

**AMENDMENT TO THE EMPLOYMENT AGREEMENT  
BETWEEN  
THE TOWNSHIP OF MACOMB AND ROBERT D. PHILLIPS**

WHEREAS, on March 22, 2006, the Township of Macomb and Robert D. Phillips, Fire Chief, entered into an Employment Agreement; and

WHEREAS, on January 15, 2008, the Township of Macomb and Robert D. Phillips mutually agreed to amend such Agreement (March 22, 2006 Agreement and this amendment collective referred to as the "Agreement"); and

WHEREAS, the parties to the agreement now desire to further amend the Employment Agreement with regard to Paragraph 3: Duties and Supervision, Paragraph 4: Compensation, Paragraph 5: Benefits, Paragraph 6: Uniforms, Paragraph 8: Just Cause, and Paragraph 13: Severability.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Paragraph 3, with regard to Duties and Supervision, is hereby amended by deleting Attachment "A" Duties and Responsibilities of the Fire Chief and adding the Official Township Position Description for the Fire Chief dated November 8, 2005 as amended.

2. Paragraph 4 of the Agreement shall be deleted and replaced with the following language:

4. Compensation.

Effective FEBRUARY 12, 2014, annual compensation shall include an annual salary of \$96,000. Going forward, the Macomb Township Board of Trustees shall review the annual compensation for the Fire Chief in December of each year. The Employee's annual compensation shall be paid in equal, bi-weekly installments, less deductions for state and federal withholding and other applicable deductions as currently listed on the bi-weekly statement of earnings. The position of Fire Chief shall be exempt from the overtime provisions of the Fair Labor Standards Act.

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3. Paragraph 5 of the Agreement shall be deleted and replaced with the following language:

5. Benefits.

The Employee shall be entitled to benefits as follows:

- A. Paid Time-off (PTO): Employee shall carryover any balance of PTO hours until the Employee's anniversary date. At that time, the Township shall renew the Employee's bank of PTO hours in the amount of two hundred sixteen (216 hours) per anniversary year. At the time of the employee's retirement from the Township, the Employee shall be compensated for the balance of accrued and banked PTO hours at seventy-five percent (75%) value.
- B. Holidays: Employee shall be eligible for paid time-off for all holidays observed by the Township.
- C. Medical, Dental, and Vision Insurance: The Township shall continue to provide medical, Dental, and Vision insurance to the Employee and spouse as currently provided under BCBSM PPO Community Plan 1 and Delta Dental of Michigan. At the time of the employee's retirement from the Township, the Township shall continue to provide such Medical, Dental and Vision Insurance to the Employee and spouse. In the event of the Employee's premature death, the Employee's spouse will be eligible to receive Medical, Vision, and Dental Insurance from the Township provided: (1) the employee met the criteria for retirement and (2) the spouse is not eligible for such benefits elsewhere.
- D. Section 125 Flexible Benefit Plan: The Employee shall be eligible to participate in the Township's voluntary Section 125 Flexible Spending Account Plan to pay for non-covered health care services and day care expenses in compliance with Internal Revenue Service (IRS) regulations.
- E. Group Term Life Insurance: The Employee shall be eligible for Group Term Life insurance in the amount equal to their base salary. At the time of the employee's retirement from the Township under Act 345, the Township will provide Group Term Life Insurance to the retired employee in the amount of \$20,000.

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- F. Disability Insurance: The Township shall provide the Employee with Short-Term and Long-term Disability Insurance while employed by the Township.
- G. Defined Benefit Act 345 Pension Plan:
1. Regular Retirement: The Employee shall be subject to retirement provisions under 1937PA345, being MCLA 38.551 et seq., as amended. He shall be eligible to retire at age fifty (50) with twenty-five (25) years of service, or at age sixty (60) with ten (10) years of service. Employees will earn one year of service credit for each year of service as a Full-time Fire Fighter while on the Macomb Township Fire Department. The Township may also mandate retirement at sixty (60) under 1937PA345, being MCLA 38.551 et seq., as amended.
  2. Multiplier: The Employee who is eligible to retire shall receive a regular retirement pension payable throughout the retiree's life of two and one-half percent (2.5%) of average final compensation for the first twenty-five years of service, plus one percent (1%) for all years of service on the Macomb Township Fire Department in excess of twenty-five (25) years. However, in no event, shall the annualized pension benefit exceed seventy percent (70%) of the base annual pay in effect at the time of the Employee's separation.
  3. Employee Contribution: The Employee shall contribute five percent (5%) of base salary on a pre-tax basis into the pension plan.
  4. Deferred Retirement: The Employee with ten (10) or more years of full-time service with the Macomb Township Fire Department may be eligible for a deferred retirement. The annual benefit will be computed as a service retirement but based upon service, average final compensation, and benefit provisions in effect at the time of termination. Retirement benefits begin at the date retirement would have occurred had the employee remained employed.
  5. Average Final Compensation: The Employee's average final compensation shall only include base salary.
  6. Average Final Compensation shall mean the average of the three (3) consecutive years or thirty-six (36) consecutive months of highest annual compensation received by an employee during the employee's ten (10) years

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of service immediately preceding the employee's retirement or leaving service.

7. **Duty Disability Retirement:** In the event the Employee becomes totally and permanently disabled while in the line of duty, he shall be eligible for a duty disability retirement. If disabled prior to age fifty-five (55), then the employee shall receive an annual benefit equal to fifty percent (50%) of the average final compensation and shall be payable until the Employee becomes fifty-five (55) years of age. Upon becoming fifty-five (55) years of age, the disabled Employee shall receive a disability retirement pension computed the same as a regular service retirement. In computing the disability retirement pension, the Employee shall be given service credit for the period of receipt of disability retirement pension before attainment of fifty-five (55) years of age. If disabled at or after age fifty-five (55), then the employee shall receive a disability benefit calculated the same as a regular service retirement.
8. **Non-Duty Disability Retirement:** In the event the Employee with five (5) or more years of service becomes totally and permanently disabled while not in the line of duty will be eligible for a non-duty disability retirement. If disabled prior to age fifty-five (55), then the Employee shall receive an annual benefit equal to one and one half percent (1.5%) of the average final compensation times years of service. Upon becoming fifty-five (55) years of age, the Employee's disability retirement pension shall be increased to two percent (2%) of the Employee's average final compensation multiplied by the number of years of service credited to the Employee at the time of retirement. If disabled at or after age fifty-five (55), then the Employee shall receive a disability retirement benefit calculated the same as a regular service retirement.
9. **Duty Death in Service Survivor's Pension:** In the event of a duty-related death of the Employee, a Service Survivor's Pension shall be paid upon the expiration of Workers' Compensation to the surviving spouse. The benefit would be equal to the amount that was paid by Workers' Compensation.
10. **Non-Duty Death in Service Survivor's Pension:** In the event of a non-duty related death of the Employee, a Service Survivor Pension shall be paid to a surviving spouse, upon the expiration of an employee with twenty (20) or more years of service. The annual benefit would be equal to an accrued straight life pension actuarially reduced in accordance with an Option I Election.

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11. Retiree Medical & Hospitalization, Dental, and Vision Insurance: The Employer shall provide the Employee with Retiree Medical & Hospitalization, Dental, and Vision Insurance provided he retires the provisions of a Regular Retirement under this agreement. This coverage will be paid for by the Employer.

12. Dependent Eligibility: The Employee's spouse at the time of retirement shall be eligible for medical, dental and vision insurance at the same level as the Employee (Retiree). In the event of death of the Retiree, spousal coverage shall continue provided the spouse is not insured elsewhere with similar benefits.

H. Deferred Compensation 457(b) Retirement Savings Plan: The Employee shall be eligible to participate in the Township's voluntary Deferred Compensation 457(b) Retirement Savings Plan.

I. Employee Assistance Program: The Employee will be eligible to participate in the Township's Employee Assistance Program while employed.

J. Mandatory Benefits: The Township shall continue to provide mandatory benefits: Social Security, Medicare, Unemployment and Workers' Compensation Insurance as legally required.

3. Paragraph 6 of the Agreement shall be deleted and replaced with the following language:

6. Uniforms.

The Township shall provide the Fire Chief with protective gear, a dress uniform, an annual uniform and clothing allowance of seven hundred dollars (\$700), and up to two hundred dollars (\$200) annual allowance for the replacement of personal clothing and eye glasses damaged in the line of duty.

4. Paragraph 8 of the Agreement shall be deleted and replaced with the following language:

8. "AT WILL" Employment and Term.

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Township hereby employs the Fire Chief, and Fire Chief accepts employment on at "At Will" basis and pursuant to the terms and conditions of this Agreement.

Fire Chief is, and will remain at all times, an "AT WILL" Fire Chief who can be terminated at any time, with or without cause. Fire Chief acknowledges that there is no reasonable expectation of a continuance of employment with Township, implied or otherwise stated in this Agreement. Nothing in this agreement is to be interpreted as changing Fire Chief's status as an "AT WILL" employee.

The term of this Agreement shall be effective FEBRUARY 12, 2014 and shall continue for an unspecified period of time. It is understood that Fire Chief serves solely at the pleasure of the Township. Nothing in this section shall limit the "At Will" termination of Fire Chief by Township at any time. No employment duration should be implied under this Agreement.

5. Paragraph 13, is deleted and replaced with the following language:

13. Severability. If any provision of this Agreement is determined to be illegal, invalid or unenforceable, all other provisions shall remain in full force and effect. If any provision is found to be overbroad in scope or duration, the breadth of the provision shall be reduced to the maximum allowable by law.

6. All provisions of the Employment Agreement not amended herein shall remain in full and effect.

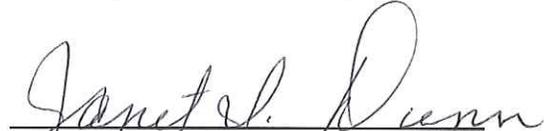
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IN WITNESS WHEREOF, the Township of Macomb and Robert D. Phillips agreed to this amendment of the Employment Agreement on the 14 day of FEBRUARY 2014.

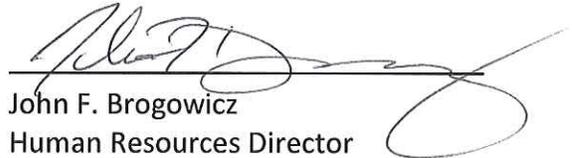


Robert D. Phillips  
Fire Chief

Township of Macomb  
A Michigan Municipal Corporation



Janet I. Dunn  
Supervisor



John F. Brogowicz  
Human Resources Director



Legal Counsel