

Memorandum of Understanding

By and Between

**The Board of School Trustees of the
Metropolitan School District
of Mt. Vernon
and
Chauffeurs, Teamsters & Helpers
Local Union 215**

Dated January 16, 2017

Effective January 1, 2017
through
December 31, 2018

**METROPOLITAN SCHOOL DISTRICT
OF MT. VERNON
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A G R E E M E N T

ARTICLE I

RECOGNITION

The Board of School Trustees of the **METROPOLITAN SCHOOL DISTRICT OF MT. VERNON, INDIANA**, recognizes Chauffeurs, Teamsters, and Helpers Local Union No. 215, hereinafter called the Union, as the representative of the district's Custodial and Maintenance employees for the purpose of discussing matters of mutual concern. Those matters shall include, but not necessarily be limited to wages, hours, and fringe benefits.

The term "employee" as used herein shall include only full-time, regularly appointed hourly Building Service and Maintenance employees whose appointment has been officially approved by the Board and who work four (4) or more hours per day for the Metropolitan School District of Mt. Vernon, Indiana; **BUT EXCLUDING** all substitutes, temporary employees, and supervisors.

This Memorandum and the recognition extended to the Union under it shall not be construed as relinquishment by the Board of any lawful obligations.

All words of gender used in this Memorandum shall be deemed and construed to include any other gender as the context of this Memorandum or any paragraph in this Memorandum may require, the same as if such words had been fully and properly written in the required gender.

Employees may be expected to give a fair day's work for a fair day's salary paid by the Board.

ARTICLE II

BOARD'S RIGHTS

The Board retains all of its rights and powers under applicable law; provided, that the Board agrees to apply those rights and powers consistent with the provisions of this Memorandum.

ARTICLE III

MEMBERSHIP

No employee covered by this memorandum will be required to become a member of or pay dues to the Union.

All employees who are members of the Union as of the effective date of this Agreement and those employees who become members of the Union after that date shall maintain their membership in good standing and be subject to the provisions of this Agreement for the remainder of their employment in a covered position with the employer unless they notify the employer and the Union of their decision to resign their Union membership. Such notification must be given to both the employer and the Union in writing from November 15 through November 30.

ARTICLE IV

UNION STEWARDS

The Board, through its designated representative(s), will deal with an employee designated as the Union Steward from the bargaining unit.

The Union will appoint its Steward who shall handle grievances of employees without loss of pay to the Steward; provided, however, that the aggregate time shall not exceed one (1) hour in any one (1) week for the Steward. The Union Steward must receive permission from his immediate Supervisor to leave his work station and must report back promptly when his part of the grievance adjustment procedure has been completed.

In no event shall the Union Steward have the power to call a strike or stoppage of work or interfere with work in progress.

ARTICLE V

NO STRIKE - NO LOCKOUT

There will be no strikes, walk-outs, picket lines, or other interference with the Board's operation of the Metropolitan School District of Mt. Vernon by the Union or its members and the Board will not lock out its employees.

Participation by an employee in any strike, walk-out, picket line or other interference with the Board's operation of the Metropolitan School District of Mt. Vernon will be grounds for disciplinary action up to and including discharge.

ARTICLE VI

SENIORITY

Seniority shall be defined as the length of continuous employment with the Board, starting with the date of appointment to temporary status.

Upon written request of the Union, between December 15 and December 31, the Board of School Trustees will furnish the Union, and to each of its members, a seniority list with the first paycheck in January of the year immediately following.

ARTICLE VII

SEPARABILITY

If any provision of this Memorandum of Understanding shall be held invalid or void by a Court of competent jurisdiction, the remainder of the Memorandum of Understanding shall remain in full force and effect.

ARTICLE VIII

DURATION

This Memorandum of Understanding covers the period from January 1, 2017 through December 31, 2018. The Board of School Trustees and Union recognize the need to start discussions for the 2019 Memorandum of Understanding on or about June 1, 2018; also, representatives of the Board and Union may meet from time to time to discuss the implementation of the terms of this Memorandum.

ARTICLE IX

DUES AND LOCAL CHAPTER OF D.R.I.V.E. DEDUCTION

The Board will deduct in one total sum of money monthly from the wage of the employees covered by this Memorandum, the general and uniform dues whose written and signed authorization and assignment has been submitted to the Board on a form furnished by the Board. The authorization and assignment will remain in effect until revoked by any employee. The authorization and assignment will be revocable at the will of employees and its form is made a part of this Memorandum as described in **Dues Deduction Authorization**.

The Employer agrees to deduct from the wages due employees covered by the provisions of this Agreement monies assigned by the employee to the Local Chapter of D.R.I.V.E., an amount to be determined by the employee; provided, however, that the employee shall have signed and submitted to the Employer a written authorization for such action on the part of the Employer. The authorization will be on forms furnished by the Local Chapter of D.R.I.V.E. and shall be in compliance with all state and federal laws. All monies so deducted by the Employer shall be forwarded to the Treasurer of the Local Chapter of D.R.I.V.E. at the end of the month for which deductions have been made.

The Board accepts the terms and conditions of this paragraph and of the written and signed authorizations and assignments submitted to it to the extent that this paragraph and such documents are, and each of them is, applicable under existing law.

The Union will provide to the Board a written assurance that the Union will defend, indemnify and save harmless, the Board against any and all claims made upon or any suits instituted against the Board arising out of any action of the Board taken pursuant to preceding paragraphs, concerning dues deduction and Local Chapter of D.R.I.V.E.

DUES AND LOCAL CHAPTER OF D.R.I.V.E. DEDUCTION AUTHORIZATION

The school employer shall, on receipt of the written authorization of the employee, deduct from the pay of such employee, any dues designated or certified by the appropriate officer of Teamsters Local Union No. 215 and shall remit such dues to such exclusive representative.

The Teamsters Local Union No. 215 shall indemnify and save the school employer and school corporation harmless against any and all claims, demand, suits or other forms of liability that may arise out of or by reason of action taken or not taken by the school employer or school corporation in reliance upon signed authorization cards and/or lists furnished to the school employer or school corporation by the Teamsters Local Union No. 215 for the purpose of payroll deduction of dues and Local Chapter of D.R.I.V.E.

ARTICLE X

GRIEVANCE PROCEDURE

This Grievance Procedure, hereinafter referred to as "Procedure" stipulates the conditions under and the procedures by which grievances alleged by employees covered by this Memorandum of Understanding shall be processed. If any such grievances arise, there shall be no stoppage or suspension of work because of such grievance, but such grievances shall be submitted to the following grievance procedures.

I. DEFINITIONS

As used in this Procedure:

- A. **"GRIEVANCE"** means, and shall be limited to, an alleged violation of an express article or section of this written Memorandum of Understanding, except where such article or section is exempt from this Procedure.
- B. **"SUPERINTENDENT"** means the chief administrative officer of the school corporation, or any person(s) designated by him to act in his behalf in dealing with school employees.
- C. **"GRIEVANT"** means the employee directly affected by the alleged violation making the claim.
- D. **"DAY"** means school employer assigned duty day of the employee.

II. STRUCTURE

- A. Nothing herein contained shall be construed as limiting the right of any employee having a grievance to proceed independently of this Procedure.

- B. The grievant may be represented by any person(s) of his own choosing at all levels of the Procedure, limited, however, to a total of two (2) representatives.
- C. Either the school employer or the grievant shall have the power to invoke the advisory board proceedings under this Procedure.
- D. There shall be no additional evidence, material, allegation, or remedy submitted by the grievant or his representative during the grievance process, once a formal grievance has been filed at Formal Level One, provided, however, that the Superintendent shall waive the restrictions on additional evidence or material stipulated herein upon request of the grievant provided that the Superintendent determines said additional evidence or material was either not known or not available to the grievant at the time said grievance was filed at Formal Level One.

III. **PROCEDURE**

The number of days indicated at each level should be considered as maximum. The time limits specified may, however, be extended by mutual agreement of the grievant and school employer.

A. **INFORMAL GRIEVANCE**

Within seven (7) days of the time the grievant first knew or should have known of the act or condition upon which it is based, the grievant must present the grievance to his principal or immediate supervisor or his designee by meeting with him individually in an informal manner during non-working hours. The grievant may be accompanied by a representative as provided herein, provided his principal or immediate supervisor is informed in advance of the grievant's desire to have a representative present. Failure to so meet and discuss said alleged grievance as provided herein, shall prevent the grievant from filing said alleged grievance at any formal grievance level(s). Within seven (7) days after presentation of the grievance, the principal or immediate supervisor or his designee shall give his answer orally to the grievant.

B. FORMAL GRIEVANCE

LEVEL ONE

1. Within five (5) days of the oral answer, or within twelve (12) days after presentation of the grievance at the Informal Level if no oral answer has been rendered, if the grievance is not resolved, it must be filed by the grievant with the principal or immediate supervisor or his designee in writing, signed by the grievant, on the appropriate grievance form. The written grievance shall name the employee involved, shall state the facts giving rise to the grievance, shall identify by specific reference all express articles or sections of this Memorandum of Understanding alleged to be violated, shall state the contention of the grievant with respect to the provision(s) of said articles or sections, and shall indicate the specific relief requested.
2. Within seven (7) days after receiving the written grievance, the principal or supervisor or his designee shall communicate his answer in writing to the grievant.

LEVEL TWO

1. In the event that the grievance is not resolved at Level One, or if no written decision has been rendered within the time limit provided, the grievant may appeal the decision to Level Two provided said appeal is filed with the Superintendent within ten (10) days of receipt of the written answer at Level One, or within seventeen (17) days after presentation of the grievance at Formal Level One if no written answer has been rendered. The appeal shall include a copy of all materials and evidence previously submitted and a copy, at the same time, shall be given to the principal or supervisor involved.
2. The grievant shall submit the written claim, signed by him, to the Superintendent. Within ten (10) days from the receipt of the grievance, the Superintendent shall render a written decision to the grievant as to the resolution of the grievance. The Superintendent may hold a formal hearing(s) prior to the rendering of the written decision, and an additional fourteen (14) days beyond the ten (10) days shall be allowed if the Superintendent determines further investigation is necessary.

LEVEL THREE

1. In the event the grievance is not resolved at Level Two, or if no written decision has been rendered within the time limit provided, the grievant may submit the grievance to an advisory board provided the grievant files said written appeal with the school employer within seven (7) days of the receipt of the Superintendent's written answer, or, if no written decision has been rendered by the Superintendent, either within seventeen (17) days or within thirty-one (31) days after presentation of the grievance at Level Two, whichever is applicable.
2. Upon receipt of said appeal, an advisory board shall be appointed, with one (1) member selected by the grievant, one (1) member selected by the Superintendent, and one (1) member, who shall serve as chairman, selected by the two (2) members appointed as described herein.
3. If requested by the school employer, the advisory board shall first rule on the arbitrability of the grievance. With such ruling by the advisory board that the grievance is not arbitrable, the grievance shall be deemed resolved by the school employer's answer at the previous level and abandoned.

IV. POWERS OF THE ADVISORY BOARD

It shall be the function of the advisory board, and it shall be empowered except as its powers are limited below, after due investigation, to make an advisory recommendation to the school employer, within fifteen (15) days of its appointment, in cases of alleged violation of the express articles or sections of this Memorandum of Understanding:

- A. It shall have no power to add to, subtract from, disregard, alter, or modify any of the terms of this Memorandum of Understanding.
- B. It shall have no power to establish salary structures or change any salary.
- C. The decision of the advisory board shall be solely advisory in nature. The School employer shall consider the written advisory recommendation rendered by the advisory board and shall finally rule on the disposition of the grievance.
- D. The fees and expenses of the chairman of the advisory board, if any, shall be shared equally by the school employer and the grievant. All other expenses shall be borne by the party incurring them, and neither party shall be responsible for the expense of witnesses called by the other.

V. MISCELLANEOUS

- A. Decisions rendered at Formal Level One, Level Two, and Level Three of this Procedure shall be in writing.

- B. All documents, communications and records dealing with the processing of a grievance shall be filed separate from the personnel files of the grievant.
- C. All necessary forms for grievance procedures set forth in this Procedure shall be provided by the Superintendent.
- D. Failure at any level of this Procedure to render the decision on a grievance within the specified time limits shall permit the grievant to proceed to the next level, unless said time limits be extended by mutual consent of both parties. However, the grievance must be appealed by the grievant to the next level within the specified time limit for that level or said grievance shall be deemed resolved by the school employer's answer at the previous level and abandoned.
- E. Any hearing at the informal level and at Formal Level One, Level Two, and Level Three shall be held during non-working hours unless otherwise directed by the school employer.
- F. No school employee shall use this Procedure to appeal any decision by the school employer, or administration for which there is another remedial procedure of forum established by law or by regulation having the force of law.
- G. No employee shall use this Procedure to appeal any decision by the school employer or administration if such decision is applicable to a State or Federal Regulatory Commission or Agency.
- H. Employees shall follow all written and oral directives, even if such directives are allegedly in conflict with this Memorandum of Understanding. Compliance with such directives will not in any way prejudice the employee's right to file a grievance within the time limits herein, nor shall compliance affect the ultimate resolution of the grievance.
- I. The fact that the grievance has been considered by the parties in the preceding levels of this Procedure shall not constitute a waiver of jurisdictional limitations upon the advisory board in this Procedure.
- J. This Procedure supersedes and cancels all previous grievance policies or procedures, oral or written or based on alleged past practices or procedures, and constitutes the entire procedure for the processing of grievances.

ARTICLE XI

HOURS OF WORK AND OVERTIME

- I. The work week is Sunday through Saturday with normal working days being Monday, Tuesday, Wednesday, Thursday, and Friday.
- II. Each employee shall have two days off in each work week, and the days off shall be consecutive.
- III. At least one week's notice will be given if a shift from the normal working day is advisable.
- IV. Time worked over eight (8) hours in one (1) 24-hour period will be paid at one and one-half (1 1/2) times the employee's regular rate.
- V. Time over forty (40) hours in a work week will be paid at the rate of one and one-half (1 1/2) times the regular rate.
- VI. During Christmas vacation and the summer months (June, July, and August), personnel not on normal "day" shifts (approximately 5:00 a.m. - 6:00 p.m.) may be scheduled onto a "day" shift when such is begun on the first day of the week and continues through said week.
- VII. Employees shall be paid a minimum of four (4) hours pay at time and one-half (1 1/2) on callout.
- VIII. It is the intent of the School District to schedule all employees on day shift (between 5:00 a.m. and 6:00 p.m.) during the summer months when school is not in session. It is understood that the School District shall have the sole discretion to schedule employees on second or third shift should the need arise.
- IX. When overtime is necessary in the various school buildings, the highest seniority personnel should be solicited first. If the overtime is refused by all building personnel, the most junior person must fulfill the need for overtime work.
- X. A third shift employee may work second shift the day prior to any holiday (provided such holiday is not a scheduled school day) and the last day of school for teaching staff. However, overtime will be waived for working more than 8 hours in a 24-hour period.
- XI. All employees shall be paid two (2) times their hourly rate for work performed on Sunday.

ARTICLE XII

JOB VACANCIES, PROMOTIONS, AND TRANSFERS

POSTED JOB OPENINGS

If a vacancy occurs, such notice will be posted, and all personnel will have an opportunity to apply for same. Seniority will be one factor in the consideration of applicants for said vacancy.

There will be job postings as a result of a job vacancy if such is the interest of permanent employees.

TEMPORARY EMPLOYEE

Any person employed for custodial and/or maintenance work will be considered on temporary status for a period not to exceed sixty (60) working days. If a vacancy in the normal complement of personnel occurs prior to the end of that period of time, a person on temporary status who is qualified for that vacancy may, at the sole discretion of the Board of School Trustees, be appointed to a position as a regular employee with seniority dating to the start of his temporary status.

For the first thirty (30) days of his employment on temporary status, an employee will receive the base rate of pay. Following that thirty (30)-day probationary period, if the employee's work is deemed to be satisfactory by the Board of School Trustees, he will, for the remainder of his temporary status, be paid an hourly rate which will be at the mid-point between base pay and the hourly rate of the employee temporarily being replaced. The Board of School Trustees will be the sole judge as to whether any employee on temporary status shall be advanced in pay or continued in employment and the Board's action with respect to any such employee will not be subject to a grievance procedure or any other arbitration procedure. An employee on temporary status will not receive medical-hospital insurance nor Public Employees' Retirement Fund benefits and may be terminated at the sole discretion of the Board of School Trustees.

The obligation of the Board of School Trustees to put a temporary employee upon regular status does not impose an obligation upon the Board of School Trustees to exceed the normal complement of personnel, and it is understood that the number of persons employed as regular custodial or maintenance employees at any given time may be maintained at the normal level through layoffs, with such layoffs to be made on the basis of seniority and with those persons laid off being given first opportunity at future staff openings for which they are qualified and which occur within one year after the date upon which the employee was laid off. The Board of School Trustees shall be the sole judge of what constitutes a normal complement.

RESIGNATION

Resignations shall be in writing and directed to the Superintendent of Schools.

The administrative staff shall notify the employee in writing concerning the action taken on his resignation.

TRANSFER

Transfers may be made at the initiative of the Superintendent or other administrative officer or at the request of the employee and for any purpose which, in the judgment of the Superintendent, is for the best interests of the employee or the school system.

ARTICLE XIII

LEAVES OF ABSENCE

I. PAID LEAVES OF ABSENCE

A. LEGAL ABSENCE

A regular employee called for court, jury or election duty from which he cannot be excused shall be paid for the day of work missed at his regular rate of pay. The employee is required to remit to the Secretary of the Board of School Trustees any fees (except travel) received from court, in which case no salary reduction will be made.

B. PERSONAL BUSINESS

An employee may be granted up to four (4) days for the transaction of personal business and/or civic affairs. A written statement shall be submitted to the Superintendent of Schools setting forth the reason and necessity for such absence. Unused personal leave days shall be accumulated as part of the employee's accumulated sick leave.

C. ILLNESS

Each full-time, 12-month classified employee paid from tax funds is entitled to be absent because of illness or quarantine twelve (12) days the first year and nine (9) days each succeeding year, without loss of pay, accumulative to 170 days.

All sick leave shall be granted only for personal illness of the employee. Such illness shall be certified to the District Office by principals or other authorized supervisory officers, who are hereby permitted to require a physician's statement to support their certification. A statement from the attending physician shall be required for any absence of five or more days; such statement shall be on a form to be supplied by the Superintendent of Schools, and the obtaining of this statement shall be the responsibility of, and the expense of, the employee.

An employee may utilize up to two (2) personal illness days per year as family illness leave. (See Family Illness Leave.)

D. ILLNESS IN THE FAMILY

An employee is entitled to a total of three (3) additional days absence (non-cumulative) without loss of pay annually for absence for severe illness in the immediate family (interpreted as including mother, father, husband, wife, child, grandchild or any other person living in the home as part of the family).

E. BEREAVEMENT

1. IMMEDIATE FAMILY (A)

In case of death in the immediate family (A):

(interpreted as including father, mother, husband, wife, child, legal guardian, and any other person who, at the time of death, was living as a member of the employee's household), the employee is entitled to be absent seven (7) calendar days immediately following the death without loss of pay. Unused days are not cumulative.

IMMEDIATE FAMILY (B)

In case of death in the immediate family (B):

(interpreted as including brother, sister, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law and stepparent) the employee is entitled to be absent five (5) calendar days immediately following the death without loss of pay. Unused days are not cumulative.

2. OTHER DEATH

One day each following death of brother-in-law, sister-in-law, grandparent-in-law, aunt, uncle, niece, and nephew not living in the household of the employee (to attend last burial rites). Non-cumulative.

F. SICK LEAVE BANK

The Board of School Trustees shall provide a sick leave bank for all custodial/maintenance employees, whether said employees are included in or excluded from the bargaining unit, under the following conditions.

1. The number of days in the sick leave bank shall be equal to the number of custodial/maintenance employees as of the start of the calendar year.
2. A custodial/maintenance employee, at the sole discretion of the Board of School Trustees, may be granted days from the sick leave bank under these conditions:
 - a. he must have exhausted his own accumulated sick leave;
 - b. he must have a doctor's certification that such request is necessary;

- c. he should submit the request in advance of the expiration of his own accumulated leave if at all possible.
3. Days from the sick leave bank may be approved or disapproved by the committee in accordance with the following guidelines:
- a. if the applicant has worked in this school district for less than three (3) years, he may be approved for a maximum of five (5) days from the sick leave bank;
 - b. if the applicant has worked in this school district three (3) school years or more, he may be approved for ten (10) days from the sick leave bank;
 - c. the maximum allowance to be approved is fifteen (15) days per employee per calendar year;
 - d. the committee is not required to approve the full amount requested; and
 - e. a custodial/maintenance employee may not be granted days from the sick leave bank if the requested days are to be used during the time for which a request has been made and/or granted for any leave of absence.

4. The maximum days allowed in any calendar year shall not exceed the total number of custodial/maintenance employees at the start of that calendar year.
5. The Sick Leave Bank Committee's decision may be appealed to the Board of School Trustees by the Superintendent or the employee. The Sick Leave Bank Committee shall be composed of two custodial/maintenance employees to be selected by the custodial/maintenance employees and one administrator to be selected by the Board or its designee. Any appeals of the decision of the Sick Leave Bank Committee is the responsibility and sole discretion of the Board of School Trustees.

II. NON-PAID LEAVES OF ABSENCE

A. EMERGENCY OR EXTREME HARDSHIP ABSENCE

An employee may be granted personal leave with loss of pay in cases of extreme hardship. The written request for such absence, stating the nature of the hardship or need, should be presented in advance of the anticipated absence to the principal or the respective supervisor for his recommendation to the Superintendent of Schools.

B. LEAVE OF ABSENCE FOR PERSONAL ILLNESS OR PREGNANCY

A non paid leave of absence for pregnancy or personal illness may be granted to any classified personnel for a period of up to one (1) year.

1. An application for leave of absence with loss of pay for personal illness or pregnancy must be accompanied by a certificate from a physician recommending such leave and approved by the Board of School Trustees.
2. Fringe Benefit Entitlement: An employee on leave of absence for personal illness is entitled to all fringe benefits for so long as he qualifies for paid leave of absence. Upon the expiration of all such days, the employee is responsible for payments for his full health insurance monthly payments (if applicable), for any Union dues and/or assessments (if applicable), and for any other payments that normally would have been made by the District had the employee been working.
3. Said employee is not entitled to accrued vacation time (if applicable) while on leave for personal illness or pregnancy leave once said employee no longer qualifies for pay. If said employee returns to work during the fiscal year, vacation time will be pro rata.

C. MILITARY LEAVE OF ABSENCE

Any regular classified employee who enters military service during a period of national emergency shall be restored, following his discharge, to his former position or a similar position for which he is qualified. Any employee who chooses to remain in military service longer than six (6) months after becoming eligible for discharge shall forfeit all rights for reinstatement.

III. RETURN FROM LEAVE

Upon returning from a leave of absence for illness or pregnancy, the employee is required to have such health examination as may be required by the Superintendent of Schools.

If an employee on leave of absence for illness or pregnancy remains away from duty beyond the expiration date of his leave or renewal of leave, his position shall be vacated by such failure to return.

IV. FISCAL YEAR

The fiscal year for all leave of absence benefits shall be from July 1 to June 30.

ARTICLE XIV

HOLIDAYS AND HOLIDAY PAY

- I. On paid holidays, a worker called out will be paid time and one-half in addition to holiday pay. This applies only to the listed holidays.
- II. If a listed holiday falls on a normal work day when school is not in session, the employee will receive the day off with eight (8) hours regular pay.
- III. If Good Friday falls on a scheduled school day, the substitute day shall be the Friday of Spring vacation.
- IV. If Christmas Eve, Christmas Day, New Year's Eve, or New Year's Day fall on Saturday or Sunday, the substitute day shall be scheduled between December 25 and December 31 in conjunction with the period that allows the employee the most consecutive days off.
- V. If Veterans Day falls on a scheduled school day or falls on a Saturday or Sunday, the substitute day shall be scheduled between December 25 and December 31 in conjunction with the period that allows the employee the most consecutive days off.

- VI. If July 4 falls on a Saturday, the holiday shall be observed on Friday; and if July 4 falls on a Sunday, the holiday shall be observed on Monday.

PAID HOLIDAYS

New Year's Day	Veterans Day
Good Friday	Thanksgiving
Memorial Day	Friday following Thanksgiving
July 4	Christmas Eve
Labor Day	Christmas Day
	New Year's Eve

ARTICLE XV

VACATIONS AND VACATION PAY

I. Vacations

- A. Employees with less than one (1) year of continuous employment prior to the first day of July will be entitled to receive vacation based on the rate of 0.833 days per month for each month of continuous service prior to July 1 of the current year.

Based on the above paragraph, employees, if continuously employed, are entitled to the following:

<u>Hire Date</u>	<u>Vacation Entitlement</u>
July 1 to August 6	10 days
August 7 to September 11	9 days
September 12 to October 17	8 days
October 18 to November 22	7 days
November 23 to December 29	6 days
December 30 to February 3	5 days
February 4 to March 12	4 days
March 13 to April 17	3 days
April 18 to May 24	2 days
May 25 to June 12	1 day
June 13 to June 30	0 days

- B. Employees with at least one (1) year and less than eight (8) years continuous service prior to the first day of July of the current year shall be entitled to receive two (2) weeks' vacation at their regular weekly rate of pay provided they have worked at least 170 days of the previous year (July 1 – June 30). Employees who have worked less than 170 days of the previous year (July 1 – June 30) shall be entitled to vacation based on one day for each twenty-six (26) days in pay status.

- C. Employees with at least eight (8) years and less than fifteen (15) years continuous service prior to the first day of July of the current year shall be entitled to receive three (3) weeks' vacation at their regular weekly rate of pay provided they have worked at least 170 days of the previous year (July 1 – June 30). Employees who have worked less than 170 days of the previous year (July 1 – June 30) shall be entitled to vacation based on one (1) day for each seventeen (17) days for each seventeen (17) days in pay status.
 - D. Employees with at least fifteen (15) years of continuous service prior to July 1 of the current year, shall be entitled to four (4) weeks' vacation at their regular weekly rate of pay provided they have worked at least 170 days of the previous year (July 1 – June 30). Employees who have worked less than 170 days of the previous year (July 1 – June 30) will be entitled to vacation based on one (1) day for each thirteen (13) days in a pay status.
 - E. Employees shall have twelve (12) months from the end of the year (July 1 – June 30) in which vacation is earned to take their vacation. If vacation is not taken in that twelve (12) month period, it will be lost. (Subject to Item II in Memorandum of Understanding.)
 - F. Employees are not allowed to take their vacation in the same year it is earned, except from June 1 – June 30. However, at the time of termination, resignation or retirement, employees will be entitled to be paid for all unused vacation including time earned in the current year (July 1 – June 30).
 - G. "Days in pay status" is based on full days in pay status. Partial days may be combined to make full days. "Days in pay status" does include all paid holidays, paid leave days, and days for which an employee is compensated under workers compensation.
- II. No later than April 1 of each year, the school employer shall be notified of the intended vacation starting dates and periods according to the following conditions:
- A. There shall always be one (1) person on duty in each elementary building; two (2) persons on duty in the junior high school and two (2) persons on duty in the high school.
 - B. Vacations shall be taken in no less than one (1) week periods except as provided in paragraphs D, E, and F below.

- C. Vacations may be taken during Spring Break provided school is not in session. Otherwise, vacation periods shall be started no earlier than June 1 provided school is not in session otherwise June 15 and end no later than August 15. Vacations must be taken as outlined below in paragraphs D, E, and F or between June 1 through June 30 of the following year.
- D. Employees with three (3) or four (4) weeks vacation may take one (1) week or five (5) eight hour days vacation during the school year.
- E. All employees may take one week of vacation (forty hours) in either eight (8) hour increments or four (4) hour increments provided school is not in session.
- F. For employees with three (3) and four (4) weeks vacation; one week (5 days) vacation may be taken by combining days in which school is closed for Christmas/New Year period with the week of Spring Break to allow the most consecutive days off for the employee.
- G. Maintenance personnel may take their vacation between June 1 and December 1. No more than two (2) maintenance personnel may take their vacation at the same time. Only one (1) building maintenance technician may take vacation at a time.
- H. A school is allowed to be without custodians due to vacation for one (1) work day in the month of July. This would be with the advance approval of the building principal and the Director of Buildings and Grounds. The exception applies to school buildings that have only two custodians.
- I. For July 1, 2016, through June 30, 2017, each employee shall take five (5) unpaid days (which may be taken in four (4) hour increments) off during the time school is not in session or at any time during the school year when no sub is required to replace the employee. A one week notice from the employee is required and such provision may be waived when it is in the best interest of MSDMV and/or employee. Effective July 1, 2017, Article XV.II.I. is rescinded.

ARTICLE XVI

WAGES

- I. Each employee is scheduled on an individual hourly rate.
- II. Paydays are every other Friday with time cards due into the District Office on the morning of each alternate Thursday. Time card turn-in is the responsibility of the employee.
- III. Union dues deductions will be made in two equal deductions in a month.

- IV. The school employer, at its sole discretion, may place a new employee at an advanced level on the pay schedule.
- V. Any employee who works five or more hours between 1:00 p.m. to 10:00 p.m. shall receive second shift premium of ten cents (\$0.10) per hour. Any employee who works five or more hours between 10:00 p.m. to 7:00 a.m. shall receive a third shift premium of thirty-five cents (\$0.35) per hour.
- VI. For hourly wage purposes only, longevity shall be established January 1 and July 1 of each calendar year.
- VII. The employer will pay an additional one-time longevity salary to each eligible employee as specified in the Longevity Salary Addendum 2007. See addendum.

CUSTODIAL/MAINTENANCE WAGES
2017 and 2018

2017 and 2018 Hourly Rates	0-4 Years	5-14 Years	15+ Years
Regular Custodians & Maintenance	\$15.09	\$15.89	\$16.14
Head Custodian Marrs	\$15.19	\$15.99	\$16.24
Semi-Skilled Maintenance; Head Custodian Jr. High School	\$15.29	\$16.09	\$16.34
Head Custodian High School	\$15.34	\$16.14	\$16.39
Mechanic	\$15.59	\$16.39	\$16.64
Carpenter; Plumber; Building Maintenance Technician	\$15.87	\$16.67	\$16.92
Electrician; HVAC/Energy Management Technician	\$16.90	\$17.71	\$17.96

VIII. PUBLIC EMPLOYEES RETIREMENT FUND

The Board will pay up to three percent (3%) of the wage of each employee to the Public Employees Retirement Fund for the employee's share of retirement fund obligations.

ARTICLE XVII

DISCIPLINE AND WORK RULES

The following offenses and penalties have been listed by management in an attempt to improve the general working conditions and the well-being of the employees. Offenses have been segregated into three (3) classes, according to penalties assessed.

Since not all infractions and variations of work rule offenses can be listed, Management reserves the right to categorize such variations and unlisted infractions, according to their severity, into existing classes of offenses, as deemed proper.

When imposing any discipline as the result of a current charge, management will not take into account infractions which occurred more than one year previously.

ARTICLE XVIII

PENALTIES FOR OFFENSES

The disciplinary action for the **Class I Offense**, or combinations of those offenses, shall be a reprimand for the first offense, three (3) days layoff for the second offense, and one week layoff and/or demotion or transfer for the third offense, and dismissal for the fourth offense.

The disciplinary action for the **Class II Offense**, or combination of those offenses, shall be three (3) days layoff for the first offense, one (1) week layoff and/or demotion or transfer for the second offense, and discharge for the third offense.

A **Class III Offense** shall result in automatic discharge.

An employee who has already received a three (3)-day layoff for either Class I or Class II offenses shall receive a one (1) week layoff and/or demotion or transfer for a subsequent Class I or Class II offense; an employee who has already received a one (1) week layoff and/or demotion or transfer for either or both Class I and Class II offenses shall be discharged for a subsequent Class I or Class II offense.

CLASS I OFFENSES

1. Leaving the job early, except in the case of personal injury or where approval has been obtained from a person authorized to grant such approval.
2. Excessive tardiness or absenteeism.
3. Failure to call in and report absences to the Director of Buildings and Grounds.

4. Using the telephone for other than emergencies.
5. Violation of safety or fire rules.
6. Unsatisfactory work performance or not maintaining that quality of workmanship established by the Board of School Trustees through its designated representatives.
7. Reporting for work other than neatly dressed and having a clean, neat appearance.
8. Using other than proper language at any time.
9. Taking breaks in excessive frequency or duration or taking breaks in restaurants, coffee shops, or other places of business. Taking extended or improper breaks or lunch periods.

CLASS II OFFENSES

1. Insubordination, which shall include, but not be limited to, refusal or failure to accept and perform job assignments as directed by the immediate supervisor or higher supervision. EXCEPTION: If the possibility of personal injury could result in carrying out such assignment.
2. Sleeping or lying down during working hours.
3. Carelessly damaging, destroying, losing, or misusing school equipment or property.
4. Using tools, equipment, or materials at any time for personal needs without the permission of the supervisor.
5. Altercations, (oral, written, or physical) among custodial/maintenance personnel or between custodial/maintenance personnel and school staff, faculty, students, or the public.
6. Gambling, use of abusive language, the threatening of physical violence.

CLASS III OFFENSES

1. Stealing, whether school property or property belonging to others.
2. Possession of alcoholic beverages, narcotics, or weapons (concealed or otherwise) on school property.
3. Physical violence committed upon another person on school property except in self-defense.
4. Immoral or indecent acts.

5. Any intentional misrepresentation in an employee's application for employment or falsification of leave of absence request.
6. Purposely or intentionally damaging or destroying school equipment or property.
7. Falsifying time card or any other personnel record of his own.
8. Filling out a time card or other personnel record for another.
9. Found on the job to be under the influence of intoxicating liquors or beverages or drugs.

ARTICLE XIX

ADDITIONAL RETIREMENT PAY

- I. Employees will receive liquidated retirement benefits as specified in the Retirement Liquidation Addendum 2007. See addendum.

ARTICLE XX

INSURANCE

I. Group Insurance Benefits

- A. The employer agrees to contribute to the CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS HEALTH AND WELFARE FUND for each full-time employee covered by this Memorandum who enrolls in Central States insurance, beginning the first day of the month following the date of hire, according to the following schedule:

Benefit Plan TA excluding Retiree Health Plan Benefits

For Employee Only plan:

Effective January 1, 2017	\$140.80 per participant per week
Effective January 1, 2018	Not to exceed \$149.20 per participant per week

For Family plan:

Effective January 1, 2017	\$342.40 per participant per week
Effective January 1, 2018	Not to exceed \$362.90 per participant per week

- B. The employer shall contribute \$102.36 per week for each Employee Only plan and \$243.06 per week for each Family plan, with the balance of premium paid by the employee through payroll deduction. The deduction may be made on a pre-tax basis.

- C. An employee absent from work but continuing to receive wages from the employer shall continue to be eligible for the insurance benefit described in Sections A and B above.
- D. An employee absent from work and not receiving wages from the employer may continue to participate in the insurance program described in Sections A and B above at said employee's own expense.
- E. An employee absent from work due to a work related injury and receiving wages from Workmen's Compensation coverage shall continue to be eligible for the insurance benefit described in Sections A and B above until:
 - 1. Such time as the employee is declared to be permanently disabled.
 - 2. Such time as workmen's compensation benefits are terminated.

ARTICLE XXI

Scholarship Trust Fund

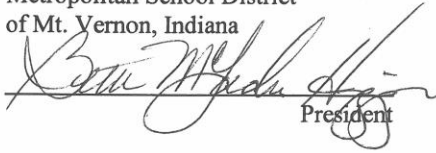
- I. Effective with the first payroll after ratification of this Agreement by the employer, the employer agrees to contribute \$2.50 per week per employee to the Teamsters Local 215 Scholarship and Educational Trust Fund. The check shall be made payable to "Teamsters Local 215 Scholarship and Educational Trust Fund" and mailed on a monthly basis to PO Box 1040, Evansville, IN 47706.

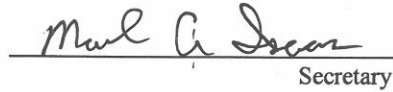
ARTICLE XXII

SIGNATURES

This Memorandum of Understanding is made and entered into this 16th day of January, 2017, by and between the Board of School Trustees of the Metropolitan School District of Mt. Vernon, Indiana and Chauffeurs, Teamsters and Helpers Local Union 215.

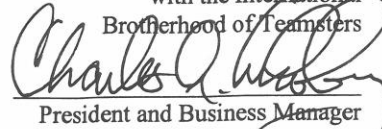
Board of School Trustees of the
Metropolitan School District
of Mt. Vernon, Indiana


President


Secretary

Date 1-16-17

CHAUFFEURS, TEAMSTERS AND
HELPERS LOCAL UNION NO. 215
EVANSVILLE, INDIANA, Affiliated,
with the International
Brotherhood of Teamsters


President and Business Manager

Date 1/16/17

LETTER OF UNDERSTANDING

For any MSD of Mt. Vernon (hereinafter “School District”) custodial and maintenance employees who do not enroll in CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS HEALTH AND WELFARE FUND (hereinafter “Central States”) effective January 1, 2017, the following insurance benefits will be provided by the School District, effective January 1, 2017. These benefits for each such employee not enrolled in Central States will continue through December 31, 2018, or until the employee enrolls in Central States insurance, whichever comes first. The School District will not provide any of the benefits below for employees once they enroll in Central States on or after January 1, 2017.

I. Hospital/Medical, Dental, Vision, Life, and Long-Term Disability Insurance

A. The School District will pay:

1. All but one cent (1¢) per pay for a single plan up to \$400.62 per month toward the cost of hospital/medical insurance for each full-time employee enrolled in the School District’s hospital/medical insurance plan.
2. All but one cent (1¢) per pay for a family plan up to \$1,000.18 per month toward the cost of hospital/medical insurance for each full-time employee enrolled in the School District’s hospital/medical insurance plan.
3. All but one cent (1¢) per pay for a double plan up to \$503.62 per month per employee toward the cost of hospital/medical insurance for each full-time employee enrolled in the School District’s hospital/medical insurance plan, when both spouses are full-time employees.
4. All but one cent (1¢) per pay for a single plan up to \$30.36 per month toward the cost of dental insurance for each full-time employee enrolled in the School District’s dental insurance plan.
5. All but one cent (1¢) per pay for a single plan up to \$12.16 per month toward the cost of vision insurance for each full-time employee enrolled in the School District’s vision insurance plan.
6. The School District will pay the monthly premium for \$40,000 group term life insurance and accidental death and dismemberment insurance less one cent (1¢) per month.
7. The School District will pay the monthly premium for long-term disability insurance less one cent (1¢) per month.


B. Retired Employees Insurance Benefits

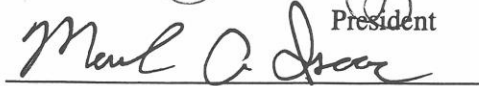
An employee who retires prior to being eligible for Medicare may participate in the Metropolitan School District of Mt. Vernon group health, dental, and vision insurance programs until such time the said retiree qualifies for Medicare provided the following qualifications are met:

1. Must be fifty-five (55) years of age and have at least fifteen (15) years of service with the school district at retirement, and must not be eligible for Medicare coverage.
2. The retiree pays the full cost of the insurance premium. Such premium must be received at the Metropolitan School District Office, 1000 West Fourth Street, no later than the first day of each month. Failure to meet said deadline shall result in cancellation of the insurance coverage.
3. The spouse of the retiree may participate in the group health, dental, and vision insurance programs prior to being eligible for Medicare or reaching the age of sixty-five (65), provided the spouse does not remarry.
4. Insurance benefits for retired employees will be available only if provided by the school district insurance carriers. The school district is not responsible to provide insurance coverage(s) or benefits if the retired employee or dependent(s) are not provided insurance coverage by the school district carriers.

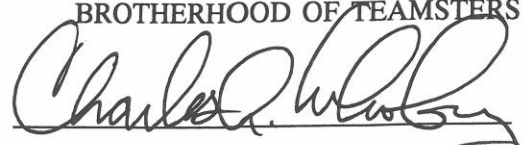
MSD OF MT. VERNON

CHAUFFEURS, TEAMSTERS
AND HELPERS LOCAL UNION NO. 215
AFFILIATED WITH THE INTERNATIONAL
BROTHERHOOD OF TEAMSTERS



Matt A. Isaac
President


Secretary



President and Business Manager

DATE 1-16-17

DATE 1/16/17

Letter of Understanding

If it is necessary to decrease staff, the School Board or its designee will attempt to achieve reduction by using the following layoff procedure:

- (1) attrition resulting from resignation, or
- (2) retirement

If these measures are not sufficient to accomplish the necessary decrease in staff, the School Board or its designee will make reduction with consideration given to the following criteria:

- (1) qualifications/job assignment of all employees
- (2) seniority within the job classification (custodial, semi-skilled, skilled)
- (3) It is the intent of the parties that the employee with the least amount of seniority will be laid off provided that the senior employees have the ability and skill to perform the remaining jobs.

The employee will be given a minimum of ten (10) working days' notice before being released.

Any employee laid off from School District employment will be paid for any earned unused vacation in the current year of employment.

Persons who have been laid off per the "Layoff Procedure" will qualify for consideration of reinstatement for a period of thirty-six (36) months from the effective date of layoff as per the following recall procedures. When a vacancy or new position occurs in the District, the qualifications of all laid off employees will be considered for filling the vacancy before any new applicants are considered.

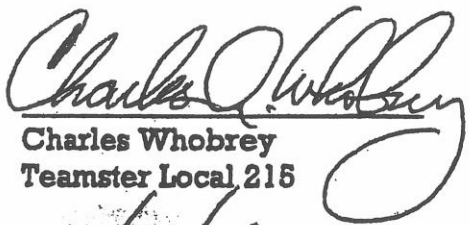
Whenever a vacancy occurs, the Administration will attempt to fill the position with an individual who is on layoff status. Individuals will be called back by inverse order of layoff in the last classification or job title, provided however they are capable of performing the work that becomes available. Such recall shall not result in any loss of credit for previous years of service or loss of accumulated sick days. A recall notice will be sent by certified mail to the individual at his/her last known address. The laid off person is responsible for keeping the School District Personnel Office informed of his/her correct address.

A recalled employee shall have ten (10) calendar days from the date of postmark on the recall notice to respond to the job offer. Failure to do so will void all recall rights.

Any layoff under this policy will be honorable and a written statement to that effect will be furnished those employees, and a copy of said statement will be a part of the employee's personnel file.

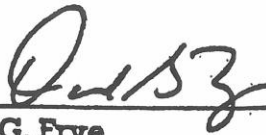
Only individuals who were laid off under this procedure are eligible for recall. An individual who has been on layoff status for more than thirty-six (36) months will not be eligible for recall under this procedure.

If it is necessary to close a building the superintendent or his designee will confer with representatives of the Teamsters Local 216 to decide how transfers will occur.



Charles Whobrey
Teamster Local 216

12/19/06
Date



David G. Frye
Metropolitan School District of Mt. Vernon

12/19/06
Date

Longevity Salary Addendum 2007

M.S.D. of Mt. Vernon

December 18, 2006

The following salary amount is in addition to the salary schedule for the respective school employee in determining salary.

Upon written request to the Superintendent by June 1 prior to the benefit year of service by a school employee who is, or will be in the next benefit year, all of the following:

- a. age 55; and
- b. tenured with minimum of 15 years of service in the MSD of Mt. Vernon; and
- c. currently employed by the School Corporation,

the School Corporation shall add two thousand (\$2,000) as longevity salary to the individual's next benefit year salary schedule placement, for services to be rendered, during that benefit year.

The full longevity salary shall be added to the individual's next benefit year salary schedule placement.

This one time longevity salary shall not be compounded or used in any way to determine future years' salary after once implemented.

The Superintendent may waive the notice requirement as a result of the school employee's serious ill health, serious accident, or serious unforeseen emergency.

Notwithstanding the above June 1 notice requirement, due to the late effective date of this

Memorandum, school employees on staff as of January 1, 2007 may give notice as late as

February 2, 2007 for payment during the benefit year that includes January 1, 2007.

The total cost for this benefit shall be calculated and will become a part of the cost of benefits for the employee group for the next benefit year.

Retirement Liquidation Addendum 2007

M.S.D. of Mt. Vernon

December 18, 2006

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Section B.	Sec. 401(a)
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Section F.	Vesting, Default, and Redistribution Procedures
Section G.	Class of Ten (10)

Section A. Definitions.

The following terms shall have the following meaning, unless specifically designated differently by the respective Sections or their sub-portion.

1. "Non-certificated School Employees" shall mean school employees not under individual certificated school employee contracts provided by I.C. 20-28-6-4 and I.C. 20-28-6-5 and not licensed as certificated school employees pursuant as that term is used and defined by I.C. 20-18-2-22.
2. "IRS Code" shall mean the statutory code of the federal Internal Revenue Department (26 USCA), and regulations thereof;
3. "Sec. 401(a)" shall mean that section in the IRS Code;
4. "Sec. 403(b)" shall mean that section in the IRS Code;
5. "Section 501(c)(9)" shall mean that section in the IRS Code and shall be referred to as "VEBA";
6. "VEBA" shall mean a Voluntary Employees' Beneficiary Association;
7. "Existing Non-certificated School Employees" shall mean a non-certificated school employee in active status on December 31, 2006 who returned and provided active service for the benefit year that includes January 1, 2007;
8. "New Hires" to the School Corporation shall mean non-certificated school employees hired in the benefit year that includes January 1, 2007 and in subsequent benefit years;
9. "Vesting" in this Addendum shall mean as provided in Section F;
10. "Class of Ten (10)" shall mean as provided in Section G;
11. "Plan" shall mean that asset allocation provided in Section E;
12. "Default" shall mean a forfeiture provided in Section F;
13. "Retirement Liquidation Assets" shall mean rights to defined benefits provided in the benefit year that included January 1, 2003 as they were valued by actuarial determination and distributed at present value (Actuary Report dated September 5, 2003; Present Value Allocation dated November 29, 2006);
14. "M.S.D. of Mt. Vernon" or "School Corporation" shall mean the Metropolitan School District of Mount Vernon, Indiana;

Section B. Retirement Savings Section 401(A)

The School Corporation agrees to establish an IRS Code Sec. 401(a) plan for receipt of retirement liquidated assets. The School Corporation shall contribute to individual accounts in the name of the respective existing non-certificated school employee in the manner provided in Section F.

Section C. Retirement Savings VEBA

The School Corporation shall contribute to a VEBA by a deposit into individual accounts in the name of the existing non-certificated school employees in the manner provided in Section E.

Section D. Terms and Conditions for Section 401(a) and VEBA Administration

The single source provider's administration of the Sec. 401(a) and the VEBA generated by the liquidation of retirement assets shall be governed by the following terms and conditions.

1. For the Sec. 401(a) and for the VEBA, the following shall govern each, separately:
 - a. Funds of each non-certificated school employee shall be maintained and accounted for separately, and there shall not be any co-mingling of accounts. An employee's Sec. 401(a) account under this section shall be accounted for separately from the employee's Sec. 401(a) account provided for in the Matching Annuity Addendum.
 - b. The School Corporation shall not be paid for any administrative costs it may incur to facilitate the accounts, neither shall any account costs be assessed to the School Corporation.
 - c. All costs for the administration of the programs and the individual accounts shall be paid from the respective account's assets, including investment charges.
2. In addition to the above, the VEBA shall be governed by the following:
 - a. The VEBA shall not at any time allow loans or withdrawals for the non-certificated school employee, the spouse, or dependent(s).
 - b. The VEBA shall not at any time disperse cash to the non-certificated school employee, the spouse, or the dependent(s).
3. Investment and vesting issues are governed by Section F below.

Section E. Existing Non-Certificated School Employee Tax Vehicle Allocation Plan(s)

Existing non-certificated school employees shall select a single Plan from Plans A, B, C, or D shown below for the combined allocation of old Retirement Benefit liquidation amounts (the Present Value Allocation). After this single limited plan selection, assets may not be reallocated by the individual employee at any time.

	VEBA IRS Code: Sec.501(c)(9)	Sec. 401(a) IRS Code
PLAN A	95%	5%
PLAN B	75%	25%
PLAN C	50%	50%
PLAN D	5%	95%

For any individual non-certificated school employee's asset allocation, if any of the plans' percentages causes the IRS Code limits for that tax vehicle to be exceeded, that excess shall be automatically paid into the respective plan's other tax vehicle without any employee option.

Section F. Vesting, Default, and Redistribution Procedures

- (1) On or after the effective date of this Addendum a non-certificated school employee who has ten (10) years of experience in M.S.D. of Mt. Vernon is fully vested in his VEBA and/or Sec. 401(a) account including earnings for retirement liquidated assets for years of service and/or accumulated sick days.
- (2) Upon vesting, the accounts shall be fully portable; the Sec. 401(a) shall include loans, hardship withdrawals, and/or withdrawals; however, the same shall not be allowed for the VEBA.
- (3) Prior to and after vesting, the non-certificated school employee shall be allowed to invest retirement liquidations and earnings in VEBA and/or Sec. 401(a) accounts in accord with the vendor's plan provisions.
- (4) If the non-certificated school employee dies in service after vesting, all liquidated retirement assets including earnings shall pass to the named beneficiaries of the respective plans in accord with the vendor's plan provisions.
- (5) (a) A non-certificated school employee participating in this liquidated retirement program defaults his VEBA and/or Sec. 401(a) assets, including earnings if the individual separates or otherwise terminates from employment of the M.S.D. of Mt. Vernon prior to vesting as provided in subsection (1) above.

Amounts forfeited upon separation from employment before vesting shall not be reinstated if the non-certificated school employee is subsequently rehired by the School Corporation. Board approved leave of absence shall not be a default event, but however, shall become one and cause forfeiture if the individual fails promptly to return to employment following the expiration of the leave period.

- (b) By October 1st of each plan year, the vendor shall redistribute the defaulted amounts on an equal full time equivalent basis to the respective accounts of active non-certificated school employees then at the top of the then current salary schedule. VEBA defaults shall be redistributed to only VEBA accounts of participants in active service. Sec. 401(a) defaults shall be redistributed to only Section 401(a) accounts of participants in active service.

Section G. Class of Ten (10)

On or after the effective date of this Addendum and anytime until December 31, 2016, a non-certificated school employee who is fully vested in his VEBA and/or Sec. 401(a) accounts shall have the following opportunity.

Regardless of selecting or foregoing this opportunity, all existing non-certificated school employees shall initially participate in the liquidation.

A calculation will be performed at the time of the non-certificated school employee's retirement to determine if the total amount of that individual's retirement liquidation payment, plus annual fixed asset rate earnings, exceeds the amount of retirement payments that would have been paid under that employee's retirement benefit in effect on January 1, 2006. The calculation will proceed as follows:

- Step 1: Compute the "New Retirement Amount" as the value of the individual's original retirement liquidation, as specified in the Present Value Allocation dated November 29, 2006, plus earnings at the respective annual fixed asset rate as if that original liquidation amount had been invested in the single-source provider's fixed asset accounts for the life of the investment.

- Step 2: Compute the "Old Retirement Amount" as the value at the time of retirement of the individual's retirement payments for years of service and/or accumulated sick leave under that employee's retirement benefit in effect on January 1, 2006.

- Step 3: If the New Retirement Amount is less than the Old Retirement Amount, then the amount of the differential retirement payment is the difference between the Old Retirement Amount and the New Retirement Amount.

Otherwise, the differential retirement payment amount is \$0.

Differential retirement payments shall be paid directly to the retiring individual's Sec. 401(a) account (Addendum Section B) in the last month of the individual's service.

Document prepared by Robt. E. Cambridge, Attorney at Law, Atty. No. 3083-53, Martinsville, IN 46151