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CITY OF KENTWOOD
-and-
KENTWOOD FIRE FIGHTERS ASSOCIATION
LOCAL 3174

SEP 15 1998
STATE OF MICHIGAN
DEPARTMENT OF TREASURY
DETROIT OFFICE

MERC Case No. L98 E-7014

Stipulated Act 312 Award

The Kentwood Firefighters Association, Local 3174, and the City of Kentwood stipulate and agree that the following shall constitute the Arbitration Panel's Decision and Award in MERC Case No. L98 E-7014.

1. All provisions of the collective bargaining agreement effective through June 30, 1998 shall be continued, except as modified by the provisions of this Stipulated Act 312 Award.

2 All sections of the contract referring to Kentwood Firefighters Association will be changed to read Kentwood Professional Firefighters Union.

3. Section 9.3g - will be changed to read: (g) The duty officer or administrative assistant may take discretionary action if an emergency crisis occurs due to illness of a member of the employee's immediate family, paid sick leave days may be granted for a period not to exceed five (5) days. Immediate family shall mean the employee's current spouse, children, father, mother, brother, sister, grandparents, father-in-law, and mother-in-law. This discretionary action is subject to the approval of the Fire Chief.

4. The following new section will be added:

Section 8.10. Station Assignments. The City will determine the staffing levels for each station and the methods to assign available personnel to each station. The City will provide employees with advance notification of the station where they will be working, but reserves the right to change assignments in order to meet changing staffing needs.

5. Add new Section 9.3 (I) to read: "(I) Employees working a shift of 24 1/4 hours will only be charged 24 hours of sick leave when they are absent from work for the entire shift.

6. Modify Section 9.4 Funeral Leave to read as follows:

Section 9.4 Funeral Leave. A leave of absence shall be granted for up to three (3) days immediately following the date of death in the employee's immediate family. If

out-of-state travel is necessary, the leave may be extended to five (5) days, upon approval of the Chief. Employees will be paid at their regular rate for all time lost from their work schedule during the period of the funeral leave. None of these days shall be deducted from the employee's unused sick leave or other benefit time. Immediate family shall include: Current spouse, children, step-children, father, step-father, mother, step-mother, sister, step-sister, brother, step-brother, grandchildren, grandparents, mother-in-law and father-in-law, sister-in-law, brother-in-law, son-in-law, daughter-in-law, aunt, uncle, niece, nephew.

7. Section 10.1(b) – Easter and Christmas Eve Day will be added to the holiday schedule for suppression personnel. [Effective following ratification]

8. Section 11.1 Vacation Benefits shall be modified to read as follows:

Section 11.1. Vacation Benefits. Full-time employees shall earn vacation leave with pay at their regular rate in accordance with the following schedule, provided the employee has completed fifty-two (52) weeks of work immediately preceding his anniversary date of hire (absence due to paid sick leave, vacation or leave of absence of less than thirty (30) days shall be credited as time worked:

Fire Prevention Personnel.

After one (1) year	80 hours pay and leave
After five (5) years	96 hours pay and leave
After six (6) years	8 hours for each additional year to a maximum of 160 hours pay and leave

Fire Suppression Personnel.

After one (1) year	four (4) duty days' pay and leave
After five (5) years	five (5) duty days' pay and leave
After seven (7) years	six (6) duty days' pay and leave
After nine (9) years	seven (7) duty days' pay and leave
After eleven (11) years	eight (8) duty days' pay and leave

After thirteen (13) years nine (9) duty days' pay and
leave

Fire suppression employees may accumulate up to a maximum of nine (9) duty days' vacation leave in an anniversary year. Vacation not taken during the anniversary year which would cause an accumulation beyond nine (9) days will be forfeited.

9. Section 12.6 Retiree Health Insurance shall be revised to read:

Section 12.7 Retiree Health Insurance. For employees who retire under the City's pension plan, the Employer will contribute toward employee and spouse health insurance premiums an amount determined by multiplying \$8.00 times the employee's years of continuous active service. Upon the death of the employee or spouse, the Employer's contribution will be reduced by 25%. The Employer's contributions start at the normal retirement age of 55 for those employees with at least 20 years of service and cease at the age when the employee becomes Medicare eligible. This retiree health insurance provision is not applicable to employees on disability retirement. The City's obligation to make contributions towards health insurance is suspended during any time that the retiree is eligible to participate in a group medical coverage plan provided by another employer, either as a result of the retiree's employment or the employment of the retiree's spouse. In the event that a retired employee eligible for payments under this section is not able to be enrolled in the City's health insurance plan, the City will pay an equivalent amount to the employee. Employees who retire with less than 20 years of service are not eligible for retiree health insurance.

10. Add the following new Section:

Section 12.9. Employees not needing Health Care Insurance: Employees who have available health care insurance through a plan under another employer and elect to drop out of the employer' health care plan shall be eligible to receive \$1200 per year in lieu of health care insurance. This may be paid to the employee in a separate check or put into the employee's account under the Employer's Deferred Compensation Plan on or about July 1, based upon not having been covered by the Employer's Health Care Plan for the preceding twelve (12) months. Those electing to opt out must present proof of other insurance prior to opting out of the Kentwood Plan. This election shall be made on an annual basis during the open enrollment period (normally between May 15 and June 15) and shall be effective for the next full insurance year. In the event that an employee loses coverage under the plan with the other employer, they shall be returned to coverage under the Kentwood Employer's Plan as soon as possible.

11. Section 14.1. Wages and Classifications shall be revised to read as follows:

Section 14.1. Wages and Classifications. Attached as Appendix A is a schedule of salary rates for all classifications included within the bargaining unit. Appendix "A" reflects the following wage increases:

(a) Effective the first pay period on or after July 1, 1998 a three (3) percent increase for all employees.

(b) Effective the first pay period on or after July 1, 1999 a three (3) percent increase for all employees.

(c) Effective the first pay period on or after July 1, 2000 a three (3) percent increase for all employees.

(d) There will be a five (5) percent differential between the wages of Lieutenant/Inspector and Fire Fighter and a five (5) percent differential between the wages of Fire Captain/Marshal and Lieutenant/Inspector.

12. Modify Section 16.13 to read as follows:

The City agrees to reimburse employees for the use of their personal vehicles for emergency call-back, and for other instances as approved by the Chief. The rate to be utilized will be the IRS approved rate, rounded to the lowest whole cent. Any changes in the rate will be implemented effective July 1st of each year. Mileage vouchers shall be submitted and paid monthly.

13. Section 16.20 Food Allowance shall be modified to read as follows:

Section 16.20 Food Allowance. A food allowance of \$150 per quarter all fire suppression employees working a 24 hour shift who are on the active payroll as of January 1, April 1, July 1 and October 1 of each year will be provided through the Department's annual operating budget.

[This change shall not be retroactive, but will be effective as of April 1, 2000.]

14. Modify Section 17.1 Term of Contract to replace June 30, 1998 with June 30, 2001.

15. The changes to the City of Kentwood Retirement Plan that were adopted by the City Commission on December 16, 1997, effective January 1, 1998, are

specifically approved. The Union agrees to withdraw the Unfair Practice Charge presently pending before the Michigan Employment Relations Commission in Case No. C98 B-12 and the grievance arbitration pending on the same issue. The City agrees to modify the retirement plan to increase the multiplier to 2.5% effective August 15, 2000.

16. Modify the Retirement Plan to have employees hired on or after July 1, 2000 participate in a defined contribution plan through a provider selected by the Pension Committee (Currently ICMA), created using the following attributes:

- The City will contribute to each participant's account an amount equal to seven (7%) per cent of the participant's compensation.
- Participants are required to contribute three percent (3%) of their compensation (pre-tax) to their account.
- Participants are always one hundred (100%) vested in their contributions and shall be vested in the City contributions in accordance with the following schedule:
 - 50% upon completion of two (2) years of service
 - 60% upon completion of three (3) years of service
 - 70% upon completion of four (4) years of service
 - 80% upon completion of five (5) years of service
 - 90% upon completion of six (6) years of service
 - 100% upon completion of seven (7) years of service
- Employees hired prior to July 1, 2000 may elect to be transferred from the current defined benefit program and to participate in a defined contribution plan. Current employees may also elect to freeze their accumulated Defined Benefit Value and opt into the defined Contribution Plan for future years of service. Employees hired prior to July 1, 2000 who elect to be removed from the defined benefit program and participate in the defined contribution plan may do so according to the following:
 - The Employee makes an irrevocable election to participate in the defined contribution plan prior to midnight, on the Determination date. The Determination date will be February 28, 2001.
 - The employee's participation in the defined benefit plan shall be terminated as of midnight on the Determination date, and a lump sum shall be transferred to participant's account equal to the sum of the following (Note: Employees electing to freeze their Defined Benefit Plan will not have a lump sum transfer):

1. The employee's accumulated contributions to the defined benefit plan; and
 2. The excess of the actuarial present value of the participant's accumulated benefit obligation over the amount of the employee's accumulated contributions.
- The actuarial present value shall be computed as of midnight on the determination date, based upon the following:
 1. Eight percent (8%) effective annual interest compounded annually.
 2. A 50% male and 50% female gender neutral blend of the mortality tables used to project retiree longevity.
 3. A benefit commencement age 55, utilizing the participant's service credit as of midnight on the determination date.
 - A long term disability plan will be provided to participants in this Defined Contribution Plan. This plan will pay benefits at 70% of the employee's base annual salary commencing six months after the employee becomes disabled and will continue until the employee is able to return to work or reaches the social security retirement age, whichever is earlier.
 - Current employees who participate in the DC Plan and who are not at 10 years of service, will have their service time accelerated to 100%.

Dated: August 21, 2000

George J. Brannick
George J. Brannick
Act 312 Arbitration Chairperson

Dated: August 22, 2000

John H. Gretzinger
John H. Gretzinger
Delegate for the City of Kentwood

Dated: 8-22-2000

Mike Muller
Mike Muller
Delegate for the Kentwood Fire Fighters
Union. Local 3174