



cityofnovi.org

# CITY of NOVI CITY COUNCIL

**Agenda Item K**  
**May 4, 2009**

**SUBJECT:** Approval of resolution for changing MERS benefits for the Fire Fighters Union Local 3232 Division 5, pursuant to the contract approved March 9, 2009 for purposes of computation of final average compensation.

**SUBMITTING DEPARTMENT:** Finance Department

**CITY MANAGER APPROVAL** 

**BACKGROUND INFORMATION:**

Attached for your consideration is the MERS resolution for the change in benefits for the Fire Fighters Union Local 3232 which amends the final average compensation of the pension benefit factor based on the contract approved March 9, 2009.

**RECOMMENDED ACTION:** Approval of resolution for changing MERS benefits for the Fire Fighters Union Local 3232 Division 5, pursuant to the contract approved March 9, 2009 for purposes of computation of final average compensation.

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Gatt				
Council Member Burke				
Council Member Crawford				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Staudt				



MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN

RESOLUTION FOR CHANGING MERS BENEFITS (OTHER THAN DB COMPONENT OF HYBRID PROGRAM)

In accordance with the MERS Plan Document of 1996, the CITY OF NOVI (Participating Municipality) 6320 (Municipality No.) adopts the following benefits for: FIRE LOCAL 3232 DIVISION 5 (Reporting Unit No., MERS Division No. and Name)

A "division" is defined as an employee or group of employees covered by the same benefit programs and the same employee contribution program. Each division has a specific MERS number and name, such as "Div. 10, General-Admin.," and is part of a Reporting Unit, such as: "01."

Supporting Supplemental Valuation is dated N/A - See attached for changes to FAC computation pursuant to contract

BENEFIT MULTIPLIER

From (Current Benefit Multiplier) To (New Benefit Multiplier) Effective Date

Provisions for Earlier Normal Retirement

- Options for retirement provisions: F50/25, F50/30, F(N)-Years and Out, F55/15, F55/20, F55/25, F55/30

Effective Date

EMPLOYEE CONTRIBUTION RATE

New Rate

Effective Date

ADDITIONAL BENEFITS AFFECTING FUTURE RETIREES

- Options for additional benefits: FAC 3, FAC 5, V-6, V-8, V-10, RS - 50%

- Options for additional benefits: D-2, E-2, DROP + with %

Effective Date

RETIREE COST-OF-LIVING BENEFIT PROGRAMS FOR CURRENT RETIREES

- Options for retiree programs: E Standard, E-1, E - Other (Specify Factor, Adjustment Years)

Effective Date

WINDOW PERIOD (If applicable)

From (Date) To (Date)

I CERTIFY THAT THE ABOVE WAS ADOPTED BY City of Novi City Council May 4, 2009 Governing Body Date of Meeting

City Clerk Authorized Signature Title Date

NOTE: Standard/Nonstandard Benefit Provisions—Attach page fully describing provision(s), and (1) a complete copy of the fully executed collective bargaining agreement and a certified copy of official minutes where the collective bargaining agreement or this Resolution was adopted, or (2) a copy of the arbitration or mediation decision. If further information is needed, please contact MERS Employer Services Division at 1 (800) 767-6377.

**Resolution for Changing MERS Benefits - Pursuant to Fire Fighters Union Local 3232 contract approved March 9, 2009:**

Section 27

The City shall continue to make monthly contributions on behalf of each officer to the Michigan Municipal Retirement System (MERS) to provide at a minimum all of the present and future benefits to which the fire fighters are now entitled under the present arrangement between the City and MERS, as specified under benefit level B-2 including options F-50 with 25 years of service, and FAC-3. All contributions for the B-2 benefit level shall be fully paid by the City. Effective June 30, 2006, this unit shall begin participating under the benefit level B-3. Effective April 1, 2009, this unit shall begin participating under the benefit level B-4. The difference in cost between the B-2 and B-4 benefit shall be totally funded through employee contributions.

For purposes of computing MERS final average compensation:

1. Combined overtime hours shall be capped at 350 hours per fiscal year (based on payrolls from July 1 to June 30 each fiscal year). For all hours exceeding the 350 cap, the employee will receive a reduction in eligible MERS wages for the amount in excess of the cap for purposes of the employee and employer contribution for eligible MERS earnings and the City will make an adjustment to the employee's first payroll in August. The City will also submit corrected ePASS reports to MERS for the months affected by the adjustment. In the event of termination of employment, the cap will be calculated and applied through that date and the MERS eligible wages will be adjusted in the final payment and reported to MERS thru corrected ePASS reports for each month affected by the adjustment.