

H1. WHEREAS, the City Commission has previously approved tentative agreements with Service Employees' International Union AFL-CIO, Local 517M (SEIU) and the Professional & Technical Employees Association (Pro Tech); and

WHEREAS, these Tentative Agreements have made many changes and have included many concessions which are important for both the long- and short-term fiscal stability of the City; and

WHEREAS, the Foremen & Supervisors' Association has approved a proposed Tentative Agreement containing the same changes and concessions;

THEREFORE, BE IT RESOLVED, that the City Commission hereby approves the proposed Tentative Agreement with the Foremen & Supervisors' Association for the period of July 1, 2005 through June 30, 2010.

H2. WHEREAS, the City Commission has previously approved tentative agreements with Service Employees' International Union AFL-CIO, Local 517M (SEIU), the Professional & Technical Employees Association (Pro Tech), and the Foremen & Supervisors' Association; and

WHEREAS, these Tentative Agreements have made many changes and have included many concessions which are important for both the long- and short-term fiscal stability of the City; and

WHEREAS, the City Manager has recommended that these changes and concessions be imposed upon the City's Executive Department Heads; and

WHEREAS, the City Commission agrees with the City Manager's recommendation;

THEREFORE, BE IT RESOLVED that the City Commission hereby approves the proposed amendments to the Administrative Rules for Executive Department Heads for the period of July 1, 2006 through June 30, 2010.

Revised \*

## Agenda - Royal Oak City Commission - May 5, 2008

6:00 PM - Closed Session

Attorney/Client Privilege, Land Acquisition, Collective Bargaining

7:30 PM - Regular Meeting

1. Call to Order
2. Invocation by Commissioner Andrzejak
3. Pledge of Allegiance
4. Proclamations:
  - A. Eagle Scout Blake Spitz; [view details](#) (pdf 121k)
  - B. National Music Week; [view details](#) (pdf 116k)
  - C. Mental Health Month; [view details](#) (pdf 124k)
  - D. William Beaumont Hospital Volunteers; [view details](#) (pdf 121k)
  - E. National Association of Letter Carriers Food Drive; [view details](#) (pdf 122k)
5. Recognition by Red Cross and Representative Donigan of Firefighter Cary Thompson
6. Announcements; [view details](#) (pdf 12k);
7. Public Comment
8. Approval of Agenda
9. Consent Agenda
  - A. Minutes - [April 7, 2008](#) and [April 14, 2008](#)
  - B. Purchase Orders; [view details](#) (pdf 26k);
  - C. Claims; [view details](#) (pdf 105k); [view details](#) (pdf 80k)
  - D. Schostak Option Agreement
  - E. Amendment to LCC Ordinance – Second Reading; [view details](#) (pdf 115k)
    1. Ordinance Amendment
    2. Selection of Alternate
  - F. City Commission Chamber Use Policy; [view details](#) (pdf 93k)
  - G. Election Precinct Changes; [view details](#) (pdf 170k)
  - H. Tentative Labor Agreement
    1. Foremen and Supervisors; [view details](#) (pdf 18k)
    2. Change in Administrative Rules for Executive Department Heads; [view details](#) (pdf 17k); [view details](#) (pdf 17k)
  - I. Resolution to State of Michigan Regarding Regional Consolidation; [view details](#) (pdf 119k)
  - J. Employee Leasing Services; [view details](#) (pdf 90k)
  - K. SOCWA and DWSD Agreements; [view details](#) (pdf 21k); [view details](#) (pdf 202k); [view details](#) (pdf 609k); [view details](#) (pdf 5k)
  - L. Dream Cruise Agreement – Pioneer Park; [view details](#) (pdf 181k)
  - M. Farmers Market Marketing Position; [view details](#) (pdf 289k)
  - N. Budget Adjustments – Court Facilities Fund; [view details](#) (pdf 48k)
  - O. Sidewalk Cafes
    1. Goldfish Tea; [view details](#) (pdf 242k)
    2. Black Finn; [view details](#) (pdf 242k)
  - P. Set Public Hearing Date to Vacate Public Easements – Parker School Site; [view details](#) (pdf 242k); [document 2](#) (pdf 1,232k)
  - Q. Payment in Lieu of Taxes Ordinance, Senior Residential Project– First Reading; [view details](#) (pdf 243k)
10. Appointments Committee Recommendations; [view details](#) (pdf 17k)
11. Budget Hearings Schedule Revisions; [view details](#) (pdf 198k)
12. Proposed Charter Amendments; [view details](#) (pdf 529k)
13. Elements Massage Establishment Update as Requested by Commissioner Andrzejak \*

---

[| Meeting list | Home Page |](#)

Copyright © 2008 City of Royal Oak

Commission Letter #108-08  
Commission Meeting 5/5/08  
RE: Tentative Agreement  
Changes to Administrative Rules

May 1, 2008

THE HONORABLE MAYOR  
AND  
MEMBERS OF THE CITY COMMISSION

As a result of continued collective bargaining efforts, the following are attached:

- Tentative Agreement between the City of Royal Oak and Foremen and Supervisors' Association
- Imposed changes to the Administrative Rules for the exempt Executive Department Heads

The following resolutions are therefore appropriate for approval:

I.

WHEREAS, the City Commission has previously approved tentative agreements with Service Employees' International Union AFL-CIO, Local 517M (SEIU) and the Professional & Technical Employees Association (Pro Tech); and

WHEREAS, these Tentative Agreements have made many changes and have included many concessions which are important for both the long- and short-term fiscal stability of the City; and

WHEREAS, the Foremen & Supervisors' Association has approved a proposed Tentative Agreement containing the same changes and concessions;

THEREFORE, BE IT RESOLVED, that the City Commission hereby approves the proposed Tentative Agreement with the Foremen & Supervisors' Association for the period of July 1, 2005 through June 30, 2010.

II.

WHEREAS, the City Commission has previously approved tentative agreements with Service Employees' International Union AFL-CIO, Local 517M (SEIU), the Professional & Technical Employees Association (Pro Tech), and the Foremen & Supervisors' Association; and

WHEREAS, these Tentative Agreements have made many changes and have included many concessions which are important for both the long- and short-term fiscal stability of the City; and

WHEREAS, the City Manager has recommended that these changes and concessions be imposed upon the City's Executive Department Heads; and

WHEREAS, the City Commission agrees with the City Manager's recommendation;

THEREFORE, BE IT RESOLVED that the City Commission hereby approves the proposed amendments to the Administrative Rules for Executive Department Heads for the period of July 1, 2006 through June 30, 2010.

Respectfully submitted,

A handwritten signature in cursive script that reads "Thomas R. Hoover". The signature is written in black ink and is positioned above a horizontal line.

Thomas R. Hoover  
City Manager

Att.

**CHANGES TO**  
**ADMINISTRATIVE RULES**  
**EXECUTIVE DEPARTMENT HEADS**  
**July 1, 2006 – June 30, 2010**

---

1. Duration: July 1, 2006 through June 30, 2010 – (4 years).
  
2. Applicability:  
  
Add: Director of Finance
  
3. Section 28.2(a) – Change to read:
  - I.
    - i. Health Insurance for existing employees who are not in an HMO will be Community Blue Option II or equivalent. Effective May 1, 2008 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 May 1, 2008 will be provided with an option to be in Community Blue II. That election must occur within a thirty (30) day open enrollment period beginning May 1, 2008. 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 May 1, 2008, may elect during an open enrollment period to have Community Blue – II at no cost to the member.
  
    - iii. 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.

- v. Health Care Options: - last line shall read:  
Employees hired on or after May 1, 2008 shall make payroll contributions to cover 10% of the cost of health care premiums continuing into retirement.

II. 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.

Fifteen (15) years of service is required for retiree healthcare insurance at age 60 (under a regular retirement) for current employees hired prior to May 1, 2008. Deferred retirees will not be eligible for retiree healthcare.

- ii. The City will pay for the retiree, spouse and eligible dependants at the time of retirement only for employees hired before May 1, 2008.

III. The City may self insure or use a wrap plan on any of these policies. The City may also convert to 1 HMO.

4. Health Insurance at Retirement

Hired before 5/1/08 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.

5. Section 37.0 – Wage Adjustment:

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

6. 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 Sections 20.10 and 21.4 of the current expired Administrative Rules for the Executive Department Heads.

7. NEW HIRES -

A. ESTABLISH AN EMPLOYEE HEALTH RETIREMENT SAVINGS ACCOUNT FOR INDIVIDUALS HIRED BY THE CITY ON OR AFTER MAY 1, 2008.

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 on or after May 1, 2008.

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 seven (7) years under this plan.

The City will contribute one percent (1%) of base salary 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. Article X – 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. Article 33.0 Pensions:

i. A Defined Contribution Plan will be established for all new hires as of May 1, 2008, 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 five (5) years under this plan.

ii. Section 33.3– Remove expiration dates.

**8. 13.0 - OTHER EMPLOYMENT**

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. Executive Department Heads must notify the City Manager regarding their outside employment prior to engaging in it to avoid the possibility of conflict of interest. The City may deny permission if it is a potential conflict of interest.