



cityofnovi.org

CITY of NOVI CITY COUNCIL

Agenda Item D
November 10, 2008

SUBJECT: Approval of resolution for changing MERS benefits for the COAM (Command Officers) pursuant to the contract approval October 20, 2008 for purposes of computation of final average compensation.

SUBMITTING DEPARTMENT: Finance

CITY MANAGER APPROVAL: *[Handwritten signature]*

BACKGROUND INFORMATION:

Attached for your consideration is the MERS resolution for the change in benefits for the COAM division based on the contract approved October 20, 2008 which amends the final average compensation of the pension benefit factor.

RECOMMENDED ACTION: Approval of resolution for changing MERS benefits for the COAM (Command Officers) pursuant to the contract approval October 20, 2008 for purposes of computation of final average compensation.

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

	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 adopts the following benefits for: Division No. 21 COAM Employees (Municipality No.) 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

- F50/25 F50/30 F(N)-Years and Out (Specify number of years) F55/15 F55/20 F55/25 F55/30

Effective Date

EMPLOYEE CONTRIBUTION RATE

New Rate

Effective Date

ADDITIONAL BENEFITS AFFECTING FUTURE RETIREES

- FAC 3 FAC 5 V-6 V-8 V-10 RS - 50% D-2 E-2 DROP + with %

Effective Date

RETIREE COST-OF-LIVING BENEFIT PROGRAMS FOR CURRENT RETIREES

- 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 November 10, 2008 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 COAM contract approved
October 20, 2008:**

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 officers 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 July 1, 2000, 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. Any lump sum payment for personal business days paid to the employee upon termination will be excluded when computing the employee's final average compensation.
2. Any lump sum payment for "Comp Time" shall be excluded from MERS final average compensation.
3. Overtime shall be capped at 350 hours per fiscal year (based on payrolls from July 1 to June 30 each fiscal year). In July of each year the Finance Department will run a report of the overtime for the command officers. If the total hours of overtime exceeds 350 hours, the straight time overtime hours will be reduced first until gone, and then the cap will be applied to the regular overtime. 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.