

Economic Vitality Incentive Program Certification of Employee Compensation

Issued under authority of Public Act 278 of 2011. Filing is mandatory to qualify for payments.

Each city/village/township applying for Employee Compensation payments must:

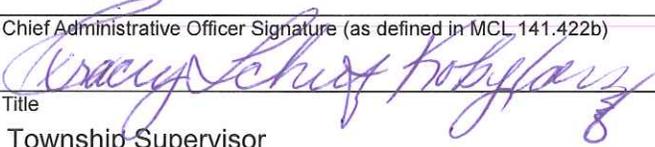
1. Certify to the Michigan Department of Treasury (Treasury) that the local unit listed below has developed an employee compensation plan that the local unit intends to implement with any new, modified, or extended contract or employment agreements for employees not covered under contract or employment agreement. The plan shall be made available for public viewing in the clerk's office or posted on a publicly accessible Internet site.
2. Submit to Treasury an employee compensation plan.

This certification, along with the employee compensation plan, **must be received by May 1, 2012** (or the first day of a payment month) in order to qualify for that month's payment. Post mark dates will not be considered. For questions, call (517) 373-2697.

PART 1: LOCAL UNIT INFORMATION

Local Unit Name Charter Township of Redford	
Local Unit Code 821080	Local Unit County Wayne
Contact Name Tracey Schultz Kobylarz	Contact Telephone Number (313) 387-2705

PART 2: CERTIFICATION

<i>In accordance with Public Act 278 of 2011, the undersigned hereby certifies to Treasury that by May 1, 2012, the above mentioned local unit has developed an employee compensation plan and has made the plan available for public viewing in the clerk's office or posted on a publicly accessible Internet site. The employee compensation plan is attached to this signed certification.</i>	
Chief Administrative Officer Signature (as defined in MCL 141.422b) 	
Title Township Supervisor	Date 4-27-12

Completed and signed forms (including required attachments) should be e-mailed to: TreasORTA@michigan.gov

If you are unable to submit via e-mail, mail the completed form and required attachments to:

Michigan Department of Treasury
Office of Revenue and Tax Analysis
PO Box 30722
Lansing MI 48909

Treasury Use Only		
EVIP Eligible	Certification Received	EVIP Notes
Y N	Plan Received	
Final Certification		



Charter Township of Redford

Office of the Supervisor

Tracey Schultz Kobylarz

**Economic Vitality Incentive Program (EVIP)
Category 3
State of Michigan, Public Act 63 of 2011
Charter Township of Redford**

Prepared by:
Tracey Schultz Kobylarz
Redford Township Supervisor
April 27, 2012



Charter Township of Redford

*Office of the Supervisor
Tracey Schultz Kobylarz*

Legislation Statement:

In order to comply with Public Act 63 of 2011, Section 951 (3)©, at a minimum the employee compensation plan shall include the following:

1. New hires who are eligible for retirement plans are placed on retirement plans that cap annual employer contributions at 10% of base salary for employees who are eligible for social security benefits. For employees who are not eligible for social security benefits, the annual employer contribution is capped at 16.2% of base salary.
2. For defined benefit pension plans, a maximum multiplier of 1.5% for all employees who are eligible for social security benefits, except, where postemployment health care is not provided, the maximum multiplier shall be 2.25%. For all employees who are not eligible for social security benefits, a maximum multiplier of 2.25%, except, where postemployment health care is not provided, the maximum multiplier shall be 3.0%.
3. For defined benefit pension plans, final average compensation for all employees is calculated using a minimum of 3 years of compensation and shall not include more than a total of 240 hours of paid leave. Overtime hours shall not be used in computing the final average compensation for an employee.
4. Health care premium costs for new hires shall include a minimum employee share of 20%; or, an employer's share of the local health care plan costs shall be cost competitive with the new state preferred provider organization health plan, on a per employee basis.



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Redford Township's Compliance with Legislation

Requirement #1: *New hires who are eligible for retirement plans are placed on retirement plans that cap annual employer contributions at 10% of base salary for employees who are eligible for social security benefits. For employees who are not eligible for social security benefits, the annual employer contribution is capped at 16.2% of base salary.*

- **Township Response:** The Charter Township of Redford currently provides its general employees a defined benefit through MERS. Pursuant to PA 345 of 1937, the townships police and fire personnel are enrolled in a voter approved defined retirement plan. In order to fully comply with this requirement, the Charter Township of Redford intends to implement additional changes to new employees through future labor negotiations and renewals of existing agreements.

Requirement #2: *For defined benefit pension plans, a maximum multiplier of 1.5% for all employees who are eligible for social security benefits, except, where postemployment health care is not provided, the maximum multiplier shall be 2.25%. For all employees who are not eligible for social security benefits, a maximum multiplier of 2.25%, except, where postemployment health care is not provided, the maximum multiplier shall be 3.0%.*

- **Township Response:** The Township made significant changes in pension plans for employees prior to the current fiscal year. All employees contribute a percentage of their compensation toward their pension benefit.

In addition, all general employees hired after September 15, 2011 are eligible for a defined pension benefit with a maximum multiplier of 1.5%. New employees in the Police and Fire ranks have reduced the multiplier to 2.25%.

In order to fully comply with this requirement, the Charter Township of Redford intends to implement additional changes to existing and new employees through labor negotiations and renewals of existing agreements.



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Requirement #3: For defined benefit pension plans, final average compensation for all employees is calculated using a minimum of 3 years of compensation and shall not include more than a total of 240 hours of paid leave. Overtime hours shall not be used in computing the final average compensation for an employee.

- **Township Response:** As a result of labor negotiations, final average compensation for all general employees is calculated using only three years of base compensation.

Those general employees hired after September 14, 2011 fully comply with this requirement. Our general employees contribute 3% toward their pension benefit, have a 1.5% multiplier, and have a ten-year vesting requirement. The FAC does not include overtime or more than 240 hours of paid.

Employees hired as personnel in the Police Department after September 14, 2011 have a 2.25% multiplier with a ten-year vesting and must be age 50 and have 25 years of service. The FAC does not include overtime or more than 240 hours of paid.

Employees in the Fire Department hired on or after June 1, 2010 have a 2.25% multiplier and must have 25 years of service. The FAC does not include overtime.

In order to fully comply with this requirement, the Charter Township of Redford intends to implement additional changes to existing and new employees through labor negotiations.

Requirement #4: Health care premium costs for new hires shall include a minimum employee share of 20%; or, an employer's share of the local health care plan costs shall be cost competitive with the new state preferred provider organization health plan, on a per employee basis.

- **Township Response:** All township employees pay more toward their health care plans than in previous years and the township has successfully limited plan options to a PPO only for all new hires.

Firefighters hired after June 2010, are provided health care insurance for themselves only – there is not an option for spouse or family coverage.



Charter Township of Redford

Office of the Supervisor

Tracey Schultz Kobylarz

All general and police employees hired after September 14, 2011 pay 20% of their health care costs.

Police Officers hired before September 14, 2011 pay 8% of health care costs and Dispatchers 7% of health care cost. General employees hired before September 14, 2011 pay 7% of health care cost.

Command Officers are currently in contract negotiations.

In order to fully comply with this requirement, the Charter Township of Redford intends to implement additional changes to existing and new employees through continued labor negotiations and board action.



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Summary

The Charter Township of Redford has been taking steps toward short and long term cost reduction for the past four years and will continue to do so in order to meet all requirements of the Act. We have taken an aggressive approach to reducing all costs in the past four years. Results can be seen in our contract negotiations, labor agreements, budgeting processes, operational changes, as well as in increased fundraising and grant awards. These efforts have individually, and collectively, helped us to retain a positive financial standing.

Pursuant to legislation enacted by the State of Michigan, our municipality must certify to the Department of Treasury by May 1, 2012, that we have developed an employee compensation plan, which we intend to implement, with any new, modified, or extended contract or employment agreement, for employees not covered under contract or employment agreement; and that our plan is available for public viewing in the clerk's office or posted on a publicly accessible Internet site. This plan meets the requirements for publication and transparency.

Successful labor negotiations with our IAFF Local 1206, MAPE, POAM and COAM have allowed the township to implement collective bargaining agreements which have a favorable impact on our bottom line. All union contracts require higher cost sharing for health insurance and contributions toward pension plans. To further our cost cutting efforts, employees represented by MAPE agreed to unpaid furlough days and members of POAM and IAFF agreed to the elimination of training incentives, and for the first time in memory, took actual pay cuts.

In order to fully comply with the third category of the Public Act 63 of 2011, the Charter Township of Redford intends to fully comply with the Act through labor relations, contract negotiations and board action. Additional changes will be negotiated and implemented to employee compensation and benefit plans through future labor negotiations and renewals of existing agreements. In addition, the Township will continue to evaluate and negotiate with appointees and elected officials to further reduce current and legacy costs associated with compensation and benefit plans.

Attachment Meeting Minutes December 13, 2011 Item 11:155

Motion by Cavanagh, supported by Brang-Schroeder

That we approve opting out of healthcare changes mandated by State Law. Motion carried 6-1

Tom Rowland, 9966 Grayfield, President of MAPE, stated he was ready to support the 80/20% option, since it is better than the hard cap. However, if the attorney says there is no penalty by opting out, this is a better choice, and he supports this option. Everyone has already made sacrifices and still work hard to provide good service. We are grateful for our benefits and our jobs.

11:155 MOTION BY CAVANAGH, SUPPORTED BY BRANG-SCHROEDER:
That we approve opting out of healthcare changes mandated by State Law.

AYES: MCRAE, BRANG-SCHROEDER, HANDY, KENNEDY, CAVANAGH, CHRISTIE
NAYES: KOBYLARZ
ABSENT: NONE

Motion carried.

ANNOUNCEMENTS:

Supervisor Kobylarz congratulated Carl Van Aartsen for receiving an award from the Michigan Environmental Hall of Fame for his work on rebuilding the Rouge Watershed. She also wished everyone happy holidays to be celebrated in joy, harmony and peace.

Treasurer Cavanagh noted the Treasurer's office will be open until 5:00 p.m. on December 23, 2011.

Trustee McRae thanked everyone for their condolences for the recent death in his family prior to the Thanksgiving holiday.

Trustee Brang-Schroeder thanked everyone for coming to the Old Fashion Christmas celebration and wished everyone a Merry Christmas and Happy New Year.

Youth Trustee Johnson announced the Youth Commission will be soliciting donations for the Third Annual Leadership Conference on April 13th.

Trustee Handy announced that Cinco de Mayo Restaurant will be donating 25% of all proceeds on December 20th and December 21st to the Redford Goodfellows.

There being no further business, a motion was made by BRANG-SCHROEDER, supported by MCRAE, that we adjourn this Regular Meeting. Motion carried unanimously. This Regular Meeting adjourned at 8:40 P.M.


TRACEY SCHULTZ KOBYLARZ SUPERVISOR
CHARTER TOWNSHIP OF REDFORD


GARTH J. CHRISTIE, CLERK
CHARTER TOWNSHIP OF REDFORD

Recorded by: Sandra Gadd