

Legislative Analysis



DETROIT POLICE AND FIRE RETIREMENT BOARD

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House Bill 5192

Sponsor: Rep. Fred Durhal

Committee: Oversight, Reform, and Ethics

Complete to 12-5-11

A SUMMARY OF HOUSE BILL 5192 AS INTRODUCED 12-1-11

House Bill 5192 would amend the Public Employment Relations Act, or PERA, (MCL 423.215) to specify that if the charter of a city, village, or township with a population of 500,000 or more requires and specifies the method of selection of a retirant member of the municipality's fire department, police department, or fire and police department pension or retirement board, then the inclusion of the retirant member on the board and the method of selection of that retirant member would be prohibited subjects of collective bargaining. The bill also says that any provision in a collective bargaining agreement that purports to modify that charter requirement is void and of no effect.

[NOTE: Earlier in the legislative session, the Legislature enacted Public Act 25 of 2011 (House Bill 4135), which said that if the city charter specifies the selection of a retirant member of the Detroit Police and Firefighters Retirement Board, then the method of selection of the retiree member would be a prohibited subject of bargaining. House Bill 5192 would say that both the inclusion of the member on the retirement board and the method of selecting that member are prohibited subjects of collective bargaining.]

FISCAL IMPACT:

House Bill 5192 would have an indeterminate, but likely minimal, fiscal impact on the Detroit Police and Fire Retirement System (DPFRS). With the population floor, other local units of government would not be affected. To add a retiree member to the DPFRS board (pursuant to the charter), the retirement system would bear the cost of selecting that member. That cost, essentially printing and postage for the ballots, would depend on the election procedures adopted by the city and the DPFRS board, but would not likely be a material amount. According to the FY 2010 audit of the DPFRS, the retirement system's defined benefit plan included 8,560 retired members, 4,045 active members, and 83 terminated members, as of June 30, 2010. The new charter, approved by Detroit voters in November 2011, specifies that the DPFRS board includes "[t]wo retirants, receiving benefits under the retirement system, who shall be residents of the city, one elected by retired firefighters and one elected by retired police officers under procedures established by ordinance." There would be no fiscal impact to the state.

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