



## CITY COUNCIL AGENDA ITEM

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Date: July 3, 2014

To: Brian Kischnick, City Manager

From: Jeanette Menig, Human Resources Director

Subject: **AGENDA ITEM** – Contract Ratification – Troy Fire Staff Officers Association (TFSOA) 2014-2019

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### BACKGROUND

The City of Troy and Troy Fire Staff Officers Association (TFSOA) recently reached a tentative agreement for a five-year successor collective bargaining agreement to replace the contract that expired June 30, 2014.

As seen in the attached Tentative Agreement Summary, this agreement provides for a wage increase, some of which is in the form of a signing bonus (lump sum). The agreement also changes health insurance whereby all TFSOA employees will only have one plan available - Blue Cross Community Blue PPO with the same prescription drug rider, deductibles and co-pays in place for Community Blue plan participants in other employee groups. With the entire bargaining unit accepting Community Blue PPO, there would be an opt-out of PA 152 for three years (2014, 2015, and 2016) and the opportunity for a reopener on the issues of health insurance and/or wages on or after July 1, 2017.

Additionally, two changes to retiree health insurance (for those hired prior to the implementation of the Retiree Health Savings Plan) will reduce the City's future liability: the accrual of employer-paid retiree health insurance will decrease from 4% to 3% for each future year of service, and the maximum is reduced from 100% to 90%.

Other changes to personal business and personal holiday leave time, short and long-term disability, instituting minimum call-in time and time and a half for working on a City-designated holiday, are efforts to align the TFSOA benefits to other groups. The agreement also includes an enhancement in vision benefits and the uniform allowance, to reflect increased costs (the clothing allowance had not been updated since the initial collective bargaining agreement in 1995).

### RECOMMENDATION

City management supports and recommends approval of the tentative agreement between the City of Troy and the Troy Fire Staff Officers Association (TFSOA) for a five-year successor collective bargaining agreement that will replace the contract that expired June 30, 2014.

A summary of the tentative agreement and the resulting contract language changes are attached.

TENTATIVE AGREEMENT SUMMARY  
City of Troy and TFSA  
2014-2019 Collective Bargaining Agreement  
(With Side-by-side Comparison where applicable)

ISSUE	CURRENT	TENTATIVE AGREEMENT
Contact Duration		Five years
Wages		Upon ratification 1% plus \$500 signing bonus July 1, 2015 1% plus \$250 lump sum July 1, 2016 1% plus \$250 lump sum July 1, 2017 1% plus \$250 lump sum July 1, 2018 1% plus \$250 lump sum
Health Insurance	1. Blue Cross CB PPO, BCN & HAP a) \$10/40 generic/brand Rx (PDR) b) 2x MOPD (\$20 co-pay for 3 mo Rx supply) c) \$30 office visit co-pay; \$50 ER co-pay (waived if admitted) d) \$250/\$500 basic deductible e) 5% employee premium cost-share	1. Eliminated HMO's  2. Eye exams and lenses every 12 months  3. City selects PA 152 Local Government Opt Out for 2014, 2015, 2016
Retirement	1. Accrual of employer-paid retiree health insurance is 4% per year of service, up to 100% maximum	1. Accrual of employer-paid retiree health insurance is 3% for each future year of service, up to 90% maximum.
Uniform Allowance	1. Clothing allowance \$550 2. Cleaning allowance \$300	1. Clothing allowance \$1000 2. Cleaning allowance eliminated
Call-in time		3 hour minimum
Personal Leave	1. Personal Business Time = 24 hrs 2. Personal Holiday Time = 24 hrs	1. Personal Business Time = 20 hrs 2. Personal Holiday Time = 30 hrs
Miscellaneous		Short and long-term disability plans standardized to most other employee groups.  Added Emergency Manager language  Other language changes to bring contract language up to date.

TENTATIVE AGREEMENT  
City of Troy and TFSOA  
2014-2019 Collective Bargaining Agreement

ARTICLE 14. HOURS OF WORK

*Update to reflect a previously negotiated Letter of Understanding and:*

- 14.4 **When an employee is called in at other than his normal scheduled work shift, he shall be compensated for a minimum of three (3) hours, provided that the call-in is not contiguous with the employee's normal shift.**

ARTICLE 16. PERSONAL BUSINESS TIME

- 16.1 An employee may be granted up to 24 **twenty (20)** hours of personal business time in any one calendar year with the prior approval of the Fire Chief or his designee. Such personal business time must be requested three days in advance and must be for a specific purpose which the employee could not normally accomplish on his/her own time.

~~16.2 With the exception of the first 16 hours, personal business time shall be deducted from the employee's accumulated sick leave.~~

ARTICLE 21. HOLIDAYS

- 21.1 On January 1, each employee shall be eligible for a total of ~~404~~ **one hundred ten (110)** hours of holiday leave per year as of date of hire. This leave will include the day off with pay for each designated holiday as it occurs, and the balance of the leave (**30 hours**) as personal holidays.

- 21.6 Any employee called in to work on a City-designated holiday will be compensated at time and a half.**

ARTICLE 23. DISABILITY INSURANCE

- a. Such policy shall provide that an employee shall receive sixty percent (60%) of his regular base salary excluding any premium pay, less any offsets permitted under the insurance contract between the Employer and the insurance carrier; if an employee is eligible as provided in the insurance policy for such benefits, he shall commence receiving benefits under such policy commencing on the 31<sup>st</sup> calendar day following the date on which the employee was first absent from work due to such sickness or disability and shall be paid for a maximum of fifty-two (52) weeks or until such time as he receives long-term disability benefits, whichever shall first occur. ~~An employee's short term insurance benefit may be enhanced each pay period by a supplement of up to eight hours of holiday pay, accrued sick leave credits, vacation credits, or floating holidays provided the employee has the listed time available. Failure to supplement such insurance with leave days terminates additional leave time accrual during the disability period. An employee must notify the City's Finance Department if he/she does not wish payment for supplemental leave time added to disability insurance. This option is available only once during the period of disability, and must be exercised during the first week an employee is in receipt of short term disability benefits.~~ **If available, a charge of up to eight (8) hours per pay period of the employee's accrued leave time shall supplement the insurance payment. If**

**leave time is used to supplement this insurance, a supplement from the City will provide an approximate additional 10% of the employee's gross salary.**

23.2 Long-Term Disability: The Employer will provide a long-term disability insurance policy for an employee who has three or more years of service, effective with the enrollment date following completion of such three years, which shall provide a benefit for long-term disabilities equal to fifty percent (50%) of an employee's base salary, ~~less any premium and less any offsets permitted under the insurance contract between the employer and the insurance carrier.~~ **If available, a charge of up to eight (8) hours per pay period of the employee's accrued leave time shall supplement the insurance payment. If leave time is used to supplement this insurance, a supplement from the City will provide an approximate additional 10% of the employee's gross salary.** Eligibility for insurance coverage shall terminate on the earliest date on which an employee either terminates (on a voluntary or involuntary basis), is laid off or is placed on an unpaid leave of absence.

- c. ~~An employee's long term insurance benefit may be enhanced each pay period by a supplement of up to eight hours of holiday pay, accrued sick leave credits, vacation credits, or floating holidays provided the employee has the listed time available. Failure to supplement such insurance with such leave days terminates additional leave time accrual during the disability period. An employee must notify the City's Finance Department if he/she does not wish payment for supplemental leave time added to disability insurance. This option is available only once during the period of disability as referenced in Article 23.1 (a).~~ **Employees who are absent from work for reasons of non-duty disability shall continue to accrue benefits pursuant to rules governing leave accrual during the first full two (2) years of their disability. During the second year of the non-duty disability, sick leave only shall accrue. Hospitalization insurance shall be continued during the first full two (2) years of their disability. After two years of non-duty disability, employees shall not accrue additional leave time.**

#### ARTICLE 24. DUTY-CONNECTED DISABILITY

2. Treating with the City-designated clinic for the first **twenty-eight (28)** ~~ten (10)~~ days after the injury, **pursuant to the current Michigan Worker's Compensation law (if the Michigan Worker's Compensation law changes, the period will mirror the law);**

#### ARTICLE 28. UNIFORMS

28.2 Each fiscal year, after the first (1<sup>st</sup>) anniversary date of the employee, each employee shall be allotted a basic clothing allowance of ~~five hundred fifty dollars (\$550.00)~~ **one thousand dollars (\$1000)**. Said allowance shall be placed in an account in the employee's name and shall be disbursed upon submittal of original receipts or invoices for approved clothing and personal equipment purchasing

~~28.4 Each year between March 1 and March 31, each employee shall receive a cleaning allowance of three hundred dollars (\$300.00) by check which shall be comprised of \$25.00 for each month that the employee was actively working in the previous twelve-month period.~~

ARTICLE 26. ~~HOSPITALIZATION AND MEDICAL~~ **HEALTH** INSURANCE

*Update to reflect a previously negotiated Letters of Understanding and:*

26.1 The Employer shall provide the following ~~hospitalization and medical~~ **health** insurance for employee and family equal to or better than the following:

**d. Vision Insurance including benefits for eye exams and corrective lenses every 12 months.**

**26.8 The City shall opt out of PA 152 for three (3) years (2014, 2015, 2016) and there shall be a reopener at either party's request on the issue of health insurance for July 1, 2017 and/or July 1, 2018.**

ARTICLE 29. ~~LONGEVITY~~

*Remove Article to reflect a previously negotiated Letter of Understanding*

ARTICLE 30. RETIREMENT

*Update to reflect a previously negotiated Letter of Understanding and:*

30.4 Health Care for Retirees:

1. For employees hired prior to July 1, 2006, upon regular retirement, early retirement, or disability retirement, the City will pay for ~~medical and hospitalization~~ **health** insurance as described in Article 26.1.a. above (less optical) at the rate of 4% per complete year of credited service (~~maximum 100%~~) **(effective 7/1/14, 3% per each future year of service), to a maximum of 90%. Current employees who, as of 7/1/14, would be eligible for 90% or more shall not have this amount reduced as a result of this paragraph. Coverage is** for 2-person coverage for retiree and spouse (or dependent child) at the time of retirement, ~~provided that the retired employee or spouse is drawing benefits or a pension pursuant to the City of Troy Retirement Ordinance, and provided also that the retiree shall apply for Medicare or its equivalent when eligible, and the Employer shall then provide supplemental insurance benefits. However, in the case of a duty disability retiree, the computation shall be not less than the amount it would be if the member had 10 years of credited service. A retiree may pay, at his/her own option and expense, the difference between a two-person and family rate.~~

ARTICLE 31. ~~EXIT INTERVIEWS~~

**Remove Article and re-number remaining Articles**

ARTICLE 33. RESIDENCY

*Update to reflect a previously negotiated Letter of Understanding*

ARTICLE 34. WAGES

Effective date of ratification: 1% across the board increase + \$500 lump sum bonus  
Effective 7/1/2015: 1% across the board increase + \$250 lump sum bonus  
Effective 7/1/2016: 1% across the board increase + \$250 lump sum bonus  
Effective 7/1/2017: 1% across the board increase + \$250 lump sum bonus  
Effective 7/1/2018: 1% across the board increase + \$250 lump sum bonus

ARTICLE 35. DURATION OF AGREEMENT

35.1 This Agreement shall remain in full force and effect from date of execution until June 30, ~~2009~~**2019**, and thereafter for successive periods of one year unless either party shall, on or before the sixtieth (60<sup>th</sup>) day prior to expiration, serve written notice on the other party of a desire to terminate, modify, or amend this Agreement.

**35.2 Either party may re-open this agreement on or after 7/1/2017 for matters related to health insurance and or wages.**

Insert **ARTICLE ##. USE OF FIRE DEPARTMENT STAFF VEHICLES**  
*Insert Section to reflect a previously negotiated Letter of Understanding*

Insert **ARTICLE ##. EMERGENCY MANAGER**

**An emergency manager appointed under the Local Financial Stability and Choice Act ("Act") may reject, modify or terminate the collective bargaining agreement as provided within the Act. Provisions required by this subsection are prohibited subjects of bargaining under this act.**

**By inclusion of this article, as mandated by statute, the Union does not waive the right to challenge, under Article I, section 10 of the Michigan Constitution, actions of an Emergency Manager which invalidate any provisions of an existing collective bargaining agreement.**