UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:	Bankruptcy Case No. 13-53846
City of Detroit, Michigan,	Honorable Thomas J. Tucker
Debtor.	Chapter 9

CITY OF DETROIT'S MOTION FOR (I) DETERMINATION THAT THE DETROIT POLICE LIEUTENANTS AND SERGEANTS ASSOCIATION HAS VIOLATED THE TERMS OF THE CITY OF DETROIT'S CONFIRMED PLAN OF ADJUSTMENT AND THE ORDER CONFIRMING IT; AND (II) ORDER (A) ENJOINING FURTHER VIOLATIONS AND (B) REQUIRING DISMISSAL OF STATE ACTIONS

The City of Detroit, Michigan ("City") files this motion asking this Court to (i) determine that the Detroit Police Lieutenants and Sergeants Association ("DPLSA") violated the terms of the City's confirmed Eighth Amended Plan for the Adjustment of Debts of the City of Detroit ("Plan," Doc. No. 8045) and the Court's Order Confirming Eighth Amended Plan for the Adjustment of Debts of the City Of Detroit ("Confirmation Order," Doc. No. 8272); and (ii) enter an order (a) enjoining the DPLSA from committing further violations (b) requiring the dismissal of Case No. C15 B-014 Docket No. 15-005055-MERC filed with the Michigan Employment Relations Commission and removed to this Court as adversary proceeding number 15-04209 and Case No. 15-001851-CL filed with the Circuit Court for the County of Wayne, Michigan and removed to this Court as adversary proceeding number 15-04207 (collectively, the "State Actions").

As discussed in greater detail in the attached brief, the Plan provides for specific treatment of City retiree health care benefits as part of the OPEB[1] settlement. Both the Plan and Confirmation Order enjoin any parties from proceeding in any manner which does not comply

[1] OPEB is common shorthand for Other Postemployment Benefits.

with the provisions of the Plan or the OPEB settlement. Despite these provisions, the DPLSA has initiated two actions in state forums, each seeking to compel more favorable treatment for City retirees who happen to be spouses of active DPLSA members than the treatment provided for in the Plan.

For these reasons, the City asks this Court to (1) find that DPLSA has violated the Plan and the Confirmation Order and (2) enter an order (a) enjoining the DPLSA from committing future violations and (b) requiring the dismissal of the State Actions.

March 25, 2015

Respectfully submitted,

By: /s/ Marc N. Swanson

Jonathan S. Green (P33140)
Marc N. Swanson (P71149)
MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
Telephone: (313) 496-7591
Facsimile: (313) 496-8451
green@millercanfield.com
swansonm@millercanfield.com

Charles N. Raimi (P29746)
Deputy Corporation Counsel
City of Detroit Law Department
2 Woodward Avenue, Suite 500
Coleman A. Young Municipal Center
Detroit, Michigan 48226
Telephone: (313) 237-5037
Facsimile: (313) 224-5505
raimic@detroitmi.gov

ATTORNEYS FOR THE CITY OF DETROIT

EXHIBIT 1 – PROPOSED ORDER

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:	Bankruptcy Case No. 13-53846
City of Detroit, Michigan,	Honorable Thomas J. Tucker
Debtor.	Chapter 9

[PROPOSED] ORDER GRANTING THE CITY OF DETROIT'S MOTION FOR (I) DETERMINATION THAT THE DETROIT POLICE LIEUTENANTS AND SERGEANTS ASSOCIATION HAS VIOLATED THE TERMS OF THE CITY OF DETROIT'S CONFIRMED PLAN OF ADJUSTMENT AND THE ORDER CONFIRMING IT; AND (II) ORDER (A) ENJOINING FURTHER VIOLATIONS AND (B) REQUIRING DISMISSAL OF STATE ACTIONS

This matter, having come before the court on the *City of Detroit's Motion for (I) Determination That the Detroit Police Lieutenants and Sergeants Association Has Violated the Terms of the City Of Detroit's Confirmed Plan of Adjustment and the Order Confirming It; and (II) Order (A) Enjoining Further Violations and (B) Requiring Dismissal of State Actions* ("Motion") and the Brief in Support of the Motion, upon proper notice and a hearing, the Court being fully advised in the premises, and there being good cause to grant the relief requested,

THE COURT ORDERS THAT

1. The Motion is granted.

2. Within five days of the entry of this Order, the Detroit Police Lieutenants and Sergeants Association ("DPLSA") will dismiss, or cause to be dismissed, with prejudice (a) Case No. C15 B-014 Docket No. 15-005055-MERC filed with the Michigan Employment Relations Commission and removed to this Court as adversary proceeding number 15-04209, (b) Case No. 15-001851-CL filed with the Circuit Court for the County of Wayne, Michigan and removed to

this Court as adversary proceeding number 15-04207, and (c) any other similar proceedings initiated by the DPLSA.

3. As of the date of this Order, the DPLSA is enjoined from initiating or continuing any proceeding that seeks to alter the health care benefits the City is required to provide to any City retiree pursuant to the Plan.

4. The Court shall retain jurisdiction over any and all matters arising from the interpretation or implementation of this Order.

EXHIBIT 2 – NOTICE

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:	Bankruptcy Case No. 13-53846
City of Detroit, Michigan,	Honorable Thomas J. Tucker
Debtor.	Chapter 9

NOTICE OF OPPORTUNITY TO RESPOND TO CITY OF DETROIT'S MOTION FOR (I) DETERMINATION THAT THE DETROIT POLICE LIEUTENANTS AND SERGEANTS ASSOCIATION HAS VIOLATED THE TERMS OF THE CITY OF DETROIT'S CONFIRMED PLAN OF ADJUSTMENT AND THE ORDER CONFIRMING IT; AND (II) ORDER (A) ENJOINING FURTHER VIOLATIONS AND (B) REQUIRING DISMISSAL OF STATE ACTIONS

The City of Detroit has filed papers with the Court for an Order requesting a determination that the Detroit Police Lieutenants and Sergeants Association ("DPLSA") has violated the City of Detroit's confirmed plan of adjustment and the order confirming it. The City of Detroit thus seeks an order enjoining further violations and the dismissal of the actions initiated in the Michigan Employment Relations Commission and the Circuit Court for the County of Wayne, Michigan and removed to this Court.

Your rights may be affected. You should read these papers carefully and discuss them with your attorney.

If you do not want the Court to enter an Order granting the *City of Detroit's Motion for (I) Determination That the Detroit Police Lieutenants and Sergeants Association Has Violated the Terms of the City Of Detroit's Confirmed Plan of Adjustment and the Order Confirming It; and (II) Order (A) Enjoining Further Violations and (B) Requiring Dismissal of State Actions,* within 14 days, you or your attorney must:

1. File with the court a written response or an answer, explaining your position at:[1]

United States Bankruptcy Court
211 W. Fort St., Suite 1900
Detroit, Michigan 48226

If you mail your response to the court for filing, you must mail it early enough so that the court will **receive** it on or before the date stated above. You must also mail a copy to:

Miller, Canfield, Paddock & Stone, PLC
Attn: Marc N. Swanson
150 West Jefferson, Suite 2500
Detroit, Michigan 48226

2. If a response or answer is timely filed and served, the clerk will schedule a hearing on the motion and you will be served with a notice of the date, time, and location of that hearing.

If you or your attorney do not take these steps, the court may decide that you do not oppose the relief sought in the motion or objection and may enter an order granting that relief.

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

By: /s/ Marc N. Swanson
Marc N. Swanson (P71149)
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
Telephone: (313) 496-7591
Facsimile: (313) 496-8451
swansonm@millercanfield.com

Dated: March 25, 2015

[1] Response or answer must comply with F. R. Civ. P. 8(b), (c) and (e).

EXHIBIT 3 – BRIEF

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:	Bankruptcy Case No. 13-53846
City of Detroit, Michigan,	Honorable Thomas J. Tucker
Debtor.	Chapter 9

BRIEF IN SUPPORT OF THE CITY OF DETROIT'S MOTION FOR (I) DETERMINATION THAT THE DETROIT POLICE LIEUTENANTS AND SERGEANTS ASSOCIATION HAS VIOLATED THE TERMS OF THE CITY OF DETROIT'S CONFIRMED PLAN OF ADJUSTMENT AND THE ORDER CONFIRMING IT; AND (II) ORDER (A) ENJOINING FURTHER VIOLATIONS AND (B) REQUIRING DISMISSAL OF STATE ACTIONS

I. Introduction

In February, 2015, the Detroit Police Lieutenants and Sergeants Association ("DPLSA") filed two actions in state forums to compel the City of Detroit ("City") to allow active DPLSA members to include their City retiree spouses on their medical plan. This relief, however, is barred by the Eighth Amended Plan for the Adjustment of Debts of the City of Detroit ("Plan," Doc. No. 8045), the order confirming the Plan ("Confirmation Order," Doc. No. 8272), and the Master Agreement Between the City of Detroit and the Detroit Police Lieutenants and Sergeants Association 2014-2019 ("CBA"), the terms of which are incorporated into the Plan. *See* CBA, Ex. 6A.

Class 12 of the Plan provides the exclusive health care option available to City retirees that are eligible for retiree health benefits. It states that health care for City retirees is to be provided through voluntary employees' benefits associations ("VEBA"). Plan, Part II.B.3.s, pp. 42-43. The Plan emphasizes that "From and after the Effective Date, the City shall have no further responsibility to provide retiree health care or any other retiree welfare benefits." Plan,

Part II.B.3.s.ii.C, p.43. This Plan language is consistent with the CBA and the incorporated City Medical Plan Document (as defined below on page 5) provided to City retirees which states that "...a retiree of the City may not be enrolled as a spouse of an active employee. A retiree will receive retiree health coverage." *See* Ex. 6B, City Medical Plan Document, p. 6. In violation of the Plan injunction, the DPLSA now seeks to have two state forums rewrite both the Plan and the CBA.

The City asks this Court to enter an order (1) determining that the DPLSA has violated the Plan and the Confirmation Order; (2) requiring the DPLSA to dismiss, or cause to be dismissed, with prejudice the State Actions (as defined below on page 6); (3) enjoining the DPLSA from committing further violations; and (4) granting such other relief as the Court should deem appropriate to enforce the Plan and the Confirmation Order.

II. Background

A. The Retiree Committee

On July 18, 2013, the City filed its petition for relief under chapter 9 of the Bankruptcy Code. (Doc. No. 1.) The next day, the City requested the appointment of an official committee to represent retiree interests. (Doc. No. 20.) The Court granted the motion on August 2, and directed the United States Trustee ("UST") to form a retiree committee. (Doc. No. 279.) A few weeks later, the UST filed its notice of appointment of the committee ("Retiree Committee"). (Doc. No. 575.)

B. The Plan and the OPEB Settlement

In its opinion confirming the Plan, the Court summarized the interactions between the City and the Retiree Committee after its appointment:

> The amount of the City's outstanding obligation related to OPEB claims has been the subject of intense dispute, described more fully below. However, all estimates put the liability in the multi-billion

> dollar range. OPEB claims represent the single largest portion of the City's unsecured debt obligation.
>
> In early 2014, the City notified its retirees that it would drastically change the health care plans that it offered to them, resulting in significantly lower benefit payments. In response, the retiree committee filed an adversary proceeding against the City seeking an injunction to prohibit it from unilaterally changing the health care benefits that it provided to retirees. The committee asserted largely equitable grounds relating to the hardship that terminating these benefits would naturally cause retirees. There did not appear to be any substantial legal grounds for the requested relief.
>
> The City and the retiree committee disputed the present value of the OPEB claims. The City estimated the amount of the claim to be roughly $3.77 billion. The retiree committee estimated it to be approximately $5 billion. The difference in the estimated values of the claim is the result of differing actuarial assumptions and discount rates that the parties used.
>
> The City and the retiree committee also disagreed on the characterization of payments that the City made on OPEB benefits after the City filed this case. The City's position was that these payments were a partial satisfaction of the OPEB claim and should reduce the amount of New B Notes that, under the plan, would be distributed on account of the allowed OPEB claim on a dollar-for-dollar basis. The retiree committee argued that the payments should be ignored for purposes of calculating the OPEB claim amount.

Supplemental Opinion Regarding Plan Confirmation, Approving Settlements, and Approving Exit Financing (the "Confirmation Opinion," Doc. No. 8993), pp. 46-47 (citations omitted).

The City and the Retiree Committee resolved their differences. *Id.*, p. 47. This resolution was integral to the Plan. *Id.* The OPEB Claim was fixed at $4.303 billion, and is to be satisfied through the establishment of voluntary employees' benefits associations ("VEBA"), which the City is funding pursuant to the provisions of the Plan. *Id.*, Fourth Amended Disclosure Statement ("Disclosure Statement," Doc. No. 4391), p. 26-28. It is estimated that retirees' will recover approximately 10% of the value of the OPEB Claim in this fashion.

Confirmation Opinion, p. 47. The OPEB Settlement was put to a vote, and 88% of City retirees accepted it. *Id.*

The City sought approval of the OPEB Settlement. Plan, Part IV.G, p. 58. The Court examined the OPEB Settlement and found it to be fair and reasonable. Confirmation Opinion, p. 47. In particular, the Court found that the OPEB Settlement reduced the City's OPEB liabilities to approximately 3% of general fund expenditures, whereas without the OPEB Settlement, the City's OPEB liabilities were projected to eventually account for as much as 26% of City general fund expenditures. *Id.* The Court found that this explosive growth in OPEB liabilities "would destroy the City's ability to make the financial and operational changes necessary to provide adequate municipal services." *Id.* Consistent with the Plan and the CBA, the Court stated: "As a result of this settlement and the creation of the VEBAs, the City will have no further responsibility to provide retiree healthcare or other benefits to retirees." *Id.* at 48. The Court thus approved the OPEB Settlement. *Id.*, Plan, Part IV.G; Confirmation Order, ¶¶ U, U.1, 5-6.

The Plan incorporates the terms of the OPEB Settlement in its treatment of class 12 OPEB claims. Plan, Part II.B.3.s, p. 42-44. This section of the Plan describes the creation, funding, and operation of the VEBAs. *Id.* At the end of this section of the Plan, under a heading entitled "**C. No Further Responsibility**," the Plan states that "From and after the Effective Date, the City shall have no further responsibility to provide retiree health care or any other retiree welfare benefits." *Id.* This settlement was an integral part of the Plan and a linchpin in the successful restructuring of the City's finances.

C. The DPLSA Collective Bargaining Agreement.

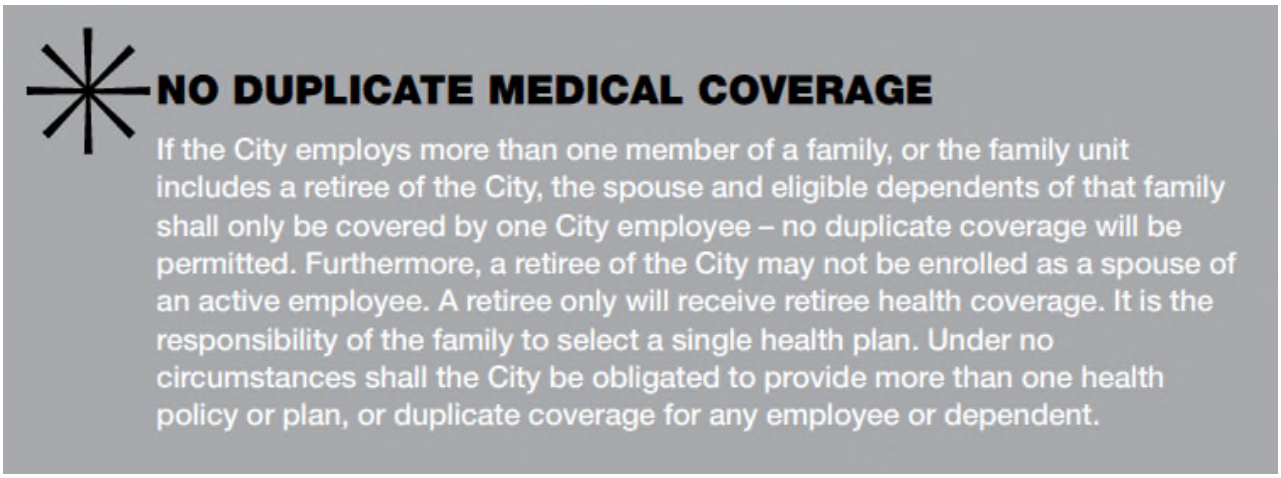
In June, 2013, the City notified the DPLSA that its collective bargaining agreement was due to expire on July 6, 2013, and would be terminated. After months of negotiations, the City

and the DPLSA entered into the CBA. The CBA's terms were incorporated into the Plan. Plan, Part VII.B; Plan, Exhibit II.D.5, contract number II.A.1.

The CBA allows active DPLSA employees to participate in the medical plans offered by the City. CBA, section 43.A, pp. 48-49. The medical plans in which DPLSA members are entitled to participate are, in turn, set forth in a publication entitled "2014 City of Detroit Active Employee Benefits" ("City Medical Plan Document"). Under the title "**Coordination of Benefits**," the City Medical Plan Document reiterates that retirees only source of health care is the VEBA:

> **Note:** The reimbursement for Medicare does not apply to City retirees who are married to active employees of the City. Retirees of the City are only eligible for the City's retiree health care options. **An active employee may not enroll his or her City of Detroit retired spouse in his or her active employee health care coverage.** All retirees of the City are only eligible for coverage under the City of Detroit's retiree health care program.

City Medical Plan Document, p. 6 (emphasis added). To ensure that this provision does not accidentally escape notice, page six of the City Medical Plan Document highlights it further, as shown below:



NO DUPLICATE MEDICAL COVERAGE

If the City employs more than one member of a family, or the family unit includes a retiree of the City, the spouse and eligible dependents of that family shall only be covered by one City employee – no duplicate coverage will be permitted. Furthermore, a retiree of the City may not be enrolled as a spouse of an active employee. A retiree only will receive retiree health coverage. It is the responsibility of the family to select a single health plan. Under no circumstances shall the City be obligated to provide more than one health policy or plan, or duplicate coverage for any employee or dependent.

This is the health care plan in which the CBA allows DPLSA members to enroll. This is the health care plan in which the DPLSA claims its active members may enroll retiree spouses.

D. The State Actions Initiated by the DPLSA.

On February 3, 2015, the DPLSA, eschewing seeking relief from this Court, filed a charge ("Charge") with the Michigan Employment Relations Commission ("MERC") alleging that "the plain terms" of the CBA allow active DPLSA members to enroll their spouses in the City's health care plan, regardless of whether or not the spouse is a City retiree ("MERC Action"). Ex. 6C, Charge, ¶ 7. The Charge further alleges that, by its failure to allow these spouses to enroll in the City health care plan, the City has repudiated the CBA. *Id.*, ¶ 11. Nine days later, on February 12, the DPLSA filed a complaint ("Complaint") with the Circuit Court for the County of Wayne ("State Court Action", and together with the MERC Action, the "State Actions"), making essentially the same allegations and seeking injunctive relief against the City. *See* Ex. 6D, Complaint. Remarkably, neither of the State Actions makes any mention of Class 12 of the Plan or of the City Medical Plan Document (which is incorporated into the CBA), both of which emphatically deny coverage to active employees' retired spouses. The City promptly removed both State Actions to this Court, creating two new adversary proceedings.[1]

III. Argument

A. The DPLSA Violated the Plan Injunction

Through the filing of the State Actions, the DPLSA has violated the Plan injunction set forth in Article III.D.5, which provides in pertinent part:

> **5. Injunction**
>
> **On the Effective Date, except as otherwise provided herein or in the Confirmation Order,**

[1] These proceedings are Adversary Proceeding Number 15-04207-TJT, *Detroit Police Lieutenants and Sergeants Association v. City of Detroit, Michael Duggan, and Michael Hall*, and 15-04209-TJT, *Detroit Police Lieutenants and Sergeants Association v. City of Detroit*.

> **a. all Entities that have been, are or may be holders of Claims against the City…shall be permanently enjoined from taking any of the following actions against or affecting the City or its property…**
>
> **1. commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind against or affect the City of its property…**
>
> **5. proceeding in any manner in any place whatsoever that does not conform or comply with the provisions of the Plan or the settlements set forth herein to the extent such settlements have been approved by the Bankruptcy Court in connection with Confirmation of the Plan; and**
>
> **6. taking any actions to interfere with the implementation or consummation of the Plan.**

Plan, Article III.D.5 (emphasis supplied).

Class 12 of the Plan provides that "From and after the Effective Date, the City shall have no further responsibility to provide retiree healthcare or other retiree welfare benefits." Plan, Part II.B.3.s.ii.C, p. 43. The State Actions violate that provision by seeking healthcare for retirees beyond, and far more expensive than, that which is provided for by Class 12 of the Plan.[2]

The State Actions also violate the CBA, which was incorporated into the Plan. Section 43.A of the CBA allows active employees to participate in the City's Medical Plans: "**During the term of this Agreement, Employees will be eligible to participate in the group medical, prescription drug, dental, and vision plans ("Medical Plans") offered by the City**." CBA, section 43.A, pp. 48-49.

The City's Medical Plans are, in turn, set out in the City Medical Plan Document. The City Medical Plan Document provides "Retirees of the City are only eligible for the City's

[2] The City estimates that more than 300 active City employees are married to retired City employees, and that if such retired spouses were provided coverage under the active employee's City healthcare (contrary to the provisions of the Plan), the additional cost would be some $3 million annually.

retiree health care options. An active employee may not enroll his or her City of Detroit retired spouse in his or her active employee health care coverage. All retirees of the City are only eligible for coverage under the City of Detroit's retiree health care program." City Medical Plan Document, p. 6. The Medical Plan emphasizes "Furthermore, a retiree of the City may not be enrolled as a spouse of an active employee. A retiree only will receive retiree health coverage." *Id.* Both the Plan and the CBA with the incorporated City Medical Plan Document prohibit City retirees from participating in medical coverage provided to active City employees.

B. DPLSA's Substantive Arguments Ignore Both the Plan and the City Medical Plan Document Incorporated into the CBA

The DPLSA's State Action papers make no mention of either Class 12 of the Plan or the City Medical Plan Document. Instead, the DPLSA's argument appears to be: (1) section 43.A of the CBA states that active DPLSA members can participate in the City's health care plan; (2) section 43.B gives active DPLSA members the right to select any coverage tier under the City's health care plan that they wish without any restrictions; (3) there is no language in the CBA saying that they DPLSA members may not designate a spouse for coverage; ergo (4) active DPLSA members have a right to designate their spouse for coverage, even if he or she is a City retiree.

The entire premise of this argument is unsound. Nothing in section 43 of the CBA purports to authorize active DPLSA employees to obtain any health care benefits other than those provided in the City Medical Plan Document. Again, the very first sentence of section 43.A of the CBA states: "**During the term of this Agreement, Employees will be eligible to participate in the group medical, prescription drug, dental, and vision plans ("Medical Plans") offered by the City**." CBA, section 43.A, p. 48.

Section 43.B of the CBA, cited by the DPLSA, does not purport to give members any benefits beyond those provided in the City Medical Plan Document. Rather, section 43.B simply provides that *once the member selects a plan and coverage level from a City health care plan,* he or she must then make the appropriate monthly contributions required by that plan and coverage level. CBA, section 43.B, p. 49. Nothing in the CBA purports to create any benefit rights beyond those provided in the City Medical Plan Document and that document specifically states that "An active employee may not enroll his or her City of Detroit retired spouse in his or her active employee health care coverage." City Medical Plan Document, p. 6.

In short, the CBA provides DPLSA members with the right to *participate* in the City's Medical Plan, it does not create rights beyond those provided in the City Medical Plan Document. And, finally, if there were any possible doubt on this issue, which there is not, the CBA (which is part of the Plan) must be construed in a manner consistent with the Plan – i.e. City retirees are not allowed to obtain City health care coverage. The DPLSA has violated the Plan injunction.

C. The Jurisdiction Plan Provision Cited by the DPLSA does not Divest this Court of Jurisdiction to Enforce the Plan

DPLSA's State Actions cite Article VII.B of the Plan (quoted below) in support of the proposition that state forums have jurisdiction to hear DPLSA's claims. However, section B is merely one of a number of sections of Article VII, and the controlling fact here is that the DPLSA seeks relief directly contrary to the Plan. Accordingly, under Article VIII, the Bankruptcy Court has exclusive jurisdiction over the State Actions.

Article VII of the Plan, entitled "**RETENTION OF JURISDICTION**," provides in pertinent part:

> Pursuant to sections 105(c), 945 and 1142(b) of the Bankruptcy Code and notwithstanding entry of the Confirmation Order and the

occurrence of the Effective Date, **the Bankruptcy Court will retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 9 Case and the Plan to the fullest extent permitted by law**, including, among other things, jurisdiction to:

. . .

B. Confirm the maturity date and the terms as written of the collective bargaining agreements identified on Exhibit II.D.5 of the Plan, which agreements are incorporated as part of the Plan (it being understood that the enforcement, interpretation and resolution of disputes of the terms of the contracts shall proceed under applicable state law);

. . .

D. Ensure that Distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;

. . .

F. **Enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases and other agreements** or documents entered into or delivered in connection with the Plan, the Disclosure Statement or the Confirmation Order;

G. **Resolve any cases, controversies, suits or disputes that may arise in connection with the consummation, interpretation or enforcement of the Plan** or any contract, instrument, release or other agreement or document that is entered into or delivered pursuant to the Plan or any Entity's rights arising from or obligations incurred in connection with the Plan or such documents.

. . .

I. Issue injunctions, enforce the injunctions contained in the Plan and the Confirmation Order, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with consummation, implementation or enforcement of the Plan or the Confirmation Order.

Plan, Art. VII, pp. 69-70 (emphasis added).

This Court retained exclusive jurisdiction over the State Actions because the relief sought by the DPLSA is contrary to the treatment provided to holders of claims in Class 12 of the Plan. If the DPLSA succeeded in the State Actions, "Distributions to Holders of Allowed Claims" in Class 12 would not be "accomplished pursuant to the provisions of the Plan." Plan, Art. VII.D. Rather, City retiree spouses of active DPLSA members would receive more favorable treatment than the balance of class 12 claim holders. Article VII.F also provides that this Court retained jurisdiction over the "implementation or consummation the provisions of the Plan," which, of course, includes Class 12 of the Plan. Plan, Art. VII.F. Additionally, the State Actions qualify as "cases, controversies, suits or disputes" that have arisen with respect to the "consummation, interpretation or enforcement" of Class 12 of the Plan and the CBA. Plan, Art. VII.G. In sum, the Plan provides that the Bankruptcy Court has exclusive jurisdiction over the State Actions.

IV. Conclusion

For the reasons stated above, the City ask this Court to (a) enter the proposed order attached as Exhibit 1 and (b) grant such other and further relief as the Court may deem proper. The City sought, but did not obtain, the DPLSA's concurrence to this relief.

March 25, 2015

Respectfully submitted,

By: /s/ Marc N. Swanson

Jonathan S. Green (P33140)
Marc N. Swanson (P71149)
MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
Telephone: (313) 963-6420
Facsimile: (313) 496-7500
green@millercanfield.com
swansonm@millercanfield.com

Charles N. Raimi (P29746)
Deputy Corporation Counsel
City of Detroit Law Department
2 Woodward Avenue, Suite 500
Coleman A. Young Municipal Center
Detroit, Michigan 48226
Telephone: (313) 237-5037
Facsimile: (313) 224-5505
raimic@detroitmi.gov

ATTORNEYS FOR THE CITY OF DETROIT

EXHIBIT 4 – CERTIFICATE OF SERVICE

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:	Bankruptcy Case No. 13-53846
City of Detroit, Michigan,	Honorable Thomas J. Tucker
Debtor.	Chapter 9

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on March 25, 2015, he served a copy of the foregoing ***CITY OF DETROIT'S MOTION FOR (I) DETERMINATION THAT THE DETROIT POLICE LIEUTENANTS AND SERGEANTS ASSOCIATION HAS VIOLATED THE TERMS OF THE CITY OF DETROIT'S CONFIRMED PLAN OF ADJUSTMENT AND THE ORDER CONFIRMING IT; AND (II) ORDER (A) ENJOINING FURTHER VIOLATIONS AND (B) REQUIRING DISMISSAL OF STATE ACTIONS*** upon counsel as listed below, via electronic mail:

Peter P. Sudnick, Esq.
SUDNICKLAW, P.C.
2555 Crooks Road, Suite 150
Troy, MI 48084
psudnick@sudnicklaw.com

Barbara A. Patek & Julie Beth Teicher
ERMAN, TEICHER, ZUCKER & FREEDMAN, P.C.
400 Galleria Officeentre, Suite 444
Southfield, MI 48034
jteicher@ermanteicher.com
bpatek@ermanteicher.com

DATED: March 25, 2015

By: /s/ Marc N. Swanson

Marc N. Swanson
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
Telephone: (313) 496-7591
Facsimile: (313) 496-8451
swansonm@millercanfield.com

EXHIBIT 5 – AFFIDAVITS

NONE

EXHIBIT 6A – CBA

MASTER AGREEMENT

BETWEEN THE

CITY OF DETROIT

AND THE

DETROIT POLICE LIEUTENANTS AND SERGEANTS ASSOCIATION

2014 – 2019

LAW ENFORCEMENT CODE OF ETHICS

The Law Enforcement Code of Ethics shall be the basis for governing the behavior of all members of the Department and is hereby adopted as follows:

As a law enforcement officer, my fundamental duty is to serve the community; to safeguard lives and property; to protect the innocent against deception, the weak against oppression or intimidation, the peaceful against violence or disorder; and to respect the constitutional rights of all to liberty; equality and justice.

I will keep my private life unsullied as an example to all and will behave in a manner that does not bring discredit to my agency or me. I will maintain courageous calm in the face of danger, scorn, or ridicule; develop self-restraint; and be constantly mindful of the welfare of others. Honest in thought and deed in both my personal and professional life, I will be exemplary in obeying the laws and the regulations of my department. Whatever I see or hear of a confidential nature or that is confided to me in my official capacity, will be kept ever secret unless revelation is necessary in the performance of my duty.

I will never act officiously or permit personal feelings, prejudices, political beliefs, aspirations, animosities or friendships to influence my decisions. With no compromise for crime and the relentless prosecution of criminals, I will enforce the law courteously and appropriately without fear or favor, malice or ill will, never employing unnecessary force or violence and never accepting gratuities.

I recognize the badge of my office as a symbol of public faith, and I accept it, as a public trust to be held so long as I am true to the ethics of the police service. I will never engage in acts of corruption or bribery, nor will I condone such acts by other police officers.

I will cooperate with all legally authorized agencies and their representatives in the pursuit of justice.

I know that I alone am responsible for my own standard of professional performance and will take every reasonable opportunity to enhance and improve my level of knowledge and competence.

I will constantly strive to achieve these objectives and ideals, dedicating myself before God to my chosen profession...law enforcement.

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1. PREAMBLE

This Agreement entered into between the City of Detroit, a Michigan Municipal Corporation (hereinafter referred to as the "City, Department or Employer"), and the DETROIT POLICE LIEUTENANTS AND SERGEANTS ASSOCIATION, INC., an organization existing under the laws of the State of Michigan (hereinafter referred to as the "Association"), has as its purpose the promotion of harmonious relations between the City and the Association; the establishment of an equitable and peaceful procedure for the resolution of differences; orderly resolution of grievances; and the establishment of rates of pay, hours of work, and other terms and conditions of employment both economic and non-economic.

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

2. RECOGNITION OF ASSOCIATION

Pursuant to and in accordance with all applicable provisions of Act 336 of the Public Acts of 1947, as amended, the Employer hereby recognizes the Association as the exclusive representative for the purpose of collective bargaining with respect to wages, hours, and other terms and conditions of employment both economic and non-economic for all Employees in the following classifications:

Class Code Number	Title
33-10-20	Detective
33-10-16	Police Investigator
33-10-21	Police Sergeant
33-10-22	Police Sergeant – Promotion List
33-12-21	Senior Communications Officer - Police Sergeant
33-12-22	Senior Radio Maintenance Officer - Police Sergeant
33-12-23	Police Sergeant – Chemist
__-__-__	Master Sergeant
33-10-31	Police Lieutenant
__-__-__	First Lieutenant
33-12-31	Assistant Supervisor of Operators - Police Lieutenant
33-12-33	Supervisor of Radio Systems and Planning - Police Lieutenant
33-12-34	Supervisor of Operators - Police Lieutenant
33-12-35	Supervisor of Radio Maintenance - Police Lieutenant
33-12-37	Supervisor of Firearms Identification and Explosives – Police Lieutenant

No person shall occupy any of the above classifications as reflected by the accompanying class code numbers unless he or she is a member of the bargaining unit.

3. ASSOCIATION SECURITY

A. Employees are free to join or not to join the Association. Employees who are members of the recognized bargaining unit but who are not members of the Association may join

the Association by initiating their Association application form and dues deduction authorization form.

B. The City agrees to deduct from the wages of an Employee, who is a member of the Association, all Association membership dues uniformly required, as provided in a written authorization in accordance with the standard form used by the City provided that the said form shall be executed by the Employee. The written authorization for Association dues deduction shall remain in full force and effect during the period of this Agreement unless revoked by written notice. The revocation notice must be given to both the Finance Department and to the Association.

C. Any person employed with the City and covered by this Agreement, who is not a member of the Association and who does not make application for membership within ninety (90) days from the Effective Date of this Agreement or from the date he first becomes a member of the bargaining unit, whichever is later, shall as a condition of employment, pay to the Association a service fee as a contribution towards the administration of this Agreement, in an amount equal to regular membership dues of the Association. Employees who fail to comply with this requirement shall be discharged within thirty (30) days after receipt of written notice by the Police Department from the Association unless otherwise notified by the Association in writing within said thirty (30) days and provided that the Association shall release the Department from fulfilling the obligation to discharge if during such 30-day period the Employee pays the membership dues or service fee retroactive to the due date and confirms his intention to pay the required membership dues or service fee in accordance with this Agreement.

D. The City agrees to deduct from the wages of any Employee covered by this Agreement, who is not a member of the Association, all Association service fees uniformly required as provided in a written authorization in accordance with the standard form used by the City, provided that the said form shall be executed by the Employee. The written authorization for Association service fee deduction shall remain in full force and effect during the period of this Agreement unless revoked by written notice. The revocation notice must be given to both the Finance Department and to the Association.

E. All Association membership dues and service fees will be authorized, levied, and certified in accordance with the by-laws of the Association. Each Employee and the Association hereby authorizes the City to rely upon and to honor certifications by the Treasurer of the Association regarding the amounts to be deducted and the legality of the adopting action specifying such amounts of Association dues and service fees, which dues and service fees shall be sent via first class mail, without undue delay, to the Treasurer of the Association. The Treasurer of the Association shall not request the City to change the amounts so deducted more often than four (4) times each City fiscal year.

F. The Association shall have no right or interest whatsoever in any money authorized withheld until such money is actually paid over to them. The City or any of its officers and employees shall not be liable for any delay in carrying out such deductions, and upon forwarding a check in payment of such deductions by mail to the Association, the City and its officers and employees shall be released from all liability to the employee-

assignors, and to the Association under such assignments. (Chapter 13, Article 4, Section 4 of the Municipal Code of the City of Detroit.)

G. The Association shall refund to Employees, dues and service fees erroneously deducted by the City and paid to the Association. The City may offset any amount erroneously or improperly deducted and paid to the Association from any subsequent remittance to the Association.

H. The Association agrees to save and hold harmless the City from damages or other financial loss, which the City may be required to pay or suffer as a consequence of enforcing the above provisions.

4. BASIS OF REPRESENTATION

A. In each precinct, section or unit or any combination, Employees shall be represented by a delegate who shall be a regularly assigned bargaining unit Employee. One alternate delegate for that representative unit shall be selected and shall serve in the absence of the delegate.

B. Members of the bargaining unit selected to serve as authorized delegates of the Association shall be certified in writing to the Chief of Police within thirty (30) days of the Effective Date of this Agreement. Any changes shall be so certified within ten (10) days.

C. Delegates and alternates of the Association's Board of Directors shall be released from duty to attend Board meetings.

D. Delegates shall not be transferred out of their work location during their term of office except at their own request, or upon good cause shown after a hearing before the Chief of Police or his designated representative. The Association President or his designated representative may attend the hearing.

E. The Department will grant a necessary and reasonable amount of time off, during working hours, and with regular pay for lost time, to Association officers, delegates and grievance committeemen who must necessarily be present for direct participation in the grievance adjustments and special conferences with the Department. Such persons must receive permission from their immediate supervisors to leave their workstations and must report back promptly when their part in the grievance adjustment or conference has been completed. This privilege shall not interfere with vital police service. The Association officers, delegates and grievance committee members will not be released for simultaneous investigation of grievances, unless mutually agreed. Delegates shall be allowed to discuss and communicate official Association business to Employees prior to on-duty roll call or following off-duty roll call.

F. In accordance with the appropriate step of the grievance procedure provided herein, the Employer agrees that the delegate of the representative unit where the grievance originates may, during his working hours, without loss of time or pay, investigate and present grievances in accordance with the grievance procedure.

Permission for his release must be secured from his supervisor. This privilege shall not be abused, or interfere with vital police service or the proper supervision of subordinates.

G. The Association may establish a three-member grievance committee for the purpose of working under the authority of the Association President in processing grievance appeals. Grievance committee members shall receive one (1) working day off per week in order to investigate and process grievances. This privilege shall not be abused, or interfere with vital police service.

H. Within ten (10) days after the Effective Date of this Agreement a special conference between the Chief of Police and the Association Officers shall be held to discuss the determination of work location and specific job assignments for elected Association officers. Such determination shall be made by the Chief of Police after consultation with the elected officers. Association officers may request any available assignment upon their leaving Association office. The requested assignments will be given them provided they do not adversely affect the Department.

I. Association officers will be allowed a total of twenty (20) days per week to conduct Association business according to the following:

President	**Five (5) Days Per Week**
Vice-President	**Five (5) Days Per Week**
Secretary/Treasurer	**Five (5) Days Per Week**
Sergeant-at-Arms	**Five (5) Days Per Week**

When reductions in force occur, the above officers will have top seniority.

J. For purposes of layoff, demotion and recall, delegates shall enjoy top seniority within their respective sections, units, platoons, or other work units during their terms of office providing there is work in their classification in their section, unit, platoon or other work unit.

K. The officers of the Association (President, Vice-President, Secretary-Treasurer and Sergeant-at-Arms) may be permitted to discuss Association business with Employees during duty hours, provided such discussions do not interfere with such Employee's or officer's duties.

L. The Association President shall not be prohibited from speaking publicly through any form of communication.

M. If the President of the Association is authorized or required to appear or perform any duties under this contract, he may appoint a designee to represent him.

N. A copy of photographs of Department functions shall be made available to the Association upon request on each specific occasion.

O. A copy of each special order, general order, personnel order, teletype order, or training bulletin, or their equivalents, shall be provided to the Association President.

5. MANAGEMENT RIGHTS AND RESPONSIBILITIES

A. Both the Department and the Association acknowledge their shared responsibility for the enforcement of the laws and ordinances of the City of Detroit and the State of Michigan as well as for assuring the safety and property of the citizens of the City of Detroit, and agree to work together cooperatively to maintain the highest standards of professionalism and integrity in the service of the City and its citizens. The Association recognizes the prerogatives of the Department to operate and manage its affairs in all respects in accordance with its responsibilities and powers of authority and the terms and provisions of this Agreement. Except as specifically limited by the provisions of this Agreement or applicable law, the Department will have the discretion and authority:

1. to hire, direct, classify, assign, reassign, promote, demote, evaluate, transfer, layoff, recall and/or furlough Employees, including the assignment or reassignment of Employees;

2. to determine the size of its workforce, including the number of Employees, the number of job classifications, departments, and shifts of work whether increased or decreased;

3. to develop, establish, or modify job descriptions and job postings for positions in the Department;

4. to determine policies affecting the selection, evaluation and training of Employees;

5. to establish and modify hours of work, including the beginning and ending time for shifts of work, whether increased or decreased, and the establishment of the hours of the shifts, whether increased or decreased;

6. to determine the content and nature of the work to be performed, and the competencies and qualifications needed to perform the work;

7. to determine the organizational structure of the Department, including the planning, direction, control, increase, decrease, or discontinuance of operations or services, and the organization of the same;

8. to determine the location and types of facilities, including the establishment of new units, precincts, departments, divisions, or subdivisions thereof and the right to transfer Employees and equipment between and among the Department's various facilities;

9. to establish, regulate, determine, revise, or modify at any time the policies, practices, protocols, processes, techniques, methods, means and procedures used in the Department, including, but not limited to machinery, materials, methods, facilities, tools, and equipment;

10. to transfer, relocate, merge, consolidate or close its facilities and operations, in whole or in part, and to separate its Employees in connection with said transferring, relocation, merger, consolidation or closing after discussing the effects of such decision with the Association to the extent required by law;

11. to create and maintain special units and to select Employees to work within such special units provided that the Department will provide reasonable notice to the Association;

12. to establish and enforce policies pertaining to drug testing and substance abuse;

13. to assign an Employee to work in a restricted duty capacity for good cause; and

14. with respect to any other matter related to the enforcement of the laws of the City of Detroit or the State of Michigan and the protection of its citizens and their property.

B. The Department reserves the right to discipline and discharge Employees for just cause and to establish reasonable work rules and rules of conduct.

C. The Department has the right to schedule overtime work as required in a manner most advantageous to the Department and consistent with requirements of municipal employment and the public safety and consistent with the provisions of this Agreement.

D. It is understood by the parties that every incidental duty connected with operations enumerated in job descriptions is not always specifically described.

E. The Department reserves the right to lay off or furlough Employees for lack of work or funds or for the occurrence of conditions beyond the control of the Department or when such continuation of work would be wasteful and unproductive.

F. The Police Department shall notify in advance, in writing, the Association President, or in his absence the next officer in line, when it anticipates exercising its right to make changes in working conditions. Conferences to discuss said anticipated changes shall be conducted at the request of either party. Such conferences shall not be construed as "formal" negotiations. Provided however, in no event shall the City make decisions which alter the relationship between the parties in regard to wages, hours, and the terms and conditions of employment. Any changes in that area require renegotiations of the contract.

G. No Department official or agent of the City shall:

1. Interfere with, restrain, or coerce Employees in the exercise of their right to join or refrain from joining a labor organization, except where permitted *by law* to avoid a conflict of interest; or

2. Initiate, create, dominate, contribute to or interfere with the formation, administration, internal affairs, elections, meetings, dues policies or officers, of the Association; or

3. Discriminate in regard to employment or conditions of employment in order to encourage or discourage membership in a labor organization; or

4. Discriminate against an Employee because he has given testimony or taken part in any grievance procedures or other hearings, negotiations, or conferences as a part of the labor organization recognized under the terms of this Agreement; or

5. Refuse to meet, negotiate, or confer on proper matters with representatives of the Association as set forth in this Agreement.

H. It is agreed that the City retains and reserves all rights, powers and authorities given to it under any national, state or local law unless otherwise negotiated in this Agreement.

I. The Association recognizes the responsibilities of Employees as a part of management and pledges full support for continuity of employment and supervision during normal or emergency working conditions.

J. The Investigative staff of the Board of Police Commissioners shall have the right to interrogate and investigate Employees under the procedures in this Agreement to which any interrogating officer is subject and such right shall in no way abridge or change the rights of an Employee under this Agreement or under any Local, State, or Federal law or the Constitutions of the United States, or State of Michigan.

In no event shall any recommendations or actions resulting from such interrogation or investigation lead to any discipline outside or inconsistent with any discipline procedures or discipline matters maintained in this Agreement and currently utilized in this Department.

Further, no Employee after he has been once disciplined by the Department, shall be re-disciplined for any reason whatever for any matters arising out of the same set of facts and circumstances surrounding the first discipline.

6. ASSOCIATION RESPONSIBILITIES

A. Recognizing the crucial role of law enforcement in the preservation of the public health, safety and welfare of a free society, the Association agrees that it will take all reasonable steps to cause the Employees covered by this Agreement, individually and collectively, to perform all police duties, rendering loyal and efficient service to the very best of their abilities.

B. The Association, therefore, agrees that there shall be no interruption of these services for any cause whatsoever by the Employees it represents; nor shall there be any concerted failure by them to report for duty; nor shall they absent themselves from their work or

abstain, in whole or in part, from the full, faithful, and proper performance of all the duties of their employment.

C. The Association further agrees that it shall not encourage any strikes, sit-downs, stay-ins, slow-downs, stoppages of work, malingering, or any acts that interfere in any manner or to any degree with the continuity of the police services.

7. SPECIAL CONFERENCE

A. A special conference shall be a meeting or session wherein both parties meet to discuss important matters.

B. Special conferences on important matters shall be arranged between the Association President and the Chief of Police or his designated representative upon request of either party. Each party shall have at least two individuals present at said conference. Arrangements shall be made in writing five (5) calendar days in advance, whenever is possible. An agenda of the matters to be taken up shall be presented in writing at the time the conference is requested. Matters taken up at the Special Conference shall be confined to those matters listed on the agenda.

8. GRIEVANCE PROCEDURE

A. Every Employee will have the right to present grievances in accordance with the procedure provided herein. The Association will hand deliver grievances directly to a Captain or Commander. Receipt of the grievance will be acknowledged by signature of the Captain or Commander who receives the grievance. Any grievance not filed within fifteen (15) calendar days of the occurrence of the alleged violation or within fifteen (15) calendar days of an Employee or the Association becoming aware of an alleged violation will be considered untimely and will not be processed.

B. The informal resolution of differences or grievances is urged and encouraged to be resolved at the lowest possible level of supervision.

C. Immediate supervisors, commanding officers and reviewing officers shall consider promptly all grievances presented to them and, within the scope of their authority, take such timely action as is required.

D. Grievances shall be processed according to the following procedure:

STEP 1 - Written - Commanding Officer of the Section or Unit:

A grievance may be submitted in written form by the precinct or bureau delegate to the commanding officer. The written grievance will set forth the name(s) and signatures of the Employee or Employees involved, so far as diligent efforts will allow, and the provisions of this Agreement, if any, that the grievant claims have been violated. The commanding officer will provide a written answer to the precinct or bureau delegate within seven (7) calendar days after receipt. Acceptance or rejection of the commanding officer's answer will be written on the grievance form by the precinct or bureau delegate.

STEP 2 - Appeal to Commanding Officer of the Precinct or Division:

If the grievance is not satisfactorily adjusted at Step 1 or acted upon by the commanding officer within seven (7) calendar days, the grievance committee or delegate may appeal such grievance to the Commanding Officer of the precinct or division within seven (7) calendar days. The Commanding Officer will discuss the grievance with the grievance committee and delegate and render a written answer within seven (7) calendar days of his/her receipt of the grievance.

STEP 3 - Appeal to the Chief of Police:

If the grievance is not satisfactorily settled or adjusted at Step 2, it will be referred to the President of the Association who may appeal it to the Chief of Police within seven (7) calendar days. A meeting to discuss the grievance will be held between the President or his designee, the grievance committee, and the Chief of Police or his designee within ten (10) calendar days after receipt of the grievance by the Chief of Police. A written decision will be rendered within ten (10) calendar days of the meeting. By mutual agreement, the parties may extend the timeline in order to enable the Chief of Police to participate directly.

Medical Grievance Procedure:

All grievances involving medical issues will be filed with the President of the Association. The Employee's Commander will be made aware of the grievance.

E. Notwithstanding any other provisions herein, individual Employees may present their own grievances to the Employer and have them adjusted without the intervention of the precinct or bureau delegate or Association officers, provided, however, that the Employer has given the delegate or Association officers notice and an opportunity to be present at such adjustment. In no event shall any such adjustment be contrary to or inconsistent with the terms of any agreement between the Employer and the Association.

F. Grievances not appealed in writing to the next step within the time limits set forth above will be considered settled on the basis of the last decision. All time limits or steps of the grievance procedure may be shortened, extended, or eliminated by mutual written agreement.

G. The Chief of Police or his designee and the President of the Association will be permitted at their discretion to participate at any step of the grievance procedure.

H. In instances wherein the subject matter of the grievance lies within the jurisdiction of specific City agencies (e.g., payroll, etc.), the grievance steps may be reduced in order to bring the grievance to the agency's immediate attention for a recommendation as to the action to be taken. Further, the Chief of Police and the President of the Association will be permitted at their discretion to participate at any step of the grievance procedure.

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9. ARBITRATION

A. Any unresolved grievance relating only to the interpretation, application or enforcement of a specific article and section of this Agreement or any Supplementary Agreement, hereto having been processed fully through the last step of the grievance procedure may be submitted to arbitration by either party in strict accordance with the following:

1. Arbitration may be initiated by the President of the Association by written notice to the Department of an intention to arbitrate. Such written notice of intent to arbitrate must be made within ten (10) calendar days after receipt of the Step 3 answer. Upon receipt of notice to arbitrate, the parties will meet to select an ad hoc arbitrator. This will be done within ten (10) calendar days of such notice.

2. In the event an arbitrator cannot be agreed upon within ten (10) calendar days, the Association will, within ten (10) calendar days, request that the Michigan Employment Relations Commission (MERC) appoint an impartial arbitrator in accordance with its then applicable rules and regulations. Failure to adhere to these time limitations will result in the matter being considered settled on the basis of the last decision.

3. It will be within the authority of the Arbitrator to make a decision binding upon the parties regarding the interpretation, application or enforcement of the Agreement.

4. The Arbitrator will not consider any evidence submitted by either party, which was not produced in the grievance procedure unless such evidence was not then known to the party submitting the same.

5. The costs of the arbitration will be shared equally by the parties, except that each party will make arrangements to pay its own attorneys and witnesses. In cases where the arbitrator provides that either party has filed or denied a grievance in bad faith, the arbitrator will have the discretion to assess all costs and expenses of the arbitration hearing against the non-prevailing party.

6. The parties may request in writing of each other co-operation to have available at the arbitration proceedings any witnesses requested by the other party.

7. If the unresolved grievance pertains to a medical issue, including but not limited to sick leave, qualifications to perform work, requests for light duty assignments, or accommodation of disabilities, the arbitration procedure specified in this article will not apply, and the parties will instead select a neutral physician to resolve any disputes concerning medical issues. Such a neutral physician must be licensed to practice and currently practicing medicine. The neutral physician will be jointly selected by the Department and the Association. To the extent the Department and Association cannot agree on a neutral physician, the neutral physician will be mutually selected by the Employee's treating physician and the Police Department's designated physician. The Department and the Association may

mutually agree to establish further guidelines regarding the processing of medical grievances.

B. There shall be no appeal from the decision of an arbitrator if made in accordance with its jurisdiction and authority under this Agreement. It shall be final and binding on the Association, on all Employees, and on the City. The Association will actively discourage attempts by any bargaining unit Employee to appeal a decision of the arbitrator to any Court or labor board, and will not aid or abet in any such attempt.

C. In the event a case is appealed to the arbitrator and he/she finds that the arbitrator has no power or authority to rule on such case, the matter shall be referred back to the parties without decision or recommendation on the merits of the case.

D. The decision of an arbitrator in any case shall not require a retroactive wage adjustment in any other case. Either party may, prior to the submission of a dispute to arbitration, state, and the opposite party is bound to agree, that the award not be binding precedent in like analogous situations pending at that time.

E. The arbitrator shall limit his/her decision strictly to the interpretation, application or enforcement of the specific articles and sections of this Agreement, and it shall be without power or authority to make any decisions:

1. Contrary to, or inconsistent with or modifying or varying in any way, the terms of this Agreement or of applicable law or rules or regulations having the force and effect of law.

2. Involving the exercise of discretion by the City under the provisions of this Agreement, its Charter, or applicable law.

3. Limiting or interfering in any way with the powers, duties or responsibilities of the City under its Charter, applicable law, and rules and regulations having the force and effect of law.

4. Changing, altering, or modifying any practice, policy, or rule presently or in the future established by the City as long as such practice, policy, or rule does not conflict with this Agreement.

5. Implying any restriction or condition binding upon the City from this Agreement, it being understood that, except as such restrictions or conditions upon the City are specifically set forth herein, or are fairly inferable from the express language of any article or section hereof, the matter in question falls within the exercise of rights set forth in the Article of this Agreement entitled "Management Rights and Responsibilities."

6. Concerning the establishment of wage scales, rates on new or changed jobs, or change in any wage rate.

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7. Providing agreement for the parties in those cases, where by their contract, they may have agreed that further negotiations should occur to cover the matters in dispute.

8. Granting any right or relief for any period of time whatsoever prior to the Effective Date of this Agreement or subsequent to the date upon which this Agreement shall terminate.

10. DISCIPLINE PROCEDURE

A. Discipline Investigations. Investigations regarding any potential or alleged misconduct, actions, or omissions that may result in discipline will be completed as expeditiously as practicable. If disciplinary action is warranted, such discipline will be issued as soon as practicable after the completion of the investigation. Except as set forth in Sections E, G, H, and I below, no discipline will be implemented or incorporated into an Employee's file until the completion of the applicable procedures set forth below:

B. Commander's Hearing. Except as set forth in Section G, within five (5) days of the receipt of a disciplinary action, an Employee may appeal the discipline to a Commander's Hearing (which will be presided over by a Commander, a Deputy Chief, or an Assistant Chief). An Employee, at his or her sole discretion, may request that the Commander's Hearing be held by a Commander from a different Section or Unit (and in such cases a Deputy Chief or Assistant Chief may ultimately preside over the Commander's Hearing). The Commander's Hearing is a non-adversarial proceeding, which must be held within seven (7) days of the date the discipline was issued. An Employee will have the right to review the investigation and charges against him, and make a statement of explanation. The Commander, Deputy Chief or Assistant Chief presiding over the Commander's Hearing will have the authority to rescind the discipline, affirm the discipline, or reduce the level of discipline. An Employee may elect to appeal any decision from a Commander's Hearing to expedited arbitration when a suspension of more than three (3) days has been rendered. Subject only to the Chief's discretion, any written reprimand or disciplinary suspension of three (3) days or less will be considered final and binding with no right of appeal.

C. Mediation. Within five (5) calendar days of the Commander's Hearing, the Association may request disciplinary mediation. If both parties agree to proceed to mediate, the mediation will be held within fourteen (14) calendar days of the date the discipline was issued. Whenever possible, the parties will utilize mediators referred by the Michigan Employee Relations Commission (MERC) or the Federal Mediation and Conciliation Service (FMCS). If a mediator is not available within the allotted time period, the parties may decide to schedule a meeting between the disciplined Employee, the Association, and any representatives the Department deems appropriate in an attempt to resolve pending disciplinary issues. The sole purpose of the mediation will be to attempt to amicably resolve any disciplinary disputes. The mediator will have no authority to issue any ruling or to otherwise bind the parties. In the event that the parties fail to settle the dispute at the mediation, no statements made by the Employee or on the Employee's behalf during the mediation will be used against the Employee in connection with any

arbitration. Notwithstanding the foregoing, the parties may by mutual agreement establish and/ or modify a list of acceptable mediators in lieu of referrals from MERC or FMCS.

In the event a settlement is reached, immediately following the mediation, the Disciplinary Administration Unit will prepare correspondence to the Employee and his/her bargaining representatives summarizing the mediation including: date and time met, parties present, and final disciplinary disposition, including level of discipline, and any other information pertinent to the discipline and/or the reduction in discipline (if applicable). In no event should the discussions between the parties be memorialized. The date of the correspondence will serve as the date of the implementation of the disciplinary action.

D. Arbitration. To the extent that a dispute regarding a suspension of more than three (3) days or the discharge of an Employee cannot be resolved through the Commander's hearing or mediation (if applicable), an Employee will have the right to appeal the disciplinary action to arbitration. The Employee must appeal the case to arbitration by providing written notice to the Department within five (5) days of the date of the Commander's Hearing, and the arbitration hearing must be held within thirty (30) days of the date the appeal was filed by the Employee, so long as an arbitrator on the panel has availability within a thirty (30) day period, unless the parties mutually agree to an extension of time.

1. Both the Employee and the Department will have the right to be represented by counsel and to present and cross-examine witnesses.

2. The arbitrator will issue his or her decision in writing within ten (10) business days of the hearing. The Arbitrator can sustain, dismiss, or reduce the discipline.

3. The arbitrator will not consider any evidence submitted by either party, which was not produced in connection with the disciplinary proceedings or at the time the discipline was administered.

4. The costs of the arbitration will be shared equally by the parties.

5. The parties may request in writing of each other co-operation to have available at the arbitration proceedings any witnesses requested by the other party.

6. The decision of the arbitrator will be final and binding on the Employee and the Department, subject to the Chief's Authority to rescind or mitigate discipline as set forth in Section F.

7. The Department and the Association will confer to select a panel of seven (7) arbitrators who are available to hear cases on the expedited basis set forth herein. The arbitrators will hear cases on a chronological rotation subject to arbitrator availability. To the extent no arbitrator on the panel is available to hear the case within thirty (30) days, the arbitrator with the next available date to hear the case will be selected.

E. Discharge Cases. Where a decision is made to discharge an Employee, that Employee will be suspended without pay pending the outcome of the disciplinary process.

F. Chief's Authority. The Chief of Police, at his or her sole discretion, may rescind or mitigate any disciplinary action at any step of the disciplinary process including, but not limited to, after the conclusion of an arbitration. However, the Chief of Police shall have no authority to increase any disciplinary action after the conclusion of an arbitration.

G. Written Reprimand. All written reprimands will be issued and implemented as soon as practicable following an investigation. Written reprimands will remain in Employees' files for a period of time not to exceed two (2) years.

H. Informal Counseling. The Department may conduct informal counseling sessions concerning minor misconducts, actions, or omissions. Such counseling sessions will not be considered disciplinary action, but the substance of the counseling session may be reduced to writing and added to an Employee's file for up to one (1) year.

I. Department Right to Immediately Suspend Employee. The Department shall have the right to immediately suspend an Employee with pay in order to preserve order within the Department and/or in those cases where an Employee is the subject of a criminal investigation. Moreover, the Department shall have the right to suspend an Employee without pay in accordance with the terms of the Detroit Police Department Manual. However, the Department must follow the procedures set forth in this Article before any discipline relating to the conduct underlying such suspension is incorporated into an Employee's file.

11. EMPLOYEES' RIGHTS

Each Employee shall be guaranteed the following rights but this section shall not be construed as a section of limitation:

A. Any Employee who is accused of violating any criminal law, City, State or Federal shall be entitled to his full rights under the State and Federal Constitutions without being disciplined for exercising such rights unless specifically excepted in this Agreement.

B. After an Employee is ordered to make any written statement in response to any alleged misconduct or possible misconduct on his part, he shall have at least thirty-six (36) hours from the time of the order in which to comply. If any Employee is ordered to make an oral statement, he shall comply subject to the receipt of Miranda or Garrity warnings or both and shall be given a reasonable time to act in accordance with such rights.

C. An Association officer, counsel or both shall have the right to be present at all disciplinary hearings at the request of the Employee and shall further have the right to be present during all administrative and investigatory proceedings when the investigated officer must be present.

D. Throughout all disciplinary hearings, each Employee shall be presumed innocent.

E. No Employee shall be disciplined, discriminated against, or transferred because he exercises any of his constitutional rights before any grand jury, investigative body, court or law enforcement agency - Federal, State and Local as well as any investigative committee of any legislative body - Federal, State and Local.

F. If any disciplinary procedures within the Department are changed during the term of this Agreement in such a way as to render any of the provisions of this section inapplicable or as to require additional provisions in this section or as to require modifications to this section, the subject matter and provisions of this section will be subject to renegotiation between the City and the Association.

G. No Employee shall be prohibited from engaging in political activity, either partisan or non-partisan, except when actually on duty, or while in uniform or while acting in official capacity as a police officer.

H. An Employee who is indicted or charged with a felony or other serious crime will be placed on unpaid administrative leave without pay but with medical benefits pending the outcome of the criminal proceeding. At the conclusion of the criminal proceeding, if the Department chooses not to pursue disciplinary action, the Employee will be reinstated. If the Department pursues disciplinary action for a matter arising out of the same set of facts and circumstances as those surrounding the criminal proceedings, the Employee will be subject to the discipline process pursuant to the terms and time frames set forth in Article 10.

I. In the event that an Employee is exonerated from criminal charges and subsequently ordered to be reinstated by an arbitrator, that Employee's back pay award will be determined by the arbitrator based on the facts of the case subject to the limitations of Section L. In no case will an Employee who admits to committing a felony or other serious crime or accepts a plea arrangement in connection with charges involving a felony or other serious crime be entitled to any back pay upon reinstatement.

J. Whenever an Employee is under investigation or subjected to interrogation by his Commanding Officer and/or the Department or by any of its units or bureaus, for any reason which could lead to criminal actions or charges, such investigation or interrogation shall be conducted under the following conditions:

1. The interrogation shall be conducted at a reasonable hour, preferably at a time when the Employee is on duty, unless the seriousness of the investigation is of such a degree that an immediate interrogation is required.

2. No interrogation shall begin until the Employee has been notified that he has a right to have counsel or an officer of the Association present.

3. The Employee under investigation shall be informed prior to such interrogation of the name of all persons present during the interrogation. If any of the interrogators are sworn police officers, at least one shall be present during the interrogation who is of a rank higher than that of the officer being interrogated.

4. Neither the home address nor the photograph of any Employee suspected of any wrongdoing shall be given to the press or the news media without the written consent of the Employee.

K. The complete interrogation of the Employee, including a notation of all recess periods, shall be recorded and there shall be no unrecorded questions or statements. At the request of the Employee, a copy of the interrogation shall be furnished to him.

L. If an Employee's disciplinary penalty is simply modified or lessened to the extent that he/she has a claim for partial back wages during a period of suspension as the result of the modification or the lessening of the penalty, claims for back wages will be limited to the amount of wages that the Employee otherwise would have earned less any compensation for personal services he may have received from any source during the period in question but excluding previously Department authorized income earned outside his regularly scheduled work period.

M. The Investigative staff of the Board of Police Commissioners will have the right to interrogate and investigate Employees and such right will in no way abridge or change the rights of Employees under this Agreement or under any Local, State, or Federal law or the Constitution of the United States, or State of Michigan.

In no event will any recommendations or actions resulting from such interrogation or investigation lead to any discipline outside or inconsistent with any discipline procedures or discipline matters maintained in this Agreement.

Further, no Employee, after he/she has been once disciplined by the Department, will be re-disciplined, for any reason whatever for any matters arising out of the same set of facts and circumstances surrounding the first disciplinary action.

12. DEPARTMENT FILES

A. All personnel records which include home addresses, phone numbers and pictures of Employees shall be kept confidential and never released to any person other than officials of the Department or upon the written authorization of the Employee involved.

B. An Employee shall have the right to inspect his official personnel record wherever kept, twice a year or more often for good cause shown.

Files maintained by the Internal Controls Division and the information contained therein are confidential and may not be disclosed to any Employee or department command or used for any purpose unless the investigation results in departmental or criminal charges and then the production and use of such documents will be governed by existing discovery procedure.

An arbitrator shall have the authority to make an appropriate award including a monetary award to a grievant if it is determined that the provisions have been knowingly and willfully violated by Employees of the Department. In addition, the Department agrees that an individual who violates this provision will be subject to disciplinary charges.

C. Inspection shall be during regular business hours of the respective repository and be conducted under supervision of the Department. Said Employee shall have the right to make duplicate copies for his own use at his own expense. No records, reports, investigations, evaluations or similar data belonging in the Personnel File or Medical file shall be hidden from an Employee's inspection.

D. An Employee shall have the right to include in his personnel record and in any other file kept by the Department, a written refutation of any material he considers to be detrimental and to request its removal.

E. If a promotion or transfer is denied to an Employee and he should discover that the Department has hidden detrimental data, reports or investigative summaries from his inspection, it shall be presumed that such records constituted the reasons for such denials.

F. Employees may inspect their personnel file upon retirement and nothing shall be inserted in such files after the date of retirement.

G. Reprimands will be removed from the Employee's file after two (2) years.

13. LEGAL COUNSEL

The City will provide legal counsel and pay any costs and judgments that arise out of lawsuits filed against Employees of the Detroit Lieutenants and Sergeants' Association alleging any act committed while said Employee was in the good faith performance of his duties. A contrary determination by the City is not final and binding as provided by the Municipal Code of the City of Detroit but is subject to review by an arbitration panel under the grievance arbitration provisions of this Agreement.

The City shall promptly undertake the defense of an action on behalf of an Employee pending determination of the "good faith" question.

This provision shall otherwise be in accordance with Section 13-11-3 of the Municipal Code of the City of Detroit.

14. OUTSIDE EMPLOYMENT

A. An Employee may engage in an outside business activity or outside employment provided it is not inconsistent or incompatible with or does not interfere with the proper discharge of the Employee's duties and responsibilities as a police officer.

B. Approval for outside employment must be obtained from the Chief of Police, and will be for a period of one (1) year. The Employee may request it be renewed after one (1) year. If an Employee is on the Attendance Control Program (DPD 350), that Employee cannot be approved for outside employment, and prior approval can be revoked at the discretion of the Chief of Police.

C. Approval will not be granted for an outside business activity or outside employment which would involve more than thirty (30) hours per week of work, or for work in

businesses that are regulated by the Detroit Police Department, (i.e., bars, adult movies or adult book stores, etc.).

Employees may not be in uniform when engaged in any outside employment. Employees may not carry or use any equipment or accessories issued by the Department when engaged in any outside business activity or outside employment in private or personal security.

D. Approval to engage in outside employment shall not be unreasonably withheld.

15. POLITICAL OFFICES

A. An Employee of the bargaining unit covered by this Agreement may become a candidate for political office, partisan or non-partisan, as long as he restricts his campaign activities to off-duty time.

B. An Employee running for political office is not required to resign or take a leave of absence from the Detroit Police Department, provided that this activity does not interfere with his normally assigned duties.

C. While off-duty and not in uniform any Employee may fully participate in any political activity either partisan or non-partisan.

D. If an Employee is elected to a political office, which requires his full-time work, the Employee shall take a leave of absence without pay for the term of office the Employee was elected to, or he shall resign.

16. HEALTH AND SAFETY

A. Safety glasses and ear protectors shall be provided at all police firing ranges and Employees shall not be required to fire without same.

B. The City will provide and maintain clean, sanitary buildings and will repair unsafe work facilities in an expeditious manner.

C. This section shall not be construed to impair or limit the applicability of any State or Federal law or regulation affecting health and safety in Department buildings and work facilities.

17. MISCELLANEOUS ITEMS

A. The Department will furnish for the use of the Association, space for a bulletin board at each work location where Association members are assigned.

B. Lockers and desks shall not be opened for inspection except in the presence of the officer or a representative designated by him for that purpose. In the event the officer or his designee refuses to be present the Department shall thus have the right to inspect the locker or the desk after notification to the commanding officer of the refusal.

C. Nothing in this Agreement shall abridge the rights and preferences of veterans, and members and retirees of the armed forces reserves, as provided by Federal, State and Local laws and rules and regulations.

D. An Employee shall not be required to use his privately owned vehicle for any police purpose.

E. Employees are urged to keep their commanding officers informed of where they can be reached whenever they are out of town off duty for periods of forty-eight (48) hours or less. For absences of longer periods, Employees must so inform their commanding officers.

F. Employees may participate in deferred compensation and/or direct deposit programs offered by the Department to Employees represented by the Association.

G. If during the term of this Agreement, a federal mandatory social security act is enacted affecting Employees, the parties shall promptly enter into negotiations toward the implementation of said act.

H. Lump Sum for Banked Time. Whenever an Employee leaves employment with the Department, such Employee will be paid for all banked time, other than sick time, at the prevailing rate of pay in effect at the time of separation. This includes, but is not limited to separation with a deferred vested pension or under a disability. DROP plan participants will only receive payout for banked time when they permanently retire, not when they enter the DROP plan. Payments will be paid within ninety (90) days if the amount is less than ten thousand dollars ($10,000), and if in excess of ten thousand dollars ($10,000), the amount will be made in semi-annual installments over a three (3) year period with the installments due on February 1 and August 1 with no interest due. Late lump sum payments (greater than sixty (60) days) will include interest at the Michigan Judgment Interest Rate as certified from time to time by the Michigan Department of Treasury.

I. Where an Employee is overpaid hours or is paid other than the current negotiated rate for the classification in which he has worked, the City is expressly authorized to recover such overpayment through a deduction from the Employee's wages in accordance with applicable law.

J. For Employees hired after March 31, 1986, the Employee and the City of Detroit are required to contribute the hospitalization insurance portion of the Social Security Tax.

K. Compensatory Time Banks. With respect to classifications subject to the Fair Labor Standards Act (FLSA), compensatory time shall be separated into two (2) categories, which shall be reported on the Employee's bi-weekly paycheck statement. The first category shall reflect compensatory time accumulated prior to April 15, 1986 and shall reflect excused time as described in Article 37-E. The second category shall include compensatory time earned on or after April 15, 1986. Compensatory time in the second category shall be limited to a total of four hundred eighty (480) hours or whatever limitation may hereafter be imposed by law. Compensatory time used shall first be

charged to the pre-April 15, 1986 bank and thereafter charged to the post-April 15, 1986 bank.

L. Bomb Disposal Pay. Employees assigned to the Bomb Disposal Unit shall receive one hundred dollars ($100) per month. For the purposes of this section, an Employee must be a certified graduate of the U.S. Army Ordnance Missile and Munitions Center & School and assigned for eighteen (18) service days to qualify for the entire monthly payment. Employees assigned for less than eighteen (18) service days during the month shall receive a pro-rated amount based upon the number of days assigned. The payment will be made on a quarterly basis.

M. An Employee suspended without pay pending the adjudication of disciplinary charges shall be afforded an irrevocable one-time option to utilize his earned compensatory time and bonus vacation time during the suspension period, if applicable, which shall be paid in increments of eighty (80) hours.

In the event that an Employee is returned to duty and is entitled to back pay, the Employee shall have the option of receiving back pay as:

a. Regular compensation,
b. or Restoration of banked time during the suspension period.

When the Employee elects to have banked time restored and the restored time is less than the back pay owed, the remaining back pay owed shall be paid as regular compensation.

N. Decertification. An Employee who is decertified by the Michigan Commission on Law Enforcement Standards (MCOLES) shall be separated from the Department. If recertified, the Employee shall no longer be disqualified from re-employment on these grounds.

18. SENIORITY

A. Seniority shall be determined first by the Employee's rank, date of rank, and finally by the Employee's length of service in the Department. Time spent in the armed forces on military leaves of absence and other authorized leaves, such as time lost because of duty-connected disabilities, shall be included.

B. An up-to-date seniority list by rank and date of rank showing the names, length of service dates, and Departmental assignments shall be furnished to the Association every quarter commencing the first of each January, April, July and October.

C. An Employee shall forfeit his seniority rights only for the following reasons:

1. He is reduced in rank for cause (in-grade seniority only).
2. He resigns.
3. He is dismissed and not reinstated.
4. He retires on regular service retirement.

19. REDUCTION IN FORCE (LAYOFFS)

A. When there is an impending reduction in force within the bargaining unit, the City shall immediately inform and consult with the Association as soon as there is any possibility of said reduction in force.

B. In the event of a reduction in force in the Police Department, it shall be made among all Employees in the same classification as listed in Article 2, according to length of service.

1. The Employees with the least amount of service shall be the first laid off and last to be recalled. If there is to be a demotion due to a reduction in force, time in classification will prevail. Where time in classification is equal, seniority as defined in Article 18 shall prevail.

2. A demotion to the next lower rank shall be required before a layoff, provided the Employee had prior time in the classification to which demoted.

3. Any officer demoted due to a reduction in force shall be promoted back in the reverse order of demotion without any competitive re-examination for the classification from which he was demoted.

C. Any grievance submitted concerning a layoff will be submitted at the third step of the grievance procedure and the parties expressly agree that they will expedite the final resolution thereof.

D. Employees who have incurred an involuntary separation from the Police Department since July 1, 1973 due to a reduction in force (layoff) shall have the option to retire on what would have been their twenty-fifth year of service as if there had been no separation.

Should an Employee elect such option, his/her pension benefit will be calculated by using the actual number of years worked. No pension service credit will be granted for the period of time separated on layoff. The pension will be deemed to be a service retirement for all purposes with only the pension amount reduced by the amount of time laid off. .

20. LEAVES OF ABSENCE

The City will comply with all applicable laws pertaining to leaves of absence. The following provisions shall not be enforced or applied in any way that would violate applicable laws:

A. **General Leaves of Absence**

A leave of absence without pay may be granted to Employees with at least five (5) years of continuous service with the City as a sworn member of the Detroit Police Department for a period not to exceed one (1) year. The Employee shall submit the request for the leave of absence, in writing, to the Chief of Police through channels. The request shall include the reason(s) for the leave and the length of time requested. All recipients of

educational leaves must present continuing proof of enrollment for the specified period of absence. The Association shall be notified when a leave of absence has been granted.

B. **Medical Leaves of Absence**

1. To be eligible for a medical leave of absence, an Employee must have a minimum of five (5) years of continuous service with the City as a sworn member of the Detroit Police Department from the date of appointment to the Effective Date of the leave of absence. No Employee shall be required to exhaust banked sick time or other accrued benefits as a condition of taking a medical leave of absence.

2. A medical leave of absence without pay shall be granted to an Employee who is suffering from a non-service connected sickness or disability for which the Employee's physician prescribes extended treatment or rest.

3. A written request for a medical leave of absence shall be submitted to the Chief of Police. The request shall contain the diagnosis, treatment prescribed and length of absence required. It must be accompanied by a signed endorsement from a physician describing a complete medical diagnosis.

4. In no case may a medical leave of absence extend beyond six (6) months except with the permission of the Chief of Police. Before an Employee on medical leave is returned to duty, a physician designated by the Department shall make a written recommendation to the Chief of Police. Upon return to active duty an Employee shall be restored to his rank and shall retain all seniority rights including longevity privileges.

C. **Maternity Leave of Absence**

1. To be eligible for a maternity leave of absence, an Employee must have a minimum of five (5) years of continuous service with the City as a sworn member of the Detroit Police Department from the date of appointment to the Effective Date of the leave of absence. No Employee shall be required to exhaust banked sick time or other accrued benefits as a condition of taking a maternity leave of absence.

2. Maternity leave without pay shall commence when it is deemed by competent medical authority that an Employee is no longer able to perform all the duties involved in taking proper police action; when an Employee thinks she can no longer safely work; or when her medical condition or any other valid reason leads the Department to believe a mandatory leave of absence is necessary.

3. Upon confirmation of pregnancy, the commanding officer of the Employee's section or unit must be notified without unnecessary delay. The Employee shall furnish to her commanding officer and a physician designated by the Department written medical evidence from her doctor verifying her condition, stating an expected delivery date, and evaluating her physical ability to perform regular police duties.

4. Prior to commencement of the leave, the Employee shall prepare an inter-office memorandum, D.P.D. 568, addressed to the Chief of Police requesting a leave of absence for maternity reasons. This memorandum shall be prepared in quadruplicate and shall state the request for leave with date of commencement and the expected date of return to duty. It shall be presented to the Employee's commanding officer along with the appropriate medical letter from her doctor.

5. Within sixty (60) days after delivery, an Employee shall report to a physician designated by the Department for a determination of her ability to return to full duty. At this time the Employee shall present a medical letter from her doctor indicating the appropriate date of her return to work. Notwithstanding the above, in no case may an Employee's maternity leave of absence extend six (6) months beyond the date of delivery except with permission of the Chief of Police. Before an Employee on maternity leave is returned to duty a physician designated by the Department shall make a written recommendation to the Chief of Police. Upon return to active duty an Employee shall be restored to his/ her rank and shall retain all seniority rights.

D. **Termination of Leaves of Absence**

At least thirty (30) days prior to the expiration date of a leave of absence the Employee shall submit to the Chief of Police written notice of intent to return to duty. For failure to submit the above notice or failure to report at the expiration of the leave the Employee will be considered to be absent without leave.

E. **Conduct on Leave**

Employees on leaves of absence shall maintain the same standards of conduct that are required of sworn Police Officers. Acts of misconduct of a serious or grave nature that are committed by an Employee while on a leave of absence may subject the Employee to disciplinary action in accordance with this Agreement up to and including discharge from the Department.

F. **Mandatory Leave of Absence**

The Omnibus Consolidated Appropriations Act of 1997 amended the federal gun control act to make it unlawful for any person (including a law enforcement officer) to ship, transport, possess or receive firearms or ammunition, if convicted of a crime of domestic violence.

1. A misdemeanor crime of domestic violence is defined as an offense that:

   a. Is a misdemeanor under federal or state law; and

   b. Has, as an element, the use or attempted use of physical force or the threatened use of a deadly weapon, committed by a current or former spouse, parent, or guardian of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating or has

cohabitated with the victim as spouse, parent, or guardian, or by a person similarly situated to a spouse, parent or guardian of the victim.

2. Any Employee convicted of a misdemeanor crime of domestic violence will be carried working in an administrative restricted duty capacity at any work location as determined by management for nine (9) months from the date of conviction in order to permit the Employee to have the conviction reversed, pardoned, set aside, or expunged, or if the disqualification is removed because of a change in legislation or the act is invalidated.

3. If the conviction has not been removed after nine (9) months, the Employee will be placed on a three (3) month unpaid leave of absence.

4. At the end of the three (3) month leave of absence, unless the conviction is removed, the Employee's employment shall be terminated. The Employee may reapply for employment provided that the conviction is subsequently removed and he meets all other criteria for employment, including requirements of the Commission on Law Enforcement Standards (C.O.L.E.S.).

21. ABSENT WITH LEAVE AND ABSENT WITHOUT LEAVE

A. Absent With Leave. Absent with leave is considered a full duty status with all related benefits. The Employee is on authorized absence to attend certain types of conventions, special training, seminars, or is on contractually granted absences authorized for certain union officials.

B. Absent Without Leave. Personnel who fail to report for duty without prior authorization will be considered absent without leave. Any such absence for three (3) consecutive days without just cause will be deemed a resignation.

22. JOB ASSIGNMENTS

A. All job assignments are within the purview of Management and may be made by the Department at its sole discretion.

B. Posting of jobs will be on the space provided by Article 17.A.

C. Notwithstanding the language set forth in this Article, the Chief, at his sole discretion, may assign Employees to work any shift if such shift assignment is in the best interests of the Department.

D. Shift Draw Procedures. All precincts shall be subject to a fixed shift schedule. The fixed shift program shall apply to precinct shift assignments on the day, afternoon and midnight shifts which currently rotate among all three (3) shifts. It shall also apply to shift assignments in the other listed entities, which currently rotate shifts.

1. These procedures apply to shift assignments only. Job assignment procedures contained elsewhere in this Agreement shall continue in effect.

2. Lieutenants and sergeants currently assigned to a job assignment other than a regular rotating shift assignment shall not be included in the shift draw unless a written request is made within seventy-two (72) hours of the designated time for the shift draw. In the event that such an Employee elects to bid on and accepts a shift supervisor assignment, the Employee's prior assignment shall be considered vacant and, if filled, filled in accordance with this Article.

3. The number of positions to be filled, by rank, for each shift, shall be posted prior to the shift draw.

4. Shift selection shall be based solely on seniority in rank. In cases where seniority in rank is equal, Departmental seniority shall be the determining factor.

5. Lieutenants shall make their selection first and the results of the lieutenant shift draw shall be made known prior to the shift draw for sergeants.

6. In locations where the Department utilizes a swing lieutenant(s), such position shall be considered and filled as a shift assignment.

7. Probationary personnel shall not participate in the shift draw.

8. On or before each shift draw, each entity listed above shall post a "Fixed Shift Preference Roster" in the space provided by Article 17.A. The roster will list all lieutenants and sergeants assigned to the command, in descending seniority order, by rank, and will include the following information: Name, Rank, Promotion Date, and Appointment Date. The roster will be used to indicate the Employee's shift preference in the shift selection draw. In addition to spaces for Platoons One, Two, and Three, a space designated "Not Applicable" will be provided to indicate that the Employee does not wish to exercise the option to participate in the shift selection draw. The Employee shall place his initials next to the number "1", "2", and "3" to indicate his first, second and third preference.

   An Employee is entitled to personally participate in the draw. In the event that the Employee is not present, the Commanding Officer (or designee) shall, at the appropriate place in the process, assign the Employee to a shift in accordance with the preference noted. In the event that an Employee is: (1) not personally present at the draw and (2) has not indicated a preference on the roster, the Employee will be assigned to a shift after all other Employees have exercised their bid.

   Immediately after the shift selection process is completed, the furlough draw shall take place for all Employees assigned to the command.

E. Probationary Sergeants. Probationary sergeants may be assigned to shifts at the discretion of management. Upon conclusion of the probationary period (normally one year), their positions shall be considered vacant and another sergeant may bid for the position. If filled, the position will be filled in accordance with the terms of this Article.

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F. Re-bidding. On the Wednesday nearest to March 15 of each year, there shall be a re-bidding procedure conducted in conformity with the provisions of this Article. Assignments secured as a result of the annual re-bid shall be effective at the commencement of the fourteen day work period, which occurs on or after April 1.

G. Filling of Vacancies. When shift vacancies occur, or when the Department increases the number of Employees on a shift after the bidding process takes place, the following procedure will be used:

a. An Employee seeking a change in shift assignment shall file a Department form entitled "Shift Assignment Request" with the Commanding Officer, which indicates the requested shift.

b. An Employee may have on file at the same time two (2) "Shift Assignment Request" forms.

c. The Department shall maintain an updated list of shift assignment requests, arranged in seniority order by shift, which shall be posted in the space provided by Article 17.A.

d. All "Shift Assignment Request" forms shall expire on the date of the rebidding established in Section F.

e. "Shift Assignment Request" forms shall not be used for job assignments other than regular shift assignments.

f. Shift assignment vacancies, if and when filled, shall be filled by offering the opportunity to the most senior person on the list and so on until that shift assignment is filled.

g. An Employee may decline an offered shift assignment, and such declination shall not preclude the Employee from retaining any "Shift Assignment Request" on file.

h. This section does not limit the Department's prerogative to assign and/or reassign any Employee or probationary Employee to any shift.

i. The operation of this Section shall not result in displacement of Employees from a shift.

j. While these procedures generally set forth the process for filling shift vacancies within the precincts, the Department shall have discretion to determine when a "shift vacancy" exists for purposes of determining whether the process set forth in this Section applies to a particular situation.

H. Shift Exchanges. Employees may by mutual agreement exchange daily shift assignments with another Employee of the same rank with the approval of their respective immediate supervisor(s). Such approval shall not be unreasonably denied.

I. Temporary Shift Changes. Daily shifts may be changed, on a temporary basis, for any operational reason.

J. New Transfers. Employees transferring into an entity listed in Section C, whether a voluntary or involuntary transfer, and assigned to a shift supervisor position, shall be assigned to a shift, provided there are no "Shift Assignment Request" forms on file from a more senior Employee for that shift. The Employee transferring into the command shall not be entitled to displace another non-probationary Employee from a shift.

K. Involuntary Fixed Shift Reassignment. In the event that it becomes necessary to make an involuntary fixed shift reassignment, the following procedures shall be followed.

1. The Employee having the least seniority in rank on the shift to be reduced shall be reassigned.

2. Upon request, the Employee being involuntarily reassigned may exercise the right to displace the least senior Employee of the same rank on another shift.

3. This section does not limit the Department's prerogative to assign and/or reassign an Employee or probationary personnel to any shift.

L. Limited Duty. Except as required by applicable law or this Agreement, a member shall not be involuntarily reassigned to another shift on a permanent basis due to being displaced by a member on limited duty. The preceding sentence does not affect the Department's right to make temporary daily shift changes.

M. Precinct Closing or Consolidation. In the event that any precinct is closed or consolidated with another precinct, the City will meet and confer with the Association prior to determining shift assignment procedures.

23. TRANSFERS

A. Transfer Requests – Precinct Patrol.

1. Transfers between Precinct Patrol locations will be made using a Department transfer list maintained by the Personnel Unit. Such list will be created from transfer requests submitted by Employees on form DPD #402. Separate lists should be maintained for each rank.

a. Transfer requests will be valid for a period until October 1st of each year. Continuation requests may be submitted on or after September 1st.

b. Whenever openings occur in precincts, sections or units, the Employee to be transferred will be selected from the transfer list based upon knowledge, training, experience, performance evaluation ratings, certifications, ability, skills, disciplinary history, attendance, safety record, efficiency, and seniority. When all other qualifications are equal, the

senior qualified Employee who submitted a transfer request will be selected.

c. Employees submitting transfer requests will not be unreasonably denied placement on the transfer list. To deny an Employee's request, the Department must verify with factual information that the Employee is not qualified for the requested transfer. Such decisions may be appealed utilizing the grievance and arbitration procedures set forth in this Agreement.

d. With the exception of releasing information pertaining to a current criminal investigation, an Employee who is denied placement on the transfer list will be advised in writing of the reasons for such denial upon request.

e. The Employee will be notified of the result of his request for transfer within thirty (30) days of the submission of the form DPD #402.

2. Should the need arise for a temporary assignment from one precinct patrol location to another, the temporary assignment may not exceed one hundred and twenty five (125) working days. At the expiration of this period, the Employee will be immediately returned to his former position. In no event shall the Department utilize temporary assignments to circumvent the transfer provisions of this Section. The parties further stipulate that the Department's authority to make temporary assignments under this Section must be exercised reasonably.

3. Notwithstanding the foregoing, the Chief of Police has the right to permanently transfer an Employee from one precinct patrol location to another based upon good cause shown upon review of the entire case.

4. Once placed on a DPD #350, the Commanding Officer of the transfer requested entity may, upon request, have the Employee removed from the transfer list to that entity.

B. Blue Slip Units. Notwithstanding any provisions in this Agreement that could be construed to the contrary, the Chief of Police may make transfers involving Blue Slip units at his or her sole discretion. The Department shall provide the Association with a list of current Blue Slip units as of the Effective Date of this Agreement. From time to time, the Chief of Police may designate other units as Blue Slip Units, provided that a precinct patrol unit may not be designated as a Blue Slip Unit. The Chief of Police, or his or her designee, will meet and confer with the Association before designating a unit as a Blue Slip Unit.

24. SCHEDULED DAYS OFF/WORK WEEK

A. A prescheduled temporary absence from duty for twenty-four (24) hours duration will be defined as a Scheduled Day Off unless otherwise designated by the Department.

B. An Employee working eight (8) hour shifts will be entitled to four (4) Scheduled Days Off in each eighty (80) hour pay period. An Employee working ten (10) hour shifts will be entitled to six (6) Scheduled Days Off in each eighty (80) hour pay period. An Employee working twelve (12) hour shifts will be entitled to seven (7) Scheduled Days Off during each eighty (80) hour pay period.

C. Scheduled Days Off will be posted seven (7) days prior to the end of the current work period. After having been posted, Scheduled Days Off will be changed only by mutual consent of the Employee and the Department except when Scheduled Days Off are canceled because of an emergency.

D. When an emergency makes it necessary for an Employee to work all or part of a Scheduled Day Off, the Employee will be compensated in cash or compensatory time at the prevailing overtime rate.

25. OVERTIME

A. Prior to any fiscal year all Employees will be required to sign a list indicating their preference to be paid in cash or compensatory time for overtime worked. Once an Employee elects or does not elect to take time instead of cash payment, he is restricted to that choice for the entire fiscal year. All overtime will be credited at the rate of time and one-half. For the first seventy-five (75) hours of overtime work in a fiscal year, for which there is one hundred twelve and one-half (112 ½) hours of credit, the Employee shall have an option of receiving compensatory time instead of payment in cash. All overtime beyond the first one hundred twelve and one-half (112 ½) converted time hours must be paid in cash. However, in any fiscal year, not more than one hundred twelve and one-half (112 ½) converted time hours may be earned as compensatory time as a result of overtime worked. Furthermore, such overtime shall be paid in cash rather than granting compensatory time where necessary to comply with F.L.S.A. requirements.

B. Overtime shall be calculated on the following basis:

1. An Employee will be entitled to an Overtime Premium for all compensable hours of work in excess of eighty (80) in a single two (2) week pay period. For purposes of computing overtime, meal periods will not be deemed to be compensable or counted as time worked for the purposes of computing overtime unless the Employee is denied such period by competent authority. The tour of duty will include time spent at the normal line-up or roll-call. The normal line-up or roll-call will be deemed to consist of fifteen (15) minutes at the beginning of a day's tour and fifteen (15) minutes at the end of the tour. Although the last fifteen (15) minutes of the tour is the off-duty line-up or roll-call, overtime credit will include those fifteen (15) minutes when an Employee is required to work beyond that time.

2. An Employee will be entitled to an Overtime Premium for all compensable hours of work on a leave day, as defined in this Article.

3. When an emergency makes it necessary for an Employee to work all or part of a furlough or leave day, excluding court appearances, such time shall be considered as overtime. Any furlough or leave day for which overtime credit is given shall be canceled.

4. In no case shall overtime or other premium compensation be pyramided, duplicated, compounded or paid twice for the same hours of work.

C. Unless additional compensation is required by the FLSA or some other wage and hour law, the Overtime Premium will be computed by dividing the Employee's annual salary by 2080 and multiplying that quotient by 1.5. In those cases where an Employee works overtime and is entitled to receive a shift premium, the shift premium rate of pay for overtime hours worked will be determined by multiplying the rate of the applicable shift premium by 1.5.

D. To the extent any subsequent CBA between the parties provides for longevity payments, the parties may consider incorporating the language in the Article 25, Section C of the 2009-2013 collective bargaining agreement as a potential guideline for calculating overtime in such subsequent agreement.

E. Overtime assignments shall be offered on a rotating basis commencing with the lieutenant or sergeant with the greatest departmental seniority, in rank, by unit, by shift. Employees who refuse overtime assignments shall be charged on the list as having refused and considered the same as having worked. In the event a sufficient number do not accept the overtime assignment work, the remaining assignments shall be made by using reverse seniority. Lists showing all overtime assignments shall be posted in each precinct and bureau. Lists shall be kept up-to-date and shall cover the period of July 1 through June 30.

F. Emergency and Pre-Scheduled Overtime

When faced with a supervisor shortage, one of the following procedures must be followed:

Emergency Overtime

If the Department has been notified of the shortage with less than two (2) hours notice before the work schedule is to start, then filling of the vacancy can be accomplished by shifting Employees' assignments, or permitting overtime to be worked by a supervisor on the off-going shift.

Pre-Scheduled Overtime

If the Department has been notified of the shortage with two (2) or more hours notice before the work schedule is to start, then filling of the vacancy should first be attempted by shifting personnel from one assignment to another. On-duty supervisors in all commands can be considered for this purpose. If it is not possible to meet service needs by such shifting, then overtime work will be required but the same must be offered in the following order:

First, by seniority order amongst Employees of the rank of the vacancy, in the unit of the vacancy, and on the shift of the vacancy. Such is to be done by telephone canvassing of the Employees in said category who are on leave for the day.

1. In the event that such an Employee on leave is contacted and agrees to work the overtime, said Employee is to be informed that he MUST appear for duty no later than the regularly scheduled start of the shift (15 minute roll call period in optional depending on circumstances and the Employee's wishes); furthermore, if his services will be needed for less than a full eight (8) hours (as in cases when he may be needed only until the power shift supervisors report for duty), then he shall be notified of same over the telephone.

2. In the event the Employee contacted does not arrive at the time agreed to, an on-duty supervisor selected by seniority rotation may work overtime. If the Employee on leave (the one who was called at home) arrives later, the Employee working overtime is not to be replaced by the other Employee. The other Employee will not work.

3. If phone contacts do not produce a supervisor on leave willing to work, then the work can be offered to a supervisor selected from seniority order off of precinct-wide seniority list. Also, depending upon needs, the overtime in such cases may be ended prior to the end of the shift with the vacancy (see paragraph 2 above).

Overtime Rotation List

The following guidelines will be adhered to with respect to accounting for overtime that is worked: There shall be a seniority roster for each rank on each shift, and the roster shall be kept up-to-date.

1. Employees who elect to accept the offered overtime do not fall within the Department payroll category "Recall Compensation" and the contractual provisions concerning such are not applicable. Also, no minimum amount of overtime is to be guaranteed beyond that agreed to on the telephone.

2. Employees who refuse the overtime or who cannot report for duty by the start of the shift will lose their turn on the overtime rotation list and will not again be offered overtime until their name is again reached in seniority order.

3. Employees who cannot be contacted by telephone (one attempt) shall be listed as "unable to contact" (UTC) and shall retain their rotation position.

4. Limited duty personnel will not normally be offered overtime, however, such a Employee shall not lose his position on the overtime roster. The Department may offer overtime to an Employee, who can fill the position needed, even if he is on limited duty.

5. Employees on furlough shall not be eligible for overtime opportunities. The fact that they are on furlough shall be entered on the overtime roster. Employees

being carried court time will be offered the overtime provided such days are not used in conjunction with a furlough.

6. Employees being carried sick or disabled on the preceding day need not be contacted, unless such Employee has notified his work location that he is ready for duty and will report for his next scheduled tour of duty. Sick or Disabled will be entered on the overtime roster.

7. The Association delegate and the Platoon 2 shift lieutenant will verify the overtime roster after each selection.

26. COURT TIME

A. A minimum of three (3) hours credit at time and one-half shall be credited for each off-duty court appearance, except as specified herein. When an officer who is on duty is directed to appear in court and that court appearance extends beyond his normal off duty time it shall be recorded as overtime and not as off-duty court time. Off-duty court appearances for a period of less than forty-five (45) minutes, which abut a prescheduled shift may be treated as either overtime or court time at the option of the Department. An Employee's regularly scheduled working hours shall not be changed to circumvent this provision for payment for off-duty court appearances.

B. In each fiscal year, the first forty (40) hours of straight time earned as off duty court time (60 hours at time and one-half) shall be compensatory time. All off duty court time earned in excess of the sixty (60) converted hours shall be paid in cash. Furthermore, such off duty court time shall be paid in cash rather than granting compensatory time when necessary to comply with F.L.S.A. requirements.

Employees shall have the option to indicate, on each court appearance turned in, to be paid in cash or credited with compensatory time.

C. Normally, Employees shall not be required to attend court on their leave days or during their furlough period. In the event that court attendance may be required while he is on leave or furlough, an Employee may be carried on duty or off duty, at his option, while on Platoon No. 2.

D. Employees not assigned or working downtown shall be reimbursed for their parking fees if the following procedure is followed. When the police lot is filled, the Employee shall show the lot attendant his court appearance slip and receive a parking Fee Reimbursement Authorization form. The Employee shall be reimbursed monthly by the Accounting Office via department mail.

E. An Employee subject to disciplinary suspension pursuant to Article 10 may elect to use compensatory time, deducted from him/her compensatory time bank, in lieu of the loss of actual work days resulting from the suspension.

27. METHOD OF COMPENSATION

A. Regular wages shall be paid on a bi-weekly basis.

B. Overtime and premium payments shall normally be paid in the pay period following the pay period in which they are earned.

28. OUT-OF-CLASS PAY

The City will pay "out-of-class pay" after an Employee is officially assigned to perform the duties of a higher rank for a period of thirty (30) consecutive days in a budgeted position available in the current Police Distribution of Personnel Budget Allowance. Such out-of-class pay shall be retroactive to the first day of such assignment. For the purpose of this article, the meaning of "officially assigned" shall mean that assignment which is made by the Chief of Police.

Before an out-of-class assignment is made, the Commander or Deputy Chief shall submit a request on D.P.D. #31, Inter-Office Memorandum to the Chief of Police, explaining the reasons for the assignment, the Effective Date, the duration, and the date on which the officer will qualify for the out-of-class pay (if approved, such pay shall be retroactive to the first day). If the request is denied, the officer involved will be advised of this status, and a new assignment will be granted upon the Employee's request.

29. SHIFT DIFFERENTIAL

Shift premium shall be paid to all Employees whose regular tour of duty begins within the hours prescribed as follows and in the amounts as set forth herein: If the tour of duty begins between 11:00 a.m. and 6:59 p.m., the rate of shift premium pay is fifty cents (55¢) per hour. If the tour of duty begins between 7:00 p.m. and 3:59 a.m., the rate of shift premium is sixty cents (60¢) per hour.

The shift premium is paid to an Employee in addition to his base rate of pay, for the regular tour of duty starting within the hours designated above, and any overtime hours worked in conjunction with an afternoon or midnight shift.

30. LONGEVITY PAY

There will be no longevity payments during the term of this Agreement.

31. ROLL-CALL PREPARATION TIME

The City agrees not to require sergeants and lieutenants to report for work twenty (20) minutes prior to roll-call unless they are being paid for roll-call preparation time.

Roll-call preparation time will be paid as twenty (20) minutes of overtime for those so assigned.

Except in the districts, the number so assigned will be determined as needed by the commanding officer but will not exceed three (3) for each formal stand-up, on duty roll-call. The number assigned to roll-call preparation in the districts will be three (3).

The assignment of roll-call preparation time will be rotated among supervisors insofar as is practicable.

32. DISABLED TIME

A. Disabled time is time not worked when an Employee has sustained an injury or illness in the performance of duty.

B. During periods of disability, Employees remain fully accredited in that they continue to draw their regular salaries, accumulate sick leave and furlough time and all other benefits, and are subject to the rules and regulations of the Department insofar as their condition permits.

C. The Employee shall not be returned to duty if he/she is unable to properly perform his/her assigned duties.

33. PRECINCT PATROL SUPERVISORS

A. Each Patrol Sergeant working on any shift may select, at his/her option, an on-duty police officer driver of his choice.

B. A Sergeant will not be dispatched as a primary response unit unless accompanied by a sworn officer.

34. SERVICE WEAPON

All Employees with a full service retirement will be provided with their department-issued service weapon at no charge. An Employee will have no more than thirty (30) days after separation to make such request to the Chief of Police. The Department may refuse to give an Employee his or her weapon for good cause shown. Good cause will be established where an Employee has pending criminal charges or has been convicted of a crime, is subject to departmental investigations or psychological restrictions. Employees who are involuntarily discharged will not receive a service weapon.

35. SICK LEAVE

A. Sick Banks. There are two sick banks, current sick bank and seniority sick bank.

1. Current sick bank is designated as that sick time accumulated at the rate of one (1) day for every calendar month in which an Employee has been credited for not less than eighteen (18) paid time days, excluding overtime. Effective June 30, 1998, the current sick bank shall accumulate without limitation.

2. Every Employee who has a current service status for a full fiscal year shall be credited with five (5) days in his seniority bank on July 1 of each year.

However, if an Employee retires with 25 years of service and has failed to qualify for the additional five (5) days because of appointment date, five (5) additional sick days will be added to the bank solely for the purpose of paying unused sick leave pursuant to Section L of this Article. Effective July 1, 1998, the seniority sick bank shall accumulate without limitation.

B. Sick Time Credit. The term "sick time" shall be defined as absence due to illness or injury of the Employee, to exposure to a contagious disease, and to the attendance upon immediate members of the family of the Employee of the Department living within his household, including husband, wife, children, father, mother, sister, brother, and relatives living in the same household regardless of degree of relationship. The granting of sick time for attendance upon these relatives is not limited to any given number of days per fiscal year; however, no more than three (3) days will be granted in one instance. This sick time is granted to permit the Employee to make arrangements for care of the ill person so that he may return to duty. When it comes to the attention of the Department that an Employee is abusing sick leave, the Chief of Police may cause an investigation to be initiated. Such investigation may result in disciplinary action, consistent with this Agreement.

C. Deductions from the Sick Bank. Sick banks, both current and seniority, are designed to provide for non-duty connected illness or disability. No deduction from either current or the seniority sick banks will be made for any sick time resulting from a service-connected illness or disability which is certified by a physician designated by the Department.

Sick time will be charged first to the current sick bank and secondly, to the seniority sick bank, in periods of not less than half-days.

When an Employee starts his shift but is unable to finish the shift because of sickness, sick time will be deducted in the following manner. If less than four (4) hours has been worked, the Employee will be charged half a sick day and credited with half a work day. If four or more hours have been worked from the beginning of the shift, the Employee will be credited with a full work day.

During a period of illness, only that time which would be actual working time will be deducted from the sick bank. Illness or injury during furlough time may be changed to sick time in lieu of the Employee's furlough, provided such illness or injury during the furlough will be reported forthwith to the Employee's commanding officer and to a physician designated by the Department. Such illness or injury will be verified by the physician designated by the Department. The unused portion of the Employee's furlough will be rescheduled and used immediately following recovery from the illness or injury, which made the change necessary.

D. Reporting Illness or Disability. When any Employee becomes sick, the officer in charge must be notified without delay and informed where the Employee is confined. If an

Employee is hospitalized, the officer in charge shall be notified and will cause a physician designated by the Department to be notified, during the next regular office hours, of the nature of the illness and the hospital to which the Employee was admitted. Employees unable to report for duty because of sickness shall have their duty station notified not less than one (1) hour before roll call daily, in order to remain in a sick status. An Employee calling in sick in accordance with this provision will not be allowed to work until his next scheduled tour of duty. Under normal circumstances, a physician designated by the Department will not make visits to an individual Employee's home. When attending a sick officer, a physician designated by the Department shall issue him a notice stating the nature of the illness and whether or not the officer shall remain off duty. The notice must be turned in to the commanding officer when the Employee returns to duty.

Employees on extended sick leave (more than three work days) are required to keep their commands informed of their incapacity and expected date of return. In this instance, the Employee shall not be required to call in daily as specified above. Employees on sick leave of thirty (30) days or more may be ordered to obtain verification by a physician designated by the Department.

E. Limited Duty. Officers placed on limited duty by a physician designated by the Department will report immediately with their limited-duty authorization slip to an appropriate command designated by the Chief of Police. Said command will determine an appropriate limited duty assignment and notify the Employee's commanding officer. Limited duty assignments are made by the Chief of Police under the authority granted by Article VII, Chapter VIII, Section VI, paragraph (4) of the City Charter and are subject to the limitations thereof.

The number, location, and duration of restricted duty assignments, as well as whether a restricted duty assignment vacancy exists, will be within the discretion of the Department.

The Department may give preference for restricted duty assignments to those Employees whose injury or illness is determined to have occurred in the line of duty over Employees whose injury or illness is determined to have occurred not in the line of duty. When the Department determines that the number of restricted duty Employees exceeds the available number of restricted duty assignments, in accordance with the limitations enumerated below, Employees having or seeking a restricted duty position for a non-duty related medical condition may be required to utilize sick time benefits. An Employee who is required to utilize sick time benefits by operation of this paragraph but who has no accumulated sick time will be allowed to use other accumulated time to cover the absence.

When an Employee having a non-duty related injury or illness is displaced from a restricted duty position, or when no restricted duty position is currently available, the Employee will be placed on a waiting list for assignment to an available restricted duty position. Placement on this waiting list will be by departmental seniority and placement

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in restricted duty positions will be made in seniority order provided the Employee is able to perform the duties of the particular restricted duty position.

Notwithstanding the provisions of this Article, Employees on restricted duty for a non-duty related injury or illness and who are able to perform the duties of their regularly assigned job will not be subject to being displaced by either an Employee having a duty related injury or illness or by a more senior Employee having a non-duty related injury or illness.

The Department will maintain a continuous listing of those Employees who are on restricted duty which will indicate their duty assignment, seniority date, whether the status is for a duty or non-duty related reason, and other relevant data the parties may from time to time agree upon. The Department will provide the Association with a copy of the list on any day that a change has been made.

Nothing in this Article will affect the right of the Department under the Charter of the City of Detroit to refer Employees for duty or non-duty disability pensions.

An officer on limited duty normally will not wear a uniform except under emergency conditions when ordered by his commanding officer. In such cases, however, the officer will not leave the building or travel to and from work in uniform.

F. Determination of Sick or Disability Status. It is the responsibility of a physician designated by the Department to determine whether the illness or injury of an Employee is duty incurred. When an Employee sustains an original injury in the performance of duty during his regular duty hours, and is unable to complete his tour of duty, he shall be carried disabled. At all other times, he shall be carried sick until a final determination is made by a physician designated by the Department. Under no circumstances shall the status of an Employee being carried sick or disabled be changed in the time book or other Department records without the written authorization of a physician designated by the Department. A physician designated by the Department shall authorize such change by preparing an inter-office memorandum. Employees are automatically assigned to Platoon Two while disabled.

G. Report for Duty When Ordered. Any Employee reported fit for duty by a physician designated by the Department who does not report at the roll call indicated by the physician will be considered absent without leave.

H. Return to Duty. To assure proper health safeguards for Department personnel, Employees who are ordered off duty by a physician designated by the Department due to illness or injury, whether service connected or not, will not be returned to active or limited duty assignments without being certified for such assignment by a physician designated by the Department.

I. Illness or Injury Services. In non and/or post emergency cases, police personnel who have incurred a service connected illness or injury must obtain approval from a physician designated by the Department before securing any type of medical attention or treatment

for the illness or injury, including x-rays and dental care. The Department will not be liable for costs so incurred unless prior approval is obtained.

Officers who are duty disabled or on limited duty will report for physical examinations when directed by a physician designated by the Department. Furthermore, as a condition for continuing disabled or limited duty status and the benefits thereof, the officers must submit to all reasonable examinations ordered by the Department. Failure to do so will lead to immediate termination of such status and benefits.

J. Depletion of Sick Banks. If an Employee is unable to perform police duties when all his sick banks are exhausted, he shall be dropped from the payroll unless he is eligible for non-duty connected retirement benefits. An Employee exhausting his sick banks who has completed five (5) or more years of service and who is otherwise eligible for non-duty connected disability retirement, may be retired at his own request or at the request of the Chief of Police subject to the approval of the retirement board.

An Employee may apply for reinstatement within two (2) years of being removed from the payroll if he recovers sufficiently from his illness or injury to return to duty. He may be reinstated in the same status as when he left upon proper certification by a physician designated by the Department and appointment by the Chief of Police.

K. Bonus Vacation Days. Bonus vacation days are granted for unused current sick time. Officers who have accumulated a minimum of fifty (50) sick days including both current and seniority days and have a minimum of six (6) years of service on July 1st of each year will be credited with one-half of the unused current sick time from the previous fiscal year up to six (6) days. An officer may request to take his bonus vacation days in any sequence by submitting a request in writing to his commanding officer. This request will be reviewed for the availability of personnel by his commanding officer. The Department must ensure that bonus vacation days are expended proportionately throughout the year and are not carried until the last months of the fiscal year; therefore, on May 1st, the commanding officer may assign the remaining bonus vacation days at his discretion. Bonus vacation days that are not used prior to the end of the fiscal year will be lost, except that an Employee may carry over up to two unused bonus vacation days to the next year. Seniority will be a prime consideration when several officers request the same period of time off. When granted time off, bonus vacation days will be deducted from an Employee's bank before compensatory time is deducted.

L. Retirement and Death Sick Leave Payment. Immediately preceding the Effective Date of an Employee's retirement, exclusive of duty and non-duty disability retirement, or at the time of an Employee's death, he or his estate shall be entitled to pay for his unused accumulated sick banks as follows:

An Employee shall receive full pay for 50% of the unused accumulated sick bank amounts.

Effective July 1, 2003, an Employee shall receive full pay for 70% of the unused accumulated sick bank amounts.

Effective July 1, 2008, an Employee shall receive full pay for 85% of the unused accumulated sick bank amounts.

If an Employee is granted a duty or non-duty disability retirement, he shall be entitled to a reimbursement of unused sick time according to the preceding formula, upon attaining his normal full duty retirement date and petitioning the Chief of Police for such reimbursement.

M. Regularity in the Use of Sick Leave Benefits

1. General. The Detroit Police Department is responsible for providing efficient law enforcement services. Maximum attendance is required from all Employees if this responsibility is to be fulfilled.

2. It is, therefore, necessary to identify and correct Employees who have developed a pattern of regularity in the use of their sick leave benefits. Therefore, all commanding officers are to review the records of their Employees quarterly: each January 10th, April 10th, July 10th, and October 10th.

3. Counseling Regarding Regularity in the Use of Sick Leave Benefits. Upon review, the commanding officer shall counsel subordinates whose records show such an indication. The counseling session shall include a discussion of the pattern observed to date, and the Employee's reason for absences. Where appropriate, the commanding officer shall explore positive future courses of available action with the Employee in an effort to assist the Employee in adopting corrective measures. At the end of the counseling session, the commanding officer shall prepare a detailed report of the meeting and attach the report to the Employee's Detroit Police Department Attendance Card, D.P.D. 350-C. A copy of this report shall be provided to the Employee. Note, however, that said counseling does not constitute disciplinary action and as such may not be noted in the Administrative Counseling Register. Further, said detailed report shall be removed from D.P.D. 350-C at the end of six months providing no further corrective action has been necessary since the initial counseling session with the Employee.

4. Continued Pattern of Regularity in the Use of Sick Leave Benefits. If counseling does not produce improved attendance, and the commanding officer, after meeting with the Employee, determines that no satisfactory reason exists which would justify said continued regularity in sick leave usage, the commanding officer shall personally serve the Employee with a Notice of Regularity in the Use of Sick Leave Benefits, D.P.D. 350, and forward the necessary copies as outlined on the form. The commanding officer shall inform the Employee of the requirement to obtain documentation of the illness or of the illness of a family member, which necessitates the Employee's absence from work. This documentation shall consist of a statement from a physician concerning the illness for each sick day taken during the next three month period. This requirement must be strictly adhered to during said period of time, except where the

commanding officer is convinced that a reasonable basis exists for not requiring a physician's note in conjunction with a particular absence. The Employee will also be advised that said physician's documentation shall be submitted on D.P.D. 350-A, or an equally detailed doctor's note, and shall be presented to the Employee's section commanding officer within three days after returning to duty. This documentation is subject to the review of the Department physician. Commanding officers shall ensure that the copy of D.P.D. 350-A, which is submitted by the Employee is forwarded to the Medical Unit forthwith for retention.

An Employee unable to perform police duties because of injury or while recuperating from an illness may absent himself from his home while sick. This right shall not apply to an Employee who has been properly served with D.P.D. 350-A and is under the provisions of D.P.D. 350 as stated above. Such an Employee, if being carried sick for any reason set forth in Section B must secure permission from the officer in charge of the unit to which he is assigned, or if his unit is closed, the precinct in which he resides, to absent himself from his place of confinement. This restriction does not apply on leave days or non-duty hours.

No Employee shall be required to substantiate his illness or that of a member of his immediate family with respect to medical verification until the Department has complied with the provisions of this Article.

The commanding officer shall further advise the Employee that failure to satisfactorily comply with the regulation will result in the designation of each working day taken as "Sick" to "Absent No Pay." The commanding officer shall also advise the Employee that unless attendance improves, disciplinary action may be imposed.

5. Improved Attendance. An Employee placed on a D.P.D. 350 will have his attendance reviewed on a quarterly basis and will be removed from the restrictions of the provision upon a showing of improved attendance within the meaning of the following definition.

"Improved attendance" as used herein shall mean that the Employee has consistently and reliably demonstrated the capacity to provide proper and sustained attendance within the meaning of this Article. For purposes of interpreting the preceding sentence, the word "sustained" shall be construed to mean an improvement, which demonstrates that the abuse has been eliminated.

6. Extended Medical Treatment. Employees who document that their illness requires treatment on a regular basis may submit D.P.D. 350-A for that ailment on a semi-annual basis. The Department physician, however, may want further verification concerning said ailment, and accordingly the Employee may be required to see the physician.

7. Failure to Present Documentation by a Physician. If failure to comply with the regulation set forth on D.P.D. 350 occurs, the section commanding officer shall personally serve the Employee with a Notice of Failure to Present Documentation by a Physician, D.P.D. 350-B, and shall forward the necessary copies as outlined on the form. A Designation of "Absent No Pay" will be entered in timekeeping records.

8. Appeals. Any Employee may file a grievance to protest any alleged improper action taken under the attendance control program, including allegedly improper counseling, the placement of an individual on attendance control procedures, the failure to remove a person from initial counseling or attendance control procedures, or the imposition of an "Absent No Pay" day. If the grievance is granted, the arbitrator shall be empowered to provide an appropriate remedy, including reimbursement of expenses for medical visits ordered by the Department.

36. FUNERAL LEAVE

A. If a death occurs among the Employee's immediate family such Employee will be granted three (3) days funeral leave, not to be deducted from his sick bank provided that such leave may be extended to five (5) days within the discretion of the unit commanding officer based on individual circumstances.

B. The immediate family is defined as wife, husband, son, daughter, brother, sister, father, mother, step-father, step-mother, or other relatives that are members of the Employee's household.

C. If a death occurs among the relatives of the Employee, such Employee will be granted one (1) day funeral leave not to be deducted from his sick bank.

D. Relatives are defined as grandson, granddaughter, grandmother, grandfather, brother-in-law, sister-in-law, uncle, aunt, mother-in-law, or father-in-law.

37. HOLIDAYS AND EXCUSED TIME

A. Schedule of Holidays. Employees will be entitled to the following holidays:

New Year's Day	January 1st
Memorial Day	Last Monday in May
Independence Day	July 4th
Labor Day	First Monday in September
Veterans' Day	November 11th

Thanksgiving Day	Fourth Thursday in November
Christmas Day	December 25th

B. Holiday Premium. The Holiday Premium rate will be double time (2X) for all Employees who work on a holiday in addition to the regular day's pay.

C. Holiday work opportunities will be extended to Employees on furlough as specified below:

1. Employees on furlough when a holiday occurs shall be offered an opportunity to work the holiday if their names are reached on the roster. If the Employee accepts the opportunity, the entry made on the holiday roster shall be the same as if the holiday had been worked while not on furlough. In order to assure that the holiday scheduling of such Employees can be properly managed, prior to starting their furlough or prior to the minimum posting date, whichever is earlier, the Employees must inform their immediate supervisor in writing whether or not they desire to work the holiday.

2. Employees on furlough when a holiday occurs, and who decline their opportunity to work, shall not be considered as having refused holiday work and shall be entered on the roster as "Holiday Furlough" (HF).

3. Employees will be required to utilize the standard number of leave days (5) with the furlough unless waived by mutual consent of the Employee and the Department.

4. When a holiday falls on one of the attached leave days granted in connection with a furlough, the Employee will have the option of working the holiday if:

   a. The holiday roster rotation shows the Employee is in the rotation to work the holiday; and

   b. Prior to starting a furlough, the Employee has informed the immediate supervisor in writing whether or not he desires to work the holiday.

5. When a holiday falls on any one of the attached leave days granted in connection with a furlough and the holiday roster rotation shows the Employee is in the rotation to work the holiday and:

   a. the Employee has chosen not to work the holiday; or

   b. has not given written notice concerning his desire to work the holiday

   the Employee shall be carried as Holiday Furlough (HF) as opposed to Holiday Refused (HR).

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D. Scheduling Holidays for Lieutenants, Sergeants, Investigators, and Detectives.

Under normal circumstances, holiday assignments will be posted seven (7) calendar days prior to the holiday. When two (2) holidays fall within a fourteen (14) day period, assignments for the second holiday will be posted a minimum of two (2) days in advance of that holiday. Should a position become available after the holiday detail is posted and the Department decides to fill that position, the next eligible Employee(s) will be polled to work the holiday.

Once the holiday assignments are posted within the minimum contractual posting time it may be changed only to correct an error or to fill a vacancy and after notice to the precinct or section delegate. An affected Employee shall be notified of the change as soon as possible.

Each July 1, a Holiday Work Roster, D.P.D. 592, shall be prepared for purposes of scheduling holiday assignments. Holiday work rosters pertaining to lieutenants, holiday work rosters pertaining to sergeants, holiday work rosters pertaining to investigators, and holiday work rosters for detectives, shall have a continual rotation, which will not start anew each July 1. These rosters shall be prepared by section, by unit, by section and platoon, or by unit and platoon, as applicable. Rosters will be posted on bulletin boards in each precinct and section. Rosters shall be kept up to date and shall cover the period of July 1 through June 30. New transfers shall be immediately assigned to the appropriate roster according to their seniority. When a lieutenant, sergeant, investigator, or detective transfers, the duty status for the previous holiday shall be taken into consideration regardless of where the member worked or what roster the member was on. Newly promoted personnel will be placed on the roster with no duty status for the previous holiday.

If the holiday assignment has been posted in accordance with the minimum time limits, newly assigned personnel shall be placed on the roster for the next holiday and not considered for the holiday posted unless new vacancies arise prior to the holiday.

Holiday detail sheets are posted in order to give all parties advance notice of assignments and to permit the delegate or the Employee to bring any mistakes to the attention of his or her supervisor in a timely manner. An Employee shall notify his or her immediate supervisor of an error on the holiday detail sheet immediately upon discovery, so that it may be corrected forthwith. If an Employee who knows or reasonably should have known of an error fails to provide such notice of the error to his or her immediate supervisor, the error may be grieved but no monetary award shall be awarded.

Holiday assignments for lieutenants, sergeants, investigators, or detectives shall be offered on a rotating basis using seniority in rank, by unit, by shift.

The following steps shall be utilized for preparing a holiday roster.

1. A supervisor preparing the holiday roster shall list all Employees, in descending seniority order, who will be considered to work that respective holiday. The

removal or addition of names to the holiday roster shall conform with the preceding contractual holiday requirements. An Employee's holiday status for the previous holiday shall be taken into consideration regardless of where he worked or what roster he was on.

2. Once this step is completed, the supervisor shall begin by first selecting, in descending seniority order, the Employees who were carried with a "Special Red Designation" (i.e., Holiday-Furlough, Holiday-Sick, Holiday-Jury Duty, Holiday-Suspended, Holiday-Limited Duty, Holiday-Late Posting, Holiday-Disabled, Holiday-Absent with Leave, Holiday-Funeral Leave) during the previous holiday. When selecting Employees who were carried with a Special Red Designation, the supervisor shall begin at the starting point of the previous holiday and continue through the entire holiday roster once before ending at the current holiday's starting point.

3. Once the Employees with Special Red Designations have been selected, Employees with a red "Holiday" designation shall be chosen, in descending seniority order, beginning at the starting point of the current holiday and shall continue through the entire holiday roster, returning to the current holiday's starting point.

4. Once all Employees with red designations are selected for work opportunities, the continual rotation shall continue from where it left off the previous holiday (the current "starting point"), selecting Employees with black "holiday worked" status, in descending seniority order, until sufficient personnel are obtained.

5. A new cut off point will then be marked immediately following the last Employee selected for a holiday worked opportunity.

6. Entries on Roster. Entries on the holiday roster shall be made in the following manner:

   a. Worked -W- (Black) - indicates an employee worked the holiday.

   b. Holiday Refused -HR- (Black) - indicates an employee was given the opportunity to work, but refused.

   c. Holiday -H- (Red) - indicates an employee was not up to work the holiday and was on holiday.

   d. Holiday Furlough -HF- (Red) - indicates an employee would have been eligible to work the holiday, but was on furlough or declined to work a holiday which was among the leave days attached to the furlough.

   e. Holiday Sick -HS- (Red) - indicates an employee was eligible to work the holiday, but was unable to do so because of being sick.

f. Holiday Disabled -HD- (Red) - indicates an employee was eligible to work the holiday, but was unable to do so because of being disabled.

g. Holiday Jury Duty -HJD- (Red) - indicates an employee was eligible to work the holiday, but was unable to do so because of jury duty.

h. Holiday Limited Duty -HLD- (Red) - indicates an employee was eligible to work the holiday, but was not allowed to do so due to the fact that there were no job openings available for an employee on limited duty status.

i. Holiday Late Posting - HLP - (Red) - indicates an employee was not eligible to work the holiday when the holiday roster was posted but after the posting was asked due to a position becoming available and declined.

j. Holiday Suspended - HX - (Red) - indicates an employee was eligible to work the holiday but was suspended on the holiday and had disciplinary proceedings still pending or an employee who was serving a suspension of more than thirty (30) days as a result of completed disciplinary action (after all appeals have been exhausted).

An officer serving a suspension of thirty (30) days or less as a result of completed disciplinary action (after all appeals have been exhausted) shall be allowed to work a holiday if eligible.

k. Holiday Absent with Leave - HAWL - (Red) - indicates an employee was eligible to work the holiday but was on an authorized absence with leave.

l. Holiday Funeral Leave - HFL - (Red) - indicates an employee was eligible to work but was on funeral leave

If insufficient personnel volunteer to work the holiday on a given platoon, reverse seniority shall prevail and personnel may be ordered to work. In the event sufficient personnel are still not available to meet Department needs, holiday assignments shall be offered to personnel from the remaining platoons. If lieutenants are needed to work, the lieutenants with the greatest seniority, in rank, by unit or section as applicable, shall be given the opportunity to work. If sergeants are needed to work, the sergeants with the greatest seniority, in rank, by unit or section as applicable, shall be given the opportunity to work. If investigators are needed to work, the investigators with the greatest seniority, in rank, by unit or section as applicable, shall be given the opportunity to work. If detectives are needed to work, the detectives with the greatest seniority, in rank, by unit or section as applicable, shall be given the opportunity to work. If insufficient personnel volunteer to work, reverse seniority shall prevail. Lieutenants, sergeants, investigators, and detectives shall not be permitted to change platoons in order to work a holiday except as outlined above.

Employees on limited duty status are entitled to participate in the normal continuous rotation of holiday work opportunities. However, their opportunity to receive an assignment is restricted to those assignments, which can be performed by an Employee

on limited duty. Limited duty positions shall not be created by bumping regularly assigned Employees from their respective regular job assignments.

Employees temporarily assigned out to other commands shall remain on the holiday roster of their parent command and are fully entitled to work a holiday assignment at those commands when their names are reached. Assigned out Employees may also work at the temporarily assigned unit provided first, they are entitled by virtue of their position on the holiday list and second, that they do not replace permanently assigned personnel at the temporarily assigned unit.

E. Excused Time Days. Employees shall be granted eight (8) hours of "Excused Time" on Good Friday or eight (8) hours on the last scheduled day prior to Good Friday, and eight (8) hours of "Excused Time" on the last scheduled paid day before Christmas Day and before New Year's Day provided they are on the payroll through the holiday in question. Employees shall also be granted eight (8) hours of "Excused Time" on Martin Luther King's Birthday. Employees shall be granted eight (8) hours of "Excused Time" on Easter Sunday. Employees required to work any portion of the "Excused Time" on these days will receive equal time off for hours worked or straight time cash at the option of the Chief of Police. No holiday premium will be paid for work on these days.

38. VACATION SELECTION AND CANCELLATION PROCEDURE

A. Employees shall make their furlough selection in accordance with the established schedule of furlough periods:

1. Drawing for Summer furlough will be conducted on March 20th. Drawing for Winter furloughs will be conducted on September 20th.

2. Furlough selections shall be based on seniority consistent with the efficient operation of the precinct or bureau.

3. The criteria for selection of furloughs shall first be rank, then time in rank, and in cases where these factors are equal, by Department seniority.

4. Administrative Lieutenants and Sergeants, including I.O.U., Patrol Supervisors, and Special Operation Supervisors, shall draw separately.

B. Leave days added to a furlough shall not be canceled unless the accompanying furlough is canceled.

C. An Employee who is promoted or transferred conserves the furlough choice he has made.

D. All units may have ten percent (10%) of their Detective, Investigators, and Sergeants on furlough at any one time unless Management makes a good faith determination that manpower conditions require otherwise. Among other factors, such a decision will in all cases be deemed to be in good faith where the Department is operating at a headcount deficit relative to budgeted headcount.

E. The annual furlough shall be divided into two (2) seasons, Summer and Winter. Each furlough season shall consist of thirteen (13) furlough periods, corresponding with the bi-weekly payroll periods. Each furlough period shall contain ten consecutive days, which shall begin with the first day of the payroll period. The furlough shall also include the standard number of leave days granted in connection with the furlough.

F. For furlough periods in the first half of the pay period, the leave days will be attached to the end of the furlough period.

For furloughs taken in the second half of the pay period, leave days will be attached to the end of the furlough period up to the end of the pay period. Employees will then have the option of selecting the remainder of the standard number of leave days (5) if chosen either prior to the beginning of the furlough period or into the subsequent pay period utilizing leave days from the subsequent pay period if they choose.

G. All Employees will have the option each year of banking one of their two furlough periods. The Employees have the option to forfeit the furlough in lieu of cash compensation or bank the furlough at the minimum wage of the applicable rank.

Such payment will not be included in the computation of average final compensation for pension purposes. Such an option shall be given, in writing, by the Employee at the time of furlough selection. Failure to exercise the option, in writing, at the time of furlough selection shall be a full and complete waiver of the option for that furlough period.

39. EMERGENCY OR EXCUSED DAYS

A. Personal, emergency, or excused days shall be granted to an Employee for an absence justified by urgent reasons such as attendance to demanding personal business which cannot be normally taken care of outside of working hours.

B. Not more than five (5) such personal, emergency, or excused days shall be granted in any one fiscal year to an Employee under any circumstances. All personal, emergency, or excused days that are granted shall be deducted from the Employee's accumulated sick bank and will, consequently, affect the accumulation of bonus vacation days.

C. Any Employee under the restrictions of the attendance control program (D.P.D. 350) shall not be allowed to have emergency or excused days deducted from his sick banks and will be carried Absent No Pay.

40. MEAL PERIOD

A. Each Employee is entitled to one thirty (30) minute unpaid meal period per eight hour tour of duty. Each Employee is entitled to one thirty (30) minute unpaid meal period and one fifteen (15) minute unpaid meal period per ten (10) or twelve (12) hour tour of duty.

B. Employees assigned to inside duty shall be permitted, during their meal period, to leave their work locations.

41. UNIFORMS

A. Employees shall continue to be provided with uniforms and accessories in accordance with present practice.

B. Employees shall receive an annual uniform cleaning allowance of two hundred and fifty dollars ($250) per year payable the first payroll period each fiscal year.

C. The Department will no longer issue replacement uniforms and accessories. Employees will instead receive a uniform allowance of eight hundred and fifty dollars ($850) annually for the procurement and maintenance of all of the member's required uniforms and accessories. The Employee shall be responsible for procuring uniforms and equipment according to Department specifications. This allowance shall not include maintenance and procurement of bulletproof vests or other specialty equipment, which the Department shall continue to procure and issue directly to the Employees. Employees shall continue to receive the annual two hundred and fifty dollar ($250) cleaning allowance. These allowances shall continue to be payable the first payroll period each fiscal year.

42. COPIES OF AGREEMENT

The City agrees to furnish the Association with an electronic copy of this Agreement and 100 paper copies of this Agreement.

43. HOSPITALIZATION, MEDICAL INSURANCE AND OPTICAL CARE

A. During the term of this Agreement, Employees will be eligible to participate in the group medical, prescription drug, dental, and vision plans ("Medical Plans") offered by the City. Unless the parties mutually agree otherwise, the City's 2014 medical plan designs ("Medical Plan Designs") will remain in place during the term of this Agreement. For purposes of this Section, the term Medical Plan Design will collectively refer to deductibles, co-payments, covered services, networks, and third party administrators or insurers.

1. Notwithstanding this section A, the City will promptly analyze providing ScriptGuideRx, Inc. as a pharmacy benefits manager ("PBM") for the self-insured PPO option provided to police and firefighter active employees who enroll for health insurance. The City agrees to include ScriptGuide as a PBM for its self-insured option for active police and firefighter enrollees if (i) the City concludes - in its sole discretion - that ScriptGuide can be provided on a cost neutral or lower cost basis for the City relative to the continued use of Caremark during its first contract year of use and the Contract term, and (ii) following an analysis by the City respecting ScriptGuide's applicable managed formulary, generic utilization, network and co-payment structure, and sharing of that analysis and discussion with the Association, the DPLSA approves the City's use of ScriptGuide as the PBM for its self-insured option for DPLSA, even if the co-pay structure for generic, brand or specialty prescription drugs necessary for cost

neutrality requires higher active employee co-pays for certain forms of prescription drugs. Notwithstanding the above, the City agrees prior to any final determination, that it will meet and confer with the DPLSA to discuss its findings. The City shall determine whether ScriptGuide will be cost neutral or lower prescription drug costs based on the cost for the entire active population. If ScriptGuide is substituted for Caremark, any savings resulting therefore will be determined and distributed in accordance with Section J(1)(b) of this Article.

B. Employees will be required to make monthly contributions for their benefits based upon the plan and coverage tier selected by the Employee. Monthly contributions will be deducted from Employee payroll disbursements on a pre-tax basis (if authorized by the employee), in accordance with applicable law.

1. For calendar year 2014, Employees' monthly contributions under the City's Medical Plans will remain at the levels in place as of the Effective Date of this Agreement.

2. For subsequent calendar years during the term of this Agreement, Employees' monthly contributions under the City's Medical Plans will be adjusted annually to the level necessary to maintain an 80/20 proportional share of the cost of the medical coverage, subject to the terms and conditions and limitations set forth in this Article. Under this cost sharing arrangement, the City will pay eighty percent (80%) of the costs of each coverage tier in the City's Medical Plans, and Employees participating in each coverage tier will pay twenty percent (20%) of the costs for such coverage tier. Premiums will be calculated as follows:

a. For the Health Alliance Plan ("HAP") health maintenance organization ("HMO") plan, a participating Employee will pay 20% of the premium charged by HAP for his/her coverage tier. Such premiums will be established by HAP, subject to confirmation by an independent enrolled actuary retained by the City ("Enrolled Actuary").

b. For the Blue Cross/Blue Shield ("BCBS") preferred provider organization ("PPO") plan, monthly contributions will be set such that Employees in each coverage tier collectively pay twenty (20%) of the costs for that coverage tier. Such monthly contributions will be calculated by the Enrolled Actuary. Monthly contributions will be calculated in accordance with generally accepted actuarial principles, and will take into account claims experience from the prior fiscal year, inflation, actual and anticipated administrative costs, actual and anticipated fees and surcharges (including those associated with compliance with the Patient Protection and Affordable Care Act ("ACA")), and any other relevant costs or factors as determined by the Enrolled Actuary.

C. C.O.P.S. Health Trust: For calendar year 2015 and for subsequent calendar years during the term of this Agreement, Employees may elect to participate in medical benefit plans

offered by C.O.P.S. Health Trust ("COPS Trust") in lieu of the City's Medical Plans subject to the following conditions:

1. An Employee who participates in COPS Trust may not concurrently participate in any City Medical Plan.

2. For each Employee who elects to be covered by COPS Trust, the City will make a monthly contribution to COPS Trust that is equal to the lesser of (a) the City's *pro rata* contribution under the HAP Plan in the corresponding coverage tier (*e.g.* single, two person, family) or (b) the City's *pro rata* contribution under the BCBS Plan for the corresponding coverage tier. Under no circumstances will the City's monthly contribution to COPS Trust exceed the City's monthly contribution for coverage under the lowest cost City plan for the applicable coverage tier.

3. The City will have no obligations in connection with COPS Trust other than to make the payments described in this Section C. Specifically, the City will not have any administrative involvement whatsoever in connection with employee participation in COPS Trust, and any employee participating in COPS Trust will be responsible for paying any additional monthly premium payments beyond the City's monthly contribution pursuant to Section C.2 of this Article directly to COPS Trust. Under no circumstances will the City be deemed to be an administrator or fiduciary with respect to any medical plans provided by COPS Trust.

4. The Union agrees to indemnify the City, and hold the City harmless, against any and all claims asserted by employees or third parties against the City or any of its elected or appointed officials, employees, agents, attorneys, or consultants that are in any way related to or connected with employee participation in COPS Trust, any medical plans offered by COPS Trust, including but not limited to any claims for benefits provided to, or denied, City employees by COPS Trust, as well as any and all claims that are in any way related to any acts or omissions by COPS Trust, or its officers, directors, trustees, employees, or agents.

D. VSP: For calendar year 2015 and for subsequent calendar years during the term of this Agreement, Employees may elect to participate in vision benefit plans offered by VSP in lieu of the City's vision plan subject to the following conditions:

1. An Employee who participates in VSP may not concurrently participate in any City vision plan.

2. For each Employee who elects to be covered by VSP, the City will make a monthly contribution to VSP that is equal to the the City's *pro rata* contribution under the Heritage vision plan in the corresponding coverage tier (*e.g.* single, two person, family). Under no circumstances will the City's monthly contribution to VSP exceed the City's monthly contribution for coverage under the lowest cost City plan for the applicable coverage tier.

3. The City will have no obligations in connection with VSP other than to make the payments described in this Section C. Specifically, the City will not have any administrative involvement whatsoever in connection with employee participation in VSP, and any employee participating in VSP will be responsible for paying any additional monthly premium payments beyond the City's monthly contribution pursuant to Section C.2 of this Article directly to VSP. Under no circumstances will the City be deemed to be an administrator or fiduciary with respect to any medical plans provided by VSP.

4. The Union agrees to indemnify the City, and hold the City harmless, against any and all claims asserted by employees or third parties against the City or any of its elected or appointed officials, employees, agents, attorneys, or consultants that are in any way related to or connected with employee participation in VSP, any vision plans offered by VSP, including but not limited to any claims for benefits provided to, or denied, City employees by VSP, as well as any and all claims that are in any way related to any acts or omissions by VSP, or its officers, directors, trustees, employees, or agents

E. Except as provided in this Article, the extent of coverage under the City's Medical Plans will be governed by the terms and conditions set forth in the applicable Medical Plans offered by the City during the term of this Agreement. Plan documents may be modified or amended by the City from time to time in accordance with the terms of the applicable plan documents, provided that such amendments do not violate the terms of this Article. Any questions or disputes concerning any City Medical Plans will be resolved in accordance with the terms and conditions set forth in the applicable insurance policies or plan documents and will not be subject to the Grievance & Arbitration Procedures set forth in Articles 8 and 9 of this Agreement.

F. The failure of any insurance carrier(s), PBM, or plan administrator(s) to provide any benefit for which it has contracted or is obligated will not result in any liability to the City, nor will such failure be considered a breach by the City of any obligation undertaken under this or any other Agreement. However, nothing in this Agreement will be construed to relieve any insurance carrier(s) or plan administrator(s) from any liability it may have to bargaining unit Employees or beneficiaries of bargaining unit Employees.

G. Except as set forth in this Article, during the term of this Agreement, the City Medical Plans will provide benefits with an actuarial value as determined by the Enrolled Actuary that are at the "Gold" level (i.e., approximate actuarial value of 80%), as defined by the ACA. In the event that the actuarial value of a City Medical Plan's benefits falls below the "Gold" level as determined by the Enrolled Actuary during the term of the Agreement, the City will meet and confer with the Union to discuss potential modifications to the Medical Plan during the subsequent plan year to raise the actuarial value of the benefits to the "Gold" level.

H. Notwithstanding any provision in this Article that could be construed to the contrary, this Article will not be construed to require the City to fall out of compliance with the requirements Public Act 152 of 2011 ("PA 152"). MCL § 15.561 *et. seq.* The City's

Enrolled Actuary will be responsible for periodically monitoring compliance with the requirements of PA 152. In any event where the Enrolled Actuary determines that the City is reasonably likely to fall out of compliance with PA 152, the City will meet and confer with the Union for a period not longer than thirty (30) days in order to discuss potential modifications to the terms of the Medical Plans or to the allocation of premium payments by the City and the Employees. To the extent the City and the Union are unable to reach an agreement within thirty (30) days, the City may make any necessary modifications to ensure compliance with PA 152.

I. Surviving Spouses/Dependents. Current and future spouses and dependents of bargaining unit employees who are killed in the line of duty will be eligible to continue to participate in the City's Hospitalization, Medical Insurance, Optical and Dental care plans on the same terms and conditions as active bargaining unit members.

J. Retiree Medical Benefits.

1. Retiree Medical Subsidy. The City will contribute the following amounts towards the cost of retiree health benefits for Eligible Retirees (the "Retiree Medical Subsidy"):

a. On or before January 31, 2015 (and each subsequent January 31 during the term of this Agreement), the City will contribute a total sum of one million dollars and no cents ($1,000,000.00) to the COPS Trust VEBA to fund retiree medical benefits for City of Detroit employees (and Eligible Retirees) in the bargaining units represented by the DPLSA, the Detroit Fire Fighters Association (DFFA), the Detroit Police Command Officers Association (DPCOA), and the Detroit Police Officers Association (DPOA) (collectively, the "Public Safety Unions"). The amount contributed on behalf of the DPLSA will be determined by: (a) dividing the total DPLSA bargaining unit headcount as of July 1, 2014, by (b) the total active employee headcount in the four Public Safety Unions as of July 1, 2014, and then (c) multiplying the quotient by $1,000,000.00 (DPLSA headcount ÷ total Public Safety Union headcount) × $1,000,000.00).

b. In addition, if, pursuant to the May 5, 2014 Term Sheet, ScriptGuide is substituted for Caremark for DPLSA employees in connection with the self-insured PPO option, no later than 90 days after the close of a calendar year, the City shall direct an independent third party prescription drug audit specialist of the City's choosing-- which may include Remedy Analytics or Trivantage Pharmacy Strategies LLC -- to conduct a PBM pricing audit. The audit specialist shall obtain individual prescription drug claim data and pricing data from ScriptGuide, and a reasonable sampling of similar data from the City employee population that is covered by Caremark, and shall examine the contract provisions and actual pricing application and compare such data. Based on such information and other relevant information as the audit specialist determines, the audit specialist

shall then determine in its sole discretion the extent of the cost savings to the City from using ScriptGuide in comparison to Caremark. The third party audit specialist's determination shall be binding and the union shall not be able to grieve, arbitrate, mediate or otherwise litigate that determination. Any cost savings determined by the third party specialist shall be split 50-50 between the City and the covered employees in the following manner; An amount equal to 50% of the cost savings shall be applied in the year following the determination to retiree health benefits for DPLSA active members.

c. Any foundation money available to fund medical benefits for Public Safety Union retirees shall also be contributed to the COPS Trust VEBA.

2. No Additional Liability. Other than the Retiree Medical Subsidy, the City shall not be required to pay any additional amounts including, but not limited to start-up costs, to the COPS Trust VEBA, or to pay any other sums (including but not limited to administration expenses), in connection with retiree health coverage for Eligible Retirees during the term of the Agreement. Moreover, the parties agree that COPS Trust shall have sole responsibility for maintaining and investing all funds contributed by the City pursuant to this Article 43, Section J, and shall be solely responsible for determining the benefit design and form, amount, and timing of all benefit payments to Eligible Retirees pursuant to this Agreement, and COPS Trust shall have sole responsibility to ensure that all of COPS Trust's acts or omissions with respect to the provision of benefits to Eligible Retirees comply with applicable law. As such, other than its obligation to timely pay the Retiree Medical Subsidy, the City shall have no responsibility and shall face no liability to any party with respect to the provision of benefits to Eligible Retirees pursuant to Article 43, Section J.

3. Indemnification. The Union agrees to indemnify the City, and hold the City harmless, against any and all claims asserted by employees or third parties against the City or any of its elected or appointed officials, employees, agents, attorneys, or consultants that are in any way related to or connected with employee or Eligible Retiree participation in the COPS Trust VEBA, including but not limited to any claims for benefits provided to, or denied, City employees or Eligible Retirees (or their spouses or dependents) by the COPS Trust VEBA, as well as any and all claims by other persons that are in any way related to any acts or omissions by the COPS Trust VEBA, or its officers, directors, trustees, employees, or agents.

4. Eligibility. Employees who retire on or before December 31, 2014 shall participate in the OPEB settlement available to existing retirees in accordance with the Plan of Adjustment in In re City of Detroit, Case No. 13-53846. Employees who retire and receive pension benefits from the PFRS on or after January 1, 2015 ("Eligible Retirees") shall be eligible for retiree health care benefits from the COPS Trust VEBA as determined by such VEBA and as set forth herein.

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44. DEATH BENEFITS AND LIFE INSURANCE

A. Death Benefits.
The City Code, Chapter 13, Article 8, Section 13-8-8 currently provides a death benefit of $10,000.00.

1. Membership

Mandatory for regular Employees

2. Contributions

By the City - $20.70 per year per Employee.

By the Employee - 25¢ per week or $13.00 per year.

If during the term of this Agreement, the Employee Benefit Board approves an increase in the death benefit eligible for payment to members of the plan, the parties agree that this increased benefit will be applicable to Employees covered by this Agreement.

B. Payment for Employees killed or permanently disabled in the line of duty:

1. A lump sum duty death benefit of $10,000 shall be paid to the beneficiaries or estate of Employees who are killed or who die as a result of injuries sustained in the actual performance of their duties in accordance with the City Council resolution of August 23, 1977 page 1683, March 2, 1954, page 509 and March 26, 1974, page 627.

2. A lump sum payment of $10,000 shall be made to any Employee who is totally and permanently disabled from illness or injury arising solely out of the actual performance of his duties. "Totally and permanently disabled" shall be defined exclusively as follows:

   a. Total and permanent loss of sight of both eyes.

   b. Loss of both legs or both feet at/or above the ankle.

   c. Loss of both arms or both hands at/or above the wrist.

   d. Loss of any two of the members or facilities enumerated in (a), (b), or (c).

   e. Permanent and complete paralysis of both legs or both arms or one leg and one arm.

   f. Incurable insanity or imbecility. Claims for this payment shall be made in accordance with the City Council resolution of March 26, 1974, page 627.

Employees who receive a permanent disability under this article shall be ineligible for the $10,000 Duty Death Benefit described in Section #1, above.

Recall pay shall not be granted when:

a. A mobilization has been ordered;

b. Leave, furlough, bonus vacation days or compensatory time days have been canceled;

c. A Employee has been directed to appear in court;

d. An Employee is given notice of a change in shift starting time prior to his going off duty.

46. PERFORMANCE EVALUATION RATINGS

A. Each Employee shall be rated by his or her immediate supervisor at least once per year.

1. Upon completion of the rating, each Employee will be personally informed of their respective evaluations by the immediate supervisor who prepared the evaluation.

2. Any Employee who wishes to appeal his performance evaluation must make a written request to the Chief of Police or his/her designee within thirty days of receiving his copy of the evaluation and must identify each trait he is appealing and cite a brief basis for appealing that rating.

47. PENSION AND RETIREMENT BENEFITS

During the term of this Agreement Employees will be entitled to retirement benefits in accordance with the terms of the November __, 2014 Memorandum of Understanding Regarding the Police and Fire Retirement System of the City of Detroit, Michigan. The terms of the November __, 2014 Memorandum of Understanding may be modified to conform with any plan of adjustment approved by the United States Bankruptcy Court.

48. GENERAL PROVISIONS

A. Relation to Regulations, etc. This Agreement shall supersede any rules, regulations, ordinances, or resolutions inconsistent herewith.

B. Exhibits I, II, and IV of the 2009-2013 Collective Bargaining Agreement are eliminated from the 2013-2019 Collective Bargaining Agreement. Moreover, Paragraph M of Exhibit III will be eliminated.

C. In the event that the Department enters into a consensual collective bargaining agreement with any other labor organization representing employees of the Department that provides union represented employees in the Department with general wage increases, coverage under City active or retiree medical plans, or retirement benefits that are more favorable than those provided to employees under this Agreement, the Department will promptly notify the Association of such terms and, upon request, increase the compensation or benefits provided to Employees covered by this Agreement, to such higher amount and/or comparable terms or conditions.

D. In the event that the Bankruptcy Court approves a plan of adjustment that provides Department employees represented by another labor organization with general wage increases, coverage under City active or retiree medical plans, or retirement benefits that are more favorable than those provided to employees under this Agreement, the Department will promptly notify the Association of such terms and, upon request, increase the compensation or benefits provided to Employees covered by this Agreement, to such higher amount and/or comparable terms or conditions.

E. Nothing in this Agreement will be construed as a commitment by the City or this Department to create parity between any bargaining units.

49. WAGES AND DIFFERENTIAL

A. Wages – July 1, 2014 through June 30, 2019 - Base Salary. A 10% wage reduction was implemented with respect to the DPLSA bargaining unit in 2013. No additional wage reductions will be implemented during the term of this Agreement. The following wage increases shall apply during the term of this Agreement:

- 5% wage increase (already implemented) effective July 1, 2014.
- 2% lump sum bonus effective January 1, 2015.
- 1% lump sum bonus effective July 1, 2015.
- 2.5% wage increase effective July 1, 2016.
- 2.5% wage increase effective July 1, 2017.
- 2.5% wage increase effective July 1, 2018.

B. Wage Scale. Employee wages during the term of this Agreement are set forth in Exhibit I.

C. Differential. In no event shall the percentage differential between the salaries of Police Investigator and the maximum salary of Police Officer and the differential between the salary of Police Sergeant and the maximum salary of Police Officer and the percentage differential between the salary of Police Lieutenant and the maximum salary of Police Officer be less than the following schedule:

Detective	5%
Police Sergeant and Police Investigator	
(1) Upon promotion	20%
(2) Upon confirmation or upon completion of one (1) year in rank, whichever occurs later	21%

(3) Upon completion of two (2) years in rank	22%
(4) Upon completion of three (3) years in rank	23%
(5) Upon completion of four (4) years in rank	24%

No Police Sergeant or Police Investigator, currently a member of the Lieutenants and Sergeants' Association bargaining unit, shall suffer any reduction in salary or current differential as the result of the execution of this Agreement.

Police Lieutenant

(1) Upon promotion	35%
(2) Upon confirmation or upon completion of one (1) year in rank, whichever occurs later	36%
(3) Upon completion of two (2) years in rank	37%
(4) Upon completion of three (3) years in rank	38%
(5) Upon completion of four (4) years in rank	39%

No Police Lieutenant, currently a member of the Detroit Police Lieutenants and Sergeants' Association bargaining unit, shall suffer any reduction in salary or current differential as the result of the execution of this Agreement.

50. JURY DUTY

A. All Employees who serve on jury duty on regularly scheduled work days exclusive of leave days, furlough days and holidays will be paid the difference between their pay for jury duty and their regular straight time pay for all days they are required to serve on jury duty.

B. In the event that an Employee reports for jury duty but does not actually serve on jury, he will be paid the difference between the jury pay received and his regular day's pay and be excused for the day.

C. In order to receive payment for jury duty supplementation, an Employee must have been regularly scheduled to work on a non-overtime basis, must give reasonably prompt prior notice to his supervisor that he has been summoned for jury duty, and must furnish satisfactory evidence that he reported for or performed jury duty on the days for which he claims such payment, provided that the commanding officer shall have discretion in seeking to have the Employee excused when his services are essential.

D. Employees shall have the option when called to jury duty to use vacation, bonus vacation or compensatory time for such service. In that event, the Employee will not be required

to turn in his jury pay. However, the Employee must notify the Department of his desire to exercise this option prior to the first date of jury service.

If the date for jury duty falls upon a day when the Employee is scheduled to work other than Platoon 2, the Department, upon request of the Employee, will rearrange the Employee's working schedule so that he will be carried working Platoon 2 on that date(s). If the date for jury duty falls upon a holiday an Employee is scheduled to work, the Employee shall be allowed to attend jury duty without loss of the Employee's holiday work opportunity.

E. For payroll purposes, jury duty shall be considered as time worked.

F. An Employee on jury duty will be continued on the payroll and be paid at his straight time hourly rate of his normally scheduled hours of work. Upon return from jury duty, the Employee shall present evidence of the amount received from such jury duty and return that amount to the City, less any mileage allowance paid for the jury service.

If an Employee fails to turn in his jury duty payment, the City will hold subsequent payments due to the Employee until the City is reimbursed for all time lost due to the alleged jury duty service.

G. Where Employees once impaneled are excused for days or parts of days, reimbursement shall be made only for time served. Employees should otherwise be expected to report for work.

51. PROMOTIONS

Employees to be promoted to the rank of Detective, Sergeant, or Lieutenant will be selected based upon testing, knowledge, training, experience, performance evaluation ratings, certifications, ability, skills, disciplinary history, attendance, safety record, efficiency, and/or seniority. When all other qualifications are equal, the senior qualified Employee who requests a promotion will be selected. With respect to any Detective, Sergeant, or Lieutenant job opening, the Department will provide the Association with reasonable advanced notice of the selection criteria for the opening.

Appointments to the rank of Master Sergeant and First Lieutenant shall be made at the discretion of the Chief of Police, in accordance with applicable Department policies. Appointments to the rank of Captain shall be made at the discretion of the Chief of Police, in accordance with his authority under the City Charter.

52. DRUG TESTING

Employees subject to this Agreement will be subject to substance abuse testing in accordance with policies and procedures implemented by the Department. Such policies and procedures will not be changed without providing advance notice to the Association. The penalty for testing positive for any illegal drug will be discharge.

53. CIVILIANIZATION (NEW)

Positions within the Department that do not require MCOLES certification are subject to civilianization at any time. Additional Civilianization will be permitted where service improvements or cost savings can be achieved. Any reductions in force (layoffs) resulting from Civilianization will comply with Article 19.

54. SAVINGS CLAUSE

If any article or section of this Agreement or any supplement thereto, should be held invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any article or section should be restrained by such tribunal, the remainder of this Agreement and supplements shall not be affected thereby, and the parties shall enter into immediate collective bargaining negotiations for the purpose of arriving at a mutually satisfactory replacement for such article or section.

55. EXTENT OF AGREEMENT

The parties acknowledge that, during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matters not removed by law from the area of collective bargaining and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement.

56. EFFECTIVE DATES/DURATION

This Agreement shall be effective and binding on the Union and the City upon the approval of the Treasurer of the State of Michigan ("Effective Date") and shall continue in full force and effect through June 30, 2019 (the "Term"). This Agreement, including the Term, shall be incorporated into and become a part of both the plan of adjustment and order confirming the plan of adjustment, and the Agreement shall be subject to the post-confirmation ongoing jurisdiction of the Bankruptcy Court for the full Term, including without limitation, whatever jurisdiction the Bankruptcy Court's retains to enforce the Term. This Agreement, including specifically, the Term, shall be duly authorized and approved by and consented to by the State Treasurer and the Emergency Manager, with these consents reflected by duly authorized signatures.

If either party desires to modify this Agreement, it may give written notice to the other party during the month of March 2019.

In the event that the Department and the Association fail to arrive at an agreement on wages, fringe benefits, other monetary matters, and non-economic items by June 30, 2019, this Agreement will remain in effect on a day-to-day basis. Either party may terminate this Agreement by giving the other party a ten (10) day written notice on or after June 30, 2019.

IN WITNESS WHEREOF, the parties hereto have executed this

Agreement on this 6 day of November 2014.

DETROIT POLICE LIEUTENANTS AND SERGEANTS ASSOCIATION:

Mark Young, President

Rodney Sizemore, Vice President

Brian Harris, Secretary-Treasurer

John F. Kennedy, Sergeant-at-Arms

CITY OF DETROIT:

Michael E. Duggan, Mayor

Kevyn Orr, Emergency Manager

Michael A. Hall, Director of Labor Relations

James Craig, Chief of Police

Office of the State Treasurer, Michigan

EXHIBIT I
OFFICIAL COMPENSATION SCHEDULE

TO BE INSERTED DETAILING SALARIES, WAGE INCREASES, AND STEP INCREASES

EXHIBIT 6B – CITY MEDICAL PLAN DOCUMENT

2014

City of Detroit
Active Employee
Benefits



MEDICAL | DENTAL | VISION | LIFE INSURANCE
FLEXIBLE SPENDING ACCOUNTS

To All City of Detroit Employees

Due to the City's dire financial situation and the need to act quickly to address the situation, the City has determined the need to make changes to the City's benefit plan options and health insurance benefits it will offer to active employees in 2014.

The medical, dental, vision, life insurance and flexible spending account benefit options described in this booklet will apply to all current active City employees, regardless of whether you are a uniformed employee or a non-uniform employee. You will each receive the same benefit options. These benefit options will also apply to any new employee who may be enrolling in the City's medical, dental, vision, life insurance and flexible spending account benefits for the first time.

In general, the City has made changes to medical coverage in 2014 designed to provide active employees with coverage that would be equivalent to "Gold" level coverage under federal law governing health care reform. Previously, most active employees in the City were receiving coverage that would be equivalent to "Platinum" level coverage under federal law.

2014 HEALTH CARE PLAN CHANGES

In general, the changes for 2014 are summarized as follows:

(a) In 2014, the City will offer a PPO option from Blue Cross Blue Shield of Michigan, and an HMO option from Health Alliance Plan.

(b) In 2014, the PPO and HMO options will increase the annual deductible amount to $750, which is a greater annual deductible than employees pay in 2013.

(c) In 2014, the PPO and HMO options will increase the out-of-pocket annual coinsurance maximum payment for family coverage to $4,500, which is a greater maximum than that applied in 2013 for family coverage. The out-of-pocket annual coinsurance maximum does not include the deductible.

(d) In 2014, all active employees will pay 20% of the premium cost for health care coverage.

(e) 20% is the same percentage that most active employees paid in 2013, generally for higher cost coverage.

(f) In 2014, most employees will pay less than they did in 2013.

NEW PLAN OPTION FOR 2014

New beginning January 1, 2014, the City of Detroit will offer all health care plan eligible employees the option to elect participation in a Flexible Spending Account (FSA). There are three pre-tax options available with the FSA, health care, day care, and commuter benefit. See pages 9 through 17 for more information.

DENTAL, VISION AND LIFE INSURANCE

In 2014, there will be one dental and one vision benefit option available. The dental option will be Traditional Blue Cross Blue Shield of Michigan and the vision option will be Heritage Vision Plans as outlined in the plan summaries included in this booklet.

The life insurance plan will remain unchanged.

ENROLLMENT

IMPORTANT NEW ENROLLMENT PROCESS FOR 2014
EVERYONE MUST ENROLL FOR COVERAGE.
IF YOU DO NOT ENROLL, YOU MAY LOSE COVERAGE AND WILL NOT BE ALLOWED TO RE-ENROLL UNTIL THE NEXT OPEN ENROLLMENT PERIOD.

This booklet provides instructions on what you ***must*** do to enroll for coverage for yourself, your spouse and dependent children. ***Please review the instructions on page 7 carefully as the process has changed.***

This booklet also provides information on how to add coverage for an eligible dependent in the event you should marry, have or adopt a child, or need to terminate coverage for a dependent due to death or for a dependent that becomes ineligible during the coverage year because of a divorce, age requirements, coverage from another source, or other reasons. It also explains what you must do to protect your health care coverage and life insurance in the event you are on an approved leave of absence, workers' compensation, or temporarily off the active payroll for any other reasons for 30 or more days. It provides important information pertaining to you and your covered dependent's rights to continue coverage under COBRA in the event of the loss of your employment and much more.

It is important that you read this booklet in its entirety and that you keep it with your other important papers in order that you can reference it as needed throughout the year.

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Glossary of Important Terms

Types of Medical Care Plans

Health Maintenance Organization (HMO)

HMO plans manage and coordinate your medical care. You must select a primary care physician from the HMO's provider directory who will provide the majority of your medical services and coordinate other services such as specialty care, hospital services, and diagnostic testing. Because you are required to use network providers, out-of-pocket expenses for covered benefits are usually lower than with other types of plans. It is important to note that employees who select an HMO plan must reside in the network service area of the HMO plan. If you move outside of the service area, you are no longer eligible for the HMO plan and must switch to another plan. Annual deductibles and copays are required for certain services.

Preferred Provider Option (PPO)

PPO plans consist of a network of independent physicians, hospitals and other health care providers who have agreed to accept a pre-approved amount as full payment for services provided to employees and members. Under this arrangement, your out-of-pocket expenses usually will be lower for covered benefits if you use network health care providers rather than out-of-network providers. Annual deductibles and copays are required for certain services.

Flexible Spending Accounts

A Flexible Spending Account (FSA) enables you to set aside money on a pre-tax basis to pay for your out-of-pocket health and day care costs. There are three components to your plan:

- Health Care FSA reimburses out-of-pocket health care expenses for you and your tax dependents.
- Day Care FSA reimburses day care expenses for your dependent child or elder care expenses.
- Commuter Benefits allows you to pay for public transportation or parking expenses on a pre-tax basis. The ***Flexi-Pass*** program is a consolidated commuter benefits platform where you can order a proprietary benefits card that is loaded with an amount of funds that you elect to be deducted from your paycheck for your transit and/or parking needs. The online ordering platform offers users a flexible, tax-free approach to commuter benefits. You must have an email account to access to this benefit. If you do not have an email account there are many websites where you can establish a free account such as gmail.com, yahoo.com, etc.

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What You Should Do

- **Review** this booklet to familiarize yourself with the two health care plan options and the other benefits that are available. This includes:
  - Medical
  - Dental
  - Vision
  - Pre-tax Flexible Spending Accounts
  - Life Insurance
- **Determine** which health care plans best meet your needs and the needs of your eligible family members. If you have a spouse, it is a good idea to review your plan choices together and discuss the health care needs of any dependent children.
- **Call** the Benefits Administration Customer Service Line toll-free at 1-855-224-6200 **on or after October 15th** if you have questions about this booklet.

  Live representatives will take calls from 8:30 a.m. – 7:00 p.m. EST
  Monday – Friday.

  Extended Hours – The Benefits Administration Customer Service Line will return messages during the following hours.
  Monday – Friday: 8:30 a.m. – 9:00 p.m. EST
  Saturday - Sunday: 11:00 a.m. – 5:00 p.m. EST
- **If you prefer, you can email** the Benefits Administration Customer Service Center at help@mybenefitexpress.com
- **Call** a health care plan directly if you would like more specific information about their health care providers, facilities or services. The telephone numbers (and Websites) are listed on the back cover of this booklet.
- **Sign up** for your benefit selections using the **New Enrollment Process** described on page 7.
- **Choose Carefully.** Once you have chosen your benefit plan option for 2014, you will not be able to change to other benefit plan options or make changes to your benefit plan options until the next open enrollment period.

Eligibility for Health Care Benefits

Employee

Full-time and certain seasonal employees are eligible for enrollment in medical, dental, vision, flexible spending accounts, and life insurance plans. An employee enrolled in the plan is the subscriber or contract holder. The employee shall remit any required employee contributions (based on the plan selected) and payments for additional dependent coverage to the City through weekly, biweekly or monthly payroll deductions.

Note: The employee must notify the Benefits Administration Customer Service Line at 1-855-224-6200 or **www.mydetroitbenefits.com** of any change of address and any change in health care coverage affecting the employee or any of his or her dependents.

Divorced Spouses

Divorced spouses are not eligible to be continued as dependents on the City's benefit plans even if the divorce decree mandates that coverage be provided. They may be eligible to purchase health care insurance under COBRA guidelines. Under these guidelines, the divorced spouse may qualify to keep the group health plan benefits for a set period of time. Individuals subject to COBRA coverage may be responsible for paying all costs related to premiums and deductibles. The ex-spouse's coverage as a dependent terminates as of the date the divorce decree is issued.

Spouses with Other Available Coverage

For employees whose spouses have hospitalization-medical coverage available under a plan offered by his/her employer other than the City of Detroit, said spouse must enroll in their employer's hospitalization-medical plan in order for the spouse to be eligible for coverage through the City of Detroit. In such cases, if you also enroll your spouse in the City health care plan as described in this booklet, the City's benefit plans will be the secondary insurer/payer.

Spouse

The legal spouse of an employee is eligible for dependent medical, dental, vision and life insurance coverage. Required documentation is a Marriage Certificate that has been properly filed in the County Clerk's office. (A Marriage License will not be accepted as sufficient documentation.)

Dependent Children 19 or younger

Natural and adopted children, stepchildren and children who are under legal guardianship, who are dependents of the employee, are eligible for dependent coverage (medical, dental, vision and life insurance) up to the end of the calendar year in which they reach age 19.

Required documentation for dependent children is a Birth Certificate or an order or ruling by a court. (For a newborn infant, a Verification of Birth naming the employee as a parent will initially be accepted, but the birth certificate must be presented within 90 calendar days.) Other documents or proof may also be required.

Dependent children from 19 to 26 years of age

Dependent children from 19 to 26 years of age are eligible for continued dependent medical coverage. Dependent eligibility will no longer be limited by financial dependency, marital status or enrollment in school.

Dependents from19 to 25 years of age must be full-time students and meet the IRS definition of dependent, to continue to be eligible for dental coverage.

Dependents over the age of 19 are not eligible for vision coverage.

Disabled Dependent Children

Totally and permanently disabled children may be covered to any age provided the disability was medically certified and the employee has submitted the required medical documentation and application for continued coverage (Form No. PA 275) to the Benefits Administration Office BEFORE December 31st of the year in which the dependent became 26 years of age. Failure to meet these requirements will result in disqualification for coverage as a disabled child.

Note: Your dependents are only entitled to City health care and life insurance coverage if they meet the eligibility requirements and you have submitted a request online at **www.mydetroitbenefits.com**. You must request to add them to your medical, dental, vision and/or life insurance contracts. The appropriate documentation and form(s) must be received by the Benefits Administration Office within the appropriate time period.

Sponsored Dependents

Sponsored Dependent Coverage has been eliminated for all employees.

Coordination of Benefits

If you or a covered family member are entitled to benefits from a source other than your City of Detroit's health plan, such as a spouse's health insurance coverage or Medicare, Medicaid, coordination of benefits will take place. You are required to disclose information about any other source of benefits to the Benefits Administration Office.

In order to be eligible for coverage under all City of Detroit's health care plans, employees and covered family members who are eligible for Medicare due to End Stage-Renal Disease (permanent kidney failure) must enroll in Medicare Parts A and B. The medical conditions for required enrollment in Medicare are based on the Center for Medicare and Medicaid Services coordination of benefit rules which determine the conditions under which Medicare will be the primary payer for persons covered by employer group insurance. Such enrollment in Medicare shall not result in any reduction in benefits or additional cost to the employee, in that the employee shall be reimbursed the amount paid for Medicare after submission of required proof of enrollment and monthly payments.

Note: The reimbursement for Medicare does not apply to City retirees who are married to active employees of the City. Retirees of the City are only eligible for the City's retiree health care options. An active employee may not enroll his or her City of Detroit retired spouse in his or her active employee health care coverage. All retirees of the City are only eligible for coverage under the City of Detroit's retiree health care program.



NO DUPLICATE MEDICAL COVERAGE

If the City employs more than one member of a family, or the family unit includes a retiree of the City, the spouse and eligible dependents of that family shall only be covered by one City employee – no duplicate coverage will be permitted. Furthermore, a retiree of the City may not be enrolled as a spouse of an active employee. A retiree only will receive retiree health coverage. It is the responsibility of the family to select a single health plan. Under no circumstances shall the City be obligated to provide more than one health policy or plan, or duplicate coverage for any employee or dependent.

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IMPORTANT: New Open Enrollment Process

YOU MUST ENROLL FOR COVERAGE

- **This Year, there is a New Enrollment Process for enrolling in your: Health, Dental, Vision, Life Insurance and Flexible Spending Accounts.**
- You may complete your enrollment either online or by phone.
- You will be able to select your benefit plan options, add or delete dependents or report other changes affecting your coverage.
- Open enrollment is scheduled to begin on or around October 15, 2013. Final open enrollment dates will be announced soon.
- When open enrollment begins, visit **www.mydetroitbenefits.com** or call toll-free 855-224-6200 to speak to a live representative.

  Your initial website log-in is:

  DET + first 5 characters of your last name + the last 4 digits of your SSN

  Your initial password is:
  Full date of birth in the format MMDDYYYY.

  Example:

  Name: William Johnson
  Date of Birth: 12/01/1964,
  Last 4 digits of your SSN: 6789

  Log-in: **DETjohns6789**

  Password: **12011964**

  When you first log into the system, you will be immediately prompted to create your own unique password, which will be case-sensitive.

  Review your benefit plan elections carefully. Upon completing the enrollment process, you will be able to print a confirmation statement showing all of your elections. A copy of your confirmation statement will remain on the site for you to access at any time.

If You Fail To Enroll For Coverage This Year You Will Be Automatically Enrolled in...

WHAT HAPPENS IF I FAIL TO COMPLETE THE NEW ENROLLMENT PROCESS?

If you do not complete the mandatory enrollment process and;

(a) you are currently enrolled in health care coverage, you will default to Single medical only coverage as described in the chart below. You will not be enrolled in dental or vision. In addition, your spouse and children will not have coverage from the City in 2014.

or

(b) you are not currently enrolled in health care coverage, you will not have medical, dental or vision coverage from the City in 2014.

IF YOU DO NOTHING, YOU WILL AUTOMATICALLY BE ENROLLED AS FOLLOWS FOR 2014:

Current (2013 Plan)	NEW 2014 Carrier	NEW 2014 Coverage Level
Community Blue PPO	Community Blue PPO	SINGLE
Blue Care Network HMO	Community Blue PPO	SINGLE
HAP HMO	HAP HMO	SINGLE
Total Health Care HMO	Community Blue PPO	SINGLE
US Health (COPS Trust)	Community Blue PPO	SINGLE
Any Dental Plan	BCBS Dental	NO COVERAGE
Any Vision Plan	Heritage Vision	NO COVERAGE
Not Enrolled in Medical, Dental or Vision	NO COVERAGE	NO COVERAGE

- **AS THE CHART ABOVE INDICATES, IF YOU CURRENTLY HAVE FAMILY COVERAGE, BUT DO NOTHING, THE CITY WILL ONLY PROVIDE YOU WITH SINGLE LEVEL COVERAGE. YOU MUST MAKE AN ELECTION AND ENROLL FOR TWO PERSON OR FAMILY COVERAGE IF YOU WANT COVERAGE FOR YOUR SPOUSE AND DEPENDENT CHILDREN.**

Flexible Spending Accounts

TAXES 101

Before we go into the details of how an FSA works, here's a quick introduction to how taxes work. The federal government takes about 30% of each dollar that you earn in FICA and Federal Income Tax (FIT), and you take home the remaining 70% to use for your living expenses. If you live in the State of Michigan, there is an additional State Income Tax (SIT) of 4.5% paid to the State.

With an FSA, you can set aside money from your paycheck, before the Federal and State governments take their respective shares (between 30-35%), to pay for medical, day care, and commuter expenses.

ANNUAL ENROLLMENT REQUIRED

IRS regulations require that you re-enroll in the FSA benefit each year during open enrollment if you want to participate in a FSA benefit for the 2014 plan year and subsequent years. If you do not enroll online during Open Enrollment, you will not be able to have an FSA in 2014.

Enroll online at **www.mydetroitbenefits.com** by entering the amount you expect to spend this year in the Flexible Spending Account section. Your first FSA contribution will be deducted from your first paycheck that includes hours worked January 1, 2014.

HOW DOES IT WORK?

During open enrollment estimate your eligible expenses for the plan year and enroll in an FSA for that amount. See page 12 for eligible expenses. Keep in mind the following:

- Your election amount is deducted evenly from your paycheck throughout the plan year pre-tax, so you don't pay FICA (7.65%), Federal Income Tax (10-35%) or State Income Tax (4.25%) on your contributions.
- You cannot change your election after the plan year starts unless you experience a Qualifying Event. Common qualifying events include birth, death, adoption, marriage or divorce. Your election change must be consistent with the qualifying event.
- You must claim all elected funds by March 31, 2015. Money left in the plan after this date cannot be refunded to you; this is referred to as the Use-it or Lose-it rule.

HOW DO I GET REIMBURSED?

- The City of Detroit has contracted with Flex-Plan Services for FSA administration. Flex-Plan offers several convenient options on how to get a reimbursement from your plan. You can submit a traditional claim form through mail, email or fax. See Important Numbers on the last page of this booklet.

You must include documentation for your expense that shows the date of service, cost, and the type of expense you are claiming. Bills from your providers or statements from your insurance company are typically perfect forms of documentation. Do not submit copies of canceled checks, credit or debit card receipts.

Claims are generally processed within a few days of receipt and reimbursements are issued on Mondays. You will receive additional information about the plan as part of your enrollment confirmation after your election has been processed.

ONLINE ACCOUNT ACCESS

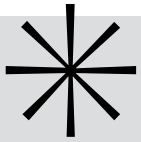
As a participant, you will have online account access to your FSA through the **www.mydetroitbenefits.com**. You can view your account balance, view claims history, update your address, verify outstanding debit card charges and file your FSA claim online for the faster claim processing.

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HEALTH CARE FSA

If you expect to spend any money this year on health care expenses for yourself, your spouse and/or dependent children, you should consider participating in a Health Care FSA (HCFSA). The HCFSA is a pre-funded benefit. This means you have access to your full annual election amount at any time during the plan year—regardless of how much you have contributed.

The maximum annual election for the Health Care FSA is $2,500 per plan year.



TIPS FROM THE EXPERTS

Estimating future expenses is an important step as you prepare to enroll in an FSA. The more accurate you are in estimating your expenses the better the plan will work for you. Here are some tips:

- Request a patient ledger from your pharmacy of your prior year's prescriptions.
- Request an annual statement from your insurance company.
- Think of any "big ticket" services like dental work, surgeries or glasses that you have scheduled.

After you locate these documents, take into account that the HCFSA can also be used for your spouse and tax dependent(s), even if not covered by your employer's insurance plan.

Here's an example of the potential tax savings by enrolling in a HCFSA.

Health Care FSA Savings Example	Without HCFSA	With HCFSA
Gross Annual Salary	$36,000	$36,000
Pre-Tax Health Care Costs	-	$2,500
Taxable Income	$36,000	$33,500
Federal Income Tax (15%)	$5,400	$5,025
State Income Tax (4.25%)	$1,530	$1,424
FICA (7.65%)	$2,754	$2,563
After-tax Health Care Costs	$2,500	-
Net Annual Salary	$23,816	$24,488
Annual Savings	**-**	**$672**

Enrolling in the Health Care FSA would save the above employee over $670 per year in tax savings!

ELIGIBLE EXPENSES

A Health Care FSA covers a wide variety of expenses. We've assembled a list of common expenses that are eligible for reimbursement. Not all eligible items are on this list. For a more exhaustive list, visit the FPS website at **www.flex-plan.com**. ***Items marked with an asterisk (*) are considered over-the-counter (OTC) medicines or drugs and require a prescription for reimbursement.***

Acne treatment*
Acupuncture
Allergy & Sinus medication*
Antacids*
Antibiotic ointment*
Anti-diarrheal*
Antifungal foot cream*
Anti-gas medication*
Anti-itch cream/gel*
Antiseptic*
Asthma treatment*
Bandages/gauze
Birthing classes or Lamaze
Blood pressure monitor
Braces (knee, wrist, etc.)
Breast pump
Burn cream*
Chiropractic services
Coinsurance
Cold / hot pack
Cold sore treatment*
Cold/cough medication*
Compression stockings
Contacts & solutions
Contraceptives
Copays
CPAP machine
Crutches
Deductibles
Dental services
Diabetic supplies
Diaper rash ointment*
Digestive Aids*
Drug addiction treatment
Ear wax removal kits
Eye drops
Feminine Anti-Fungal/ Anti-Itch*
Fertility monitor
Fertility treatment
Flu shots
Hearing aids & supplies
Hemorrhoid medication*
Hormone therapy
Hospital fees
Immunizations
Incontinence supplies
Individual counseling
Insect bite treatment*
Lab work
Lactation Consultant
Lactose intolerance pills*
Laser eye surgery
Laxative*
Lice treatment products*
Medical records
Motion sickness relief*
Nasal strips
Naturopathic visits
Orthodontia
Orthotics
Oxygen and equipment
Pain relievers*
Parasitic treatment*
Physical exams
Physical therapy
Pregnancy test
Prenatal vitamins
Prescription drugs
Prescription glasses
Reading glasses
Respiratory Treatments*
Saline nasal spray
Sleep Aids & Sedatives*
Sleep deprivation treatment
Smoking cessation products*
Smoking cessation programs
Speech therapy
Sterilization procedures
Stool softener*
Thermometer
Throat lozenges*
Vision care
Walker
Wart treatment*
Wheelchair & repair
X-rays

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ADDITIONAL DOCUMENTATION REQUIRED

Certain medical expenses are not reimbursable under a Health Care FSA unless a licensed health care practitioner states that the service or product is medically necessary. Flex-Plan will need a Letter of Medical Necessity (LMN) for these items to be reimbursed; the LMN is available on **www.mydetroitbenefits.com**.

Please note that certain expenses may require additional documentation to be reimbursed.

Air conditioner
Air purifier
Automobile modifications
Braille books
Breast augmentation
Breast reduction
Cosmetic procedures
Genetic testing
Home medical equipment
Humidifiers
Learning disability fees
Lumbar support
Massage therapy
Mole removal
Motorized scooter
Nutritionist expenses
Supplements
Vitamins
Weight loss programs

INELIGIBLE HEALTH CARE EXPENSES

The following expenses are not eligible under a Health Care FSA. Under no circumstances will the following items be reimbursed. Please do not submit claims for these items.

Airborne
Books
Boutique practice fees
COBRA premiums
College insurance
CPR classes
Electrolysis/hair removal
Face lift
Finance charges
Funeral expenses
Gym membership
Household help
Hygiene products
Illegal operations
Imported OTC items
Imported prescriptions
Insurance premiums
Late fees
Liposuction
Marijuana
Marriage counseling
Massage chair
Missed appointment fee
Hair growth products
Electric toothbrush/picks
Teeth whitening
Toiletries
Veneers
Warranties

GRACE PERIOD

Your Health Care FSA plan offers a grace period allowing you to incur services for an additional 2 ½ months after your plan year is over (through March 15, 2015). Services incurred during this time frame will be first applied to your remaining balance from the 2014 plan year. All HCFSA services must be incurred on or before March 15, 2015 in order to apply to the January 1, 2014 - December 31, 2014 plan year.

CLAIM DEADLINES

The last day for submitting claims for health care expenses incurred from January 1, 2014 – March 15, 2015 is March 31, 2015. Any funds left in your Health Care FSA after March 31, 2015 are forfeited back to the City.

WHAT HAPPENS IF I TERMINATE EMPLOYMENT?

If you cease employment during the plan year, you have some options.

- STOP (default) – Your final paycheck will have the normal deduction and your participation will cease. You may be reimbursed only for services incurred on or before the termination date.
- ACCELERATE – You can authorize your employer to take the remaining FSA deductions from your final paycheck. This final deduction will be pre-tax and allows you to participate in the plan for the remainder of the plan year.
- COBRA – If your HCFSA balance is positive at the time of termination, then you will receive COBRA continuation paperwork to continue participation on a self-pay basis to the end of the FSA plan year.

ORTHODONTIA

Unlike other HCFSA expenses which are deemed incurred when the services are rendered, orthodontia expenses are deemed incurred when paid. Therefore, only payments made during your eligibility period and plan year may be reimbursed. Proof of payment to an orthodontic provider is required for reimbursement. Payments made toward orthodontia in a previous plan year or before your eligibility period are not reimbursable.

STOCKPILING

IRS regulations prohibit you from purchasing an unusually large quantity of any item in any one transaction. It would be reasonable if you purchased two or three of the same item, but anything over three items would be considered stockpiling and will not be reimbursed.

FSA DEBIT CARD

For Health Care FSA participants only, participants will receive an FSA Debit Card. The debit card is tied to your FSA balance and can be used at authorized merchants to pay for FSA eligible services directly from your FSA balance. The card is accepted at participating merchants using the Inventory Information Approval System (IIAS) and at health care providers who accept MasterCard®. This includes:

- Doctor Offices
- Dental / Vision Clinics
- Hospitals
- Mail Order Rx Programs
- Pharmacy and Grocery Stores

DAY CARE FSA

Child care can be one of the single largest expenses for a family with children. A Day Care FSA (DCFSA) can be used to pay for your qualified day care expenses with pre-tax dollars. The provider can be a licensed day care facility or an individual. They must have a social security number or Federal Tax ID number.

WHAT ARE THE RULES?

There are some rules to consider before enrolling in a DCFSA:

- A DCFSA works like a bank account. The reimbursement cannot exceed the account balance.
- The expense must enable you and your spouse to work, actively look for work, or be a full-time student. If your spouse is a full-time student, then your election is limited to $250 per month that they are a full-time student.
- Your dependent must live with you and must be 12 years old or younger. A dependent age 13 or older may be eligible if the dependent cannot physically or mentally care for his or her self.
- The day care provider cannot be a parent of the child, a dependent on your tax return or your child under the age of 19.

CALCULATING YOUR ELECTION

The DCFSA limit is set annually by the IRS. The maximum annual election for 2014 is $5,000 ***per household***. For example, if your spouse is already enrolled for $2,000 in the DCFSA for 2014 through his/her employer, then your maximum election through the City is $3,000 for 2014.

Day Care Expenses Estimation Worksheet	
Before/After School Care	$
Elder Day Care	$
Pre-School	$
Day Care, including summer day camp fees	$
Annual Total	$

Some types of expenses are not eligible. These include tuition for school at the kindergarten level or above, overnight camp, nursing home expenses, meals, activity/supply fees and transportation costs. Montessori tuition for kindergarten and elementary school is not allowable; however, charges from a Montessori school for preschool or before and after school care are allowable.

FSA OR CHILD CARE TAX CREDIT?

Wondering if a DCFSA is better for you than the child care tax credit? Visit the Participant page on the FPS Web site at www.flex-plan.com and click the link “Tax savings calculator” to use an interactive tax calculator (Password: purple81). The tax calculator will give you an estimated savings comparison between the Child Care Tax Credit and participating in a DCFSA.

Note: Whether you choose to participate in the DCFSA or take the child care tax credit, you must file form 2441 with your taxes.

CHANGES

Similar to other benefits, you can only change your election if you experience a qualifying event. However, in addition to the normal list of qualifying events, there are some special events exclusive to the DCFSA:

- A change in your day care costs, such as a rate decrease or increase, or receiving free day care.
- A change in your need for day care (your spouse loses employment or has a change in work schedule).
- Your dependent ceases to satisfy the eligibility requirements.

GRACE PERIOD

Your Day Care FSA plan offers a grace period allowing you to incur services for an additional 2 ½ months after your plan year is over (through March 15, 2015). Services incurred during this time frame will be first applied to your remaining balance from the 2014 plan year. All DCFSA services must be incurred on or before March 15, 2015 in order to apply to the January 1, 2014 - December 31, 2014 plan year.

CLAIM DEADLINES

The last day for submitting claims for day care expenses incurred from January 1, 2014 – March 15, 2015 is March 31, 2015. Any funds left in your Day Care FSA after March 31, 2015 are forfeited back to the City.

WHAT HAPPENS IF I TERMINATE EMPLOYMENT?

If you terminate employment during the plan year, you can still access the funds in your DCFSA through the end of the plan year (even if the dates of service are after your termination date), as long as the expenses for care allow you to look for work or work full-time. However, you must submit your claims before the 90-day claim filing period that begins after your termination date.

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COMMUTER BENEFIT

HOW DOES IT WORK?

The Flexi-Pass Program allows you to pay for work related travel and parking costs with pre-tax dollars. Pre-tax means no federal income tax or FICA tax. The funds you allocate for your transportation and parking needs will be loaded onto a special debit card. You can then use your card to purchase services at any transportation or parking facility that accepts MasterCard™.*

If you already have a debit card from FPS, your transit and/or parking funds will be loaded to your current card—there's no need to wait for a new one. If you don't have a card you will receive one once you submit your first order.

*In the event your merchant does not accept the debit card, you may be able to utilize the Pay Me Directly option. Go to **www.mydetroitbenefits.com** for more information on the commuter benefit.

Examine your benefit plan options carefully. Any changes in your medical, dental and/or vision plans should be indicated as well as a new election to one of the flexible spending accounts. Make sure that you submit required documentation for dependents to be added or for other changes that affect your coverage.

Telephone Calls to the Benefits Administration Customer Service Line:

If you have questions or concerns regarding your health care or life insurance coverage, please contact the Benefits Administration Customer Service Line at **1-855-224-6200**. When you call, you will be asked specific questions to verify that we are speaking directly to the employee and contract holder for the City of Detroit health care and life insurance plans. This security procedure is in accordance with the City of Detroit policies and is in place to protect your privacy.

Important Notice

Patient Protection and Affordable Care Act

The newly enacted federal health reform laws provided under the Patient Protection and Affordable Care Act (PPACA), as amended by the Health Care and Education Reconciliation Act, require that the employer provide you with certain notices. These important notices are found on the next page.

What is the Health Insurance Marketplace?

The Marketplace is designed to help you find and acquire health insurance that meets your needs and fits your budget. The Marketplace offers “one-stop shopping” to find and compare private health insurance options. You may also be eligible for a new kind of tax credit that lowers your monthly premium right away. Open enrollment for health insurance coverage through the Marketplace began October 1, 2013 for coverage starting as early as January 1, 2014.

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Can I Save Money on my Health Insurance Premiums in the Marketplace?

You may qualify to save money and lower your monthly premium, but only if the coverage offered by the City and described in this booklet doesn't meet certain standards. The savings on your premium for insurance that you acquire on the Marketplace depends on your household income.

Does Employer Health Coverage Affect Eligibility for Premium Savings through the Marketplace?

Yes. If the health coverage that the City offers you and is described in this booklet meets certain standards, you will not be eligible for a tax credit through the Marketplace and may wish to enroll in your employer's health plan. However, you may be eligible for a tax credit that lowers your monthly premium, or a reduction in certain cost-sharing, if the coverage that the City offers and which is described in this booklet would cost you more than 9.5% of your household income for the year, or if the coverage the City provides does not meet the "minimum value" standard set by the Affordable Care Act.[1]

Note: If you purchase a health plan through the Marketplace instead of enrolling in and accepting health coverage offered by the City, then you will lose the amount that the City pays toward the cost of its employer-offered coverage. Also, the amount that the City pays toward the cost of the coverage described in this booklet — as well as your employee contribution to such employer-offered coverage — is excluded from income for Federal and State income tax purposes. Your payments for coverage through the Marketplace are made on an after-tax basis.

Does Coverage Provided by the City Meet the Minimum Value Standard? Is the Coverage Provided by the City Affordable?

Coverage provided by the City meets the minimum value standard and the cost of the coverage to you is intended to be affordable, based on the wages paid to most active City employees. However, depending on your particular wages and household income, you may still be eligible for a premium discount for a health care plan you purchase through the Marketplace. The Marketplace will use your household income, along with other factors, to determine whether you may be eligible for a premium discount. If, for example, your wages vary from week to week.

[1] An employer-sponsored health plan meets the "minimum value standard" if the plan's share of the total allowed benefit costs covered by the plan is no less than 60 percent of such costs.

Women's Health Initiatives

As mandated by the federal Patient Protection and Affordable Care Act (PPACA), Blue Cross Blue Shield of Michigan and Health Alliance Plan are covering some additional preventive services for women with no cost-sharing (copay/deductible/coinsurance) when administered by a network provider during a visit with preventive care as the primary reason for the appointment. Out-of-pocket costs, such as deductibles, copays and coinsurance, will still apply if services are provided to reach a diagnosis, monitor or treat an illness, injury or health problem. These services may have additional restrictions. Employees/dependents are encouraged to call the Customer Service number at BCBSM or HAP for more specific information.

Under the CVS Caremark prescription drug plan or the HAP prescription drug plan, some contraceptives may still require cost-sharing. Only those contraceptive services and contraceptive drugs that are performed or provided by a medical provider or require a doctor's prescription will be covered with no cost-sharing. Over the counter contraceptives such as condoms and foams that do not require a prescription will not be covered. Male sterilization will continue to require cost-sharing if covered under the member's plan.

The City encourages employees/dependents to contact BCSM, HAP, or CVS Caremark Customer Service for more specific information before incurring an expense to ensure you understand the benefits available at no cost to you.

Summary of Benefits and Coverage

As part of the federal Affordable Care Act, health carriers and group health plans are now required to provide current and prospective members with a Summary of Benefits and Coverage (SBC). The SBC must include Coverage Examples which are intended to show how the plan might cover medical care in a given situation. Use these examples to see, in general, how much financial protection a sample patient might get if they are covered under different plans. It is important to note that the SBC is not a contract. For a complete description of benefits and terms of coverage, consult the applicable BCBSM or HAP plan documents. A stand-alone, standard glossary of medical and insurance terms must also be provided. Please note these are federal agency definitions and do not necessarily reflect BCBSM or HAP definitions of the same terms. You may obtain a copy of the SBC and Uniform Glossary Document from the Benefits Administration Office or at **www.mydetroitbenefits.com**.

How Can I Get More Information?

The Marketplace can help you evaluate your coverage options, including your eligibility for coverage through the Marketplace and its cost. Please visit **HealthCare.gov** for more information, including an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area.

Extension of Dependent Coverage to Age 26

Individuals whose coverage ended, or who were denied coverage or who were not eligible for coverage because the availability of dependent coverage of children ended before attainment of age 26, are eligible to enroll in the City of Detroit's medical plans. Individuals may request enrollment for such children during the Open Enrollment or within thirty (30) days from the date of a qualifying event.

Notice of Patient Protections

The City of Detroit's HMO option allows the designation of a primary care provider. Individuals have the right to designate any primary care provider who participates in the HAP network and who is available to accept you or your family members. Individuals do not need prior authorization from the City's medical plan providers or from any other person in order to obtain access to obstetrical or gynecological care. For children, individuals may designate a pediatrician as the primary care provider. The health care plan professional, however, may be required to comply with certain procedures, including obtaining prior authorization for certain services, following a pre-approved treatment plan or procedures for making referrals. For a listing of participating health care providers, please contact HAP at the customer service numbers provided in this booklet or call the number on the back of your medical plan identification card or visit the carrier's website. The carrier information is listed on the back cover of this booklet.

Notice of Health Care Dependent Audits

The City of Detroit may conduct eligibility audits at any time for any dependent that is covered under City insurance plans. If you receive a notice of audit, you must provide the documentation within the time period specified in the notice or the coverage for your dependent will be terminated. If you recently added or provided documentation for that dependent, you are still obligated to comply with the audit requirements and submit this documentation again. Failure to provide documentation that substantiates the eligibility of any dependent will result in termination of the dependent's medical, dental, vision and life insurance coverage. If the coverage is terminated, your dependent cannot be reinstated until the next open enrollment period (usually offered in the fall of the year, with a January 1st or later effective date). If you apply to reinstate the dependent's coverage during open enrollment, you will be required to provide required documentation in respect to the dependent.

Coverage Effective Dates

Enrollment forms for medical, dental, vision and life insurance for new hires, persons returning from a leave of absence, and persons recalled from layoff are due within thirty (30) calendar days of the date of hire or return to work. New hires are eligible for medical and flexible spending account coverage after you complete 90 days of employment. New hires become eligible for dental and vision coverage after you complete 6 months of employment. Special rules may apply to employees returning to active employment.

Open Enrollment: A designated open enrollment period is generally scheduled each year for medical, dental, flexible spending accounts and life insurance plans, and every other year for vision plans. Unless otherwise posted, changes in health care and life insurance coverage made during the Open Enrollment period will become effective January 1, 2014.

Mid-Year Enrollments: Any requests during the year for additions of dependents (e.g., marriage or birth of a child) must be completed online at **www.mydetroitbenefits.com** within thirty (30) calendar days of the life event. Coverage will be made retroactive to the date of the event after online enrollment has been completed and required documentation has been provided to Benefits Administration Office. If the online enrollment is not completed within the thirty (30) calendar day period, the employee must wait until the next Open Enrollment period to add the dependent to his or her medical, dental, vision, flexible spending accounts and/or life insurance coverage.

Coverage Terminations

Employees are responsible for notifying the City of any event that makes a dependent ineligible for continued health care coverage. You must go online to **www.mydetroitbenefits.com** to make this change. There are specific rules governing termination dates in cases of divorce and death. The coverage termination date for an ex-spouse is the date of the divorce decree, and for the deceased it is the date of death. In other cases, the general rule is that the termination of coverage becomes effective on the last day of the month in which the disqualifying event occurs. To stop applicable payroll deductions and avoid personal liability for health care provided after the effective termination date, the employee must take action promptly to remove the ineligible dependent from his or her medical, dental, vision and life insurance contract(s) within thirty (30) days following the disqualifying event. Once a dependent is terminated from coverage, the employee must wait until the next Open Enrollment period to add the dependent to his or her medical, dental, vision and/or life insurance coverage.

Disqualifying Events: Events that can make a dependent ineligible include, but are not limited to, marriage, divorce, and age. The employee is also required to report the death of a dependent and to provide a copy of the death certificate. In order to remove a spouse from your coverage due to divorce or legal separation, you must provide a copy of the divorce decree or separation agreement. To ensure that the former dependent is removed from the employee's medical, dental, vision and life insurance contracts, you must go online to **www.mydetroitbenefits.com** and make this change. In addition, you must submit the appropriate documentation to the Benefits Administration Office within thirty (30) days following the disqualifying event.

Protecting Benefits While on Unpaid Leaves

When you are off the active payroll (i.e., have exhausted all sick leave, vacation, "c-time") and are placed on an approved unpaid Family and Medical Leave (FMLA), Workers' Compensation, Long Term Disability or City Leave of Absence for health reasons, and you wish to continue medical, dental, vision, flexible spending accounts, and/or life and death benefits, you must contact the Benefits Administration Office to determine eligibility, complete the necessary forms and make arrangements to pay for such continued benefits. The amount you will be required to pay to continue coverage for these benefits will depend on the plan(s), the number of dependents covered and the type of unpaid leave for which you are approved. (For example, an employee placed on an approved FMLA is required to pay the employee cost sharing contribution amount that would be deducted from his/her payroll check if he/she were on the active payroll. However, those on an approved Leave of Absence are required to pay the full premium amount (100% of the cost for the benefit)). These payments must be made monthly via money order or certified check, and must be received in full at the Benefits Administration Office by the due date. Failure to notify the Benefits Administration Office to make arrangements for continued coverage, complete the required forms, or make full and timely payments will result in a lapse of coverage or termination of benefits for the employee and his/her dependents. In such cases, neither the City nor the insurance carrier will be responsible for any claims filed, including but not limited to prescription drug coverage and medical and life insurances. If your health care benefits or life insurance are terminated while you are off the active payroll, you must complete the health care and life insurance enrollment online at **www.mydetroitbenefits.com** and submit any necessary documentation to the Benefits Administration Office immediately upon your return to reactivate your health care benefits.

Monitoring Payroll Deductions

Neither you nor the City should continue paying for medical, dental, vision and/or life insurance that you no longer require or for dependents that are no longer eligible for coverage. You, as the employee are responsible for providing notification to terminate the coverage for your dependents that are no longer eligible for benefits. You can provide notification to terminate online at **www.mydetroitbenefits.com**. You, as the employee, have a responsibility to periodically review your dependent coverage and to timely submit the necessary form to immediately terminate coverage for ineligible dependents. You will be financially responsible for all claims and premiums paid by the City of Detroit for any dependents enrolled in your health care and life insurance plans who do not meet the eligibility requirements. You are also responsible for confirming your paycheck stubs each pay period to verify that the proper amount of money for your payroll deductions for medical, dental, vision, flexible spending account, and life insurance are being deducted from your pay. Your payroll deduction for medical insurance is listed on your paycheck stub next to the word "Hospital." If an incorrect amount is being deducted, you must immediately report these errors to the Benefits Administration Office. You may contact the Benefits Administration Office to report changes in dependent coverage either on-line **www.mydetroitbenefits.com** or by telephone 1-855-224-6200.

Proper Notification

The City is not responsible for any excess contributions made because the employee failed to provide proper notification of ineligibility of a dependent. Proper notification is the submission of a health care enrollment/change form specifically requesting coverage termination along with the appropriate documentation. This notification of ineligibility for health care and life insurance benefits must be submitted online at **www.mydetroitbenefits.com** or via phone at 1-855-224-6200 within 30 calendar days of the disqualifying event. Failure to do so can subject you to discipline up to and including discharge. Also, you WILL be responsible for expenses incurred as a result of continued coverage after the disqualifying event. You are urged to keep a copy of all City of Detroit health care documents.

Providing False Information

Employees, who submit false information to provide health care and life insurance coverage for alleged dependents not eligible for such coverage may be subject to discipline up to and including discharge. Such employee will also be held financially responsible for all claims filed, and will be required to reimburse the City for any payments made on behalf of or for the benefit of an ineligible person claimed as a dependent.

Notification of Address Change

We must have your correct address to send you information regarding your benefits. It is your responsibility to provide notification of any address change online at **www.mydetroitbenefits.com** or via phone 1-855-224-6200. Failure on your part to do so may result in delayed notification, excessive out-of-pocket expenses or loss of continued coverage opportunity. You should also monitor your payroll check to verify that your address is correct. If there is a discrepancy, provide notification online at **www.mydetroitbenefits.com**

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A Check List of Important Items to Remember

Employees must provide notification online at www.mydetroitbenefits.com if…

- You change your address
- You get married or divorced
- Your dependents change (e.g., birth or adoption of child)
- Your spouse or a dependent dies
- You, your spouse or a dependent becomes eligible for Medicare due to age or disability
- Note that you must provide documentation (marriage license, divorce decree, Medicare
- ID card) to the Benefits Administration Office either via fax or mail.

Contact the Benefits Administration Office if…

- You are laid off
- You are placed on an unpaid Family and Medical Leave, Workers' Compensation, Long Term Disability or City Leave of Absence
- You return to work after being off the active payroll for 30 or more calendar days
- You elected to participate in the City's Opt-Out program and you lose your other medical coverage for a reason that you did not cause, or could not prevent
- Be sure to include your Social Security number in all communications to the Benefits Administration Office.

You must contact the health care provider if…

- You have questions regarding services and expenses covered under the health care plan you selected
- You have questions regarding a bill you received for services
- You wish to verify providers that are available under the plan you selected

You must contact your local Social Security Office if...

- You have questions regarding Social Security or Medicare
- You or one of your dependents has a severe long-term disability, end-stage renal disease, or is undergoing a kidney transplant because you may be eligible for Medicare coverage prior to age 65. If you or one of your dependents fits any of these categories, you should have your case evaluated by the Social Security Administration.

You must contact the Flexible Spending Account provider if….

- You have questions about your flexible spending account or eligible/ineligible services
- You need assistance to submit a claim for services
- You want to know if your claim has been processed.

Remember ...

To add your new dependents within 30 calendar days of a life event, such as marriage or the birth or adoption of a child. If you do not meet this mid-year enrollment deadline, you will not be able to add the new dependent until the next annual open enrollment period. (**Note:** You are required to submit the required documentation to substantiate the event and that the dependent is eligible for coverage).

To remove your ineligible dependents from your medical, dental, vision, and life insurance plans within 30 calendar days of the disqualifying event. If you fail to submit the required documentation to remove the ineligible dependent, you WILL be liable for expenses incurred as a result of his/her continued health care and/or life insurance coverage. You may also be subject to discipline up to and including discharge.

DIVORCE

If you should get a divorce, your ex-spouse and his/her dependent(s) have different coverage rights after the date of the divorce. Such ex-spouse will be eligible for COBRA continuation coverage. It is your responsibility to provide notification online at **www.mydetroitbenefits.com** and provide a copy of the divorce decree to the Benefits Administration Office. Although the City's required date to remove dependents is within 30 days of the disqualifying event, if you fail to remove these ineligible dependents from your contract within 60 days they may lose their rights under COBRA, and you WILL be liable for medical claims and/or premiums incurred from the date of the divorce, as well as subject to disciplinary action up to and including discharge.

DEADLINES

Deadlines for the open enrollment period, mid-year enrollment for life events and all eligibility audits are strictly enforced. If you fail to meet the required time limits you will have to wait until the next annual open enrollment period to add or reactivate the coverage for your dependent.

NOTICE OF COVERAGE TERMINATION

If you receive a Notice of Coverage Termination from the Benefits Administration Office or a health care provider, do not ignore it! It does not matter that you are on a Family and Medical Leave, Workers' Compensation, or off the active payroll for a temporary period of time for any reason, and believe your health care coverage should be continued. The Notice of Coverage Termination is official notification that your health care and life insurance coverage with the City of Detroit has been terminated and you are no longer insured. It is strongly recommended that you designate a trusted and responsible family member to monitor your mail and handle your business affairs when you are sick or otherwise incapacitated and unable to attend to such matters. This is important because the health care providers have strict rules regarding reinstating insurance after the coverage has been terminated. If you believe the Notice of Coverage Termination was sent to you in error, you must immediately contact the Benefits Administration Office at the telephone number or the on-line web site listed on the notice.

The same rule applies if you should receive a Notice of Coverage Termination for your dependent and you believe the notice was sent in error.

Dependent Enrollment Documentation At-A-Glance

What Documentation Must I Provide?	Dependent Classification & Eligible Plan			
Read the "*Eligibility for Health Care Benefits*" section of this booklet for additional information regarding dependent and benefit coverage eligibility. Also, some rules for eligibility and plan coverage may differ based on collective bargaining unit agreements. If a "**yes**" appears in the dependent classification column you must provide the indicated documentation. Additional documentation may be required to substantiate enrollment eligibility and audits.	**Legal Spouse**	**Dependent Child** (newborn up to day prior to 19th birthday)	**Dependent Continuation*** (age 19 up to day prior to 26th birthday)	**ELIMINATED** ~~**Sponsored Dependent****~~ ~~(any dependent age 26 & over, other than a spouse)~~
	Medical, dental, vision and life	Medical, dental, vision and life	Medical, dental* and life*	~~Medical only~~
Marriage Certificate **Note:** A Marriage License will not be accepted as sufficient documentation. (*IRS Tax Transcript may be required during dependent audits.*)	**Yes**	**No**	**No**	~~**No**~~
Birth Certificate Note: For a newborn infant, a Verification of Birth naming the employee as a parent will be initially accepted, but the birth certificate must be presented within 90 calendar days.	**No**	**Yes**	**Yes**	~~**Yes**~~ ~~(proof of eligible relationship and residence)~~
The original **IRS transcript** of your federal income tax return for the current year. Note: To obtain your federal Tax Return Transcript from the IRS, call **(800) 829-1040**, and follow the prompts in the recorded message. There is no charge for the transcript, and you should receive it within ten (10) business days from the time you make your request. We recommend that you order your transcript as soon as possible so that you will be able to provide the required documentation by the due date.	**No**	**No**	**Medical, Life – No** **Dental – Yes**	~~**Yes**~~
A copy of the dependent's **social security card**.	**Yes**	**Yes**	**Yes**	~~**Yes**~~
A copy of the dependent's **Medicare card**. Note: If the dependent is permanently disabled or age 65 and older and not eligible for Medicare, you must provide documentation from the Social Security Administration Office that the dependent is not eligible for Medicare.	**Yes**, if eligible for Medicare due to age or disability	**Yes**, if eligible for Medicare	**Yes**, if eligible for Medicare	~~**Yes**, if eligible for Medicare due to age or disability~~

*Dependent over the age of 25 are not eligible for dental or life insurance coverage. Dependents over the age of 19 are not eligible for vision insurance.
**Sponsored dependents has been eliminated.

Please retain photo copies of all health care forms and documents submitted for your personal records.

Time Limits for Submission of Enrollment Information & Documentation are Strictly Enforced!

*Go online to **www.mydetroitbenefits.com** to make updates.*
Note that supporting documentation must be sent to the Benefits Administration Office.

New Hires: 30 calendar days from date of hire. **Life Events:** 30 calendar days from the life event. **Open Enrollment:** Designated Dates (examples of life events include marriage, birth of a child, loss of coverage for a reason that you did not cause, or could not prevent)
Notification that a child is totally and permanently disabled: Before December 31st of the year in which the child became 19.

Our Commitment Regarding Your Personal Protected Health Information

We understand the importance of your Personal Protected Health Information (hereafter referred to as "PHI") and follow strict policies (in accordance with state and federal privacy laws) to keep your PHI private. PHI is information about you, including demographic data, that can reasonably be used to identify you and that relates to your past, present or future physical or mental health, the provision of health care to you or the payment for that care.

We must follow the privacy practices described in this notice while it is in effect. This notice is directed to recognize our responsibilities under the Health Insurance Portability and Accountability Act (HIPAA) which went into effect April 14, 2003, and will remain in effect until we replace or modify it consistent with provisions of the Act.

We reserve the right to change our privacy practices and the terms of this notice at any time, provided that applicable law permits such changes. These revised practices will apply to your PHI regardless of when it was created or received. Before we make a material change to our privacy practices, we will mail a revised notice to our benefit plan participants.

Where multiple state or federal laws protect the privacy of your PHI, we will follow the requirements that provide greatest privacy protection. For example, when you authorize disclosure to a third party, state law requires the City of Detroit to condition the disclosure on the recipient's promise to obtain your written permission to disclose to someone else.

If you have any questions regarding the City's policy on PHI, please go online to **www.mydetroitbenefits.com** or call the benefits administration customer service line toll-free at 1-855-224-6200 for more information.



SOCIAL SECURITY NUMBERS AND HEALTH INSURANCE CLAIM NUMBERS:

In order to properly administer coordination of benefits, you MUST provide the Social Security Numbers (SSN), and where applicable, the Health Insurance Claim Numbers (HICN), for all dependents covered under City of Detroit health care plans. Enrollment forms that do not contain this required information will not be processed.

Also the Mandatory Insurer Reporting Law (Section 111 of Public Law 110-173) requires group health plan insurers, third party administrators, and plan administrators to provide SSNs (or HICNs) to the Center for Medicare & Medicaid Services (CMS) in order for Medicare to properly coordinate Medicare payments. For further information on this mandatory reporting requirement under this law, please visit the CMS Web site at www.cms.hhs.gov/MandatoryInsRep

Please be assured that your SSN and HICN will only be used for the purpose of required reporting and coordination of benefits and that we will adhere to all privacy and confidentiality laws.

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Notice of Right to Continue Health Care Benefits Under the Consolidated Omnibus Budget Reconciliation Act (COBRA)

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City of Detroit is required to offer the opportunity for a temporary extension of health care coverage (called "Continuation Coverage") at group rates to former employees, spouses, and eligible dependents in certain instances where coverage under the City's plan(s) would otherwise end due to certain qualifying events. *This notice is intended to provide you and any covered dependents with a summary of your rights and obligations under the continuation coverage provisions of the law.*

Qualifying Events for Covered Employees – If you are an employee of the City of Detroit covered by our group benefit plans, you may have the right to choose continued coverage if you lose your group benefit coverage because of the termination of your employment (for reasons other than gross misconduct) or a reduction in your work hours.

Qualifying Events for Covered Spouses – If you are the spouse of an employee of the City of Detroit and are covered by our group benefit plans you may have the right to choose continuation coverage for yourself if you lose group benefit coverage under the plan for any of the following reasons: termination of your spouse's employment (for reasons other than gross misconduct); a reduction of your spouse's hours of employment; the death of your spouse; or divorce or legal separation from your spouse.

Qualifying Events for Covered Dependent Children – If you are the covered dependent child of an employee covered by our group benefit plans you may have the right to continuation coverage for yourself if group benefit coverage under the plan is lost for any of the following reasons: termination of the employee's employment (for reasons other than gross misconduct); a reduction in the employee's hours of employment; the death of the employee; the employee's divorce or legal separation; you no longer meet the eligibility requirements of a "dependent child" under the rules of the City of Detroit's health care plan.

NOTIFICATION INSTRUCTIONS

All notification requirements referred to in this summary must be made via the Benefits Administration Customer Service Line at **855-224-6200**
Service Center Hours: 8:30 a.m. – 7:00 p.m. Monday – Friday
or online at **www.mydetroitbenefits.com**.

Employee, Spouse, and Dependents Notifications Required – Under the law, the employee, spouse, or other family member has the responsibility to inform the City of Detroit – Benefits Administration Office of a divorce, legal separation, or a child losing dependent status under our group health care plan. This notification must be made within 30 days from the date of the event or the date, on which coverage would end, whichever is later. Visit **www.mydetroitbenefits.com** to report these changes. **Note:** Required documentation must be submitted to the Benefits Administration Office. *If this notification is NOT completed in a timely manner, rights to continue coverage may be forfeited.*

Election Period and Coverage – Once notification of a qualifying event has occurred, covered individuals (also referred to as qualified beneficiaries) will be notified of their right to elect continuation coverage. Each qualified beneficiary has independent election rights and will have 60 days from the date coverage is lost under the City's health care plan or the date of notification, whichever is later, to elect continuation coverage. *If a qualified beneficiary does not elect continuation coverage within this election period, then rights to continue insurance under the City's group health care plan will end.*

If a qualified beneficiary elects continuation coverage and pays the applicable premium, the City of Detroit is required to provide the qualified beneficiary with coverage that is identical to the coverage provided under the plan to similarly situated employees and/or covered dependents.

Length of Continuation Coverage – 18 months: If the event causing the loss of coverage is a termination of employment (other than for reasons of gross misconduct) or a reduction of work hours, then each qualified beneficiary will have the opportunity to continue coverage for 18 months from the date of the qualifying event.

- **Social Security Disability** – The 18 months of continuation coverage can be extended to 29 months if the Social Security Administration determines that a qualified beneficiary was disabled at any time within the first 60 days of continuation coverage according to Title II or XVI of the Social Security Act. It is the qualified beneficiary's responsibility to obtain this disability determination from the Social Security Administration and notify the City of Detroit – Benefits Administration Customer Service **855-224-6200** or **www.mydetroitbenefits.com** within 60 days of the date of determination and before the original 18 month period expires. It is also the qualified beneficiary's responsibility to notify within 30 days that a final determination has been made that they are no longer disabled.
- **Secondary Events** – An extension of the 18 months of continuation coverage can occur if, during the initial 18 months of continuation coverage, a second event takes place (divorce, legal separation, death, or a dependent child ceasing to be a dependent). If a second event does take place, then the 18 month of continuation coverage can be extended to 36 months from the date of the original qualifying event date for the qualified beneficiary spouse and/or dependent children. If a

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second event occurs, it is the qualified beneficiary's responsibility to notify the City of Detroit – Benefits Administration Customer Service at **855-224-6200** or **www.mydetroitbenefits.com**. In no event, however, will continuation coverage last beyond three years from the date of the original qualifying event.

Length of Continuation Coverage – 36 Months: If the original event causing the loss of coverage was the death of the employee, divorce, legal separation, or a dependent child ceasing to meet the eligibility requirements for coverage under the City of Detroit health care plan rules, each qualified beneficiary will have the opportunity to continue coverage for 36 months from the date of the qualifying event.

Eligibility, Premiums, and Potential Conversion Rights – A qualified beneficiary does not have to show that he/she is insurable to elect continuation coverage. The City of Detroit, however, reserves the right to verify eligibility status and terminate continuation coverage retroactively if the person is determined to be ineligible or if there has been a material misrepresentation of the facts. A qualified beneficiary will have to pay all of the applicable premiums plus a 2% administration charge for continuation coverage. These premiums may be adjusted in the future if the applicable premium amount changes. In addition, if continuation coverage is extended from 18 months to 29 months due to a Social Security disability, the City of Detroit can charge up to 150% of the applicable premium during the extended coverage period. There is a grace period of 30 days for the regularly scheduled monthly premiums. At the end of the 18 months or 36 months of continuation coverage, a qualified beneficiary must be allowed to enroll in a conversion plan.

Notification of Address Change – To insure that all covered individuals receive all required information, it is important that you immediately provide notification of any address change online at **www.mydetroitbenefits.com**

Cancellation of Continuation Coverage – The law provides that if elected and paid for, continuation coverage may end prior to the maximum continuation period for any of the following reasons:

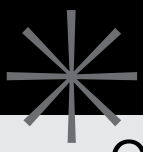
1. The City of Detroit ceases to provide group health care coverage to all City of Detroit employees;
2. The total monthly cost for continuation coverage is not paid on a timely basis;
3. The qualified beneficiary becomes covered under another group health plan that does not contain any exclusion or limitation which does not apply to (or satisfied by) such beneficiary by reason of the Health Insurance Portability and Accountability Act of 1996;
4. A qualified beneficiary becomes eligible for Medicare;
5. A qualified beneficiary has extended coverage to 29 months due to a Social Security disability and a final determination has been made that the qualified beneficiary is no longer disabled;
6. A qualified beneficiary notifies the City of Detroit – Benefits Customer Service 855-224-6200 that he/she wishes to cancel continuation coverage.

The qualified beneficiary is required to notify the City of Detroit – Benefits Administration Customer Service 855-224-6200 if event # 3, 4, 5, or 6 occurs. If continuation coverage is terminated for any of the above reasons, it cannot be reinstated.

Selecting Health Care Plans

On the following pages are informational exhibits of the medical, dental and vision plans available to City employees. There are also Employee Benefit Summaries for each plan offered. These Summaries may be useful in deciding which plans are best suited to your needs and the needs of your dependents.

The health care plan options described in this booklet provide protection against a wide range of health care expenses. While coverage is broad and comprehensive, plans vary in the benefits they offer, and will not cover all health care services and expenses under all circumstances. Therefore, contact your health care plan if you have questions as to whether or not a particular health care service or expense is covered and whenever possible obtain pre-approval before having services performed. Telephone numbers for each medical, dental and vision plan carriers are listed on the last page of this booklet.



Opt-Out Program

City employees who are covered under a medical care plan of an employer other than the City of Detroit (e.g., through a spouse or other relative), may choose not to enroll in the City's health care program, and instead receive a cash amount from the City. If the employee and his/her spouse are both employed by the City, no Opt-Out is available. City employees must elect Opt-Out participation annually to continue receiving any eligible payments.

Generally, the Opt-Out Program provides you with a cash payment of $900 annually. Most participants receive payments quarterly through regular payroll processes. More information on the Opt-Out program may be obtained by calling the Benefits Administration Customer Service Line at 1-855-224-6200 or online at **www.mydetroitbenefits.com**

Submission of an Opt-Out election application form and proof of other medical insurance coverage (not provided by the City of Detroit) is required to receive your Opt-Out payment. Current employees may exercise the Opt-Out option only during the Open Enrollment period. Employees who Opt-Out of the City's health care plan may continue to participate in the City's dental and vision plans.

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Employee Medical Plan Design

	BCBSM Community Blue PPO		HAP
	In-Network	Out-of-Network	In-Network Only
Deductibles			
Annual Deductible	$750 Single $1,500 Family	$1,500 Single $3,000 Family	$750 Single $1,500 Family
Coinsurance			
Coinsurance	20% for select services	40% for all services except Emergency Room	20% for select services
Out-of-Pocket-Maximums (OOPM)			
Coinsurance OOPM	$1,500 Single $4,500 Family (Not including Deductible)	$3,000 Single $9,000 Family (Not including Deductible)	$1,500 Single $4,500 Family (Not including Deductible)
Medical OOPM	$1,500 Single $4,500 Family (Not including Deductible)	No Maximum	$6,350 Single $12,700 Family (including Deductible)
Separate Prescription Drug OOPM	$6,350 Single $12,700 Family (Previously No Maximum)	No Maximum	Included in Medical OOPM above
Physician Office Services			
Office Visits	$25 copay	Plan Pays 60% after Deductible	$25 Copay
Specialist Care	$25 copay	Plan Pays 60% after Deductible	$25 Copay
Preventive Services			
Health Maintenance Exam	Plan Pays 100%	Not Covered	Plan Pays 100%
Annual Gynecological Exam	Plan Pays 100%	Not Covered	Plan Pays 100%
Mammography Screening	Plan Pays 100%	Not Covered	Plan Pays 100%
Pap Smear Screening	Plan Pays 100%	Not Covered	Plan Pays 100%
Immunizations	Plan Pays 100%	Not Covered	Plan Pays 100%
Prostate Specific Antigen (PSA) Screening – laboratory services only	Plan Pays 100%	Not Covered	Plan Pays 100%
Hospital Care			
Number of days of care	Unlimited Days	Unlimited Days	Unlimited Days
Inpatient Physician Care, General Nursing Care, Hospital Services and Supplies	Plan Pays 80% after Deductible and $100 Copay	Plan Pays 60% after Deductible	Plan Pays 80% after Deductible and $100 Copay
Outpatient Surgery	Plan Pays 80% after Deductible and $100 Copay	Plan Pays 60% after Deductible	Plan Pays 80% after Deductible
Emergency Care			
Hospital Emergency Room (waive if admitted)	$100 Copay - Deductible does not apply (also waived if accidental injury)	$100 Copay - Deductible does not apply (also waived if accidental injury)	$100 Copay - Deductible does not apply
Urgent Care	$25 Copay - Deductible does not apply	Plan Pays 60% after Deductible	$25 Copay - Deductible does not apply
Ambulance - medically necessary	Plan Pays 80% after Deductible	Plan Pays 60% after Deductible	Plan Pays 80% after Deductible (emergency only)

This comparison chart describes the essential features of the above health plans in general terms. It is not intended to be a full description of coverage. All efforts have been made to correctly summarize the level of benefits, however, if an error has been made in the summary description, the Certificate of Coverage issued by the plan will supercede this document. The complete plans are described in the Certificate of Coverage issued by each plan, and are available on request to all interested persons.

Employee Medical Plan Design *continued*

	BCBSM Community Blue PPO		HAP
	In-Network	Out-of-Network	In-Network Only
Diagnostic Services			
Laboratory and pathology tests	Plan Pays 80% after Deductible	Plan Pays 60% after Deductible	Plan Pays 80% after Deductible
Diagnostic tests and X-rays	Plan Pays 80% after Deductible	Plan Pays 60% after Deductible	Plan Pays 80% after Deductible
Alternatives to Hospital Care			
Skilled Nursing Care in a nursing home	Plan Pays 80% after deductible	Plan Pays 60% after Deductible	Plan Pays 80% after Deductible (up to 730 days; renew after 60)
Mental Health Care			
Inpatient mental health care	Plan Pays 80% after Deductible and $100 Copay	Plan Pays 60% after Deductible	Plan Pays 80% after Deductible and $100 Copay
Outpatient mental health care	$25 Copay - Deductible does not apply	Plan Pays 60% after Deductible	$25 Copay - Deductible does not apply
Appliances & Prosthetic Devices			
Prosthetics & Orthotics	Plan Pays 80% after deductible	Plan Pays 60% after deductible	Plan Pays 80% after Deductible for approved equipment
Durable Medical Equipment	Plan Pays 80% after deductible	Plan Pays 60% after deductible	Plan Pays 80% after Deductible for approved equipment
Chiropractic Services			
Chiropractic Care	$25 Copay - Deductible does not apply	Plan Pays 60% after deductible	Not Covered
Prescription Drugs – Prescription Drugs provided by CVS Caremark			
Certain drugs require prior authorization and have quantity restrictions.			
Prescription Drug Deductible	None		None
Retail Generic (30 day)	$10 Copay		$10 Copay
Retail Formulary Drug – Brand Name (30 day)	$35 Copay		$35 Copay
Retail Formulary Drug – Non-Preferred Brand Name (30 day)	$50 Copay		$50 Copay
Eligible Retail 90 day maintenance	Not Applicable		90 day supply for eligible maintenance drugs at two times retail copay
Mail Order Prescription Drugs	Two times the applicable generic and brand copay for a 90-day supply		90 day supply for both eligible maintenance and non-maintenance drugs at two times retail copay
Prescription Drug Provider	BCBSM Community Blue PPO plan prescription drug benefit will be administered by CVS Caremark beginning 1/1/2014. See more information on page 35 concerning CVS Caremark.		HAP plan prescription drug benefit will continue to be administered by HAP

This comparison chart describes the essential features of the above health plans in general terms. It is not intended to be a full description of coverage. All efforts have been made to correctly summarize the level of benefits, however, if an error has been made in the summary description, the Certificate of Coverage issued by the plan will supercede this document. The complete plans are described in the Certificate of Coverage issued by each plan, and are available on request to all interested persons.

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CVS CAREMARK PRESCRIPTION DRUG BENEFIT INFORMATION

(BCBSM Community Blue Medical Plan Participants Plan Only)

Effective January 1, 2014 Your prescription drug benefit will be administered by CVS Caremark. Your prescription plan through CVS Caremark offers two ways to get your medication:

- **Retail network (short-term medications)**
  Use a CVS Caremark participating retail pharmacy when filling short-term prescriptions for medications such as antibiotics. Our network includes more than 64,000 pharmacies nationwide, including chain pharmacies, 20,000 independent pharmacies and 7,100 CVS/pharmacy stores.
- **Mail service pharmacy (long-term medications)**
  Use the CVS Caremark Mail Service Pharmacy to fill your long-term prescriptions. Mail service is a costeffective choice for long-term medications because you can get up to a 90-day supply for less than what you would pay for the same supply at retail.

The CVS Caremark plan is a mandatory generic, mandatory mail order, step therapy and prior authorization program. For more information on these programs go to **www.mydetroitbenefits.com**

CVS Caremark FastStart can help you set up New Mail Order Service!
For more information go to www.mydetroitbenefits.com

Important Information For Mail Service Program Users

Q. What should I do if I have existing refills with Blue Cross Blue Shield Michigan?

A. Unfortunately, **CVS Caremark** is unable to access your existing refill information you will need to ask your doctor for a new prescription and mail to **CVS Caremark**. For maintenance medications, ask your doctor to write two prescriptions:

- The **first** for up to a 90-day supply plus any appropriate refills to fill through the CVS Caremark Mail Service Pharmacy. You can expect to get your prescription up to 10 days from the time your order is placed.
- The **second** for up to a 30-day supply, which you can fill at a participating retail network pharmacy to use until your mail service prescription arrives.

Q. Where do I send my prescription order?

A. Beginning January 1, 2014, all new prescription orders must be submitted to CVS Caremark. Send your order and the appropriate copayment to the preprinted mailing address on the mail service order form, which is available at **www.mydetroitbenefits.com**. You will also receive a mail order form in your CVS Caremark Welcome due to arrive at your home on or before January 1, 2014. You will also receive a new mail order kit with each prescription order.

Q. How do I pay for my prescriptions?

A. CVS Caremark prefers payment by credit card, but you can also pay by check or money order. For credit card payments, include your VISA®, Discover®, MasterCard®, or American Express® number and expiration date in the space provided on the order form.

Employee dental plan benefit summary

Benefits	Blue Cross Dental Plan
Annual Dollar Maximum	
Maximum annual amount per covered person including diagnostic, restorative, etc.	$1,000
Diagnostic	
Oral examinations	100% (twice per year)
Emergency treatment for pain	100%
X-rays	100% limitations depending on type of x-ray)
Prophylaxis – teeth cleaning	100% twice per year)
Fluoride application	100% twice per year)
Space maintainers	100% Once per quadrant per lifetime, under age 19)
Restorative	
Fillings: Amalgam, Composite	80%
Crowns: Porcelains or Metal	50%
Endodontics	
Root canal therapy	80%
Periodontics	
Treatment for gum disease and tissue of the mouth	80%
Oral Surgery	
Extractions – simple and surgical	50%
Prosthodontics	
Complete dentures	50%
Partial dentures – chrome acrylic	50%
Fixed bridges – full cast	50%
Orthodontics	
Orthodontics (includes over age 19)	50%
Orthodontics – lifetime maximum	$1,000
Service Provider	
	For non-urgent, complex or expensive dental treatment such as crowns, bridges or dentures, members should encourage their dentist to submit the claim to Blue Cross for predetermination ***before*** treatment begins.
	If you receive care from a nonparticipating dentist, you may be billed for the difference between our approved amount and the dentist's charge.

This comparison chart describes the essential features of the above health plans in general terms. It is not intended to be a full description of coverage. All efforts have been made to correctly summarize the level of benefits, however, if an error has been made in the summary description, the Certificate of Coverage issued by the plan will supercede this document. The complete plans are described in the Certificate of Coverage issued by each plan, and are available on request to all interested persons.

Heritage Vision Benefits at a glance

C.O.D. Exam and Material Benefit Frequency is once every 24 Months** (from date of last service)†

† D.O.T. (Department of Transportation) Exam and Material Benefit Frequency is once every 12 months (from date of last service)

****Progressive Myopic Children (under age 19) receive new lenses once every 12 months with a prescription change of ± .50 diopters or more.**

Covered Services	In-Network Coveragte
	In-Network Coverage is available to members at over 150 Heritage Participating Provider Locations
Comprehensive Eye Exam for Eyeglasses (Does not apply to Contact Lens Exam)	100% Covered, **No Co-Pay**
Frames	
Frames (Members have Choice of Frames)	**$100.00** Retail Allowance, **No Co-pay** (Member pays retail frame costs over $100.00)
Lenses (Per Pair): Choice of One *Covered Material = Standard Plastic CR-39*	
Single Vision	100% Covered, **No Co-Pay**
Bifocal	
Trifocal	
Lens Options and Upgrades	
Tint (One Solid Color Tint is Covered)	100% Covered, **No Co-Pay**
Scratch Resistant Coating	100% Covered, **No Co-Pay**
Prism	100% Covered, **No Co-Pay**
Frame Warranty (6 month U&C manufacturer's warranty)	100% Covered, **No Co-Pay**

OR

Contact Lenses *$90.00 Total Allowance towards: Exam, Fitting and Contact Lenses*	
Comprehensive Eye Exam for Contact Lenses[1] (Applies to Contact Lens Exam and Fitting)	**$45.00 Retail Allowance** (Member pays retail contact lens costs over $45.00)
Contacts Lenses[1] (includes disposables)	**$45.00 Retail Allowance** (Member pays retail contact lens costs over $45.00)

[1]You are eligible for contact lenses OR eyeglasses, not both, in any (24 month) Plan Year.

Exclusions (Not Covered)

- Vision Training
- Non-Prescription Lenses
- Two pairs of Glasses instead of bifocals
- Replacement of lost or broken lenses or frames
- Medical or surgical treatment of the eyes
- Services covered under Worker's Comp.

Wellness Programs for Medical Plans

Blue Cross Blue Shield of Michigan

- Living Healthy® magazine
- Weight Watchers® discount
- BlueSafe℠ for Michigan
- Naturally Blue℠
- BlueHealthConnection®
  - 24 hour nurse health coach call-in
  - Online health assessment
  - Quit the Nic
  - Educational videos and books
    - Back Pain Management
    - Chronic Pain Management
    - Depression
    - High Blood Pressure
    - Women's Health
    - Men's Health
    - Prenatal Care
    - Coronary Heart Disease
      - Member outreach
  - Case management
  - Disease management
- Blue365®
- Healthy Bluextras℠
- aHealthierMichigan.org
- Worldwide Acceptance

Visit our web site at www.bcbsm.com for additional information

Health Alliance Plan

- Aquatics program
- HAPWise magazine
- HAP Advantage – offers money-saving discounts and extras to
- HAP members on a variety of health and wellness related activities, venues and Web sites.
- Immunization Program and Registry
- Prenatal Care Initiative
- Asthma Management Program
- Anti-Coagulation Comprehensive Program
- Diabetes Management Program
- Congestive Heart Failure Program
- Depression
- High Blood Pressure Program
- Smoking Cessation
- iStrive (health risk appraisal)
- Weight Watchers Discount
- Global Fit Discount
- Women's Health Program
- Men's Health Program
- Diet and Nutrition Education
- Stress Management Program
- Back Pain Management Program
- Chronic Pain Management Program

Visit our web site at **www.hap.org** for additional information

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Life Insurance Program

A group life insurance program for the employee and their dependents is available to all regular City employees on an optional basis as follows:

- **For General City Employees:** The City will pay approximately sixty percent (60%) of the premiums for insurance up to and including $12,500. The employee would pay the remaining portion of the premiums. Each dependent can be insured for $5000 at a cost to the employee of 70¢ per week.
- **For Non-Civilian Employees of the Police and Fire Department:** The City will pay one hundred percent (100%) of the premiums for insurance up to and including $35,000 for the employee and $5,000 for each dependent.

Both groups of employees can purchase additional group life insurance at their own expense. Under Option 1, you can purchase an amount of life insurance approximately equal to your annual salary based upon a published schedule of salary ranges or, under Option 2, you can purchase an amount of life insurance approximately equal to twice your annual salary, based upon a published schedule of salary ranges. A change from Option 1 to Option 2 must be approved by the life insurance carrier.

The current life insurance carrier for the group life insurance available to City employees is MetLife. The toll-free number is given in this booklet.

If you wish to participate in the life insurance program, go to **www.mydetroitbenefits.com**. The amount of any required employee insurance payments will be deducted from your paycheck. You should also read the "Eligibility for Health Care and Life Insurance Benefits" section of this booklet for rules regarding dependent life insurance coverage.

City Death Benefit Program

Apart from the optional life insurance programs described above, the City has a Death Benefit program, administered by the Finance Department, which is mandatory for all regular City employees. An amount of 40¢ is automatically deducted from the employee's paycheck on a biweekly basis. (The current benefit payment on the employee's death is $10,000.)

Important Numbers

City of Detroit – Benefits Administration Customer Service

www.mydetroitbenefits.com
Toll-free (855) 224-6200

Health Carriers

Blue Cross Blue Shield Community Blue PPO.....(313) 225-0843 or 1-800-951-2583
Web site: **www.bcbsm.com**

Health Alliance Plan (HAP) ..... (313) 872-8100 or 1-800-422-4641
Web site: **www.hap.org**

Dental Carrier

BCBSM Traditional Plus ..... (313) 225-0843 or 1-800-951-2583
Web site: **www.bcbsm.com/bluedental**

Vision Carrier

Heritage Vision Plans, Membership Department .....(800) 252-2053
Web site: **www.heritagevisionplans.com**

Life Insurance

MetLife Claims.....(800) 638-6420

Flexible Spending Account

City of Detroit Customer Service Line.....(855) 224-6200
Web site: **www.mydetroitbenefits.com**

2014

City of Detroit
Active Employee Benefits

EXHIBIT 6C – CHARGE

CHARGE

Michigan Department of Licensing and Regulatory Affairs
Employment Relations Commission (MERC)
Labor Relations Division
313-456-3510

Authority: P.A. 380 of 1965, as amended.

INSTRUCTIONS: File an original and 4 copies of this charge (including attachments) with the Employment Relations Commission at: Cadillac Place, 3026 W. Grand Boulevard, Suite 2-750, PO Box 02988, Detroit MI 48202-2988 or 611 W. Ottawa St., 2nd Floor, PO Box 30015, Lansing, MI 48909. The Charging Party must serve the Charge on the opposing side within the applicable statute of limitations, and must file a statement of service with MERC.
(Refer to the "How to File a Charge" document under the "Forms" link at www.michigan.gov/merc.)

Complete Section 1 if you are filing charges against an employer and/or its agents and representatives. —or—
Complete Section 2 if you are filing charges against a labor organization and/or its agents and representatives.

1. EMPLOYER AGAINST WHICH THE CHARGE IS BROUGHT Check appropriate box: ☐ Private ☑ Governmental

Name and Address:

City of Detroit
Attn: Michael Hall, Director Human Resources and Labor Relations
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 316
Detroit, Michigan 48226

2. LABOR ORGANIZATION AGAINST WHICH THE CHARGE IS BROUGHT

Name and Address:

RECEIVED
FEB 03 2015
CITY OF DETROIT
LABOR RELATIONS DIVISION

RECEIVED
2015 FEB -3 AM 11:54
Employment Relations Commission
Labor Relations Division

3. CHARGE

Pursuant to the ~~Labor Mediation Act (LMA) or~~ Public Employment Relations Act (PERA) *(cross out one)*, the undersigned charges that the above-named party has engaged in or is engaging in unfair labor practices within the meaning of the Act.

On an attached sheet you must provide a clear and concise statement of the facts which allege a violation of the LMA or PERA, including the date of occurrence of each particular act and the names of the agents of the charged party who engaged in the complained of conduct. The charge should describe who did what and when they did it, and **briefly** explain why such actions constitute a violation of the LMA or PERA.

The Commission may reject a charge for failure to include the required information. However, it is not necessary to present your case in full at this time. Documentary material and exhibits ordinarily **should not** be submitted with this charge form.

4. Name and Address of Party Filing Charge (Charging Party) (if labor organization, give full name, including local name and number)	Telephone Number:
Detroit Police Lieutenants and Sergeants Association	(313) 961-5990

5. List ALL related MERC case(s) (if any): None
(Name of parties)
Case No.: _____ Judge: _____
Case No.: _____ Judge: _____

I have read this charge and it is true to the best of my knowledge and belief.

Signature of Representative/Person Filing Charge

Print Name and Title:			Email:
Peter P. Sudnick, Attorney for DPLSA			psudnick@sudnicklaw.com
Street Address: 2555 Crooks Road, Suite 150	City: Troy	State: MI	Telephone/Cell No.: (248) 643-8533
			Fax No.: (248) 643-0417
			Zip Code: 48084

The Department of Licensing and Regulatory Affairs will not discriminate against any individual or group because of race, sex, religion, age, national origin, color, marital status, disability, or political beliefs. If you need assistance with reading, writing, hearing, etc., under the Americans with Disabilities Act, you may make your needs known to this agency.

BER____ (5/27)

CHARGE

The Charging Party, Detroit Police Lieutenants and Sergeants Association ("DPLSA"), alleges a violation of Sections 10(1)(e) and (a) of the Public Employment Relations Act, MCL 423.201 et seq., stating as follows:

1. The DPLSA is the exclusive bargaining representative for employees of the City of Detroit ("City") in the classifications of Detective, Police Investigator, Police Sergeant, Police Sergeant-Promotion List, Senior Communications Officer-Police Sergeant, Senior Radio Maintenance Officer-Police Sergeant, Police Sergeant-Chemist, Master Sergeant, Police Lieutenant, Supervisor of Radio Systems and Planning-Police Lieutenant, Supervisor of Operations-Police Lieutenant, Supervisor of Radio Maintenance-Police Lieutenant, and Supervisor of Firearms Identification and Explosives-Police Lieutenant.

2. The City is an employer as defined under Section 2(f) of the Labor Mediation Act, MCL 423.1 et seq., and as used in Section 10(1) of the Public Employment Relations Act, MCL 423.201 et seq.

3. On November 6, 2014, the City and DPLSA executed a collective bargaining agreement ("Agreement") which was incorporated into the Chapter 9 City of Detroit Plan of Adjustment in U.S. Bankruptcy Court Case No. 13-53846. The Agreement was duly authorized and approved by the State Treasurer and City of Detroit Emergency Manager and continues in full force and effect through June 30, 2019 [Exhibit 1].

4. Under Article VII, paragraph B, of the Eighth Amended Plan of Adjustment of Debts of the City of Detroit ("Plan"), U.S. Bankruptcy Court, Eastern District of Michigan, Chapter 9 Case No. 13-53846, that addresses the Retention of Jurisdiction of the Bankruptcy Court, the enforcement, interpretation, and resolution of disputes of the terms of the contracts [collective bargaining agreements identified on Exhibit II. D. 5 of the Plan, including the Agreement between the City and DPLSA] shall proceed under applicable state law [Exhibit 2].

5. Article 43 of the Agreement between the City and DPLSA [Medical Insurance, and Optical Care] states that covered active employees will be eligible to participate in the group medical, prescription drug, dental and vision plans ("Medical Plans") as described in the City's 2014 medical plan designs for the term of the Agreement.

6. In accordance with the terms of Article 43, paragraph B of the Agreement, eligible active employees are entitled to select the coverage tier under the Medical Plans, i.e., single, two-person or family coverage. The two-person and family coverage tiers include the spouse of the active employee. During the applicable enrollment period, active employees list the persons included in the two-person and family coverage tiers, including the spouse of the active employee.

7. The plain terms of the executed Agreement covering active DPLSA members permits the eligible active member to select a coverage tier that includes the spouse of the active member without restriction. The participation of the spouse of the active DPLSA member under either the

two-person or family tier coverage is an unrestricted contractual right that inures to the benefit of the active DPLSA member.

8. The medical benefits language of the DPLSA Agreement does not contain any language that denies or restricts an active DPLSA member from including his or her spouse under the two-person or family medical coverage. Neither Article 43 nor any other provision of the Agreement permits the City to deny coverage under the active medical plan to a spouse of an active DPLSA member because the spouse is a retiree of the City.

9. Notwithstanding the plain language of Article 43 of the Agreement, the City has unilaterally and arbitrarily, without the consent or agreement of the DPLSA, notified spouses of active DPLSA members who are retirees of the City that they will no longer be eligible for medical coverage under the active member plan and that their medical coverage will terminate effective February 1, 2015 [Exhibit 4].

10. The City has refused to rescind the notices terminating the medical coverage of retired spouses of active DPLSA members.

11. The action of the City terminating the medical coverage of retired spouses of active DPLSA members amounts to a repudiation of the DPLSA Agreement as it pertains to active medical coverage and constitutes a violation o f Sections 10(1)(a) and (e) of the Public Employment Relations Act, MCL 423. 210(1)(a) and (e).

12. The action of the City terminating the medical coverage of retired spouses of active DPLSA members is causing immediate and irreparable harm in that spouses wrongfully denied participation in active medical coverage are without the means to obtain replacement coverage in order to secure necessary medical care and treatment. In some cases, health care and medical treatment can only be obtained at considerable cost creating undue financial and medical hardship on the families of active DPLSA members.

WHEREFORE, the Charging Party, Detroit Police Lieutenants and Sergeants Association, respectfully requests that the Commission:

(1) Compel the Respondent City to answer the Charge;

(2) Schedule an immediate hearing in this matter;

(3) Petition the Circuit Court for the 3rd Judicial Circuit, Wayne County, Michigan, for a preliminary injunction or temporary restraining order in aid of the Commission's jurisdiction enjoining the City from terminating the medical coverage of retired spouses of active DPLSA members until the Commission can conduct a hearing on the charge and issue a final order in this case;

(4) Sustain the Charge in its entirety;

(5) Fashion an appropriate remedial order to include directing the City to cease and desist from refusing to allow retired spouses of active DPLSA members to participate in the active medical plan; notice posting; a make-whole provision; an award of litigation expenses; and such other relief as it finds just and proper in this case.

EXHIBIT 1

56. EFFECTIVE DATES/DURATION

This Agreement shall be effective and binding on the Union and the City upon the approval of the Treasurer of the State of Michigan ("Effective Date") and shall continue in full force and effect through June 30, 2019 (the "Term"). This Agreement, including the Term, shall be incorporated into and become a part of both the plan of adjustment and order confirming the plan of adjustment, and the Agreement shall be subject to the post-confirmation ongoing jurisdiction of the Bankruptcy Court for the full Term, including without limitation, whatever jurisdiction the Bankruptcy Court's retains to enforce the Term. This Agreement, including specifically, the Term, shall be duly authorized and approved by and consented to by the State Treasurer and the Emergency Manager, with these consents reflected by duly authorized signatures.

If either party desires to modify this Agreement, it may give written notice to the other party during the month of March 2019.

In the event that the Department and the Association fail to arrive at an agreement on wages, fringe benefits, other monetary matters, and non-economic items by June 30, 2019, this Agreement will remain in effect on a day-to-day basis. Either party may terminate this Agreement by giving the other party a ten (10) day written notice on or after June 30, 2019.

IN WITNESS WHEREOF, the parties hereto have executed this

Agreement on this 6 day of November 2014.

DETROIT POLICE LIEUTENANTS AND SERGEANTS ASSOCIATION:

Mark Young, President

Rodney Sizemore, Vice President

Brian Harris, Secretary-Treasurer

John F. Kennedy, Sergeant-at-Arms

CITY OF DETROIT:

Michael E. Duggan, Mayor

Kevyn Orr, Emergency Manager

Michael A. Hall, Director of Labor Relations

James Craig, Chief of Police

Office of the State Treasurer, Michigan

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EXHIBIT 2

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN

In re	:	Chapter 9
CITY OF DETROIT, MICHIGAN,	:	Case No. 13-53846
Debtor.	:	Hon. Steven W. Rhodes

EIGHTH AMENDED PLAN FOR THE ADJUSTMENT OF DEBTS OF THE CITY OF DETROIT
(October 22, 2014)

DAVID G. HEIMAN
HEATHER LENNOX
THOMAS A. WILSON
JONES DAY
North Point
901 Lakeside Avenue
Cleveland, Ohio 44114
Telephone: (216) 586-3939
Facsimile: (216) 579-0212
dgheiman@jonesday.com
hlennox@jonesday.com
tawilson@jonesday.com

BRUCE BENNETT
JONES DAY
555 South Flower Street
Fiftieth Floor
Los Angeles, California 90071
Telephone: (213) 489-3939
Facsimile: (213) 243-2539
bbennett@jonesday.com

JONATHAN S. GREEN
STEPHEN S. LAPLANTE
MILLER, CANFIELD,
PADDOCK AND STONE, P.L.C.
150 West Jefferson
Suite 2500
Detroit, Michigan 48226
Telephone: (313) 963-6420
Facsimile: (313) 496-7500
green@millercanfield.com
laplante@millercanfield.com

ATTORNEYS FOR THE DEBTOR

entitled to under the Plan on account of such Allowed Claim had such Claim been Allowed as of the Effective Date. If a Disputed Claim is disallowed by Final Order, the property reserved on account shall become available for Distribution to the Holders of Allowed Claims within the Class(es) entitled to receive such property. Each Holder of a Disputed Claim that ultimately becomes an Allowed Claim will have recourse only to the assets held in the disputed claims reserve and not to any other assets held by the City, its property or any property previously distributed on account of any Allowed Claim.

C. Objections to Claims.

1. Authority to Prosecute, Settle and Compromise.

The City's rights to object to, oppose and defend against all Claims on any basis are fully preserved. As of the Effective Date, only the City shall have the authority to File, settle, compromise, withdraw or litigate to judgment objections to Claims, including pursuant to the ADR Procedures or any similar procedures approved by the Bankruptcy Court. Any objections to Claims shall be Filed no later than the Claims Objection Bar Date. On and after the Effective Date, the City may settle or compromise any Disputed Claim or any objection or controversy relating to any Claim without any further notice or any action, order or approval of the Bankruptcy Court.

2. Expungement or Adjustment of Claims Without Objection.

Any Claim that has been paid, satisfied or superseded shall be expunged from the Claims Register by the Claims and Balloting Agent at the request of the City, and any Claim that has been amended by the Holder of such Claim shall be adjusted on the Claims Register by the Claims and Balloting Agent at the request of the City, without the Filing of an objection and without any further notice or any action, order or approval of the Bankruptcy Court.

3. Extension of Claims Objection Bar Date.

Upon motion by the City to the Bankruptcy Court, the City may request, and the Bankruptcy Court may grant, an extension to the Claims Objection Bar Date generally or with respect to specific Claims. Any extension granted by the Bankruptcy Court shall not be considered to be a modification to the Plan under section 1127 of the Bankruptcy Code.

4. Authority to Amend List of Creditors.

The City will have the authority to amend the List of Creditors with respect to any Claim and to make Distributions based on such amended List of Creditors without approval of the Bankruptcy Court. If any such amendment to the List of Creditors reduces the amount of a Claim or changes the nature or priority of a Claim, the City will provide the Holder of such Claim with notice of such amendment and such Holder will have 20 days to File an objection to such amendment with the Bankruptcy Court. If no such objection is Filed, the Disbursing Agent may proceed with Distributions based on such amended List of Creditors without approval of the Bankruptcy Court.

ARTICLE VII
RETENTION OF JURISDICTION

Pursuant to sections 105(c), 945 and 1142(b) of the Bankruptcy Code and notwithstanding entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court will retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 9 Case and the Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

A. Allow, disallow, estimate, determine, liquidate, reduce, classify, re-classify, estimate or establish the priority or secured or unsecured status of any Claim, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the amount, allowance, priority or classification of Claims;

B. Confirm the maturity date and the terms as written of the collective bargaining agreements identified on Exhibit II.D.5 of the Plan, which agreements are incorporated as part of the Plan (it being understood that the enforcement, interpretation and resolution of disputes of the terms of the contracts shall proceed under applicable state law);

C. Resolve any matters related to the assumption, assignment or rejection of any Executory Contract or Unexpired Lease and to hear, determine and, if necessary, liquidate any Claims arising therefrom, including claims for payment of any cure amount;

D. Ensure that Distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;

E. Adjudicate, decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters, and grant or deny any applications involving the City that may be pending on the Effective Date or brought thereafter;

F. Enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases and other agreements or documents entered into or delivered in connection with the Plan, the Disclosure Statement or the Confirmation Order;

G. Resolve any cases, controversies, suits or disputes that may arise in connection with the consummation, interpretation or enforcement of the Plan or any contract, instrument, release or other agreement or document that is entered into or delivered pursuant to the Plan or any Entity's rights arising from or obligations incurred in connection with the Plan or such documents;

H. Approve any modification of the Plan or approve any modification of the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with the Plan or the Confirmation Order, or remedy any defect or omission or reconcile any inconsistency in any order, the Plan, the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with the Plan or the Confirmation Order, or enter any order in aid of confirmation pursuant to sections 945 and 1142(b) of the Bankruptcy Code, in such manner as may be necessary or appropriate to consummate the Plan;

I. Issue injunctions, enforce the injunctions contained in the Plan and the Confirmation Order, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with consummation, implementation or enforcement of the Plan or the Confirmation Order;

J. Adjudicate, decide or resolve any matters relating to the City's compliance with the Plan and the Confirmation Order consistent with section 945 of the Bankruptcy Code;

K. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason or in any respect modified, stayed, reversed, revoked or vacated or Distributions pursuant to the Plan are enjoined or stayed;

L. Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, the Disclosure Statement or the Confirmation Order;

M. Resolve any matters, cases, controversies, suits or disputes that may arise in connection with the FGIC Development Agreement;

N. Resolve any matters, cases, controversies, suits or disputes that may arise in connection with the Syncora Development Agreement

O. Enforce or clarify any orders previously entered by the Bankruptcy Court in the Chapter 9 Case;

EXHIBIT 3

41. UNIFORMS

A. Employees shall continue to be provided with uniforms and accessories in accordance with present practice.

B. Employees shall receive an annual uniform cleaning allowance of two hundred and fifty dollars ($250) per year payable the first payroll period each fiscal year.

C. The Department will no longer issue replacement uniforms and accessories. Employees will instead receive a uniform allowance of eight hundred and fifty dollars ($850) annually for the procurement and maintenance of all of the member's required uniforms and accessories. The Employee shall be responsible for procuring uniforms and equipment according to Department specifications. This allowance shall not include maintenance and procurement of bulletproof vests or other specialty equipment, which the Department shall continue to procure and issue directly to the Employees. Employees shall continue to receive the annual two hundred and fifty dollar ($250) cleaning allowance. These allowances shall continue to be payable the first payroll period each fiscal year.

42. COPIES OF AGREEMENT

The City agrees to furnish the Association with an electronic copy of this Agreement and 100 paper copies of this Agreement.

43. HOSPITALIZATION, MEDICAL INSURANCE AND OPTICAL CARE

A. During the term of this Agreement, Employees will be eligible to participate in the group medical, prescription drug, dental, and vision plans ("Medical Plans") offered by the City. Unless the parties mutually agree otherwise, the City's 2014 medical plan designs ("Medical Plan Designs") will remain in place during the term of this Agreement. For purposes of this Section, the term Medical Plan Design will collectively refer to deductibles, co-payments, covered services, networks, and third party administrators or insurers.

1. Notwithstanding this section A, the City will promptly analyze providing ScriptGuideRx, Inc. as a pharmacy benefits manager ("PBM") for the self-insured PPO option provided to police and firefighter active employees who enroll for health insurance. The City agrees to include ScriptGuide as a PBM for its self-insured option for active police and firefighter enrollees if (i) the City concludes - in its sole discretion - that ScriptGuide can be provided on a cost neutral or lower cost basis for the City relative to the continued use of Caremark during its first contract year of use and the Contract term, and (ii) following an analysis by the City respecting ScriptGuide's applicable managed formulary, generic utilization, network and co-payment structure, and sharing of that analysis and discussion with the Association, the DPLSA approves the City's use of ScriptGuide as the PBM for its self-insured option for DPLSA, even if the co-pay structure for generic, brand or specialty prescription drugs necessary for cost

neutrality requires higher active employee co-pays for certain forms of prescription drugs. Notwithstanding the above, the City agrees prior to any final determination, that it will meet and confer with the DPLSA to discuss its findings. The City shall determine whether ScriptGuide will be cost neutral or lower prescription drug costs based on the cost for the entire active population. If ScriptGuide is substituted for Caremark, any savings resulting therefore will be determined and distributed in accordance with Section J(1)(b) of this Article.

B. Employees will be required to make monthly contributions for their benefits based upon the plan and coverage tier selected by the Employee. Monthly contributions will be deducted from Employee payroll disbursements on a pre-tax basis (if authorized by the employee), in accordance with applicable law.

1. For calendar year 2014, Employees' monthly contributions under the City's Medical Plans will remain at the levels in place as of the Effective Date of this Agreement.

2. For subsequent calendar years during the term of this Agreement, Employees' monthly contributions under the City's Medical Plans will be adjusted annually to the level necessary to maintain an 80/20 proportional share of the cost of the medical coverage, subject to the terms and conditions and limitations set forth in this Article. Under this cost sharing arrangement, the City will pay eighty percent (80%) of the costs of each coverage tier in the City's Medical Plans, and Employees participating in each coverage tier will pay twenty percent (20%) of the costs for such coverage tier. Premiums will be calculated as follows:

a. For the Health Alliance Plan ("HAP") health maintenance organization ("HMO") plan, a participating Employee will pay 20% of the premium charged by HAP for his/her coverage tier. Such premiums will be established by HAP, subject to confirmation by an independent enrolled actuary retained by the City ("Enrolled Actuary").

b. For the Blue Cross/Blue Shield ("BCBS") preferred provider organization ("PPO") plan, monthly contributions will be set such that Employees in each coverage tier collectively pay twenty (20%) of the costs for that coverage tier. Such monthly contributions will be calculated by the Enrolled Actuary. Monthly contributions will be calculated in accordance with generally accepted actuarial principles, and will take into account claims experience from the prior fiscal year, inflation, actual and anticipated administrative costs, actual and anticipated fees and surcharges (including those associated with compliance with the Patient Protection and Affordable Care Act ("ACA")), and any other relevant costs or factors as determined by the Enrolled Actuary.

C. C.O.P.S. Health Trust: For calendar year 2015 and for subsequent calendar years during the term of this Agreement, Employees may elect to participate in medical benefit plans

offered by C.O.P.S. Health Trust ("COPS Trust") in lieu of the City's Medical Plans subject to the following conditions:

1. An Employee who participates in COPS Trust may not concurrently participate in any City Medical Plan.

2. For each Employee who elects to be covered by COPS Trust, the City will make a monthly contribution to COPS Trust that is equal to the lesser of (a) the City's *pro rata* contribution under the HAP Plan in the corresponding coverage tier (*e.g.* single, two person, family) or (b) the City's *pro rata* contribution under the BCBS Plan for the corresponding coverage tier. Under no circumstances will the City's monthly contribution to COPS Trust exceed the City's monthly contribution for coverage under the lowest cost City plan for the applicable coverage tier.

3. The City will have no obligations in connection with COPS Trust other than to make the payments described in this Section C. Specifically, the City will not have any administrative involvement whatsoever in connection with employee participation in COPS Trust, and any employee participating in COPS Trust will be responsible for paying any additional monthly premium payments beyond the City's monthly contribution pursuant to Section C.2 of this Article directly to COPS Trust. Under no circumstances will the City be deemed to be an administrator or fiduciary with respect to any medical plans provided by COPS Trust.

4. The Union agrees to indemnify the City, and hold the City harmless, against any and all claims asserted by employees or third parties against the City or any of its elected or appointed officials, employees, agents, attorneys, or consultants that are in any way related to or connected with employee participation in COPS Trust, any medical plans offered by COPS Trust, including but not limited to any claims for benefits provided to, or denied, City employees by COPS Trust, as well as any and all claims that are in any way related to any acts or omissions by COPS Trust, or its officers, directors, trustees, employees, or agents.

D. VSP: For calendar year 2015 and for subsequent calendar years during the term of this Agreement, Employees may elect to participate in vision benefit plans offered by VSP in lieu of the City's vision plan subject to the following conditions:

1. An Employee who participates in VSP may not concurrently participate in any City vision plan.

2. For each Employee who elects to be covered by VSP, the City will make a monthly contribution to VSP that is equal to the the City's *pro rata* contribution under the Heritage vision plan in the corresponding coverage tier (*e.g.* single, two person, family). Under no circumstances will the City's monthly contribution to VSP exceed the City's monthly contribution for coverage under the lowest cost City plan for the applicable coverage tier.

3. The City will have no obligations in connection with VSP other than to make the payments described in this Section C. Specifically, the City will not have any administrative involvement whatsoever in connection with employee participation in VSP, and any employee participating in VSP will be responsible for paying any additional monthly premium payments beyond the City's monthly contribution pursuant to Section C.2 of this Article directly to VSP. Under no circumstances will the City be deemed to be an administrator or fiduciary with respect to any medical plans provided by VSP.

4. The Union agrees to indemnify the City, and hold the City harmless, against any and all claims asserted by employees or third parties against the City or any of its elected or appointed officials, employees, agents, attorneys, or consultants that are in any way related to or connected with employee participation in VSP, any vision plans offered by VSP, including but not limited to any claims for benefits provided to, or denied, City employees by VSP, as well as any and all claims that are in any way related to any acts or omissions by VSP, or its officers, directors, trustees, employees, or agents

E. Except as provided in this Article, the extent of coverage under the City's Medical Plans will be governed by the terms and conditions set forth in the applicable Medical Plans offered by the City during the term of this Agreement. Plan documents may be modified or amended by the City from time to time in accordance with the terms of the applicable plan documents, provided that such amendments do not violate the terms of this Article. Any questions or disputes concerning any City Medical Plans will be resolved in accordance with the terms and conditions set forth in the applicable insurance policies or plan documents and will not be subject to the Grievance & Arbitration Procedures set forth in Articles 8 and 9 of this Agreement.

F. The failure of any insurance carrier(s), PBM, or plan administrator(s) to provide any benefit for which it has contracted or is obligated will not result in any liability to the City, nor will such failure be considered a breach by the City of any obligation undertaken under this or any other Agreement. However, nothing in this Agreement will be construed to relieve any insurance carrier(s) or plan administrator(s) from any liability it may have to bargaining unit Employees or beneficiaries of bargaining unit Employees.

G. Except as set forth in this Article, during the term of this Agreement, the City Medical Plans will provide benefits with an actuarial value as determined by the Enrolled Actuary that are at the "Gold" level (i.e., approximate actuarial value of 80%), as defined by the ACA. In the event that the actuarial value of a City Medical Plan's benefits falls below the "Gold" level as determined by the Enrolled Actuary during the term of the Agreement, the City will meet and confer with the Union to discuss potential modifications to the Medical Plan during the subsequent plan year to raise the actuarial value of the benefits to the "Gold" level.

H. Notwithstanding any provision in this Article that could be construed to the contrary, this Article will not be construed to require the City to fall out of compliance with the requirements Public Act 152 of 2011 ("PA 152"), MCL § 15.561 *et. seq.* The City's

Enrolled Actuary will be responsible for periodically monitoring compliance with the requirements of PA 152. In any event where the Enrolled Actuary determines that the City is reasonably likely to fall out of compliance with PA 152, the City will meet and confer with the Union for a period not longer than thirty (30) days in order to discuss potential modifications to the terms of the Medical Plans or to the allocation of premium payments by the City and the Employees. To the extent the City and the Union are unable to reach an agreement within thirty (30) days, the City may make any necessary modifications to ensure compliance with PA 152.

I. Surviving Spouses/Dependents. Current and future spouses and dependents of bargaining unit employees who are killed in the line of duty will be eligible to continue to participate in the City's Hospitalization, Medical Insurance, Optical and Dental care plans on the same terms and conditions as active bargaining unit members.

J. Retiree Medical Benefits.

1. Retiree Medical Subsidy. The City will contribute the following amounts towards the cost of retiree health benefits for Eligible Retirees (the "Retiree Medical Subsidy"):

a. On or before January 31, 2015 (and each subsequent January 31 during the term of this Agreement), the City will contribute a total sum of one million dollars and no cents ($1,000,000.00) to the COPS Trust VEBA to fund retiree medical benefits for City of Detroit employees (and Eligible Retirees) in the bargaining units represented by the DPLSA, the Detroit Fire Fighters Association (DFFA), the Detroit Police Command Officers Association (DPCOA), and the Detroit Police Officers Association (DPOA) (collectively, the "Public Safety Unions"). The amount contributed on behalf of the DPLSA will be determined by: (a) dividing the total DPLSA bargaining unit headcount as of July 1, 2014, by (b) the total active employee headcount in the four Public Safety Unions as of July 1, 2014, and then (c) multiplying the quotient by $1,000,000.00 (DPLSA headcount ÷ total Public Safety Union headcount) × $1,000,000.00).

b. In addition, if, pursuant to the May 5, 2014 Term Sheet, ScriptGuide is substituted for Caremark for DPLSA employees in connection with the self-insured PPO option, no later than 90 days after the close of a calendar year, the City shall direct an independent third party prescription drug audit specialist of the City's choosing– which may include Remedy Analytics or Trivantage Pharmacy Strategies LLC -- to conduct a PBM pricing audit. The audit specialist shall obtain individual prescription drug claim data and pricing data from ScriptGuide, and a reasonable sampling of similar data from the City employee population that is covered by Caremark, and shall examine the contract provisions and actual pricing application and compare such data. Based on such information and other relevant information as the audit specialist determines, the audit specialist

shall then determine in its sole discretion the extent of the cost savings to the City from using ScriptGuide in comparison to Caremark. The third party audit specialist's determination shall be binding and the union shall not be able to grieve, arbitrate, mediate or otherwise litigate that determination. Any cost savings determined by the third party specialist shall be split 50-50 between the City and the covered employees in the following manner; An amount equal to 50% of the cost savings shall be applied in the year following the determination to retiree health benefits for DPLSA active members.

c. Any foundation money available to fund medical benefits for Public Safety Union retirees shall also be contributed to the COPS Trust VEBA.

2. No Additional Liability. Other than the Retiree Medical Subsidy, the City shall not be required to pay any additional amounts including, but not limited to start-up costs, to the COPS Trust VEBA, or to pay any other sums (including but not limited to administration expenses), in connection with retiree health coverage for Eligible Retirees during the term of the Agreement. Moreover, the parties agree that COPS Trust shall have sole responsibility for maintaining and investing all funds contributed by the City pursuant to this Article 43, Section J, and shall be solely responsible for determining the benefit design and form, amount, and timing of all benefit payments to Eligible Retirees pursuant to this Agreement, and COPS Trust shall have sole responsibility to ensure that all of COPS Trust's acts or omissions with respect to the provision of benefits to Eligible Retirees comply with applicable law. As such, other than its obligation to timely pay the Retiree Medical Subsidy, the City shall have no responsibility and shall face no liability to any party with respect to the provision of benefits to Eligible Retirees pursuant to Article 43, Section J.

3. Indemnification. The Union agrees to indemnify the City, and hold the City harmless, against any and all claims asserted by employees or third parties against the City or any of its elected or appointed officials, employees, agents, attorneys, or consultants that are in any way related to or connected with employee or Eligible Retiree participation in the COPS Trust VEBA, including but not limited to any claims for benefits provided to, or denied, City employees or Eligible Retirees (or their spouses or dependents) by the COPS Trust VEBA, as well as any and all claims by other persons that are in any way related to any acts or omissions by the COPS Trust VEBA, or its officers, directors, trustees, employees, or agents.

4. Eligibility. Employees who retire on or before December 31, 2014 shall participate in the OPEB settlement available to existing retirees in accordance with the Plan of Adjustment in In re City of Detroit, Case No. 13-53846. Employees who retire and receive pension benefits from the PFRS on or after January 1, 2015 ("Eligible Retirees") shall be eligible for retiree health care benefits from the COPS Trust VEBA as determined by such VEBA and as set forth herein.

EXHIBIT 4

City of Detroit
Benefits Administration Office
2 Woodward Room 304, Detroit, MI 48206

CONFIRMATION NOTICE OF HEALTH/DENTAL/VISION CARE COVERAGE CHANGE

January 8, 2015

Dan Headapohl
52507 Robins Nest
Chesterfield, MI 48047

Dear Dan Headapohl,

This notice is to inform you that the City of Detroit's Benefits Administration Office has conducted an audit and our records indicate that you are a retiree of the City of Detroit and that you are enrolled in an active City of Detroit employee medical plan. As a retiree of the City of Detroit, you are not eligible to be enrolled on the City's active medical plan. The Benefits Administration Office's records indicate that you are however eligible for the Non Medicare Eligible Stipend offered to the City retirees. Therefore, your medical coverage on the City of Detroit's active medical plan will terminate effective 2/1/2015 and will be replaced by the aforementioned stipend you are eligible for. Please keep this notice for your records.

Reason for the change:

- ☐ Retiree's request.
- x Audit
- ☐ Failure to provide appropriate documentation.
- ☐ Not Eligible for active City of Detroit medical coverage
- ☐ Enrollment into Medicare Parts A & B effective
- ☐ Disenrollment from Medicare Parts A and B.
- ☐ Wayne County Rescission of Health Care Coverage for dependent.
- ☐ Other:

Your medical coverage and retiree contribution amount will be as follows effective February 2015:

Plan Description & Coverage Type: Non Medicare Eligible Stipend

You may contact Benefits Express at (855) 224-6200 with any questions or concerns.

Sincerely,

Benefits Administration Office

cc: file

EXHIBIT 6D – COMPLAINT

STATE OF MICHIGAN THIRD JUDICIAL CIRCUIT WAYNE COUNTY	SUMMONS AND RETURN OF SERVICE	CASE NO. 15-001851-CL

2 Woodward Ave., Detroit MI 48226 — Court Telephone No. 313-224-5207

THIS CASE IS ASSIGNED TO JUDGE **Sheila Ann Gibson** **Bar Number: 37512**

Plaintiff		**Defendant**
DETROIT POLICE IEUTENANTS AND SERGEANTS ASSOC	v	CITY OF DETROIT
Plaintiff's Attorney Peter P. Sudnick, P-30768 2555 Crooks Rd Ste 150 Troy, MI 48084-4742		**Defendant's Attorney**

CASE FILING FEE	JURY FEE
[X] Case Filing Fee - $150.00	[ ] Jury Fee - $85.00

ISSUED	THIS SUMMONS EXPIRES	DEPUTY COUNTY CLERK
2/12/2015	5/14/2015	File & Serve Tyler

*This summons is invalid unless served on or before its expiration date. CATHY M. GARRETT - WAYNE COUNTY CLERK

NOTICE TO THE DEFENDANT: In the name of the people of the State of Michigan you are notified:

1. You are being sued.

2. YOU HAVE 21 DAYS after receiving this summons to file an answer with the court and serve a copy on the other party or take other lawful action (28 days if you were served by mail or you were served outside this state).

3. If you do not answer or take other action within the time allowed, judgment may be entered against you for the relief demanded in the complaint.

X There is no other pending or resolved civil action arising out of the same transaction or occurrence as alleged in the complaint.

___ A civil action between these parties or other parties arising out of the transaction or occurrence alleged in the complaint has been previously filed in _____ Court.

___ There is no other pending or resolved action within the jurisdiction of the family division of circuit court involving the family or family members of the parties.

___ An action within the jurisdiction of the family division of circuit court involving the family or family members of the parties has been previously filed in _____ Court.

The docket number and assigned judge of the civil/domestic relations action are:

Docket No.	Judge	Bar No.

The action [ ] remains [ ] is no longer pending.

THIRD JUDICIAL CIRCUIT OF MICHIGAN

I declare that the complaint information above and attached is true to the best of my information, knowledge, and belief.

Date _____ Signature of attorney/plaintiff _____

COMPLAINT IS STATED ON ATTACHED PAGES. EXHIBITS ARE ATTACHED IF REQUIRED BY COURT RULE.

If you require special accommodations to use the court because of a disability or if you require a foreign language interpreter to help you to fully participate in court proceedings, please contact the court immediately to make arrangements.

MC 01-3CC (09/2008) SUMMONS AND RETURN OF SERVICE

MCR 2.102(B)(11), MCR 2.104, MCR 2.105, MCR 2.107, MCR 2.113(C)(2)(a),(b), MCR 3.206(A)

STATE OF MICHIGAN THIRD JUDICIAL CIRCUIT WAYNE COUNTY	RETURN OF SERVICE	CASE NO. 15-001851-CL

TO PROCESS SERVER: You are to serve the summons and complaint not later than 91 days from the date of filing or the date of expiration on the order for second summons. You must make and file your return with the court clerk. If you are unable to complete service you must return this original and all copies to the court clerk.

CERTIFICATE / AFFIDAVIT OF SERVICE / NONSERVICE

☐ **OFFICER CERTIFICATE** OR ☐ **AFFIDAVIT OF PROCESS SERVER**

I certify that I am a sheriff, deputy sheriff, bailiff, appointed court officer, or attorney for a party [MCR 2.104(A)(2)], and that: (notarization not required)

Being first duly sworn, I state that I am a legally competent adult who is not a party or an officer of a corporate party, and that: (notarization not required)

☐ I served personally a copy of the summons and complaint,

☐ I served by registered or certified mail (copy of return receipt attached) a copy of the summons and complaint, together with _____

List all documents served with the Summons and Complaint

on the defendant(s):

Defendant's name	Complete address(es) of service	Day, date, time

☐ I have personally attempted to serve the summons and complaint, together with any attachments, on the following defendant(s) and have been unable to complete service.

Defendant's name	Complete address(es) of service	Day, date, time

I declare that the statements above are true to the best of me information, knowledge and belief.

Service fee	Miles traveled	Mileage fee	Total fee
$	$	$	$

_____
Signature

_____
Name (type or print)

_____
Title

Subscribed and sworn to before me on _____, _____ County, Michigan.
Date

My commission expires: _____ Signature: _____
Date Deputy court clerk/Notary public

Notary public, State of Michigan, County of _____

ACKNOWLEDGMENT OF SERVICE

I acknowledge that I have received service of the summons and complaint, together with _____
Attachments

_____ on Monday March 2, 2015
Day, date, time

CN _____ on behalf of City of Detroit
Signature Charles N. Raimi

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STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

DETROIT POLICE LIEUTENANTS
AND SERGEANTS ASSOCIATION,

Plaintiff,

v.

Case No.

HON.

CITY OF DETROIT, A Municipal
Corporation, MICHAEL DUGGAN,
Mayor, and MICHAEL HALL,
Director Human Resources,

Defendants.
_____/

PETER P. SUDNICK (P30768)
SudnickLaw, P.C.
Attorney for Plaintiff
2555 Crooks Road, Suite 150
Troy, Michigan 48084
(248) 643-8533
_____/

SUDNICKLAW, P.C., 2555 CROOKS ROAD, SUITE 150, TROY, MI 48084 (248) 643-8533

VERIFIED COMPLAINT FOR INJUNCTIVE RELIEF

There is no other pending or resolved civil action arising out of the transaction or occurrence alleged in the complaint.

The Plaintiff, Detroit Police Lieutenants and Sergeants Association ("DPLSA"), by its attorney, Peter P. Sudnick, for its Verified Complaint for Injunctive Relief, states as follows:

INTRODUCTION

1. The Defendant City executed a Collective Bargaining Agreement between the City and DPLSA on November 6, 2014. The Collective Bargaining Agreement provides for

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medical and hospitalization benefits for active DPLSA members that include coverage for the active member's spouse and children at the election of the active member. Without the consent or agreement of the Plaintiff DPLSA, the Defendant City on or about January 8, 2015 unilaterally and arbitrarily revoked the contractual right of an active member to elect two person or family coverage that included the spouse of the active member if the spouse was a retiree of the City. The City terminated the medical coverage for the retired spouse of an active member who elected spousal coverage effective February 1, 2015. On February 3, 2015, the Plaintiff DPLSA filed a Charge with the Michigan Employment Relations Commission claiming that the City's termination of a retiree spouse's coverage amounts to a repudiation of the DPLSA collective bargaining agreement in Violation of Sections 10(1)(a) and (e) of the Public Employment Relations Act, MCL 423.210(a) and (e). Because this action by the City is causing immediate and irreparable harm to the affected active DPLSA members, the Plaintiff is herein seeking injunctive relief in aid of the jurisdiction of the Michigan Employment Relations Commission in accordance with Section 16(h) of Act 336 of 1947, as amended, MCL 423.216(h).

PARTIES

2. Plaintiff, Detroit Police Lieutenants and Sergeants Association ("DPLSA") is a labor organization as defined by MCL 423.2(g) and the exclusive bargaining representative as defined in MCL 423.201(a) for employees of the City of Detroit ("City") in the classifications of Detective, Police Investigator, Police Sergeant, Police Sergeant – Promotion List, Senior Communications Officer – Sergeant, Senior Radio Maintenance Officer – Police Sergeant, Police Sergeant – Chemist, Master Sergeant, Police Lieutenant, Supervisor of Radio Systems and Planning – Police Lieutenant, Supervisor of Operations – Police Lieutenant, Supervisor of

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Radio Maintenance – Police Lieutenant, and Supervisor of Firearms Identification and Explosives – Police Lieutenant.

3. Defendant, City of Detroit ("City") is a municipal corporation and a political subdivision of the State of Michigan which operates pursuant to a "home rule" charter. Defendant City is an employer as defined in MCL 423.2(f) and a party to a collective bargaining agreement governed in part by the provisions of the Public Employment Relations Act, MCL 423.201 *et seq.*, specifically the provisions of MCL 423.210.

4. Defendant Michael Duggan is the duly elected Mayor of the Defendant City.

5. Defendant Michael Hall is the duly appointed Director of Human Resources and Labor Relations for the Defendant City.

JURISDICTION AND VENUE

6. The jurisdiction of this Court is invoked pursuant to Rule 3.310 of the Michigan Court Rules of 1985 and MCL 423.216(h) of the Public Employment Relations Act ("PERA") which states:

> Section 16. Violations of the provisions of Section 10 shall be deemed to be unfair labor practices remediable by the commission in the following manner:
>
> * * *
>
> (h) The commission or any charging party shall have power, upon issuance of a complaint as provided in subdivision (a) charging that any person has engaged in or is engaging in an unfair labor practice, to petition any circuit court within any circuit where the unfair labor practice in question is alleged to have occurred or where such person resides or exercises or may exercise its governmental authority, for appropriate temporary relief or restraining order, in accordance with the general court rules, and the court shall have jurisdiction to grant to the commission or any charging party such temporary relief or restraining order as it deems just and proper.

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7. The relief sought by the Plaintiff DPLSA is equitable in nature in that it seeks to prevent immediate and irreparable harm to its members during the pendency of the MERC unfair labor practice hearing in accordance with Section 16(h) of the PERA.

8. Venue is proper as Defendant City conducts its business and operates in Wayne County, State of Michigan, and all the actions complained of and resulting in the MERC unfair labor practice charge occurred in Wayne County, State of Michigan.

FACTS

9. Plaintiff DPLSA incorporates paragraphs 1 through 8 of this complaint as though fully alleged herein.

10. The City is an employer as defined under Section 2(f) of the Labor Mediation Act, MCL 423.1 *et seq*., and as used in Section 10(1) of the Public Employment Relations Act, MCL 423.201 *et seq*.

11. On November 6, 2014, the City and DPLSA executed a Collective Bargaining Agreement ("Agreement" or "CBA") which was incorporated into the Chapter 9 City of Detroit Plan of Adjustment ("POA") in U.S. Bankruptcy Court Case No. 13-53846. The Agreement was duly authorized and approved by the State Treasurer and the City of Detroit Emergency Manager and continues in full force and effect through June 30, 2019 [Exhibit 1].

12. Under Article VII, paragraph B, of the Eighth Amended Plan of Adjustment of Debts of the City of Detroit, U.S. Bankruptcy Court, Eastern District of Michigan, Chapter 9 Case No. 13-53846, that addresses the Retention of Jurisdiction of the Bankruptcy Court, the enforcement, interpretation, and resolution of the terms of the contracts [collective bargaining agreements identified on Exhibit II. D. 5 of the Eighth Plan of Adjustment of Debts, including

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the Agreement or CBA between the City and DPLSA] shall proceed under applicable state law (emphasis added) [Exhibit 2].

13. Article 43 of the Agreement or CBA between the City and DPLSA [Medical Insurance and Optical Care] states that covered active employees will be eligible to participate in the group medical, prescription drug, dental and vision plans ("Medical Plans") as described in the City's 2014 medical plan designs for the term of the Agreement or CBA [Exhibit 3].

14. In accordance with the terms of Article 43, paragraph B, of the Agreement or CBA [Exhibit 3], eligible active DPLSA members are entitled to select the coverage tier under the Medical Plan, i.e., single, two-person, or family coverage. The two-person and family coverage tiers include the spouse of the active member. During the applicable enrollment period, active employees electing to include their spouse listed the spouse when requesting either two-person or family coverage.

15. The plain terms of the executed Agreement or CBA covering active DPLSA members permits the eligible active member to select a coverage tier that includes the spouse of the active member without restriction. The participation of the spouse of the active member under either the two-person or family tier is an unrestricted contractual right that inures to the benefit of the active DPLSA member.

16. The medical benefits language of the DPLSA Agreement or CBA does not contain any language that denies or restricts an active DPLSA member from including his or her spouse under the two-person or family medical coverage tier. Neither Article 43 nor any other provision of the Agreement or CBA permits the City to terminate the coverage of a spouse of an active DPLSA member because the spouse is a retiree of the City.

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17. Notwithstanding the plain language of Article 43 of the Agreement or CBA, the City has unilaterally and arbitrarily, without the consent of the DPLSA, notified spouses of active DPLSA members who are retirees of the City that they are no longer eligible for medical coverage under the active medical plan(s) and that their medical coverage was terminated effective February 1, 2015 [Exhibit 4].

18. The City only terminated the medical coverage of those spouses of active members who retired from the City and not those spouses who are not retirees of the City and work, or had worked, elsewhere or do not work at all.

19. The City has refused to rescind the notices terminating the medical coverage for retired spouses of active DPLSA members.

20. The City's action terminating the medical and hospitalization coverage of retired spouses of active DPLSA members amounts to a repudiation of the DPLSA Agreement or CBA as it pertains to medical coverage. This action by the City has resulted in the filing of an unfair labor practice charge by the DPLSA against the City alleging a violation of Sections 10(1)(a) and (e) of the Public Employment Relations Act, MCL 423.210(1)(a) and (e) [Exhibit 5].

21. It is within the jurisdiction of the Circuit Court to exercise its equitable power to enjoin the City's action to ensure that the status quo is maintained until such time as the unfair labor practice is resolved by the Michigan Employment Relations Commission. See, Van Buren Public Schools v Wayne Circuit Judge, 61 Mich App 6 (1975).

22. Plaintiff DPLSA anticipates that its unfair labor practice charge will not be scheduled for hearing at the MERC for at least several months at the earliest and that a decision will not issue until twelve (12) to twenty-four (24) months after the hearing.

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Accordingly, the MERC cannot exercise any remedial authority until well after the City has unlawfully terminated spousal medical coverage and DPLSA member families have been irreparably impacted by the loss of spousal participation in the active member's contractual medical plan.

IMMEDIATE AND IRREPARABLE HARM

23. Plaintiff DPLSA incorporates paragraphs 1 through 22 of this complaint as though fully alleged herein.

24. Section 16(h) of the Public Employment Relations Act, MCL 423.216(h) permits the charging party in an unfair labor practice case to petition the Circuit Court where the unfair labor practice has occurred, or where the person against whom the charge is brought exercises governmental authority, for appropriate temporary relief or restraining order, in accordance with the general court rules, and the Court shall have jurisdiction to grant the charging party such temporary relief or restraining order as it deems just and proper.

25. It is just and proper to issue temporary injunctive relief or restraining order in this matter in aid of MERC's jurisdiction during the pendency of the unfair labor practice proceeding because the City's action terminating medical coverage of the retired spouses of active DPLSA members is causing immediate and irreparable harm in that:

a. The termination of medical coverage was imposed without adequate time to search for and secure affordable coverage for spouses who in some cases need immediate medical attention;

b. The ability to obtain alternative and adequate medical coverage for spouses is creating considerable financial and personal stress for the families of DPLSA members who are suddenly facing unanticipated financial expenses that strain family budgets after having already been forced to suffer pay cuts;

c. The spouses of DPLSA members are facing the possibility of catastrophic financial losses unless alternative coverage is obtained

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quickly even though the cost may be substantial. Certain spouses having existing medical conditions, such as heart conditions, could be confronted with life threatening and financially devastating circumstances with the loss of coverage, or they may have to accept inferior coverage or coverage that further erodes already fragile family budgets;

d. The termination of spousal coverage is causing financial and emotional hardship where health care can now only be secured at considerable cost or, worse yet, the active member's spouse may be forced with having to forego medical care and treatment altogether. Because of the uncertainties inherent in the sudden loss of coverage, it is difficult to ascertain the extent and severity of the impact of the loss which will necessarily reveal itself over time.

[See Affidavits, attached hereto as Exhibit 6].

WHEREFORE, the Plaintiff, Detroit Police Lieutenants and Sergeants Association, respectfully requests that this Court:

a. Order Defendant City to show cause why a preliminary injunction should not issue restraining Defendant City, its agents, employees, attorneys and any person in active concert or participation with it who are actually notified of the Court's order from terminating the medical coverage of spouses of active DPLSA members who have retired from the City during the pendency of the unfair labor practice proceeding before the Michigan Employment Relations Commission;

b. Issue a temporary restraining order enjoining Defendant City, its agents, employees, attorneys and any person in active concert with it who are notified of the Court's order from terminating the medical coverage of spouses who have retired from the City during the pendency of the unfair labor practice proceeding before the Michigan Employment Relations Commission;

c. Order Defendant City to pay to Plaintiff the costs of this action and reasonable attorney fees;

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d. Grant Plaintiff such other further relief as is just and equitable.

I have read the Verified Complaint for Injunctive Relief and affirm that the contents are true and accurate to my knowledge and belief.

DETROIT POLICE LIEUTENANTS AND SERGEANTS ASSOCIATION

By: _____
Mark Young, DPLSA President

STATE OF MICHIGAN)
)ss
COUNTY OF WAYNE)

On this 11th day of February, 2015, before me personally appeared the above-named Mark Young, President of the Detroit Police Lieutenants and Sergeants Association, who being first duly sworn, deposes and says that he has read the foregoing Verified Complaint, by him subscribed, and knows the contents thereof, and that the same are true of his own knowledge, except for those matters which are therein contained stated to be upon his information and belief, and as to those matters, he believes them to be true.

Subscribed and sworn to before me this 11th day of February, 2015.

_____
Notary Public
Wayne County, Michigan
Acting in Wayne County, Michigan
My Commission Expires: 12/5/2019

ELAINE Y. KISNER
Notary Public, State of Michigan
County of Wayne
My Commission Expires Dec. 05, 2019
Acting in the County of Wayne

Respectfully submitted,

SudnickLaw, P.C.

By: _____
Peter P. Sudnick (P30768)
Attorney for Plaintiff DPLSA
2555 Crooks Road, Suite 150
Troy, Michigan 48084
psudnick@sudnicklaw.com
(248) 643-8533

SUDNICKLAW, P.C., 2555 CROOKS ROAD, SUITE 150, TROY, MI 48084 (248) 643-8533

EXHIBIT 1

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN

In re:	Chapter 9
CITY OF DETROIT, MICHIGAN,	Case No. 13-53846
Debtor.	Hon. Steven W. Rhodes

EIGHTH AMENDED PLAN FOR THE ADJUSTMENT OF DEBTS OF THE CITY OF DETROIT
(October 22, 2014)

DAVID G. HEIMAN
HEATHER LENNOX
THOMAS A. WILSON
JONES DAY
North Point
901 Lakeside Avenue
Cleveland, Ohio 44114
Telephone: (216) 586-3939
Facsimile: (216) 579-0212
dgheiman@jonesday.com
hlennox@jonesday.com
tawilson@jonesday.com

BRUCE BENNETT
JONES DAY
555 South Flower Street
Fiftieth Floor
Los Angeles, California 90071
Telephone: (213) 489-3939
Facsimile: (213) 243-2539
bbennett@jonesday.com

JONATHAN S. GREEN
STEPHEN S. LAPLANTE
MILLER, CANFIELD,
PADDOCK AND STONE, P.L.C.
150 West Jefferson
Suite 2500
Detroit, Michigan 48226
Telephone: (313) 963-6420
Facsimile: (313) 496-7500
green@millercanfield.com
laplante@millercanfield.com

ATTORNEYS FOR THE DEBTOR

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EXHIBIT 2

entitled to under the Plan on account of such Allowed Claim had such Claim been Allowed as of the Effective Date. If a Disputed Claim is disallowed by Final Order, the property reserved on account shall become available for Distribution to the Holders of Allowed Claims within the Class(es) entitled to receive such property. Each Holder of a Disputed Claim that ultimately becomes an Allowed Claim will have recourse only to the assets held in the disputed claims reserve and not to any other assets held by the City, its property or any property previously distributed on account of any Allowed Claim.

C. **Objections to Claims.**

1. **Authority to Prosecute, Settle and Compromise.**

The City's rights to object to, oppose and defend against all Claims on any basis are fully preserved. As of the Effective Date, only the City shall have the authority to File, settle, compromise, withdraw or litigate to judgment objections to Claims, including pursuant to the ADR Procedures or any similar procedures approved by the Bankruptcy Court. Any objections to Claims shall be Filed no later than the Claims Objection Bar Date. On and after the Effective Date, the City may settle or compromise any Disputed Claim or any objection or controversy relating to any Claim without any further notice or any action, order or approval of the Bankruptcy Court.

2. **Expungement or Adjustment of Claims Without Objection.**

Any Claim that has been paid, satisfied or superseded shall be expunged from the Claims Register by the Claims and Balloting Agent at the request of the City, and any Claim that has been amended by the Holder of such Claim shall be adjusted on the Claims Register by the Claims and Balloting Agent at the request of the City, without the Filing of an objection and without any further notice or any action, order or approval of the Bankruptcy Court.

3. **Extension of Claims Objection Bar Date.**

Upon motion by the City to the Bankruptcy Court, the City may request, and the Bankruptcy Court may grant, an extension to the Claims Objection Bar Date generally or with respect to specific Claims. Any extension granted by the Bankruptcy Court shall not be considered to be a modification to the Plan under section 1127 of the Bankruptcy Code.

4. **Authority to Amend List of Creditors.**

The City will have the authority to amend the List of Creditors with respect to any Claim and to make Distributions based on such amended List of Creditors without approval of the Bankruptcy Court. If any such amendment to the List of Creditors reduces the amount of a Claim or changes the nature or priority of a Claim, the City will provide the Holder of such Claim with notice of such amendment and such Holder will have 20 days to File an objection to such amendment with the Bankruptcy Court. If no such objection is Filed, the Disbursing Agent may proceed with Distributions based on such amended List of Creditors without approval of the Bankruptcy Court.

ARTICLE VII
RETENTION OF JURISDICTION

Pursuant to sections 105(a), 945 and 1142(b) of the Bankruptcy Code and notwithstanding entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court will retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 9 Case and the Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

A. Allow, disallow, estimate, determine, liquidate, reduce, classify, re-classify, estimate or establish the priority or secured or unsecured status of any Claim, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the amount, allowance, priority or classification of Claims;

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B. Confirm the maturity date and the terms as written of the collective bargaining agreements identified on Exhibit II.D.5 of the Plan, which agreements are incorporated as part of the Plan (it being understood that the enforcement, interpretation and resolution of disputes of the terms of the contracts shall proceed under applicable state law);

C. Resolve any matters related to the assumption, assignment or rejection of any Executory Contract or Unexpired Lease and to hear, determine and, if necessary, liquidate any Claims arising therefrom, including claims for payment of any cure amount;

D. Ensure that Distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;

E. Adjudicate, decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters, and grant or deny any applications involving the City that may be pending on the Effective Date or brought thereafter;

F. Enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases and other agreements or documents entered into or delivered in connection with the Plan, the Disclosure Statement or the Confirmation Order;

G. Resolve any cases, controversies, suits or disputes that may arise in connection with the consummation, interpretation or enforcement of the Plan or any contract, instrument, release or other agreement or document that is entered into or delivered pursuant to the Plan or any Entity's rights arising from or obligations incurred in connection with the Plan or such documents;

H. Approve any modification of the Plan or approve any modification of the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with the Plan or the Confirmation Order, or remedy any defect or omission or reconcile any inconsistency in any order, the Plan, the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with the Plan or the Confirmation Order, or enter any order in aid of confirmation pursuant to sections 945 and 1142(b) of the Bankruptcy Code, in such manner as may be necessary or appropriate to consummate the Plan;

I. Issue injunctions, enforce the injunctions contained in the Plan and the Confirmation Order, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with consummation, implementation or enforcement of the Plan or the Confirmation Order;

J. Adjudicate, decide or resolve any matters relating to the City's compliance with the Plan and the Confirmation Order consistent with section 945 of the Bankruptcy Code;

K. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason or in any respect modified, stayed, reversed, revoked or vacated or Distributions pursuant to the Plan are enjoined or stayed;

L. Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, the Disclosure Statement or the Confirmation Order;

M. Resolve any matters, cases, controversies, suits or disputes that may arise in connection with the FGIC Development Agreement;

N. Resolve any matters, cases, controversies, suits or disputes that may arise in connection with the Syncora Development Agreement

O. Enforce or clarify any orders previously entered by the Bankruptcy Court in the Chapter 9 Case;

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EXHIBIT 3

41. UNIFORMS

A. Employees shall continue to be provided with uniforms and accessories in accordance with present practice.

B. Employees shall receive an annual uniform cleaning allowance of two hundred and fifty dollars ($250) per year payable the first payroll period each fiscal year.

C. The Department will no longer issue replacement uniforms and accessories. Employees will instead receive a uniform allowance of eight hundred and fifty dollars ($850) annually for the procurement and maintenance of all of the member's required uniforms and accessories. The Employee shall be responsible for procuring uniforms and equipment according to Department specifications. This allowance shall not include maintenance and procurement of bulletproof vests or other specialty equipment, which the Department shall continue to procure and issue directly to the Employees. Employees shall continue to receive the annual two hundred and fifty dollar ($250) cleaning allowance. These allowances shall continue to be payable the first payroll period each fiscal year.

42. COPIES OF AGREEMENT

The City agrees to furnish the Association with an electronic copy of this Agreement and 100 paper copies of this Agreement.

43. HOSPITALIZATION, MEDICAL INSURANCE AND OPTICAL CARE

A. During the term of this Agreement, Employees will be eligible to participate in the group medical, prescription drug, dental, and vision plans ("Medical Plans") offered by the City. Unless the parties mutually agree otherwise, the City's 2014 medical plan designs ("Medical Plan Designs") will remain in place during the term of this Agreement. For purposes of this Section, the term Medical Plan Design will collectively refer to deductibles, co-payments, covered services, networks, and third party administrators or insurers.

1. Notwithstanding this section A, the City will promptly analyze providing ScriptGuideRx, Inc. as a pharmacy benefits manager ("PBM") for the self-insured PPO option provided to police and firefighter active employees who enroll for health insurance. The City agrees to include ScriptGuide as a PBM for its self-insured option for active police and firefighter enrollees if (i) the City concludes - in its sole discretion - that ScriptGuide can be provided on a cost neutral or lower cost basis for the City relative to the continued use of Caremark during its first contract year of use and the Contract term, and (ii) following an analysis by the City respecting ScriptGuide's applicable managed formulary, generic utilization, network and co-payment structure, and sharing of that analysis and discussion with the Association, the DPLSA approves the City's use of ScriptGuide as the PBM for its self-insured option for DPLSA, even if the co-pay structure for generic, brand or specialty prescription drugs necessary for cost

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neutrality requires higher active employee co-pays for certain forms of prescription drugs. Notwithstanding the above, the City agrees prior to any final determination, that it will meet and confer with the DPLSA to discuss its findings. The City shall determine whether ScriptGuide will be cost neutral or lower prescription drug costs based on the cost for the entire active population. If ScriptGuide is substituted for Caremark, any savings resulting therefore will be determined and distributed in accordance with Section J(1)(b) of this Article.

B. Employees will be required to make monthly contributions for their benefits based upon the plan and coverage tier selected by the Employee. Monthly contributions will be deducted from Employee payroll disbursements on a pre-tax basis (if authorized by the employee), in accordance with applicable law.

1. For calendar year 2014, Employees' monthly contributions under the City's Medical Plans will remain at the levels in place as of the Effective Date of this Agreement.

2. For subsequent calendar years during the term of this Agreement, Employees' monthly contributions under the City's Medical Plans will be adjusted annually to the level necessary to maintain an 80/20 proportional share of the cost of the medical coverage, subject to the terms and conditions and limitations set forth in this Article. Under this cost sharing arrangement, the City will pay eighty percent (80%) of the costs of each coverage tier in the City's Medical Plans, and Employees participating in each coverage tier will pay twenty percent (20%) of the costs for such coverage tier. Premiums will be calculated as follows:

a. For the Health Alliance Plan ("HAP") health maintenance organization ("HMO") plan, a participating Employee will pay 20% of the premium charged by HAP for his/her coverage tier. Such premiums will be established by HAP, subject to confirmation by an independent enrolled actuary retained by the City ("Enrolled Actuary").

b. For the Blue Cross/Blue Shield ("BCBS") preferred provider organization ("PPO") plan, monthly contributions will be set such that Employees in each coverage tier collectively pay twenty (20%) of the costs for that coverage tier. Such monthly contributions will be calculated by the Enrolled Actuary. Monthly contributions will be calculated in accordance with generally accepted actuarial principles, and will take into account claims experience from the prior fiscal year, inflation, actual and anticipated administrative costs, actual and anticipated fees and surcharges (including those associated with compliance with the Patient Protection and Affordable Care Act ("ACA")), and any other relevant costs or factors as determined by the Enrolled Actuary.

C. C.O.P.S. Health Trust: For calendar year 2015 and for subsequent calendar years during the term of this Agreement, Employees may elect to participate in medical benefit plans

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offered by C.O.P.S. Health Trust ("COPS Trust") in lieu of the City's Medical Plans subject to the following conditions:

1. An Employee who participates in COPS Trust may not concurrently participate in any City Medical Plan.

2. For each Employee who elects to be covered by COPS Trust, the City will make a monthly contribution to COPS Trust that is equal to the lesser of (a) the City's *pro rata* contribution under the HAP Plan in the corresponding coverage tier (*e.g.* single, two person, family) or (b) the City's *pro rata* contribution under the BCBS Plan for the corresponding coverage tier. Under no circumstances will the City's monthly contribution to COPS Trust exceed the City's monthly contribution for coverage under the lowest cost City plan for the applicable coverage tier.

3. The City will have no obligations in connection with COPS Trust other than to make the payments described in this Section C. Specifically, the City will not have any administrative involvement whatsoever in connection with employee participation in COPS Trust, and any employee participating in COPS Trust will be responsible for paying any additional monthly premium payments beyond the City's monthly contribution pursuant to Section C.2 of this Article directly to COPS Trust. Under no circumstances will the City be deemed to be an administrator or fiduciary with respect to any medical plans provided by COPS Trust.

4. The Union agrees to indemnify the City, and hold the City harmless, against any and all claims asserted by employees or third parties against the City or any of its elected or appointed officials, employees, agents, attorneys, or consultants that are in any way related to or connected with employee participation in COPS Trust, any medical plans offered by COPS Trust, including but not limited to any claims for benefits provided to, or denied, City employees by COPS Trust, as well as any and all claims that are in any way related to any acts or omissions by COPS Trust, or its officers, directors, trustees, employees, or agents.

D. VSP: For calendar year 2015 and for subsequent calendar years during the term of this Agreement, Employees may elect to participate in vision benefit plans offered by VSP in lieu of the City's vision plan subject to the following conditions:

1. An Employee who participates in VSP may not concurrently participate in any City vision plan.

2. For each Employee who elects to be covered by VSP, the City will make a monthly contribution to VSP that is equal to the the City's *pro rata* contribution under the Heritage vision plan in the corresponding coverage tier (*e.g.* single, two person, family). Under no circumstances will the City's monthly contribution to VSP exceed the City's monthly contribution for coverage under the lowest cost City plan for the applicable coverage tier.

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3. The City will have no obligations in connection with VSP other than to make the payments described in this Section C. Specifically, the City will not have any administrative involvement whatsoever in connection with employee participation in VSP, and any employee participating in VSP will be responsible for paying any additional monthly premium payments beyond the City's monthly contribution pursuant to Section C.2 of this Article directly to VSP. Under no circumstances will the City be deemed to be an administrator or fiduciary with respect to any medical plans provided by VSP.

4. The Union agrees to indemnify the City, and hold the City harmless, against any and all claims asserted by employees or third parties against the City or any of its elected or appointed officials, employees, agents, attorneys, or consultants that are in any way related to or connected with employee participation in VSP, any vision plans offered by VSP, including but not limited to any claims for benefits provided to, or denied, City employees by VSP, as well as any and all claims that are in any way related to any acts or omissions by VSP, or its officers, directors, trustees, employees, or agents

E. Except as provided in this Article, the extent of coverage under the City's Medical Plans will be governed by the terms and conditions set forth in the applicable Medical Plans offered by the City during the term of this Agreement. Plan documents may be modified or amended by the City from time to time in accordance with the terms of the applicable plan documents, provided that such amendments do not violate the terms of this Article. Any questions or disputes concerning any City Medical Plans will be resolved in accordance with the terms and conditions set forth in the applicable insurance policies or plan documents and will not be subject to the Grievance & Arbitration Procedures set forth in Articles 8 and 9 of this Agreement.

F. The failure of any insurance carrier(s), PBM, or plan administrator(s) to provide any benefit for which it has contracted or is obligated will not result in any liability to the City, nor will such failure be considered a breach by the City of any obligation undertaken under this or any other Agreement. However, nothing in this Agreement will be construed to relieve any insurance carrier(s) or plan administrator(s) from any liability it may have to bargaining unit Employees or beneficiaries of bargaining unit Employees.

G. Except as set forth in this Article, during the term of this Agreement, the City Medical Plans will provide benefits with an actuarial value as determined by the Enrolled Actuary that are at the "Gold" level (i.e., approximate actuarial value of 80%), as defined by the ACA. In the event that the actuarial value of a City Medical Plan's benefits falls below the "Gold" level as determined by the Enrolled Actuary during the term of the Agreement, the City will meet and confer with the Union to discuss potential modifications to the Medical Plan during the subsequent plan year to raise the actuarial value of the benefits to the "Gold" level.

H. Notwithstanding any provision in this Article that could be construed to the contrary, this Article will not be construed to require the City to fall out of compliance with the requirements Public Act 152 of 2011 ("PA 152"), MCL § 15.561 *et. seq.* The City's

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Enrolled Actuary will be responsible for periodically monitoring compliance with the requirements of PA 152. In any event where the Enrolled Actuary determines that the City is reasonably likely to fall out of compliance with PA 152, the City will meet and confer with the Union for a period not longer than thirty (30) days in order to discuss potential modifications to the terms of the Medical Plans or to the allocation of premium payments by the City and the Employees. To the extent the City and the Union are unable to reach an agreement within thirty (30) days, the City may make any necessary modifications to ensure compliance with PA 152.

I. Surviving Spouses/Dependents. Current and future spouses and dependents of bargaining unit employees who are killed in the line of duty will be eligible to continue to participate in the City's Hospitalization, Medical Insurance, Optical and Dental care plans on the same terms and conditions as active bargaining unit members.

J. Retiree Medical Benefits.

1. Retiree Medical Subsidy. The City will contribute the following amounts towards the cost of retiree health benefits for Eligible Retirees (the "Retiree Medical Subsidy"):

a. On or before January 31, 2015 (and each subsequent January 31 during the term of this Agreement), the City will contribute a total sum of one million dollars and no cents ($1,000,000.00) to the COPS Trust VEBA to fund retiree medical benefits for City of Detroit employees (and Eligible Retirees) in the bargaining units represented by the DPLSA, the Detroit Fire Fighters Association (DFFA), the Detroit Police Command Officers Association (DPCOA), and the Detroit Police Officers Association (DPOA) (collectively, the "Public Safety Unions"). The amount contributed on behalf of the DPLSA will be determined by: (a) dividing the total DPLSA bargaining unit headcount as of July 1, 2014, by (b) the total active employee headcount in the four Public Safety Unions as of July 1, 2014, and then (c) multiplying the quotient by $1,000,000.00 (DPLSA headcount ÷ total Public Safety Union headcount) × $1,000,000.00).

b. In addition, if, pursuant to the May 5, 2014 Term Sheet, ScriptGuide is substituted for Caremark for DPLSA employees in connection with the self-insured PPO option, no later than 90 days after the close of a calendar year, the City shall direct an independent third party prescription drug audit specialist of the City's choosing – which may include Remedy Analytics or Trivantage Pharmacy Strategies LLC -- to conduct a PBM pricing audit. The audit specialist shall obtain individual prescription drug claim data and pricing data from ScriptGuide, and a reasonable sampling of similar data from the City employee population that is covered by Caremark, and shall examine the contract provisions and actual pricing application and compare such data. Based on such information and other relevant information as the audit specialist determines, the audit specialist

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shall then determine in its sole discretion the extent of the cost savings to the City from using ScriptGuide in comparison to Caremark. The third party audit specialist's determination shall be binding and the union shall not be able to grieve, arbitrate, mediate or otherwise litigate that determination. Any cost savings determined by the third party specialist shall be split 50-50 between the City and the covered employees in the following manner; An amount equal to 50% of the cost savings shall be applied in the year following the determination to retiree health benefits for DPLSA active members.

c. Any foundation money available to fund medical benefits for Public Safety Union retirees shall also be contributed to the COPS Trust VEBA.

2. No Additional Liability. Other than the Retiree Medical Subsidy, the City shall not be required to pay any additional amounts including, but not limited to start-up costs, to the COPS Trust VEBA, or to pay any other sums (including but not limited to administration expenses), in connection with retiree health coverage for Eligible Retirees during the term of the Agreement. Moreover, the parties agree that COPS Trust shall have sole responsibility for maintaining and investing all funds contributed by the City pursuant to this Article 43, Section J, and shall be solely responsible for determining the benefit design and form, amount, and timing of all benefit payments to Eligible Retirees pursuant to this Agreement, and COPS Trust shall have sole responsibility to ensure that all of COPS Trust's acts or omissions with respect to the provision of benefits to Eligible Retirees comply with applicable law. As such, other than its obligation to timely pay the Retiree Medical Subsidy, the City shall have no responsibility and shall face no liability to any party with respect to the provision of benefits to Eligible Retirees pursuant to Article 43, Section J.

3. Indemnification. The Union agrees to indemnify the City, and hold the City harmless, against any and all claims asserted by employees or third parties against the City or any of its elected or appointed officials, employees, agents, attorneys, or consultants that are in any way related to or connected with employee or Eligible Retiree participation in the COPS Trust VEBA, including but not limited to any claims for benefits provided to, or denied, City employees or Eligible Retirees (or their spouses or dependents) by the COPS Trust VEBA, as well as any and all claims by other persons that are in any way related to any acts or omissions by the COPS Trust VEBA, or its officers, directors, trustees, employees, or agents.

4. Eligibility. Employees who retire on or before December 31, 2014 shall participate in the OPEB settlement available to existing retirees in accordance with the Plan of Adjustment in In re City of Detroit, Case No. 13-53846. Employees who retire and receive pension benefits from the PFRS on or after January 1, 2015 ("Eligible Retirees") shall be eligible for retiree health care benefits from the COPS Trust VEBA as determined by such VEBA and as set forth herein.

MB

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EXHIBIT 4

City of Detroit
Benefits Administration Office
2 Woodward Room 304, Detroit, MI 48206

CONFIRMATION NOTICE OF HEALTH/DENTAL/VISION CARE COVERAGE CHANGE

January 8, 2015

Dan Headapohl
52507 Robins Nest
Chesterfield, MI 48047

Dear Dan Headapohl,

This notice is to inform you that the City of Detroit's Benefits Administration Office has conducted an audit and our records indicate that you are a retiree of the City of Detroit and that you are enrolled in an active City of Detroit employee medical plan. As a retiree of the City of Detroit, you are not eligible to be enrolled on the City's active medical plan. The Benefits Administration Office's records indicate that you are however eligible for the Non Medicare Eligible Stipend offered to the City retirees. Therefore, your medical coverage on the City of Detroit's active medical plan will terminate effective 2/1/2015 and will be replaced by the aforementioned stipend you are eligible for. Please keep this notice for your records.

Reason for the change:

- ☐ Retiree's request.
- x Audit
- ☐ Failure to provide appropriate documentation.
- ☐ Not Eligible for active City of Detroit medical coverage
- ☐ Enrollment into Medicare Parts A & B effective
- ☐ Disenrollment from Medicare Parts A and B.
- ☐ Wayne County Rescission of Health Care Coverage for dependent.
- ☐ Other:

Your medical coverage and retiree contribution amount will be as follows effective February 2015:

Plan Description & Coverage Type: Non Medicare Eligible Stipend

You may contact Benefits Express at (855) 224-6200 with any questions or concerns.

Sincerely,

Benefits Administration Office

cc: file

EXHIBIT 5

CHARGE

Michigan Department of Licensing and Regulatory Affairs
Employment Relations Commission (MERC)
Labor Relations Division
313-456-3510

Authority: P.A. 380 of 1965, as amended.

INSTRUCTIONS: File an original and 4 copies of this charge (including attachments) with the Employment Relations Commission at: Cadillac Place, 3026W. Grand Boulevard, Suite 2-750, PO Box 02988, Detroit MI 48202-2988 or 611 W. Ottawa St., 2nd Floor, PO Box 30015, Lansing, MI 48909. The Charging Party must serve the Charge on the opposing side within the applicable statute of limitations, and must file a statement of service with MERC.
(Refer to the "How to File a Charge" document under the "Forms" link at www.michigan.gov/merc.)

Complete Section 1 if you are filing charges against an employer and/or its agents and representatives. —or—
Complete Section 2 if you are filing charges against a labor organization and/or its agents and representatives.

1. EMPLOYER AGAINST WHICH THE CHARGE IS BROUGHT Check appropriate box: ☐ Private ☑ Governmental

Name and Address:

City of Detroit
Attn: Michael Hall, Director Human Resources and Labor Relations
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 316
Detroit, Michigan 48226

RECEIVED
2015 FEB -3 AM 11:54
STATE EMPLOYMENT RELATIONS COMMISSION

2. LABOR ORGANIZATION AGAINST WHICH THE CHARGE IS BROUGHT

Name and Address:

3. CHARGE

Pursuant to the ~~Labor Mediation Act (LMA) or~~ Public Employment Relations Act (PERA) *(cross out one)*, the undersigned charges that the above-named party has engaged in or is engaging in unfair labor practices within the meaning of the Act.

On an attached sheet you must provide a clear and concise statement of the facts which allege a violation of the LMA or PERA, including the date of occurrence of each particular act and the names of the agents of the charged party who engaged in the complained of conduct. The charge should describe who did what and when they did it, and briefly explain why such actions constitute a violation of the LMA or PERA.

The Commission may reject a charge for failure to include the required information. However, it is not necessary to present your case in full at this time. Documentary material and exhibits ordinarily should not be submitted with this charge form.

4. Name and Address of Party Filing Charge (Charging Party) (If labor organization, give full name, including local name and number)	Telephone Number:
Detroit Police Lieutenants and Sergeants Association	(313) 961-5990

5. List ALL related MERC case(s) (if any): None
(Name of parties)

Case No.: _____ Judge: _____

Case No.: _____ Judge: _____

I have read this charge and it is true to the best of my knowledge and belief.

_____
Signature of Representative/Person Filing Charge

Email: psudnick@sudnicklaw.com	
Telephone/Cell No.: (248) 643-8633	
Print Name and Title: Peter P. Sudnick, Attorney for DPLSA	Fax No.: (248) 643-0417
Street Address: 2555 Crooks Road, Suite 150	City: Troy / State: MI / Zip Code: 48084

The Department of Licensing and Regulatory Affairs will not discriminate against any individual or group because of race, sex, religion, age, national origin, color, marital status, disability, or political beliefs. If you need assistance with reading, writing, hearing, etc., under the Americans with Disabilities Act, you may make your needs known to this agency.

BER____ (5/27)

CHARGE

The Charging Party, Detroit Police Lieutenants and Sergeants Association ("DPLSA"), alleges a violation of Sections 10(1)(e) and (a) of the Public Employment Relations Act, MCL 423.201 et seq., stating as follows:

1. The DPLSA is the exclusive bargaining representative for employees of the City of Detroit ("City") in the classifications of Detective, Police Investigator, Police Sergeant, Police Sergeant-Promotion List, Senior Communications Officer-Police Sergeant, Senior Radio Maintenance Officer-Police Sergeant, Police Sergeant-Chemist, Master Sergeant, Police Lieutenant, Supervisor of Radio Systems and Planning-Police Lieutenant, Supervisor of Operations-Police Lieutenant, Supervisor of Radio Maintenance-Police Lieutenant, and Supervisor of Firearms Identification and Explosives-Police Lieutenant.

2. The City is an employer as defined under Section 2(f) of the Labor Mediation Act, MCL 423.1 et seq., and as used in Section 10(1) of the Public Employment Relations Act, MCL 423.201 et seq.

3. On November 6, 2014, the City and DPLSA executed a collective bargaining agreement ("Agreement") which was incorporated into the Chapter 9 City of Detroit Plan of Adjustment in U.S. Bankruptcy Court Case No. 13-53846. The Agreement was duly authorized and approved by the State Treasurer and City of Detroit Emergency Manager and continues in full force and effect through June 30, 2019 [Exhibit 1].

4. Under Article VII, paragraph B, of the Eighth Amended Plan of Adjustment of Debts of the City of Detroit ("Plan"), U.S. Bankruptcy Court, Eastern District of Michigan, Chapter 9 Case No. 13-53846, that addresses the Retention of Jurisdiction of the Bankruptcy Court, the enforcement, interpretation, and resolution of disputes of the terms of the contracts [collective bargaining agreements identified on Exhibit II. D. 5 of the Plan, including the Agreement between the City and DPLSA] shall proceed under applicable state law [Exhibit 2].

5. Article 43 of the Agreement between the City and DPLSA [Medical Insurance, and Optical Care] states that covered active employees will be eligible to participate in the group medical, prescription drug, dental and vision plans ("Medical Plans") as described in the City's 2014 medical plan designs for the term of the Agreement.

6. In accordance with the terms of Article 43, paragraph B of the Agreement, eligible active employees are entitled to select the coverage tier under the Medical Plans, i.e., single, two-person or family coverage. The two-person and family coverage tiers include the spouse of the active employee. During the applicable enrollment period, active employees list the persons included in the two-person and family coverage tiers, including the spouse of the active employee.

7. The plain terms of the executed Agreement covering active DPLSA members permits the eligible active member to select a coverage tier that includes the spouse of the active member without restriction. The participation of the spouse of the active DPLSA member under either the

two-person or family tier coverage is an unrestricted contractual right that inures to the benefit of the active DPLSA member.

8. The medical benefits language of the DPLSA Agreement does not contain any language that denies or restricts an active DPLSA member from including his or her spouse under the two-person or family medical coverage. Neither Article 43 nor any other provision of the Agreement permits the City to deny coverage under the active medical plan to a spouse of an active DPLSA member because the spouse is a retiree of the City.

9. Notwithstanding the plain language of Article 43 of the Agreement, the City has unilaterally and arbitrarily, without the consent or agreement of the DPLSA, notified spouses of active DPLSA members who are retirees of the City that they will no longer be eligible for medical coverage under the active member plan and that their medical coverage will terminate effective February 1, 2015 [Exhibit 4].

10. The City has refused to rescind the notices terminating the medical coverage of retired spouses of active DPLSA members.

11. The action of the City terminating the medical coverage of retired spouses of active DPLSA members amounts to a repudiation of the DPLSA Agreement as it pertains to active medical coverage and constitutes a violation o f Sections 10(1)(a) and (e) of the Public Employment Relations Act, MCL 423. 210(1)(a) and (e).

12. The action of the City terminating the medical coverage of retired spouses of active DPLSA members is causing immediate and irreparable harm in that spouses wrongfully denied participation in active medical coverage are without the means to obtain replacement coverage in order to secure necessary medical care and treatment. In some cases, health care and medical treatment can only be obtained at considerable cost creating undue financial and medical hardship on the families of active DPLSA members.

WHEREFORE, the Charging Party, Detroit Police Lieutenants and Sergeants Association, respectfully requests that the Commission:

(1) Compel the Respondent City to answer the Charge;

(2) Schedule an immediate hearing in this matter;

(3) Petition the Circuit Court for the 3rd Judicial Circuit, Wayne County, Michigan, for a preliminary injunction or temporary restraining order in aid of the Commission's jurisdiction enjoining the City from terminating the medical coverage of retired spouses of active DPLSA members until the Commission can conduct a hearing on the charge and issue a final order in this case;

(4) Sustain the Charge in its entirety;

(5) Fashion an appropriate remedial order to include directing the City to cease and desist from refusing to allow retired spouses of active DPLSA members to participate in the active medical plan; notice posting; a make-whole provision; an award of litigation expenses; and such other relief as it finds just and proper in this case.

EXHIBIT 6

AFFIDAVIT

SGT. SHANNON ~~DEKIN~~ Dekun

STATE OF MICHIGAN)
)ss
COUNTY OF WAYNE)

On this 12th day of February, 2015, Shannon ~~Dekin~~ Dekun appeared before this undersigned notary public and, being first duly sworn, did depose and say as follows:

1. I am currently employed by the City of Detroit Police Department in the rank of sergeant. I have over 19 years of service and I am assigned to the detective unit at the 9th Precinct.

2. Approximately 10 years ago, I elected family medical coverage. This coverage included my spouse who is currently a retiree of the City of Detroit who worked as a police officer in narcotics for approximately 15 years before he was forced to retire because of a heart condition.

3. In 2008, my spouse, Michael ~~Dekin~~ Dekun, suffered a major heart attack causing him to retire in 2009. Because of his heart condition, he is constantly monitored and required to take heart medications. The medical costs and expenses associated with his heart attack in 2008 were in the high six figures and would have exhausted all of our family assets without the benefit of family medical coverage provided under the DPLSA collective bargaining agreement.

4. Following the retirement of my spouse in 2009, I continued to elect family coverage which included my spouse. This coverage continued under the terms of the 2014-2019 DPLSA collective bargaining agreement as I understand them.

SUDNICK LAW, P.C., 2555 CROOKS ROAD, SUITE 150, TROY, MI 48084 (248) 643-8533

5. Up through the current date I have been contributing to family medical coverage through payroll deduction.

6. I received no prior notice or indication before the second week of January, 2015, that the City had decided to terminate my spouse's participation in the family medical coverage effective February 1, 2015. I was devastated by the notification and fearful of the emotional and financial consequences of a medical emergency.

7. In order to address the lack of spousal medical coverage to which my spouse was entitled by the terms of the DPLSA collective bargaining agreement, I applied for a hardship to obtain monies from my deferred compensation plan.

8. I intend to use the deferred compensation monies which were intended for my eventual retirement to obtain medical coverage for my spouse.

9. The sudden termination of spousal coverage apparently only applies to spouses who retired from the City of Detroit and not to other spouses of DPLSA members who did not retire from the City. To single out spouses who retired from the City and provided service to the City at great personal risk, is grossly unfair and contrary to the medical benefit I have a right to elect under the terms of the collective bargaining agreement.

10. I now have to secure alternative coverage for my spouse before any possible medical emergency at significant, unexpected cost. This has caused considerable stress and hardship for my family. It causes coverage concerns and denies me the security of family coverage that I understood was a benefit to which I was entitled as part of my employment with the City.

SUDNICKLAW, P.C., 2555 CROOKS ROAD, SUITE 150, TROY, MI 48084 (248) 643-8533

I declare that to the best of my knowledge and belief the information contained herein is true and correct.

Shannon ~~Dekin~~
Dekun

Subscribed and sworn before me
this 13th day of February, 2015.

Notary Public
Wayne County, Michigan
Acting in Wayne County, Michigan
My commission expires: 12/5/2019

ELAINE Y. KISNER
Notary Public, State of Michigan
County of Wayne
My Commission Expires Dec. 05, 2019
Acting in the County of Wayne

SUDNICKLAW, P.C., 2555 CROOKS ROAD, SUITE 150, TROY, MI 48084 (248) 643-8533

AFFIDAVIT

SGT. NANCY HEADAPOHL

STATE OF MICHIGAN)
)ss
COUNTY OF WAYNE)

On this 12th day of February, 2015, Nancy Headapohl appeared before this undersigned notary public and, being first duly sworn, did depose and say as follows:

1. I am currently employed by the City of Detroit Police Department in the rank of sergeant and I am assigned to midnight patrol, 3rd Precinct.

2. My spouse, Dan Headapohl, worked for the City of Detroit Police Department approximately 35 years before his retirement in 2006.

3. Effective 2014 I elected two-person medical coverage that included my spouse in accordance with the election allowed by the terms of the DPLSA collective bargaining agreement.

4. Throughout 2014 and continuing in 2015, I contributed $68.61 every two (2) weeks for two-person coverage.

5. In January 2015, my spouse received notification from the City of Detroit that it would terminate his participation in my elected family coverage effective February 1, 2015.

6. I was immediately alarmed by this notification because my spouse had undergone heart bypass surgery and is on medication for this condition.

7. We feared what could occur if a medical emergency occurred while we were without adequate medical coverage.

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8. We were told by the City of Detroit that we were not entitled to COBRA coverage because my husband was eligible for a $125 monthly stipend for medical care as a retiree.

9. The stipend was inadequate to address the medical needs of my spouse. We discovered that adequate medical coverage for my spouse would cost approximately $1,200.00 a month or about one-third (1/3) of his monthly pension.

10. The sudden termination of my spouse's participation in my contractual family medical plan has created considerable anxiety and unexpected financial hardship.

11. I understand that spousal coverage has been terminated only for the spouses of DPLSA members who retired from the City of Detroit. Other spouses continue to participate in either the two-person or family medical benefit provided for under the terms of the DPLSA contract. This arbitrary distinction is patently unfair and discriminates against the spouse who provided dedicated service to the City.

I declare that to the best of my knowledge and belief the information contained herein is true and correct.

Nancy Headapohl

Subscribed and sworn before me
this 11th day of February, 2015.

Notary Public
Wayne County, Michigan
Acting in Wayne County, Michigan
My commission expires: 12/5/2019

SUDNICK LAW, P.C., 2555 CROOKS ROAD, SUITE 150, TROY, MI 48084 (248) 643-8533