

**DEPARTMENT HEAD
AND
DEPUTY DEPARTMENT HEAD**

CITY OF ROYAL OAK

Effective Date:

July 1, 2005 – June 30, 2006



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THIS AGREEMENT, entered into this Fourth day of May, 2005, between the CITY OF ROYAL OAK, Royal Oak, Michigan (hereinafter the "EMPLOYER") and the ROYAL OAK DEPARTMENT HEAD AND DEPUTY DEPARTMENT HEAD ASSOCIATION, (hereinafter the "ASSOCIATION").

1.0 PURPOSE

1.1 The general purpose of this Agreement is to set forth provisions and conditions of employment and to promote the orderly and peaceful labor relations for the mutual interest of the Employer, the Employees and the Association.

2.0 COLLECTIVE BARGAINING DEFINED

2.1 To bargain collectively is the performance of the mutual obligation of the City through its designated representative(s) and the representative(s) of the Association to meet at reasonable times and confer in good faith in respect to wage, hours and other conditions of employment, and the execution of the written agreement incorporating the results of such bargaining.

3.0 RIGHT TO ORGANIZE

3.1 Pursuant to and in accordance with all applicable provisions of Act 336 Public Acts of 1947, as amended, employees of the CITY OF ROYAL OAK have the right of self-organization to join an association and to bargain collectively through representatives of their own choosing on questions of wages, hours, and other conditions of employment.

4.0 PROHIBITED PRACTICES

4.1 No employee shall be favored or discriminated against either by the Employer or the Association because he maintains or terminates membership in the Association.

4.2 The Employer and the Association and their agents are prohibited from restraining or coercing employees in the exercise of their right to joint or not join the Association, to maintain or to terminate membership in the Association, or to individually present a grievance.

4.3 The Employer will not aid, promote, or finance any other labor group or organization which proposes to engage in collective bargaining or make any agreement with any such group or organization for the purpose of undermining the Association during the term of the Agreement.

4.4 It is understood that the services performed by City employees are essential to the public health, safety and welfare of the community. The Association, therefore, agrees that during the term of the Agreement, the Association will not engage in a strike, work stoppage, slow down, or other interference with the employer's operations. Likewise, the Employer agrees that during the term of this Agreement, there shall be no lockouts of the employees. In the event of a strike, work stoppage or slowdown, the Association will cooperate with the Employer in notifying its members to cease and desist from such conduct.

5.0 MANAGEMENT RIGHTS

5.1 It is recognized that the management of the City, the control of its properties and the maintenance of order and efficiency is solely a responsibility of the City. The City reserves all

rights that ordinarily vest in and are exercised by management, except as specifically relinquished in this contract.

5.2 It is recognized that an employee can be terminated with or without cause and with or without notice at any time, at the option of the Employer. It is further understood that no Department Head or other representative of the Employer, other than the City Manager, has any authority to enter into an agreement for employment for any specific period of time. Any agreement with the City Manager must be in writing and signed by the employee and the City Manager.

6.0 ELIGIBILITY FOR EMPLOYMENT

6.1 All offers of employment shall be made prior to a physical examination in accordance with the Americans with Disabilities Act, but shall be conditional upon subsequent approval by a physician.

7.0 RECOGNITION – EMPLOYEES COVERED

7.1 The Employer hereby recognizes the Royal Oak Department Head and Deputy Department Head Association as the sole and exclusive collective bargaining representative for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment, and the employees included in the bargaining unit shall be as follows:

Deputy Chief of Police, Director of Planning, Deputy Director of Planning, Building Official, Deputy Building Official, Deputy City Treasurer, Internal Auditor/Budget Analyst, Deputy Finance Director, City Engineer, Deputy City Clerk, Information Systems Manager, Library Director, Deputy City Assessor, Superintendent of Motor Pool, Superintendent of Water & Sewage, Superintendent of Public Works and Superintendent of Recreation.

8.0 REPRESENTATION

8.1 The employees shall be represented by a committee, one (1) of whom shall be the Chairperson. There may be an alternate appointed to serve in the absence of a regular committee person.

8.2 Promptly following the effective date of this Agreement, the Association and the Employer shall provide each other with a written list of names and titles of their respective representatives and will, from time to time, provide prompt notice of any change.

9.0 ASSOCIATION MEMBERSHIP

9.1 The employer recognizes the right of the Association to solicit membership from any employees working in the bargaining unit.

10.0 LAY-OFF

10.1 The Employer may, for reasons of economy, for more efficient administration or for lack of sufficient appropriation of funds, abolish positions in a department and lay off employees.

10.2 In the event that a position that was abolished pursuant to Section 10.1 is to be re-established, the employee who was laid off from the abolished position shall be offered the

opportunity for reinstatement before the position is filled by a new hire. This provision shall be in effect until the last day of this contract, June 30, 2006.

11.0 PAY PLAN

11.1 The pay plan for employees shall consist of a range for each class of positions providing for increases based on merit.

11.2 Advancement within a specific salary range shall be called a merit increase. As the name indicates, the increase shall be based on the quality of performance. Merit increases are not automatic, but are granted only upon the recommendation of the employee's supervisor/department head and subject to the approval of the City Manager. For persons hired after 11/13/95, these merit increases, when recommended and approved, shall be annual, until the maximum of the range is reached. Increases within the range shall be incorporated into the revised performance evaluation system.

11.3 Any review of salary *ranges* for increases shall also be based on merit and performance. Concerns expressed by the Association relevant to the salary ranges for Manager of Information Systems and Assistant City Treasurer shall be addressed as part of this performance evaluation system.

12.0 PAY DAY

12.1 Pay day for all employees shall be every other Friday and shall cover a two (2) week period, ending at 12:00 Midnight the Saturday preceding such pay day.

13.0 WORK SCHEDULE

13.1 The work day shall consist of eight (8) hours in a calendar day, with not more than an additional sixty (60) minutes off for lunch without pay.

13.2 The work week shall begin at midnight Saturday.

13.3 The basic work week shall consist of forty (40) hours in five (5) consecutive eight (8) hour days. Variations are permitted, but are subject to the approval of the City Manager.

14.0 OVERTIME PAY

14.1 All overtime worked is to be recorded as compensatory time off at straight time. Such time is non-cumulative and must be used by the end of the fourth month following the close of the fiscal year in which the compensatory time was earned. Compensatory time usage is limited to two (2) consecutive eight (8) hour days.

14.2 The term "base hourly wage" means the quotient of the employee's base annual rate divided by the number of hours in the standard work year. The standard work year is recognized as 2080 hours.

14.3 In emergency situations, a Department Head or the City Manager may require compulsory overtime work.

15.0 ALCOHOLIC BEVERAGES AND CONTROLLED SUBSTANCES

15.1 The consumption of alcoholic beverages or controlled substances (those not provided by prescription) during working hours is prohibited. The phrase "working hours" is intended to cover coffee breaks but not meal periods. Employees are prohibited from transporting or storing alcoholic beverages or controlled substances in City vehicles or on City premises for purposes of personal use. Employees are prohibited from appearing for work under the influence of alcoholic beverages or controlled substances. Employees violating this rule may be subject to disciplinary action up to and including discharge.

16.0 REST PERIODS

16.1 All employees working an eight (8) hour day shall be entitled to two (2) rest periods, excluding the lunch period. Whenever possible these periods shall be scheduled in the middle of each one-half regular day. The length of the rest period shall be fifteen (15) minutes per period.

17.0 CHANGE OF ADDRESS

17.1 Employees are required to notify the Human Resource Department promptly of any change of address or telephone number so that the employees may be contacted at all times by either mail or telephone.

18.0 OTHER EMPLOYMENT

18.1 Employees of the City may take part-time jobs; provided, there is no conflict of working hours and no impairment of the employee's efficiency in his/her work or conflict with the interest of the city. Employees of the City may not engage in outside activities while on duty, nor may city property be used for any but City business. Department Heads and Deputy Department Heads must receive permission from the City Manager prior to engaging in outside employment to avoid the possibility of conflict of interest.

19.0 CONFLICT OF INTEREST

19.1 No employee may engage in any business or transaction nor have a financial interest, direct or indirect, which is incompatible with the proper discharge of his/her official duties in the public interest or would tend to impair his/her independence of judgment or action in the performance of his/her official duties.

20.0 RETURN OF CITY PROPERTY

Any employee leaving the service of the City, whether through resignation, retirement, layoff or discharge, is responsible for returning any City property which he/she may have in his/her possession. Failure to return City property may result in the employee's final check being held up with deductions being made for the value of the property.

21.0 ACCIDENTS

All duty related personal injuries and illnesses shall be reported immediately. The employee must take such first-aid treatment as may be recommended. Such injuries or illnesses shall, in turn, require the preparation of the necessary Workers' Compensation Report Forms.

22.0 RESIGNATIONS

To resign in good standing, an employee just give the appointing authority at least two (2) calendar weeks" notice unless the appointing authority, because of extenuating circumstances, agrees to permit a shorter period of notice. A written resignation shall be supplied by a Department Head to the City Manager. In the case of a Deputy Department Head, a resignation shall be submitted to the Department Head with a copy forwarded to the Human Resource Department. Failure to comply with this rule shall be entered on the service record of the employee and may be the cause for denying payment for accrued vacation. The resignation of any employee who fails to give notice will be reported to the Human Resource Department.

23.0 PHYSICAL FITNESS

Each employee must maintain physical fitness commensurate with the duties and requirements of the position he/she occupies.

24.0 JURY DUTY

An employee called for jury duty or subpoenaed to appear as a witness in court or before any other body empowered by law to compel attendance of witnesses by subpoena, shall be excused from duty for the time necessary to allow him/her to be in attendance as required, and will be paid the difference between his/her straight-time pay and the fee received for acting as a juror or witness.

25.0 SICK LEAVE

25.1 Any permanent or probationary employee shall accrue sick leave at the rate of eight (8) hours for each month of service. There shall be no maximum accumulation.

25.2 Sick leave will be paid at the employee's regular hourly rate.

25.3 Sick leave shall not be considered a privilege which an employee may use at his/her discretion, but shall be allowed only in cases of actual sickness or disability.

25.4 Sick leave shall not be allowed when absence is due to the use of narcotics or intoxicants, but absence required to undergo a formal alcoholism and/or controlled treatment program shall qualify for such leave.

25.5 In the event of resignation or discharge, all accumulated or unused sick leave shall be cancelled and not paid.

25.6 Any employee who actively pursues and engages in self-employment or works for another employer while on sick leave may be subject to discharge.

25.7 Any employee who becomes ill and unable to report for work must notify his/her immediate Supervisor at least thirty (30) minutes prior to starting time, if possible, and each day thereafter, or the absence may not be charged against his/her sick leave. If the department is not open thirty (30) minutes prior to the starting time, the report of sickness must be made at the normal starting time.

25.8 After an employee has exhausted all sick leave accrued, vacation and compensatory time off, he/she may be advanced sick leave to cover a maximum period of one hundred twenty

(120) hours from the occurrence of the disability. In the event, the employee terminates before the advanced sick leave is repaid, the employee is obligated to repay the City for said time.

25.9 A certificate from a reputable physician may be required as evidence of illness before compensation for a period of illness is allowed.

25.10 After all sick leave is used, if the employee so elects, annual leave may be used as sick leave and regular payments made therefore to the extent of the annual leave to which the employee is entitled. Whenever absence due to illness exceeds the amount of paid leave earned and authorized, the pay of the employee shall be discontinued until he/she returns to work.

25.11 Any newly hired employee or existing employee who does not have any sick leave credits may draw an advance of twelve (12) sick leave days per year, and in the event that employment is terminated and an employee owes sick leave to the City, the City shall deduct from any monies owing from the City to the employee a sufficient sum to reimburse the city for the sick leave taken and paid for but not earned.

25.12 An employee injured in the course of gainful employment, other than City employment, shall be eligible for sick leave, but only to the extent that he/she is not compensated for absence from the City employment by the benefits accruing from such outside gainful employment.

26.0 LEAVE WITHOUT PAY

26.1 A Department Head may authorize a permanent employee to be absent without pay for personal reasons for a period not to exceed ten (10) working days in a calendar year.

26.2 A Department Head in consultation with the City Manager, may authorize a permanent employee to be absent without pay for a period not to exceed six (6) months.

26.3 If a permanent employee becomes pregnant or has a prolonged physical or mental illness, the employee may be granted by the City Manager, at the employee's request, a leave of absence without pay not to exceed twelve (12) calendar months.

26.4 Whenever absence due to illness or injury exceeds the amount of paid leave earned and authorized, the employee shall be placed on Leave Without Pay.

26.5 Any employee who actively pursues and engages in self-employment or works for another employer during a leave of absence may be subject to discharge.

26.6 An employee who fails to return to work at the termination of his/her leave of absence shall lose his/her seniority and his/her employment shall terminate.

26.7 Upon return from leave of absence, the employee shall be reinstated to the same classification held prior to leave of absence.

26.8 An employee on leave without pay for more than thirty (30) days in any one fiscal year shall not accrue vacation, sick leave, retirement credits, service toward longevity pay or other fringe benefits or seniority, or be compensated for holidays falling during the leave period; provided, that an employee on leave without pay as a result of a duty-incurred injury shall

accrue seniority, service towards longevity, step increases, pay advancement and vacation improvement based on seniority.

26.9 Time spent on a leave of absence greater than thirty (30) days in duration will not count toward qualifying service for merit pay increases.

27.0 VACATION LEAVE

27.1 Any employee with one (1) full year of service prior to July 1 shall be allowed annual leave consisting of absence from duty for ten (10) working days, or two (2) calendar weeks.

27.2 Any employee with less than one full year of service prior to July 1 shall be allowed annual leave in the proportion that his/her actual service bears to a full year of service. The employee may not use this partial leave, however, until he/she has served the City for one (1) year. Under extenuating circumstances, this rule may be waived, but only with the approval of the City Manager.

27.3 Any employee with five (5) years of service, but less than ten (10) shall be allowed annual leave of fifteen (15) working days or three (3) calendar weeks. He/she shall be eligible for such leave the day after the completion of the fifth year of service.

27.4 Any employee with ten (10) years of service, but less than sixteen (16) shall be allowed annual leave of twenty (20) working days or four (4) calendar weeks. He/she shall be eligible for such leave the day after the completion of the tenth year of service.

27.5 Any employee with sixteen (16) years of service, but less than seventeen (17) shall be allowed annual leave of twenty-one (21) working days. He/she shall be eligible for such leave the day after the completion of the sixteenth year of service.

27.6 Any employee with seventeen (17) years of service, but less than eighteen (18) shall be allowed annual leave of twenty-two (22) working days. He/she shall be eligible for such leave the day after the completion of the seventeenth year of service.

27.7 Any employee with eighteen (18) years of service, but less than nineteen (19) shall be allowed annual leave of twenty-three (23) working days. He/she shall be eligible for such leave the day after the completion of the eighteenth year of service.

27.8 Any employee with nineteen (19) years of service, but less than twenty (20) shall be allowed annual leave of twenty-four (24) working days. He/she shall be eligible for such leave the day after the completion of the nineteenth year of service.

27.9 Any employee with twenty (20) or more years of service shall be allowed annual leave of twenty-five (25) working days, or five calendar weeks.. He/she shall be eligible for such leave the day after the completion of the twentieth year of service.

27.10 All vacations must be taken within the fiscal year following the fiscal year of accrual and cannot be extended into the succeeding fiscal year unless permission is granted in writing by the City Manager. Employees shall forfeit all rights to vacation time if not taken as per the aforesaid rule.

27.11 In the event of termination for reasons other than discharge, an employee shall be entitled to pay for accrued vacation, provided he/she has given a minimum termination notice of ten (10) working days, or two (2) calendar weeks in writing to his/her Department Head.

27.12 Vacation schedules shall be established by the Department Head to permit the contained operation of all departmental functions without interference.

27.13 If a holiday occurs during an employee's vacation, he/she shall be entitled to an extra day of vacation at his/her regular straight-time rate. A holiday will be considered to occur during an employee's vacation week if the holiday and the vacation are included within the period of seven (7) consecutive days commencing at midnight Saturday.

27.14 If an employee dies, his/her next of kin will be paid the regular straight-time pay for all vacation he/she would have otherwise received.

27.15 Vacation pay will be paid at the employee's regular hourly rate.

28.0 RE-EMPLOYMENT OF VETERANS

Applicable provisions of Federal and State laws shall govern the re-employment rights of Veterans.

29.0 HOLIDAYS

29.1 Employees shall receive the following fifteen (15) paid holidays:

- | | |
|---------------------|-------------------------------------|
| 1. Good Friday | 6. The Day after Thanksgiving |
| 2. Memorial Day | 7. Christmas Eve |
| 3. Independence Day | 8. Christmas Day |
| 4. Labor Day | 9. New Years' Eve |
| 5. Thanksgiving Day | 10. New Years' Day |
| | 11. Five (5) Personal Business Days |

29.2 When any of the above holidays fall on a Saturday, the holiday shall be observed on Friday, when the Holiday falls on a Sunday, it shall be observed on Monday.

29.3 Holidays will be paid at the employee's regular hourly rate.

29.4 In order to qualify for holiday pay, an employee must be on duty the working day before and after the holiday. If the holiday falls on a scheduled leave day, the employee may take an alternate day. Such selection must be cleared with the Department Head. Authorized absence with pay shall be considered as being on duty.

29.5 In order to qualify for the Personal Business Days, an employee must have successfully completed the initial six (6) month probationary period. The employee shall then be eligible for Personal Business Days in proportion to that part of the fiscal year remaining.

29.6 The days granted for Personal Business days may be taken any time during the fiscal year. The scheduling of Personal Business days is subject to approval of the immediate supervisor.

29.7 A holiday or holidays falling during a period while an employee is on paid leave, exclusive of vacation, shall be considered as having been taken.

30.0 BEREAVEMENT LEAVE

30.1 In case of death in the immediate family (family defined as the spouse, child, mother, father, mother-in-law, father-in-law, brother, sister, grandparent or other relative living in the employee's household), a permanent or probationary employee may be granted a leave of absence, with pay, for a period not to exceed three (3) normal work days. Employees will be granted two (2) additional days of bereavement leave for the death of a spouse, child, mother, father, brother or sister.

30.2 Bereavement leave will be paid at the employee's regular hourly rate.

30.3 Any employee who is self-employed and actively pursues or engages in self-employment or works for another employer while on bereavement leave shall be discharged.

30.4 Should a death of a member of his/her immediate family occur while an employee is on a scheduled vacation, he/she shall be eligible to receive the benefits stated herein provided he/she notified the City prior to the date of the funeral and he/she attends the funeral.

31.0 EMERGENCY LEAVE

In the event that a permanent or probationary employee's spouse, relative living in the employee's household, or one or more children become ill or incur an injury of an emergency nature which prevents the employee from reaching his/her place of employment, or would compel the employee to leave his/her employment in order to take the above-defined relative to either a hospital or doctor's office, the employee shall be paid his/her regular wage for his/her time away from work and the time shall be deducted from the employee's accrued and unused sick leave benefits in the amount of time ranging from one (1) but not to exceed twenty-four (24) hours in any one (1) fiscal year. In the event that vacation or personal business days are used for emergency leave, such time may not be used in a period of less than one (1) hour. Proof of the existence of an emergency in the form of a written statement from a physician may be required before emergency leave is allowed.

32.0 INJURY LEAVE

32.1 In the case of a job-incurred illness or injury to a permanent or probationary employee resulting in a physical or mental disability to the extent that the employee is unable to perform his/her regular duties or perform selected limited assignments, he/she shall be placed on injury leave.

32.2 Time spent on injury leave shall be considered for all purposes as continuing service. At any time during injury leave, an employee may be required to submit to a physical examination by a City physician.

32.3 Injury leave pay will be paid at the employee's regular hourly rate.

32.4 Injury leave shall not exceed three hundred sixty (360) working hours at full pay for any one compensable illness or injury, with an additional seventeen hundred twenty (1720) hours at eighty percent (80%) of pay. The employee will be allowed to remain at one hundred (100%)

percent of pay provided that the eighty (80%) percent is supplemented by use of banked time and following, in descending order, the use of:

1. Vacation Days
2. Personal Business Days
3. Holidays
4. Sick Leave accruing during the fiscal year the injury leave is taken.
5. Compensatory Time
6. Sick Leave Bank.

32.5 An employee who is self-employed and actively pursues or engages in self-employment or works for another employer while on injury leave shall be subject to discharge.

32.6 After receiving injury leave pay for 2080 hours, the employee's pay shall be governed by the Michigan workers' Disability Compensation Act.

32.7 Injury leave and subsequent pay shall start immediately upon reported illness or injury.

32.8 An employee who incurs a job related illness or injury and is eligible for injury leave under this section must avail himself/herself to City-approved medical treatment. Any employee who refuses medical attention or does not avail himself/herself of therapy shall be disallowed injury leave.

33.0 INSURANCE

33.1 **LIFE INSURANCE:** The City shall provide and pay full premium for Fifty Thousand Dollars (\$50,000) group life insurance per employee. Employees may purchase optional coverage at their own expense for spouse and dependent children.

33.2 MEDICAL INSURANCE:

(a) **Health Care Options:** All employees may choose from four (4) health care insurance plans, with premiums fully paid by the City. These health care alternatives shall include SelectCare HMO with \$10 office co-pay, \$10/20 drug rider and vision coverages; Health Alliance Plan HMO with \$10 office co-pays, \$10/20 drug rider and vision coverage; Blue Care Network HMO with no office co-pays, \$10/20 drug rider and vision rider; and M-Care POS (Point of Service) Plan with \$10 office co-pays and \$10/20 drug rider as described in (c) below when utilizing option one. These health care options shall continue into retirement. Premiums shall be fully paid by the city for employees hired before 7/1/2005. Employees hired on or after 7/1/2005 shall make payroll contributions to cover 10% of the cost of health care premiums continuing into retirement.

(b) **Blue Cross/Blue Shield PPO:** Employees who were hired prior to November 13, 1995 shall also have the option of selecting the Blue Cross/Blue Shield (or similar insurance thereto which may be secured at the option of the City, provided that the benefits are at least identical to the benefits described herein), and shall include the Blue Preferred Plan (PPO option) with MVF II; Master Medical Option I; FAE-RC, ML and VST riders; MMC-POV, OPC, and CC riders; Organ Transplant Coverage; Generic Drugs with a \$10/20 deductible prescription rider for each employee and their eligible dependents, and Rx Pharmacy. Employees hired after November 13, 1995 shall also have the option of selecting Blue Cross/Blue Shield coverage, if they pay the difference between the BC/BS premium and the average applicable premium for the HMO options described in 33.2(a)

above. This option shall be available at the first open enrollment after completion of two (2) years of service, and shall continue into retirement.

The Preferred Provider Organization (PPO option), the BC/BS Blue Preferred Plan, has been agreed to with the following language: Additionally, PPO is provided with contingency language based on the Blue Preferred Plan program continuing with no more than a 10 percent reduction in the listing of participating physicians, otherwise Department Heads have the option to return to the traditional coverage, i.e., standard BC/BS hospital and surgical coverage with Predetermination and Mandatory Second Opinion.

(c) Effective July 1, 2005, the prescription drug rider for all employees shall be \$10/\$20 with a cap of 30 prescriptions per fiscal year. Employees with more than 30 prescriptions per fiscal year per policy shall be reimbursed for the additional cost of the co-pay for prescriptions in excess of 30. Reimbursement will be made by the Finance Department on an annual basis for the period of July 1 through June 30 each year. It is the responsibility of the employee to present to the Finance Department copies of the prescriptions for the prior period between July 1st and July 31st each year. The reimbursement will be paid out by August 31 each year.

(d) **Duplicate Health Care Benefits:** The City will pay the employee/subscriber thirty percent (30%) of the scheduled applicable premium annually up to a maximum of \$2,400 to select the benefits under a spouse's health care plan. For employees eligible for Blue Cross, this shall be computed as thirty percent (30%) of the scheduled Blue Cross premium. For other employees, this shall be computed as thirty percent (30%) of the scheduled premiums for the four HMO/POS alternatives. Employees opting out of Blue Cross may elect to keep the separate BC/BS riders for Master Medical, prescription drugs, and or vision coverage, with the cost being deducted from the thirty percent (30%) reimbursement. Employees will be responsible for the full cost of these riders. There is an annual window of opportunity to revert to insurance coverage effective May 1, if the employee so elects. The 30% reimbursement to select benefits under a spouse's health care plan will also be extended to current retirees who are receiving full health care benefits. In the event a spouse's coverage is terminated for any reason, the City will pay the COBRA payments until the employee subscriber can obtain coverage under the City sponsored health care programs.

33.3 **DENTAL INSURANCE:** The City shall provide a co-payment dental insurance plan which shall be the Delta Dental Plan of Michigan, Class I , Class II and Class III benefits (or similar insurance thereto which may be secured at the option of the City). The employee co-payment applicable for Class I benefits shall be 20%; the employee co-payment for Class II benefits 20%; and the employee co-payment for Class III benefits is 20%. The maximum Class I and Class II per person per contract year benefits is \$800. Delta's Class III benefit maximum shall not exceed a lifetime payment of \$1,500 per eligible person.

33.4 **OPTICAL INSURANCE:** The City shall provide and pay the full premium for the Blue Cross/Blue Shield, HAP, M-Care, or SelectCare optical plan for each employee and his/her eligible dependents.

33.5 Employees are required to immediately notify the Employer of any change in marital status which has an effect on the City's payment of fringe benefits. Failure to do so will result in the employee being held responsible for any cost incurred because of his/her negligence.

33.6 An employee on leave of absence in excess of thirty (30) days may continue his/her health, medical, dental, life and optical insurance at his/her own expense under the group program except as otherwise required under the Medical and Family Leave Act. Payment must be made each month in advance with the understanding that there will be no reimbursement.

33.7 COBRA COVERAGE: Continued group coverage is offered to qualified former employees and qualified dependents or former dependents of the employees under the provisions of the Federal legislation known as COBRA. Information is available at the Human Resource Department.

33.8 RETIREE INSURANCE BENEFITS:

- (a) **RETIREE HOSPITAL AND SURGICAL INSURANCE:** The City shall provide and pay the full premium for medical insurance for retirees, their surviving spouse, and eligible dependents. Retiree health care options shall be the same as those described in Section 33.2(a) & (b) above. Employees hired before November 13, 1995 shall also have the option of selecting Blue Cross retiree health care. This coverage shall include MVF-II; Master Medical Option I; Predetermination and Mandatory Second Opinion; The ML, FAE-RC, VST Riders; Organ Transplant coverage; and generic drugs with a \$5 prescription rider for those retirees who retire between 7/1/2005 and 6/30/2006. For all employees, qualified spouses and other eligible dependents retiring after June 30, 2006, the prescription drug rider shall be \$10/\$20 with a cap of 30 prescriptions per fiscal year. Employees with more than 30 prescriptions per fiscal year shall be reimbursed for the additional cost of the co-pay for prescriptions in excess of 30. Reimbursement will be made by the Finance Department on an annual basis for the period of July 1 through June 30 each year. It is the responsibility of the employee to present to the Finance Department copies of the prescriptions for the prior period between July 1st and July 31st each year. The reimbursement will be paid out by August 31 each year. The city shall continue such insurance for the surviving spouse and his/her eligible dependents at said level upon the demise of the retiree. A retiree must have at least ten (10) years of service with the city in order to receive the above medical insurance. Premiums shall be fully paid by the city for employees hired before 7/1/2005. Employees hired on or after 7/1/2005 shall make payroll contributions to cover 10% of the cost of retiree health care premiums.
- (b) **RETIREE DENTAL INSURANCE:** Retirees and their eligible dependents shall be accorded Delta Dental Plan of Michigan (or similar but equal dental insurance) with Class I and Class II benefits with a twenty percent (20%) co-pay. The per person per contract year maximum benefits shall be \$700.
- (c) **RETIREE OPTICAL INSURANCE:** Retirees and their eligible dependents are eligible for the same optical coverage granted to regular employees.
- (d) **MEDICARE:** Upon becoming eligible for Medicare Benefits, any retiree or person covered through or because of such retiree shall obtain City sponsored "Complimentary Coverage" to coordinate the benefits and for Medicare to be primary, with the City paying the premium for Part B coverage through reimbursement.
- (e) **RETIREE TERM LIFE INSURANCE:** is \$4,000.

34.0 UNEMPLOYMENT COMPENSATION

Unemployment compensation is provided in accordance with the Unemployment Compensation statutes of the State of Michigan.

35.0 DUTY – NON-DUTY DISABILITY

Any permanent or probationary employee who becomes totally disabled as a result of an on-the-job connected injury or illness, or any permanent employee with a minimum of five (5) years of service who becomes totally disabled as the result of a non-service connected injury or illness, shall be eligible for a monthly payment of sixty-six percent (66%) of his/her base monthly salary in effect at the time of such injury or illness, but in no event will such monthly payment exceed Five Thousand Dollars (\$5,000). These monthly payments shall continue until the employee reaches voluntary retirement age. The provision contained herein shall be limited and governed by the insurance policy and retirement ordinance.

36.0 TUITION REIMBURSEMENT

The Tuition Reimbursement Program is designed to encourage employees to improve their job skills, to increase their value to the City by pursuing courses of study directly related to their work and to assist them in preparing for future promotions within the City. The policy and procedures governing this program are intended to be flexible to insure the optimum utilization of the available funds. The following provisions are established to govern the administration of the City's Tuition Reimbursement Program.

36.1 Application for tuition reimbursement will only be considered from employees who are full-time probationary or permanent.

36.2 Applications will not be considered if the employee is receiving funds for the same course from any other source (G.I. Bill, scholarships, etc.)

36.3 Applications may be made only for attendance at a school of recognized educational standing, including correspondence schools. Selected subjects must relate directly to the employee's present job or to a reasonable predictable future job with the City. These include:

- (a) Technical or non-technical courses of immediate benefit to the employee and the City in the performance of present assignments when qualifying for promotion within the present field of specialization. (Examples: advanced courses in accounting, planning, assessing, investing, insurance, engineering, labor and so forth).
- (b) Technical or non-technical courses outside the employee's current field of specialization but related to either field specialization within his/her department and progression in a related field. (Examples: advanced courses in self-expression, written expression, or technologically related special enrichment courses.)

36.4 Reimbursement shall be made at 50% of the cost of the tuition not to exceed \$250 per course for undergraduate level courses, and \$350 for graduate level courses. The cost of textbooks shall be reimbursed at 100%. Employees must present official school receipts with their request documenting the cost of tuition and textbooks for the course.

36.5 Eligibility for tuition reimbursement shall be limited to two courses per semester per employee.

36.6 Reimbursement shall be made only for course work for which the applicant received a grade of C or its numerical equivalent or better. Employees must present official school transcripts showing the final grade received.

36.7 As funds for tuition reimbursement are limited, priority for reimbursement shall be governed by the time and date the completed applications are received from employees. Approval of applications for tuition reimbursement is contingent upon the availability of funds, the employee's successful completion of the course and adherence to the policies and procedures outlined in this program.

36.8 The following procedures shall be followed in making application for course approval and tuition reimbursement.

- (a) The employee shall submit his/her application for course approval and tuition reimbursement in the form of a memorandum to his/her Department Head. The memorandum must include detailed information concerning the course or courses for which reimbursement is sought.
- (b) If the course is approved for tuition and textbook reimbursement, the employee shall notify his/her immediate supervisor no later than one (1) month after the course is completed and present to his/her Department Head his/her transcript of credits, as well as appropriate receipts for tuition and textbook, for reimbursement. This material is, in turn, forwarded to the Human Resource Department. Upon receipt of the transcript of credits and appropriate receipts for tuition and textbook(s), the Human Resource Department shall submit to the Finance Department a check request authorizing the issuance of tuition and textbook reimbursement to the employee. A copy of the transcript of credits shall become a permanent part of the employee's personnel file.

37.0 LONGEVITY PAY

37.1 Longevity pay increments shall be awarded as per the following schedule:

- (a) For employees hired prior to June 1, 1990, two (2%) percent of base pay after completion of five (5) years of service; four (4%) percent of base pay after completion of ten (10) years of service; six (6%) percent of base pay after completion of fifteen (15) years of service; eight (8%) percent of base pay after completion of twenty (20) years of service; and ten (10%) percent of base pay after completion of twenty-five (25) years of service.
- (b) For employees hired on or after June 1, 1990, the following longevity pay schedule will be in effect.

After completion of five (5) years service:	\$250
After completion of ten (10) years service:	\$500
After completion of fifteen (15) years service:	\$750
After completion of twenty (20) years service:	\$1,000
After completion of twenty-five (25) years service:	\$1,250

37.2 For all employees eligible for percentage longevity payments, the payment shall be computed on the base annual rate of pay in effect on July 1 of the fiscal year in which the payment is made.

37.3 Longevity pay shall be made by check for the full amount paid and shall be paid no later than November 15 of each year.

37.4 Military leave of absence shall be considered as continuous City service.

37.5 The cut-off date for qualifying service shall be December 1st. As an example, in order to be eligible for a first longevity pay increment, which is two (2) percent of the base pay for employees hired prior to June 1, 1990 and \$250 for employees hired on or after June 1, 1990 after five (5) years of service, the employee must have five (5) years service as of December 1 of the fiscal year in which the payment is to be made. Anniversary dates falling during the fiscal year will not be recognized for longevity pay until December 1 of that year.

37.6 In the event of termination, either through resignation or discharge, the employee shall be entitled to receive that longevity pay for which he/she was eligible as of December 1. He/she shall not, however, be entitled to partial longevity payment for service accrued in the fiscal year in which his/her employment is terminated. In the event payment has been made to an employee who has failed to meet the requirements specified in this entire section, the City shall deduct said amount from final compensation.

37.7 In the event of termination, either through retirement or demise, the employee or designated beneficiary shall be entitled to receive that longevity pay for which he/she was eligible as of December 1st. In addition, he/she shall receive a partial payment for time served in the fiscal year in which his/her retirement or demise occurs. Such payment shall be determined by the ratio formed between a full year of service and that portion of the year actually served.

37.8 In the event of layoff, the employee shall be entitled to receive that longevity pay for which he/she was eligible as of December 1st. In addition, he/she shall receive a partial payment for time served in the fiscal year in which his/her layoff occurs. Such payment shall be determined by the ratio formed between a full year of service and that portion of the year actually served.

38.0 RETIREMENT PENSION BENEFITS

38.1 Those retirement benefits as specified in the Retirement Ordinance 91-4, or subsequent revision, are adopted and made part of the Contract.

38.2 The Deputy Chief of Police and Police Commanders shall be eligible for those retirement benefits specified in the City of Royal Oak Police Command Officers' Association Contract. The interpretation of this language shall be consistent with the 6/20/97 memorandum of the Employee Relations Committee.

38.3 The age and service requirement for normal retirement shall be as follows:

- (1) Age sixty (60) years or older and five (5) years or more of credited service; or
- (2) Age fifty-five (55) years and twenty-five (25) years of credited service.
- (3) For this contract period only (7/1/05 to 6/30/2006) or until a new contract is ratified, retirement shall also be allowed at age fifty-five (55) with 20 years or more of credited service, and at age fifty (50) with twenty-five years of credited service.