



CITY OF GROSSE POINTE WOODS
20025 Mack Plaza Drive
Grosse Pointe Woods, Michigan 48236-2397

(313) 343-2440
Fax (313) 343-2785

**NOTICE OF MEETING
AND
AGENDA**

COMMITTEE-OF-THE-WHOLE

Mayor Robert E. Novitke has called a meeting of the City Council, meeting as a Committee-of-the-Whole, for **Monday, June 3, 2013, at 7:45 p.m.** The meeting will be held in the Conference Room of the Municipal Building, 20025 Mack Plaza, Grosse Pointe Woods, MI 48236 and is accessible through the Municipal Court doors. In accordance with Public Act 267, the meeting is open to the public and the agenda items are as follows:

1. Call to Order
2. Roll Call
3. Acceptance of Agenda
4. Retiree Health Care/Employee Handbook
 - A. Memo 05/29/13 revised – City Attorney
 - B. Memo 02/19/13 – Deputy City Clerk
 - C. Memo 05/28/13 – City Administrator / Treasurer/Comptroller
 - D. Employee Handbook excerpt
 - E. TPOAM Contract excerpt
5. New Business/Public Comment
6. Adjournment

Alfred Fincham
City Administrator

IN ACCORDANCE WITH PUBLIC ACT 267 (OPEN MEETINGS ACT)
POSTED AND COPIES GIVEN TO NEWSPAPERS

The City of Grosse Pointe Woods will provide necessary, reasonable auxiliary aids and services, such as signers for the hearing impaired, or audio tapes of printed materials being considered at the meeting to individuals with disabilities. All such requests must be made at least five days prior to a meeting. Individuals with disabilities requiring auxiliary aids or services should contact the City of Grosse Pointe Woods by writing or call the City Clerk's office, 20025 Mack Plaza, Grosse Pointe Woods, MI 48236 (313) 343-2440, Telecommunications Device for the Deaf (TDD) 313 343-9249, or e-mail the City Clerk at cityclk@gpwmichigan.us.

cc:
Council – 7
Berschback
Fincham
Hathaway

Rec. Secretary
Email Group
Media - Email
Post -8

File

DON R. BERSCHBACK
ATTORNEY AND COUNSELOR AT LAW
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OF COUNSEL
CHARLES T. BERSCHBACK

REVISED MEMORANDUM

RECEIVED

MAY 29 2013

CITY OF GROSSE PTE. WOODS

DATE: May 29, 2013

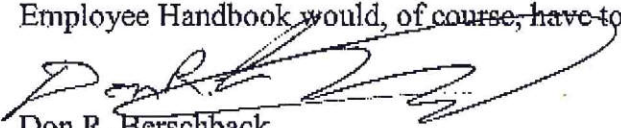
RE: Employee Handbook
Sec. 4.23 Retiree Healthcare

On February 7, 2013 I had the occasion to meet with Melanic Babij and Lisa Hathaway regarding the above captioned matter. The focus of our discussion was the difference between the provisions under Retiree Healthcare included in the TPOAM contract for Union employees and the Salaried Employee Handbook for non-Union employees, including Melanic.

The principal discussion centered around the phrase in the TPOAM contract "applies to employees hired prior to July 1, 2007" and the provision under 4.23 in the Employee Handbook which states "for active employees hired prior to August 1, 2008". Melanic would prefer to fall into the category of "those employees hired prior to July 1, 2007".

The Council reviewed and approved the Employee Handbook on August 6, 2012. The preparation and revision of the contents of the handbook had been discussed over at least three years with Administration, Department Heads, and legal and labor counsel. The date mentioned in the Employee Handbook "August 1, 2008" on this issue was determined by utilizing the last person hired (July 7, 2008) and simply utilizing the first of the following month - August 1, 2008.

Any request for the August 1, 2008 change for the Employee Handbook would have to be considered and approved by the Council. I will be discussing the ramifications of this issue with the Council during the Committee of the Whole meeting on June 3, 2013. Any changes to the Employee Handbook would, of course, have to be approved by the Council.


Don R. Berschback

4B

Memorandum

TO: Lisa K. Hathaway, City Clerk

FROM: Melanie Babij Ryska, Deputy City Clerk

DATE: 02/19/2013

RE: Retiree Healthcare

MBR

In September 2012 I inquired about the difference in dates regarding retiree healthcare between the newly revised Employee Handbook (August 2012) and the TPOAM contract effective from June 1, 2010 and June 30, 2013. We were unable to meet with Dee Ann and Skip at the time due the Audit and impending Election. In January 2013 I reaffirmed my concern and we met with Skip and Dee Ann to discuss this matter.

Section 4.23 Retiree Health Care of the Employee Handbook states that employees hired prior to August 1, 2008 shall pay contributions to the retiree healthcare account that is shared by all retirees. In return, and depending on the length of employment, the city will contribute a certain percentage to a retirees' healthcare.

Employees hired after August 1, 2008 are not entitled to retiree healthcare benefits from the city, however, employees are eligible to participate in a "VEBA-type" plan approved by the city where contributions are placed in a personal health savings account.

Section 28.5.2(h) of the TPOAM contract maintains the same provisions with the exception of the hire date. According to the contract those hired prior to July 1, 2007 are subject to participation in the general retiree healthcare account with which the city will provide a certain percentage of a retirees' healthcare. Those hired after this date participate in a personal health savings account.

My question to Administration was, "why the differing dates," bearing in mind that non-union employees generally mirror the union contract when possible. After careful consideration of the risks and benefits of each of the programs, I would like to be placed in the "hired after July 1, 2007" contract pool.

Don was asked to advise on the legality of my request. He stated in his memo dated February 15, 2013, that it is Council's discretion to grant such a request. I am therefore requesting that this matter be presented to Council for consideration.



CITY OF GROSSE POINTE WOODS
MEMORANDUM



Date: May 28, 2013

RECEIVED

MAY 29 2013

To: Mayor and City Council

CITY OF GROSSE PTE. WOODS

From: Alfred Fincham, City Administrator
Dee Ann Irby, Treasurer/Comptroller

Handwritten signatures of Alfred Fincham and Dee Ann Irby are placed next to their names in the "From" field.

Subject: Non-union employee seeking union benefits

The Deputy City Clerk is requesting retiree healthcare benefits that are a part of the TPOAM collective bargaining agreement. The Deputy City Clerk position is an at-will, non-union position which is not a member of the TPOAM bargaining unit. Attached is the signed acknowledgement of at-will employment.

The policies and procedures in the *Employee Handbook* apply to all employees unless the employee is covered by a collective bargaining agreement or employment contract. The *Employee Handbook* was reviewed extensively by the City Attorney and Labor Counsel. The Committee of the Whole discussed the *Handbook* on August 6, 2012 prior to City Council's approval on August 20, 2012. See attached Council clipping, dated August 20, 2012.

The Deputy City Clerk's request to participate in the benefits of the TPOAM collective bargaining agreement is inconsistent with the *Employee Handbook*.

APPENDIX B

ACKNOWLEDGEMENT OF GROSSE POINTE WOODS AT-WILL EMPLOYMENT POLICY

The undersigned hereby understands and acknowledges the following:

1. That the City of Grosse Pointe Woods is an "At-Will" employer. This means that any employee not covered by a collective bargaining agreement or individual employment agreement may be terminated at any time for any reason or for no reason at all with or without notice and with or without cause. Similarly, any employee may resign his/her employment with the City at any time for any reason or for no reason at all, with or without notice or with or without cause.
2. That this at-will employment relationship with the City may not be changed by any written document, oral representation, or by conduct unless the City Council specifically acknowledges such change in writing.
3. That nothing in the Employee Handbook should be interpreted as being inconsistent with "At-Will" employment.

Melanie Babij
Employee Signature

9/27/07
Date

Melanie Babij
Print Name

cc: Employee

Motion carried by the following vote:

Yes: Bryant, Granger, Koester, McConaghy, Novitke, Shetler
No: None
Absent: Ketels

Motion by McConaghy, seconded by Bryant, regarding **appointment – Local Officers' Compensation Commission**, that the City Council voice no objection to the Mayoral appointment of Dan Curis to the Local Officers' Compensation Commission with a term to expire September 30, 2017.

Motion carried by the following vote:

Yes: Bryant, Granger, Koester, McConaghy, Novitke, Shetler
No: None
Absent: Ketels

Motion by Bryant, seconded by Shetler, that the following minutes be approved as submitted:

1. City Council Minutes dated August 6, 2012.

Motion carried by the following vote:

Yes: Bryant, Granger, Koester, McConaghy, Novitke, Shetler
No: None
Absent: Ketels

Motion by Granger, seconded by Shetler, regarding **Employee Handbook**, that the City Council concur with the recommendation of the Committee-of-the-Whole at their meeting on August 6, 2012, and adopt the Employee Handbook as presented, without the Social Media Policy.

Motion carried by the following vote:

Yes: Bryant, Granger, Koester, McConaghy, Novitke, Shetler
No: None
Absent: Ketels

City of Grosse Pointe Woods

Employee Handbook



A change in the benefits or cost of coverage will apply to you or your dependent the same way it would if your employment or his/her dependent status had not changed.

HIPAA (Health Insurance Portability and Accountability Act of 1996)

This act is intended to enhance the portability and availability of health coverage for those with health status issues or preexisting conditions. The act requires that covered group health plans and issuers of health insurance furnish Certificates of Creditable Coverage for individuals when their group coverage concludes so they may gain subsequent coverage elsewhere with reduced or no preexisting condition limitations. This act has been recently expanded to also provide additional privacy protection and rights to Employees with regard to protected health information. See the Treasurer/Comptroller for information.

4.21 Employee Assistance

The Employee Assistance Program provides assistance to Employees by offering, at no cost, confidential help for personal and family problems. Additional information is posted on Employee bulletin boards in each department.

RETIREMENT BENEFITS

4.22 Pension Plan and Retirement Savings

For all full-time Employees, the City funds and administers a Pension Plan. All eligible Employees are required to contribute to the plan. Participants become fully vested after ten (10) years of employment. Employees may also qualify for a supplemental annuity. For further information regarding pension benefits and requirements, consult the Treasurer/Comptroller.

A deferred compensation (IRS 457) plan is also available to all regular full-time and permanent part-time Employees of the City. This plan allows for Employee-funded, pre-tax retirement savings. Employees determine their annual contribution level within IRS maximums and related guidelines. For additional information on this plan, consult the Treasurer/Comptroller.

4.23 Retiree Health Care

Retirement health care benefits are available to some retirees.

For active Employees hired prior to August 1, 2008, the retiree healthcare contributions listed below shall commence in April, 2011. These contributions will be through payroll deduction under a salary reduction agreement and pro-rated monthly. Employee contributions shall be placed in a retiree healthcare arrangement as determined and adopted by the City and shall be as follows:

<u>Employee's Service Time at Age 65</u>	<u>Employee Contribution</u>
10 to 15 years	1.00%
15 to 20 years	1.50%
20 to less than 25 years	1.75%
25+ years	2.00%

The above annual contributions are to be made effective April, 2011 and in fiscal years 2011-2012 and 2012-2013.

Employees hired prior to August 1, 2008 retirement healthcare eligibility shall be as follows:

<u>Actual Service Time*</u>	<u>City Contribution for Employee</u>	<u>Spouse</u>
10 years**	25%	0%
15 years	50%	0%
20 years	100%	75%
25 years	100%	100%

* For current employees, this refers to *actual credited service*.

** For current employees who are a minimum age of sixty (60) with ten (10) years' actual service time, the City's contribution for the Employee will be 50% / spouse 0%.

Employees hired after August 1, 2008 are not entitled to the healthcare benefits presently provided to retirees/spouses. These Employees are eligible to participate in a "VEBA type" plan approved by the City. The City will contribute to a plan on behalf of each new Employee for each month in which the Employee is compensated for at least 150 hours (\$145.00 per month effective August 1, 2008 and \$150.00 per month effective August 1, 2009 thereafter). Employee accounts will be invested in a qualified Retiree Health Coverage Arrangement under the provisions of the Internal Revenue Code which will permit application of a vesting schedule to retiree benefits. The selection of such arrangement shall be at the discretion of the Employer.

See the Treasurer/Comptroller for additional information.

MISCELLANEOUS BENEFITS

4.24 Uniforms and Safety Attire

In compliance with OSHA regulations, the City will provide Employees special personal protective equipment based upon specific position requirements to perform his/her job safely. However, Employees may be required to purchase some standard safety attire (e.g., steel-toe boots), at the Employee's expense. Consult any collective bargaining agreement for particulars.

4.25 Professional and Trade Associations

The City may pay reasonable expenses associated with joining professional and trade associations. Employees desiring to join or participate in professional or trade associations at the City's expense must submit a request to their Department Head or the City Administrator specifying the associated costs. Upon approval, membership fees will be budgeted annually.

4.26 Educational Assistance

This benefit has been eliminated for all non-union personnel effective July 1, 2009. Union employees should refer to their respective collective bargaining agreements.

The City will pay all education expenses associated with maintaining a state or national certification required as a part of an Employee's job. Payment or reimbursement for certifications sought beyond basic job requirements requires prior approval by the City Administrator.

Seminars, workshops, and other short-term training directly related to current needs of the City and individual departments may be provided through departmental training budgets and require prior approval.

4.27 Park Passes

All full-time, part-time, and retired Employees may apply to receive an annual park pass to the City of Grosse Pointe Woods' Lake Front Park. Employees shall observe the Rules and Regulations of Lake Front Park.

All full-time and part-time Employees and retired Employees will receive a regular permit for himself and his/her immediate family and be afforded an opportunity to rent a boat dock space, dependent upon availability, in accordance with the applicable City ordinance.

4.28 Bereavement Policy

Provided budget funds are available, the City Administrator shall send cards to the Employee upon the death of the spouse, parents, or children of the Employee.

Excerpt



AGREEMENT

between

THE CITY OF GROSSE POINTE WOODS

and

**THE TECHNICAL, PROFESSIONAL AND OFFICE
WORKERS ASSOCIATION OF MICHIGAN**

EFFECTIVE: JULY 1, 2010 - JUNE 30, 2013

incurred under that contract during the previous calendar year, not to exceed \$350. Employees with claims in excess of \$1,000 will not receive a contribution to their individual Health Care Account.

- d. Retiree healthcare contributions of gross pay, as set forth below, shall commence at start of first payroll period following ratification. Employee contributions shall be placed in retiree healthcare arrangement as determined and adopted by the City. Applies to employees hired prior to July 1, 2007. The contribution rate for each employee shall be as follows:

<u>Employee's service time at age 65</u>	<u>Employee Contribution</u>
10 to 15 years	1.0%
15 to 20 years	1.5%
20 to less than 25 years	1.75%
25+ years	2.0%

- e. Delta Dental or Equivalent
- a. 75% - 25%.
 - b. \$1,000.00 per year each member and/or dependents.
 - c. Orthodontic Benefits: 50/50 co-pay; \$1,000.00 lifetime maximum.
- f. Blue Cross/Blue Shield VSP or Equivalent

Blue Cross/Blue Shield VSP or its equivalent.

28.5.2 The employer shall maintain the following health care coverage for each retiree, spouse, and qualified dependent of record at the time of retirement so long as required by law.

- a. The health care coverage shall be the same as set forth above in Section 28.5.1 a. (BCBS Community Blue PPO-3, prescription drug card of \$10/\$20/\$40.)
- b. Employees retiring after March 30, 2011, shall pay through pension benefit check deduction the following annual premium contribution:
 - a. \$250 single employee
 - b. \$500 two-person and family
- c. Current employees' retirement health care eligibility shall be as follows:*

	City Contribution for	
	<u>Employee:</u>	<u>Spouse:</u>
10 years of Actual Service Time	25%	0%
	**	
15 years of Actual Service Time	50%	0%
20 years of Actual Service Time	100%	75%
25 years of Actual Service Time	100%	100%

Employee contributions shall be made one month in advance as a condition of receiving the City retiree healthcare contribution.

*For Current Employees *actual credited service*.

**For Current employees with 10 years of actual service time and at least 60 years of age, City contribution is Employee 50%, Spouse 0%.

- d. Upon eligibility for Medicare, retirees and spouses must apply and, if eligible, must acquire both parts "A" and "B" at no cost to the employer. The employer, at no cost to the retiree or spouse, will then furnish the retiree or spouse with Blue Cross/Blue Shield Exact Fill Supplemental Health Insurance or an equivalent Medicare Advantage Plan or an equivalent Medicare Supplemental Plan.
- e. Retirees, spouses, minor children or qualified dependents of record who relocate to an area where Community Blue Option 1 is not accepted will be returned to Blue Cross/Blue Shield Traditional Health Care MVF 1/ MVF 2, at no cost to the retiree, spouse, minor child, or qualified dependent of record with provisions under the terms of 28.5.6.
- f. Delta Dental or Equivalent
 - a. 75% - 25%.
 - b. \$1,000.00 per year each member and/or dependents.
 - c. Orthodontic Benefits: 50/50 co-pay; \$1,000.00 lifetime maximum per each member and/or qualified dependent.
- g. Blue Cross/Blue Shield VSP or Equivalent
Blue Cross/Blue Shield VSP or its equivalent.
- h. New employees hired after July 1, 2007 shall, in lieu of the above-referenced retiree health care, dental and optical, be provided with a plan under which the City will contribute \$140.00 per month (\$145.00 per month effective July 1, 2008 and \$150.00 per month effective July 1, 2009) on behalf of each new employee for each month in which the

employee is compensated for at least 150 hours. Employee accounts will be invested in a qualified Retiree Health Coverage Arrangement under the provisions of the Internal Revenue Code which will permit application of a vesting schedule to retiree benefits. The selection of such arrangement shall be at the discretion of the Employer. Employees will contribute 1% of base pay to the plan, pro-rated monthly, through payroll deduction under a salary reduction agreement. Additional employee contributions will be allowed as provided in IRS regulations. Employees who retire or otherwise terminate employment with the City will be entitled to apply their contribution and their vested City contributions toward the purchase of health insurance in accordance with IRS regulations. Employees will be vested in the City contributions under the plan under the following schedule:

Two years of seniority	25%
Four years of seniority	50%
Six years of seniority	100%

Subject to the approval of the carrier, the employee, at the employee's cost, may use the account to participate in the City's health care program, provided that such participation does not result in an overall increase in the City's cost.

- 28.5.3 Employees who require prescription glasses shall be allowed to purchase them through the Blue Cross/Blue Shield VSP with the City paying up to forty (\$40) dollars each two-year period for the cost of prescription safety glasses. Glasses must meet OSHA standards and may not be tinted and have permanently attached side shields. Office and janitorial personnel are not eligible for such reimbursement.

28.5.4 Part-time Employees' Participation in Group Hospitalization Plan:

Any part-time Employee shall be eligible to participate in the Employer's Group Blue Cross-Blue Shield Hospitalization Plan, provided, however, payment for such premiums shall be 100% the responsibility of the participating part-time Employee and provided, further, that such part-time Employee may authorize a monthly payroll deduction for payment of the premium thereto.

28.5.5 Health Care Coverage While on Leave of Absence Without Pay:

Health care coverage shall be continued for any full-time Employee who is on an approved leave of absence, without pay, due to the illness of the aforesaid full-time Employee or such Employee's spouse; provided, however, that such coverage shall not exceed ninety (90) days.