

**CITY OF ROYAL OAK
AND
DEPARTMENT HEADS & DEPUTY DEPARTMENT HEADS ASSOCIATION
Tentative Agreement
January 20, 2015**

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. See the summary of benefits for Community Blue 3 as Appendix A of this agreement.

Premium sharing does not continue into retirement.

Rx in retirement to mirror Rx provided to active employees.

See the summary of benefits of Community Blue 3 as Appendix A of this agreement.

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

Beginning with the 2015 plan year, the Flexible Spending Account shall change to the grace period option which provides a 2.5 month extension for use of funds after the plan year ends.

7. **Section 29.1 Holidays:** Reinstate the following holidays as paid holidays,

- | | |
|---------------------|--|
| 1. Good Friday | 6. Day after Thanksgiving |
| 2. Memorial Day | 7. Christmas Eve |
| 3. Independence Day | 8. Christmas Day |
| 4. Labor Day | 9. New Year's Eve switching to MLK Day |
| 5. Thanksgiving Day | 10. New Year's Day |

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

8. **Unpaid Holidays in 2013 & 2014:** For holidays that were not paid as holidays, compensation will be paid for the holidays lost since July 1, 2013. The Deputy Police Chiefs shall follow Command language.

9. **Dental:**

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

The orthodontic benefit for Command will apply to the Deputy Police Chiefs.

10. Eliminate all contractual and ordinance ability to purchase service credit for pensions. The Deputy Police Chiefs will mirror Command on the ordinance time issue.

11. **Section 47.4 Cleaning Allowance:** Only Deputy Police Chiefs cleaning allowance to mirror the increases provided to other command employees.

12. **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 13 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 those days will not carry over into employees' second year of service. There is no payment for these days upon separation.

13. Improve vacation 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 experience may receive credit for that service for vesting purposes only. The City's decision on granting this credit will be final.

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

14. 47.7 Police Holiday Pay (to be added): Deputy Police Chief positions shall be paid for twelve (12) holidays in a lump sum payment no later than July 15th. In the event an employee is terminated after this payment, the City retains the right to pro-rate and recover any funds said employee owes the City for any holiday payment not earned at the time of termination. Said pro-ration shall be based upon the actual occurrence of the holidays. Effective July 1, 2015. No retroactivity.

15. Sick Time Payout (to be added): Deputy Police Chiefs will receive the same sick time payout as command officers at retirement.

16. Add position of "Economic Development Manager"

CITY OF ROYAL OAK

DEPARTMENT HEADS & DEPUTY
DEPARTMENT HEADS ASSOCIATION

Mary J. Biscola

By:

Dated: 2/3/15

Scott R. Newman

By:

Dated: 1/23-15

Julie Quadel

By:

Dated: 2-3-15

[Signature]

By:

Dated: 2/3/15

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