CITY OF ROYAL OAK

AND

FOREMEN & SUPERVISORS' ASSOCIATION

TENTATIVE AGREEMENT

July 1, 2005 – June 30, 2010

1. **Duration:** 5 years.

2. <u>Section 9.0 – Grievance Procedure:</u>

A. Section 9.5 – Presentation of Grievance -

Extend Employer's obligation to respond from forty-eight (48) hours to five (5) working days in Step 2 and Step 3.

3. Section 14. 0 – Pay Plan:

July 1, 2005	1.5% retroactive
July 1, 2006	0%
July 1, 2007	2.5% retroactive
July 1, 2008	3.0%
July 1, 2009	2.5%

4. Article 41.0 – Insurance:

I. Section 1 – Life Insurance: Add to end last sentence of paragraph:

"if available from the Carrier."

II. Section 2 – Medical Insurance, Change to read:

Health Insurance -

- A. i. Health Insurance for existing employees who are not in an HMO will be Community Blue Option II or equivalent with a \$10.00 generic drug card and a \$20.00 brand drug card. Effective July 1, 2007 and thereafter, the City may put into effect a formulary drug card with a \$10.00 generic/\$20.00 and \$30.00 brand drug co-payment.
 - ii. For employees in an HMO, the drug card above will apply. There will be two designated HMOs by the City. Those are HAP (two plans) and BCN. Individuals who are presently in an HMO and were

hired prior to July 1, 2006 will be provided with an option to be in Community Blue II. That election must occur within a thirty (30) day open enrollment period immediately after ratification of the collective bargaining agreement. Should they choose not to enroll in Community Blue II, they will remain in the HMO. Thereafter, individuals who are in an HMO and were hired prior to July 1, 2006, may elect during an open enrollment period to have Community Blue – II at no cost to the member.

- Mandatory mail-in for maintenance drugs MOPD 2.
- iv. The City is authorized to utilize self insurance, wrap plans and/or consolidating carriers as long as equivalent benefits are provided.

5. Article 41.7 – Insurance (Retiree Health Benefits):

A. Health Care Options: - last line shall read:
Employees hired on or after 7-1-2007 shall make payroll contributions to cover 10% of the cost of health care premiums continuing into retirement.

B. Health Insurance at Retirement

i. To be eligible for retiree healthcare insurance, an individual must be age 55 with at least 20 years of service or age 50 with at least 25 years of service with the City. Any years of service purchased by the member for pension purposes under the contract will count toward eligibility under this provision. Any years of service purchased by the member under the Retirement Ordinance at the actuarial rate will not count towards eligibility under this provision.

The City will pay for the retiree, spouse and eligible dependants at the time of retirement only for employees hired before July 1, 2006.

ii. There is no City-paid Family Continuation Coverage at retirement which is the present status quo.

6. Health Insurance at Retirement

Hired before 7/1/06 only:

The offered plan at retirement will be Community Blue II, or its equivalent, with the drug card noted above. The City may afford retirees available equivalent options at its discretion.

7. NEW HIRES -

A. <u>ESTABLISH AN EMPLOYEE HEALTH RETIREMENT SAVINGS ACCOUNT FOR INDIVIDUALS HIRED BY THE CITY ON OR AFTER JULY 1, 2006.</u>

All present insurance benefits for retirement will be eliminated for new hires.

A Health Retirement Savings Account is a program that allows employers to contribute monies on a tax free basis to accounts established by employees. It is designed to replace all retiree insurances for employees newly hired after July 1, 2006.

These accounts may be used by the employee, their spouse, or qualified dependents to help offset the cost of health care after the employee retires or separates from service.

The employee does not pay taxes on the contributions, investment earnings, or distributions for medical reimbursements.

The City at its sole discretion can determine which plan will be provided and the same plan will be provided to all non-union employees.

A sum will be determined by the City which will be provided to the employee's accounts.

After death, any remaining account balance may be used by the employee's surviving spouse or surviving dependents for the reimbursement of qualified medical expenses.

Vesting will be ten (10) years under this plan. The City will contribute \$40.00 per month for each eligible member.

B. Vacation Time for new hires will be as follows:

1 to 5 years 10 days 6 to 14 years 15 days 15 years or more 20days

C. Sick Time

All new employees will have nine (9) sick days.

- D. Longevity will be eliminated for new hires.
- E. Section 37.1 Personal Leave Days

Will be reduced to two (2) per year for new hires, which will be received after one (1) full year of service. Will be increased to four (4) days after five (5) years of service.

- F. Section 47.0 Pensions:
 - A Defined Contribution Plan will be established for all new hires as of July 1, 2006, which will either be through MERS or ICMA or another carrier at the City's sole discretion. The contribution rate will be 7% for the Employer and 5% for the Employees.

Vesting will be seven (7) years under this plan.

- 8. A. Article 47.4(e)(3) Remove expiration dates.
 - B. Article 47.4(i) Delete.

- 9. Employees who transfer or promote into the bargaining unit after March 1, 2008 will receive the pension benefits and retiree healthcare benefits which they received in their former position unless those benefits are greater than those provided for in this agreement.
- 10. All language in the applicable Articles will be changed to reflect the new hire benefits.
- 11. The City may switch to the MERS pension system at its discretion. Prior notification will be provided to the bargaining unit. Such conversion will not result in the loss of benefits to members of the bargaining unit.

12. Family Medical Leave Act (FMLA) Leave -

Eligible unit employees will be accorded family and medical leave in accordance with the provisions of the Family Medical Leave Act of 1993, as amended. Employees will be required to use sick, vacation and compensatory banks in that order during an FMLA leave. In no event, however, will an employee be required to reduce their vacation banks to less than forty (40) hours. FMLA supersedes Section 33.10 and 34.5 of the current expired agreement between Foremen and Supervisors Association.

CITY OF ROYAL OAK

DATE

Mary Ellen Grover 5/5/08 BY: DATE FOREMEN & SUPERVISOR'S ASSOCIATION

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DATE

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DATE