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Act 312 Arbitration
Before Employment Relations Commission
Michigan Department of Consumer and Industry Services

City of Orchard Lake

And

Police Officers Labor Council

Before: Arbitrator Kenneth P. Franklin Chairperson
Union Delegate John Viviano
City Delegate Dennis B. DuBay

MERC Act 312
Case No. D07-A-0034

Award

This Award is entered by the Panel pursuant to MCL 423.201 et seq. on the remaining issues before the Panel.

1. The parties' new Collective Bargaining Agreement shall be in effect from July 1, 2007 to and including June 30, 2011. Article XII. Miscellaneous, Section 6. Effective Date and Duration, and Section 7. Termination shall be amended accordingly (see attached).
2. The parties' new Collective Bargaining Agreement shall be the same as the parties' prior contract (in effect from July 1, 2003 through June 30, 2007) except as amended by the Panel's awards as set forth below.
3. Exhibit A Patrol Base Salary and Sergeant Base Salary shall be amended to reflect the following increases:

- Effective July 1, 2007 – 3% across the board
- Effective July 1, 2008 – 3% across the board
- Effective July 1, 2009 – 3% across the board
- Effective July 1, 2010 – 3% across the board

Exhibit A shall be amended accordingly (see attached).

A retroactive payment shall be made within thirty (30) days after the date of the award.

4. Exhibit A Deferred Income Plan shall be revised to provide as follows:

Deferred Income Plan

The City shall make available a deferred income plan for members of the bargaining unit. For the term of this Agreement, the City agrees that, for unit employees with more than fifteen (15) years of seniority in the Police Department, it will match each eligible employee's annual contribution to the Deferred Income Plan on a one to one basis up to a maximum of \$1,500 each year as follows:

	<u>City Match</u>
July 1, 2007 – June 30, 2008	Up to a maximum of \$1,500
July 1, 2008 – June 30, 2009	Up to a maximum of \$1,500
July 1, 2009 – June 30, 2010	Up to a maximum of \$1,500
July 1, 2010 – June 30, 2011	Up to a maximum of \$1,500

Additionally, in the event an employee retires on a normal retirement during the term of the contract prior to the date on which he was eligible to receive a minimum of \$5,000 in City matching contributions, the City will pay the difference between the matching payments for which the employee was eligible on a pro rata basis and \$5,000 in a lump sum severance payment, e.g. an employee retiring July 1, 2009 would have been eligible for \$3,000 in City matching payments (whether or not the employee made such contributions and the City was required to match such employee contributions) and would be eligible for a \$2,000 lump sum severance payment.

5. Article VIII Miscellaneous Monetary Benefits, Section 6. Retirement, subsection 2, Defined Contribution Plan, shall be revised to provide as follows:

2. Defined Contribution Pension. Employees hired after July 1, 1999 shall have the MERS Defined Contribution (DC) Pension Benefit, with the city annually contributing fifteen percent (15%) pre-tax of the employees earned income. Employees may additionally contribute up to the maximum permitted by the IRS Code and MERS regulations.

In the event that an employee should become disabled and start receiving benefits as described in Exhibit B Group Disability and Life Insurance the employer would then continue to contribute the employer's portion (15% of base wage).

6. Article VII Pay for Time Not Worked, Section 2, Holidays, first paragraph shall be revised to provide as follows:

2. Holidays. There will be twelve (12) accrued holidays;

New Years Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Christmas Day, Christmas Even, New Years' Eve, Good Friday, President's Day, Martin Luther King Jr. Birthday


7. Exhibit B Health and Accident Insurance shall be revised to provide as set forth on the attachment.

 Arbitrator Kenneth P. Franklin Chairperson

3/17/08 Date

 Union Delegate John Viviano

3/17/08 Date

 City Delegate Dennis B. DuBay

3-17-08 Date

Section 6. Effective Date and Duration. This Agreement will be effective from 12:01 a.m. (prevailing Orchard Lake Village time) July 1, 2007, to 12:01 a.m. (prevailing Orchard Lake Village time) June 30, 2011 and from year to year thereafter unless terminated as provided in Section 12.7.

Section 7. Termination. This Agreement may be terminated at 12-01 a.m. (prevailing Orchard Lake Village time) July 1, 2011, by written notice from either party, delivered to the other at least ninety (90) days prior to the automatic renewal date, of its intention to amend, modify or terminate this Agreement.

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EXHIBIT B

Health and Accident Insurance.

Active Employees. The Employer will provide and pay for health and accident insurance pursuant to the Michigan Blue Cross / Blue Shield Community Blue Preferred Provider Organization Option 2 and \$10.00 generic \$60.00 name brand Drug Card plus MOPD 2 times, its equivalent or better. The City will reimburse the employee and retiree for any incurred out-of-pocket medical and drug expenses authorized by Michigan Blue Cross up to \$1500 annually for individuals and \$2500 for couples and families. It being understood that such Plan will provide coverage for any employee who retires under the Retirement Plan at or after age 55, after completing at least ten (10) years of employment with the City. Such coverage will be provided until the retiree becomes Medicare eligible. The above plan shall also include the family continuation rider pursuant to Blue Cross / Blue Shield regulations.

Active employees shall be required to pay a percentage of the monthly premium by payroll deduction per the following schedule: 7% for 2007, 8% for 2008, 9% for 2009 and 10% for 2010. The employer shall establish and maintain a section 125 program for this purpose.

Retirees prior to becoming eligible for Medicare The Employer will provide and pay for health and accident insurance pursuant to the Michigan Blue Cross / Blue Shield Community Blue Preferred Provider Organization Option 2 and \$10.00 generic \$60.00 name brand Drug Card plus MOPD two times, its equivalent or better. The above plan shall also include the family continuation rider pursuant to Blue Cross / Blue Shield regulations.

The retiree, spouse and dependants of record at the time of retirement shall only be covered by this provision. Pre-Medicare eligible retirees shall be required to pay a percentage of the monthly premium by payroll deduction equal to the rate in place at the time of retirement.

Retirees who become eligible for Medicare Upon eligibility for Medicare, retirees and spouses must apply and if eligible must acquire both parts "A" & "B" at no cost to the employer. The employer shall provide the Medicare eligible retiree and spouse with Blue Cross / Blue Shield supplemental insurance which would not diminish those benefits received prior to

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Orchard Lake Police Agreement - July 1, 2007 through June 30, 2010

becoming eligible for medicare and a \$10 generic / \$60 name brand drug Drug Card plus MOPD two times, its equivalent or better .

The employer shall be limited to \$250.00 per person monthly for providing this insurance. Additionally, the employer agrees to increase the \$250.00 per person monthly stipend by sharing 50 /50 any premium increases from the date the retiree becomes eligible for Medicare.

Benefit Flexibility – A \$3000 stipend will be provided at the end of any year an employee or non-Medicare eligible retiree opts out of medical benefits.

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