




**CITY of NOVI CITY COUNCIL**

**Agenda Item Q  
December 19, 2011**

**SUBJECT: Approval of updates to the Administrative Personnel Policy – Amend employee healthcare premium contribution from 10% to 20%.**

**SUBMITTING DEPARTMENT:** Human Resources

**CITY MANAGER APPROVAL:** 

**BACKGROUND INFORMATION:**

The Administrative Personnel policy was last updated in December, 2010. The Policy is being updated to include the most recent administrative changes with regard to employee health insurance premium cost sharing. Pursuant to Public Act 152, City Council, on September 26, 2011, voted to adopt the 80%/20% option as set forth by the Act. The change is as follows:

- **Article 7. Employee Relations**

**Section 15. Health Insurance (page 16)**

Amend amount employees contribute for their health insurance from 10% to 20% effective January 1, 2012.

**RECOMMENDED ACTION: Approval of updates to the Administrative Personnel Policy – Amend employee healthcare premium contribution from 10% to 20%.**

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Casey				
Council Member Fischer				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Wrobel				

**CITY OF NOVI**  
**ADMINISTRATIVE PERSONNEL POLICY**



Adopted: July 1, 1982  
| Updated: December 4, 2010

## **ARTICLE 1. ADMINISTRATIVE PERSONNEL POLICY OBJECTIVES**

### **Section 1. Purpose of Administrative Personnel Policy**

It is the purpose of this Administrative Personnel Policy to provide for an orderly system of personnel management. The rules and procedures hereinafter set forth, together with any future modifications made in accordance with the City Charter and this Policy, shall govern the conditions of employment for all permanent full-time administrative City employees. This document is intended to set forth and compile the policies and procedures established by the City Administration and, where applicable, the City Council; in the event of an inconsistency between this document and an action taken by the City Council as part of its Charter authority, the latter shall apply.

It is fully recognized that certain administrative positions and operations are defined by law and have various other limitations relative to alterations of service. It is not the intent of this Policy in any way to change such operations but to foster an atmosphere of management development where potential improvements are encouraged and to the mutual review, by each Department Head and the City Manager.

In accordance with the City Charter, certain positions are mandated and certain of these individuals serve at the pleasure of the City Council. The following positions are subject to this Policy except for appointment and dismissal: City Manager, City Clerk, City Assessor. The position of Director of Public Safety/Police Chief shall be appointed by the City Manager after consultation with the Council.

### **Section 2. Administrative Categories**

The City has two basic Administrative categories, 1) Department Heads and Directors, 2) Administrative Staff. The purpose of the Administrative categories is to make necessary distinctions between Department Heads and Directors and Administrative Staff regarding operational authority, supervisory responsibilities and compensation. A listing of all Administrative positions, by category, is included as Appendix A of this document.

It shall be the responsibility of the City Manager and the Director of Human Resources to review the placement of new and existing positions in the appropriate Administrative category. This review shall consider operational authority, supervisory responsibilities, and the involvement in the preparation and implementation of the City budget.

### **Section 3. Policy Administration**

The Director of Human Resources shall be responsible for administration of this Policy. This Administration shall include the development and implementation of specific procedures and programs designed to enhance the following goals:

- A.** That employment in the City service shall be made attractive as a career.
- B.** That all appointments and promotions to positions in this plan shall be on the sole basis of technical competence, merit, and other qualifications, which at the discretion of the Director of Human Resources may be ascertained by means of competitive examinations.
- C.** That position classification and compensation policies shall be prepared and maintained which will conform to the principle of like pay for like work.
- D.** That a performance rating system shall be provided whereby economy and effectiveness in professional services may be promoted to the mutual benefit of the City employees, City officials, City residents, and all taxpayers of the City of Novi.
- E.** That each employee shall be encouraged to render his/her best service to the City.

These rules and procedures are intended to cover most personnel problems and actions and in no way limits the exclusive right and responsibility of the City to manage its operations in the most effective and efficient manner. Those not specifically covered shall be handled by the Director of Human Resources in keeping with the intent of the City Charter, other statutory requirements, and the objectives of these regulations. Policies and Procedures which govern the employment of all City of Novi employees can be found on the City's Employee Intranet under Manager's Office/Policies and Procedures.

### **ARTICLE 2. POSITIONS CLASSIFICATION POLICY**

The Director of Human Resources shall prepare and maintain a written position description for all positions covered by this Policy. In order to create any new position which would be within the Administrative classification, the Director of Human Resources may study and define the position, allocate it to the proper salary grade, ascertain that adequate funds are available to support the position for the remainder of the fiscal year, and to forward this information to the City Manager for action.

## **ARTICLE 3. PAY POLICY**

### **Section 1. Existing Pay Policy**

The pay policy in effect on the date of the adoption of the Administrative Personnel Policy shall remain in operation until modified as a part of the Performance Evaluation process as provided by the City Charter and this regulation. It shall be considered a part of this section and have the same force and effect as these regulations. The Director of Human Resources shall be responsible for interpreting the application of the salary grade plan to address pay problems that are not specifically covered by this plan using the principles expressed herein as a policy guide.

### **Section 2. Direct Deposit**

As of November 1, 2008, all payroll disbursements will be made through direct deposit.

### **Section 3. Salary Range Schedule**

Each year, as part of the budget process, the City Manager shall propose an amount to be appropriated and approved by City Council for proposed salary increases (if any) and range adjustments (if any) for all Administrative positions. This schedule shall be based upon an evaluation of the responsibilities and performance of each Administrative position and a study of comparable salaries for similar positions in comparable communities, private companies (when appropriate), and comparable positions within the City of Novi. The City Manager and City Clerk shall be excluded from this process and their salaries will be determined by City Council.

### **Section 4. Administering The Pay Plan**

The Director of Human Resources shall review the salary of all employees covered by this plan on an annual basis. This review shall consider job performance, any pertinent salary and/or compensation survey of similar positions, and any other factors that may be deemed appropriate. This information and a recommended salary schedule shall be submitted to the City Manager as part of the City's annual budget process.

The City Manager shall have the authority to establish administrative salaries, within the Budget adopted by City Council. All personnel records shall be considered in making performance adjustments with major emphasis placed on the evaluation of services rendered throughout the preceding year through a formal written performance review outlining annual goals and objectives. The evaluation process may also include, but not be limited to:

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- A. Education and training received by the employee that is of direct benefit to the City.
- B. Work relationships and attitudes.

**Section 5. Salary Review Performance Evaluation**

Prior to each fiscal year the City Manager shall meet with each Department Director to discuss, review, and agree upon goals and objectives to be sought and problems to be addressed during the upcoming fiscal year. During such time the City Manager shall evaluate those operations that were subject to such an agreement during the past year and shall review each department's goals and objectives after six (6) months to measure progress, and to consider any changes. The evaluation of departmental and administrative operations may include:

- A. Examination of past budgets and spending plans.
- B. The delivery of new or improved services to the public.
- C. Cost reductions based upon reorganization and realignments of services.
- D. The maintenance of Departmental capital.
- E. Response to service requests and problems of the public.
- F. Future planning.
- G. Other related criteria.

**ARTICLE 4. EMPLOYMENT PROCEDURES**

**Section 1. Application, Examinations and Appointments**

- A. **Application Forms** Applications for positions in the Administrative Personnel Plan shall be made, submitted and processed through the Human Resource Department. These Applications must be filled out in full and signed by the person applying.
- B. **Examinations** All appointments and promotions shall be made without regard to color, age, handicap or disability, marital status, sex, race, religion, height, weight, political affiliation or other unlawful criteria, and shall be based on merit and suitability to the position. Examinations may be written, oral, performance based, or any combination of these that may take into consideration such factors as education, experience, aptitude, knowledge, skill, character, or any other qualifications that may enter into the determination of the relative qualifications of applicants. Promotional examinations shall be open to all regular employees who meet the necessary requirements.
- C. **Physical Examinations** After a conditional offer of employment is

made, all applicants to whom such an offer is made shall be required to undergo a physical examination including a drug screen at the expense of the City. The City may require employees to submit to medical examinations that are job-related and consistent with business necessity. The City of Novi will accommodate employees with a disability unless it causes undue hardship as required by the Americans with Disabilities Act.

- D. **Probationary Period** Employees shall serve a one-year probationary period.
- E. **Lay-Offs** Employees covered by this Plan may be laid off without pay or fringe benefits for any of the following reasons:
  - 1. Consolidation or reassignment of the duties of the position.
  - 2. Elimination of the position.

## Section 2. Records and Reports

- A. **Personnel Transactions** All appointments, separations and other personnel transactions must be made on forms as designated by the Director of Human Resources. Available Leave Reports are to be submitted bi-weekly to Payroll. These reports should be approved by each director and/or managing supervisor and action taken for excessive absences.
- B. **Payroll Certification** The City Manager, the Director of Human Resources, or his/her designee are the only individuals authorized to execute forms related to payroll changes.

## ARTICLE 5. EMPLOYEE PERFORMANCE EVALUATION

### Section 1. Evaluation Procedure

- A. **Objective** All administrative employees shall be evaluated annually, with Goals and Objectives being established in June. Additional reviews may be necessary for newly hired or promoted employees. The purpose of this employee performance evaluation shall be to provide feedback to employees on how they are meeting their established goals and objectives, discuss their professional development as well as ensuring they have the necessary tools available to meet established goals and work plans. During the June performance evaluation consideration shall be given for salary increases, or, if warranted, decreases. Directors should communicate with employees on a regular basis as to whether or not they are

meeting established goals and objectives and performance is at an acceptable standard. This time shall also be reserved for discussing training needs, promotions, demotions, transfers, discipline or dismissal; and for such other purposes as set forth in these regulations.

- B. Evaluation and Review** Evaluation of administrative positions covered by this Plan shall be made by the appropriate Department Head or other designated official and reviewed with the City Manager. In addition, the evaluator shall discuss each performance evaluation with the employee being evaluated. Unless otherwise required by law, all performance evaluations shall be confidential and shall be made available only to 1) the employee evaluated, 2) his/her supervisor or Department Head, 3) the Director of Human Resources or his/her representative. All Department Heads and Directors covered by this Plan shall be evaluated in the prescribed manner by the City Manager.
- C. Demotion** The City Manager may demote any employee covered by the plan when, in his/her opinion, the employee is not performing the duties of his/her current position at the highest level, but meets the minimum qualifications for another necessary and defined position. A written statement of the reasons for such action shall be furnished to the employee prior to demotion.

## **ARTICLE 6. DISCIPLINARY ACTION**

### **Section 1. Basis for Discipline**

- A.** The goal of disciplinary action as outlined herein is employee compliance with a reasonable code of conduct. The purpose of disciplinary action is to insure efficient service to the City's residents. Disciplinary action, up to and including discharge, may be issued when the City Manager and/or the employee's supervisor is not completely satisfied with an employee's conduct or work performance, unless otherwise provided by the City Charter or this regulation. The determination of satisfaction is left to the sole discretion of the City Manager and/or supervisor. The following is a partial list of conduct and/or performance concerns which are not satisfactory to the City and could result in disciplinary action, up to and including discharge:
  - 1.** Being convicted of a felony
  - 2.** Insubordination
  - 3.** Abuse of leave times



4. Absence without proper notification
5. Excessive tardiness
6. Abuse of City property
7. Giving false statements to supervisors or the public
8. Violation of City Ordinances or Administrative Regulations
9. Intoxication or illegal drug use
10. Any discourteous treatment of the public or of other City employees, officials, or members of the City Council
11. Discovery of a false statement in an application that had not been previously detected
12. Malfeasance or misfeasance of duty
13. Work performance unsatisfactory to the employer
14. Any other conduct inappropriate for an administrative employee

## Section 2. Types of Discipline

- A. Following are the types of disciplinary action which may be issued against employees of this Policy: The level of discipline to be issued in a given case is left to the sole discretion of the City and will vary depending upon many factors, including but not limited to the nature of the conduct at issue, and prior disciplinary action.
1. **Reprimand** Verbal or written reprimands may be given to any employee covered by this Policy by his/her immediate supervisor or evaluator. Copies of written reprimands may be made a part of an employee's personnel file and remain as such unless limited by statute.
  2. **Suspension** The City Manager may, for disciplinary purposes, suspend without pay any employee under his control. The City Manager may delegate this authority to the Director of Human Resources as it relates to employees other than Department Heads. Department Heads will exercise this control for any employees within their jurisdiction. The length of a suspension shall be determined by the City Manager or his/her designated representative.
  3. **Dismissal** The City Manager may demote or dismiss any employee covered by this plan, as described in Section 1(A) of this Article. It shall be the responsibility of the City Manager in any case of demotion or dismissal to give the concerned employee a written statement setting forth in substance the reasons for that action, in advance, and to file a copy of such statement in the employee's service record.

**4. Employment Status** The following positions are at-will, and serve at the pleasure of City Council as specified by the City Charter: City Manager, City Clerk and City Assessor. All Department Heads and Directors as identified in Appendix A, Department Heads and Directors, and attached to this Policy, are considered at-will and serve at the pleasure of the City Manager and may be dismissed at any time without cause. As addressed in Article 1, Section 1 of this Policy and in the City's Charter, the appointment and dismissal of the positions of Police and Fire Chief shall be in consultation with the City Council.

**5. Appeal Process**

- a. The sole remedy available to any employee for any alleged inappropriate suspension and/or dismissal shall be pursuant to this Appeal Process.
- b. The affected employee, may submit an appeal from his/her suspension or dismissal to the American Arbitration Association, City Manager and Director of Human Resources, utilizing the expedited labor arbitration process. The written notice of appeal must be delivered to the American Arbitration Association and the City Manager within ten (10) calendar days after the date on which the suspension or dismissal was first effective. If no such notice of appeal is given within the prescribed period, the City's action shall be final and binding on the employee.
- c. The jurisdiction of the Arbitrator shall be limited to the determination of appeals from allegedly inappropriate suspensions and/or dismissals. If either party shall claim before the Arbitrator that a particular appeal fails to meet the tests of arbitration, whether on the basis that it is not a proper subject matter for Arbitration, or that a party has not followed proper procedure, the Arbitrator shall proceed to hear and decide such issue(s) before proceeding, if at all, to hear or take evidence on the underlying merits of that matter. If the appeal concerns matters not subject to Arbitration, the Arbitrator shall return the appeal and all documents relating thereto, to the parties without consideration of or decision on the merits. In the event either party disputes the arbitrability of a grievance in a court of law, the Arbitrator shall have

no jurisdiction to act until the matter is determined by a court of competent jurisdiction from whose decision no appeal is taken.

- d. Powers of the Arbitrator. The Arbitrator shall have no power to add to, subtract from, alter, or modify any of the terms of the Administrative Personnel Policy or any of the functions or responsibilities of the parties. He/she shall have no power to change any practice, policy, or rule of the City. He/she shall have no power to substitute his discretion or judgment for that of the City. His/her powers shall be limited to deciding whether the City has violated the express terms of the Administrative Personnel Plan with respect to suspensions and/or dismissals and he shall not imply obligations and conditions binding upon the City, it being understood that any matter not specifically set forth herein remains with the reserved rights of the City.
- e. The City and the employee shall pay their own costs of processing appeals through the appeals process. The fee of the Arbitrator, his travel expenses and the cost of any room or facilities and the expenses of the Arbitration, including the cost of a transcript, if any, shall be borne equally by the City and the employee. The fee and or wages of representatives, counsel, witnesses, or other persons attending the hearing on behalf of a party and all other expenses shall be borne by the party incurring the same.
- f. The Arbitrator's Decision, when made in accordance with his jurisdiction and authority established by this Administrative Personnel Plan, shall be final and binding upon the employee or employees involved, and the City.
- g. A claim, action or suit filed by an applicant or employee for or in a position covered by this Policy, which is not subject to arbitration as set forth above, must be filed no later than 180 days after the date on which the applicant or employee first becomes aware of cause to file such claim, action or suit regardless of any statute of limitation to the contrary.

## ARTICLE 7. EMPLOYEE RELATIONS

### Section 1. Hours of Work.

The normal basic workday for full time employees shall be eight (8) hours, from 8:00 a.m. to 5:00 p.m. with one (1) hour unpaid for lunch. The basic workweek shall be five (5) days, Monday through Friday. Salaried administrative staff members may be required to work evenings or hours in excess of forty hours in a week. All Administrative employees covered by this Policy are considered Exempt. Exempt staff members do not receive extra compensation for having worked in excess of eight hours in a day or forty hours in a week. In such circumstances wherein staff may be required to work evenings or hours in excess of forty hours in a week, such staff may be allowed to adjust their schedules, within the same week as the excess hours were worked, with the express approval of their supervisor or his/her designee, in recognition of extra hours worked.

### Section 2. Holidays.

Paid holidays for all employees covered by this Plan in the City service shall be as follows:

- \* New Year's Eve Day
- \* New Year's Day
- \* Veteran's Day
- \* Good Friday
- \* Friday after Thanksgiving
- \* Day before Christmas Day
- \* Martin Luther King's Birthday
- \* Memorial Day
- \* Independence Day
- \* Labor Day
- \* Thanksgiving Day
- \* Christmas
- \* President's Day

Other days may be declared Holidays by resolution of the City Council. When one of the above Holidays fall on Saturday or Sunday, it may be observed on the preceding Friday or following Monday respectively. Holidays that occur during vacation leave shall not be charged against annual leave and the employee shall have an additional day off with pay.

### Section 3. Vacations.

Annual vacation credits must be earned before taken. A full-time employee shall earn vacation credits on the following basis:

<u>Years of Service</u>	<u>Weeks per Year</u>
1 through 4	2 weeks
5 through 9	3 weeks
10 through 15	4 weeks
16 and beyond	1 additional day per year to a maximum of 25 days

New employees shall accrue vacation time throughout the calendar year in which they are hired. However, they shall not be eligible to take vacation leave until the subsequent calendar year, with the amount of such leave being prorated from the previous year, based on the above schedule. Thereafter, vacation leave will be earned on a calendar year basis and vacation leave taken in the following calendar year. Employees who do not use all of their vacation time due them in a year may carryover the unused portion to the next year, however they may never have more than the total of their previous year and current year's vacation time. Any vacation time not used that exceeds this two-year limit will be lost. Requests for vacation time for all full-time employees covered by this Plan shall be made in writing to the Department Head for that department. If the Department Head feels that a request will conflict with the Department's work schedule or result in an interruption of service to the public it may be denied. In such cases the Director of Human Resources may authorize a payout of such time, or permit accumulation of vacation beyond the permissible maximum, otherwise no payment for unused vacation days will be allowed.

Depending upon the level of experience a new employee may have in their field, additional vacation time may be granted or a modified accrual schedule may apply, as determined by the City Manager or his/her designee. In such instances this information shall be duly noted in the employee's personnel record.

In the event of illness during an employee's vacation period, the employee may, at his/her option, charge the sick day(s) to their sick leave, provided a doctor's certificate verifies illness. Vacation time will be pro-rated as the result of any unpaid leave.

**Section 4. Sick and Disability Leave.**

Sick leave shall not be considered as an entitlement that an employee may use at his/her discretion, but such sick leave shall be allowed only in cases of actual sickness or disability. Any abuse of sick leave may result in disciplinary action.

Effective January 1, 2011, employees covered under this Policy shall receive eight (8) sick days on January 1 of each year. At no time shall a bank exceed more than eight (8) sick days. Sick time shall not be paid out as part of any resignation, retirement or death..

The City shall provide a Short Term Disability Policy which shall commence on the sixth (6<sup>th</sup>) day of illness or injury. The Policy will pay 75% of an employee's gross pay for the first 60 days and 66% for the remaining duration of the injury or illness, to a maximum weekly benefit of \$1,925, up to a maximum of 26 weeks, or until such time as a doctor has released employee to return to work status. While off work due to an approved Short Term Disability leave, all health care and other benefits shall

continue. There shall be a form for an employee to elect whether they will use leave time **OR** elect to go on STD. This election must be made prior to the beginning of the leave. In cases of extenuating circumstances, an employee may request to file a claim for STD benefits after electing to utilize banked leave time, if their medical leave extends past their original date of anticipated return.

Sick leave with pay in excess of five (5) consecutive workdays will require a doctor's certificate. When it is determined that an employee's request for sick leave is not justified, the value of the absent time may be deducted from the employee's accrued annual leave or from his/her pay.

Sick leave may be used for absence due to serious illness and/or injury in the immediate family. Immediate family shall consist of mother, father, children, spouse, brothers, sisters, grandparents, and grandchildren.

#### **Section 5. Long-Term Disability.**

All full time employees shall be provided with long-term disability insurance. Such coverage shall become effective after a period of six (6) months of continuous disability and shall provide sixty percent (60%) of the employee's salary for a maximum period of five years.

#### **Section 6. Other Leave With Pay.**

Full time employees shall be granted leave with pay for the following reasons and subject to the following restrictions:

- A. Any required appearance before a court on behalf of the City.
- B. Participation in national and state professional association conferences and official meetings which enhance the employee's value to the City and when approved by the appropriate Department Director and City Manager or his/her designee. The City Manager may grant additional days for other professional and technical training deemed appropriate for training and development purposes.
- C. Jury Duty, if the employee returns to the City any fee received for serving on jury other than reimbursements for meals and travel expenses.

#### **Section 7. Leave Without Pay.**

Employees may be granted leave without pay at the discretion of the Department  
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Director and the Director of Human Resources if in their opinion such leave would not create a hardship on the department or interrupt city services. Failure of an employee to return to duty upon the expiration of his/her leave without pay shall be interpreted as a resignation.

### **Section 8. Family Leave.**

The Family and Medical Leave Policy outlines full time personnel's options with regard to time off under this Act. This Policy as well as other City of Novi Policies and Procedures can be found on the Employee Intranet under City Manager/Policies and Procedures.

### **Section 9. Educational Leave.**

A full-time employee covered by this Policy may be given educational leave with full or partial pay for the purpose of taking courses directly related to his/her work as determined by the Department Head with approval by the City Manager or his/her designee. Requests for such leave must be approved in advance by the Director of Human Resources and Department Head and they may not exceed a total of twenty days or one hundred sixty (160) hours in any one calendar year.

### **Section 10. Duty Disability Leave.**

Full-time employees covered by this Policy occupying a position of a permanent nature who are unable to work as the result of an injury incurred in the performance of his/her job shall receive pay during such disability as follows:

- A. A "duty disability" shall mean a leave required as a result of the employee incurring a compensable illness or injury covered by the Michigan Worker's Compensation Act while in the employ of the City. In order to be eligible for duty disability leave, an employee shall immediately report any illness or injury, however minor, to his/her immediate supervisor. The employee shall also be required to immediately record the injury in writing.

The employee shall receive ninety-five percent (95%) of his/her pay and is not to be charged "sick time" for the first seven (7) days. In the event an employee's illness or disability exceeds seven (7) calendar days, he/she shall cause any applicable insurance disability form to be completed and filed with the City; no further check will be sent to the employee until such forms have been submitted to the City. Eligibility for disability benefits shall depend upon a clear showing by competent medical evidence that such disability leave is necessary.

When absence results from a "duty disability", the benefits provided in this article will terminate at the start of Worker's Compensation payments, thereafter, an employee who is disabled and unable to work because of a duty disability shall receive ninety-five percent (95%) of the employee's regular net pay, which is computed by the employee's actual number of dependents, including sums received by way of weekly benefits under the Worker's Compensation Law, and any other disability benefit provided by law, and disability insurance provided for by this Agreement, and any social security benefits. The City will pay the difference, if any, between all such payments and ninety-five percent (95%) of the employee's regular net pay, computed by the employee's actual number of dependents, for the period of the employee's disability, but not to exceed twelve (12) months from the date of injury or illness. If an employee is unable to return to work after the twelve (12) months has lapsed, the employee will be considered to have resigned from his/her position. All benefits afforded to full time employees will be continued during the period of worker's compensation.

- B. No employee shall be entitled to his/her regular compensation for absence from duty on account of injuries, if said injuries were not job incurred. Such absence from duty will be considered as sick leave and will be governed by the rules pertaining to sick leave.

**Section 11. Personal Leave.**

Each full time employee shall, in addition to his/her regular vacation time, receive five (5) additional days off with pay for personal business, provided it be scheduled by the department in such a manner so as not to inconvenience City operations.

**Section 12. Bereavement Leave.**

In case of death in a full time employee's family, five (5) days not chargeable to vacation, sick or personal leave banks may be granted at full pay upon the approval of the Department Head. For purposes of this section, allowable family members covered shall be not less than those indicated in any union contract. Funeral Leave days shall be no less than provided to any other City employee group. An employee utilizing funeral leave shall fill out the appropriate Funeral Leave Notification Form and attach the signed form to their Administrative Leave record for that time period.

**Section 13. Expense Reimbursement.**

Each full time employee shall be entitled to recover actual out-of-pocket expenses



which may occur from time to time while on official City business. If the employee's automobile was used, they will be reimbursed at the rate established by the Internal Revenue Service. For individuals receiving an auto allowance, reimbursement is not eligible for travel within the State of Michigan.

**Section 14. Life and Accidental Death and Dismemberment Insurance.**

Effective July 1, 2008, this coverage shall be two times the employee's annual salary to a maximum of \$200,000. Any amount over \$50,000 shall be taxed according to IRS regulations.

**Section 15. Health Insurance.**

The City shall provide to each employee and their dependents a comprehensive health care plan, Optical Coverage, Emergency Room Treatment, Pre-Natal Care Rider, and the Drug Prescription Rider options. As of July 1, 2008, employees shall be responsible for 7.5% of the premium charge for their health care plan. Employees shall pay 100% of the family continuation rider for those dependents 19-25 who meet the IRS definition of a full-time student or dependent. These amounts shall be deducted pre-tax the first pay of each month (this requirement shall depend on current IRS and Health Care Reform regulations). Effective July 1, 2010 the prescription drug rider for those employees who have coverage through Blue Cross Blue Shield shall be \$15/\$30/\$60. As of January 1, 2011, employees shall be responsible for 10% of the premium charge for their health care plan. Premium contributions shall be deducted pre-tax the first pay of each month. As of January 1, 2012, employees shall be responsible for 20% of the premium charge for their health care plan.

The City shall provide Delta Dental Plan, Plan C or its equivalent. This coverage shall be subject to an annual cap of \$1,000.00 per person effective January 1, 1996. As of July 1, 2004, the lifetime orthodontic cap shall be \$1,500 per dependent to age 19.

**Section 16. Deferred Compensation.**

All employees will be provided the option of participating in a deferred compensation plan (457 Plan) subject to the limitations and conditions governing supplemental retirement plans.

**Section 17. Retirement.**

All permanent full-time employees of the City shall automatically become members of the Michigan Employees Retirement System and shall be entitled to the benefits as provided. Plan B-2 is based on 2% of the member's final average compensation (FAC-3) multiplied by the years and months of credit service. All  
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contributions to this retirement system shall be fully paid by the City.

Effective July 1, 1996, the City Manager, City Clerk and City Assessor shall participate in retirement Plan B-3 (2.25% multiplier with all contributions to be fully paid by the City.

Effective July 1, 1999, all Administrative employees, except for the City Manager, the City Assessor and the City Clerk (as noted above) shall participate in retirement Plan B-3 (2.25% multiplier). The cost difference between the B-2 and B-3 Plan shall be totally funded through employee contribution of 2.29% of eligible compensation

Effective January 1, 2005, all Administrative employees shall participate in retirement Plan B-4 (2.5% multiplier). The cost difference between the B-3 and B-4 Plan shall be totally funded through employee contribution in the amount of 4.48% (total includes 2.29% above) of eligible compensation, except for the City Manager whose pension benefits will be based on contract, and City Clerk and the City Assessor who will contribute 2.43% of eligible compensation.

All Administrative employees hired after May 1, 2006 shall be enrolled in a Defined Compensation Plan administered through the Michigan Employees Retirement System. The City shall contribute 8% and the employee shall contribute 3% of the employee's eligible compensation. Employees shall vest in the Defined Compensation Plan based on the following schedule: 25% after 3 years of service, 50% after 5 years of service and 100% after 7 years of service.

Effective May 21, 2001, the City adopted the Reciprocal Act 88, as defined by the State of Michigan for all eligible full time employees.

**Eligibility** Effective May 1, 2005, all permanent full-time administrative employees are eligible for retirement when at least one of the following conditions exist: employees must either be at least 60 years of age with a minimum of 10 years of service (vesting period) OR at least 55 years of age with 25 years of service

In addition, all eligible employees are covered by the Federal Social Security old-age survivor's insurance program.

**A. Retiree Medical Insurance**

1. Upon full retirement or disability retirement, the City shall provide the health care plan and prescription rider that is in effect at the date of retirement, or its equivalent as determined by the City, for retiree and spouse. Retirees may also have the option of selecting an alternative health care plan if such is offered by the City.

2. The sole obligation of the City shall be to provide the benefits upon retirement as defined by contract. Any funds established by the City shall be vested in the City, and no officer covered by this Agreement shall be considered to have any proprietary interest in these funds. In the event that alternative funding sources become available, either by legislative action or at the option of the City, any funds established for the purpose of providing medical coverage upon retirement shall belong entirely to the City. Furthermore, the City reserves the right to change providers.
3. The City agrees to pay 80% of the retiree's medical coverage and the retiree agrees to pay the remaining 20%. Failure to remit the retiree's share of the premium cost in a timely fashion shall be grounds for suspending the above coverage.
4. To qualify for this coverage an employee must possess a minimum of twenty (20) years of seniority with the City of Novi upon retirement. Employees granted a disability retirement shall be excluded from this twenty (20) year provision.
5. The spouse of a retiree shall have survival rights to the medical coverage, as described above, subject to the following conditions:
  - a. The coverage for a spouse shall be subject to a separate maximum cost to the City of \$1,600 annually. Effective January 1, 1996, the City agrees to pay 80% of the spouse's medical coverage and the spouse agrees to pay the remaining 20%.
  - b. In the event that the spouse shall have comparable or better insurance available, the City shall have no obligation to provide or continue coverage. In the event the spouse loses the comparable coverage, the spouse will then become eligible for coverage from the City.
6. Effective May 1, 2006, the City shall no longer offer retiree health care benefits to Administrative employees hired after that date. Upon employment with the City the employee shall be enrolled in a Retiree Health Care Savings Account. The City shall contribute \$50 per pay into the employee's Retiree Health Savings account for retirement health care expenses.

### **Section 18. Moving Expenses.**

From time to time the Director of Human Resources may find it necessary to recruit key personnel from outside the Detroit Metropolitan area which could involve the payment of up to 100% of actual moving expenses. When such costs exceed \$500.00, they will not be reimbursed unless such reimbursement is approved by the City Manager or his/her designee in advance.

### **Section 19. Conferences and Workshops.**

Each Administrative Employee may attend national, state and/or local conferences and workshops specifically related to his/her work as determined by their supervisor with approval from the City Manager or his/her designee. The City Manager or his/her designee may authorize participation and attendance at national or state Board and/or committee meetings by City staff if he/she deems that participation in such activities benefits the City in some way and/or the employee for professional development purposes. Employees are required to put these requests in writing, prior to participation, to the City Manager and their supervisor outlining the benefits to the City and the employee through their participation in the Board or committee activities. The City Manager may also approve additional training and conference attendance by employees related to specific regional or important, timely subject matters. All conference and workshop attendance shall be permitted for training purposes within the constraints of the adopted budget. All travel expenses related to training, conferences and workshops must be approved by the City Manager or his/her designee prior to proceeding whether overnight accommodations, airfare, or mileage reimbursement are necessary.

### **Section 20. Public Safety Personnel.**

Due to the nature of public safety representation, the Director of Public Safety/Police Chief, Deputy Police Chief, Assistant Police Chief, and Director of Emergency Services & Fire Operations —shall receive \$625.00 annually for maintenance and replacement of uniforms or civilian attire.

### **Section 21. Training and Development.**

#### **A. Employee Development.**

It shall be the joint responsibility of the Director of Human Resources, Department Directors and the employee to foster and promote the improvement of the quality of personnel services rendered to the City.

**B. Administration of Employee Development Program**

1. The Director of Human Resources shall develop and conduct supervisory and management training and other types of training and employee development programs common to all departments; he/she may establish standards of performance and procedures for evaluating employee efficiency and shall assist Department Heads in developing and conducting training to meet the specific needs of their departments and in developing and utilizing other techniques for increasing employee efficiency in present positions, and in preparing for promotion to higher positions in the City service.
  
2. All employees covered by this Plan may receive full or partial payment for the purpose of taking courses directly related to his/her work as determined by the Director of Human Resources and Department Director, including the cost of books required by the university or college in accordance with the Employee Tuition Program. This program allows up to 100% reimbursement for Grade C and above, not to exceed \$3,500 per fiscal year as of July 1, 2008. The approval of all tuition requests shall be contingent upon the availability of funding within the budget.

## ARTICLE 8. GENERAL

### Section 1. Mutual Cooperation.

The Director of Human Resources, employees and Department Heads shall cooperate with each other to promote and foster means of bettering the conditions and improving the morale of city employees.

### Section 2. Political Activity.

Employees in the Administrative Personnel Plan shall refrain from all political activities which undermine public confidence in professional administrators. Employees shall also refrain from participation in the election of members of the employing legislative body.

### Section 3. Legal Representation.

The City shall provide at its own expense such legal assistance as shall be required or needed by an employee as a result of acts occurring when and while said employee was in good faith performance of his/her duties and responsibilities. If for any reason, such legal assistance is denied, then the city shall submit a written report to the effected employee setting forth the specifications for such denial.

### Section 4. Amendments.

The provisions of this Administrative Personnel Plan may be changed, and/or eliminated by Council at any time.

**APPENDIX A  
CITY OF NOVI ADMINISTRATION**

**DEPARTMENT HEADS AND DIRECTORS**

City Manager (Contract)	Director of Public Safety/Police Chief
Assistant City Manager	Community Development Director
City Clerk (Contract)	Director of Human Resources
Chief Information Officer	Assessor
Finance Director/Treasurer	Director of Emergency Services and Fire Operations
Director of Public Services/ City Engineer	Economic Development Director
Director of Parks, Recreation & Cultural Services	
Director of Communication	

**ADMINISTRATIVE STAFF**

Deputy Police Chief	Assistant Police Chief
Assistant Treasurer	Engineering Manager
Assistant Finance Director	Civil Engineer
Purchasing Manager	Building Official
Communications Specialist	Administrative Assistant (City Manager & Police)
Senior Services Manager	Analyst Planner (Police)
GIS Manager	Fleet Asset Mgr/Analyst Planner
Planner	Communications Manager
Accountant (2)	Landscape Architect
Construction Engineering Coordinator	Parks & Forestry Asset Manager
Recreation Supervisor (2)	Computer Support Specialist (2)
Deputy Assessor	W&S Manager
Field Ops Senior Manager	Senior Financial Manager
W&S Financial Services Manager	Deputy City Clerk
Superintendent of Recreation	Roadway Asset Manager
IT Manager Network Operations	Executive Secretary/P,R& CS
Engineer in Training	Executive Secretary/Clerks
	Community Development Deputy Director