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**STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
COMPULSORY ARBITRATION UNDER ACT 312, PA 1969, AS AMENDED**

In the Matter of the Arbitration between

THE CITY OF FERNDALE (MICHIGAN),

Employer

-and-

**Stipulated Award
In MERC Case No. D03 B-0330**

**Donald F. Sugerman, Chairman
Howard Shifman, Panel Member
Gary Pushee, Panel Member**

**POLICE OFFICERS ASSOCIATION
OF MICHIGAN,**

Association

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APPEARANCES:

For the Employer: Howard L. Shifman, Esq., Birmingham, MI

For the Association: Gary Pushee, Advocate

STIPULATED AWARD

1. Duration –

Contract period: From July 1, 2005 through June 30, 2009.

2. Article XXV – Wages.

- A. July 1, 2005 – 1 ½% increase, retroactive
- B. July 1, 2006 – 2% increase, retroactive
- C. July 1, 2007 – 2% increase, retroactive
- D. July 1, 2008 – 2% increase

3. Article XXI – Retirement. Section 2. Defined Contribution.

A. Effective with the first full pay period after the issuance of this Award, all individuals presently in the bargaining unit will be required to contribute 5.35% of their wages into the Defined Contribution Plan. Effective with the first full pay period after issuance of this Award, the Employer will be required to contribute 14% of each employee's wage into the Defined Contribution Plan -- for all individuals in the bargaining unit as of November 15, 2007.

B. The parties agree that employees hired after issuance of this Award will have contribution rates for both the Employer and the employee contained in the present collective bargaining agreement in Article XXI, Section 2(A).

4. Effective after issuance of this Award, or as soon thereafter as it can be implemented, Employees presently in the bargaining unit will receive Community

Blue Option 2. New hires into the bargaining unit will receive Community Blue Option 3.

5. Article XVIII – Hospitalization, Dental, Group Life & Optical Insurance.

Hospitalization and Dental Coverage.

All members of the bargaining unit will have a \$10.00 generic/\$40.00 brand drug card.

6. Article XVIII – Hospitalization, Dental, Group Life & Optical Insurance.

Section 1. Hospitalization and Dental Coverage.

All members of the bargaining unit will have Blue Cross Traditional 3 Dental.

7. Article XVIII – Hospitalization, Dental, Group Life & Optical Insurance.

Replace Section 5 with the following language:

The employee is responsible for notifying the Personnel Department of any change in his/her dependents within thirty (30) days from the date of occurrence. If the employee does not notify Personnel within the time limits, a) s/he will be responsible for paying for the dependent's coverage at COBRA rates, in the case of a dependent who should have been dropped; or b) s/he will not be able to add the dependent until open enrollment, in the case of a dependent who should have been added.

8. Article XXI – Retirement.

Disability Pension 1.

C) Routine evaluations of the employee’s disability may be made annually, at the City’s discretion and expense, until the employee attains age 55, to determine the disabled employee’s fitness to return to duty. Should an employee provide medical evidence from a physician which disagrees with the City’s physician, a third physician whose decision shall be final will be selected by the aforementioned two physicians, at the City’s expense, to determine his/her eligibility for disability.

9. Article XVIII – Hospitalization, Dental, Group Life & Optical Insurance.

Section 3. Retiree Hospitalization.

Coverage to eligible retiree and the spouse at time of retirement only.

10. Article XVIII – Hospitalization, Dental, Group Life & Optical Insurance.

Section 3. Retiree Hospitalization.

Only normal retirement defined as 25 years of service under the Defined Benefit (DB) Plan or the Defined Contribution (DC) Plan.

11. Article XVIII – Hospitalization, Dental, Group Life & Optical Insurance.

Section 3. Retiree Hospitalization.

The City and the Union agree that health insurance, life insurance, and Medicare Supplement are retirement benefits. The parties further agree that as retirement benefits they are payable by utilizing the funds of the City of Ferndale Police and Fire Retirement System. This resolves the issue under this contract and on the issue retained by this Arbitrator under the last contract.

12. Article XIII – Leaves of Absence. Section 2. Military Leaves.

Leaves of absence without pay shall be granted to any full-time, regular employee who is inducted into or volunteers for the armed forces of the United States for training or service. Military leaves will be administered as required under the Uniformed Services Employment and Re-employment Rights Act of 1994 (USERRA) or other relevant legislation.

13. Retiree Health Coverage: Should prescription and drug benefits provided to current employees as defined in this Contract change in future contracts, then prescription and drug benefits provided for retirees retiring on or after June 30, 2009 shall also be changed to the same prescription and drug benefits provided to current employees. In the event the Employer no longer provides prescription coverage to active members of the bargaining unit, retirees shall remain at their current level of benefit in effect at the time of such discontinuance.

The medical and hospitalization benefits will be provided at the level in effect at the time the individual retires or becomes eligible to receive the benefits under an eligible deferred retirement.

14. Article XXI – Retirement. Section 1. Defined Benefit Plan.

Change Pop-Up Provision. Employee shall have the right at retirement to make an election under Option 2 (100% Survivor) or Option 3 (50% Survivor) that will allow the employee to revert (or “pop-up”) to a straight-life pension contingent upon the death of the employee’s named beneficiary. The cost for this election shall be determined by the City’s actuary at the time of retirement.

15. New Retiree HealthCare –

Effective upon issuance of this Award, all new hires will participate in a Medical Health Plan (individual retirement health insurance plan in lieu of City of Ferndale Retiree Health Insurance). All present health insurance for retirement will be eliminated for new hires.

The parties agree that effective upon implementation of the plan, the Employer will contribute 2% of the employee’s gross base wage into the plan and the employee will contribute 1% of his/her gross base wage into the plan. The employee may add up to an additional 4% of his/her gross base wage to boost his/her balance. The City will not match this extra (up to 4%) contribution.

16. Members may voluntarily participate in the City’s RHS.

17. Payment from sick bank upon retirement.

Upon retirement, an employee will be paid for one-half (1/2) of the days credited in his sick leave bank. The maximum eligible sick leave bank is sixty (60) days (or 480 hours), so the maximum payment an employee may be eligible for is thirty (30) days (or 240 hours). This provision becomes effective on June 30, 2009.

This Document May be Signed in Counterpart.

DONALD F. SUGERMAN, Chairman

Dated: _____

APPROVED:

HOWARD L. SHIFMAN, Panel Member

Dated: _____

GARY PUSHEE, Panel Member

Dated: _____