

**CITY OF DETROIT
AND
DETROIT POLICE OFFICERS ASSOCIATION
ACT 312 STIPULATED AWARD
MERC CASE NO. D09 F-0731**

**RE: MODIFICATIONS TO THE COLLECTIVE BARGAINING AGREEMENT
BETWEEN THE CITY OF DETROIT AND THE DETROIT POLICE OFFICERS
ASSOCIATION (DPOA)**

The undersigned parties have agreed to modify their collective bargaining agreement effective from 2004-2009 as follows. All provisions and articles contained in the 2004-2009 collective bargaining agreement other than those changed by the terms of this stipulated award remain *status quo*. Further, the parties incorporate by reference the City's July 14, 2011, July 18, 2011, and September 13, 2011 correspondence as attachments to this stipulated award:

- i. **Duration.** This agreement shall remain in full force and effect until June 30, 2012.
- ii. **Wages.** There will be no general wage increases for bargaining unit members during the life of this contract.
- iii. **Reduction of Multiplier.** Reduce multiplier from 2.5 to 2.1 for the first twenty-five (25) years of credited service accrued by Association members **after September 1, 2011**. Service credits accrued prior to September 1, 2011 shall still be subject to a 2.5 multiplier.
- iv. **Elimination of Escalator.** Pension benefits earned based on service rendered **after September 1, 2011** would no longer receive a 2.25% per annum escalation. Pension benefits earned pursuant to service rendered prior to that date would still be subject to the escalator.
- v. **Defined Contribution Plan for New Hires.** All bargaining unit members hired into the Department after the later of July 1, 2012 or the date when this defined contribution plan has been completed and can be implemented, would not accrue benefits under the present defined benefit plan between the parties. Rather, they would receive benefits only pursuant to a defined contribution plan requiring an annual employer contribution of 10% of the participant's annual salary and an

annual employee contribution of 5% of the participant's annual salary. This change will not alter bargaining unit members' entitlement to retiree hospitalization benefits at 20 years. This plan is identical to that for the Lieutenants and Sergeants Association (LSA), other than as to entitlement to receive retiree health care after 20 years.

- vi. **Police and Fire Pension Board Composition.** Effective September 1, 2011, replace the deadlock mechanism with a 13th trustee and add language to maintain the 50/50 board as previously awarded by William Long in DPOA Act 312 Case Number: D01 D-0568. This language is also identical to that in the LSA award.
- vii. **36th District Court.** Effective September 1, 2011, the Department may, at its discretion, reassign bargaining unit members from the 36th District Court in order that they may be replaced with civilian staff or civilian security personnel. Such reassignment shall be made consistent with the provisions of Article 10 – Seniority, and shall not reduce the force or erode the membership of the bargaining unit.
- viii. **DROP Plan.** Effective upon ratification, participation in the DROP Plan will require only twenty (20) years of active service with the City rather than twenty-five (25).
- ix. **Uniform Allowance.** Effective July 1, 2012, members will receive annual \$850 uniform replacement allowance. This replacement allowance is in addition to and not in lieu of the present annual \$250 cleaning allowance. It is understood that the City may not seek to change the provisions for an \$850 annual uniform replacement allowance for the duration of the following CBA, i.e., the one to begin on July 1, 2012. This change, however, shall not be considered as one resulting from negotiations over the CBA to begin on July 1, 2012.
- x. **Banking Furlough Time.** Along with the opportunities provided in Article 22, Section G of the 2004-2009 CBA, effective upon ratification, members shall have the option of selling or banking one additional week of furlough time. Payment for the second week shall be at the minimum wages of the police officer rank exclusive of longevity payments. Payments pursuant to this article shall not be included in final average compensation for purposes of determining pensions. Such an option shall be given, in writing, by the member at the time of furlough selection. Failure to exercise the option, in writing, at the time of furlough selection shall be a full and complete waiver of the option for that furlough period.

- xi. **Loans on Annuity Fund.** Bargaining unit members may borrow one-half (50%) of their accumulated contributions to the Police and Fire Retirement System up to \$15,000 pursuant to plan language that must still be generated.

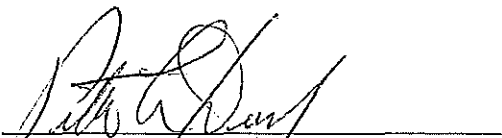
Dated This 22 Day of September, 2011.



Kenneth P. Frankland
Act 312 Chairperson


9/22/11

Date


Peter L. Dunlap
Panel Delegate for City of Detroit

9-22-2011

Date


Theodore M. Iorio
Panel Delegate for *with pension*
Detroit Police Officers Association

9/22/11

Date



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July 14, 2011

VIA E-MAIL AND U.S. MAIL
Donato Iorio, Esquire
KALNIZ, IORIO, & FELDSTEIN CO., L.P.A.
5550 W. Central Avenue
PO Box 352170
Toledo, Ohio 43635-2107

Re: DPOA and City of Detroit
MERC Case Number: D09 F-0731
Settlement Agreement Subject to Ratification

Dear Mr. Iorio:

I am writing to confirm that the City of Detroit and the Detroit Police Officers Association (DPOA) have negotiated the agreement summarized below subject to ratification. This agreement would resolve changes to the collective bargaining agreement that would otherwise have been determined by a majority of a panel pursuant to Public Act 312 of 1969, as amended. Subject to ratification, this agreement is as follows:

- i. **Duration.** This agreement will be in effect until June 30, 2012.
- ii. **Wages.** There will be no general wage increases for bargaining unit members during the life of this contract. (Identical to LSA award.)
- iii. **Reduction of Multiplier.** Reduce multiplier from 2.5 to 2.1 for the first twenty-five (25) years of credited service accrued by Association members after September 1, 2011. Service credits accrued prior to September 1, 2011 shall still be subject to a 2.5 multiplier. (Identical to LSA award other than the effective date.)
- iv. **Elimination of Escalator.** Pension benefits earned based on service rendered after September 1, 2011 would no longer receive a 2.25% per annum escalation. Pension benefits earned pursuant to service rendered

prior to that date would still be subject to the escalator. (Identical to LSA award other than the effective date.)

- v. **Defined Contribution Plan for New Hires.** All bargaining unit members hired into the Department after the later of July 1, 2012 or the date when this defined contribution plan has been completed and can be implemented would not accrue benefits under the present defined benefit plan between the parties. Rather, they would receive benefits only pursuant to a defined contribution plan requiring an annual employer contribution of 10% of the participant's annual salary and an annual employee contribution of 5% of the participant's annual salary. This change will not alter bargaining unit members' entitlement to retiree hospitalization benefits at 20 years. (Identical to LSA award other than as to entitlement to retiree health care after 20 years and effective date.)
- vi. **Police and Fire Pension Board Composition.** Effective September 1, 2011, replace the deadlock mechanism with a 13th trustee and add language to maintain the 50/50 board as previously awarded by William Long in DPOA Act 312 Case Number: D01 D-0568. (Identical to LSA award other than the effective date.)
- vii. **36th District Court.** Effective September 1, 2011, the Department may, at its discretion, reassign bargaining unit members from the 36th District Court in order that they may be replaced with civilian staff or civilian security personnel. Such reassignment shall be made consistent with the provisions of Article 10 -- Seniority, and shall not reduce the force or erode the membership of the bargaining unit. (Identical to LSA award other than the effective date.)
- viii. **Hospitalization.** The provisions in Article 21 -- Hospitalization, Medical, Dental, and Optical Care remain unchanged during the term of this agreement. (Different from LSA award.)
- ix. **Longevity Pay.** Longevity pay, as provided by Article 29, shall not be reduced or otherwise changed during the term of this agreement. Article 29 shall be honored as written for the term of this CBA. (LSA longevity suspended for two years.)
- x. **DROP Plan.** Effective upon ratification, participation in the DROP Plan will require only twenty (20) years of active service with the City rather than twenty-five (25). (Different from LSA award.)
- xi. **Uniform Allowance.** Effective July 1, 2012, members will receive annual \$850 uniform replacement allowance. This replacement allowance is in addition to and not in lieu of the present annual \$250 cleaning allowance.

It is understood that the City may not seek to change the provisions for an \$850 annual uniform replacement allowance for the duration of the following CBA, i.e., the one to begin on July 1, 2012. This change, however, shall not be considered as one resulting from negotiations over the CBA to begin on July 1, 2012. The provisions will be implemented consistent with those uniform allowance provisions presently in the LSA collective bargaining agreement.

- xii. **Banking Furlough Time.** Effective upon ratification, members shall have the option of banking one of their two furlough periods for cash payment at the minimum wages of their applicable rank and exclusive of longevity payments. (Identical to LSA award other than the effective date.)
- xiii. **Loans on Annuity Fund.** Bargaining unit members may borrow one-half (50%) of their accumulated contributions to the Police and Fire Retirement System up to \$15,000. (Identical to LSA award, though no contract language was submitted to the panel therein, and as a result, language must still be generated.)

Other than as stated herein, the terms and provisions in the present CBA between the parties remain the same.

This agreement contains terms and conditions of employment more advantageous to bargaining unit members than those awarded in the LSA Act 312 proceedings, in particular, as to longevity, hospitalization, and health care. As a result, if this agreement is not ratified by August 2, 2011, the City shall proceed to Act 312 arbitration hearings, which as you know, are scheduled to begin on August 4, 2011 and be completed by early September of 2011. The City will, at that time, seek an award implementing all its proposals, including, *inter alia*, elimination of all longevity payments and a reduction in health care benefits. Precedent for these changes presently exists in the City's contracts with its other bargaining units. Additionally, the City will seek to civilianize additional positions.

Moreover, if this agreement is not ratified by August 2, 2011, we shall appear in Wayne County Circuit Court in order to comply with Public Act 54 of 2011 which requires that bargaining unit members be responsible for any and all health care cost increases until an Act 312 award is issued.

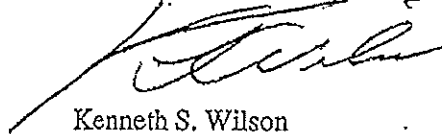
Certainly, the City hopes that both sides can work together to reach an agreement in this matter. However, as a result of the City's dire fiscal circumstances, as observed by Arbitrator Brookover and Fact Finders Roumell and Long, we need such changes immediately. For all these reasons, if this agreement is not ratified by August 2, 2011, these terms will no longer be available to bargaining unit members. Simply, this agreement reflects the City's final position, and if not timely ratified, the City will revert to its proposals currently before Panel Chairperson Ken Frankland.

July 14, 2011
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Please do not hesitate to contact this office if you should have any questions.

Very truly yours,

FRASER TREBILCOCK DAVIS & DUNLAP, P.C.

A handwritten signature in black ink, appearing to read "K. Wilson", written over a horizontal line.

Kenneth S. Wilson

KSW:lw

cc: Joseph P. Martinico, Esquire

Fraser Trebilcock

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July 18, 2011

VIA E-MAIL AND U.S. MAIL

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5550 W. Central Avenue
PO Box 352170
Toledo, Ohio 43635-2107

Re: DPOA and City of Detroit
MERC Case Number: D09 F-0731
Settlement Agreement Subject to Ratification


Dear Mr. Iorio:

I am writing to confirm that the language in xii. Banking Furlough Time of my July 14, 2011 correspondence would provide bargaining unit members, along with the opportunities presently provided in Article 22, Section G, the chance to sell or bank an additional week of furlough time. However, they would receive payment for this second week at the minimum wages of the rank and exclusive of longevity payments. In addition, under no circumstances would such payments be included in final average compensation for purposes of determining pensions.

Please do not hesitate to contact this office if you should have any questions.

Very truly yours,

FRASER TREBILCOCK DAVIS & DUNLAP, P.C.


Kenneth S. Wilson

KSW:lw
cc: Joseph P. Martinico, Esquire



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September 13, 2011

VIA E-MAIL AND U.S. MAIL
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5550 W. Central Avenue
PO Box 352170
Toledo, Ohio 43635-2107

Re: Detroit Police Officers Association and City of Detroit
MERC Case Number: D09 F-0731 and Wayne County Circuit Court Case
Number: 11-007405-CL

Dear Donato:

First, the City does not object to eliminating the language that the temporary restraining order is *set aside for naught*. We have enclosed a new stipulation for your review and signature.

Regarding the changes you made to what I titled a memorandum of understanding, the City agrees that the title should be changed to reflect the fact that the arbitrator would be awarding the terms of agreement pursuant to stipulation. Additionally, we have no objection to including the July 2011 correspondence attached to your September 7, 2011 transmittal. Similarly, we have no problem with the *duration* language in i.

We are troubled, however, by the *syntax* contained in the preface. It refers to *provisions*, whereas what follows are the *agreed to changes*, not provisions. Still, we have no disagreement with the premise that, other than the enumerated changes contained in the stipulated award, terms and conditions of employment, as established in the 2004-2009 collective bargaining agreement, remain the same and have included language to that effect.

We do not believe that we need the language you seek in iv. **Elimination of Escalator**. It is clear that pension benefits based on service rendered after September 1, 2011 would no longer receive a 2.25% per annum escalation, or for that matter, any escalation. It is similarly clear that pension benefits earned pursuant to service rendered prior to that date would still

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receive the 2.25% per annum escalator. For those who retired after July 1, 2001, this escalator would still be compounded. I suggest we discuss this.

Though we do not see the need for any of the modifications in v. **Defined Contribution Plan for New Hires** and x. **Banking Furlough Time**, we have no objection. As a result, enclosed please find, for your review, a stipulated award with alternate language in the preface and otherwise includes these last changes you included on September 7, 2011.

Very truly yours,

FRASER TREBILCOCK DAVIS & DUNLAP, P.C.



Kenneth S. Wilson

KSW:lw

Enclosure

cc: Joseph P. Martinico, Esquire