

**CITY OF ROYAL OAK
AND
PROFESSIONAL TECHNICAL EMPLOYEES ASSOCIATION
EMPLOYER PROPOSAL
November 13, 2014**

1. Duration:

July 1, 2013 – June 30, 2016

2. Wages:

July 1, 2013	0%
July 1, 2014	1.5% increase
July 1, 2015	2.5% increase

3. Pension:

The maximum pension at the time of retirement will be increased from 75% to 80% of Final Average Compensation (FAC), with the annual multiplier reduced to 1% for up to five (5) years of additional service once an employee is eligible for a pension that is equal to 75% of his/her FAC.

4. Longevity & Step Increase:

All employees shall be made whole for any longevity and step-increases earned since July 1, 2013.

5. Healthcare:

Language for Health Care Reform:

A. The City will comply with all provisions of the Patient Protection and Affordable Care Act (Public Law 111-148 of the 111th Congress, 42 U.S.C. 18001). As such, health insurance plans may be subject to change in order to remain in compliance with same and avoid penalties.

B. The City or the Association may reopen the Collective Bargaining Agreement to address Patient Protection and Affordable Care Act issues only.

6. Change Healthcare to the following:

Employees will receive Community Blue Option 3 PPO or equivalent with a Blue Preferred Rx triple tier prescription drug plan with co-pays of: \$10/\$40/\$80 for prescription drugs, a \$30 office visit, \$30 chiropractic visit, \$250 emergency room visit (waived if admitted or for an accidental injury). The prescription drug plan is an open formulary that includes a Mandatory Step Therapy program. Employees have the option of either using a 90-day in-network retail pharmacy or the MOPD (mail order prescription

drug) program at a cost of 2 times the co-pay. Employees shall contribute through payroll deduction twenty (20%) of the cost of healthcare premiums. The City will pay the cost of the remaining premium. The payment will be deducted evenly from the first two (2) pays of every month. Premiums will be adjusted at open enrollment in the Spring of each year. Employees may elect to have this deduction made pre-tax. This health care option shall continue into retirement. See the summary of benefits for Community Blue 3 as Appendix A of this agreement.

Add: "Premium Sharing does not continue into retirement."

This language does not change the present medical or prescription coverage.

7. **Dental:**

The dental annual maximum will be increased to \$1,200 effective July, 2014.

8. Improve vesting schedule for defined contribution and HCSP plans as follows:

DC and HCSP Plan 100% vesting for both after 5 years.

If available from the carrier, members who are hired under this tier who have prior governmental or private sector service in the same or equivalent position may receive credit for that service for vesting purposes only. The City's decision on granting this credit will be final.

9. Re-instate (as paid) the six holidays which were changed to non-paid at the time of the 2011-2013 agreement. For holidays that were not paid, compensation will be paid for the holidays lost since July 1, 2013.

10. Eliminate all contractual and ordinance ability to purchase service credit for pensions.

11. **New Hires:**

Members who are hired after ratification of this Agreement will receive 3 new hire leave days in their first year of employment after 90 days. This benefit will not be provided to employees who receive credit under number 12 below.

Individuals presently in the bargaining unit who are in their first year of employment with the City will have one year from the date of ratification to use these additional 3 days.

Thereafter, new hire leave days must be used in the first year of employment with the City and they will not carry over. There is no payment for these days upon separation.

12. **Vacations:**

Members who were hired in the post-2007 hire tier may receive credit for vacation purposes only for prior governmental or private sector service in the same or equivalent position. The City's decision on granting this credit will be final. No more than 5 years of service will be granted under this provision.

13. Should the method of payout or utilization of compensatory time change for Department Heads/Deputy Department Heads, the same benefit will be provided to eligible members of this bargaining unit.

14. Holidays – Add Martin Luther King, Jr. Day and eliminate New Year's Eve Day

Members of the bargaining unit may use leave time (comp, vacation or personal business) to take New Year's Eve Day off.

CITY OF ROYAL OAK

PROFESSIONAL &
TECHNICAL EMPLOYEES ASSN

Maryjo DiPaolo 1/30/15
BY: DATE

[Signature] 1/30/15
BY: DATE

BY: DATE

[Signature] 1/30/15
BY: DATE