# CONSOLIDATED AGREEMENT

between the

FRATERNAL ORDER OF POLICE,
DELAWARE COUNTY LODGE No. 27,
ON BEHALF OF THE MEMBERS OF THE
POLICE FORCE OF THE BOROUGH OF MEDIA
Police

and

### MEDIA BOROUGH COUNCIL

Borough

Effective January 1, 2013 through December 31, 2017

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# **AGREEMENT**

THIS AGREEMENT, by and between the Fraternal Order of Police, Delaware County Lodge No. 27, on behalf of the BOROUGH OF MEDIA POLICE (hereafter referred to as "Police"), and the BOROUGH OF MEDIA (hereinafter referred to as "Borough"), intending to be bound hereto.

# **WITNESSETH**

WHEREAS, the Binding Arbitration Act of 1968, Act 111, provides that settlements entered into as a result of collective bargaining shall be reduced to written agreements; and

WHEREAS, the Police and the Borough have, on the date set forth above, reached an agreement concerning terms and conditions of employment of Police;

NOW, THEREFORE, the Police and the Borough set forth the following to become effective January 1, 2013 through December 31, 2017, and thereafter until a new agreement is reached, which constitutes the agreement reached between the parties pursuant to collective bargaining:

#### 1). WAGES

#### A. Full time officers

Beginning January 2013, the annual base wage for each police officer shall be increased by three and three-quarter (3.75%) percent, to \$73,901.64.

Beginning January 1, 2014, the annual base wage for each police officer shall be increased by an additional three and one-half (3.5%) percent, to \$ 76,488.20.

Beginning January 1, 2015, the annual base wage for each police officer shall be increased by an additional three and one-quarter (3.25%) percent, to \$78,974.06.

Beginning January 1, 2016, the annual base wage for each police officer shall be increased by an additional three (3.00%) percent, to \$81, 343.29.

Beginning January 1, 2017, the annual base wage for each police officer shall be increased by an additional two and three-quarter (2.75%) percent, to \$83,580.23.

B. Effective January 1, 1995, all newly hired full-time police officers shall be paid pursuant to a new pay scale in place of the pay scale in effect for officers employed prior to January 1, 1995. This pay scale shall not apply to any officer employed prior to January 1, 1995 who has been continuously employed since that time.

Trainee (1st 12 mos of service)	70% of Step C rate then in effect
Step A (2 <sup>nd</sup> year of service)	80% of Step C rate then in effect
Step B (3 <sup>rd</sup> year of service)	90% of Step C rate then in effect
Step C (4 <sup>th</sup> year of service)	100% of base salary then in effect

### C. New Hires:

#### (a) Credit for Prior Service

For purposes of determining starting salary only, Officers hired on or after the date of this agreement shall be given credit for all time during which they were employed as a full time police officer by any Pennsylvania municipality. An officer who possesses such prior service shall be placed on the starting salary schedule as if that service had been rendered as a full time officer employed by the Borough of Media. However, an officer given credit for prior

service shall remain a probationary employee to the same extent as an officer hired without prior service.

#### (b) Other Benefits

Officers credited with prior service in other municipalities for purposes of the starting salary shall earn and enjoy other benefits in the same manner as officers hired without such credit; that is, such credited service shall not be considered in determining the officer's longevity, vacation, actual years of service with the Borough for retirement or other benefits which are dependent upon the officer's length of service with the Borough.

### D. Part-time Officer Wages

Effective January 1, 2013, Part-time officers will be compensated at a rate of \$24.87 per hour. Effective January 1, 2014 and thereafter, Part-time officers will receive the same percentage wage increase per year that full time officers receive. Effective January 1, 2014, Part-time officers will be compensated at a rate of \$25.74 per hour.

E. The Borough may institute a bi-weekly pay system and change the pay period from a Friday to Thursday pay week to a Monday to Sunday pay week.

#### 2). LONGEVITY

Each police officer employed by the Borough shall be entitled to an increment in addition to the wage set forth in Paragraph 1 as follows:

3% after 4 years 3.5% after 5 years 4% after 6 years 5% after 7 years 6% after 8 years 7% after 9 years

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8%
              10 years
       after
8.5%
      after
              11 years
9%
              12 years
       after
              13 years
9.5%
      after
10%
      after
              14 years
10.5% after
              15 years
11%
       after
              16 years
11.5% after
              17 years
              18 years
12%
       after
              19 years
12.5% after
13%
      after
              20 years
13.5% after
              21 years
14%
       after
              22 years
              23 years
14.5% after
              24 years
15%
       after
16%
       after
              26 years
17%
              28 years
       after
              30 years
18%
       after
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Such increment shall be effective accordingly on the anniversary date of employment. (1977/78 Award; 1975 Agreement)

# 3). RANK DIFFERENTIAL

The percent of salary differential between all ranks of police officers shall be eight (8%) percent, regardless of denomination of rank or title. (1994 Agreement)

#### 4). NIGHT DIFFERENTIAL

Full-time officers working between the hours of three o'clock p.m. (3:00 p.m.) And seven o'clock a.m. (7:00 a.m.) shall receive a premium of ten (10%) percent on wages and longevity.

The hourly rate of pay for part-time police officers, as herein above specified for each year during the term of this agreement, shall be increased by six (6%) percent, as a premium for hours worked between 3:00 p.m. and 7:00 a.m.

#### 5). OVERTIME & COURT TIME

Any member of the police department required to work in excess of the regular scheduled shift shall be compensated at the rate of one and one-half (1 ½) times the officer's equivalent hourly compensation, as set forth in Paragraph 1.

Should any member of the police department be required to appear in any court as a witness in a criminal case where the member's testimony is necessary resulting from the performance of said member's official duties as a member of the Media Police Department, and provided that the officer's appearance is required at the time other than when he/she is on official duty, said officer shall be compensated for such time spent at the rate of one and one-half (1 ½) times the equivalent hourly compensation, as set forth in Paragraph 1, for each hour spent; provided further, that in the event the actual time required of the police officer for testifying or for any other call out assignment when the officer is not scheduled to work is less than four (4) hours, he/she shall, nevertheless be entitled to a minimum of four (4) hours compensation at time and one-half (1 ½) rates. A statement of appearance in court filed by the appearing police

officer is to be supplied upon demand therefor. There will be no pyramiding of overtime during overtime pay. (1975 Agreement)

Should any part-time police officer be required to appear in any court as a witness in a criminal case where his/her testimony is necessary resulting from the performance of his/her official police duties on behalf of the Media Police Department, and provided that his/her appearance is required at a time other than when he/she is scheduled for duty, he/shall be entitled to employment for a guaranteed minimum of four (4) hours and to be compensated at his/her hourly rate of pay. In addition to the guaranteed minimum of four (4) hours employment, any officer who performs more than four (4) hours court time and/or other police duties shall be paid for each hour, in excess of four (4) hours at his/her hourly rate of pay. (1995-97 Agreement)

#### 6). WORK WEEK

- A. Additional working hours is a function of the current twelve (12) hour shift system utilized in the department.
- B. Every officer shall be given whatever number of compensatory hours off (Kelly Time) is necessary to produce a work year of two thousand eighty (2,080) work hours. For example, there shall be one hundred four (104) hours of Kelly Time under the current two thousand one hundred eighty-four (2,184) work schedule.
- C. The scheduling of these compensatory days off will be handled by the Administration of the Police Department in the same manner as the scheduling of existing vacation leave and personal days off. (1988/90 Agreement)

#### 7). WORK SCHEDULING

The parties have implemented a twelve (12) hour work schedule which is intended to require that each full time officer be scheduled for two thousand one hundred eighty-four (2,184) hours per year, subject to time off as provided hereunder.

#### 8). VACATION

A. 80 hours - after 1 year of service 120 hours - after 6 years of service 160 hours - after 11 years of service 200 hours - after 16 years of service

- B. Officers with over sixteen (16) years of service as of January 1, 1991 shall receive an additional eight (8) hours of vacation for each additional vacation day they were accorded in light of the former five (5) work day vacation week. (91/93 Agreement)
- C. The police officers have the option to begin their vacation on any day of the week and said vacation may be taken in individual days.
- D. In the event that any member of the Police is prevented, through no fault of their own, from taking a vacation which had been scheduled near the end of a calendar year, said officer shall be permitted to schedule a similar vacation during the first two (2) months of the following calendar year. It is intended that no member of the Police shall be deprived of vacation time due to the demands placed upon him/her as a result of said member's employment (1973/74 Agreement)

# 9). PRORATION OF DAYS/HOURS

Since the Borough of Media operates on a calendar year basis, all newly hired and retiring officers serving less than a full calendar year shall have the Kelly hours, vacation hours and sick hours prorated in the year of hiring and retiring. However, any retiring officer, who reaches his/her anniversary date of hire, shall be entitled to the full vacation schedule in paragraph 8. (1988/90 Agreement)

#### 10). HOLIDAYS

There shall be one hundred twelve holiday hours a year.

All officers shall be entitled to carry over all unused holiday hours as of December 31<sup>st</sup> of each year, for a period of forty-five (45) days into the following year. If the holiday hours remain unused after the forty-five (45) day period, the officer shall be paid for either twelve (12) hours or eight (8) hours of the unused holiday hours depending upon whether the officer works a twelve (12) hour or eight (8) hour scheduled day. (1981 Agreement, 1982/84 Award)

# 11). FESTIVE HOLIDAYS

A. If a police officer works on one of the following five (5) festive holidays, said officer shall receive, in addition to paid holiday hours as set forth in paragraph 10, double time for that day's work:

New Year's Day, Independence Day, Easter Sunday, Thanksgiving Day, Christmas Day (1976 Award)

There will be no pyramiding of overtime on festive holidays.

- B. If a part-time officer works during any of the five (5) festive holidays listed above in paragraph A, he/she shall be compensated for such employment at double his/her hourly rate of pay.
- C. Officers shall be paid at a rate of 1 ½ times the officer's pay for work between the hours of 4pm and midnight on Christmas Eve or New Years Eve. (2008-12 Agreement)

### 12). SICK LEAVE & SEVERANCE PAY

Sick leave shall be earned at the rate of one hundred twenty (120) hours per calendar year; for purposes of actual illness, there shall be no limit upon the use of accumulated sick leave.

However, where accumulated sick leave is converted to severance pay, no officer shall receive payment for more than eight hundred (800) hours, or fifty (50%) percent of the sick days accumulated; whichever is less. (1991/93 Award)

#### 13). MATERNITY & CHILDBIRTH LEAVE

The Borough shall give full-time officers who receive benefits, the current maternity and childbirth policy which is available. This provision may be amended as the Borough sees fit, but anyone who begins leave prior to change shall abide by policies as set at the date of leave.

(1988/90 Agreement)

#### 14). PERSONAL DAYS

Each police officer shall be entitled to twenty-four (24) hours personal leave per year, provided, that in selection of this leave, the officer shall, where reasonable, provide the Borough with seventy-two (72) hours of his/her election to take this day off. Permission to take the

elected day off shall not be unreasonably withheld by the Borough. (1970/80; 1975 Agreements)

Effective January 1, 2004, each full-time officer shall be entitled to 12 additional hours of personal time. (2004-2007 Agreement)

# 15). HOSPITAL & MEDICAL

- A. For employees hired prior to January 1, 2013, the Borough shall provide, at no expense to police officers and their families, the following hospital and medical benefits for the Officer and their dependents:
  - i. The Personal Choice Flex Series C1F101 shall be replaced with Personal Choice
    HDHP1 with prescription coverage of \$10 (generic) and \$20 (brand name). As to
    officers choosing the HD plan, the Borough of Media will annually contribute
    50% of the applicable in-network deductible to a Healthcare Savings Account
    (HSA) [either \$750 for officers electing single benefits or \$1,500 for officers
    electing family benefits].
  - ii. The Officer may alternatively choose the Keystone East Flex HMO (PCP \$10, Specialist \$20; ER \$100) with prescription coverage of \$10 (generic) and \$20 (brand), at no cost to officers and their families for as the coverage for the Officer and dependents. No Borough HSA contribution will be required for a plan year in which the officer chooses HMO coverage.
  - B. For employees hired prior to or after January 1, 2013 as an alternative choice to

the Blue Cross Blue Shield "New Personal Choice Program". (1994 Agreement)

- C. For employees hired on or after January 1, 2013, the, the Borough shall provide the following hospital and medical benefits for the Officer and their dependents:
  - The Borough shall provide solely the Keystone East Flex HMO (PCP \$10,
     Specialist \$20; ER \$100) with prescription coverage of \$10 (generic) and \$20 (brand) with an employee contribution of 1.0% of the premium in 2013, 1.5% in 2014, 2.0% in 2015, 2.5% in 2016, and 3.0% in 2017.
  - Employees hired after January 1, 2013 shall not receive a Borough HSA contribution.
  - iii. Employees hired after January 1, 2013 may buy up to higher coverage at "buy up" to the HD coverage by paying 100% of the cost of the difference between the HMO coverage and the buy up coverage.
  - iv. Employees hired after January 1, 2013 shall not receive a contribution from the Borough to the Officer's HSA if the officer shall "buy up" to the HD coverage.
- D. All reimbursements for doctor co-pays, ER and medical devices shall cease on December 31, 2012 for all police employees. (2013 Agreement).
- E. The Borough shall provide, at no expense to police officers and their families, the following medical benefits:
  - i. The full Blue Shield Dental (United Concordia program in effect as of 1/1/2013)
     program, including one hundred (100%) percent coverage of the four (4) available
     options. (1975 Agreement)

- Vision benefit coverage (Davis Vision program in effect as of 1/1/2013) as
   provided under the Blue Shield Vision Care Program (1976 Award)
- iii. The Blue Shield UCR Orthodontic Rider which provides an increase in the lifetime maximum per individual under the age of nineteen (19) years to Two Thousand (\$2,000.00) Dollars for all officers and their families, and this shall continue as a retirement benefit. (1988/90 Agreement)
- F. The Borough may explore alternative health insurance coverage providers. The Lodge has "pre-approved" the Delaware Valley Health Insurance Trust as an alternative healthcare insurance provider with the understanding that DVHIT coverage must be the same as or better than the coverage provided under this agreement. The parties must mutually agree upon any other alternative healthcare insurance provider and/or the coverage arrangements applicable thereto. The Borough may request a re-opener as to its healthcare obligations in the event a national healthcare plan is implemented, in which event the FOP may request that other aspects of the officers' compensation and/or benefits be improved. If the parties reach impasse, the issue may be submitted to interest arbitration.
- G. Any officer who chooses to not utilize the healthcare insurance provided by the Borough will receive 25% of the overall cost for healthcare expenses (health care premium and the Borough's contribution to the Healthcare Savings Account) for the coverage that officer is entitled to receive. Any year in which an officer opts out for less than the entire year shall be prorated. A copy of the Borough of Media Police Health Benefits Opt Out Form is attached hereto as Exhibit "A".

### 16). RETIREMENT

All officers shall have a benefit option plan for their pension, as conforming and subject to the provision of the Act of May 29, 1956, P.L. (1955) 1804, No. 600, as amended (Act 600), which shall consist as follows:

- A. <u>Establishment</u>: There shall be established by Ordinance a Police Pension Fund or Pension Annuity to be made by annual appropriations made by the Borough, by payments made to the municipality pursuant to the Municipal Pension Plan Funding Standard and Recovery Act, No. 205 of 1984 or by similar legislation, and by any gifts, grants, devises or bequests granted to the Police Pension Fund. Subject to the provisions of the Act of May 29, 1956, P.L. (1955) 1804, No. 600, as amended, the fund shall be under the direction of the governing body of the municipality, and applied under such regulations as the governing body, by ordinance or resolution, may prescribe for the benefit of such members of the police force as shall receive honorable discharge therefrom by reason of age and service, or disability, and for the surviving spouses or minor children of members of the police force or of members retired on pension. (1994 Agreement)
- B. <u>Normal Retirement</u>: Upon superannuation (completion of twenty-five (25) years of aggregate service in the police force, and attainment of the age of fifty (50) years), any member of the police force may retire from active duty. (1994 Agreement)
- C. <u>Pension Benefit</u>: Monthly pension benefits upon superannuation retirement, other than length of service increments, shall be computed at one-half (½) the monthly average

compensation of such member during the last thirty-six (36) months of employment, less any pension benefits received from a plan established by a private organization or association for members of the police force, but only to the extent that the Commonwealth of Pennsylvania or municipality thereof shall have contributed moneys raised by taxation to such private pension plan. (1994 Agreement).

- D. <u>Post-Retirement Medical</u>: The Borough shall pay to each officer annually who hereafter retires, as deferred compensation, the following:
  - 1). Full hospitalization and medical benefits in effect for the officer personally at the time of their retirement.
  - 2). One half (½) of the full hospitalization and medical benefits in effect for said retiree's dependents at the time of officer's retirement.

These payments will continue until such time as the officer is eligible for Medicare, or for a period of not more than ten (10) years, whichever comes first, at which point, the obligation of the Borough will terminate. At any time after retirement, if the retiree or retiree's spouse has hospitalization and/or medical benefits equal to those provided in this Agreement from another source, the above-described payments will cease. (1991/93 Award)

The 10-year eligibility period for an officer to receive post retirement medical benefits under this collective bargaining agreement is a rolling period. In other words, an officer who left the medical plan before he had received the benefits for 10 years or reached the age of Medicare (whichever is shorter) under the terms of the collective bargaining agreement may re-enroll in the health plan for the remaining time period permitted under the contract if such re-enrollment is

permitted by the carrier. If re-enrollment in the Borough's health plan is not possible, the Borough shall contribute toward the cost of an alternate health plan selected by the officer an amount equal to the amount the Borough would have paid on the officer's behalf for his participation in the Borough's health plan. The Borough's obligation to pay for the alternate health plan shall be subject to the time and all other restrictions and limitations contained in the collective bargaining agreement relating to post retirement health benefits. (2001-03 Agreement)

- E. <u>Cost-of-Living</u>: In addition to other monthly pension or retirement allowances or increments, each person receiving retirement benefits shall receive cost-of-living increases, provided that such cost-of-living increase shall not exceed the percentage increase in the Philadelphia Area Consumer Price Index from the year in which the member last worked. Provided, further, that in no case shall the total pension benefits exceed seventy-five (75%) percent of the compensation for computing retirement benefits or thirty (30%) percent of such compensation in total cost-of-living increases, whichever is lesser. (1988/90 Agreement)
- F. <u>Service Increments</u>: For each additional year of service over twenty-five (25) years, the pension of the police officer shall be increased by One Hundred Fifty (\$150.00) Dollars per year. Provided, however, that at no time may these increments increase the pension benefit by more than One Hundred (\$100.00) Dollars per month. (1988/90 Agreement)

The pension of an officer retiring on or after January 1, 1998 shall, upon completion of a twenty-sixth (26<sup>th</sup>) year of services, be increased by one thousand two hundred (\$1,200) dollars per year (\$100/mo.). There shall be no further service increment beyond this \$1,200 per year (\$100 per month), regardless of the number of years of service in excess of

twenty-six (26) which the officer may render. (98-00 Agreement)

Any officer who retires on or after January 1, 2008 shall be entitled to an enhanced service increment as permitted under the Police Pension Fund Act (Act 600), 53 P.S. \$767-778. This enhanced service increment shall be equal to a \$100 monthly increment for the 25th year of completed service, an additional \$100 monthly increment for the 26th year of completed service, and an additional \$50 monthly increment for the 27th year of completed service, to a maximum service increment of \$250 per month. (2008 - 12 Agreement)

- G. <u>Military Service</u>: Credit for military service will be allotted according to the provisions of Act 600, Section 770, as amended (1994 Agreement)
- vested pension benefit under which, after completing twelve (12) years of total service, if the officer for any reason ceases to be employed as a full-time police officer by said Borough, said officer shall be entitled to vest his/her retirement benefits by filing with the Borough within ninety (90) days of the date the officer ceases to be a full-time officer, a written notice of his/her intention to vest. Upon reaching the date which would have been the said officer's superannuation retirement date if he/she had continued to be employed as a full-time police officer, the officer shall be paid a partial superannuation retirement allowance determined by applying the percentage his/her years of service bears to the years of service which he/she would have rendered if said officer had continued to work until his/her superannuation retirement date to the gross pension, using, however, the monthly average salary during the appropriate period to the officer's termination of employment. The Borough confirms that they have completed an

actuarial study of its Police Pension Fund and paid into said fund the sum, if any, required to avoid impairing the actuarial soundness of the Pension Fund. The Borough shall provide the officer with the form upon which he/she gives his/her written notice of intention to vest. (1981 Agreement)

#### I. Early Retirement Pursuant to Act 600, 53 P.S. §771

Effective January 1, 2001, an officer may elect to retire after 20 years of service and receive an early retirement benefit pursuant to Act 600, 53 P.S. §771(i)(1) and (2) if the officer meets all of the eligibility requirements of that section. Any early retirement benefit paid out by the Pension Plan pursuant to §771(i)(1) and (2) shall be calculated pursuant to the requirements of that section.

Any officer retiring pursuant to and receiving a benefit under 53 P.S. §771(i)(1) and (2) shall be eligible for post retirement medical benefits immediately upon his/her retirement for a period of ten (10) years or until the individual qualifies for Medicare, whichever is shorter. The parties agree that this benefit is being provided to officers who retire after only 20 years of service pursuant to 53 P.S. §771(i)(1) and (2) only because the post retirement medical benefits are for at most a 10-year period. The officer retiring pursuant to 53 P.S. §771(i)(1) and (2) shall also be entitled to life insurance under the same terms as an officer who retires after satisfying his/her superannuation (age and service) retirement date.

J. <u>Administration</u>: Benefits paid pursuant to the pension fund shall not have a charge on any other fund in the treasury of the Municipality, or under its control, save the Police Pension Fund. The governing body of the municipality shall employ an actuary in accordance

with Act 205 of 1984, and pay the actuary's fees and other reasonable expenses of the Police Pension Fund from the General Municipal Pension System Aid received and allocated to the Police Pension Fund. If insufficient State Aid is received or allocated, the expense of administration of the Police Pension Plan, including the compensation of the actuary and the custodian of the fund, by excluding payments of retirement benefits, shall be paid by the municipality from the appropriations made by the governing body from general revenues. (1994 Agreement)

- K. <u>Rights</u>: No person participating in the Police Pension Fund, who becomes entitled to receive a benefit therefrom, shall be deprived of his/her right to an equal and proportionate share therein upon the basis upon which the member first became entitled thereto. (1994 Agreement)
- L. <u>Ineligibility for Benefits</u>: Any member of the police force, who, for any reason whatsoever, shall be ineligible to receive a pension after having contributed any moneys to the pension fund, shall be entitled to a refund of all such monies paid by the member into the fund, plus all interests earned by such money while in the fund based upon a discontinuance of said officer's employment with the police force. If such discontinuance is due to death, such moneys shall be paid to said officer's designated beneficiary, or in the absence thereof, to said officer's estate (1994 Agreement)
- M. <u>Contributions:</u> As soon as the Borough can successfully complete an appropriate filing with the Internal Revenue Service pursuant to Section 414(h) of the IRS Code and said filing is approved, officer's contributions to the Pension Fund shall be treated as pre-tax for

federal income tax purpose.

N. <u>Police Retirement Board</u>: In accordance with applicable State law, there shall be a police representative on the Police Retirement Board. (1988/90 Agreement)

#### O. Act 44 Pension Payment Plan (DROP):

Effective January 1, 2013, a three (3) year plan shall be implemented. Eligibility begins at 52 years of age with at least 25 years of service. This benefit shall apply to current employees (only) and is not applicable to any employee hired after January 1, 2013. If an officer in the DROP is unable to return to full police duties for a period of ninety (90 or more) days after a work-related or non-work-related disability, there shall be a rebuttable presumption that such officer is permanently disabled due to such work-related or non-work-related injury or illness. The officer shall be notified in writing of the Borough's election to rely on such presumption as a basis to Honorably Discharge the officer due to such. The officer may dispute that determination by notifying the Borough within 30 days of their receipt of the written notice, whereupon the matter will be referred directly to the grievance process at Level Two [a hearing before Borough Council or its designee(s)] whereat the officer shall produce medical evidence to support their position. If the Borough does not accept the evidence produced by the officer as sufficient to dispute the presumption, the Borough shall so notify the officer and the officer shall then have the right to proceed to Arbitration.

Longevity pay shall be frozen at the percentage payable at the time the employee shall be honorably discharged from service and receive a pension in the amount of the regular age and service retirement pension as calculated when the officer entered into the DROP program. No

college tuition reimbursement nor any annual educational incentive shall be paid to an officer while in the DROP. If the discharge is due to a work-related disability the pension shall be at the amount of the normal retirement pension calculated when the officer entered the DROP but the pension shall be classified as a disability pension payable at the normal retirement pension amount. Officers shall have the right to appeal any honorable discharge (based upon inability to return to work after ninety days) to Borough Council. Borough Council shall hold an appeal hearing within 30 days and issue a decision within 30 days of the appeal hearing. Longevity pay shall be frozen at the percentage payable at the time the officer entered into the DROP. No college tuition reimbursement nor any annual educational incentive shall be paid to an officer while in the DROP.

Ordinance Number 1106, "An Ordinance Amending the Pension Plan for the Police

Officers of Media Borough Providing for a Deferred Retirement Option Plan For Police Officers

of the Media Borough Police Department" is attached hereto as Exhibit "B" and incorporated

herein as though forth at length. A copy of the Deferred Option Retirement Option Plan

Election Form that officers are to utilize to enter into said Plan is attached hereto and

incorporated herein as Exhibit "C."

#### 17). SURVIVOR BENEFITS

A. A member of the police force, as shall receive honorable discharge therefrom by reason of age or disability, and subsequently dies, the spouse of such member shall, during said spouse's lifetime or so long as such surviving spouse does not remarry, be entitled to receive a

pension calculated at the rate of fifty (50%) percent of the pension that the member had been receiving at the time of officer's death. In the event that there is no surviving spouse, or if there is a spouse, but he/she subsequently dies or remarries, then the child or children under the age of eighteen (18) years of the deceased member, shall be entitled to receive a pension calculated at the rate of fifty (50%) percent of the pension that the member had been receiving at the time of officer's death. The aforesaid benefits shall also apply in the event the member dies before receiving pension benefits, provided that he/she was entitled to receive such benefits at the time of death; in this case, the amount of benefits that the above-described survivors will be entitled will be calculated at the rate of fifty (50%) percent of the pension the member would have been entitled to receive at the time of death. (1994 Agreement)

B. Act 30 of 2002 Amendment: In the event of the death of a retired police officer, or an officer eligible for superannuation retirement, the surviving spouse shall receive a monthly pension for life at the rate of 50% of the officer's pension. If there is no spouse or the spouse subsequently dies, the child or children of the officer shall be entitled to collect the benefit until age 18, or through age 23 if attending an accredited institution of higher learning, carrying a minimum course load of seven credit hours per semester.

The parties recognize that the Delaware County Fraternal Order of Police, Lodge No. 27 and the Borough of Media dispute the applicability of the benefits noted above to officers who retired before the date of this Award and to the survivors of such officers as a result of Act 30 to Act 600. The parties enter into this Agreement without prejudicing or waiving in any way any claim or defense with respect to this issue or any other issue arising under Act 30.

Killed in Service: All killed in service survivor death benefits shall be provided by and paid by the Commonwealth pursuant to Act 51. If the law is amended to reduce, discontinue or eliminate coverage by the Commonwealth, the Borough agrees to assure the level of benefit in the 2008 - 12 collective bargaining agreement. Regardless of what entity is paying the death benefit, the Borough shall continue to be responsible to provide the Survivor Medical Benefits required by Article 17 (C). (2013-2017 Agreement).

#### C. Survivor's Medical Benefits:

In the event the officer dies in the line of duty, the employer shall provide for the officer's family one hundred (100%) percent of the medical benefits enjoyed by the officer at the time of his/her death, provided:

- (1) The Borough shall have the right to change benefit programs, providers and/or cost contribution levels consistent with those that apply at any point in time to active police officer.
  - (2) Medical benefits shall fully terminate if:
    - a. The spouse dies; or
    - b. The spouse remarries; or
- c. The spouse is eligible for health insurance benefits provided by another employer or any other source, however said benefits shall be reinstated if the eligibility for alternative coverage subsequently ceases; or
- d. For any children, when a child reaches the age of eighteen (18) or, if a full-time college student, age twenty-three (23).

(3) Benefits shall be modified as of the date on which the deceased officer would have been eligible to retire, such that the surviving spouse shall receive benefits consistent with the then current provision for post-retirement medical benefits [presently this would involve the Borough providing for fifty (50%) percent of the cost of the benefits for the spouse, for a maximum of ten (10) years, beginning on the date on which the officer would have turned age fifty (50).]

#### 18). DISABILITY

A. Service Connected: Effective January 1, 2013, any officer who becomes permanently or totally unable to perform police duties as a result of a mental or physical impairment sustained in the course and scope of employment shall be eligible for immediate retirement benefits calculated at the rate of seventy (70%) percent of said officer's previous 12-month salary. If an employee is permanently disabled from working in any capacity and is granted Social Security Disability benefits on the basis that he or she is unable to perform any gainful employment, the disability pension shall be calculated at 100% of the previous 12-month salary. The disability pension shall be subject to a credit to the Borough for any amount paid under Workers' Compensation Law. Previous 12-month salary shall be defined as all compensation received in the last 12 months the officer is on the Borough's payroll, excluding any lump-sum payment of accrued and unused time off paid upon separation from employment. Any officer who receives a 100% disability pension and is later determined to be medically able to perform gainful employment shall be reduced to a 70% pension. (2013-2017 Agreement).

- B. <u>Non-Service Connected</u>: Any officer who becomes permanently or totally unable to perform police duties as a result of a mental or physical impairment sustained other than in the course and scope of employment shall be eligible to receive a fifty (50%) percent long term disability benefit from Mutual Benefit Life Insurance Company long term disability policy. Benefits under this provision will be subject to a three (3) month waiting period. (1976; 1988/90; 1994 Agreements)
- C. Any officer receiving disability will have Kelly time and vacation time pro-rated based on the days worked in the year with the exception, however, that there will be no apportionment where the officer has already taken his vacation that year. Further, if he has not taken vacation because of disability, he may take that pro-rated vacation during the one (1) year following his return to work.

### D. <u>Light Duty Policy</u>:

- 1. The Borough of Media will establish a light duty policy for police officers who suffer physical impairments.
- 2. "Light duty" shall mean: "Police-related duties, including all desk activities customarily performed by Media Police Officers, as part of their normal police duties; assignment to such duties shall be at the discretion of the Chief of Police."
- 3. "Light duty" assignment shall be available for both service-connected and non-service-connected physical impairments; an officer who suffers a non-service connected physical impairment shall have the option of performing a light-duty assignment or utilizing sick or other leave time.

#### 19). LIFE INSURANCE

- A. Life insurance shall be in the amount of Fifty Thousand (\$50,000.00) Dollars with double indemnity.
- B. At retirement, the Borough shall provide each officer a Ten Thousand (\$10,000.00) Dollar life insurance policy for those officers hired prior to January 1, 2013. Effective January 1, 2013, new hires shall not be eligible for a \$10,000 life insurance policy at retirement. (2013- 2017 Agreement).
- C. The parties' prior practice with respect to life insurance for part-time officers shall remain the same. (1988/90 Agreement; 1991/93 Award, 1998/00 Agreement)

#### 20). EDUCATIONAL INCENTIVE

Any police officer who has/or obtains the following number of college credits at any accredited college or university in a program in a police-related field shall receive the additional amount indicated below, which amounts shall be paid over and above the annual salary, but shall not be computed within the base salary of the police officer for any other purposes. This benefit shall be paid annually on a continuing basis and shall be available to anyone upon the achievement of the credits stated whether the credits are obtained prior to or subsequent to this Agreement.

For obtaining 30 credits - \$300.00

For obtaining 60 credits - \$600.00

For obtaining 90 credits - \$900.00

# For obtaining 120 credits - \$1,200.00

In addition, the Borough agrees to pay for each officer's college tuition if credits are obtained in a program or college course in a police-related field at an accredited college or university, in accordance with the following standards:

- a). Fifty (50%) percent of course tuition if "C" grade or grade equivalent is attained in that course;
- b). Seventy-five (75%) percent of course tuition if "B" grade or grade equivalent is attained in that course; and,
- c). One Hundred (100%) percent of course tuition if "A" grade or grade equivalent is attained in that course.

In recognition of the Borough's obligation to pay for an officer's college tuition for credits obtained in a program or college course in a police-related field at an accredited college or university, the officer will be "required" to provide one (1) year of service for each 15 credits which the Borough shall subsidize. If the officer fails to fulfill this work requirement, any monies paid by the Borough for the credits in question shall be refunded by the officer. The Borough may require an officer to sign an authorization permitting the Borough to withhold any monies owed form his/her terminal pay. (1988/90 Agreement, 1998/00 Agreement)

Educational Incentive Non-Police Related Field: Effective January 1, 2001 any full-time police officer who has/or obtains the following number of college credits at any accredited college or university in a program in a non-police related field shall receive the additional amount indicated below, which amounts shall be paid over and above the annual

salary, but shall not be computed within the base salary of the police officer for any other proposes. This benefit shall be paid annually on a continuing basis and shall be available to any full-time officer upon the achievement of the credits stated whether the credits are obtained prior to or subsequent to this agreement. These credits must be documented by the officer that they are recognized by any accredited college or university for which they are attending, towards a non-police related degree.

For obtaining 30 credits	-	\$150
For obtaining 60 credits	-	\$300
For obtaining 90 credits	-	\$450
For obtaining 120 credits	-	\$600

If an Officer is receiving or receives payment for police-related credits, they shall not be eligible for this payment in addition to the payment for police- related credits.

Effective January 1, 2013, new hires are not eligible for an annual educational incentive payment and are capped at 120 credits with regard to reimbursement by the Borough. (2013-2017 Agreement).

### 21). CLOTHING ALLOWANCE

All officers who work a majority of their normal work time during any given month as non-uniform personnel, will be eligible for a clothing allowance of Twenty-Five (\$25.00) Dollars per month.

There shall be a shoe allowance of one (1) pair of shoes per officer per year up to a cost of fifty (\$50.00) Dollars. (1982/84 Award) Effective January 1, 2001, the shoe allowance for all full-time officers for one (1) pair of shoes per officer per year shall be increased by fifty (\$50)

dollars, bringing the total annual cost to one hundred (\$100) dollars.

#### 22). CLEANING ALLOWANCE

Effective January 1, 1998, the annual cleaning allowance shall be increased by Fifty (\$50.00) Dollars, bringing the total annual cleaning allowance to the sum of Three Hundred Fifty (\$350.00) Dollars per year, which shall be provided for both uniform and non-uniform personnel and said sum shall be payable annually on or before January 30<sup>th</sup>.

Effective January 1, 1999, the annual uniform cleaning allowance shall be increased by an additional Fifty (\$50.00) Dollars, bringing the total annual cleaning allowance to the sum of Four Hundred (\$400.00) Dollars.

Effective January 1, 2001, the annual cleaning allowance for all full-time officers shall be increased by Fifty (\$50) dollars, bringing the total annual cleaning allowance to the sum of four hundred Fifty (\$450) dollars.

#### 23.) ACTING IN RANK

Commencing on the thirty-first (31st) day of actual duty performed while acting in a higher rank, the affected officer shall receive the rate of pay in effect for an officer in that rank, with their longevity, for the entire period of service in that rank, including any time for which the employee in whose rank they are acting would otherwise be paid. (1991/93 Award)

#### 24). FUNERAL LEAVE

All officers shall be entitled to three (3) days off with pay in the event of death of a spouse, parent or child. (1977/78 Award) Effective January 1, 2008, the funeral leave provision

shall be amended to provide two days funeral leave for the death of a grandparent, sibling or in-law. (2008-12 Agreement)

#### 25). GRIEVANCE PROCEDURE

- A. <u>Definition</u>: A grievance is a dispute, including discipline, raised by an officer or the Union, involving the interpretation or application of this Agreement or an Interest Arbitration Award in effect between the parties.
- B. Not later than fifteen (15) days after an officer or the Union becomes aware of an event prompting a grievance, they may file a grievance. The grievance must be submitted in the following sequence:
  - a). To the Mayor
  - b). To the Borough Council
  - c). To an Arbitrator
- C. Form of Appeal and Representation: All grievances must be presented in writing and dated at each Step. The grievance must cite the contract provision allegedly violated and other pertinent details. An officer shall be entitled to representation of their choosing in processing a grievance.
- D. <u>Time Limits</u>: Informal hearings shall be held at Steps A and B; the Step A hearing shall be scheduled within fifteen (15) days of the filing at Step A. A written decision shall be forwarded to the officer(s) or the Union within fifteen (15) days of the hearing at Step A and within thirty (30) days of the hearing at Step B. Failure to receive a decision within these time limits shall entitle the officer(s) or the Union to appeal to the next Step. If a grievance is

not appealed to the next Step within ten (10) days of a decision, it shall be deemed settled on the basis of the Borough's last answer. The time limits at each Step may be extended by the mutual written consent of the officer(s) or the Union and the Borough representative involved. As used herein, "days" mean work days of Monday through Friday, exclusive of all holidays recognized in this Agreement.

E. Arbitration: A grievance that is not settled at Step A or B may be referred to arbitration by the FOP within twenty (20) days of receipt of the Borough's Step B answer. If the parties fail to agree upon an Arbitrator within ten (10) days of the demand for arbitration, the FOP and the Borough shall elect an Arbitrator in accordance with the American Arbitration Association's policies and procedures. Any arbitrator so selected shall have no authority to add to or subtract from the provisions of this Agreement. The Arbitrator's Award shall be final and binding upon the parties; it shall be issued within thirty (30) days following the close of the hearing or submission of briefs, whichever is later, unless the parties agree to an extension.

The arbitrator's fee and expenses, as well as the cost of any transcripts and AAA administrative fees, shall be equally divided between the parties. (1991/93 Award)

### 26). CIVIL & CRIMINAL SUITS

The Borough agrees to provide insurance coverage to protect each of their police officers from civil suits and claims arising out of incidents occurring while acting as a police officer.

The Borough of Media further agrees that in the event a police officer is charged with a crime as a result of an event or incident arising while he/she is in the performance of his/her

duties as a police officer, the police officer may select any attorney to defend themselves. In the event that the police officer is exculpated from the charge or charges so made (the term exculpate shall be understood to mean an acquittal or withdrawal of the charges), Borough Council agrees that it will pay the fair, reasonable and customary attorney's fees incurred in the defense of the criminal charge. If Borough Council fails to approve the amount that is billed by the attorney, it agrees to submit any questions as to whether or not the amount of attorney's fees is fair, reasonable and customary in the County of Delaware to the Delaware County Bar Association's Fee Dispute Committee, and to be bound by the determination that Committee makes with respect to a fair, reasonable and customary fee. (1975 Agreement)

If an officer is sued civilly or criminally as a result of his/her police work, said officer shall have the option to receive compensatory time off or overtime for all the time needed in preparation and in trial. (1981 Agreement)

# 27). MANDATORY TRAINING

All members of the Police Department shall take various mandatory training courses from time to time as scheduled by the Borough. Compensatory time off will be scheduled for all time spent in this training.

Mileage:

IRS rate per mile while traveling to

and from the Borough Hall to the training site.

Meals:

Meals will be reimbursed for any overnight travel.

Lodging:

Lodging will be reimbursed for any overnight travel.

(1988/90 Agreement)

# 28). TWO-OFFICER POLICE CAR

It is the intention of the Council of the Borough of Media to operate a Police Department wherein the police officers are not subject to undue dangers and risks in the performance of their duty. To the extent possible, therefore, two (2) officers shall be on patrol, each officer in a separate vehicle during the second and third shift. (1998/90 Agreement)

# 29). PARKING PERMITS

The Borough shall provide at no expense to the officers a parking permit for each officer.

(1981 Agreement)

### 30). UNENFORCEABLE BENEFITS

The Borough shall pay any out-of-pocket costs incurred or losses suffered if a non-economic benefit heretofore enjoyed by officers, and not terminated by this Agreement, becomes unenforceable. Said payment will not be added to the base wage, but will be in the form of a bonus payment. (1994 Agreement)

### 31). DURATION OF AGREEMENT

All benefits provided hereunder shall continue through the term of this Agreement, and thereafter unless modified or vacated.

#### 32). PAST PRACTICES

All existing benefits as specified in prior contracts or enjoyed in practice, and not modified by this Agreement shall remain "as is".

All other benefits previously enjoyed by part-time police officers employed by the

Borough, and not modified by this agreement shall remain "as is".

# 33). CONSOLIDATION

This consolidated agreement represents the best efforts of the parties to integrate provisions of past agreements and interest arbitration awards into a single document. Should a dispute arise regarding the content hereof, nothing herein shall prohibit a party from demonstrating that the original agreement or award should control the resolution of such dispute.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have hereunto set their hand and seals.

ATTEST:  Segregary: Date:	BOROUGH OF MEDIA ("Borough")  By President
pate.	
	FRATERNAL ORDER OF POLICE, DELAWARE COUNTY LODGE No. 27 ("Police")
	By President
ATTEST:	
Secretary:	

## **EXHIBIT A**

### BOROUGH OF MEDIA BOROUGH POLICE DEPARTMENT

### HEALTH BENEFITS OPT OUT

I am opting out of health care insurance benefits provided by the Borough of Media. I am requesting an effective opt out date of (date). I understand that the Borough will promptly forward the opt out request to the Borough's insurance broker so that coverage can be cancelled as soon as possible. The Borough will inform me in writing of the effective cancellation date of any and all opt out benefits. I am opting out of (declining) the following benefits:				
My health care insurance benefits:				
Medical/Prescription				
Dental				
Vision				
Spousal health care insurance benefits:				
Medical/Prescription				
Dental				
Vision				
Dependent health care insurance benefits:				
Medical/Prescription				
Dental				
Vision				
I acknowledge that in exchange for opting out of these benefits I will receive 25% of the overall cost for healthcare expenses (health care premium and the Borough's contribution to the Healthcare Savings Account) for the coverage that I/my spouse/my dependents would have been entitled to receive but instead declined during the period of my opt out. (Any year in which an officer opts out for less than the entire year shall be prorated.) I understand that when I opt out I shall not receive any contractual HSA contributions from the Borough and shall not be entitled to make any HSA contributions. I further understand that the Borough will consider me as continuing to opt out as indicated above until I provide the Borough with reasonable notice that I request to cancel or change my opt out and receive Borough provided health care insurance benefits as set out in the Police Department collective bargaining agreement.				
Date:				

## EXHIBIT B

#### ORDINANCE NO. 1106

#### AN ORDINANCE AMENDING THE PENSION PLAN FOR THE POLICE OFFICERS OF MEDIA BOROUGH

# PROVIDING FOR A DEFERRED RETIREMENT OPTION PLAN FOR POLICE OFFICERS OF THE MEDIA BOROUGH POLICE DEPARTMENT

WHEREAS, the Borough of Media, Delaware County ("Employer"), has previously established the Media Borough Police Pension Plan ("Plan"); and

WHEREAS, as the result of a collective bargaining agreement between the Borough and the Fraternal Order of Police, Delaware County Lodge #27 on behalf of the members of the Police force of the Borough of Media (the "FOP") effective as of January 1, 2013, the parties agreed to amend the Plan to establish as an integrated component of the Plan, a Deferred Retirement Option Plan (DROP) as of January 1, 2013; and

WHEREAS, the purpose and intent of this DROP is to enable the Media Borough Police Department to retain experienced police officers who will serve while participating in the DROP as described below and to enable the Borough to properly and efficiently plan for the recruitment and training of new police officers; and

WHEREAS, having obtained the agreement of the FOP, the Media Borough Council approves the amendment of the Plan and hereby adopts the following DROP provisions which are incorporated into and made a part of the Plan which will be effective as of January 1, 2013 as agreed upon by the parties and as required by the collective bargaining agreement.

#### DROP Provisions

#### 1. Definitions.

For the purposes of this DROP, the following words and phrases shall have the following meaning:

FOP - The Fraternal Order of Police, Delaware County Lodge #27, the duly recognized collective bargaining unit representing all eligible full-time police officers of the Media Borough Police Department.

\*BENEFICIARY OR BENEFICIARIES - The individual or individuals identified by a Drop Participant to receive the balance of such DROP Participant's DROP account in the event of the death of the DROP Participant during the DROP Participation Period.

DROP - Deferred Retirement Option Plan

DROP PARTICIPATION PERIOD – The period from the time of the commencement of the Officer's (i.e. Participant's) participation in the DROP as stated in the Officer's DROP Notice which has been approved by the Employer (i.e. the Commencement Date) until the Officer's separation from employment as a police officer of Employer (i.e. the Resignation Date), which in no event shall exceed 36 months.

DROP PERIOD - The period of time during which an Officer can participate in the DROP, which in no event shall exceed 36 months.

DROP PROGRAM - The program implemented by the Borough and the FOP pursuant to which members of the Borough's Police Department may establish DROP Accounts while continuing to provide police service for the Borough as described herein. The DROP Program is an integral component of the Plan.

DROP ACCOUNTS - The separate account created for the exclusive purpose of accepting monthly pension payments of a DROP Participant while he/she is participating in the DROP Program.

MEMBER or OFFICER - A duly sworn police officer employed by the Borough who was employed as a police officer for the Borough as of December 31, 2012.

DROP PARTICIPANT or PARTICIPANT - A Member or Officer who has properly submitted a DROP Notice to participate in the DROP, which has been approved by the Media Borough Council, and who has commenced his or her DROP Participation Period. The Borough shall approve the DROP Notice if the Member/Officer is eligible to participate and properly completes the Notice.

FORMER DROP PARTICIPANT - A former DROP Participant who is currently receiving his or her pension following his or her Resignation Date.

PLAN or PENSION PLAN - The Media Borough Police Pension Plan.

PLAN ADMINISTRATOR - The individual(s) charged with supervising the administration of the Plan.

DROP NOTICE - The form prescribed by the Borough and the FOP upon which a Member or Officer informs the Borough of his or her irrevocable intent to participate in the DROP Program pursuant to the terms of this Ordinance. Once submitted to the Borough and approved by the Borough, the DROP Notice is irrevocable, except as otherwise provided herein.

RESIGNATION DATE - The date specified in the Participant's irrevocable DROP Notice approved by the Borough on which the Member or Participant shall resign from employment with the Media Borough Police, which shall be no more than 36 months from the commencement of the Officer's DROP Participation Period.

BOROUGH - The Borough of Media, Delaware County, Commonwealth of Pennsylvania, including its elected and appointed officials. The Borough is also referred to as "Employer".

#### 2. Eligibility.

Any member who has reached 52 years of age with at least 25 years of service with the Media Borough Police Department may elect to become a DROP Participant on the first day of any month following the officer's 52<sup>nd</sup> birthday and attaining 25 years of service. Eligibility shall be for officers employed on December 31, 2012. Officers hired on or after January 1, 2013 shall not be eligible for participation in the DROP.

In addition, in order to elect to participate in the DROP, an Officer must:

- (a) complete and execute a DROP Notice. The Drop Notice must be signed by the Officer and notarized and submitted to the Borough at least 45 days prior to the date on which the Officer wishes his/her DROP Participation Period to commence (or a shorter period of time if approved by the Borough in its sole discretion) which shall be specified on the DROP Notice. The DROP Notice shall include a notice to the Borough by the Member that the Member shall resign from employment with the Media Borough Police Department effective on a specific date (the "Resignation Date") which shall be no more than 36 months from the commencement of the Officer's DROP Participation Period. Once approved by the Borough, an Officer's Resignation Date shall be irrevocable. An Officer shall cease to work as a police officer on the Officer's Resignation Date, unless the Borough terminates the Officer's employment for cause, due to disability, or for any other lawful reason, or the Officer resigns, prior to the Resignation Date.
- (b) file and present to the Borough all retirement documents required by the Plan Administrator for approval of retirement, participation in the DROP and payment of pension benefits. The Borough shall complete its review prior to the date specified as the start of the DROP Participation Period. The Borough shall approve the DROP Notice if the member is eligible and has submitted the necessary documents; i.e., approval is not discretionary. Once the Borough approves a DROP Notice, it is irrevocable.

#### 3. Pension Contributions

After an Officer's DROP Participation Period commences, the Officer shall not be required to make any contributions to the Plan during his/her DROP Participation Period.

#### 4. Other Benefits.

After an Officer elects to participate in the DROP Program, all other contractual benefits shall continue to accrue and be paid in accordance with the Collective Bargaining Agreement except for longevity benefits, college tuition reimbursement and annual education incentive pay. Longevity pay shall be paid but shall be frozen at the

percentage payable at the time the Officer entered into the DROP, and no college reimbursement or annual education incentive shall be paid to an Officer while in the DROP. Except as otherwise provided in this DROP Program, all DROP Participants shall be considered to be employees of the Borough and subject to the same terms and conditions of employment contained in all Borough policies, directives, and orders as well as in the collective bargaining agreement between the Borough and the Police, including but not limited to the obligation to make health care contributions if such are required by the CBA, just like all other police officers employed by the Media Borough Police Department who are not DROP Participants.

The DROP Participant's retirement benefits (other than pension benefits), if any, to which he or she is entitled during retirement (after his/her DROP Participation Period ends) shall be those in effect on the Resignation Date or, if earlier, the date the Officer actually separates from employment.

#### 5. Disability During DROP Period.

If an officer in the DROP is unable to return to full police duties for a period of ninety (90) days after a work-related or non-work-related disability, the employee shall be honorably discharged from service and receive a pension in the amount of the regular age and service retirement pension as calculated when the officer entered the DROP program. If the discharge is due to a work-related disability the pension shall be at the amount of the normal retirement pension calculated when the officer entered the DROP but the pension shall be classified as a disability pension payable at the normal retirement pension amount. Officers shall have the right to appeal any honorable discharge (based upon inability to return to work after ninety days) to Borough Council. Borough Council shall hold an appeal hearing within 30 days and issue a decision within 30 days of the appeal hearing.

#### 6. Death During DROP Period.

If a DROP Participant dies during the DROP Participation Period, the DROP Participant's DROP Notice shall be revoked, the designated Beneficiary shall be entitled to a lump-sum payment of the participant's DROP account balance, and the Participant's Survivor(s), as defined by the Plan, shall receive the applicable Survivor's benefit (as defined by the Plan and applicable law) as is payable upon the death of a retiree.

### 7. The Monthly Pension Benefit Calculation and Limitation on Pension Accrual.

After the Commencement Date of the DROP Participation Period, the Officer shall forego any additional benefit accrual for retirement purposes, including length-of-service increments. The average monthly compensation of the Participant for pension calculation purposes shall remain as it existed on the Commencement Date as stated in the DROP Notice. Earnings or increases in earnings thereafter shall not be recognized or used for the calculation or determination of any benefits payable by the Plan. The

pension benefit payable to the Member shall increase as a result of cost of living adjustments that may be applicable and in effect under the Plan on the Commencement Date of the member's participation in the DROP Program or by applicable cost of living adjustments specifically granted to DROP Participants or retirees thereafter, consistent with applicable law.

#### 8. Maximum Participation

The maximum period of participation in the DROP Program is thirty-six (36) months. On the Participant's Resignation Date, his or her employment with the Borough (and DROP Participation Period) shall terminate automatically.

#### 9. DROP Pension Payments.

Upon the Commencement Date of the Officer's or Member's entry into the DROP program, a DROP Participant's service and average monthly compensation (as each is defined under the Plan) will be determined and his or her pension payment will be calculated as if he or she retired and ceased employment with the Employer on the effective date of such Officer's DROP Participation Period as stated in the DROP Notice. The pension benefit payable to the member shall increase only as a result of any applicable cost of living adjustments in effect on the effective date of the Member's participation in the DROP or by applicable cost of living adjustments granted thereafter, in accordance with applicable law. The monthly pension payments that would have been made on and after the Commencement Date and prior to the DROP Participant's Resignation Date shall be credited to the Participant's DROP Account under the Pension Plan.

#### 10. Accumulation of the DROP Account.

The monthly retirement benefits that would have been payable had the Police Officer elected to cease employment and receive a normal retirement benefit shall, upon the Officer commencing participation in the DROP Program, remain in the Plan but shall accumulate to the sole benefit of that Officer until distribution to the Officer or the Beneficiary. A separate interest-bearing subsidiary DROP Account shall be established for each DROP Participant. While a retired member is employed as a DROP Participant, the member's monthly, normal retirement benefit and interest thereon shall be credited to the DROP Participant's subsidiary DROP Account. The interest shall be compounded and credited monthly at the actual rate earned by the DROP Account that shall, for the purposes of the DROP Account, be not be less than 0% nor more than 4 1/2 %.

#### 11. Distribution Options.

Commensurate with DROP Program participation, a Participant must make an election on forms designated by the Borough of the payout option(s) desired upon termination of the DROP Period. This election may be changed at any time before termination. The distribution options are as follows:

- 1. A lump sum cash distribution.
- 2. Rollover to another eligible retirement plan (as permitted by law) or to an IRA.

The Participant is solely responsible for obtaining any tax advice concerning this election.

#### 12. Beneficiary Designation.

Commensurate with DROP Program participation, a Member must make an election, on forms designated by the Borough, of the Beneficiary or Beneficiaries they intend to receive the balance of the Member's DROP Account in the event of the Member's death before such balance has been distributed.

#### 13. Amendment.

Any amendments to the DROP Program shall be consistent with the provisions covering the deferred retirement option plan set forth in any applicable collective bargaining agreement and shall be binding upon all future DROP Participants and upon all DROP participants who have balances in their DROP Accounts. The DROP Program may only be amended by a written instrument signed by an authorized representative of the Borough and the FOP, not by any oral agreement or past practice.

#### 14. Interpretation of Provisions.

This document shall be interpreted under the laws of the Commonwealth of Pennsylvania and applicable federal law. An Officer's election to participate in the DROP Program shall in no way be construed as a limitation on the Borough's right to suspend or terminate an Officer for just cause or to grant the Officer an honorable discharge based upon a physical or mental inability to perform his or her duties. Nothing provided hereunder shall be construed as a change to the parties' practice of calculating pensionable compensation, and except for the ability to establish a DROP Account and participate in the DROP Program, nothing herein is intended to create new pension benefits of any kind which did not exist as of January 1, 2013.

Nothing provided hereunder shall guarantee any Officer or Drop Participant a specific term of employment. All DROP Participants shall be subject to the same terms and conditions of employment (except those relating to benefits under the Plan and retiree benefits), rules and regulations and disciplinary procedures as other Officers and Members who are not DROP Participants.

#### 15. Costs of DROP.

The Plan will pay any costs of the Borough and the Plan as it relates to the administration of the DROP Program or DROP Accounts.

#### 16. Compliance with a Future Law.

The Borough and the FOP and all current and future DROP Participants (as a condition of participating in the DROP) recognize that the provisions of the DROP Program shall be severable and if any of its provisions shall be held to be unconstitutional or illegal the validity of any of the remaining provisions of the Ordinance shall not be affected thereby. It is expressly declared as the intent of the Borough that the DROP Program would have been adopted had such unconstitutional or illegal provision or provisions not been included herein. In the event that the DROP Program, or any part thereof, is declared invalid or illegal by a court of competent jurisdiction or through an administrative determination of the Office of the Auditor General, the police officers shall have the right to bargain in accordance with Act 111 over the impact of the change in this benefit.

NOW, THEREFORE, BE IT RESOLVED AND ADOPTED, this 20th day of 2013, that this ORDINANCE was enacted by the Media Borough Council.

BOROUGH OF MEDIA

Attest:

PRESIDENT OF COUNCIL

BRIAN C. HALL

JEFFREY A. SMITH

Approved this 20th day of June

, 2013.

MAYOR

ROBERT A. McMAHON

# EXHIBIT C

# WRITTEN ELECTION/NOTICE TO PARTICIPATE IN THE MEDIA BOROUGH DEFERRED RETIREMENT OPTION PLAN (DROP)

MINI	IN DOL			
I,	at is part	, hereby notify my employer, Media Borough ("Borough") of my articipate in the Media Borough Deferred Retirement Option Plan of the Media Borough Police Pension Plan (the "Plan"). In support of this following:		
Α.	<u>Ackno</u>	wledgments:		
	I hereby acknowledge the following:			
	1.	I have been provided with a copy of the DROP Agreement set out in the attached DROP Ordinance ("DROP") and that I have reviewed the provisions of the DROP and agree to comply with its terms.		
	2.	I have had an opportunity to review the DROP with personal advisors and that I understand the provisions of the DROP.		
	3.	I have attached to this notice a signed and dated copy of the DROP Ordinance that sets forth my rights as evidence that I fully understand my rights and obligations under the DROP.		
	4.	I agree to the terms of the DROP and I acknowledge and agree to forego benefits to which I may otherwise be entitled under the Plan as stated in this Notice and in the DROP Ordinance.		
В.	Retire	ment Date, DROP Participation Period and Resignation Date:		
	1.	I acknowledge that, subject to the review and approval of the Media Borough Council as to my eligibility, I intend to enter DROP on  I shall retire from the Media Borough Police  Department on or before		
	2.	I acknowledge that once my participation in the DROP is approved by the Borough, I shall participate in the DROP for a period of not more than 36 months and that by participating in the DROP I voluntarily shall permanently resign from employment when my DROP Participation Period ends on, if I have not otherwise resigned or been lawfully terminated before that date. My participation in the DROP shall be governed by the terms of the DROP Agreement and DROP Ordinance.		
	3.	I further acknowledge that my participation in the DROP between and shall constitute my DROP Participation Period.		

4. I understand that my Resignation Date of \_\_\_\_\_\_\_, as stated above, is and shall remain irrevocable, and it is on that date that I shall cease working as a police officer, unless I am terminated for cause or other lawful reason, or properly discharged due to disability, or choose to resign prior to that date.

#### C. Acknowledgement of Impact of DROP Participation:

- 1. As a further condition of my participation in the DROP, I agree acknowledge and agree to forego the following:
  - a. Active membership in the Media Borough Police Retirement Plan and system;
  - b. Any growth in the calculation of my salary basis (final average salary) used for calculating my regular monthly benefit;
  - c. Any additional growth in my monthly benefit based on my continued service with the Media Borough Police Department during my DROP Participation Period; however, my monthly benefit shall be subject to applicable cost-of-living adjustments as set forth in the CBA, the Plan or by law;
  - d. Any additional benefit accrual for retirement purposes, including but not limited to length of service increments;
  - e. Any other benefits under the Plan that are not available as a result of my participation in the DROP as specified in the DROP Agreement, including but not limited to a disability pension benefit except as stated in paragraph 5 of the DROP Agreement and part (f) below;
  - f. If I am unable to return to full police duties for a period of ninety (90) days after a work-related or non work-related disability, I shall be honorably discharged from service and receive a pension in the amount of the regular age and service retirement pension as calculated when I entered the DROP program. If my discharge is due to a work-related disability, the pension shall be at the amount of the normal retirement pension calculated when I entered the DROP but the pension shall be classified as a disability pension payable at the normal retirement pension amount. I shall have the right to appeal any honorable discharge (based upon inability to return to work after ninety days) to Borough Council. Borough Council shall hold an appeal hearing within 30 days and issue a decision within 30 days of the appeal hearing.

- g. Longevity pay shall be frozen at the percentage payable at the time I entered into the DROP.
- h. No college tuition reimbursement nor any annual educational incentive shall be paid while I am in the DROP.

#### C. Acknowledgement of Knowing and Voluntary Entry into the DROP.

I acknowledge that I have had the opportunity to review all relevant documents and to seek advice and counsel of an attorney and financial advisor before signing this Notice and the attached DROP Agreement and that I have read and fully understand the provisions of this Notice and the attached DROP Agreement.

I acknowledge that I shall bear the full responsibility for the tax consequences of all facets of my participation in the DROP Program, including the distribution of my DROP Account after the DROP Participation Period ends. As a condition of participation in the DROP Program, the DROP Participant acknowledges that neither the Employer, Media Borough, or the Delaware County FOP, Lodge No. 27, or any of the attorneys for such parties, shall have any responsibility for the financial impact and/or consequences of an Officer's participation in the DROP Program, including, but not limited to, any tax consequences flowing from participation in the DROP Program. The DROP Participant is solely responsible for obtaining financial and tax advice with respect to the DROP Program. The parties acknowledge that if the Internal Revenue Service or any other governmental agency, department or branch of the federal, state or local government determines that the DROP Accounts are not in accordance with applicable law, the DROP Participant shall be responsible for any tax consequences stemming from his or her DROP Account or the distribution of such DROP Account.

I also acknowledge that I am of sound mind and that I have the capacity and authority to sign this Notice and intend to be legally bound by its terms.

	Date:						
[Name of Retiring Officer/DROP Participar	nt]						
I, [Spouse] have read the conditions of the DROP Agreement and Ore	ne foregoing and agree to the terms and dinance and this Notice/Acknowledgement						
Form.	Date:						
[Name of Retiring Officer's Spouse]							
Sworn to and subscribed before me this	day of,						
Notary Public							

The following signature of the President of the Media Borough Council acknowledges receipt of this Notice and acceptance and approval of the above signed Officer's eligibility fo and entry into the DROP as stated herein.						
[Name of Officer]	Date:					
President, Media Borough Council	Date:					