RESOLUTION 2016-091        PASSED: AUGUST 8, 2016

APPROVING A SIDE LETTER AGREEMENT FOR MILITARY SERVICE PENSION CREDIT WITH THE DEKALB INTERNATIONAL ASSOCIATION OF FIREFIGHTERS LOCAL 1236 AFL-CIO.

WHEREAS, the City of DeKalb is a home-rule Illinois Municipal Corporation which operates a full-time staffed Fire Department; and

WHEREAS, the City of DeKalb has entered into a collective bargaining Agreement with the International Association of Firefighters Local 1236 AFL-CIO ("IAFF"), and hereby wishes to enter into a non-precedential side-letter agreement relating to terms of retirement for certain collective bargaining unit members ("Side Letter Agreement"); and

WHEREAS, the City Council has determined that such Side Letter Agreement is necessary and advantageous, and protects the public interest;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF DEKALB, ILLINOIS:

Section 1: The Mayor of the City of DeKalb is hereby authorized and directed to execute the Side Letter Agreement in the format attached hereto as Exhibit A, subject to such revisions as shall be acceptable to him with the recommendation of the City Manager and the agreement of the IAFF.

Section 2: That the City Clerk of the City of DeKalb, Illinois be authorized and directed to attest the Mayor’s Signature and shall be effective thereupon.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois at a regular meeting thereof held on the 8th day of August, 2016, and approved by me as Mayor on the same day. Passed by an Omnibus roll call vote of 7-0-1 under the Consent agenda. Aye: Jacobson, Finucane, Marquardt, Snow, Noreiko, Faivre, Rey. Nay: None. Absent: Baker.

ATTEST:

JENNIFER JEEP JOHNSON, City Clerk

JOHN A. REY, Mayor
CITY OF DEKALB AND INTERNATIONAL ASSOCIATION OF FIREFIGHTERS
MILITARY BUYOUT AGREEMENT

WHEREAS the International Association of Firefighters, Local 1236, AFL-CIO ("Union") is the certified bargaining representative for all active full-time employees of the City of DeKalb Fire Department who hold certificates of appointment by the Board of Fire and Police Commissioners, excluding the Fire Chief, Deputy Fire Chiefs, and the Assistant Fire Chiefs ("employees"); and

WHEREAS the Union has asked the City to provide a funding mechanism for a one-time, lump-sum buyout of sick leave, compensatory time, and/or vacation leave ("Military Buyout") for its employees who desire to make contributions to their pension fund based on creditable service for service in the military, naval, or air forces of the United States as permitted and subject to the service maximums and eligibility requirements of Article 4 of the Illinois Pension Code, 40 ILCS 5/4-108 ("Military Service Credit"); and

WHEREAS, the City of DeKalb ("City") is willing to provide this Military Buyout benefit on a non-precedential basis, so long as the State of Illinois does not deplete the City's revenue resources; and

WHEREAS the City and the Union are entering into this Military Buyout Agreement to permit employees to use a one-time lump-sum Military Buyout payment to purchase Military Service Credit prior to the date of their retirement.

NOW, THEREFORE, the City and the Union agree as follows:

1. To be eligible for the Military Buyout, an employee must:
   a. give the City irrevocable notice of their retirement on or before September 1, 2016; if and only if the City chooses to revoke the Military Buyout Agreement under paragraph 4 below, the member's notice of retirement shall be revocable;
   b. retire between January 15, 2017 and December 31, 2017; AND
   c. have service in the military, naval, or air forces of the United States that is eligible for service credit subject to the service maximums and eligibility requirements contained in the Illinois Pension Code, 40 ILCS 5/4-108.

2. Accrued sick leave, compensatory time, and/or vacation leave are each eligible for Military Buyout subject to the following:
   a. The maximum payout that is eligible for Military Buyout is either:
i. the amount of sick leave, compensatory time, and/or vacation leave necessary for an employee to purchase the maximum amount of Military Service Credit available to him, OR

ii. the amount of sick leave, compensatory time, and/or vacation leave that the employee has available on January 1, 2017,

whichever is less. In no event will an employee be allowed to receive an “advance” for sick leave, compensatory time, and/or vacation leave that the employee has not yet accrued as of January 1, 2017.

b. Accrued leave/time must be taken in the following order:

   i. (first) sick leave;

   ii. (second) compensatory time; and

   iii. (third) vacation leave.

c. The amount of accrued sick leave which the employee buys out pursuant to this Military Buyout policy will be credited towards the maximum amount of pay for accumulated sick leave in Section 2.5, Sick Leave, subsection C., Pay for Accumulated Sick Leave of the Parties' collective bargaining agreement (“CBA”). The employee shall not under any circumstances receive a double-buyout or a buyout for more sick leave time than would otherwise be permitted under Section 2.5(C); and

d. Only already earned vacation time is eligible for the Military Buyout; unearned future vacation time may not be advanced to an employee.

3. The City agrees to tender a check pursuant to the Military Buyout Agreement to an eligible employee less all standard deductions and withholdings. The check will be issued on the first payroll check in the month of January, 2017. At the employee's option, and subject to any internal Revenue Service (“IRS”) caps and limitations, the check may be put into the employee's 457 plan instead of a cash distribution.

The Union and any employee electing to receive a Military Buyout payment pursuant to this Military Buyout Agreement acknowledge that they have not relied on any statements or representations by the City with respect to the tax treatments of payments described in this paragraph, and that they are solely responsible for all tax payments required under the law.

4. The City retains the right to revoke the Military Buyout Agreement if the State of Illinois alters the Local Government Distributive Fund (“LGDF”) funding allocations.
5. This Military Buyout Agreement shall be considered non-precedential and shall only apply to those employees who meet the qualifications requirements of paragraph 1. It shall not be offered, cited, or relied upon by the Union in any future proceeding involving any other employee, now or in the future or in any interest or grievance arbitration proceeding.

AGREED this 11th day of August, 2016:

CITY OF DEKALB

[Signature]
Mayor John A. Rey, City of DeKalb

[Signature]
City Clerk Jennifer Jeep Johnson
City of DeKalb

INTERNATIONAL ASSOCIATION OF FIREFIGHTERS LOCAL 1236, AFL-CIO

[Signature]
T. Luke Howieson, IAFF Local 1236

[Signature]
Noah Millard, IAFF Local 1236

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