

4/21/94

STANLEY H. BRAMS  
24500 Southfield road  
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April 21, 1944 <sup>944</sup>

RE: MERC case D93 F-0918  
City of Oak Park  
-and-  
Police Officers Assn. of Michigan

Burton R. Shifman, Esq.  
Shifman & Carlson, PC  
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Southfield, MI 48075

Ms. Ann Maurer  
Police Officers Assn. of Michigan  
28815 W. Eight Mile Rd., # 103  
Livonia, MI 48152-2052

P R E L I M I N A R Y F I N D I N G

The arbitrator has been asked to determine what pension issues raised by the Police Officers Assn. of Michigan in this proceeding can be considered in the oncoming arbitration.

Article XXXII, Paragraph 11 of the present agreement between the parties says that pension negotiations can continue under certain conditions. The conditions applicable here, briefly stated, include (a) actuarial study of costs of moving the Oak Park pension system into the Michigan Employees Retirement System (MERS); (b) if savings are thus achieved after including (i) a 25 and out clause and (ii) 50% of Blue Cross for retirees, as presently funded, "the entire issue of pensions will continue...open; and (c) there will be full negotiations on any additional changes or improvements in the pension system" (with these to provide levels "no less than...under the current pension system").

The Union asked for arbitration on three specifics-- normal age and service, maximum benefit, and multiplier. Determination on these issues must be based on whether transfer of the pension plan to MERS, including 25 and out and continuation of present Blue Cross benefits for retirees, can achieve savings. The arbitrator, at this point, has no evidence that this can be achieved, so he cannot rule until the actuarial findings are entered into the proceedings.

FINDING AND DECISION; If actuarial studies demonstrate savings in the proposed transfer to MERS under the conditions cited, arbitration can proceed on the "entire issue of pensions."

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Stanley H. Brams, Arbitrator

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Oak Park, City of