



CITY COUNCIL REPORT

December 9, 2008

TO: Phillip L. Nelson, City Manager

FROM: Peggy E. Sears, Human Resources Director

SUBJECT: **AGENDA ITEM** – Contract Ratification – Troy Command Officers Association (TCOA) 2008-2011

Background:

- The City of Troy and TCOA entered into negotiations for a successor collective bargaining agreement that will replace the contract that expired June 30, 2008.
- The TCOA membership ratified a tentative agreement for a three-year collective bargaining agreement between the City of Troy and TCOA on December 4, 2008.
- This is the 12th collective bargaining agreement to be settled using the Interest-Based Bargaining (IBB) method.
- The IBB method has significantly reduced the amount of time spent negotiating, thus reducing costs and improving efficiency.
- The IBB method has favorably impacted the employee-employer relationship, thus contributing to effective and professional communications.
- A goal of City administration continues to be to bring consistency in, and reduce costs associated with, the benefit package provided to employees.

Financial Considerations:

- The proposed tentative agreement results in an average wage increase of 2.84% effective 7/1/08, 1.91% effective 7/1/09 and 1.91% effective 7/1/2010.
- Replacing retiree health insurance with a Retirement Health Savings (RHS) plan for employees promoting into the bargaining unit with an RHS will result in an annualized cost savings of approximately .2 % of payroll per year per retiree and is consistent with the plan provided for other employee groups.
- Replacing the \$5/\$10 prescription drug rider (PDR) with a \$10/\$20 PDR will result in an annualized cost savings of approximately 1.55% of payroll.

- Eliminating duplicate health insurance for employees who are married to each, and eliminating traditional Blue Cross coverage as a provider option, are consistent with the health insurance provisions for other employee groups.
- Negotiating the opportunity for members to participate in a Voluntary Separation DC to DB Plan, and assuming three employees who opt to separate employment under this Plan are not replaced, will result in an annualized savings of over 16% of payroll.
- Funds are budgeted and available in the 2008-09 budget and will be incorporated in the 2009-10 and 2010-2011 budgets.

Legal Considerations:

The TCOA membership ratified the tentative agreement on December 4, 2008.

Policy Considerations:

- Minimize the cost and increase the efficiency and effectiveness of City government by maintaining wage increases within the range of comparables and reducing the City's financial liability associated with health insurance for both employees and retirees (Goal II).
- Minimize the cost and increase the efficiency and effectiveness of City government by eliminating the necessity to call in additional command officers under certain conditions and eliminating the option of compensatory time (Goal II).
- Effectively and professionally communicate internally and externally by maintaining a fair and competitive total compensation package (Goal IV).

Options:

- City management supports and recommends approval of the tentative agreement for a three-year collective bargaining agreement between the City of Troy and TCOA for 2008-2011.

PROPOSED AGREEMENT SUMMARY
City of Troy and TCOA
2008-2011 Collective Bargaining Agreement

ISSUE

SOLUTION

Wages

- a. Three year contract with the following increases:
- | | <u>Sgt./Lt.</u> | <u>Captain</u> |
|-----------|-----------------|----------------|
| 7/01/2008 | 3.0% | 1.25% |
| 7/01/2009 | 2.0% | 1.0% |
| 7/01/2010 | 2.0% | 1.0% |
- b. If the police officers bargaining unit gets a higher percent increase over the same 3-year contract period through a voluntarily negotiated agreement, then the same percent increase will apply to the TCOA

Health Insurance

- a. \$10/\$20 prescription drug rider (PDR) replaces \$5/\$10 PDR for generic/brand name drugs
- b. Eliminate Traditional Blue Cross coverage as an option
- c. Eliminate dual coverage for employees who are married to each other; employees opting out will not be eligible for the cash-in-lieu payment

Retiree Medical Insurance

- a. Employees promoting into the bargaining unit with the Retiree Health Savings (RHS) plan will continue to participate in the RHS plan in lieu of retiree health insurance
- b. RM, RPS, PSA riders added to retiree health care (to be consistent with other units and reduce the number of health care plans being administered)
- c. \$5/\$10 PDR replaced with \$10/\$20 PDR consistent with current employees

Overtime

- a. Eliminate the option of compensatory time
- b. Eliminated the necessity to call in additional command officers for every five police officers that were called in to supplement an ongoing police operation

Miscellaneous:

- a. Cash payments replaced with direct deposit
- b. Shift premium paid bi-weekly instead of bimonthly
- c. Maintenance of disciplinary records streamlined
- d. Clarified definition of Final Average Compensation
- e. Psychological testing to be required for promotion to the rank of Sergeant only
- f. Assignment to Criminal Investigations Section to be made at the discretion of the Chief
- g. "Housekeeping" changes to correct dates, job titles, eliminate outdated language, etc.