

CITY OF GROSSE POINTE WOODS
and
FRATERNAL ORDER OF POLICE, PUBLIC SAFETY OFFICERS

TENTATIVE AGREEMENT

IT IS HEREBY AGREED between the City of Grosse Pointe Woods (“the City”) and the Fraternal Order of Police, Public Safety Officers (“the Union”) that, in tentative settlement of all outstanding issues under negotiation, the parties bargaining teams agree, and agree to recommend ratification to their respective principals, as follows:

1. The parties agree to a four (4) year contract, July 1, 2022 through June 30, 2026.
2. The parties’ new agreement shall be the same as the existing agreement, except as modified herein in this Agreement.
3. The wage schedule contained in Appendix A shall be increased as follows:

7/1/22: 3%
7/1/23: 3%
7/1/24: 2.5%
7/1/25: 2%

Wage increases shall be retroactive to July 1, 2022.

4. Full-time employees in the bargaining unit shall receive an Employee Recognition bonus of \$1000; part-time employees in the bargaining unit shall received a Employee Recognition bonus of \$250. This Covid relief bonus shall be a one-time, off-schedule payment, not included in FAC. This Employee Recognition bonus shall be paid in the first pay period following ratification of the Agreement by both parties.
5. The parties agree to an EROP program, attached.

6. Language changes, per the attached.
7. Article 76.4 shall be deleted in its entirety and the remaining sections shall be renumbered.
8. Article 82.1 shall be amended as follows:

82.1 The granting of compensatory time shall not put the shift below minimum at the time of the request.

The 104 hour referenced in Article 31.1 shall be treated as follows: Twenty-four (24) hours to be used as time off between July 1st – June 30th under the provisions of Article 31, Section 31.1 or, if unused, will be paid the last day of June to be implemented June 2020; eighty (80) hours to be used as time off between July 1st – June 30th under the provisions of Article 31, Section 31.1

[no other changes]

9. Employees will be eligible for a night shift premium of \$200, with a maximum stipend per year of \$400 (\$200 for each six month rotation on night shift, to be paid at the end of each rotation). Shift differential stipend shall not count towards FAC.
10. The parties withdraw all other proposals.
11. The Union shall ratify this Tentative Agreement first, and will notify the City in writing when it has so ratified.

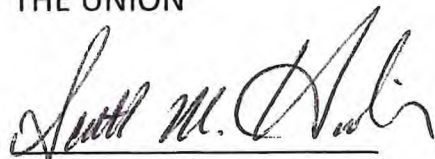
Dated: August 15, 2022

THE CITY



Shaun Murphy

THE UNION





Susan Como

D. A. Gillo

EMPLOYEE RETENTION OPTION PLAN (EROP)

A. OVERVIEW

Effective [REDACTED], 2022, any Employee who is a member of the Police Officers Labor Council Grosse Pointe Woods Command Officers Association (“Command Officers Association”) may at any time voluntarily elect to participate in the Employee Retention Option Plan (the “EROP”) after attaining; (a) age 50 with 25 years or more of service credit; or (b) age 55 with 20 or more years of service credit. Upon commencement of EROP participation, the Participant’s EROP Benefit shall be 85% of the dollar amount of his or her monthly pension benefit computed by using the contractual guidelines and formula(s) that are in effect on the EROP Date. During EROP participation, the Participant continues with full employment status and receives all future promotions and benefit/wage increases and is considered an employee of the City, not a retiree. The Participant’s EROP Benefit shall be credited monthly to the Participant’s EROP Account that shall be established within the Defined Benefit Plan of the City of Grosse Pointe Retirement System (the “Retirement System” or “Plan”). The Participant’s EROP Account shall be maintained and managed by the Board of Trustees of the Retirement System (the “Retirement Board”). Upon termination of employment, the retiree shall begin to receive payment(s) from his or her individual EROP Account as described herein. The EROP payment(s) are in addition to all other contractual pension benefits. The Participant is solely responsible for analyzing the tax consequences of participation in the EROP.

B. ELIGIBILITY

Effective [REDACTED], 2022, any member of the Command Officers Association may voluntarily elect to participate in the EROP at any time after attaining; (a) age 50 with 25 years or more of service credit; or (b) age 55 with 20 or more years of service credit. The member’s election to participate in the EROP shall not operate to change or in anyway modify the Retirement System’s minimum requirement for a normal service retirement/pension.

C. PARTICIPATION PERIOD

The maximum period for participation in the EROP is five (5) years (the “Participation Period”). There is no minimum time period for participation. An Employee must cease employment with the City of Grosse Pointe Woods Public Safety Department within five (5) years from the date of entering the EROP. The election to participate in the EROP is voluntary; however, an employee’s application and election to participate in the EROP shall constitute an irrevocable election to terminate employment and retire no later than five (5) years after his or her effective EROP date.

Upon termination of employment, the retiree shall commence receipt of 100% of the dollar amount of his or her monthly pension benefit computed by using the contractual guidelines and formula(s) that are in effect on the EROP Date (i.e. the date of EROP Participation commencement), unless an Optional form of benefit is elected pursuant to Subsection E. Failure to terminate employment at the expiration of the EROP Participation Period shall result in forfeiture of the Participant’s monthly pension benefit otherwise payable to his or her EROP Account until termination of employment. The foregoing statement shall not be interpreted as allowing the EROP

Participant the option of continuing employment after the expiration of his or her EROP Participation Period. Interest on the EROP Account however, will continue to accrue during such a forfeiture period, pursuant to Subsection G.

D. ELECTION TO PARTICIPATE

Once commenced, EROP Participation is IRREVOCABLE (except as specifically provided in Subsection L herein). An Employee who wishes to participate in the EROP, shall complete and sign such application form or forms as shall be required by the Retirement Board no less than 30 days or no more than 90 days prior to his or her intended EROP Date. The Retirement Board shall review the application within a reasonable time period and make a determination as to the Employee's eligibility for participation in the EROP. On the Employee's effective EROP Date, he or she shall become an EROP Participant and shall cease to accrue additional retirement benefits otherwise credited to active members of the Retirement System. The amount of credited service, multiplier and average final compensation shall be fixed as of the Participant's EROP Date. Increases in compensation and accrual of additional service during EROP Participation will NOT be factored into the pension benefits of active or former EROP Participants (except as specifically provided in Subsection L). A Participant's EROP Date only applies to the Employee's retirement benefit provisions as provided herein and not to any other contractual benefits or retiree medical benefits in effect or accruing after a Participant's EROP Date.

Except with regard to the retirement benefits expressly provided herein, EROP Participants will continue with full employment status with all rights and privileges afforded to employees of the Public Safety Department and this bargaining unit, including, but not limited to, future promotions, benefit/wage increases, union membership and representation, as well as Retirement System membership and Retirement Board representation.

E. EROP BENEFIT

The Participant's EROP Benefit shall be 85% of the regular monthly retirement benefit to which the Employee would have been entitled if the Employee had actually terminated employment and retired on the EROP Date (less the annuity withdrawal reduction as set forth in Subsection F and/or actuarial reductions as a result of the Employee electing an Optional form of benefit under the Plan, if applicable).

The calculation of the Employee's "Average Final Compensation" ("AFC") shall be based upon the contract provisions in effect on the Employee's EROP Date and to the extent applicable, shall include all monies which, if the Employee had terminated employment on his or her EROP Date, would have otherwise been included in calculating the Employee's AFC. For avoidance of doubt, the City's payment of "separation buyout monies" which are typically paid upon retirement and termination of employment shall be paid upon termination of EROP Participation and termination of employment. All vacation, sick, compensatory or personal time accruing after a Participant's effective EROP Date shall accrue and be governed by the provisions of the employee's applicable collective bargaining agreement.

The cost of living adjustment (COLA) as provided in Section 2-323 of the Retirement Ordinance shall not be applied to the EROP Benefit but shall commence as of the January 1st which

is at least 12 full months following the effective date of retirement and termination of employment. Notwithstanding the foregoing, all employees hired on or after July 1, 2016 shall continue to be ineligible for a post-retirement redetermination of their retirement allowance (COLA).

The Participant's EROP Benefit shall be credited monthly to the Participant's individual EROP Account. An EROP Participant may, either prior to his or her EROP date or at the time of his or her termination of employment; elect to receive his or her benefit in the form of the Plan's Option I, Option II or Option III benefit and nominate a named beneficiary in accordance with the Retirement System provisions. A Participant's EROP Benefit that is credited monthly to the Participant's EROP Account shall not change during the Participant's EROP Participation. A Participant desiring to change his or her form of benefit at termination of employment, must make such election prior to termination and will receive the actuarially computed revised benefit commencing on the Employee's effective date of termination.

F. ANNUITY WITHDRAWAL

An Employee who elects to participate in the EROP (and correspondingly ceases to accrue additional retirement benefits otherwise credited to active members of the Retirement System) may elect the Annuity Withdrawal Option provided by Section 2-304(c) of the Retirement System Ordinance at the time of electing EROP participation.

Such election shall be made commensurate with the Participant's EROP election, but not thereafter, and will be utilized to compute the actuarial reduction of the Participant's EROP Benefit, as well as his or her monthly retirement benefit from the Retirement System after termination of employment. EROP Participants who do not elect the Annuity Withdrawal Option shall have their full unreduced benefit credited to his or her EROP Account. If the Participant, pursuant to Subsection E, elects an Optional form of benefit upon termination of employment, the Annuity Withdrawal reduction shall be re-determined and the retiree's monthly retirement benefit adjusted accordingly.

The Annuity Withdrawal Amount (accumulated contributions) shall be withdrawn from the Retirement System at termination of employment. All withdrawal provisions and options under the Retirement System which are available to Members shall be available to the EROP Participant at termination of employment. During EROP Participation, the Annuity Withdrawal Amount shall continue to be credited with interest in the same amount and in the same manner as the accumulated employee contribution accounts of non-EROP participants in the Retirement System.

At the time of the Annuity Withdrawal Option election, if an Employee is electing a straight life form of benefit with no qualifying spouse, the Annuity Withdrawal reduction computation is based in-part upon the actuarial life expectancy of the Employee (rather than the life expectancies of both the Employee and a qualified spouse). There shall be no adjustment to the benefits payable to the EROP Participant upon the Participant's subsequent marriage to a qualifying spouse unless the Participant selects an Optional form of benefit at termination of Employment (Subsection E). In the event such spouse (i.e. qualified after calculation of the annuity withdrawal election) subsequently qualifies for benefits payable by the Plan, said benefits shall not be adjusted based upon the Employees' annuity withdrawal election.

G. EROP ACCOUNTS

For each EROP Participant, an individual EROP Account shall be created in which shall be accumulated at EROP Interest the Participant's EROP Benefits. All EROP Accounts shall be notional accounts maintained for the benefit of each EROP Participant and will be managed by the Retirement Board in the same manner as the primary pension fund. EROP Interest for each EROP Participant shall be at a fixed rate of 3.0% per annum with interest credited on the first day of each month on the prior month's principal and interest balance.

The Retirement Board shall provide each EROP Participant with an annual statement of his or her notional account activity. The reference to individual EROP Accounts shall be interpreted to refer to the accounting records of the Retirement System and not to the actual segregation of moneys in the funds of the Retirement System.

H. CONTRIBUTIONS

The Employee's otherwise mandatory contributions to the Retirement System shall cease as of the Participant's EROP Date for each Employee entering the EROP. The payroll of EROP Participants will be included in the covered compensation upon which regular City contributions to the Retirement System are based. Employer contributions shall be credited to the Retirement System and not to any individual's EROP Account.

I. DISTRIBUTION OF EROP FUNDS

Upon termination of employment, the former EROP Participant must choose one, or a consistent combination of, the following distribution methods to receive payment(s) from his or her individual EROP Account:

- 1) A total lump sum distribution to the Participant/recipient.
- 2) A lump sum direct rollover to another qualified plan to the extent allowed by federal law and in accordance with the Retirement Board's rollover procedures.

Lump sum or partial lump sum distributions which would exceed Internal Revenue Code Section 415 limits will not be authorized. Any and all distributions from Participant's EROP Account shall not be subject to offset by any workers' compensation wage loss payments received by the Participant, including any redemption amounts.

J. DEATH DURING EROP PARTICIPATION

Except as otherwise provided in Subsection L, if an Employee participating in the EROP dies either before retirement (i.e., before termination of service), or during retirement (i.e., after termination of service), but before the EROP account balance has been fully paid out, the Participant's designated beneficiary(ies) shall receive the remaining balance in the Participant's EROP Account in the manner in which they elect from the previously mentioned distribution methods (Subsection I). In the event the Participant has failed to name a beneficiary, the EROP account balance shall be payable to the Participant's beneficiary of benefits from the Retirement System. If there is no such beneficiary, the EROP account balance shall be paid in a lump sum to the

Participant's estate. Benefits payable from the Retirement System shall be determined as though the EROP Participant had separated from service on the day prior to the Participant's date of death.

K. DISABILITY DURING EROP PARTICIPATION

Except as otherwise provided in Subsection L, in the event an EROP Participant becomes totally and permanently disabled from further performance of duty as a police officer in accordance with the provisions of the Retirement System, the Participant's participation in the EROP shall cease and the member shall receive such benefits as if the member had retired and terminated employment during the Participation Period.

Application and determination of disability shall be conducted in accordance with the Retirement System provisions; however, the Participant shall not be eligible for disability benefits from the Retirement System, except as specifically provided in Subsection L.

L. SPECIAL PROVISION FOR DUTY DISABILITY AND DUTY DEATH

An EROP Participant who is found by the Retirement Board, in accordance with Retirement System provisions, to be totally and permanently incapacitated for duty by reason of a personal injury or disease occurring as the natural and proximate result of causes arising out of and in the course of the Employee's employment with the City, may retroactively revoke the Participant's EROP election if the revocation occurs before the payment of a distribution to the Employee from the Participant's EROP account or payment of disability or retirement benefits to the Employee from the Retirement System.

If an EROP Participant dies in the line of duty while in the employ of the City, the EROP Participant's eligible survivors (i.e., survivors qualified under Section 2-310 of the Retirement System Ordinance and the Participant's applicable collective bargaining agreement) and the Participant's eligible EROP beneficiary(ies) may, by unanimous agreement, retroactively revoke the Participant's EROP election if the revocation occurs within 90 days of Participant's date of death and before payment of a distribution from the Participant's EROP account or payment of benefits from the Retirement System.

If an EROP election revocation is made as prescribed by this Subsection, the Participant's EROP Account is not distributed, and the Participant or the Participant's beneficiary(ies), as applicable, is entitled to all benefits provided by the Retirement System as if an EROP election had not been made. In the event of revocation of EROP participation as provided herein, there shall be no requirement for retroactive payment of employee contributions which would otherwise have been paid by the Employee to the Retirement System and the Employee shall receive service credit for all service rendered during EROP participation or as otherwise provided in the applicable collective bargaining agreement.

M. PROMOTION

In the event a member of the Command Officers Association is promoted to a position out of the bargaining unit, but to a position covered by the Retirement System, EROP eligibility, EROP Participation and membership in the Retirement System shall continue under the same terms and

conditions as stated herein including the Participation Period pursuant to Subsection C above. In such instance, the City Council may, in its sole discretion, elect to extend such member's EROP Participation Period.

N. SUNSET

It is the intention of the parties that the benefit provisions of the EROP be essentially cost neutral to the Retirement System. The parties hereby agree to termination of the program in the future in order to effectively evaluate the cost neutrality. Accordingly, the ability of eligible employees to elect EROP Participation shall expire ten (10) years after the effective date of the EROP. Any EROP Participant then participating in the EROP shall be allowed to continue participation until completion of their EROP Participation Period. Upon agreement of the parties in writing the EROP may be extended or modified as deemed appropriate.

N. INTERNAL REVENUE CODE COMPLIANCE

The EROP is intended to operate in accordance with Section 415 and other applicable laws and regulations contained within the Internal Revenue Code of the United States. Any provision of the EROP, or portion thereof, that is found by the Retirement Board to be in conflict with an applicable provision of the Internal Revenue Code of the United States is hereby declared null and void.

The EROP Account herein discussed shall be established as part of the Defined Benefit Plan of the Retirement System or such other plan as the Retirement Board and the Command Officers Association shall agree upon (i.e., I.R.C. Section 415(m) benefit plan) after consultation with appropriate legal counsel.