STATE OF MICHIGAN MICHIGAN EMPLOYMENT RELATIONS COMMISSION ACT 312 ARBITRATION PROCEEDINGS

IN THE MATTER OF THE INTEREST ARBITRATION BETWEEN:

City of Dearborn, Michigan

and

MERC Case No. D88 E-1451 Police Non-Supervisory Unit

Police Officers Association of Michigan

Before: Jerome H. Brooks, Impartial Arbitrator and

Arbitration Panel Chairperson

Richard F. Cox, Arbitration Panel Delegate

(City)

Gary L. Pushee, Arbitration Panel Delegate

LABOR AND INDUSTRIAL (Union)

RELATIONS COLLECTION

Michigan State University FINDINGS, CONCLUSIONS AND ORDER

APPEARANCES:

John A. Entenman, Esq., of the law firm of Dykema Gossett presented the matter on behalf of the City and Mr. William Birdseye, Business Agent, and Ms. Anne Maurer, Labor Economist, of the POAM appeared on its behalf.

BACKGROUND:

The parties' most recent collective bargaining agreement covered the period of July 1, 1986 through June 30, 1988. The recognition clause, Article I, defines the bargaining unit as "Police Officers, Corporals and Detective Sergeants (excluding uniform Sergeants and all higher ranks), full-time Police Cadets and full-time Police Dispatchers and Radio Operators." The agreement is divided into two separate documents, designated Part I and Part II. Part I applies to all of the job classifications listed above, except full time police dispatchers and radio operators.

Dearborn, Cityof

(Certain articles of Part I state that they also apply to the latter two classifications.) Part II applies only to the full time police dispatchers and radio operators.

Except for six remaining issues, the parties have reached agreement on the terms of a new labor contract, to cover a two year period commencing July 1, 1988 and ending June 30, 1990. The six issues which remain in dispute are:

- Wages
- Longevity Pay
- 3. Retiree Health Care Benefits
- 4. Pension (Employee Contribution)
- Pension (Ten Year Escalator)
- 6. Pension (Bargaining Waiver)

The parties stipulated that all six issues are economic, and are properly before this Panel for resolution. Because they are economic, MCL 423.238 specifies that each issue is to be resolved by the Panel's adoption of the last best offer of settlement presented to it as to that issue which, in its opinion, "more nearly complies with the applicable factors prescribed in Section 9 [MCL 423.239]."

On March 29, 1989, at the Dearborn City Hall, the Panel conducted a lengthy and detailed pre-hearing conference with the parties. On that occasion, each of the six issues was carefully considered and the Panel granted the parties' request that the formal evidentiary hearing provided by MCL 423.236 be waived, and that the matter be determined on the basis of a record consisting of the considerable number of exhibits the panel has accepted from the parties. The parties have also submitted briefs defending their respective positions on each issue.

The documents which constitute the record in this case and upon which the Panel is basing its decision are as follows:

- Panel Exhibit 1 Petition for Act 312 Arbitration
- Panel Exhibit 2 1/8/89 letter appointing Jerome H.

 Brooks the Chairperson of the Arbitration Panel
- Panel Exhibit 3 The Union's last best offer on each of the six remaining issues
- Panel Exhibit 4 The Union's brief in support of its LBOs
- Panel Exhibit 5 The City's LBO on each of the six remaining issues
- Panel Exhibit 6 The City's brief in support of its LBOs Panel Exhibit 7 - The City's tentative settlement offer
- Union Exhibit 1 Police unit wage rates for 7/1/86 2/28/87
- Union Exhibit 2 Dispatchers and radio operators unit wage rates for 7/1/86 6/30/87
- Union Exhibit 3 Pension (employee contribution proposal)
- Union Exhibit 4 Longevity proposal Union Exhibit 5 Comparable cities
- Union Exhibit 6 Patrol officers at top step
- Union Exhibit 7 Comparison of police pension plans
- Union Exhibit 8 Longevity comparables
- Union Exhibit 9 Average & total longevity for Union comparables on 1/1/88
- City Exhibit 1 Dearborn City Charter
- City Exhibit 2 City's annual financial report for year ending 6/30/88
- City Exhibit 3 City's adopted budget for year ending 6/30/89
- City Exhibit 4 Agreement between City and Dearborn Police Supervisors Association for 7/1/84 6/30/88
- City Exhibit 5 Agreement between City and IAFF, Local 412 for 7/1/87 - 6/30/90
- City Exhibit 6 Agreement between City and Teamsters
 Local 214 for 7/1/88 6/30/90
- City Exhibit 7 Agreement between City and Supervisory,
 Technical and Professional Employees
 Union of the City of Dearborn for
 7/1/88 6/30/90
- City Exhibit 8 Agreement between City and clerical employees represented by the Municipal Workers of Dearborn for 7/1/88 6/30/90
- City Exhibit 9 Executive and administrative unit salary plan effective 7/1/88
- City Exhibit 10 Policemen's and Firemen's Retirement
 System Chapter 21

City Exhibit 11 - City of Dearborn Employees Retirement System - Chapter 22 City Exhibit 12 - Police and Fire Revised Retirement System - Section 231.01 et. seq. City Exhibit 13 - 6/30/88 22nd Annual Actuarial Valuation of Chapter 23 Retirement System City Exhibit 14 - Police Department seniority list City Exhibit 15 - Number of employees reported by bargaining unit City Exhibit 16 - Population statistics for the City City Exhibit 17 - Wayne, Oakland, Macomb and Washtenaw Counties' cities with 1986 populations of 25,000 and over City Exhibit 18 - Police Department manpower survey City Exhibit 19 - 7-2 7-5 work schedule City Exhibit 20 - Police officer maximum salary - area communities City Exhibit 21 - 1986-89 percentage increase by employee groups of City employees City Exhibit 22 - Longevity pay - City bargaining units City Exhibit 23 - Police officer longevity pay - area communities - 7/1/88 - 6/30/89City Exhibit 24 - Current contributions by City employees toward retirement City Exhibit 25 - Firefighter contract - Article XL (pension/retirement) City Exhibit 26 - Agreement between the City and clerical employees represented by the Municipal Workers of Dearborn - 7/1/88 - 6/30/90City Exhibit 27 - Agreement between the City and POAM (Part I) - 7/1/86 - 6/30/88 City Exhibit 28 - Agreement between the City and POAM (Part II) - effective through 6/30/88

The parties further stipulated at the pre-hearing conference that the Panel's decision need not reflect its analysis of the evidence before it; rather, the Panel should consider itself free directly to state its determination in respect to each of the six outstanding issues. Accordingly, on the basis of the factors set out in MCL 423.239, the Panel reaches the conclusions, and issues the "Order," set out below.

1. WAGES

The Union's LBO in respect to wages is set out on pages 2 - 5 of Attachment 1 to this Decision. The City's LBO on the same subject matter is contained in Attachment 2 to this Decision.

The Union's LBO on wages for the employees covered by both

Part I and Part II of the collective bargaining agreement is

adopted.

2. LONGEVITY PAY

The Union's LBO in respect to this subject matter is contained on page 6 of Attachment 1 to this Decision. The City's LBO on the same subject matter is contained in Attachment 2 to this Decision.

The City's LBO on longevity pay is adopted. It applies to employees covered by Part I of the agreement.

3. RETIREE HEALTH CARE BENEFITS

The Union's LBO in respect to this subject matter is contained on page 7 of Attachment 1 to this Decision. The City's LBO on the same subject matter is contained in Attachment 2 to this Decision.

The Union's LBO on retirement health care benefits for employees covered by Part I of the collective bargaining agreement is adopted. Part I of the new collective bargaining will continue the identical language which appears in Article XL of Part I of the 7/1/86 - 6/30/88 collective bargaining agreement between the parties.

4. PENSION

The parties have agreed to a modification of the formula for determining pension benefits for employees covered by Part I of the agreement, which they have indicated is similar to the modification adopted in respect to the Firefighters bargaining unit.

There are, however, three issues relating to the formula change for employees covered by Part I of the POAM agreement which have been presented to the Panel for determination. They are as follows.

A. EMPLOYEE CONTRIBUTION

The Union's LBO on this subject matter is set out on page 8 of Attachment 1 to this Decision. The City's LBO on the same subject matter is set out in Attachment 2 to this Decision.

The Union's LBO of no change in the employee contribution is adopted.

B. TEN YEAR ESCALATOR

The Union's LBO on this subject matter is set out on page 9(a) of Attachment 1 of this Decision. The City's LBO on the same subject matter is set out in Attachment 2 to this Decision.

The City's LBO in respect to eligibility for the escalator is adopted.

C. BARGAINING WAIVER

The Union's LBO on this subject matter is set out on page 9 of Attachment 1 to this Decision. The City's LBO on the same subject matter is set out in Attachment 2 to this Decision.

The City's LBO on this subject matter is adopted.

ORDER

The July 1, 1986 - June 30, 1988 collective bargaining agreement between the City of Dearborn and Police Officers
Association of Michigan (Police Non-Supervisory Unit) is extended, with the following changes:

1. All tentative agreements which the parties have reached to date to amend their July 1, 1986 - June 30, 1988 agreement are to be incorporated into and become part of the agreement.

- 2. The duration of the extended (new) agreement shall be July 1, 1988 - June 30, 1990, as agreed by the parties.
- 3. In respect to Issue 1. <u>Wages</u>, the Union's last best offer (LBO), referred to above, is adopted and shall be incorporated into and shall become a part of the new agreement.
- 4. In respect to Issue 2. Longevity Pay, the City's LBO, referred to above, is adopted and shall be incorporated into and shall become a part of the new agreement for all employees in the bargaining except full time police dispatchers and radio operators. The latter are covered by the terms of Part II of the agreement in respect to Longevity Pay.
- 5. In respect to Issue 3. Retiree Health Care Benefits, the Union's LBO, referred to above, is adopted. Part I of the new agreement will continue the identical language which appears in Article XL of Part I of the July 1, 1986 June 30, 1988 agreement between the parties.
- 6. In respect to Issue 4(a). <u>Pension Employee Contribution</u> (employees covered by Part I of the agreement), the Union's proposal to maintain the status quo, which is set out verbatim in its LBO, referred to above, is adopted and shall be incorporated into and become a part of the new agreement.
- 7. In respect to Issue 4(b). <u>Ten Year Escalator</u> (employees covered by Part I of the agreement), the City's LBO, referred to above, in respect to eligibility for

the escalator is adopted and shall be incorporated into and become a part of the new agreement.

8. In respect to Issue 4(c). <u>Bargaining Waiver</u> (employees covered by Part I of the agreement), the City's LBO, referred to above, is adopted and shall be incorporated into and become a part of the new agreement.

Jerome H. Brooks

Impartial Arbitrator and Chairperson, Arbitration Panel
June 2/, 1989

POAM Delegate Gary L. Pushee dissents with respect to Paragraph 4 (Longevity Pay), Paragraph 7 (Pension - Ten Year Escalator) and Paragraph 8 (Pension - Bargaining Waiver), but otherwise joins in the Order, above.

Gary L. Pushee Union Delegate June 2(, 1989

City of Dearborn Delegate Richard F. Cox dissents with respect to Paragraph 3 (Wages), Paragraph 5 (Retiree Health Care Benefits) and Paragraph 6 (Pension - Employee Contribution), but otherwise joins in the Order, above.

Richard F. Cox

City of Dearborn Delegate
June 21, 1989

IN THE MATTER OF ARBITRATION UNDER ACT 312 PUBLIC ACTS OF 1969 AS AMENDED

BEFORE: JEROME BROOKS, ESQ., IMPARTIAL CHAIRMAN

CITY OF DEARBORN

- and -

MERC Case No. D88 E-1451

POLICE OFFICERS ASSOCIATION OF MICHIGAN (Police Nonsupervisory Unit)

UNION'S FINAL OFFER

OF SETTLEMENT

POLICE OFFICERS ASSOCIATION OF MICHIGAN 28815 West Eight Mile Road Suite 103 Livonia, Michigan 48152 (313) 476-3355

ARBITRATION ISSUES

Economic Issues

- 1. Wages
- 2. Longevity
- 3. Retiree Health Care Benefits
- 4. Pension Employee Contribution
- 5. Pension Escalator
- 6. Pension Bargaining Waiver

WAGES

UNION'S FINAL OFFER OF SETTLEMENT:

ARTICLE XXVII CLASSIFICATIONS AND RATES OF COMPENSATION

POLICE NON-SUPERVISORY UNIT
Represented by Police Officers Association of Michigan

RATES OF COMPENSATION EFFECTIVE JULY 1, 1988

[Represents 4% across-the-board]

<u>No.</u>	Classification	Service Increment <u>Interval</u>	Rates of Compensation with Service Increment Added
01101 01102 01203 01204	Police Officer Police Corporal Detective Sergeant Detective Sergeant R.I.B.	(a) * Annually Annually	23568 25537 27507 29477 31449 33309 **See Note Below **See Note Below
(a)	First 12 months After 12 mos. and for After 24 mos. and for After 30 mos. and for After 36 mos. and for After 48 months	6 mos. 6 mos.	- Minimum rate - Second step in the range - Third step in the range - Fourth step in the range - Fifth step in the range * Police Corporal rank provided the employee has passed a qualifying examination.

(b) Additional compensation for Evidence Technician duties. There shall be a function known as Evidence Technician. Those officers performing such function shall be trained and assigned as set forth in the agreement with the Police Officers Association, and such officers shall receive an additional \$3.50 per day as compensation for performing such duties.

**Rates for Detective Sergeant and Detective Sergeant R.I.B. to be adjusted at conclusion of negotiations with Police Lieutenants and Police Sergeants.

RATES OF COMPENSATION EFFECTIVE JULY 1, 1989

[Represents 4% across-the-board]

No.	Classification	Rates of Compensation with Service Increment Added		
01101 01102	Police Officer Police Corporal	(a) *	24511 26559 28607 30656 32706 34641	
01203 01204	Detective Sergeant Detective Sergeant	Annually	**See Note Below	
	R.I.B.	Annually	**See Note Below	

- (a) First 12 months
 After 12 mos. and for 12 mos.
 After 24 mos. and for 6 mos.
 After 30 mos. and for 6 mos.
 After 36 mos. and for 12 mos.
 After 48 months
- Minimum rateSecond step in the range
- Third step in the range
- Fourth step in the range Fifth step in the range
- * Police Corporal rank provided the employee has passed a qualifying examination.
- (b) Additional compensation for Evidence Technician duties. There shall be a function known as Evidence Technician. Those officers performing such function shall be trained and assigned as set forth in the agreement with the Police Officers Association, and such officers shall receive an additional \$3.50 per day as compensation for performing such duties.

**Rates for Detective Sergeant and Detective Sergeant R.I.B. to be adjusted at conclusion of negotiations with Police Lieutenants and Police Sergeants.

Wages to be retroactive to July 1, 1988.

WAGES - DISPATCHERS

UNION'S FINAL OFFER OF SETTLEMENT:

ARTICLE XXII CLASSIFICATIONS AND RATES OF COMPENSATION

22.1: <u>Effective 7-1-88</u>

[Represents 4% across-the-board]

Rate <u>Code</u>	Classification <u>Title</u>		Rates of Compensation with Service Increment Added
	Radio Operator Police Dispatcher	584 584	20942 21580 22217 22855 23493 22682 23319 23957 24595 25232

Effective 7-1-89

[Represents 4% across-the-board]

12001	Radio Operator	613	Annually	21780 22443	23106 23769 24432
12002	Police Dispatcher	613	Annually	23590 24253	24916 25579 26242

- 22.2: Each employee shall be paid at the rate that is represented by the same number of steps above minimum that he/she was receiving prior to the effective date of this agreement, unless otherwise negotiated.
- 22.3: Service increments for employees in classifications set forth in this article shall be effective the first day of the first pay period following the completion of the required period of service.
- 22.4: When an employee leaves the classified service of the City for reasons other than retirement, he/she shall be entitled to payment for any overtime or vacation accumulation that he/she has at the date of separation.
- 22.5: When an employee retires he/she may elect one of the following options: (1) to remain on the rolls and run out accumulated vacation until effective date of retirement, or (2) receive cash payment for vacation not to exceed maximum allowable accumulation on the previous November first.
- 22.6: New employees shall be paid at the minimum rate unless the Civil Service Commission determines that a higher step in the range is necessary to recruit qualified personnel.
- 22.7: The Civil Service Commission may grant two (2) additional increments during a twelve (12) month period for reasons that would justify such increase.
- 22.8: When an employee is promoted or his/her rate of compensation is placed in a higher salary range, he/she shall receive the next higher step in the range above his current salary. However, if the next step is less than one full increment, then the Civil Service Commission may shorten the service period required for the next increment.
- 22.9: In addition to the total compensation as set forth in Section 22.1 and if sufficient funds are in a salary appropriation, an appointing authority may request the Civil Service Commission to increase the compensation of an employee who is at the maximum rate, by an amount up to ten percent (10%) of such maximum rate. The Civil Service Commission shall take into consideration individual competence, and/or circumstances that

would make it undesirable to incorporate such increased salary into a permanent rate structure. Provided further, that the Civil Service Commission may modify or eliminate such increase whenever conditions or circumstances would warrant such action.

Wages to be retroactive to July 1, 1988.

LONGEVITY

UNION'S FINAL OFFER OF SETTLEMENT:

ARTICLE XXXVIII LONGEVITY PAY

38.1: The longevity pay schedule for Police employees in this unit shall be as follows:

Years of Service Completed	Amount of Longevity Pay
5 through 9 years	\$ 750.00
10 through 14 years	850.00
15 through 19 years	950.00
20 through 24 years	1,050.00
25 years and over	1,150.00

Longevity to be retroactive to December 1, 1988.

RETIREE HEALTH CARE BENEFITS

UNION'S FINAL OFFER OF SETTLEMENT IN RESPONSE TO EMPLOYER PROPOSAL:

The Union rejects any changes, additions or deletions to the present contract and practice regarding this issue, thereby maintaining the status quo.

PENSION - EMPLOYEE CONTRIBUTION

Chapter 23 of the Charter of the City of Dearborn, Police and Fire Revised Retirement System:

Members Deposit Fund - Member Contribution Rate, Section 236.02(1). The members deposit fund is hereby created. It shall be the fund in which shall be accumulated the contribution made by members to the system for annuities, and from which shall be made transfers and refunds of members' contributions as provided in this chapter.

(a) Effective January 20, 1987, the contributions of a nonsupervisory policeman member represented by the Police Officers Association of Michigan shall be 5% of his compensation.

UNION'S FINAL OFFER OF SETTLEMENT:

No change from above.

PENSION - BARGAINING WAIVER

UNION'S FINAL OFFER OF SETTLEMENT IN RESPONSE TO EMPLOYER PROPOSAL:

The Union rejects any changes, additions or deletions to the present contract and practice regarding this issue, thereby maintaining the status quo.

PENSION - ESCALATOR

UNION'S FINAL OFFER OF SETTLEMENT IN RESPONSE TO EMPLOYER PROPOSAL:

The Union rejects any changes, additions or deletions to the present contract and practice regarding this issue, thereby maintaining the status quo.

Wherefore, the Final Offer of Settlement of the Union is tendered in good faith and upon careful consideration.

DATED: May 12, 1989

Respectfully submitted,

POLICE OFFICERS ASSOCIATION OF MICHIGAN

William Birdseye Business Agent

Ann Maurer

Labor Economist

Attach ment # 1 (Pavel Exhibit#5)

STATE OF MICHIGAN EMPLOYMENT RELATIONS COMMISSION ACT 312 ARBITRATION PROCEEDINGS BEFORE JEROME H. BROOKS, CHAIRPERSON

In the Matter of: CITY OF DEARBORN

Act No. 312

Vs.

POLICE OFFICERS ASSN. OF MICHIGAN

MERC No. D88 E-1451

LAST BEST OFFER OF CITY OF DEARBORN

The City of Dearborn does hereby submit its last best offers on the following issues:

ISSUE

LAST BEST OFFER

1. Wages - effective July 1, 1988 through June 30, 1989

Three (3.0%) percent increase for current employees as of date of award. See Attachment A.

Wages - effective July 1, 1989

Three (3.0%) percent increase. See Attachment B.

2. Longevity Pay

Effective December 1, 1987 \$150.00 added to each step; effective for employees on payroll as of date of award. See Attachment C.

3. Retiree Health Care Benefits

The City offers the addition of a second step (or suffix) relating to its Blue Cross/Blue Shield Comprehensive Major Medical program for retirees effective July 3, 1989, or date of award if later. See Attachment D.

 Pension - Level of Employee Contribution Chapter 21 - No change in employee contributions.

Chapter 23 - City offers an increase in the employee contribution as follows:

Effective 7-1-88 - Seven (7.0%) percent.

Effective 7-1-89 - Six (6.0%) percent.

5. Pension - "Freezing" of escalator clause.

- Chapter 23 Any employee retiring on or after July 1, 1988, shall not be eligible for the escalator until a minimum of ten (10) years after retirement in accordance with other provisions of the pension plan.
- 6. Pension Bargaining waiver escalator "freeze".
- Chapter 23 The City's position is that there shall be a "freeze" or waiver of the Union's right to bargain over the escalator "freeze", and that the Union shall be prohibited from bargaining over this issue until the contract term beginning July 1, 1998.
- 7. Wages Radio Operator and Police Dispatcher effective July 1, 1988 through June 30, 1989.

The City offers a three (3.0%) percent increase for current employees as of date of award.

Wages - effective July 1, 1989

Three (3%) percent increase.

Richard F. Cox, Personnel Director

CITY LAST BEST OFFER ATTACHMENT A

*Police Corporal rank provided the employee has passed a qualifying examination.

ARTICLE XXVII CLASSIFICATIONS AND RATES OF COMPENSATION

EFFECTIVE JULY 1, 1988 THROUGH JUNE 30, 1989 ***

Service

No.	Classification	Increment Interval	Rates of Compensation with Service Increment Added
01101	Police Officer	(a)	23342 25292 27242 29193 31146
01102	Police Corporal	*	32989
01203	Detective Sergeant	annually	**See note below
01204	Detective Sergeant R.I.B.	annually	**See note below
Ai Ai Ai	Erst 12 months Eter 12 mos. and for Eter 24 mos. and for Eter 30 mos. and for Eter 36 mos. and for	6 mos. 6 mos.	- Minimum rate - Second step in the range - Third step in the range - Fourth step in the range - Fifth step in the range

- (b) Additional compensation for Evidence Technician duties. There shall be a function known as Evidence Technician. Those officers performing such function shall be trained and assigned as set forth in the agreement with the Police Officers Association, and such officers shall receive an additional \$3.50 per day as compensation for performing such duties.
- **Rates for Detective Sergeant and Detective Sergeant R.I.B. to be adjusted at conclusion of negotiations with Police Lieutenants and Police Sergeants.
- *** NOTE: Retroactive payment shall apply only to active employees on payroll as of date of award.

After 48 months

CITY LAST BEST OFFER ATTACHMENT B

ARTICLE XXVII CLASSIFICATIONS AND RATES OF COMPENSATION

EFFECTIVE JULY 1, 1989

No.	Classification	Service Increment Interval	Rates of Compensation with Service Increment Added
01101	Police Officer	(a)	24042 26051 28059 30069 32080
01102	Police Corporal	*	33979
01203	Detective Sergeant	annually	**See note below
01204	Detective Sergeant R.I.B.	annually	**See note below
Af Af Af Af	rst 12 months ter 12 mos. and for ter 24 mos. and for ter 30 mos. and for ter 36 mos. and for ter 48 months	6 mos. 6 mos.	 Minimum rate Second step in the range Third step in the range Fourth step in the range Fifth step in the range *Police Corporal rank provided the employee has passed a qualifying examination.

(b) Additional compensation for Evidence Technician duties. There shall be a function known as Evidence Technician. Those officers performing such function shall be trained and assigned as set forth in the agreement with the Police Officers Association, and such officers shall receive an additional \$3.50 per day as compensation for performing such duties.

**Rates for Detective Sergeant and Detective Sergeant R.I.B. to be adjusted at conclusion of negotiations with Police Lieutenants and Police Sergeants.

ARTICLE XXXVIII LONGEVITY PAY

The Longevity Pay Schedule for Police employees in this unit shall be as follows through November 30, 1987 for payment in December, 1987:

Years of Service	Amount of
Completed	Longevity Pay
5 through 9 years	\$250.00
10 through 14 years	350.00
15 through 19 years	450.00
20 through 24 years	550.00
25 years and over	650.00

Effective December 1, 1987, for payment in December, 1988, and annually thereafter, the longevity pay schedule shall be as follows: (This schedule applicable to active employees on the payroll as of the date of the Act 312 Arbitration Award)

Years of Service	Amount of
Completed	Longevity Pav
5 through 9 years	\$400.00
10 through 14 years	500.00
15 through 19 years	600.00
20 through 24 years	700.00
25 years and over	800.00

38.2: Administrative Regulations

- To qualify for the annual longevity payment as set forth in Section 38.1, the employee must be working in a full-time permanent position and must have earned his/her service credit on or before December first of each year.
- B. The term "service" for the purpose of determining eligibility for longevity pay shall be those years of service that have been credited to the employee's seniority in accordance with the definition of "Employer Seniority" as set forth in Article IX of this Agreement.
- To be eligible for longevity pay under Section 38.1, employees must have a satisfactory working record for the twelve (12) months previous to December first of each year; and such satisfac-tory work record shall be determined by the Civil Service Commission from the information that may be contained in the employee's personnel file.

ISSUE: LONGEVITY PAY (Continued)

D. Employees retiring during the year shall receive at the time of retirement a prorated portion of the annual longevity payment based upon the number of months on the payroll from December first to the date of retirement, providing retirement is under one of the following conditions: (1) a service retirement after twenty-five (25) years of service, (2) a service retirement after age 60, (3) a duty or non-duty disability retirement.

If an employee dies during the year, then his beneficiary shall receive a prorated portion of the annual longevity payment based upon the number of months on the payroll from December first to the date of death.

ARTICLE XL RETIREE HEALTH CARE BENEFITS

- 40.1: Current retirees in this unit shall be entitled to retirement health benefits as follows: The City shall pay One Hundred percent (100%) of the premium costs for Blue Cross/Blue Shield insurance, or Health Maintenance Organization Plan (for the same coverage provided for active employees) for retirees and spouses, provided however, that this benefit is granted only to those retirees entitled to receive annuity payments on the date of retirement.
- 40.2: In the event a retiree covered by the above provisions subsequently obtains other employment where the employer provides Blue Cross/Blue Shield of a substantially similar nature, he/she shall notify the City of such employment and the City shall not be required to continue its coverage for the duration of the retiree's other employment. Upon the retiree's leaving his/her above-mentioned employment, he/she may notify the City in writing and the City shall again enroll the retiree in its Blue Cross/Blue Shield hospitalization plan, or similar coverage under a Health Maintenance Organization Plan.
- 40.3: Employees who retire effective July 3, 1985, or thereafter, the coverage shall be limited to one of the following programs for retiree and spouse. The City reserves the right to provide additional health coverage programs for the retiree's selection.
 - A. Blue Cross/Blue Shield Comprehensive Major Medical Program (Dimension III) with deductible and copayment with stop loss according to the following:

		TIBLE Two Person	80/20 Co-Pay Up to Stop Loss
Up to \$21,999	\$ 150	\$ 300	\$ 500
\$22,000 thru \$31,999	200	400	750

Effective August 3, 1986 a Drug Rider (\$5.00 co- payment) shall be included under this program.

- B. One of the following Health Maintenance Organization Plans:
 - 1. Health Alliance Plan
 - 2. Total Health Care
 - 3. Health Care Network
 - 4. Maxicare Independence Health Plan

40.4: No change