

# **EXHIBIT 21**

**SECOND AMENDMENT TO THE COLLECTIVE BARGAINING AGREEMENT  
BETWEEN THE CITY OF HARRISBURG AND FRATERNAL  
ORDER OF POLICE CAPITAL CITY LODGE NO. 12**

The Collective Bargaining Agreement between the City Of Harrisburg and Fraternal Order Of Police Capital City Lodge No. 12 for the period January 1, 2004 through December 31, 2015 is amended as follows:

1. All amendments shall be effective upon ratification by the City except as set forth below.
2. ARTICLE III is amended by extending the term to December 31, 2016.
3. ARTICLE VIII Section 1: Salaries, Subsection A) is amended as follows:

Section 1: Salaries

Salaries for the established work week of forty (40) hours, including meal period of one-half (½) hour each day, shall be as follows:

A) For the term January 1, 2004 to December 31, ~~2015~~2016, base wages for employees hired prior to January 1, 2013 shall be as follows:

January 1, 2004 - 3% increase  
January 1, 2005 - 2% increase  
July 1, 2005 - 1% increase  
January 1, 2006 - 1% increase  
July 1, 2007 - 2% increase  
January 1, 2008 - 3% increase  
January 1, 2009 - 3% increase  
January 1, 2010 - 4% increase  
January 1, 2011 - 4% increase  
January 1, 2012 - 3% increase  
~~January 1, 2013 - 3% increase~~ January 1, 2013 - 0% increase  
~~January 1, 2014 - 3% increase~~ January 1, 2014 - 0% increase  
~~January 1, 2015 - 3% increase~~ January 1, 2015 - 1% increase  
~~January 1, 2016 - 1% increase~~

***NEED NEW PAY SCHEDULES***

For all employees hired on or after January 1, 2013, the following pay scale shall apply:

	<u>01/01/2013</u>	<u>01/01/2014</u>	<u>01/01/2015</u>	<u>01/01/2016</u>	
<u>Police Officer IV</u>	<u>61,358</u>	<u>61,358</u>	<u>61,972</u>	<u>62,591</u>	<u>100.0%</u>
<u>Police Officer III</u>	<u>55,222</u>	<u>55,222</u>	<u>55,774</u>	<u>56,332</u>	<u>90.0%</u>
<u>Police Officer II</u>	<u>52,154</u>	<u>52,154</u>	<u>52,676</u>	<u>53,202</u>	<u>85.0%</u>
<u>Police Officer I</u>	<u>49,086</u>	<u>49,086</u>	<u>49,577</u>	<u>50,073</u>	<u>80.0%</u>
<u>Police Officer Trainee</u>	<u>46,018</u>	<u>46,018</u>	<u>46,478</u>	<u>46,943</u>	<u>75.0%</u>

The Trainee rate of pay shall apply from date of employment through the end of the Field Training Officer Program. Upon satisfactory completion of the Field Training Officer Program, an officer shall be paid at the Police Officer I rate through the Probationary Period set forth in Article VI. Upon satisfactory completion of the Probationary Period, the officer shall be paid at the Police Officer II rate for 12 months, and then shall move to the Police Officer III rate for 12 months, and then shall move to the Police Officer IV rate thereafter.

4. ARTICLE VIII Section 3: Vacations is amended to cap the vacation accrual at 22 days of vacation for employees hired on or after January 1, 2013, as follows:

Section 3: Vacations

Employees with less than one (1) year of service shall, during the term of this Agreement, be entitled to vacations of ten (10) working days per year. The following schedule shall apply to is for employees hired prior to January 1, 2013 with more than (1) year of service:

Start of 2 <sup>nd</sup> year to end of 5 <sup>th</sup> year	16 working days
Start of 6 <sup>th</sup> year to end of 10 <sup>th</sup> year	19 working days
Start of 11 <sup>th</sup> year to end of 15 <sup>th</sup> year	22 working days
Start of 16 <sup>th</sup> year to end of 20 <sup>th</sup> year	25 working days
Start of 21 <sup>st</sup> year to and beyond	30 working days

The following schedule shall apply to employees hired on or after January 1, 2013, with more than one (1) year of service:

<u>Start of 2<sup>nd</sup> year to end of 5<sup>th</sup> year</u>	<u>16 working days</u>
<u>Start of 6<sup>th</sup> year to end of 10<sup>th</sup> year</u>	<u>19 working days</u>
<u>Start of 11<sup>th</sup> year and beyond</u>	<u>22 working days</u>

*(Rest of Section 3 remains the same.)*

5. ARTICLE VIII Section 4: Holidays and Personal Days is amended to reduce the number of named holidays from 10 to 7 and to provide that compensation for working a holiday shall be a DOM (Day of the Month) only, as follows:

Section 4: Holidays and Personal Days

Effective upon the date of ratification of this Agreement, each employee shall be entitled to ~~sixteen (16)~~thirteen (13) holidays during the term of this Agreement. If an employee in the bargaining unit is required to work on New Year's Day, Martin Luther King Day, ~~Washington's Birthday~~, Easter, Memorial Day, July Fourth, Labor Day, ~~Columbus Day~~, Thanksgiving Day, or Christmas Day, the employee shall be entitled to one (1) compensatory day off to be taken sometime during the calendar month in which the holiday falls, ~~or the employee shall, at the employee's option, be entitled to double pay for the hours worked. This option must be exercised at the time that monthly days off are selected.~~ The remaining six (6) holidays shall be considered as "H" days and shall be taken on a first come, first served basis, regardless of seniority, and may not be revoked by management. "H" days may only be selected after vacation selection is completed and is subject to manpower needs as determined by management. ~~Method of selection for Martin Luther King Day shall be either double pay for hours worked or a compensatory day which may be used anytime during the calendar year, however, it must be selected by September 30<sup>th</sup>, otherwise the day will be assigned by management.~~ Each employee in the Bargaining Unit during the term of this Agreement shall be entitled to three (3) personal days with said days to be taken at the employee's discretion during the year, subject to management's responsibility to maintain an efficient operation. If management determines that it is necessary to limit the number of employees on personal leave at the same time, the employee first requesting such leave shall be given a choice of personal leave in the event of any conflict in selection. Requests for emergency personal leave will be granted at any time with the understanding that an employee may be required to substantiate the emergency nature of the request and further, that it may be necessary in order to accommodate the emergency to reschedule requests of other employees for personal leave.

Upon separation of employment, holidays and personal days shall be prorated as follows:

First Quarter:	Holidays 1 ½ days, personal days ¾ day
Second Quarter:	Holidays 3 days, personal days 1 ½ days
Third Quarter:	Holidays 4 ½ days, personal days 2 ¼ days
Fourth Quarter:	Holidays 6 days, personal days 3 days

6. ARTICLE VIII Section 7: Drill, Schooling, Court Time and Telephone Standby Time is amended to allow for modification to an employee's shift to accommodate a scheduled court appearance as follows:

Section 7: Drill, Schooling, Court Time and Telephone Standby Time

Whenever an employee is directed by the Police Chief or Director of Public Safety to attend any drill or schooling during off-duty hours, he shall be compensated by equal compensatory time or pay, not less than two (2) hours. Dependent upon manpower needs, management may elect to change days off to accommodate training.

Time necessarily spent by members of the Police Bureau in court of any kind (including Magistrate's Court) shall be considered time on duty for which said employee shall receive pay at the applicable rate; and when time is during off-duty hours, a minimum of two (2) hours pay at such rates shall be paid. In light of the foregoing and the recommendation set forth at WF15 in the City's Act 47 Recovery Plan, the parties hereto agree that the City and the FOP will meet and negotiate mutually agreed upon changes and strategies which will permit the City to reduce the amount of court-related overtime payments made to employees.

Whenever any employee is directed by the Police Chief or his designee to be on telephone standby, such employee shall receive one-half (½) his/her regular rate of pay for each hour, but not less than the equivalent of three (3) hours of regular pay.

7. ARTICLE VIII Section 8: Longevity Pay is amended to freeze the longevity payments at present levels, as follows:

Section 8: Longevity Pay

During the term of this Agreement, each employee shall receive longevity, in addition to all other compensation, at the rate of one percent (1%) of his base pay for each year of service after the employee's third year of service up to a maximum of twelve percent (12%) through December 31, 2001, up to a maximum of 13% beginning January 1, 2002, subject however to the following:

Employees who are eligible for and receiving longevity as of the ratification of this Second Amendment shall have their longevity payment frozen at the current rate through December 31, 2016. Employees hired on or prior to December 31, 2012, who are not receiving longevity as of the ratification of this Second Amendment shall not be paid longevity during the term of this Agreement. Longevity pay shall not be paid to employees hired on or after January 1, 2013,

8. ARTICLE VIII Section 9: Medical and Hospital Insurance is amended as follows:

Section 9: Medical and Hospital Insurance

The City shall provide health care coverage for each employee and the members of his immediate family in accordance with the following; ~~with the City paying one hundred percent (100%) of the cost of such coverage in accordance with the current period of those providing coverage, as follows:~~

- A. Effective as soon as the parties are able to arrange implementation following ratification of this Second Amendment (but no earlier than July 1, 2013) the base health care plan provided to all active employees shall be Select PPO Blue – 100%/80% Co-insurance; \$250/\$500 In-Network Deductible; \$20/\$40 OV Co-pay; \$100 ER Co-pay. Highmark Classic Blue Coverage including all medically necessary tests, chemotherapy coverage and one routine pap smear per 12-month period;

B. Effective January 1, 2014, the base health care plan provided to all active employees shall be the PPO Blue – 90%/70% Co-insurance; \$250/\$500 In-Network Deductible; \$20/\$40 OV Co-pay; \$100 ER Co-pay; \$500/\$1000 OOP Max.

~~B. Highmark Class Blue Major Medical Coverage to provide maximum benefits of \$250,000.00 until January 1, 1990, wherein the maximum shall be one million dollars (\$1,000,000.00) with a one hundred dollar (\$100.00) deductible provision per person up to three hundred dollars (\$300.00) per family, and providing that the insurer shall pay eighty percent (80%) of the cost of services up to \$2,000.00 per calendar year. The first \$2,000.00 shall be co insured at eighty percent (80%), one hundred percent (100%) thereafter, and outpatient nursing care for LPNs and renewable clause for prosthetic devices;~~

C. Effective upon ratification of this Second Amendment, all current employees shall contribute to the premium cost of medical and hospital insurance in accordance with the below schedule, which is based on the percentage of base salary earned by a 6-year patrol officer:

**Percent of Base Salary of 6 Year Patrol Officer**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Single coverage</u>	<u>1.0%</u>	<u>1.5%</u>	<u>2.0%</u>	<u>2.0%</u>
<u>2 person coverage</u>	<u>2.0%</u>	<u>2.5%</u>	<u>3.0%</u>	<u>4.0%</u>
<u>3 person coverage</u>	<u>2.5%</u>	<u>3.0%</u>	<u>4.0%</u>	<u>5.0%</u>
<u>4 or more person coverage</u>	<u>3.0%</u>	<u>4.0%</u>	<u>5.0%</u>	<u>6.0%</u>

All employee contributions shall be by payroll deductions.

~~C. 365 Mental/Nervous Days;~~

~~D. Pathology with zero deductible;~~

~~E. Medical Emergency;~~

~~F. Follow up care to accident;~~

~~G. Students to age 25;~~

D. Effective July 1, 2013, or as soon as the parties are able to arrange implementation following ratification of this Second Amendment, prescription co-payments for all employees shall be as follows for the term of this Agreement:

Generic	\$25
Brand Restricted	\$50
Brand	\$75

Where and when available, employees shall be required to purchase generic prescriptions and shall be required to select mail order delivery.

E. Beginning with the calendar year commencing January 1, 2015, if the City's increases in its medical and health insurance COBRA rates exceed six percent (6%) over the prior year's rates, the City and the FOP shall negotiate changes in the design of the health care plans to reduce the amount of the City's increases in its share of the costs of monthly contributions. For purposes of calculating increases in costs, the COBRA rates established by the City's third party administrator(s) shall be used, and the annual increase shall be determined based on the effective date of the plan year. In calculating the six percent (6%) increase, the percentage shall be based on the amount paid by the City and shall not include employee contributions. In the event the City and the FOP are unable to reach agreement on plan design changes, the plan design changes shall be subject to an expedited interest arbitration procedure. Either party may request the appointment of a neutral arbitrator selected pursuant to the arbitration step of the grievance procedure. The decision of the arbitrator on this issue, shall be issued within forty-five (45) calendar days of the notice of submission to arbitration.

F. During the term of this Agreement, the City may at any time change the base health care plan provided hereunder to PEBTF coverage. In the event the City elects to change to PEBTF coverage, the base year for calculating cost increases in health care costs which exceed 6% shall be reset to the plan year in which the change is made to PEBTF coverage.

G.H. The current dental coverage at 100% UCR, plus three riders with orthodontic coverage limited to \$2,500 lifetime maximum per person, will be provided by UCCI;

H.I. The current vision coverage will be provided by OptiChoice for the life of this contract;

J. ~~Effective October 1, 2004, Police Officers will have the option of selecting Highmark BCBS Select PPO Blue healthcare coverage. Police Officers selecting PPO Blue shall have the ability to change coverage back to traditional coverage, provided that product is available, during open enrollment periods in 2005 and 2006. If, however, a Police Officer who selects PPO Blue coverage does not elect~~

~~to change coverage back to traditional coverage by the end of the 2006 open enrollment period, he/she will not be permitted to elect traditional coverage in any subsequent open enrollment period.~~

~~Effective January 1, 2007, all existing officers who have traditional healthcare coverage will be moved to the PPO blue coverage. Coverage for students under the existing PPO will be improved to mirror that which is currently in place with the traditional coverage.~~

~~Officers hired on or after January 1, 2007, will receive PPO Blue 100.~~

~~Effective January 1, 2004, prescription drug co-pays increased to \$5.00 for generic and \$10.00 for brand name drugs.~~

~~Effective January 1, 2008, prescription drug co-pays for existing officers will increase to \$10.00 for generic and \$20.00 for brand name drugs.~~

~~Officers hired on or after January 1, 2007, will have prescription drug co-pays of:~~

	<u>Retail</u>	<u>Mail</u>
Generic	\$10.00	\$20.00
Brand Restricted	\$25.00	\$50.00
Brand	\$30.00	\$60.00

~~Brand Restricted means no generic substitute is available or a physician stipulates that the brand is medically necessary.~~

I.K. ~~If a police officer dies in the line of duty, his or her surviving spouse shall receive the then-current health care coverage under the same medical and health plans (including vision, dental and/or prescription drugs) provided to active employees in-effect as of the date of the officer's death at the City's expense for the remainder of his/her life or until he/she remarries. The officer's children shall receive the these same benefits until the age of eighteen (18) or until the age of twenty-two (22) if they are full-time college students unless the surviving spouse remarries. All conditions and restrictions applied to current employees, such as co-payment amounts, prescription restrictions or changes in plan design or coverage, shall be applied to such surviving spouses and dependent children receiving medical and health plan coverage; and~~

J.L. The City shall, at its option, enroll in Highmark Blue Shield's pre-certification program.

Employees who document to the City that they are adequately covered by other health insurance may, upon such documentation and written request to the City, opt to receive an annual payment during the first pay of December in lieu of health coverage as set forth herein. The annual



payment shall be subject to taxes and other usual payroll deductions and shall be placed in a separate check reflecting a payment of \$50 per month for each month the employee elected to forego health care coverage as set forth herein during the preceding calendar year. Employees may re-enroll in the City's health insurance plan by giving the City thirty (30) days' advance written notice, provided that once an employee re-enrolls, he/she may not opt to withdraw again prior to the end of the then current contract year.

All police officers retired prior to January 1, 1987, shall be permitted to participate in the City's group medical ~~insurance~~ coverage at the City's expense. Such participation shall cease when the retired officer qualifies for Medicare and Medicaid benefits.

All police officers hired prior to January 1, 1987, and retiring subsequent to January 1, 1987, who have completed twenty (20) years of actual service shall continue to participate in the City's group health insurance (including family coverage) in effect at the time of retirement at the City's expense provided that the retired employee or his/her spouse does not have alternative health care coverage in the following six areas: (a) physician services; (b) hospital services; (c) major medical; (d) dental; (e) vision; (f) prescription. In those areas where alternative health care coverage is available, the City shall not be required to provide coverage in those areas. Such participation, where provided, shall cease when the retired officer qualifies for Medicare and Medicaid benefits.

All police officers hired subsequent to January 1, 1987, shall have the applicable health care coverage in effect as of the date of their retirement continued at the City's expense (including family coverage) where such officer retires and collects a City pension under the City's Police Pension Plan, supplemental healthcare coverage, now known as Signature 65, for all officers and spouses qualifying, receiving or eligible for Medicare coverage.

Effective ~~08/01/06~~ August 1, 2006, police officers who retire and collect a City pension benefit may choose from among the health care coverages in effect for police officers at the time they begin to collect a pension benefit. Any police officer hired prior to ~~01/01/87~~ January 1, 1987, who retires prior to ~~01/01/08~~ January 1, 2008, shall receive City-sponsored health care if they vest, regardless of whether or not they collect a pension benefit. Any officer hired prior to ~~01/01/87~~ January 1, 1987, who does not retire prior to January 1, 2008, shall be treated the same as officers hired after ~~01/01/87~~ January 1, 1987, which means that health care coverage will not be provided for police officers between the time they vest and the time they begin to collect a pension benefit.

Notwithstanding the provisions above, effective upon ratification of this Second Amendment, all current employees (defined for purposes of this provision as those hired prior to the ratification date) who retire thereafter, shall receive post-retirement health care in accordance with the following conditions and limitations:

- (a) Retirees and their dependents shall receive post-retirement health care coverage under the same health plan provided to active employees, which coverage may be modified to the extent the coverage for active employees is modified. All conditions and restrictions applied to current employees, such as co-payment amounts, prescription

restrictions or changes in plan design or coverage, shall be applied to retirees receiving post-retirement health care coverage.

- (b) In order to be and remain eligible to receive post-retirement health care coverage, retirees must be receiving their pension benefit and must remit a percentage of their pension in accordance with the following table. The remittances shall be paid monthly in advance by direct deduction from the pension payments and direct payment to the City; retirees shall sign all necessary paperwork to permit such direct deductions and payments; provided, further, that if such direct deductions and payments from the pension payments are not authorized as required by law then the parties shall negotiate another method to guarantee payment.

<u>Coverage Type</u>	<u>% Pension Contribution</u>
<u>Single</u>	<u>2%</u>
<u>2 persons</u>	<u>3%</u>
<u>3 persons</u>	<u>4%</u>
<u>4 or more persons</u>	<u>5%</u>

- (c) Retirees must meet all current eligibility and other requirements set forth above. All conditions and restrictions set forth above shall continue to apply.
- (d) Retirees and their dependents shall not be eligible for post-retirement health care benefits if the retiree or dependent has available health insurance coverage elsewhere at a reasonably comparable benefit level and at the same or lower cost, including for example available coverage through a spouse or other employer.
- (e) Retirees and their dependents shall be entitled to receive post-retirement health care under this Agreement only until the date said retiree reaches the age of Medicare eligibility. Following the attainment of Medicare eligibility, retirees shall be entitled to receive only cash reimbursement in an amount not to exceed \$250 per month for supplemental insurance purchased by the retiree, increasing up to a maximum of \$350 per month reimbursement under the following schedule.

	<u>Maximum monthly reimbursement</u>
<u>Thru 12/31/2016</u>	<u>\$250</u>
<u>2017</u>	<u>\$260</u>
<u>2018</u>	<u>\$270</u>
<u>2019</u>	<u>\$280</u>
<u>2020</u>	<u>\$290</u>
<u>2021</u>	<u>\$300</u>
<u>2022</u>	<u>\$310</u>
<u>2023</u>	<u>\$320</u>
<u>2024</u>	<u>\$330</u>
<u>2025</u>	<u>\$340</u>
<u>2026</u>	<u>\$350</u>

The post-retirement health care benefits provided in this Section shall apply only to those police officers hired prior to the ratification date of this Second Amendment. All police officers hired after the date of ratification of this Second Amendment shall not be eligible to receive post-retirement health care benefits.

9. ARTICLE VIII Section 11: Shift Differential and Pay Differential is amended to eliminate the payment of shift differential and to provide for investigator differential in steps, as follows:

Section 11: Shift Differential and Pay Differential

Effective upon ratification of this Second Amendment, employees shall not receive shift differential premium payments.

~~Employees shall receive, in addition to all other compensation, shift differential as follows:~~

- ~~A. — Employees scheduled to work between the hours of 1500 — 2300 shall receive 0.50¢ per hour premium pay for all hours actually worked on such shift. This does not include an officer who works what is considered a normal daylight shift.~~
- ~~B. — Employees scheduled to work between the hours of 2300 — 0700 shall receive 0.75¢ per hour premium pay for all hours actually worked on such shift.~~

Detective positions shall be filled by officers who have participated in a Career Development Program within the Criminal Investigation Division (CID). Selection will be made from among the three highest scores as determined by the total number of points accumulated from: the Officer's most recent evaluation prior to beginning a Career Development Program, the Officer's evaluation completed during the Officer's participation in a Career Development Program, and the oral interview with the Commanding Officer of the CID, the Lieutenant from the CID, the Deputy Chief and two independent interviewers selected from law enforcement personnel from outside jurisdictions. All officers wishing to participate in a Career Development Program will have the opportunity to do so.

Whenever such a position is to be filled, the City shall notify all permanent officers with two (2) or more years of service as Patrol Officers, who have participated in a Career Development Program within the Criminal Investigation Division of said vacancy whether or not they wish to be considered for such position. Officers assigned to the Detective position may be removed at any time for just cause.

Effective with the ratification of this Second Amendment, employees newly assigned to an Investigator position shall receive a differential at the rate of an additional 1% per year added to the base wage for each of the first 5 years of service in the position of investigator up to a total of a 5% differential, which will then equal the differential for corporals and detectives, as shown on the attached pay schedules.

10. ARTICLE VIII Section 12: Clothing, Maintenance and Ammunition Allowance is amended to reduce the clothing allowance effective January 1, 2013, and eliminate the maintenance allowance effective January 1, 2014, as follows:

Section 12: Clothing, Maintenance and Ammunition Allowance

- A. Effective January 1, 2013, the initial clothing allowance for a new employee shall be for a period of three (3) years, after the first two years, the employee shall receive a check in the amount an annual credit of Six Hundred twenty-five dollars (\$600 \$625.00). Officers will be permitted to purchase study materials from their clothing allowance. Standard study materials such as the PA Crimes Code, including the Rules of Criminal Procedure, and the PA Vehicle Code will be available at all times. Additional study materials will be made available for purchase as soon as they are decided upon. Each employee shall have the annual clothing allowance paid/credited in January of each year. If an employee leaves City service, he/she, in the year that he/she leaves, will be considered to have earned credits for uniformed clothing allowance upon completion of each full three (3) month period. At the time of separation, an employee shall pay in cash any amounts ordered in excess of his earned quarterly credits. Employees who are in non-uniform status shall receive their clothing allowance by January 31<sup>st</sup> of each year. All officers shall receive a copy of the billing for uniforms received.
- B. In addition, an officer will be granted three hundred twenty-five dollars (\$325.00) maintenance allowance per year. Said allowance shall be paid to the officers by April 30<sup>th</sup> of said year. The maintenance allowance shall be eliminated effective January 1, 2014. The City shall replace any items of official equipment which are damaged or destroyed in the "line of duty." In addition to the above, the City shall reimburse an officer for any "personal" property damaged in the "line of duty" up to a maximum of one hundred dollars (\$100) per item.
- C. In addition, the City shall provide to each employee one (1) three (3) boxes of factory loaded ammunition for target practice or an equal retail value in cash. Said ammunition or retail value shall be provided by June 30 of each year. The City shall also provide sufficient ammunition to fire one qualifying round (maximum one (1) box.) is provided for the specific purpose of Police Bureau sponsored yearly qualifications; one box is provided for yearly qualification and two boxes are provided for target practice.
- D. The FOP, along with the City, shall meet and discuss the uniform and equipment list provided to all employees. The Chief of Police shall have final authority regarding the uniform and equipment list.
- E. Employees may shall be given the choice of purchasing through the maintenance allowance City supplier an off-duty weapon approved by the Chief of Police,

provided that the payment, including all applicable taxes, for such weapon shall be made by the Employee in advance.

- FE. A joint committee shall be maintained to cover uniform changes to equipment and any other items that are required for safety and health.
- GF. A police range shall be made available on a monthly basis of two days per month for continuous firearms education as a result of MPOETC.
- HG. New employees shall be equipped with all uniforms and all necessary items prior to completion of the FTO program.

11. ARTICLE IX Section 3: Sick Leave and ARTICLE VIII Section 5 are amended as follows:

ARTICLE IX Section 3: Sick Leave

- A. During the term of this AgreementEffective with the ratification of this Second Amendment, all employees in the Police Bureau shall be entitled to sick leave of ~~thirteen (13)~~twelve (12) working days in any one (1) year without diminution of salary and shall be entitled to accumulate sick leave to a maximum of two hundred twenty (220) days.
- B. Sick leave for three (3) or more consecutive working days, and/or sick leave usage in excess of three (3) days per calendar quarter, shall be granted only when a signed certification from the attending physician is submitted to the Police Chief upon the return to work of such employee. Failure to submit the signed certification shall be grounds for denial of the sick leave and potential discipline of the employee.
- C. The City reserves the right to have a physician of its choice visit and examine any person reporting off duty and claiming either sick leave or injury leave at any time, the cost of any such examination to be paid by the City.
- D. The City reserves the right to require production of a signed certificate from the attending physician of any employee in accordance with General Order 88-42, issued February 19, 1988, and amended March 20, 1989, and reissued as General Order 89-42. In addition, in those cases where a certificate may be required by the City, the City shall also have the right to have the employee examined by a City-designated physician at the City's expense.
- E. In furtherance of the recommendation set forth in POL 16 in the City's Act 47 Recovery Plan, the parties agree that the City shall be permitted to establish and implement a policy to address chronic use of sick leave by employees. The policy shall permit the City to impose sanctions in the event that certain criteria related

to chronic use of leave are met. Such criteria demonstrating chronic use of sick leave shall include, for example, (1) the use by an employee of more than twenty (20) sick days in a period of one (1) calendar year, where the employee has not otherwise received approval for an extended-period sick leave, (2) the occurrence of more than six (6) incidents or periods of sick day usage in a calendar year, (3) sick leave usage at a rate which exceeds by more than twenty percent (20%) the average sick leave usage of the remainder of the police force over the preceding calendar year or (4) a pattern of sick leave abuse, such as usage which occurs before and/or after holidays, vacations or other days off. Potential sanctions for abuse of leave can include exclusion for a fixed period of time from (1) special duty assignments and paid details, (2) overtime assignments (unless specifically requested and approved by the City) or temporary assignments to investigative units or other special assignments. Other sanctions may include potential employee discipline, disapproval of payment for sick leave where abuse of leave is established and a requirement that the employee obtain medical certification for each instance of sick leave usage. In establishing the policy called for in this paragraph, the City shall define and apply its conception of chronic use of sick leave in a manner which is in compliance with the provisions of this Agreement and all applicable state and federal laws, including the Family and Medical Leave Act and the Americans with Disabilities Act.

- EF. Where sickness in the immediate family requires the officer's absence from work, officers may use sick leave for that purpose. Immediate family shall be defined as the following persons residing in the member's household: husband, wife, child, or parent. The employer may require proof of such illness.
- FG. An employee who, on December 31<sup>st</sup> of any year, has accumulated sick leave in excess of sixty (60) days shall be permitted to sell back any leave in excess of sixty (60) days at fifty percent (50%) of the value of the leave, up to a maximum of twenty (20) days. The minimum number of days an Officer may sell back is ten (10) days. Officers wishing to sell back sick leave must notify the Chief of Police, in writing, of the number of sick leave days they intend to sell back, by no later than January 10<sup>th</sup> of the succeeding year. Officers who so notify the Chief will be compensated for the amount of leave sold back (at 50% of its value) by no later than the second pay period in February.
- GH. The clothing ~~and clothing maintenance~~ allowance for officers who extend their retirement date by using sick leave (to the extent permitted under Section I below) will be reduced by one-twelfth (1/12) for each month or part of a month that the officer uses sick leave to extend his/her retirement date. In addition, Police Officers who extend their retirement date by using sick leave will not be entitled to any clothing ~~or clothing maintenance~~ allowance for the year of their retirement. Any overpayment of the clothing ~~and/or clothing maintenance~~ allowance will be deducted from the officer's last paycheck or severance pay for earned but unused leave.

- I. Current employees (those hired prior to the date of ratification of this Second Amendment) who have any accumulated sick leave balance as of the date of ratification of this Second Amendment shall have that balance frozen as of the date of ratification up to a maximum 220 day accumulation. The frozen balance of accumulated sick leave may be used to extend the date of retirement (terminal leave) for retirements of current employees occurring before and including retirement on December 31, 2015. In no event shall the use of terminal leave extend a retirement date beyond December 31, 2015. Alternatively, current employees retiring on or before December 31, 2015 may receive payment upon retirement equaling Thirty Percent (30%) of the sick days' value for each day of the frozen balance of accumulated sick leave up to 220 days. For those employees retiring after December 31, 2015, no terminal leave shall be available, but the employee may sell back the accumulated frozen balance of sick leave at the rate of Fifty Percent (50%) for each day up to 220 days.

On and after the date of ratification of this Second Amendment, unused sick leave may be accumulated up to a maximum accumulation of 220 total sick days, including both the frozen balance and post-ratification accumulation. Any sick leave balance earned by employees following ratification of this Second Amendment shall not be available for terminal leave or pay-out (sell back) of any kind and shall be deleted from an employee's account upon separation from service. Any usage of sick leave shall first be subtracted from the balance accumulated after the effective date of ratification of this Second Amendment. After the exhaustion of that balance, any frozen sick leave balance shall then be used.

#### ARTICLE VIII Section 5: Separation Pay

~~Employees who are separated from employment as a result of retirement or reduction in force shall be paid one hundred (100) percent of accumulated and unused sick leave to a maximum of two hundred twenty (220) days at the then current salary rate of the employee, all of such pay to be determined at the regular straight time rate.~~

Payment of such separation leave pay in accordance with ARTICLE IX Section 3 Sick Leave Subsection (I) will be made by the City within thirty (30) days after the date of retirement or separation of such employee. In the event of death of any employee prior to retirement or separation, the widow/widower or estate of such employee shall be entitled to receive such terminal leave pay as would have been due to such employee had he/she retired or been separated at the date of death.

~~Employees hired after January 1, 1987, who are separated as a result of retirement or reduction in force shall be entitled to pay for unused, accumulated sick leave limited to thirty (30) percent of the accumulated leave to a maximum of two hundred twenty (220) days, at the then current salary rate of the employee, all of such leave to be determined at the regular straight time rate.~~

12. ARTICLE XXV Pension Vesting Rights is amended as follows:

**ARTICLE XXV**  
**Pension Vesting Rights**

Members of the City of Harrisburg Police Pension Plan will be permitted to buy-back periods of military leave at any time during their active police service.

- A. Effective ~~01/02/01~~ January 2, 2001, the former A and B plans will be fully merged so that all provisions of Plan A shall apply to all members of the City of Harrisburg Police Pension Plan.
- B. Effective ~~01/02/01~~ January 2, 2001, the maximum retirement benefit will be increased to 62.5% of Final Average Salary after twenty-five (25) years of credited service and attainment of fifty (50) years of age.
- C. Officer contributions shall be required at the maximum rate allowed by applicable law.
- D. The City will provide a service-connected disability benefit payable upon work-related disability and inability to continue to function as a Harrisburg Police Officer. Said benefit shall be fifty percent (50%) of final average salary without reference to either age or length of service. In accordance with the Third Class City Code, the City shall be entitled to an offset for any workers' compensation benefits received by the officer.
- E. Under no circumstances will the members of the FOP be permitted to decrease the amount of their contribution levels currently in existence as of the date of this contract.
- F. In addition to all existing pension benefits, the pension benefits shall provide for vesting after twenty (20) years of service, which would allow an employee to retire with twenty (20) years of service. However, an employee would not begin to receive his pension benefits until he reached fifty (50) years of age.
- G. Effective ~~01/02/07~~ January 2, 2007, the pension benefit will be as follows:

20 years = 50.0%	24 years = 60.0%
21 years = 52.5%	25 years = 62.5%
22 years = 55.0%	26 years = 65.0%
23 years = 57.5%	27 years = 70.0%
- H. Effective with the ratification of this Second Amendment, any employee who retires on or before December 31, 2015 shall receive an increase in the employee's Base Salary effective on the day preceding retirement as follows:



	<u>P.O.</u>	<u>Cpl./Det.</u>	<u>Sgt.</u>	<u>Lt.</u>
<u>2013:</u>	<u>\$63,198.68</u>	<u>\$66,358.62</u>	<u>\$69,676.55</u>	<u>\$73,160.24</u>
<u>2014:</u>	<u>\$65,094.65</u>	<u>\$68,349.38</u>	<u>\$71,766.85</u>	<u>\$75,355.19</u>
<u>2015:</u>	<u>\$67,047.49</u>	<u>\$70,399.86</u>	<u>\$73,919.85</u>	<u>\$77,615.84</u>

The appropriate contractual longevity rate indicated by years of service shall be added to the above Base Salary to calculate a retiring employee's Final Annual Salary, which shall be used for pension purposes only.

To take advantage of the Base Salary adjustment provided herein, a retiring employee shall be required to make a lump sum contribution toward the pension plan equaling the amount of employee contributions plus interest (as determined by the Plan actuary) which would otherwise have been paid if the salary increases provided for above had been paid prior to retirement in accordance with the First Amendment to The Basic Labor Agreement. A retiring employee who does not make the required lump sum contribution shall not be eligible for the increase to Base Salary provided herein for pension calculation purposes.

The parties agree that the application of this Paragraph H. and the Base Salary adjustments offered herein shall be subject to the City obtaining a cost study. Further, in the event the Auditor General of the Commonwealth of Pennsylvania or any court of competent jurisdiction determines that the Base Salary adjustments provided herein are unlawful, the FOP agrees to indemnify and hold the City harmless for any losses incurred by the FOP or its employees, current and retired.

I. The above provisions of this Article shall apply only to employees hired prior to the ratification of this Second Amendment. All individuals hired after the ratification date of this Second Amendment shall be provided base pension benefits in accordance with the Third Class City Code, as follows:

- (1) To be eligible for pension benefits, an employee must have a minimum of twenty (20) years of service and have attained age fifty (50).
- (2) The normal retirement benefit paid shall be fifty (50%) percent of annual pay calculated in accordance with § 4303 of the Third Class City Code (52 P.S. § 39303).
- (3) Payment of service increments shall be based upon years of service multiplied by one-fortieth (1/40<sup>th</sup>) of retirement allowance with the caps provided in § 4303(b)(1) of the Third Class City Code (53 P.S. § 39303 (b)(1)).
- (4) Payment of disability benefits shall be made consistent with the provisions of § 4303(d) of the Third Class City Code (53 P.S. § 39303(d)) for disability occurring from injuries not sustained in the line of duty.

- (5) Payment of disability benefits shall be made consistent with the provisions of § 4303.2 of the Third Class City Code (53 P.S. § 39303.2) for disability occurring from injuries sustained in the line of duty.

13. ARTICLE XXIX is amended to eliminate the residency requirement as follows:

**ARTICLE XXIX**  
**Residency**

Effective upon the date of ratification of this Second Amendment, the residency requirement contained in prior Collective Bargaining Agreements between the parties is eliminated, and employees, regardless of hiring date, shall not be required to establish or maintain a residence within the corporate limits of the City of Harrisburg. Each police officer hired on or after March 27, 2001, shall establish a residency within the corporate limits of the City of Harrisburg within six (6) month from the date on which the officer completes his/her probationary period. Thereafter, the officer shall be required to maintain a residence within the corporate limits of the City of Harrisburg for the duration of his/her employment with the City of Harrisburg, in accordance with the definition set forth in Section 2-711 of the Codified Ordinances of the City of Harrisburg.

14. ARTICLE XXXII is added to provide for the civilianization of certain positions and transfer of booking functions as follows:

**ARTICLE XXXII**  
**Bargaining Unit Work**

Section 1: Civilianizing of Certain Agreed Positions

The parties hereto agree that, effective upon ratification of this Second Amendment, the following positions may be civilianized at the City's discretion: Special Events Coordinator/Court Liaison, Accreditation Manager, City Hall Security, PAL Coordinator and Parking Enforcement Supervisor. The FOP agrees that it shall aid or consent, as necessary, in any action or proceeding brought by or deemed necessary by the City to formalize the removal of the above positions from the bargaining unit.

Section 2: Transfer of Booking Functions

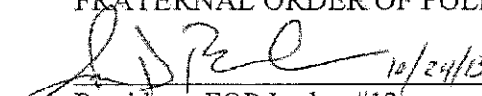
The parties agree that upon the completion and opening of Dauphin County's booking facilities, all booking functions and activities for the City shall be transferred and relocated to Dauphin County's facilities, and the relevant Dauphin County personnel shall assume said duties. The parties specifically agree that the transfer of booking functions and activities provided herein shall not constitute a diversion of bargaining unit work, and specifically further agree that any employees who performed booking duties prior to the ratification of this Agreement may be reassigned to patrol duties.

15. ARTICLE XXXIII is added to provide for restructuring of the patrol duty schedule as follows:

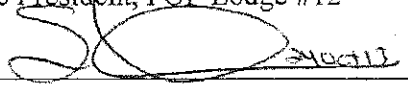
**ARTICLE XXXIII**  
**Restructuring of Patrol Duty Schedules**

The City and the FOP agree that they will meet and negotiate mutually agreed upon changes to the patrol duty schedules, in order to implement savings, as discussed in POL01 of the Recovery Plan.

FRATERNAL ORDER OF POLICE :


  
10/24/13  
President, FOP Lodge #12

  
10/24/13  
Vice President, FOP Lodge #12

  
2/10/13  
Recording Secretary

\_\_\_\_\_


CITY OF HARRISBURG:

  
Linda D. Thompson, Mayor

  
9-20-13  
Daniel Miller, City Controller

  
9/17/13  
Jason Hess, City Solicitor

  
9-23-13  
Thomas Carter, Chief of Police

  
9.23.13  
Robert Philbin,  
Business Administrator

Approved:

  
Wanda Williams, City Council President

# **EXHIBIT 22**

**THIRD AMENDMENT TO THE BASIC LABOR AGREEMENT  
BETWEEN  
THE CITY OF HARRISBURG  
AND  
AMERICAN FEDERATION OF  
STATE, COUNTY AND MUNICIPAL EMPLOYEES  
DISTRICT COUNCIL 90, LOCAL 521**

The Basic Labor Agreement, as amended, between the City of Harrisburg (hereinafter usually the "City") and the American Federation of State, County and Municipal Employees District Council 90, Local 521, (hereinafter usually the "Union" or "AFSCME") commencing on January 1, 2007 and ending on December 31, 2014 is further amended as follows:

1. All amendments shall be effective upon ratification by the City except as set forth below. For purposes of this Agreement, ratification will be complete when the Agreement has been formally approved by all necessary representatives of the parties and all implementing legislation has been adopted.
  
2. Article XIII, Section 1 of the Basic Labor Agreement is hereby further amended to read as follows (additions indicated by underlining):

**ARTICLE XIII  
Vacations**

**Section 1.**

A. All current City employees shall earn paid vacation leave in accordance with the Schedule A-1 that follows. Employees hired after the ratification of this Third Amendment shall earn paid vacation in accordance with Schedule A-2. All vacation leave that non-probationary employees earn in a calendar year will be made available on January 1<sup>st</sup> of that calendar year, provided that the employee is in an active status to earn leave. Probationary employees may only use earned vacation leave and, upon completion of the probationary period, such employees shall have available the applicable, prorated allotment of vacation leave in accordance with the following schedule:

**SCHEDULE A-1**

<b><u>Service Requirement</u></b>	<b><u>Allotment in Hours 7.5-Hour/Day Employees</u></b>	<b><u>Allotment in Hours for 8-Hour/Day or 12-Hour/Day Employees</u></b>
Month 1-12	5.00 hours per month	5.34 hours per month

<u>Service Requirement</u>	<u>Allotment in Hours 7.5-Hour/Day Employees</u>	<u>Allotment in Hours for 8-Hour/Day or 12-Hour/Day Employees</u>
Months 13-36	6.88 hours per month	7.34 hours per month
Months 37-96	10.63 hours per month	11.34 hours per month
Months 97-168	15.00 hours per month	16.00 hours per month
Months 169-Separation	18.75 hours per month	20.00 hours per month

SCHEDULE A-2  
Employees Hired Post-Ratification

<u>Service Requirement</u>	<u>Allotment in Hours 7.5-Hour/Day Employees</u>	<u>Allotment in Hours for 8-Hour/Day or 12-Hour/Day Employees</u>
<u>Month 1-12</u>	<u>5.00 hours per month</u>	<u>5.34 hours per month</u>
<u>Months 13-36</u>	<u>6.88 hours per month</u>	<u>7.34 hours per month</u>
<u>Months 37-96</u>	<u>10.63 hours per month</u>	<u>11.34 hours per month</u>
<u>Months 97- Separation</u>	<u>13.74 hours per month</u>	<u>14.67 hours per month</u>

All service requirements are calculated from the date of hire and vacation leave is earned on a monthly basis in accordance with the employee's seniority date.

B. Up to forty-five (45) days of vacation can be carried over into the next calendar year. Any employee who cannot adhere to the carry-over limitations set forth in this section because of work requirements may request the Bureau Director's approval to carry over additional vacation, which approval shall not be unreasonably withheld.

3. Article XIV, Section 3 of the Basic Labor Agreement is hereby amended to read as follows (additions indicated by underlining):

ARTICLE XIV  
Sick Leave

Section 3.

A. In the event an employee with at least ten (10) years of service leaves the employ of the Employer for any reason, except termination for just cause, such employee shall be compensated for fifty percent (50%) of all sick leave that was accumulated up to a maximum of one hundred twenty (120) days. The maximum sick leave buy-back permitted under this provision is sixty (60) days. In the event an employee with at least five (5) years of service leaves the employ of the Employer for any reason, except termination for just cause, such employee shall be compensated for twenty-five percent (25%) of sick leave that was accumulated, up to a maximum of one hundred twenty (120) days. The maximum

sick leave buy-back permitted under this provision is thirty (30) days. All sick leave days will be bought back at the rate of the employee's base hourly wage as of December 31<sup>st</sup> of the year in which the days were accrued.

- B. In lieu of the compensation set forth in Section 3(A) above, an employee who, after being vested, leaves City employment, for any reason except termination for just cause, may elect to convert one hundred percent (100%) of all sick leave to pension service credits, except that no employee may convert sick leave to pension service credits for the purpose of meeting the Rule of 85 requirements pursuant to Section 11 (Article XXXIV) below. If the employee chooses this option, the Employer will make the required pension contributions on behalf of the employee for the amount of service credited.
- C. Any employee who has used more than his/her pro-rated and/or earned allotment shall have the value of the excess allotment used deducted from his/her final paycheck. If the value of the excess allotment is greater than the amount of the employee's final paycheck, the employee shall reimburse the Employer in a lump sum or sign a judgment note in the City's favor for the total amount due and execute a payment plan prior to receiving his/her final paycheck.

4. Article XVI of the Basic Labor Agreement is hereby amended to read as follows (additions indicated by underlining):

**ARTICLE XVI**  
**Compensation**

**Section 1.** The compensation package for all bargaining unit employees shall be as follows:

1. 10/2007.....	\$750 Lump Sum Per Employee
2. 05/2008.....	\$1000 Lump Sum Per Employee
3. 01/01/2009.....	2%
4. 01/01/2010.....	3%
5. 01/01/2011.....	4%
5. 01/01/2012.....	3%
6. 01/01/2013.....	<u>30%</u>
7. 01/01/2014.....	<u>30%</u>
<u>8. 01/01/2015.....</u>	<u>1%</u>
<u>9. 01/01/2016.....</u>	<u>1%</u>

**Section 2.**

Employees shall receive longevity pay, in addition to their regular base pay salary, in an amount based on the following formula:

- 1. After five (5) years of service, employees shall receive a \$50.00 annual payment on the first pay date of December.

2. After ten (10) years of service, employees shall receive a \$100.00 annual payment on the first pay date of December.
3. After fifteen (15) years of service, employees shall receive a \$150.00 annual payment on the first pay date of December.

Such payment shall be subject to all applicable taxes.

**Section 3.** Effective 2008, employees shall receive longevity pay, in addition to their regular base pay salary, in an amount based on the following formula:

1. After five (5) years of service, employees shall receive one-quarter percent ( $\frac{1}{4}$  %) of base pay;
2. After ten (10) years of service, employees shall receive one-half percent ( $\frac{1}{2}$  %) of base pay;
3. After fifteen (15) years of service, employees shall receive three-quarters percent ( $\frac{3}{4}$  %) of base pay;
4. After twenty (20) years of service, employees shall receive one percent (1%) of base pay.

Effective 2011, employees shall receive longevity pay, in addition to their regular base pay salary, in an amount based on the following formula:

1. After five (5) years of service, employees shall receive one-half percent ( $\frac{1}{2}$  %) of base pay;
2. After ten (10) years of service, employees shall receive one percent (1%) of base pay;
3. After fifteen (15) years of service, employees shall receive one and one-half percent ( $1 \frac{1}{2}$  %) of base pay;
4. After twenty (20) years of service, employees shall receive two percent (2%) of base pay.

Longevity payments will be made annually on the first pay date in December. Employees must have reached the years of service requirement by the Monday before paychecks are issued to be eligible for a longevity payment in that year. Longevity payments shall be subject to all applicable taxes.

**Section 4.**



Employees who are eligible for and receiving longevity as of the date of ratification of the Third Amendment shall have their longevity payment frozen at its then current rate through December 31, 2016. Employees hired on or prior to December 31, 2012 who are not receiving longevity as of the date of ratification of the Third Amendment shall not be paid longevity during the extended term of this Third Amendment. Longevity pay shall not be paid to any employees hired on or after ratification of this Third Amendment.

5. Article XXI Section 1 of the Basic Labor Agreement is hereby amended to read as follows (additions indicated by underlining):

**ARTICLE XXI**  
**Medical and Hospital Benefits**

**Section 1.**

- (a) The City shall make available for the employees and his/her eligible dependents, including a domestic partner (at the time of the request, the employee must be in compliance with all requirements of the City's Domestic Partner Benefits Program to qualify for the benefit and such benefit will not be retroactively approved), the following medical coverage:

~~Effective January 1, 2005, all AFSCME employees will be enrolled in the PPO Blue 100 plan.~~

~~It is understood that there is no Major Medical coverage under the PPO Blue 100 plan.~~

~~The lifetime maximum for a PPO Blue 100 Plan, or its equivalent under another provider, is \$2,000,000.00.~~

~~For the life of this contract, to include extensions, all employees hired on or after September 1, 2007, will contribute a percentage of their base salary pay toward the cost of health care benefits as follows:~~

- |   |               |
|---|---------------|
| 1. <del>Single Coverage:</del>              | <del>2%</del> |
| 2. <del>Two Person Coverage:</del>          | <del>4%</del> |
| 3. <del>Three Person Coverage:</del>        | <del>5%</del> |
| 4. <del>Four or More Person Coverage:</del> | <del>6%</del> |

1. Effective as soon as the parties are able to arrange implementation following ratification of the Third Amendment, the base health care plan provided to all active employees shall be Select PPO Blue – 100%/80% Co-insurance; \$250/\$500 In-Network Deductible; \$20/\$40 Office Visits (“OV”) Co-pay; \$100 Emergency Room (“ER”) Co-pay. Effective January 1, 2014, the base health care plan provided to all active employees shall be the PPO Blue –

90%/70% Co-insurance; \$250/\$500 In-Network Deductible; \$20/\$40 OV Co-pay; \$100 ER Co-pay; \$500/\$1000 Out of Pocket ("OOP") Maximum.

2. Effective ~~October 1, 2013~~ the later of ratification or October 1, 2013, all employees shall contribute to the premium cost of medical and hospital insurance in accordance with the below schedule, which is based on the percentage of base salary earned by an employee. Bases salary shall not include longevity, shift differential or overtime.

**Percent of Base Salary**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Single coverage</u>	<u>1.0%</u>	<u>1.5%</u>	<u>2.0%</u>	<u>2.0%</u>
<u>2 person coverage</u>	<u>2.0%</u>	<u>2.5%</u>	<u>3.0%</u>	<u>4.0%</u>
<u>3 person coverage</u>	<u>2.5%</u>	<u>3.0%</u>	<u>4.0%</u>	<u>5.0%</u>
<u>4 or more person coverage</u>	<u>3.0%</u>	<u>4.0%</u>	<u>5.0%</u>	<u>6.0%</u>

All employee contributions shall be by payroll deductions. Such contributions will become effective on the employee's date of hire and will be deducted beginning with the employee's first paycheck. Employees hired on or after 9/1/07 shall have their contribution modified to the schedule above.

- (b) Employees who document to the city that they are adequately covered by health insurance from a source other than the City may, upon such documentation and written request to the City, opt to receive a monthly payment of one hundred dollars (\$100.00) in lieu of receiving health insurance from the City pursuant to this Article. This payment shall be made on the first pay of every month.

Employees may re-enroll in the City's health insurance plan by giving the City thirty (30) days' advance written notice, provided that once an employee re-enrolls, he/she may not opt to withdraw again prior to the end of the then current contract year.

6. Article XXI Section 3 of the Basic Labor Agreement is hereby amended to read as follows (additions indicated by underlining):

**ARTICLE XXI**  
**Medical and Hospital Benefits**

**Section 3.**

- (a) Employer shall have the right to purchase equivalent medical, hospital, and dental benefits from a different, qualified carrier. Employee benefits shall not be reduced as a result of any change of carrier(s).
- (b) In addition, the City may change the health insurance plan to PEBTF coverage if approved by PEBTF at any time during the term of the Agreement as extended by the Third Amendment and any subsequent amendments. In the event a change in the City's health insurance plan is made to move to PEBTF coverage, the base year for cost sharing for increases in health care costs provided for in Paragraph (c) below shall be re-set.
- (c) Beginning with the calendar year commencing January 1, 2015, if the City's increases in its medical and health insurance COBRA rates exceed six percent (6%) over the prior year's rates, the City and AFSCME shall negotiate changes in the design of the health care plans to reduce the amount of the City's increases in its share of the costs of monthly contributions. For purposes of calculating increases in costs, the COBRA rates established by the City's third party administrator(s) shall be used, and the annual increase shall be determined based on the effective date of the plan year. In calculating the six percent (6%) increase, the percentage shall be based on the amount paid by the City and shall not include employee contributions. In the event the City and AFSCME are unable to reach agreement on plan design changes, the plan design changes shall be subject to an expedited interest arbitration procedure. Either party may request the appointment of a neutral arbitrator selected pursuant to the arbitration step of the grievance procedure in Article XXVIII of this Agreement. The decision of the arbitrator on this issue shall be issued within forty-five (45) calendar days of the notice of submission to arbitration.

7. Article XXI Section 4 of the Basic Labor Agreement is hereby amended to read as follows (additions indicated by underlining):

**ARTICLE XXI**  
**Medical and Hospital Benefits**

**Section 4.**

- (a) Effective with the upon ratification of the Third Amendment to the Agreement, any retirees eligible for coverage shall receive post-retirement health care coverage under the same health plan provided to active employees, which coverage may be modified to the extent the coverage for active employees is modified. All conditions and restrictions applied to current employees, such as

co-payment amounts or changes in plan design or coverage, shall be applied to retirees receiving post-retirement health care coverage.

(b) Effective upon ratification of the Third Amendment to the Agreement, for retirees retiring under the Rule of 85 retirement window provided for in Section 11 (Article XXXIV), the City shall pay one hundred (100%) percent of the cost of health insurance up to Medicare eligibility, provided that the retiree has attained the age of fifty-five (55) by 12/31/2013. Retirees retiring under the Rule of 85 retirement window who have not attained the age of fifty-five (55) by 12/31/2013 shall be eligible only for the 60% payment toward coverage provided for below up to Medicare eligibility.

(c) Effective upon ratification of the Third Amendment to the Agreement, for those retirees retiring at the age of sixty (60) with twenty (20) years of service, but who do not retire during the Rule of 85 retirement window, the employee shall pay an amount equal to the amount which the employee would pay for individual coverage as of the date of retirement. In order to be and remain eligible to receive post-retirement health care coverage, retirees must be receiving their pension benefit. The retiree's remittances for the cost of coverage shall be paid monthly in advance by direct deduction from the pension payments and direct payment to the City; retirees shall sign all necessary paperwork to permit such direct deductions and payments; provided, further, that if such direct deductions and payments from the pension payments are not authorized as required by law then the parties shall negotiate another method to guarantee payment. Upon reaching Medicare eligibility, a retiree shall be eligible only for the reimbursement provided for in subsection (f)(1) below. For the life of this contract, to include extensions, the City agrees to pay one hundred percent (100%) of the cost of health insurance for employees retiring on or after June 1, 2007, at the age of sixty (60) with twenty (20) years of service. This coverage does not include prescription drugs, dental or vision coverage.

(d) The City agrees to pay sixty percent (60%) of the cost of health insurance for employees retiring on or after January 1, 2002, with twenty (20) or more years of service or at least fifteen (15) years of service at age sixty-five (65). This coverage does not include prescription drug, dental or vision coverage. Upon reaching Medicare eligibility, a retiree shall be eligible only for the reimbursement provided for in subsection (f)(1) below.

(a)(e) Retirees who are not eligible for Medicare:

1. Coverage under this Section shall include the health care product in effect for the retiree only until the retiree is Medicare eligible. When the employee becomes Medicare eligible, Signature 65 coverage will be provided, if the employee enrolls in Medicare Part A and Part B, as

~~required by the City's provider. Signature 65 coverage will not include Major Medical.~~

2. The retiree may elect to continue to cover his/her eligible dependents, until the dependents are Medicare eligible, by paying the full cost of the coverage.
3. The dependent's portion of the premium cost will be deducted from the retiree's monthly pension payment.
4. Dependent coverage will cease if the retiree fails to pay the required cost when due or when the dependent is Medicare eligible, regardless of whether the dependent enrolls in Medicare.
5. If the retiree should die, the surviving spouse and eligible dependents may continue coverage under the same conditions as when the retiree was alive, provided the surviving spouse or dependent pays the full cost of the coverage.

(b)(f) Retirees who are eligible for Medicare:

1. Coverage under this Section shall include a Medicare supplemental plan, known as Signature 65, if the employee enrolls Medicare Part A and Part B, as required by the City's provider. Effective upon the ratification of the Third Amendment to the Agreement, retirees eligible for coverage shall receive post-retirement health care under this Agreement only until the date said retiree reaches the age of Medicare eligibility. Following a retiree's attainment of Medicare eligibility, the entitlement to receive post-retirement health care shall cease and retirees shall be entitled to receive only cash reimbursement in an amount not to exceed \$250 per month for supplemental insurance purchased by the retiree, increasing up to a maximum of \$350 per month reimbursement under the following schedule:

**Maximum monthly reimbursement**

Thru 12/31/2016	\$250
2017	\$260
2018	\$270
2019	\$280
2020	\$290
2021	\$300
2022	\$310
2023	\$320
2024	\$330
2025	\$340
2026	\$350

AFSCME may file a grievance on behalf of a retiree under this section in accordance with the grievance and arbitration procedures set forth in the Basic Labor Agreement.

2. The retiree may elect to continue to cover his/her eligible dependents by paying the full cost of coverage.
3. The dependent portion of the premium cost will be deducted by the retiree's monthly pension payment.
4. Dependent coverage will cease if the retiree fails to pay the required cost when due or when the dependent is Medicare eligible, regardless of whether the dependent enrolls in Medicare.
5. If the retiree should die, the surviving spouse and eligible dependents may continue coverage under the same conditions as when the retiree was alive, provided the surviving spouse or dependent pays the full cost of coverage.

(e)(g) Retirees shall not be eligible for post-retirement health care benefits if the retiree has available health insurance coverage elsewhere at a reasonably comparable benefit level and at the same or lower cost, including by way of example, available coverage through a spouse or other employer. In such circumstance, the retiree's coverage under the City's plan shall be suspended. Coverage under the City's plan may be reinstated upon proof of the termination of coverage or eligibility for such coverage under the alternative plan. AFSCME may file a grievance on behalf of a retiree whose coverage is suspended or denied reinstatement to the City's plan under this section in accordance with the grievance and arbitration procedures set forth in the CBA. Retiree may suspend coverage under the plan if the retiree and/or spouse become covered under the plan of another employer. Coverage may be reinstated only upon proof of the termination of coverage under the other employer's plan.

(h) Employees not meeting the above requirements may elect to continue the coverage set forth above by paying the full monthly cost via deduction from the monthly pension payment.

(i) The above provisions related to post-retirement health care shall not be applicable to any individuals hired after the date of ratification of the Third Amendment to the Agreement, and no post-retirement health care or reimbursement will be available to such employees.

8. Article XXII of the Basic Labor Agreement is hereby amended to read as follows (additions indicated by underlining):

**ARTICLE XXII**  
**Vision And Prescription Benefits**

**Section 1.** The City shall provide vision benefits for each employee and his/her eligible dependents, including domestic partners (at the time of the request, the employee must be in compliance with all requirements of the City's Domestic Partner Benefit Program to qualify for the benefit and such benefit will not be retroactively approved), through the provider of choice, at no substantial reduction in the current benefit level.

**Section 2.** ~~The City shall provide prescription drug benefits through the provider of its choice, at no substantial reduction in the current benefit level, as follows:~~

- ~~1. Participating Pharmacy: 25% of the prescription cost per prescription~~
- ~~2. Mail Order: \$10 or 15%, whichever is less, for up to a 90 day supply~~

~~There shall be no co-pay for generic drugs.~~

Effective as soon as the parties are able to arrange implementation following ratification of this Third Amendment, prescription co-payments for all employees shall be as follows for the term of this Agreement:

Generic \$25  
Brand Restricted \$50  
Brand \$75

Where and when available, employees shall be required to purchase generic prescriptions and shall be required to select mail order delivery.

The co-payments set forth above shall be the same for a 30 day supply from a participating pharmacy or a 90 day supply if using mail order.

Participating pharmacy – 30 day supply  
Mail order – 90 day supply

~~Where and when available, employees shall be required to purchase generic prescriptions and shall be required to select mail order delivery.~~

**Section 3:** All existing and future retirees will be provided with a pass-through prescription benefit which will apply to both retail and mail order programs.

Employees retiring on or after 06/01/07 will have the ability to purchase prescription drug coverage at the City's rates, provided the cost of such is deducted from the employee's

pension benefit and provided that it is understood that coverage may periodically change to mirror the coverage available to active employees.

~~Section 4: Prescription drug co-pays for employees hired on or after 09/01/07 shall be as follows:~~

	Retail <sup>1</sup>	Mail Order <sup>2</sup>
1. Brand Restricted <sup>3</sup>	\$25.00	\$50.00
2. Brand	\$30.00	\$60.00

~~—<sup>1</sup>Up to maximum 30-day supply.~~

~~—<sup>2</sup>Up to maximum 90-day supply.~~

~~—<sup>3</sup>Restricted means that no generic substitute is available.~~

~~There shall be no co-pay for generic drugs.~~

9. Article XXXI Section 4 of the Basic Labor Agreement is hereby amended to read as follows (additions indicated by underlining):

**ARTICLE XXXI**  
**Miscellaneous**

**Section 4. Residency:**

Effective upon the date of ratification of the Third Amendment to the Agreement, the residency requirement contained in prior Collective Bargaining Agreements and prior versions of the Agreement between the parties is eliminated and employees, regardless of hiring date, shall not be required to establish or maintain a residence within the corporate limits of the City of Harrisburg.

~~New members of the bargaining unit hired on or after March 1, 1999 will be required to live within the corporate limits of the City of Harrisburg within one (1) year of their date of hire. During their employment with the City of Harrisburg, bargaining unit members hired prior to March 1, 1999 will not be required to live within the corporate limits of the City of Harrisburg, nor to move into the corporate limits of the City of Harrisburg if they change residence.~~

~~The Residency Ordinance, Chapter 2-711, Subsection 2.7116 Exception B (Those Employees whose work stations are located more than fifteen (15) miles beyond the City limits shall be exempt from provisions of this chapter) shall be amended to apply equally to bargaining unit employees.~~



~~In addition, new members of the bargaining unit hired on or after 09/01/07 will be required to live within the corporate limits of the City of Harrisburg within twelve (12) months of the completion of their probationary period.~~

10. Article XXXI Section 11 of the Basic Labor Agreement is hereby added to read as follows (additions indicated by underlining):

**ARTICLE XXXI**  
**Miscellaneous**

**Section 11. Leave Payouts**

Employees who retire under the Rule of 85 retirement window through December 31, 2014 and are otherwise entitled to a pay out of accrued leave pursuant to Article XIII or XIV of the Agreement shall receive such pay out as follows:

- Up to \$12,500 per employee no later than June 30, 2014
- Up to an additional \$12,500 per employee no later than June 30, 2015
- Any remaining payout no later than April 30, 2016

Pay outs of accrued leave for Water and Sewer employees being transferred to the Harrisburg Authority may occur sooner if necessary to utilize Water and Sewer funds or shall be paid out by The Harrisburg Authority upon transfer of the Water and Sewer operations to the Authority in accordance with an agreement between AFSCME and The Harrisburg Authority.

11. Article XXXIV Sections 5 and 6 of the Basic Labor Agreement are hereby added to read as follows (additions indicated by underlining):

**ARTICLE XXXIV**  
**Pension**

**Section 5. Early Retirement Window**

Effective for the period of time beginning on the date of ratification of the Third Amendment to the Agreement and ending December 31, 2014, any employee who would meet a Rule of 85 (where a combination of an employee's age and years of service add up to 85) by no later than December 31, 2013 shall be eligible for normal retirement without an early retirement reduction being applied.

**Section 6. Employee Contributions**

The present five (5) percent employee contribution toward the pension shall be reduced to the percentage rates stated below for the following years only as follows:

- 2013 (effective 10/01/2013) – 3%

- 2014 – 3%
- 2015 – 4%
- 2016 – 4%

12. Article XXXV of the Basic Labor Agreement is hereby amended to read as follows:

Article XXXV Successors

Pursuant to an agreement reached between the City of Harrisburg and the Harrisburg Municipal Authority, the work performed by bargaining unit employees of the Department of Public Works, Bureaus of Water and Sewer will be transferred to the Harrisburg Municipal Authority. Bargaining unit employees of the Department of Public Works, Bureaus of Water and Sewer will be offered employment with the Harrisburg Municipal Authority pursuant to an agreement reached between AFSCME District Council 90 and the Harrisburg Municipal Authority.

In the event the Employer leases, transfers or assigns any of its facilities to other sub-divisions, corporations, or persons, and such sale, lease, transfer or assignment would result in the layoff, furlough or termination of employees covered by this Agreement, the Employer shall attempt in good faith to arrange for the placement of such employees with the new Employer. The Employer shall notify the Union, in writing, at least thirty (30) days in advance of any such sale, lease, transfer, or agreement.

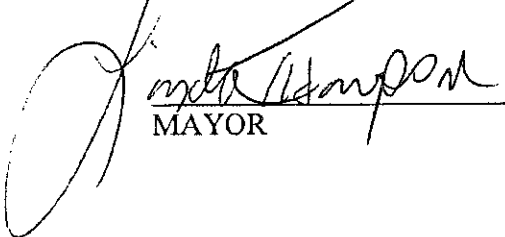
~~12.13.~~ Article XXXVI of the Basic Labor Agreement is hereby amended to read as follows (additions indicated by underlining):

**ARTICLE XXXVI**  
**TERM OF AGREEMENT**

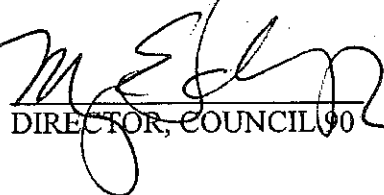
This Agreement shall be in full force and effect from January 1, 2007 through December 31, ~~2014~~2016.

**FOR THE  
CITY OF HARRISBURG:**

**FOR  
AFSCME COUNCIL 90, LOCAL 521:**

  
MAYOR

9-17-13  
DATE

  
DIRECTOR, COUNCIL 90

10-28-13  
DATE

Don Miller<sup>10</sup>  
CONTROLLER

9-20-13  
DATE

David S. Gosh  
STAFF REPRESENTATIVE

10-23-13  
DATE

Art Smith  
BUSINESS ADMINISTRATOR

9-23-13  
DATE

James P. Weldon  
PRESIDENT, LOCAL 521

10-7-13  
DATE

Wanda R. D. Williams  
CITY COUNCIL PRESIDENT

9-17-13  
DATE

Keith Smith  
VICE-PRESIDENT, LOCAL 521

11-14  
DATE

Approved as to Form and Legality:

[Signature]  
CITY SOLICITOR