



CITY OF DETROIT  
HUMAN RESOURCES DEPARTMENT  
LABOR RELATIONS DIVISION

*"Walk on"*  
*AKG*  
*108*  
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November 15, 2024

## HONORABLE CITY COUNCIL:

### **Re: Memorandums of Understanding Modifying Certain Retirement Benefits for Detroit Command Officers Association (DPCOA), Detroit Lieutenants and Sergeants Association (DPLSA), Detroit Police Officers Association (DPOA), and Detroit Fire Fighters Association (DFFA)**

The DPCOA, DPLSA, DPOA, DFFA and City of Detroit (City) discussed various articles pertaining to retirement benefits administered by the Police and Fire Retirement System of the City of Detroit (PFRS).

Based on the provisions of the DPCOA 2022-2027 Master Agreement Section 29, the DPLSA 2022-2027 Master Agreement Section 47, the DPOA 2022-2027 Master Agreement Section 32 and the DFFA 2020-2026 Master Agreement Article 24, the City has negotiated certain modifications of its Confirmed Bankruptcy Plan of Adjustment to amend Articles 2, 5, 6, 10 and 12 of Component I and Articles C and I of Component II of the Combined Plan for the PFRS of the City of Detroit (Combined PFRS Plan).

As a result of those negotiations, Memorandums of Understanding (MOUs) have been executed with DPCOA, DPLSA, DPOA and DFFA for the purpose of modifying certain retirement benefits pursuant to each Master Agreement. The MOUs provide that the City shall use reasonable efforts to obtain Bankruptcy Court approval to modify its confirmed bankruptcy plan of adjustment (POA) to permit it to amend the Combined PFRS Plan as described in Exhibit A to each MOU.

Prior to the execution of these MOU's, the PFRS and the City filed a stipulation in the Bankruptcy Court to settle a previously outstanding appeal with respect to the amortization period to be used for the amortization of the PFRS' unfunded actuarial accrued liability (UAAL) of the Component II Plan. The Bankruptcy Court had previously ruled on June 26, 2023 that PFRS was compelled to use a 30-year amortization period. PFRS filed a notice of appeal with the US District Court on December 6, 2023. On October 30, 2024, the PFRS and the City filed a stipulation in the Bankruptcy Court to settle this dispute. The settlement generally provides that the UAAL will be amortized over a 30-year closed period with level principal amortization. On November 1, 2024, the Bankruptcy Court entered an order approving the stipulation. On November 5, 2024, the appeal was dismissed with prejudice by the US District Court.

*11-12-24 - Read @ the table*



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Each executed MOU will only become effective upon all of the following conditions occurring:

1. Ratification by the members of DPCOA, DPLSA, DPOA and DFFA of their respective MOUs;
2. Approval by the Detroit City Council of each MOU and Exhibit A;
3. Approval by the Bankruptcy Court of each MOU and Exhibit A;
4. The transfer of the amount identified on the actuarial funding valuation as of June 30, 2024 of the PFRS Component I Rate Stabilization Fund (which is currently estimated to be approximately \$14.1 million) to the Pension Accumulation Fund for use in reducing the PFRS Component I Unfunded Actuarial Accrued Liability.
5. Satisfaction of compliance with State law mcl Act 314 of 1965 which requires that a system (PFRS) shall provide a supplemental actuarial analysis before adoption of pension benefit changes. The supplemental actuarial analysis must be provided to the board of the particular system (PFRS) and to the decision-making body (City Council) that will approve the pension benefit change at least 7 days before the proposed benefit change is adoption.

Therefore, in accordance with standard City procedure, the Labor Relations Division respectfully requests that your Honorable Body pass a resolution which approves the specified changes.

We further respectfully request that your Honorable Body adopt the following resolution with a Waiver of Reconsideration.

Respectfully submitted,

Valerie A. Colbert Osamuède  
Labor Relations Director

Attachments:  
DPCOA MOU  
DPLSA MOU  
DPOA MOU  
DFFA MOU  
Exhibit A



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**By Council Member \_\_\_\_\_ :**

**WHEREAS,** DPCOA, DPLSA, DPOA and DFFA have met the standards for recognition as exclusive bargaining agent for their members in the employ of the City of Detroit under Public Act 336 of 1974, as amended and

**WHEREAS,** The Labor Relations Division, under the direction of the Mayor, is authorized and directed by the City Charter to act for the City of Detroit in negotiation and administration of collective bargaining agreements, and

**WHEREAS,** The Labor Relations Division and DPCOA, DPLSA, DPOA and DFFA have met and negotiated a Memorandum of Understandings which shall be incorporated into the current Master Agreement of DPCOA, DPLSA, DPOA and DFFA, and

**NOW, THEREFORE, BE IT RESOLVED,** that the attached Memorandum of Understandings between the City of Detroit and DPCOA, DPLSA, DPOA and DFFA are hereby approved and confirmed in accordance with the foregoing communication.