not prohibit the storage of unopened, lawful alcoholic beverages in the employee's personal vehicle);
3. Possession, use, manufacture, distribution, dispensation or sale of prohibited substances off Employer premises or Employer time that adversely affects the employee's work performance, his own or others' safety at work or the Employer's regard or reputation in the community; (Note: lawful and moderate use of alcohol is not prohibited).
4. Failing to adhere to the requirements of any drug or alcohol treatment or counseling program in which the employee is enrolled;
5. Conviction under any criminal drug statute or failure to notify the Employer of any arrest or conviction under any criminal drug statute within five days of the arrest or conviction;
6. Failure to report to the immediate supervisor or Personnel Director the effect of a prescribed drug which may alter the employee's behavior or physical or mental ability;
7. Refusing to consent to testing or to submit a urine, blood or other sample for testing when requested pursuant to the Employer's testing Policy, or switching or adulterating any sample submitted for testing.

VI. IMPLEMENTATION AND ENFORCEMENT OF POLICY

The following procedures will be employed to assure compliance with the Policy.

- A. Testing. Employees or applicants for employment may be required to submit to substance testing, including, but not limited to, urinalysis, blood tests, plasma tests or breath tests for the drugs specified in the Department of Health & Human

Services Mandatory Guidelines for Federal Workplace Drug Testing Programs (“HHS Guidelines”) and any amendments to the HHS Guidelines in effect at the time of the testing:

1. to be considered for employment;
2. where the Employer has reasonable suspicion that an employee has ingested, possesses or has distributed a prohibited substance;
3. following an accident or incident where the Employer has reasonable suspicion that prohibited substance(s) may be implicated, e.g., where safety precautions were violated or careless acts were performed; and
4. immediately after an employee returns to work after a disciplinary suspension, where the Employer has reasonable suspicion that prohibited substance(s) may be implicated.

All positive initial drug tests will be confirmed using gas chromatography/mass spectrometry techniques at the cutoff values listed in the HHS Guidelines and any amendments to the HHS Guidelines in effect at the time of the testing.

- B. Searches. Employees, while on Employer premises, are required to submit to searches of their persons, vehicles, lunch boxes, personal effects, desks or similar repositories, etc., when the Employer has a reasonable suspicion that the employee has ingested, possesses or has distributed a prohibited substance.

VII. CONSEQUENCES FOR VIOLATION OF THIS POLICY

Violation of the Employer’s Alcohol and Drug Policy may result in severe disciplinary action, up to and including discharge for a first offense. Violation of this Policy may also subject employees to arrest and prosecution by law enforcement agencies.

In addition to any disciplinary action for drug or alcohol abuse, the Employer may refer an employee to the Employee Assistance Program for assessment, counseling and referral to a treatment program for alcohol and drug abuse. Employees who undergo counseling and treatment for substance abuse and who continue to work must meet all established standards of conduct and job performance.

VIII. LAST CHANCE AGREEMENT

Individuals discharged for violation of the Employer’s Alcohol and Drug Policy may, at the Employer’s sole discretion, be offered the opportunity to enter into a “Last Chance Agreement.”

The Last Chance Agreement provides that an employee may return to employment under the following conditions:

1. The employee acknowledges in writing that he/she has a substance abuse problem;

2. The employee successfully completes a rehabilitation program prescribed under the Employee Assistance Program;
3. The employee agrees in writing to submit to random testing or search for the remainder of his/her employment; and
4. The employee is subject to automatic discharge for any violation of Last Chance Agreement or this Policy while on the Last Chance Agreement and waives the right to grieve such discharge.

IX. CONDITION OF EMPLOYMENT

Compliance with the Employer’s Alcohol and Drug Abuse Policy is a condition of employment. Failure or refusal of an employee to cooperate fully, sign any required document or submit to any inspection or drug test as provided will be grounds for termination.

Questions regarding this Policy should be directed to the Personnel Director.

X. REVIEW OF PROGRAM

This Policy will be reviewed bi-annually to determine its effectiveness, to implement needed changes and to ensure that disciplinary actions are consistently enforced.

XI. RECEIPT

I acknowledge that I have received a copy of the City of Holland, Board of Public Work’s, Employee Alcohol and Drug Abuse Policy.

Date

Employee’s Signature

Employee’s Name (printed)

(Note: This policy will not be implemented with respect to bargaining unit employees until it has also been implemented with respect to non-union employees of the BPW.)

APPENDIX E

WELLNESS PROGRAM

This Appendix overrides any provisions in Article 21 which provide that the Employer will pay a specific portion of the cost of health insurance. That obligation is subject to the provisions of the Wellness Program.

Employees are required to contribute, by payroll deduction, towards the cost of their health insurance coverage, unless the employee meets the Wellness Participation criteria. The employee's contribution is currently, and will not exceed 27.5% of the applicable premium.

Employees who fully meet the Wellness Participation criteria, as set forth below, will not be required to make the health insurance premium contribution described above. Rather, in that event the Employer will pay the specific portion of the cost of health coverage as provided in Article 21 (92.5% of the base plan premium effective July 1, 2009) and the employee will pay the remainder. (Other employee contributions or co-pays, on such benefits as upgrades over the base plan, dental insurance, and prescription drugs charges, are not affected by this Appendix E.)

In order to meet the Wellness Participation criteria, the employee must fulfill those criteria during the preceding Wellness qualifying year. For example, with respect to premiums for calendar year 2010, the employee must satisfy the Wellness Participation criteria during calendar year 2009.

The Wellness Participation criteria are as follows:

1. Completion of health assessments, when offered. These include both "mini" and "full" assessments. Such assessments are not necessarily offered every year. However, the employee is required to participate in such assessments in any year in which they are offered. The full cost of health assessments is paid by the Employer.
2. Completion of three fitness programs. Participation in a fitness program means successful completion of at least the minimum fitness level in each program as established by the Wellness Committee. Most such programs have four or five levels. Employees are encouraged, but not required, to achieve levels above the minimum level.
3. Participation in at least two Wellness Classes. A minimum of twelve such classes are offered each Wellness qualifying year. Classes will be offered for shift workers at times which are reasonable in light of the employees' work schedules. In addition, each employee may substitute, for one of the two required Wellness classes, a substitute activity from an approved list of special events (such as blood drives) designated by the Wellness Committee.

All fitness programs and wellness classes are conducted during non-work time for the employee, unless otherwise provided for in writing by the Employer.

Adjustments and accommodations will be provided for an employee who is unable to participate in fitness programs due to physical/medical limitations, if such limitations are supported by valid medical confirmation. The Employer retains the right to obtain or require an independent medical opinion to validate such confirmations.

A newly-hired employee will be required to make the percentage contribution to the cost of their health insurance provided in this Appendix E (27.5%) until the start of a plan year (January 1) following the employee's fulfillment of the Wellness Participation criteria. For example, an employee hired on July 1, 2009, will be required to make the Appendix E percentage contribution at least until January 1, 2010. If the employee has fulfilled the criteria as of January 1, 2010, then the Employer will pay the specific portion of the cost of health insurance as provided in Article 21 during 2010. However, if the employee has not fulfilled the criteria as of January 1, 2010, then the employee will continue to pay the Appendix E contribution through 2010.

HOLLAND BOARD OF PUBLIC WORKS
Utility Services
June 29, 2009

MPPA Energy Efficiency Service Committee Agreement

Introduction

On April 13, 2009, the Holland Board of Public Works Board of Directors approved a Resolution to join the MPPA Energy Efficiency Service Committee. This Committee is intended to assist the Michigan Public Power Agency (MPPA) members in meeting the energy efficiency obligations required of Michigan PA 295. The Holland BPW, as a member of MPPA, is interested in entering into an agreement to provide Energy Optimization Implementation Contracting services, through the Energy Efficiency Service Committee.

Recommendation

Approve the MPPA Energy Efficiency Service Committee Agreement, pending city attorney approval

Discussion

The Holland BPW Energy Optimization Plan, which is part of the Michigan PA 295 requirement, was filed with the MPSC on April 3, 2009. This plan was developed as part of a group of municipal utilities, along with MPPA, for efficiency and consistency purposes. Implementation of the proposed Energy Optimization Plan is the next step in the development of EO programs and is proposed for July 2009. MPPA solicited a proposal from Franklin Energy to provide Implementation Contracting Services for the members of the Energy Efficiency Service Committee. The scope and methodology of the services proposed by Franklin Energy is consistent with the services that they are providing other Michigan utilities, beginning in 2009, including the Lansing Board of Water & Light, Consumers Energy and DTE. Consistency in the development, marketing and implementation of these services is considered important to the anticipated success of the HBPW Energy Optimization Plan.

Franklin Energy, a well respected EO Program Implementation company, headquartered in Wisconsin, has established offices in Michigan, primarily serving West Michigan through offices in Lansing and Grand Rapids. As part of the EO Program Implementation, HBPW Staff will work with Franklin Energy Staff to provide the following four (4) EO Programs to our Customers:

- 1) Residential Lighting – Purchase & Distribute Energy Efficient CFL Light Bulbs to Residential Customers
2009 Cost = \$30,863
- 2) Residential Refrigerator Recycle – Pick-up and Recycle Old, Working Refrigerators, Provide Rebate Incentive Direct to Customer
2009 Cost = \$49,385

- 3) Business Prescriptive Program – Work with Customers on Energy Efficient Lighting, Equipment Installations. Provide Prescribed Rebate Incentive Direct to Customer
2009 Cost = \$250,156
- 4) Business Custom Program – Work with Large Customers, Develop Custom Energy Conservation Project Plans. Provide Rebate Incentive Direct to Customer
2009 Cost = \$54,418

In addition to these four (4) EO Programs, the HBPW will self-implement three (3) other EO Program in 2009, including:

- 1) Residential Limited Income – Energy Efficient CFL Light Bulb Distribution
- 2) Residential Education – Communicate the Importance and Value of Energy Conservation to Residential Customers
- 3) Business Education – Communicate the Importance and Value of Energy Conservation to Commercial & Industrial Customers

The Cost of all of these EO Programs is in the approved 2010 HBPW Budget. MPPA is in the process of developing a contract with Franklin Energy to provide Implementation Contracting Services to the members of the Energy Efficiency Service Committee. Execution of the Energy Efficiency Service Agreement with MPPA is required to allow HBPW to participate in the contract with Franklin Energy. The HBPW would like to move forward with this agreement, pending city attorney approval.

Attachment:

MPPA Energy Efficiency Service Committee Agreement

Report prepared by Robert Mihos
Submitted by John Van Uffelen

ENERGY EFFICIENCY SERVICE COMMITTEE AGREEMENT

This Energy Efficiency Agreement ("Agreement") is made and entered into as of the 1st day _____, 2009, by and between MICHIGAN PUBLIC POWER AGENCY ("MPPA"), a body corporate and politic of the State of Michigan, created pursuant to 1976 PA 448 and the _____ (the "Participant").

WHEREAS, MPPA was organized under Act 448 to provide a means for those Michigan municipalities which are members of MPPA to secure electric power and energy for their present and future needs; and

WHEREAS, the Participant desires to acquire energy efficiency services ("Services") through MPPA to assist the Participant in meeting some of the requirements under PA 295; and

WHEREAS, MPPA has the personnel, systems and facilities necessary to provide the needed services for the Participant:

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, it is agreed by and between the parties hereto as follows:

Section 1. Term of Contract.

This Agreement shall become effective upon execution and delivery of this Agreement by MPPA and the Participant and shall continue until terminated pursuant to Sections 7 or 12 hereto.

Section 2. Services.

MPPA shall perform the Services as described in Exhibit I. Exhibit I may be changed from time to time upon mutual agreement of MPPA and the Participant without the need for additional governing board approval from MPPA or the Participant.

Section 3. Cooperation and Exchange of Information.

MPPA and the Participant recognize that successful execution of the desired Services will require cooperation and frequent exchanges of information between MPPA, the Participant, and other counterparties. MPPA and the Participant each agree to make all reasonable efforts to provide needed information to the other party in a timely manner. Further, MPPA and the Participant each agree to make all reasonable efforts to assist the other party in obtaining any data necessary for the execution of the desired Services from any third party.

Section 4. Method Of Payment.

(a) An initial payment of 50% of the expected costs to cover the design phase will be charged to the Participant based on the allocation schedule in Exhibit I. This initial one-time payment will be held by MPPA as working capital to be used to assist MPPA in making payments to third parties before payment is received by MPPA from the Participant. Upon termination pursuant to Sections 7 or 12 hereto, MPPA will use these funds to off-set any outstanding charges on the Participant's behalf and then return the remaining portion to the Participant.

(b) Monthly payments required to be paid to MPPA pursuant to this Section 4 shall be due and payable to MPPA at the principal office of MPPA, or such other address as MPPA shall designate in writing to the Participant on the 20th day of the Month following the Month for which services were rendered. Funds must be immediately available funds on that date.

(c) MPPA will use the funds received under Section 4(a) above, to make necessary payments to third parties when due. In the event that MPPA receives third party bills that must be paid before MPPA can collect under Section 4(b) above, and there is not enough monies collected from Section 4(a) above, then MPPA may also require the Participant to make a special payment for MPPA to meet third party obligation. In such cases, MPPA will provide the Participant a minimum of five (5) business days to make such payment.

(d) If payment in full is not made on or before the close of business on the due date, a delayed-payment charge on the unpaid amount due for each day overdue will be imposed at a rate equal to twelve percent (12%) annually plus \$100 per occurrence. If the due date is Saturday, Sunday, or a bank holiday, the next following business day shall be the last day on which payment may be made without the addition of the delay-payment charge.

(e) In the event of any dispute as to any portion of any statement, the Participant shall nevertheless pay the full amount of the disputed charges when due. The Participant shall give written notice of the dispute to MPPA as soon as discovering the grounds for the disputed charges become known, provided however that MPPA will have no obligation to consider a dispute raised more than one-hundred-eighty (180) days after the date such payment was due. Such notice shall identify the disputed bill, state the amount in dispute and set forth a full statement of the grounds upon which such a dispute is based. No adjustment shall be considered

or made for disputed charges unless notice is given as required above or that becomes known after the expiration of this agreement. MPPA shall give consideration to such dispute and shall advise the Participant in writing of its position as soon as possible, but in no case later than thirty (30) days following receipt of such written notice. Upon final determination (whether by agreement, arbitration, adjudication or otherwise) of the correct amount, any difference between such corrected amount and the billed amount shall be subtracted from the next statement submitted to the Participant after such determination.

Section 5. Accounting.

MPPA agrees to keep accurate records and accounts relating to the Service Committee in accordance with the Uniform System of Accounts, separate and distinct from its other records and accounts. The accounts shall be audited annually by a firm of certified public accountants, experienced in electric utility accounting and of national reputation, to be employed by MPPA. A copy of each annual audit, including all written comments and recommendations of such accountants, shall be furnished by MPPA to the Participant not later than 180 days after the end of each calendar year.

Section 6. Event of Default.

Failure of the Participant to make to MPPA any of the payments when due for which provision is made in this Agreement shall constitute an immediate default on the part of the Participant.

Section 7. Continuing Obligation, Right to Discontinue Service.

In the event of any default referenced in Section 6 hereof, the Participant shall not be relieved of its liability for payment of the amounts in default and MPPA shall have the right to recover from the Participant any amount in default. In enforcement of any such right of recovery, MPPA may bring any suit, action, or proceeding in law or in equity, including mandamus and action for specific performance, as may be necessary or appropriate to enforce any covenant, agreement or obligation to make any payment for which provision is made in this Agreement against the Participant. In such instance MPPA may, upon sixty (60) days' written notice to the Participant, terminate this Agreement and cease and discontinue providing all or any portion of the Services shown on the attached Exhibit I.

Section 8. Default by MPPA.

In the event of any default by MPPA under any covenant, agreement or obligation of this Agreement, the Participant's remedy for such default shall be limited to mandamus, injunction, action for specific performance or any other available equitable remedy as may be necessary or appropriate.

Section 9. Abandonment of Remedy.

In case any proceeding taken on account of any default shall have been discontinued or abandoned for any reason, the parties to such proceedings shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of MPPA and the Participant shall continue as though no such proceedings had been taken.

Section 10. Waiver of Default.

Any waiver at any time by either MPPA or the Participant of its rights with respect to any default of the other party hereto, or with respect to any other matter arising in connection with this Agreement, shall not be a waiver with respect to any subsequent default, right or matter.

Section 11. Liability of Parties.

MPPA and the Participant each recognize that the Energy Efficiency Service Committee constitutes a separate Service Committee of MPPA. In accordance with Section 8 hereof, there shall be no monetary claims or money damage claims made by the Participant against MPPA for any default or breach of this agreement and the Participant is limited to equitable relief as provided therein. In addition, the parties agree that under no circumstances shall the financial assets, funds and accounts and physical assets of any other MPPA project or Service Committee be available to satisfy any of MPPA's obligations to the Participant under this Agreement. The sole available recourse for the Participant or MPPA for any acts, errors or omissions by the other party, other than a "default" under Sections 6 or 8 of this Agreement, shall be the withholding of currently owed amounts or suspension of the provision of Dispatching Services, followed by the termination of this Agreement.

Section 12. Termination or Amendment of Contract.

(a) This Agreement may be terminated by either party for any reason upon the provision of written notice to the other party of its desire to terminate the agreement. Such notice will contain a proposed termination date which shall be at least 120 days after the date upon which notice of termination is provided to the other party and will not be before the termination of any MPPA agreement with third parties associated with the Services provided herein. This Agreement may also be terminated pursuant to Section 7 of this Agreement.

(b) Except for changes to Exhibit I made in accordance with Section 2, any amendments to this Agreement shall be approved by the governing board of each party hereto as executed by authorized signers before any such amendment shall be effective.

Section 13. Applicable Law; Construction.

This Agreement is made under and shall be governed by the law of the State of Michigan. Headings herein are for convenience only and shall not influence the construction hereof.

Section 14. Severability.

If any section, paragraph, clause or provision of this Agreement shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Agreement shall remain in full force and effect as though such section, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not been included herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their proper officers respectively, being thereunto duly authorized, as of the day and year first above written.

MICHIGAN PUBLIC POWER AGENCY

By _____

Chairperson

Attest:

PARTICIPANT _____

By _____

Its _____

Attest:

**Services
to be provided by
Michigan Public Power Agency**

The following listing contains those services that the Michigan Public Power Agency (“MPPA”) will perform for the _____ (the “Participant”).

1. General Provisions

- a. The Energy Efficiency Service Committee (“Committee”) will share facilities, software and personnel with the other MPPA Projects and Committees.
- b. Personnel charges against the Committee will be based on personnel time charged specifically for the Committee contained herein.
- c. MPPA overheads will be allocated to the Committee in the same manner as they are presently allocated among the MPPA Committees.
- d. The costs and services desired will be driven by the Participants in the Energy Efficiency Service Committee.

2. Detail of Services.

The initial Design Phase of the Participant’s Energy Optimization plan and the cost allocations may be amended by the Committee as the Participant’s move to the implementation phase of the program. This initial Design Phase is expected to not cost more than \$75,000 in total.

- a. MPPA shall enter into agreements with third parties, as directed by the Committee, to perform the energy optimization requirements of PA 295.
- b. MPPA shall confirm the accuracy of billing statements from third parties and perform the allocation to Participants as directed by the Committee.
- c. MPPA shall maintain a working capital account total of \$37,500 to cover timing issues involved with making payments to third parties and collecting payments from all Participants. This working capital account will be allocated to each Participant in the Committee based on the allocation schedule on the following page.

Initial Cost Allocation for the Energy Optimization Design Phase

Entity	Membership	Number of	Revenue	Sales
		Consumers	(thousand dollars)	MWh
Bay City, City of	MPPA/MMEA	20,345	25,102	316,378
Charlevoix, City of	MPPA/MMEA	4,403	5,513	68,071
Chelsea, Village of	MPPA/MMEA	2,715	6,772	86,598
Croswell, City of	MMEA	1,376	3,099	43,227
Detroit, City of	MMEA	202	47,045	540,384
Dowagiac, City of	MMEA	3,121	5,882	80,783
Eaton Rapids, City of	MPPA/MMEA	2,698	7,144	91,801
Escanaba, City of	MMEA	7,379	13,229	157,454
Grand Haven, City of	MPPA/MMEA	13,315	24,537	309,747
Harbor Springs, City of	MPPA/MMEA	3,546	3,578	39,000
Hart Hydro, City of	MPPA/MMEA	1,162	3,078	37,979
Holland, City of	MPPA/MMEA	27,177	79,659	1,061,446
Lowell, City of	MPPA/MMEA	2,610	5,600	65,399
Niles, City of	MMEA	7,297	9,867	145,616
Paw Paw, City of	MMEA	1,966	2,845	43,096
Petoskey, City of	MPPA/MMEA	5,293	9,034	116,931
Portland, City of	MPPA/MMEA	2,512	3,373	35,765
Sebewaing, City of	MMEA	1,296	3,025	41,233
South Haven, City of	MMEA	8,926	9,803	132,832
St Louis, City of	MPPA/MMEA	1,836	3,010	36,954
Stephenson, City of	MMEA	475	536	6,191
Sturgis, City of	MMEA	7,084	18,132	231,138
Traverse City, City of	MPPA/MMEA	11,199	25,467	330,614
Wakefield, City of	MMEA	1,220	829	12,500
Wyandotte Municipal	MPPA/MMEA	12,786	21,532	275,941
Zeeland, City of	MPPA/MMEA	5,800	18,623	306,073
		157,739	356,314	4,613,151

Percentage Allocation		Expected Total Charge
Democratic	Based on Sales	
75%	25%	
\$ 2,163	\$ 1,286	\$ 3,449
\$ 2,163	\$ 277	\$ 2,440
\$ 2,163	\$ 352	\$ 2,515
\$ 2,163	\$ 176	\$ 2,339
\$ 2,163	\$ 2,196	\$ 4,360
\$ 2,163	\$ 328	\$ 2,492
\$ 2,163	\$ 373	\$ 2,537
\$ 2,163	\$ 640	\$ 2,803
\$ 2,163	\$ 1,259	\$ 3,422
\$ 2,163	\$ 159	\$ 2,322
\$ 2,163	\$ 154	\$ 2,318
\$ 2,163	\$ 4,314	\$ 6,478
\$ 2,163	\$ 266	\$ 2,429
\$ 2,163	\$ 592	\$ 2,755
\$ 2,163	\$ 175	\$ 2,339
\$ 2,163	\$ 475	\$ 2,639
\$ 2,163	\$ 145	\$ 2,309
\$ 2,163	\$ 168	\$ 2,331
\$ 2,163	\$ 540	\$ 2,703
\$ 2,163	\$ 150	\$ 2,314
\$ 2,163	\$ 25	\$ 2,189
\$ 2,163	\$ 939	\$ 3,103
\$ 2,163	\$ 1,344	\$ 3,507
\$ 2,163	\$ 51	\$ 2,214
\$ 2,163	\$ 1,122	\$ 3,285
\$ 2,163	\$ 1,244	\$ 3,407
\$ 56,250	\$ 18,750	\$ 75,000

HOLLAND BOARD OF PUBLIC WORKS
Finance Department
June 29, 2009

Insurance Coverage for Fiscal Year 2010

Introduction

The insurance coverage and proposed premium has been obtained from our agency HUB International for FY 2010. Handouts will be available at the meeting.

Recommendation

Approve in support of City Council's approval, the proposal from HUB International for insurance coverage for FY 2010. The package includes policies for \$10,000,000 liability coverage, an additional \$10,000,000 in excess coverage, property, automobile, boiler, pollution, and workers compensation. The premium for the HBPW portion is \$956,530 for the package and \$69,673 for the workers compensation.

Discussion

Each year the City and the Holland Board of Public Works (HBPW) through our agency, solicit bids from underwriters for insurance coverage for the upcoming fiscal year July 1, 2009 - June 30, 2010. The current proposal from our insurance agency, HUB International, is similar to last year using the package policy coverage for property and boiler with coverage up to \$350,000,000 with Travelers and liability of 10,000,000 underwritten by Princeton with an additional \$10,000,000 layer of reinsurance called excess liability underwritten by Catlin. The total cost to the HBPW is \$956,530, which is \$16,695 or 1.7% less than last year during FY2009, (not including the workers' comp coverage of \$69,673). \$51,200 (annualized on a three year policy) is the pollution policy premium related to moving to CHUB, a carrier who is able to write a more favorable policy for less cost. The savings on the pollution coverage is \$49,920.

The proposed insurance package, underwritten by Princeton Excess Surplus Lines Insurance Company, continues the All Lines Aggregate coverage the City and HBPW have maintained for the past 16 years. The package provides for \$100,000 deductible for most lines of coverage for each occurrence and an aggregate deductible of \$372,500 which is the same as last year. The large deductibles result in effectively being self insured with protection from a catastrophic event. The workers compensation is with Accident Fund of Michigan. It provides first dollar coverage with a guaranteed cost to limit our loss exposure and a dividend plan to provide a return of premium when loss experience is less than 40% of premium.

**RESOLUTION AUTHORIZING CLAIMS SETTLEMENT AND ADMINISTRATION
FOR SELF INSURED RETENTIONS**

At a regular meeting of the Board of Directors for the Holland Board of Public Works of the City of Holland, Holland, Michigan, held at 625 Hastings Avenue in Holland, Michigan, on the 6th day of July 2009 at 4:00 p.m.

PRESENT: _____

ABSENT: _____

The following Resolution was offered by Board member _____ and supported by Board member _____.

RESOLUTION

WHEREAS, the City of Holland ("City") has reviewed the insurance program and proposed levels of coverage for the fiscal year commencing July 1, 2009-June 30, 2010;

WHEREAS, the City of Holland receives during the administration of its municipal and utility operations various claims asserting liability and damages of the City of Holland and its employees, including the Holland Board of Public Works ("HBPW");

WHEREAS, the City intends to enter into a claims administration agreement for the administration of liabilities for the fiscal year commencing July 1, 2009-June 30, 2010;

WHEREAS, the Council of the City of Holland has adopted a resolution establishing the claims administration of the City of Holland for the administration of claims, actions, and liabilities;

WHEREAS, it is in the best interest of the HBPW that a resolution be adopted setting forth the procedure for settlement and claims administration for the HBPW;

WHEREAS, the purpose of this Resolution is to establish and authorize the claims settlement authority for the HBPW within the self insured retention portion of the City's insurance program which specifically includes public officials' liability, general liability and law enforcement liability and property.

NOW, THEREFORE, be it resolved by the Directors of the HBPW of the City of Holland as follows:

1. That the claims administration agreement to be approved by the City Council for July 1, 2009-June 30, 2010 shall permit the settlement and compromise of claims, actions, and liabilities by the designated adjuster in an amount not to exceed \$5,000 against the City and/or HBPW. Periodically, the claims settled in an amount not to exceed \$5,000 shall be reported to the Directors of the HBPW

and City Council based upon a schedule to be established by the City Manager and the General Manager.

2. That the General Manager, or his designee, in conjunction with the City Attorney, is granted the authority to settle and compromise claims, actions, and liabilities against the HBPW and its employees in the event the settled claim does not exceed the sum of \$10,000. The settlement authority granted pursuant to this paragraph shall apply to joint claims; however, the aggregate amount of the joint claim for settlement authority against the HBPW shall not exceed \$10,000.
3. That the General Manager, or his designee, and the City Attorney shall report any and all claims settled administratively within the terms and conditions of the resolution to the Directors of the HBPW and the City Council not less than quarterly during the fiscal year of the HBPW.
4. That any and all claims against the HBPW and its employees which exceed the sum of \$10,000 shall not be paid, settled, or compromised unless approved by the Board of Directors of the HBPW and the Council of the City of Holland.
5. That any and all claims asserted against the HBPW and or its employees relating to the operations of the HBPW, including but not limited to water, sewer, and electric which are less than \$10,000 may be settled and compromised by the designated representative of the HBPW in conjunction with the City Attorney. The settlement authority granted pursuant to this paragraph shall apply to joint claims; however, the aggregate amount of the joint claim for settlement authority against the HBPW shall not exceed \$10,000. The settled claim(s) shall be reported by the HBPW to the Directors of the HBPW and the City Council not less than quarterly during the fiscal year of the City of Holland and the HBPW.

Ayes: _____

Nays: _____

Resolution declared approved dated this 6th day of July 2009.

CITY OF HOLLAND

By _____

Loralyn A Bunce
Its Secretary to the Board

HOLLAND BOARD OF PUBLIC WORKS
Finance Department
June 29, 2009

Rate for Energy Optimization

Introduction

The Energy Optimization (EO) plan requires a separately identified line on the billing for electricity based upon usage that is per kWh.

Recommendation

Approve the tariffs per the residential rate sheets that represent the EO billing of \$.001373 per kWh effective July 1, 2009 for the Electric Utility.

Discussion

The Energy Optimization plan as required by Public Act 295 determined the revenue requirements for residential customers as \$211,900. The recently approved electric residential rates to become effective the July 1, 2009 stated the EO Charge as a flat rate. This proposal is to state the EO Charge as a per kWh rate of \$.001373 with the same revenue target and the same July 1, 2009 effective date. This change will fully comply with the statutory requirement.

Attachments:

Electric Residential Service Rate A
Electric Home Occupation Rate H

Prepared and submitted by Freda W. Velzen, CPA, Director of Finance



Holland Board of Public Works Rate A

Effective Date:

Rate increase effective July 1, 2009.

Availability:

Available for all residential domestic customers

Character of Service:

Alternating current, 60 hertz, single phase, 120/240 nominal volts.
Three phase service as required – subject to availability.

Rates:

Readiness to Serve Charge.....\$5.87 per month plus
Renewable Energy Charge.....\$3.00 per month plus
Energy Optimization Charge.....\$0.001373 per kWh

Energy Charge.....\$0.0813 per kWh per month (November – April)
Energy Charge.....\$0.0913 per kWh per month (May – October)

Space Heating:

Where a customer has permanently installed and uses electric heating equipment as the primary source of space heating, the following rate of charges shall become effective:

\$0.0743 per kWh in excess of 650 kWh per month (November - April)

Supplemental Space Heating:

Where a customer has permanently installed and uses electric space heating equipment, provided such uses are measured through a separate meter at 240 volts, the following rate of charges becomes effective:

\$0.0743 per kWh per month (November - April)

Minimum Charge:

Readiness to Serve Charge plus Renewable Energy Charge on all active accounts** per meter.

**Active accounts are services with installed meters that are available for customer use.

Terms and Conditions of Service:

The obligations of both parties commence when the Board of Public Works begins to supply service and continues until either party has received from the other any form of communications (i.e. email, telephone call, or written) notice to discontinue service; and thereafter for a reasonable time for making disconnections not-to-exceed ten (10) days.

Service hereunder will be furnished only to a simple occupancy. Where a business and residence are combined in one premise, service will not be furnished under this rate.

Motors of more than 5 horse power rated capacity will not be served under this rate without prior Board of Public Works approval.

The rate is subject to revision at any time during the Term of Service upon approval by the Board of Public Works and City Council.

The interruption of electric current delivery in whole or in part under this schedule shall not be the basis for claims for damage or loss.

Service will be further governed by the Board of Public Works standard rules and regulations.

Approved:

Board of Public Works, June 29, 2009
Holland City Council, June ??, 2009

Revision:

Thirty-Six



**Holland Board of Public Works
Home Occupation
Rate H**

Effective Date:

Rate increase effective July 1, 2009.

Availability:

Available for use to customers classified as Home Occupation Residents (See terms and Conditions below).

Character of Service:

Alternating current, 60 hertz, single phase, 120/240 nominal volts. Three phase service as required – subject to availability.

Rates:

Readiness to Serve Charge.....\$5.87 per month plus
Renewable Energy Charge.....\$3.00 per month plus
Energy Optimization Charge.....\$0.001373 per kWh

Energy Charges:

The first 650 kWh will be billed at the residential rate of \$0.0813 per kWh per month (November – April), and

The first 650 kWh will be billed at the residential rate of \$0.0913 per kWh per month (May – October), and

Any additional kWh will be billed at the commercial rate of \$0.0943 per kWh per month (November – April), and

Any additional kWh will be billed at the commercial rate of \$0.1063 per kWh per month (May – October)

Minimum Charge:

Readiness to Serve Charge plus Renewable Energy Charge on all active accounts**per meter.

**Active accounts are services with installed meters that are available for customer use.

Terms and Conditions of Service:

The obligations of both parties commence when the Board of Public Works begins to supply service and continues until either party has received from the other any form of communications (i.e. email, telephone call, or written) notice to discontinue service; and thereafter for a reasonable time for making disconnections not to exceed ten (10) days.

The following conditions must be met to qualify for Rate “H”:

- (A) That the occupation will be conducted entirely within a dwelling or integral part thereof.
- (B) That the occupation is clearly incidental and secondary to the principal use of the dwelling.

- (C) That only members of the immediate family residing on the premise may be employed.
- (D) That no mechanical equipment is used except such as may be used for domestic or household purpose (or as deemed similar to power and type).
- (E) That such occupation shall not require internal or external alteration or invoke construction features not customarily in a dwelling.
- (F) That not more than fifty percent of the floor area of one story of the dwelling is devoted to such home occupation.
- (G) Water will not be an integral part of the business or process.
- (H) For purpose of this rate, Home Occupation is defined as an activity that serves as a regular source of revenue.

The rate is subject to revision at any time during the Term of Service upon approval by the Board of Public Works and City Council.

The interruption of electric current delivery in whole or in part under this schedule shall not be the basis for claims for damage or loss.

Service will be further governed by the Board of Public Works standards rules and regulations.

Approved:

Board of Public Works, June 29, 2009

Holland City Council, June ??, 2009

Revision:

Eleventh