

LETTER OF AGREEMENT

RE: Contract Extension

THIS LETTER OF AGREEMENT (Agreement), by and between the Charlevoix Public Schools Board of Education (Board), and the Northern Michigan Education Association/CEA/MEA/NEA (Association), sets forth the understandings and agreements between the parties regarding an extension of the current Master Agreement (Contract).

WHEREAS the parties have in the previous Contract negotiated in good faith over a number of issues that were necessary to the best interests of both the Board and the Association, and;

WHEREAS the parties wish to extend that Contract,

THEREFORE IT IS THE AGREEMENT of the Board and the Association that:

1. The Contract shall be extended for a period of two (2) additional years, expiring on August 31, 2008 unless extended by the parties.
2. All portions of the 2005-06 Contract shall be extended with the exception of those provisions as shall be modified below:

APPENDIX B – SALARY SCHEDULE

2006-07 Zero percent* with steps over the final 2005-06 salary schedule at the beginning of the contract year. On the last pay of the contract year, the salary schedule shall be refigured and paid retroactively (if necessary) on the following basis:

If the final total state aid to the district as determined by the formula;

$$\frac{2006-2007 \# \text{ FTE Students X State Foundation Grant}}{2005-2006 \# \text{ FTE Students X State Foundation Grant}} > 0\%,$$

Then the salary schedule shall be increased by the difference, not to exceed an additional 3.1%.over the 2005-06 salary.

***The only exception shall be for retiring teachers. Any teacher who retires during the 2006-2007 school year shall receive an additional 1.5% of regular salary spread out equally among remaining pays.**

2007-08 Increase 3.0% on step over the final 2006-07 salary schedule at the beginning of the contract year. On the last pay of the contract year, the salary schedule shall be refigured and paid retroactively (if necessary) on the following basis:

If the final total state aide to the district as determined by the formula;

$$\frac{2007-08 \# \text{ FTE Students X State Foundation Grant}}{2006-07 \# \text{ FTE Students X State Foundation Grant}} > 3.0\% \text{ Increase,}$$

Then the salary schedule shall be increased by the difference, not to exceed an additional 1.1%. The total 2007-08 increase shall not exceed 4.1% over the 2006-07 salary.

3. DURATION OF AGREEMENT

This Agreement shall be effective as of July 1, 2006, and shall continue in effect until the 31st day of August 2008. This Agreement shall not be extended orally and it is expressly understood that it shall expire on the date indicated.

4. APPENDIX C – INSURANCE BENEFITS

- A. Upon acceptance of written application, the Board agrees to provide each employee in the bargaining unit with medical care protection for the employee and his immediate family through MESSA.

Rates for the above

Single
Employee and spouse
Employee and children
Full family

Effective upon ratification date 2006, the Board will contribute the current rate for MESSA Choices II PAK coverage on all employees in the bargaining unit for the duration of this Agreement. Rx co-pay shall become \$5/10 with reimbursement according to the letter of agreement, herein, below.

Insurance must be carried through the school program—MESSA. Bargaining unit members not electing health insurance coverage may apply up to the amount of the Super Care I single subscriber premium to MESSA and/or MEA's Fixed Option programs as determined by the Association. The single subscriber premium amount may be applied on an individual basis to purchase any of the MESSA variable options. For the employees not electing health or MESSA options the employer shall provide a cash option in lieu of health benefits up to the amount of the Super Care I single subscriber premium according to the following:

1. The employer shall formally adopt a qualified plan document, which complies with Section 125 of the Internal Revenue Code.
2. The amount of cash payment received may be applied by the bargaining unit member to an MEA Financial Services Tax-Deferred Annuity. To elect a tax-deferred annuity, the bargaining unit member shall enter into a salary deduction agreement.
3. The program will become effective not more than ninety (90) calendar days from the ratification of this agreement. Benefits currently being provided to bargaining unit member employees shall continue as is until the newly negotiated benefits program is in effect.
4. All cost relating to the implementation and administration of benefits under this program shall be borne by the employer.

5. The Section 125 administration shall be provided by MESSA OptionAll. The employer shall enter into a MESSA OptionAll Administrative Services contract.
6. Any amounts exceeding the employer subsidy share may be payroll deducted.

F. In addition to all of the provisions above, bargaining unit members may participate in a cafeteria plan for the purposes of child care and medical reimbursement. Participants shall not be eligible for contributory annuity increase (Article XV, M) in each year that they are using the cafeteria plan.

5. M. CONTRIBUTORY ANNUITY PLAN The Board and Association recognize the importance of each teacher pursuing an active savings program to provide for a safe retirement plan. Beginning with the 1991-92 school year and each school year thereafter, the Board will provide a contributory annuity. To accomplish this goal all bargaining unit members will hereafter be provided with an MEA contributory annuity or other existing annuity to which a teacher presently contributes. The Board agrees to contribute a dollar amount equal to a percentage of the teacher's gross salary as determined by the following schedule:

2006-07 1.8% of gross
2007-08 2% of gross

Each bargaining unit member may choose one of two options for contributing into the contributory annuity plan. A bargaining unit member may payroll deduct an amount up to their specified limits into an individual tax sheltered annuity or a bargaining unit member may choose to make a one time payment in an amount up to their specified limits into an individual tax sheltered annuity. At the point during the school year when the bargaining unit member's contribution reaches the scheduled percentage amount of their gross salary, the Board will contribute an equal amount to that member's annuity account. The Board's contributions will be made as of the a) first pay in November, b) first pay in March, or c) first pay in June.

The provisions of this Article shall become effective upon ratification date 2006, and the Board shall make premium payments for all teachers who qualify for insurance on the first day the MESSA Choices II PAK goes into effect. Properly filing of insurance applications shall be the responsibility of the individual teacher. New employees will receive insurance benefits upon qualification after their employment. Board insurance contributions will continue each month through August of each school year for which the teachers have fulfilled the terms of their contracts with the Board and are not in violation with the provisions of the Master Agreement.

6. This Agreement shall not be considered as being precedent-setting between the parties.
7. This Agreement may be extended by the written Agreement of the parties.

BOARD OF EDUCATION

EDUCATION ASSOCIATION

John J. Sturock

John Sturock, Chief Spokesperson
Superintendent of Schools
Charlevoix Public Schools

Mary Lieberman, Chief Spokesperson
Charlevoix Education Association/NMEA
Michigan Education Association