

MEMORANDUM OF UNDERSTANDING

This memorandum of understanding (MOU) is executed by and among the undersigned certified collective bargaining agents, Milwaukee Police Association, Milwaukee Police Supervisors' Organization, Association of Retired Employees of the City of Milwaukee, Milwaukee Professional Fire Fighters Association, Local 215. IAFF, and City of Milwaukee,

I. RECITALS

A. The undersigned are parties to a memorandum of understanding effective January 1, 2000 relating to a global pension settlement.

B. The global pension settlement is embodied in Common Council Charter Ordinance File No. 991585, as amended. The global pension settlement contemplates dissolution of the Firemen and Policemen's Survivorship Fund (Fund) based on approval of 100% of the members and beneficiaries of the Fund. It appears that 100% of the members and beneficiaries participating in the Fund as of January 1, 2000 have not consented to participation in the combined fund.

C. On October 18, 2000, the aforementioned parties entered into a MOU whereby they declared it is contemplated that the survivorship benefits for the non-consenting members of the Fund, including objectors, will be paid and financed with a single premium life insurance policy with the premium paid from the Fund.

D. The MOU contained the following agreement of the parties:

"In consideration of the City of Milwaukee's waiver of the 100% participation requirement found in Part 47, sub 5, of Common Council Charter Ordinance File No. 991585, the parties agree to use all their best efforts to obtain court approval for the dissolution of the Fund notwithstanding that there are members and beneficiaries of such Fund who have not executed consent forms to become members of the combined fund. The parties hereto, hereby agree to investigate a means whereby such non-consenting members of the Fund can be provided with survivorship benefits and the Fund can be dissolved. The undersigned agree to investigate a method of providing such benefits that will not result in an impairment or diminution of the non-consenting members' right to such benefits. The undersigned hereby agree to jointly petition a court of competent jurisdiction for approval of a plan to provide survivorship benefits for non-consenters, so as to permit the dissolution of the Fund and the transfer of the assets that are not necessary to provide such benefits to the combined fund."

E. The parties hereto remain committed to the dissolution of the Fund.

As a result of their subsequent investigation, the parties have determined based on s. 36-05-8-c. The City can fulfil the intention of the MOU without the need for court approval. Insofar as pertinent, s. 36-05-8-c provides as follows:

The payments of all benefits to any members or their beneficiaries entitled to such payments under this subsection and the maintenance of the reserves required therefore are specifically exempt from the provisions of s. 36-13-4 and the benefit contract contained in s. 36-13-2, and the conditions applicable to such survivorship benefits may be modified.

II. AGREEMENT

The parties hereto agree to the City's adoption of the charter ordinance annexed hereto as a means of providing benefits to non-consenters that will not result in an impairment or diminution of non-consenting members' rights. In the event of a court challenge to such charter ordinance, the undersigned hereby agree to support the validity and enforceability of such charter ordinance.

CITY OF MILWAUKEE

ASSOCIATION OF RETIRED EMPLOYEES
OF THE CITY OF MILWAUKEE

Date

Marvin E. Steffen 3-28-01
Date

MILWAUKEE POLICE ASSOCIATION

MILWAUKEE POLICE SUPERVISOR'S
ORGANIZATION

Bradley D. Brando 4-12-01
Date

Kenneth H. Ellenberg 03-12-01
Date

MILWAUKEE PROFESSIONAL FIRE FIGHTERS
ASSOCIATION, LOCAL 213, IAFF, AFL-CIO

[Signature] 3-28-01
Date