

**AGREEMENT BETWEEN
CITY OF ANNAPOLIS
AND
UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL 400**

PREAMBLE

This Agreement, entered into by and between the CITY OF ANNAPOLIS, hereinafter referred to as the “Employer” and the UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL 400, AFL-CIO, hereinafter referred to as the “Union”, has as its purpose the promotion of harmonious relations between the Employer and the Union; the establishment of an equitable and peaceful procedure for the resolution of differences; and the establishment of rates of pay, hours of work and other conditions of employment.

**ARTICLE 1
MANAGEMENT'S RIGHTS**

1.1 All management functions and rights including, but not limited to, the rights set forth in Chapter 3.32 of the City of Annapolis Code and the right to generally determine the mission of the government are retained and vested exclusively in the City of Annapolis, except as expressly modified or restricted by a specific provision of this Agreement.

1.2 The City may alter the hours of work, regular work days, and shift schedules of the employees covered by this Agreement if the City has previously notified the Union of its intent to do so and has engaged in good faith discussions with the Union regarding the changes.

**ARTICLE 2
RECOGNITION**

2.1 The Employer recognizes the Union as the sole and exclusive bargaining agent for the purpose of establishing salaries, wages, hours, and other conditions of employment for its officers including all sworn police officers up to and including the rank of sergeant and excluding all lieutenants, captains and all other officers.

2.2 In the event that the rank inclusions above are retitled or in the event that additional ranks are added to the Police Department which in accord with the City Code would be eligible for inclusion in the above unit, such rank shall be specifically included in this Article, upon the agreement of the City and the Union. In the event the City and the Union are not able to agree as to the inclusion or exclusion, the matter shall be resolved in accordance with the grievance procedure.

**ARTICLE 3
UNION SECURITY**

3.1 It shall be a continuing condition of employment that all bargaining unit employees shall become members of the Union or commence payment of a service fee within (60) days of employment provided however nothing in this section shall change or reduce the employee's probationary period or the terms applicable to probationary status.

Employees who pay dues shall pay an amount equal to amounts determined in accordance with local union procedures. Employees who pay a service fee shall pay an amount chargeable according to applicable law. These amounts may be subject to change each year of this Agreement as a result of notice given by the Union to the Employer at least sixty (60) days prior to the effective date of this change, which shall be the first full pay period following July 1 of each year.

The Union shall indemnify and hold the Employer harmless against any and all claims arising from actions taken by the Union with regard to the collection of agency service fees or the resolution of disputes concerning agency service fees, including any costs for attorneys, expert witnesses, and other litigation expenses.

**ARTICLE 4
VOLUNTARY CHECKOFF OF UNION FEES & DEDUCTIONS**

4.1 For those officers who become members of the Union and who properly execute payroll deduction authorization cards or service fee cards, the Employer agrees to withhold from their pay check each pay period the regular Union dues and initiation fees in the amount certified to the Employer by the Union. Such withholding for Union dues are to be transmitted to the United Food and Commercial Workers Union, Local 400, 4301 Garden City Drive, Landover, Maryland 20785, not later than the fifteenth (15th) day after the first (1st) day of the succeeding month. The Union will notify the Employer at least thirty (30) days prior to any change in such dues.

4.2 The Union shall indemnify and save the City harmless of any and all claims, grievances, actions, suits, or other forms of liability or damages that arise out of or by reason of any action taken by the City for the purpose of complying with any of the provisions of this Article, and the Union assumes full responsibility for the disposition of the funds deducted under this Article as soon as they have been remitted by the City to the United Food and Commercial Workers Union, Local 400.

**ARTICLE 5
GRIEVANCES & ARBITRATION**

5.1 (a) A grievance shall be considered to exist when there is a disagreement involving the interpretation or application of this Agreement or of any directive, rule or regulation of the department. The purpose of this grievance procedure is a sincere desire by both parties to settle grievances in the shortest time possible and at the lowest level possible so as to foster efficiency and employee morale.

(b) A grievance shall be presented within fifteen (15) calendar days after the date of its occurrence or after the date on which the condition causing the disagreement becomes known to the Union, whichever is later. A grievance shall include a written description of the specific wrongful act, a written statement of the harm done, and a written statement of the remedy or adjustment sought.

5.2 Grievances or disputes which may arise between the parties shall be settled in the following manner:

Step 1. The Union Steward or Union Representative, with the complaining officer, shall discuss the grievance or dispute with the Bureau, Shift or Division Commander within ten (10) calendar days after the date of its occurrence or the date on which the condition causing the disagreement becomes known to the Union whichever is later. The Bureau, Shift or Division Commander shall attempt to adjust the matter and shall respond to the Union Steward or Union Representative within five (5) working days.

Step 2. If after a thorough discussion with the Bureau, Shift or Division Commander, the grievance has not been satisfactorily resolved, the Union Steward and Union Representative, and the complaining officer shall, within five (5) working days after Step 1 is completed, file a written appeal with the Chief of Police. The Union representative or Steward, and complaining officer may meet with the Chief of Police as soon as possible thereafter. The Chief of Police shall respond in writing within five (5) working days after said meeting. The notice of appeal shall set forth the grounds for the grievance and a brief statement of the factual situation creating the alleged grievance.

Step 3. If after the grievance has been presented to the Chief of Police, the grievance has not been satisfactorily resolved within ten (10) working days after the completion of Step 2, the Union Steward or Union Representative and the complaining officer shall file a written appeal with the Mayor or his/her designated representative.

The Union Representative or Steward, and complaining officer shall meet with the Mayor or designated representative as soon as possible thereafter. The Mayor or designated representative shall respond in writing within five (5) working days after the said meeting.

Step 4. If the grievance is still unsettled, either party may, within ten (10) calendar days after the reply of the Mayor or his/her designated representative, by written notice to the other, request arbitration.

The moving party shall request the Federal Mediation and Conciliation Service ("FMCS") to provide a panel of five (5) Arbitrators. Designation of the Arbitrator shall be by the rules of the Federal Mediation and Conciliation Service.

Thereafter the Arbitrator shall proceed to hear the grievance as provided in the rules of the FMCS. The decision of the Arbitrator shall be binding on all parties and the Arbitrator shall be requested to issue his/her decision within thirty (30) days after the conclusion of the hearing. The parties shall share the cost of the Arbitration equally.

5.3 Should the Employer not respond at any step of the procedure within the prescribed time, the relief requested will be considered granted unless the time limits herein

specified are extended by mutual consent. Any grievance not appealed from an answer at any step of the grievance procedure to the next step of the grievance procedure within the number of days specified, shall be considered settled on the basis of the last answer and not subject to further review, unless the time limits herein specified are extended by mutual consent.

5.4 (a) In cases where an officer(s) can file a grievance on a particular question pursuant to this article, and utilize a procedure(s) or seek a remedy(s) pursuant to any local, State or Federal law or regulation, the officer has the option to file a grievance under this article or in the alternative to utilize such other procedure(s) or seek such other remedy(s). Nothing in this Agreement shall in any way limit the right of any officer(s) to utilize any procedure(s) or seek any remedy(s) pursuant to any local, State, or Federal law or regulation. However, whenever an officer does utilize any other procedure(s) or seek other remedy(s), he/she shall waive his/her right to file a grievance pursuant to this article to determine the same question, or if such grievance is already in process, such grievance proceedings shall cease and shall not be reinstated.

(b) Pursuant to Section 5.4(a) in the event that an officer wishes to file a grievance regarding any management disciplinary action which is within the jurisdiction of the Law Enforcement Officer's Bill of Rights (Art. 27, Sec. 727 et. seq., Md. Ann Code), such officer shall have previously waived his rights to a hearing board pursuant to Sections 730, 731, and 732 of the LEOBR. However, the officer shall not be required to waive any other rights afforded to him pursuant to the LEOBR.

(c) In the event that an officer has elected to have a disciplinary matter determined by a hearing board convened pursuant to the LEOBR, he or she shall not be able to take issue with the determination of guilt or the resulting imposition of punishment, through utilization of the grievance procedure set forth in this agreement.

ARTICLE 6 UNION STEWARDS AND UNION REPRESENTATION

6.1 The Union shall have the right to appoint five (5) Shop Stewards as it deems necessary.

6.2 The Employer recognizes and shall deal with all of the accredited Union Stewards and other Union Representatives in all matters relating to grievances and the interpretation of this Agreement.

6.3 A written list of the Union Stewards and their alternates (such lists to outline the area to be represented by stewards) shall be furnished to the Employer immediately after their designation and the Union shall notify the Employer promptly of any changes of such Union Stewards and their alternates.

6.4 The appropriate Union Stewards shall be granted reasonable time off during working hours to investigate and settle grievances, upon advance notice to the Chief of Police through their immediate supervisor, without loss of pay. Such time off shall be arranged in a manner which causes the least disruption of, or interference with the operations of the City, its employees and supervisory personnel, such time off shall not be unreasonably withheld.

6.5 Shop Stewards shall be entitled to a leave of two (2) days each calendar year, with pay for Shop Steward Training and Education. The Union must notify the Employer at least two (2) weeks in advance thereof. The Shop Steward must upon returning from the leave present the Commander with written evidence from the Union that the Steward has used the leave for the purpose for which the leave was intended. A maximum of two (2) Stewards may attend Shop Steward Training and Education at one time.

ARTICLE 7 NO DISCRIMINATION

The provisions of this agreement shall be applied equally to all employees in the bargaining unit without discrimination as to race, religion, color, age, sex, marital status, national origin, physical or mental disabilities, veteran status, sexual orientation, gender identity, genetic information, political or religious affiliation, any other status protected by federal, state or local law or any other factors shown to have a disparate effect.

ARTICLE 8 UNION BULLETIN BOARDS

8.1 The Union shall furnish a bulletin board to be placed in the squad room to be used by the Union.

8.2 The Union shall limit its posting of notices and bulletins to such bulletin board. Notices and bulletins shall be limited to union matters only.

8.3 The Chief Shop Steward is authorized to disseminate Union notices and information in accordance with General Order I.7, Use of Department Electronic Mail and Internet. The content restrictions contained in General Order I.7, Section I.B shall apply to all disseminated communications.

ARTICLE 9 UNION ACTIVITIES ON EMPLOYERS TIME AND PREMISES

9.1 The Employer agrees that during working hours, on the Employer's premises, and without loss of pay, Union Stewards or other Union Representatives shall be allowed to:

1. Post Union Notices;
2. Distribute Union Literature;
3. Attend negotiating meetings;
4. Transmit communications, authorized by the Local Union or its officers, to the Employer or its representative;
5. Consult with the Employer, its representative, Local Union officers, or other Union Representatives concerning the enforcement of any provisions of this Agreement.

9.2 Leave of absence, without pay, shall be granted to attend and serve as delegates to conventions and organization conferences related to their Union, not to exceed five (5) days annually or more than two (2) officers. Not more than one (1) officer from the same shift or work area may be on leave at the same time.

ARTICLE 10 UNION VISITATION

The Employer agrees that accredited representatives of the United Food and Commercial Workers Union, Local 400, whether local Union Representatives, Regional Representatives or International Representatives, shall have access to the premises of the Employer at any time during working hours to conduct Union business, as long as such visits will not interfere with the normal City functions. Representatives shall report to the Chief of Police or his designated representative, and shall limit their access to the squad and conference room and internal affairs office areas.

ARTICLE 11 WORK RULES

11.1 All future work rules or practices governing terms and conditions of employment shall be subject to the grievance procedure should the employees or the Union believe that they are in conflict with any provisions of this agreement or are applied in a discriminatory manner.

The Employer further agrees to furnish and post work rules ten (10) days before becoming effective with a copy to the Union, except in an emergency.

11.2 The Employer further agrees to furnish each employee in the bargaining unit with a copy of all existing work rules thirty (30) days after they become effective. New employees shall be provided with a copy of the rules at the time of hire.

ARTICLE 12 NO STRIKES OR LOCKOUTS

The Union agrees that during the term of this Agreement, it will not authorize or condone any strikes, slowdowns or work stoppages. The Employer agrees that there will be no lockouts.

ARTICLE 13 SENIORITY

13.1 Definition: Seniority means an employee's length of continuous service with the Police Department since his last date of hire, including time spent as a cadet.

13.2 Probation Period: Employees newly hired from an appointment list shall complete a probationary which begins on the date of hire and continues until 12 months after the employee completes field training. For officers hired as lateral transfers, the 12 month probationary period shall begin on the date of hire.

13.3 Seniority Lists: Every six (6) months the Employer shall furnish a seniority list to the Union.

13.4 Breaks in Continuous Services: An employee's continuous service record shall only be broken by voluntary resignation, discharge for just cause and retirement. There shall be no deduction from continuous service for any time lost which does not constitute a break in continuous service.

Provided, however, that if an officer is re-employed and has been separated from employment with the Employer:

1. Less than sixty (60) days
 - a. There will be no loss of seniority
 - b. Any rank held will be reinstated providing the position has not been filled
2. More than sixty (60) days but less than one (1) year
 - a. Seniority will be adjusted to reflect the period of absence
 - b. They will be hired as an officer (A10) therefore; any previous rank will be forfeited
 - c. Will be required to complete a six (6) month probationary period
3. More than one (1) year
 - a. Will lose all seniority
 - b. Will be required to complete an eighteen (18) month probationary period
 - c. Will be hired as an officer (pay grade A 10) but may be eligible for a salary adjustment under the "lateral entry program" for previously certified officers.

13.5 Work Force Changes:

Promotions:

A. During the term of this Agreement, promotions shall be granted in accordance with the General Order Number N.2. The reference library of books and promotional material previously established shall continue to be placed in a location which is easily accessible to officers and the material distributed in such a manner as to provide fair and equal access to all bargaining unit employees.

B. Whenever a job opening occurs other than a temporary opening as defined below - in any existing job classification or as the result of the development or establishment of a new job classification, a notice of such opening shall be posted on all bulletin boards for one week prior to being advertised or announced outside the department. If the position is to be filled from inside the department, no posting will be required. The employer shall give primary consideration to police officers in the department in filling any such opening.

13.6 Transfers: Officers desiring to transfer to other duty assignments shall submit an application in writing to their Commander. The application shall state the reason for the requested transfer and shall include any particular background or skill that the employee has that he/she believes would be applicable to the job requested.

13.7 Reduction in Work Force: In the event an officer is to be laid off due to a reduction in the work force, he shall be permitted to exercise his seniority rights to replace an officer with less seniority. Such officer may, if he so desires, replace any officer in an equal or

lower job classification in the Police Department provided the replacing employee has greater seniority than the officer whom he replaces and is capable of performing the duties of the position. If the Employer should decide to reduce in force, abolish, merge or reorganize any portion of the department, and such action would result in elimination of jobs or layoff of employees, then the Employer will notify the Union at least thirty (30) days in advance. Officers on medical leave during a reduction in force shall return to work in accordance with their seniority when they are medically able to do so.

13.8 Layoff: Barring emergency requiring that certain classifications be retained, employees shall be laid off in the inverse order of their seniority within classification in their Department.

13.9 Recall:

A. Officers shall be recalled from layoff according to their seniority within classification. Officers shall be informed of recall by certified mail of their recall. Failure to report to work within three (3) days of notification shall forfeit the officer's right to recall.

B. No new officers shall be hired until all officers on layoff status desiring to return to work and who are capable of performing the work, have been recalled. Officers on medical leave shall not be considered incapable of performing duties because of being on medical leave.

13.10 New or Temporary Job Openings:

A. Temporary job openings are defined as job vacancies that may periodically develop in any job classification that will not exceed fifteen (15) consecutive days. Job openings that recur on a regular basis and/or that remain open more than fifteen (15) consecutive days at a time shall not be considered temporary job openings.

B. All time worked by any temporarily assigned officer in excess of fifteen (15) days in a higher position shall be paid for by adjusting the officers rate of pay to the next higher step, or to the minimum step in the temporary job, whichever is higher.

C. Temporary job openings may be filled by Employer assignment or reassignment. No officer shall be involuntarily assigned to a temporary position at a lower rate of pay.

ARTICLE 14 LIGHT DUTY

The Employer when possible will find a suitable modified duty assignment for an officer incapacitated, temporarily or permanently, due to an injury, which can be undertaken by the officer who is incapacitated in any way, but who is not prevented from attendance at work. The modified duty program shall operate in accordance with the rules outlined in Exhibit "C".

**ARTICLE 15
DISCIPLINE**

15.1 Any dismissal, demotion, reprimand, suspension or other disciplinary action, against any police officer shall be undertaken in strict conformity to the requirements of the Maryland Law Enforcement Officers Bill of Rights (Article 27, Section 7-27 et. seq. of the Maryland Annotated Code) or any successor thereto.

15.2 Additionally, no officer shall be dismissed, demoted, reprimanded or suspended, nor shall any other disciplinary action be taken without just cause. Any such action by the Employer shall be subject to the Grievance and Arbitration provision of this Agreement.

15.3 The Union shall have the right to process a discharge as a grievance at the third step of the grievance procedure and the matter shall be handled in accordance with this procedure through the arbitration step if deemed necessary by either party.

15.4 Any employee found to be unjustly demoted, suspended or discharged shall be reinstated with full compensation for all lost time and with full restoration of all other rights and conditions of employment. If however a lesser than the whole penalty is agreed to by the City and the Union, then that agreement shall be binding.

**ARTICLE 16
HOLIDAYS**

16.1 Holidays Recognized and Observed:

The following days shall be recognized and observed as paid holidays:

New Year's Day	Labor Day
Martin Luther King's Birthday	Veteran's Day
President's Birthday	Good Friday
Maryland Day	Thanksgiving Day
Memorial Day	Christmas Day
Independence Day	

In lieu of these holidays all officers in the Operational Division shall receive eleven (11) vacation days in addition to any vacation time otherwise accorded in this Agreement.

For officers in the Administrative Division, whenever any of the above listed holidays shall fall on Saturday, the preceding Friday shall be observed as the holiday.

In the Administrative Division, whenever any of the above listed holidays shall fall on Sunday, the succeeding Monday shall be observed as the holiday.

16.2 Holiday Hours for Overtime Purposes: Holidays shall be counted as a day worked for the computation of overtime and also authorized leave.

16.3 Each officer shall be granted three (3) personal leave days per year. Officers shall notify their Commander at least twenty-four (24) hours in advance except in the case of emergencies.

16.4 Christmas and New Year's Day Holiday: Employees scheduled to work on Christmas and New Year's Day, who actually work, shall be paid an extra half time pay for all hours worked on the holiday date. This shall not affect or be added to the overtime pay for employees forced to work who were not regularly scheduled to work on that holiday.

ARTICLE 17 VACATIONS

17.1 Eligibility & Allowances: Every permanent employee shall be eligible for paid vacation time after one hundred and twenty (120) calendar days of service with the Employer. Officers shall start to earn vacation allowances as of their date of hire.

Vacation allowances shall be earned on a monthly basis.

All officers having less than five (5) years of service; (15 days per year).

All officers having between five (5) and ten (10) years of service; (17 days per year).

All officers having between ten (10) and fifteen (15) years of service; (19 days per year).

All officers having at least fifteen (15) years of service; (21 days per year).

Vacation leave may be used as the employee chooses for personal business provided no less than twenty-four (24) hours notice is given to the supervisor. Such leave shall be no less than one-half (1/2) day unless requested by the officer.

17.2 Vacation Pay: The rate of vacation pay shall be the officer's regular rate of pay in effect for the officer's regular job.

Officers shall receive their vacation pay no later than the Friday preceding the start of their vacation period if they request such pay prior to going on vacation.

17.3 Choice of Vacation Period: Vacations shall be granted at the time requested by the officer. If the nature of the work makes it necessary to limit the number of officers on vacation at the same time, the officer with the greater seniority shall be given his choice of vacation period in the event of any conflict over vacation periods. Vacations shall be chosen prior to the year in which they are to be taken.

17.4 Vacation Rights in Case of Layoff or Separation: Any officer who is laid off, discharged, retired, or separated from the service of the Employer for any reason, prior to taking his vacation, shall be compensated in cash for the unused vacation he has accumulated at the time of separation up to a maximum of thirty (30) days.

17.5 Any reservation costs incurred by an officer through rescheduling his vacation by the City will be reimbursed, provided it is substantiated. The officer shall advise his Commander of any reservations he holds, substantiated by a copy of the confirmed reservation, if requested to cancel or reschedule his vacation.

17.6 Vacation leave may be accumulated to a maximum of thirty (30) days and be carried over into the next year. Vacation in excess of thirty (30) days may be carried over in accordance with the City Code of Annapolis.

17.7 Work During Vacation Period: Any officer who is required to and does work in an emergency during his vacation period shall be paid at a rate of two and one-half (2-1/2) times his regular rate for all hours worked.

ARTICLE 18 JURY DUTY

Any officer called for jury duty shall be reimbursed the difference between the payments received as a juror and his regular salary. Such leave shall be not deducted from any other leave earned by the officer.

ARTICLE 19 FUNERAL LEAVE

Permission for paid leave for a funeral or other condition caused by death in the immediate family for a maximum period of three (3) work days shall be granted. Immediate family is defined as mother, father, spouse, child, sister and brother, mother-in-law, father-in-law, grandparents and legal guardians.

ARTICLE 20 SICK LEAVE

20.1 Allowances: Any officer contracting or incurring any non-service connected sickness or disability, which renders such employee unable to perform the duties of his employment, shall receive sick leave with pay.

Officers shall earn one and one-quarter (1-1/4) days per month for each month of service.

20.2 Accumulation: Officers shall start to earn sick leave from their date of hire, and they shall accumulate sick leave as long as they are in service of the Employer, with unlimited accumulation.

20.3 Disability Benefit - Non-Occupational: Officers shall have a short-term disability benefit equal to 60% of their regular weekly pay, not to exceed a maximum of \$700.00 per week. Payment will begin after fourteen (14) calendar days of disability. The maximum benefit period is twenty-six (26) weeks. Officer must exhaust sick leave first before receiving disability benefit.

The City will provide Voluntary Long Term Disability option for employees to purchase for disabilities exceeding 26 weeks.

20.4 Medical Leave: If an officer has an on-the-job injury, is unable to work, and provides evidence that he has filed a claim for worker's compensation; the officer shall be placed on Medical Leave. The Employer will advance to the officer until he begins to receive worker's compensation benefits (but not longer than 30 days) an amount equal to the anticipated worker's compensation benefit. When the officer receives a worker's compensation benefit which has been advanced by the Employer, he will turn it over to the Employer as reimbursement for the

advance. If the claim for benefits is denied, the officer will have to reimburse the Employer for the advance out of his own pocket. It shall not be necessary for an employee to use up available sick leave prior to accessing benefits under this provision. Any sick leave which is advanced as provided herein shall be reimbursed hour for hour (100%).

ARTICLE 21 LEAVES OF ABSENCE

21.1 Any officer may, upon application in writing, be granted a leave of absence without pay not to exceed one (1) year for valid purposes.

21.2 Notwithstanding other provisions of this Agreement, any officer elected or appointed as an employee of the Union shall be granted a leave of absence without pay for the term of the election or appointment of his office or any extension thereof. Adequate prior notice of both leave of absence and date of return shall be given to the Employer. This leave shall not exceed one (1) year.

21.3 Seniority shall accumulate during all leaves of absence. In addition to accruing seniority while on any leave of absence granted under the provisions of this Agreement, officers shall be returned to the position they held at the time the leave of absence was requested provided the position is available. Should the same position not be available, an officer shall be assigned duty within the Police Department at their former rate of pay and ranks plus any wage increases which have been implemented while the officer was on leave until his former position becomes available.

ARTICLE 22 OVERTIME

22.1 Rate of pay: Time and one-half (1-1/2) the officer's regular hourly rate of pay, or compensatory time off as defined below, shall be paid for work under any of the following conditions, but compensation shall not be paid twice for the same hours. Officers have the option upon notice to receive compensatory time off in lieu of overtime pay. Compensatory time off shall be calculated hour for hour and shall be in accordance with the Fair Labor Standards Act.

22.2 Daily/Weekly: All work performed in excess of the regularly scheduled work day/work week shall be paid the overtime rate of pay.

22.3 Before or After Regular Hours: All required work performed before or after the scheduled work shift shall be paid at the overtime rate of pay.

22.4 Distribution: Overtime work shall be distributed among officers by seniority within a job classification on a rotating basis.

On each occasion when overtime work is available, a notice shall be posted and eligible officers shall have an equal opportunity to sign up for overtime. Assignments shall then be made from officers signing up on the posted list.

22.5 Work at Officer's Option: Overtime work shall be voluntary. There shall be no discrimination against any officer who declines to work overtime. When there are no volunteers

but there is a need for overtime, the officer/ officers with the least seniority shall be required to perform the overtime duty.

22.6 No officer shall be permitted to work more than sixteen (16) consecutive hours, unless there occurs a major civil emergency, natural disaster or other unusual circumstances which require more than sixteen (16) consecutive hours of work.

22.7 An officer shall be given a minimum of ten (10) days' notice of any change in scheduled days off. If the City requires an officer to work a scheduled day off with less than ten (10) days' notice, the officer shall be paid overtime at a rate of 1 1/2 times his regular hourly rate for all hours worked that day.

22.8 An officer shall be given a minimum of forty-eight (48) hours' notice of any change in the hours he is scheduled to work on a shift. If the City changes the hours an officer is scheduled to work on a shift with less than forty-eight (48) hours advance notice, the officer shall be paid overtime at a rate of 1 1/2 times his regular rate for each hour he is required to work outside of his originally scheduled hours.

ARTICLE 23 HEALTH AND WELFARE BENEFITS

The City will continue to provide health care benefits to employees and their dependents, and employees will contribute to the cost of these benefits, in accordance with the following:

A. Cost sharing for medical, prescription, dental, and vision benefits will be 80% for the City and 20% for the employee. Renewal rates will use the same cost sharing percentage of eighty percent (80%) for the City and twenty percent (20%) for the employee. This cost sharing percentage shall remain the same through June 30, 2018.

B. Effective July I, 2013, Partnership Benefits for same sex partners will end.

C. D. Co-pays to increase in accordance with Exhibit E.

E. Establish a High Deductible Health Plan/Savings Account as an additional insurance option effective July I, 2014.

F. Effective July 1, 2014, create an In Network Deductible of Two Hundred Seventy Dollars (\$270) for individual coverage and Five Hundred Forty Dollars (\$540) for all other coverage levels, with an out-of-pocket maximum of One Thousand Five Hundred Dollars (\$1,500) for individuals and Three Thousand Dollars (\$3,000) for all other coverage, as shown in Exhibit E.

G. The City and Union shall meet annually to review and discuss changes required by law to the health plans.

H. In the event of a health premium increase in excess of ten percent (10%) in any year, the collective bargaining agreement may be reopened by either party for the purpose of negotiating how to absorb and implement such increase.

Retiree Medical

(A) For any employee who is not vested in the Police/Fire Pension Plan as of July 1, 2012, Retiree Medical benefits shall be revised so that the percentage of the retiree medical premium that the City pays for retirees and dependents will change from the current 70/30 split to a percentage equal to 2.5% multiplied by each year of City service, up to a maximum of 70%.

(B) For any employee hired on or after July 1, 2012, Retiree Medical benefits shall be revised as follows:

(1) Employees must be at least age 50 when they retire to be eligible to receive retiree medical benefits for themselves or dependents.

(2) The percentage of the retiree medical premium that the City pays for retirees and dependents will be 2.5% multiplied by each year of City service, up to a maximum of 70%.

(C) For any employee who is vested in the Police/Fire Pension Plan as of July 1, 2012, Retiree Medical benefits shall remain the same as set forth in Article 23 of the 2010-2012 Collective Bargaining Agreement (set forth below)

(1) OPEB Trust.

(a) Effective July 1, 2014, there will be an annual contribution of 3% of total payroll for sworn Police and Fire personnel to the OPEB Trust as follows:.

1. The City will contribute 2% of total payroll annually for Sworn Police and Fire to the OPEB Trust.
2. The employee contribution will be equivalent of 1% of gross base pay per pay period paid into the OPEB Trust. These contributions will be handled as follows:
 - a. Employees hired on or before December 31, 2013 shall have their 1% contribution covered by health plan design changes effective July 1, 2014 and will not contribute to the Trust through a payroll deduction.
 - b. Employees hired on or after January 1, 2014 will have the one-time option to irrevocably waive participation in the OPEB Trust and thereby permanently waive future eligibility for retiree healthcare.

(b) Employees hired on or after January 1, 2014 will have the one-time option to irrevocably waive participation in the OPEB Trust and thereby permanently waive future eligibility for retiree healthcare.

(c) Retiree Healthcare will be paid on a “pay-go” basis until the Trust is adequately funded to begin covering the annual costs.

(2) Voluntary Employee Beneficiary (“VEBA”) – All employees shall be eligible to participate in the VEBA set up by the City. Participation shall be funded solely through voluntary contributions of employee annual leave.

Retiree Health Insurance Plan

- (1) The benefits will be the City's Core medical plan, prescription plan, Core dental plan, and Core vision plan. These benefits may change from time to time as the active employees benefits change.
- (2) In order to be eligible for retiree health benefits, an employee must be eligible to retire under the Police/Firefighter Pension Plan and must have retired on or after July 1, 2002. The retiree must receive an immediate annuity.
- (3) The City will pay 70% of the premium cost of the benefits, and the retiree (or an eligible surviving spouse) will pay 30% of the premium cost.
 - a) Retirees currently on an 80/20 healthcare split will increase to 75/25 effective July 1, 2010. Effective June 30, 2011, these retirees will increase to a 70/30 healthcare split.
- (4) Retiree (or eligible surviving spouse) coverage will end at death or when the person is eligible for Medicare. The retiree (or eligible surviving spouse) may continue with prescription, dental, and vision coverage after they become eligible for Medicare if they pay the entire premium cost for the coverage.
- (5) The retiree (or eligible surviving spouse) must elect to receive the retiree health benefits immediately upon retirement (or eligibility) - they cannot enroll at a later time.
- (6) The retiree must have participated in the City health insurance plan for at least five consecutive years prior to retirement.
- (7) The retiree must choose the same type of coverage or a lesser type - for example, if in the past the retiree had husband and wife coverage, the retiree could continue with husband and wife coverage or change to individual coverage.
- (8) Surviving spouses will be eligible to continue coverage:
 - (a) Upon the death of the retiree, if the spouse was covered by the City health insurance plan for at least five consecutive years as of the date of the retiree's death.
 - (b) Upon the death of an active employee who was eligible to retire but dies before retiring and the spouse is eligible to receive an immediate annuity from the pension plan. Also, the employee must have been covered by the City's health plan for at least five consecutive years as of the date of the employee's death.
 - (c) Coverage for a surviving spouse will terminate upon remarriage of the spouse.
- (9) Persons who submit paperwork to the City by April 30, 2010 and retire on or before July 1, 2010 will be grandfathered at 15% until June 30, 2012. After June 30, 2012, these persons will pay the same rate as those who retire on or after July 1, 2012.

**ARTICLE 24
PENSION**

The benefits provided to employees under the Police/Fire Fighter Pension system in effect as of June 30, 2002 shall remain in effect during the life of this Agreement except that:

- (A) The City and sworn personnel will increase contributions to the Police and Fire defined benefit Retirement Plan as a percentage of payroll as follows:

Year	City (% of Payroll)		Sworn Personnel (% of Pay)*	
FY2013	8.5%		5.5%	
FY2014	12%	July 1, 2013	7%	January 1, 2014
FY2015	14%	July 1, 2014	7.5%	January 1, 2015
FY2016	16%	July 1, 2015	8%	January 1, 2016
FY2017	18%	July 1, 2016		

*Employee contribution rate is for employees hired prior to July, 1, 2010.

Employees hired on or after July 1, 2010 but prior to July 1, 2012 shall continue to contribute 6.5% of pay.

1. Effective July 1, 2013, the Cost of Living Adjustment for all existing and future retirees in the New Plan and New Plan Revised will change to a fixed two percent (2%) annual COLA to be effective July 1st of each year.

2. The City will prepare a Plan Document for the Police-Fire Fighter Retirement Plan with a Summary Plan Description for each Plan by July 1, 2014. No substantive changes will be made to the Plan and legislation will be submitted to the City Council that allows incorporation by reference of the Plan Document into the City Code.

3. Deferred Retirement Option Program ("DROP") — The City will establish a DROP for the New and New Revised Police-Fire Fighter Retirement Plans as outlined in the attached Exhibit F effective March 1, 2014 with open enrollment commencing December 1, 2013.

(B) In the event that the City Finance Director determines that the City is unable to make the required pension contribution in any year, he must notify the Union and the City Council on or before February 1st of the Fiscal Year in which the contribution is due. If the Finance Director gives such notice, the City Council shall be required to hold a public hearing on the issue, and the Council shall determine whether some or all of the contribution will be made.

(C) Employees hired on or after July 1, 2012 will have to complete 25 years of service to be eligible to retire.

(D) Employees hired on or after July 1, 2012 will be required to contribute 8% of their pay to the pension.

(E) The City will create a Pension Task Force comprised of representatives of Local 400, IAFF Local 1926, the City Council, and the Administration to evaluate changes to the

Police and Fire Pension (including funding levels, plan design, and the possibility of creating a DROP program) and issue a report and recommendations on or before October 1, 2012.

(F) Under the New Plan Revised, beginning July 1, 1999, the normal retirement benefit multiplier will be increased from 2% per year to 2.25% per year until the employee's 25th year of service. Beginning with the employee's 25th year of service, the multiplier shall increase to 2.5% for each year of service earned after commencement of the 25th year of service. The maximum percentage of salary a member will be eligible to receive at retirement is 70%.

(G) Effective July 1, 1999, a level income option will be added to the Police/Fire Fighter Pension Plan whereby a member may elect to receive pension payments calculated so as to generally remain level after the start of social security payments.

(H) Community Service Officers will be eligible to buy into the pension system consistent with the amount of time spent in the qualified CSO program and will be required to pay into the pension system an amount equal to the average of an entry level police officer between the years 1997-2000 which averages out to \$28,312, or thereabout, at 5% which is the rate of current contributions totaling \$1,415 per year or a fraction thereof.

(I) Retirement benefits shall include the early retirement provisions set forth in the December 31, 2003 Letter from Kimla Milburn to James Lowthers, and restated below as follows:

1. Effective July 1, 2006, employees became eligible to retire at 20 years of service with 50% of salary.
2. Notwithstanding the agreement to pay 50% of salary for a member of the plan who retires with 20 years of service, the multiplier shall remain at 2.25% for all other purposes. For example, if any member retires with less than 20 years of service, for any reason, the multiplier shall be 2.25%. Beginning with the employee's 25th year of service, the multiplier shall increase to 2.5% for each year of service earned after commencement of the 25th year of service.
3. The maximum percentage of salary a member will be eligible to receive at retirement will not exceed 70%.

As a result of the foregoing provisions, a member of the pension plan is eligible to retire at 70% with 28 years and four (4) months of service in Fiscal Year 2007 and beyond.

(J) The pension contribution rate percentages shall remain as set forth in this Article through June 30, 2018.

ARTICLE 25 SAFETY AND HEALTH

25.1 The Employer and the Union jointly agree to cooperate in a safety program for the purpose of awareness and training of all newly hired employees. Such a program will also include but not be limited to the distribution of educational materials and job awareness of its employees.

25.2 The Employer agrees to provide available statistical information pertaining to occupational injuries and illnesses upon request.

25.3 The Employer agrees to work jointly with the Union in resolving unsafe conditions or equipment within the officers work areas.

**ARTICLE 26
CLOTHING & EQUIPMENT ALLOWANCE**

(A) An officer will receive a clothing and equipment allowance of \$850 per fiscal year. Officers who have volunteered to work in a second department function in which a different uniform is required (such as SWAT, voluntary bicycle patrol, or honor guard) will receive an additional \$75 in clothing and equipment allowance. The maximum total clothing and equipment allowance an officer may receive in a fiscal year is \$925.

(B) Officers will be given a cleaning allowance of \$40/month which is included in their biweekly paycheck to cover all uniform cleaning expenses.

**ARTICLE 27
PAY**

27.1

- A. There will be a 1% cost of living adjustment effective January 1, 2018.
- B. For Fiscal Year 2018, employees who are eligible for step or longevity increases will receive an increase of 5.361% for a merit increase on their review date and/or a longevity increase on their anniversary dates.
- C. For Fiscal Year 2018, there shall be an additional longevity step for employees who have achieved 17 or more years of service with the City. Employees will receive an increase of 5.361% effective on their 17th anniversary date.
- D. Effective July 1, 2018, there shall be an additional longevity step for employees who have achieved 22 or more years of service with the City as of that date and thereafter. Employees will receive an increase of 5.361% effective on their 22nd anniversary date or on July 1, 2018 if they have achieved 22 or more years of service as of that date.

27.2 Shift Differential: Officers shall be paid a shift differential (5%) for any work performed on a shift where the majority of hours are worked after 4:00 pm and prior to 8:00 am.

The Employer reserves the right to make permanent shift assignments in order to efficiently maintain operations, provided that if a vacancy exists on another shift, the employer will make every effort to give qualified officers with the most seniority desiring that particular shift assignment.

27.3 Officers permanently assigned to K-9 duties will be paid as follows for transporting, feeding, grooming, exercising and otherwise caring for the dog:

(1) One hour of each work day will be paid time for the purpose of caring for the dog.

(2) On a non-work day, the officer will be credited with one hour for the care of the dog (unless the dog is kenneled), one-half hour to be paid time and one-half hour to be comp time.

(3) On a paid leave day, the officer will receive no additional pay for care of the dog.

(4) This pay arrangement for K-9 officers is in lieu of their former pay arrangement.

27.4 Officers called in to work outside their regular shift shall receive a minimum of two (2) hours pay at time and one-half (1-1/2). Pay shall start when they report to work.

27.5 Any employee of APD who refers a police officer candidate to the Employer will receive a \$2,500.00 Recruiting Bonus if the referral is hired by the Employer as a Police Officer and remains on active duty for a period of twelve months. The referral bonus will be paid within 30 days of the referral's one year anniversary with the Employer

ARTICLE 28 SAVINGS CLAUSE

In the event any Article, Section or portion of this Agreement should be held invalid and unenforceable by any Court of competent jurisdiction, such decision shall apply only to the specific Article, Section or portion thereof specifically specified in the Court's decision; and upon issuance of such a decision, the Employer and the Union agree to immediately negotiate a substitute for the invalidated Article, Section or portion thereof.

ARTICLE 29 MEAL & REST PERIODS

29.1 Meal and Rest Periods shall be taken in accordance with the past practice of the department.

29.2 Officers who for any reason work beyond their regular quitting time into the next shift shall receive a fifteen (15) minute rest period as soon as possible during such next shift. In addition, they shall be granted the regular rest periods that occur during the shift.

ARTICLE 30 COURT TIME

Any officer called to work outside of his regularly scheduled shift shall be paid for a minimum of four (4) hours at the rate of time and one-half (1-1/2).

**ARTICLE 31
TRAINING PROGRAM**

31.1 The Employer shall provide ample opportunity for officers in lower job classifications to cross-train in preparation for other job assignments for the advancement into higher classifications. Furthermore, in the event the Employer contemplates the introduction of other equipment or technological changes affecting bargaining unit work, an advance notice of ninety (90) days will be given to the Union.

A. If any technological change should alter the job task and/or skills required of any person in the performance of his or her job, or if any technological change permanently displaces any person in the performance of his or her job, the Employer agrees to provide training at the Employer's expense, to the person for the job resulting from such technological change for another equivalent job which the Employer has available within the Union's jurisdiction, or for any other equivalent job opportunity with the Employer. Such training will include, but is not limited to, instruction and practice in the safe and effective operation of equipment, at the same or greater pay rate.

31.2 Training school opportunities shall be posted for a period of at least one (1) week prior to the close of applications for such opportunities. Officers interested shall sign the posted roster. Officers wishing to attend these schools shall be assigned on the basis of seniority and job classification consistent with the needs of the department from the posted list.

Officers attending training schools shall be compensated as they have been in the past for the duration of this Agreement.

**ARTICLE 32
MILITARY SERVICE**

32.1 Officers who serve in the National Guard or military reserve units which require annual training shall be granted the necessary leave with pay for up to two (2) weeks to fulfill the annual training requirements of the unit in which they serve. Such officer shall give the Employer two (2) weeks notice.

32.2 The Employer will comply with the applicable laws of the United States concerning the reemployment of officers leaving the military service, of the United States. At the time an officer leaves for military service, he shall receive whatever vacation pay is due him. The application of this provision will comply with the Uniformed Services Employment and Re-employment Rights Act as amended. Upon return from military service, an officer shall work to his original employment date and be entitled to his pro-rata vacation.

**ARTICLE 33
TUITION REIMBURSEMENT**

The City will suspend its Tuition Assistance Program for a one year period beginning on July 1, 2012 and ending on June 30, 2013.

ARTICLE 34
EFFECT OF PRIOR MEMORANDA OF UNDERSTANDING

The Employer and the Union agree that in the event that language agreed to by the parties in any prior Memorandum of Understanding is inadvertently omitted from this Collective Bargaining Agreement, the terms of the Memorandum of Understanding shall control.

ARTICLE 35
DURATION OF AGREEMENT

This Agreement will be effective from July 1, 2017 to June 30, 2018.

IN WITNESS WHEREOF, the Mayor of the City of Annapolis, the Employer, and the United Food and Commercial Workers Union, Local 400, the Union, caused the Agreement to be executed by their duly authorized officers.

ATTEST: CITY OF ANNAPOLIS

Mayor

Approved for Form & Legal Sufficiency

Date

Approved for Sufficiency of Funds

Date

Reviewed By

Date

WITNESS

UNITED FOOD AND COMMERCIAL
WORKERS UNION, LOCAL 400

Date

Date

EXHIBIT "C" **LIMITED DUTY**

Where any employee undergoes a medical evaluation as provided for in Article 14, and the results thereof indicate that the employee has a correctable impairment which is temporary in nature, the employees' appointing authority in conjunction with the Human Resources Director, shall detail other duties, tasks, and responsibilities to said employee during the period of the employees' temporary impairment. The detail of such duties may be in other than the employees' assigned department provided wherever possible the temporary duties to which the employee will be assigned should be of such a nature as might conceivably be covered by the employees' job description in his primary department. The employee to whom additional or different duties and responsibilities are detailed, shall remain in the employees current salary status during the period of such detail and, upon completion of such detail, and clearance by a physician or City Doctor shall reassume the regular duties and responsibilities of the position occupied by the employee.

Limited duty assignments shall continue for not more than sixty (60) days with a review by the Human Resources Director and, if necessary, the City Doctor every thirty (30) days. In the discretion of the Police Chief, limited duty may be extended beyond sixty (60) days. An employee unable to return to his normal duties at the completion of limited duty shall be evaluated for separation and shall be placed on disability leave or leave without pay pending separation.

Where any such employee undergoes a medical examination and the results thereof indicate that the employee is totally disabled such that the employee is not able to continue to perform satisfactorily in the employees job classification, then the employee shall have the choice to transfer to a vacant position for which they are determined by the hiring authority to be qualified or the employee shall apply for disability retirement under the applicable provisions of the appropriate retirement system.

Should the employee choose to transfer and the transfer is from one (1) department, agency or office to another department, agency or office, the transfer shall be subject to the approval of both appointing authorities and the Human Resources Director.

Where any such employee refuses to undergo a medical evaluation, if directed to do so by the Human Resources Director, the hiring authority shall be authorized to initiate a dismissal action against the employee.

EXHIBIT "F"
DROP Plan

Definitions

In this subtitle, the following words have the meanings indicated.

- (1) "DROP" means the Deferred Retirement Option Program in which a participant agrees to delay receipt of the employee's retirement benefit while the employee continues to work. Each participant receives the accumulated retirement benefit from the period of participation at retirement.
- (2) "DROP account" means the separate financial account established under this policy from which a participant is paid a lump sum distribution at retirement.
- (3) "DROP participant" means a participant who is eligible and who elects to participate in the DROP.
- (4) "DROP participation period" means the time that an employee participates in the DROP while actively employed by the City.
- (5) "Cost Neutral" means the City will not be required to expend additional funds to support the DROP program nor will the program adversely affect the funding status of the Pension Plan.
- (6) "Plan Year" means a calendar year commencing January 1 and ending December 31st.

Applicability

There is a Deferred Retirement Option Program in the City of Annapolis New and New Revised Police and Fire Retirement Plans.

Cost Neutral

The DROP program is designed to be cost neutral and an actuarial analysis will be performed every three years and the plan actuary will include a report on whether the DROP is meeting the cost neutrality objective. In the event the DROP is not cost neutral, the City and the Public Safety Unions shall meet and amend as needed the DROP to achieve cost neutrality. In the event the parties cannot come to an agreement, no new participants shall be enrolled until such time as the parties agree to and implement changes necessary to achieve cost neutrality.

Eligibility

Sworn Police and Fire personnel will have the option to elect DROP beginning on the date of eligibility for normal retirement, (20 years for those hired prior to 7/1/2012; 25 years for those hired on or after 7/1/2012). During the DROP the City will continue to make the employer contributions to the Retirement Plan. For those employees who defer their DROP entry to normal retirement date plus 5 or more years of additional service no employee contribution shall be required during the DROP period; for all other employees, the employee contribution shall be required.

Applications

- (a) **Application required.** An employee who wants to participate in the DROP shall complete an application on the form required by the Human Resources Director.
- (b) **Beginning date.** In addition to providing information requested by the Human Resources Director, the employee shall specify a beginning date of the employee's DROP participation period that corresponds to the requirements of the participation period noted in (c) below.
- (c) **When submitted.** An application shall be submitted to the Human Resources Director at least 90 days before the beginning date of the employee's DROP participation period. An application may be submitted before an employee is eligible to participate in the DROP, provided that the employee is eligible as of the beginning date of the DROP participation period.

Limitation on the number of participants

- (a) **Generally.** No more than 24 employees (12 Fire & 12 Police) may be participating in the DROP at any one time.
- (b) **Initial participants.** Upon inception of the DROP participation in the DROP will be limited to eight (8) participants (4 Fire & 4 Police) per plan year until a maximum of 24 participants is realized.
- (c) **When fewer than 24 employees are participating.** If there are fewer than 24 employees participating in the DROP as of the first day of any subsequent Plan Year, the number of additional employees who may begin participating in the DROP on that day shall be limited to the number that does not cause the total number of DROP participants to exceed 24, split evenly between Police and Fire to a maximum of 12 slots each.
- (d) **Selection by seniority.** If the application of this section requires the number of participants to be limited, participants shall be selected by seniority as determined by the Human Resources Director on the basis of the amount of actual plan service of the applicants. Annually, in conjunction with the open enrollment period, applications for participation in the DROP will be accepted by the Human Resources Department.

In the event of a tie in seniority which will affect whether an employee may enroll in the DROP, the following methods will be used to break the tie:

For employees in Fire, a random selection method will be used to break the tie. For employees in Police, please refer to language in the Collective Bargaining Agreement which specifies how to proceed.

Participation period; mandatory retirement upon expiration

- (a) **Generally.** A DROP participation period begins on the first day of a Plan Year and expires on the last day of a Plan Year.
- (b) **Term of participation period.** The term of a DROP participation period is three (3) years.

(c) **Expiration before end of term.** A DROP participation period expires before the end of the current term if the DROP participant dies, voluntarily terminates or is involuntarily terminated from employment; retires (normal or disability); or becomes ineligible to participate in the plan for any reason, including a transfer to a position not covered by the plan.

(d) **Expiration of DROP participation.** Except as otherwise provided in this subtitle, a DROP participant shall terminate service and begin receiving a retirement benefit as of the first day of the month following expiration of the DROP participation period. A participant who fails to submit the documents requesting termination and retirement shall be involuntarily terminated and retired as provided in subsection (c).

Status during participation

(a) **Active employee.** A DROP participant is an active employee of the City and, except as provided in this subtitle, is entitled to the benefits of that employment and is subject to the laws, regulations, and policies governing that employment.

(b) **Police and Fire Retirement Plan.** A DROP participant is a participant in the Police and Fire Retirement Plan under the conditions described in the respective plan, except that a DROP participant will have exercised the option to elect DROP subject to the following conditions:

Anyone who has elected and entered the DROP beginning on the date of eligibility for normal retirement, (20 years for those hired prior to 7/1/2012; 25 years for those hired on or after 7/1/2012) shall continue to make the required employee contribution. During the DROP the City will continue to make the employer contributions to the Plan. For those employees who defer their DROP entry to normal retirement date plus 5 or more years of additional service no employee contribution shall be required during the DROP period.

DROP account

(a) **Account established.** The Human Resources Director shall establish an account in the pension fund for recording the actions required by this section and is not required to establish an individual account for each DROP participant.

(b) **Retirement benefits.** The Human Resources Director shall determine, based on the standard actuarial calculation accounting for years of service and salary, the annual retirement benefit under the Police and Fire Retirement Plan a DROP participant is entitled as of the first day of the DROP participation period. The retirement benefit excludes service and salary during the DROP participation period for purposes of calculating the entitlement to and amount of the retirement benefit.

(c) **Account balance.** The account balance credited to a DROP participant is subject to the following:

- (1) it includes the amount of the retirement benefit determined under subsection (b);
- (2) It includes credited interest calculated under the Composite Corporate Bond Rate, based on an average of the June-November rates from the prior year for the Plan Year ahead;
 - (i) compounded on the account balance as of the first day of each month;

- (ii) credited to the DROP participant from the beginning to the expiration of the DROP participation period.
- (iii) amounts in the account are NOT increased by COLA granted to actual retirees.
- (d) **Statement of account balance.** At least once a year, the Human Resources Director shall provide to a DROP participant a statement of the account balance credited to the DROP participant as described in subsection (c).

Early withdrawal from participation

- (a) **Election to withdraw.** Except as provided in subsection (b), a DROP participant may elect to withdraw from participation in the DROP only by terminating employment with the City.
- (b) **Withdrawal before end of participation period.** A DROP participant whose participation ends prior to the end of the DROP participation period because of a termination of employment or ineligibility to participate in the plan for any reason:
 - (1) forfeits any entitlement to the DROP benefit and
 - (2) if otherwise eligible, shall have a retirement benefit determined that includes service and salary during the DROP participation period for purposes of calculating the entitlement to and amount of the retirement benefit and that is reduced by an amount actuarially equivalent to the employee contributions not made during the DROP participation period.
 - (3) Interest shall not accrue on an account balance for any period of DROP participation that is less than a MI year.

Disability during participation

- (a) **Permitted.** A DROP participant may apply for a disability pension during the DROP participation period.
- (b) **Effect of disability pension.** If a DROP participant receives a disability pension:
 - (1) the benefit includes service and salary during the DROP participation period for purposes of calculating the amount of the benefit and is reduced by an amount actuarially equivalent to the employee contributions not made during the DROP participation period; and
 - (2) the participant forfeits any entitlement to the DROP benefit.

Death during participation

- (a) **Generally.** If a DROP participant dies during the DROP participation period, the beneficiary or beneficiaries of the participant as described in the Fire & Police Retirement Program are entitled to a death benefit under the retirement plan.
- (b) **Death result of active duty.** If the death occurs as the direct result of the active performance of duties as described in the City Code, the death benefit includes service and salary during the DROP participation period for purposes of calculating the amount of the benefit and is reduced by the actuarial equivalent of the employee contributions not made during the DROP participation period.

(c) **Death not result of active duty.** If the death does not occur as a direct result of the active performance of duties, the death benefit excludes service and salary during the DROP participation period for purposes of calculating the amount of the benefit and is not reduced by an amount actuarially equivalent to the employee contributions not made during the DROP participation period.

(d) **Beneficiaries.** If a DROP participant dies during the DROP participation period, the beneficiary or beneficiaries of the participant as described in the City Code are entitled to a lump sum payment in cash of the account balance credited to the DROP participant as of the date of the death of the participant. Any payment(s) of the annuity will be determined by the election the employee made upon entering the DROP.

Retirement benefits of participants

(a) **Generally.** On the first day of the month following expiration of the DROP participation period and the DROP participant's termination from City employment, the participant is entitled to receive the first payment of an annual retirement benefit under the Police and Fire Retirement Plan.

(b) **Benefit** determined as if the participant had retired on the first day of the DROP participation period, using final average basic pay and including credit for residual unused sick leave for the determination of the final benefit at separation of service;

(c) **Payment.** The participant shall receive payment of the account balance credited to the DROP participant.

Manner of payment

(a) **Lump sum payment.** Unless elected otherwise by a DROP participant, payment of the account balance shall be made in a lump sum to the participant within 30 days of the first day of the month following expiration of the DROP participation period and the DROP participant's termination from City employment.

(b) **One-time deferral of the lump sum payment.** The participant may elect a one-time deferral of the lump sum payment of the account balance on the form required by the Human Resources Director, provided the election is submitted no later than the expiration of the DROP participation period; the participant is not entitled to interest on the account balance because of the deferral; and payment is made within 30 days after a request is submitted to the Human Resources Director on the form required on or before the participant is 70 $\frac{1}{2}$ years of age.

(c) **Payment in cash; exception.** Unless otherwise elected by a DROP participant, a lump sum payment under subsection (a) or subsection (b) shall be made in cash. If permitted by federal law at the time of the payment, payment may be made by transfer or direct rollover to an eligible retirement plan as defined in the Internal Revenue Code.

(d) **An increase in the monthly annuity amount.** The participant may elect to use the DROP balance to increase the monthly annuity payment amount by the actuarial equivalent based form of payment election at DROP entry and the ages of the participant and, if applicable, the beneficiary at DROP exit date.

(e) **Sole responsibilities of participant.** Selection of the retirement account, plan, or annuity and the tax consequences of a transfer or direct rollover under subsection (c) are the sole responsibility of the participant and, upon transfer or direct rollover of the account balance to the retirement account, plan, or annuity, the City has no further obligation regarding the account balance credited to the participant.

Beneficiaries

A DROP participant's beneficiary is the beneficiary on file for the pension plan with the Human Resources Department.

Future Employment

If an employee exits the DROP and is retired from the City, and subsequently is re-employed by the City in a position which is covered by the Police and Fire Retirement Plan, the employee shall not be eligible to participate in the Plan.

July 25, 2014

Re: Annapolis Police and Fire DROP Program

Dear Carol and Yolanda:

This Side Letter confirms the terms under which the City of Annapolis, UFCW Local 400, and IAFF Local 1926 (hereinafter collectively referred to as "the Parties") have agreed to resolve Local 1926's grievance challenging the manner in which the City permits public safety employees to use military service time in connection with the Deferred Retirement Option Program ("DROP") of the City of Annapolis Police and Fire Retirement Plan.

1. The Parties agree that up to three years of active duty service with the armed forces of the United States may be counted towards the five or more years of additional service beyond the Normal Retirement Date that must be completed prior to entry in the DROP in order to be relieved of the obligation to make employee contributions to the New and New Revised Police and Fire Retirement Plans.

2. The Parties agree that periods of active service with the armed forces of the United States may not be credited toward the Years of Active Service required to each the Normal Retirement Date that is required to be eligible to participate in the DROP.

3. The Parties agree that any employee hired on or after August 1, 2014 who wishes to receive military service credit toward retirement eligibility must give written notice to the City's Human Resources Department of their intent to do so no later than six (6) months after their date of hire. The employee must complete any forms related to the military service credit required by the Human Resources Department. The failure to notify the City's Human Resources Department and complete required forms within the required time period will preclude the employee from receiving military credit for any purpose related to retirement eligibility.

4. The Parties agree that current sworn police and fire employees will receive a memo from the Director of Human Resources on or before September 1, 2014 advising them that, if they wish to use military service time as a credit toward retirement eligibility, they must give written notice to the City's Human Resources Department of their intent to do so no later than January 1, 2015. The employee must complete any forms related to the military service credit required by the Human Resources Department. The failure to notify the City's Human Resources Department and complete required forms within the required time period will preclude the employee from receiving military credit for any propose related to retirement eligibility.

By signing below, the Parties agree to the terms and conditions of this Side Letter, and further agree that the provisions of this Side Letter shall be incorporated into the Plan Document for the Police and Fire Retirement Plan.

Sincerely,

Paul Mr Rensted

October 9, 2014

Yolanda Anwar, Regional Director
John Lee, Representative
UFCW Local 400
4301 Garden City Drive
Landover, MD 20785

Dear John and Yolanda:

This Side Letter confirms the terms under which the City of Annapolis and UFCW Local 400 have agreed to resolve Local 400's grievance challenging the City's extension of the promotional eligibility list.

The parties further agree that in the future, any extension of the promotional list must be made in writing and shall be delivered to Local 400 prior to the effective date of any such extension.

By signing below, the Parties agree to the terms and conditions of this Side Letter, and further agree that the terms of General Order N.2 are amended to incorporate the provisions of this side letter.

Sincerely

Paul M. Rensted
Director of Human Resources

4838-4965-1014, v. 1