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STATE OF MICHIGAN  
MICHIGAN EMPLOYMENT RELATIONS COMMISSION  
STATUTORY ARBITRATION

In the Matter of:  
Arbitration between the  
CITY OF DEARBORN  
-and-  
POLICE OFFICERS ASSOCIATION  
OF MICHIGAN

Pursuant to Act 312  
P.A. of 1969, as amended.  
MERC CASE NO.: D84 H-2501

OPINION AND AWARD

PANEL MEMBERS

Edward L. Cushman, Impartial Chairman  
Richard Cox, City Delegate  
William Birdseye, Union Delegate

APPEARANCES

For the City:

John A. Entenman, Dykema, Gosset,  
Spencer, Goodnow and Trigg

For the Union:

William Birdseye, Advocate  
Ann Maurer, Labor Economist

BACKGROUND

The Chairman of this Panel was appointed by the Michigan Employment Relations Commission by letter dated November 19, 1984. At a meeting between the parties and the Chairman on December 11, 1984 it was agreed that hearings would be held and were held on January 31, 1985, February 5, 8, 15, March 7 and 9. The transcript was received April 1, 1985. Last Best Offers were filed by the parties March 18. Post-hearing briefs were filed April 15, 1985.

Meetings of the Panel were held April 30 and May 22.

ISSUES

A. The Police Officers Association of Michigan (hereinafter referred to as the Union) presented the following issues in the petition for arbitration.

1. Duration/Retroactivity 7-1-84 to 6-30-86
2. Wages-increase
3. Longevity-improve formula

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LABOR AND INDUSTRIAL  
RELATIONS LIBRARY

Dearborn, City of

4. Shift differential-improve
5. Clothing allowance-improve
6. Gun allowance-improve
7. Call-back-improve
8. Pension-employee contribution
9. Pension-escalator
10. Pension-"pop-up" (survivor application)
11. Pension-definition of PAC
12. Pension-"live in sin" (widow's application)
13. Residency

Further, the Union petitioned that:

All terms and conditions of Employment to carry forward in full force and effect;

All contract language from prior contract to continue in full force and effect;

All T/A's between the parties to be stipulated for inclusion in new contract.

- B. The City of Dearborn (hereinafter referred to as the City) in its petition listed as issues:

1. Health Care Coverage
2. Wages

It was stipulated by the parties at the preliminary meeting of December 11, 1984 and confirmed at the initial hearing of January 31, 1985 that the contract period would be retroactive to July 1, 1984 and extend to June 30, 1985. It was also stipulated that all issues except for residency are economic.

WITHDRAWN BY THE UNION

1. Shift differential-improve
2. Clothing allowance-improve
3. Gun allowance-improve
4. Call-back-improve
5. Pension-employee contribution
6. Pension-escalator
7. Pension-"pop-up" (survivor application)
8. Pension-definition of PAC
9. Pension-"live in sin" (widow's application)
10. Residency

LAST BEST OFFER

- A. The Last Best Offer of the City is appended hereto as Appendix A.
- B. The Last Best Offer of the Union is appended hereto as Appendix B.

APPLICABLE STATUTORY PROVISION

MCL 423.239

Sec. 9. Where there is no agreement between the parties, or where there is an agreement but the parties have begun negotiations or discussions looking to a new agreement or amendment of the existing agreement, and wage rates or other conditions of employment under the proposed new or amended agreement are in dispute, the arbitration panel shall base its findings, opinions and order upon the following factors, as applicable:

- (a) The lawful authority of the employer.
- (b) Stipulations of the parties.
- (c) The interests and welfare of the public and financial ability of the unit of government to meet those costs.
- (d) Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally:
  - (i) In public employment in comparable communities.
  - (ii) In private employment in comparable communities.
- (e) The average consumer prices for goods and services, commonly known as the cost of living.
- (f) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
- (g) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- (h) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

COMPARABLE COMMUNITIES

Sec. 9(d) of the statute requires Panel to compare "the wages, hours, and conditions of employees performing similar services and with other employees generally:

- (i) In public employment in comparable communities.
- (ii) In private employment in comparable communities."

Because the police function is peculiar to the public service, the parties presented no comparisons with private employment.

The parties disagree as to which communities may be comparable to Dearborn. Although the City argued that Dearborn is "unique", the City disagreed in detailed argument with the communities suggested by the Union as comparable to Dearborn.

The Union's list of comparable communities include "all cities in the Detroit-Ann Arbor Michigan Consolidated Metropolitan Statistical Area with 1980 population of 50,000 to 999,999 persons" (Union Exhibit I). The Union cites the Michigan Municipal League's Revised Information Bulletin No. 109, 1984 and the Metropolitan Statistical Area classifications defined by the Office of Federal Statistical Policy and Standards of the U.S. Department of Commerce as reported in the Federal Register, January 3, 1980.

The cities are (Union Exhibit I):

<u>City</u>	<u>Population</u>
Dearborn	90,000
Warren	161,000
Sterling Heights	108,000
Ann Arbor	107,966
Livonia	104,814
Westland	84,603
Taylor	77,568
Pontiac	76,715
St. Clair Shores	76,210
Southfield	75,568
Royal Oak	70,893
Dearborn Heights	67,706
Troy	67,102
Farmington Hills	58,056
Roseville	54,311

The City's bases its argument that there are no communities comparable to Dearborn particularly because of "the enormous financial difficulties currently confronting Dearborn." The City does, however, currently list twenty-four (24) communities in Wayne, Oakland, and Macomb counties with a population of 25,000 and above which the City describes as "area communities", but not as comparable communities". The City points out that each of these "area communities" has a police force size in excess of thirty-nine officers. The significance of the thirty-nine staffing is that in a previous arbitration award involving the parties (dated October 15, 1981) the Impartial Chairman considered the size of the police force a major factor in determining comparability.

These area communities and estimated populations as of July 1, 1982 (City Exhibit I) and the number of sworn Police Officers for each are:

<u>City</u>	<u>Population Estimate</u>	<u>Number of Sworn Police Officers</u>
Detroit	1,138,717	3,722
Warren	156,131	230
Sterling Heights	108,482	155
Livonia	101,366	135
DEARBORN	86,544	181
Westland	81,533	89
Taylor	73,796	97
St. Clair Shores	73,450	87
Southfield	73,311	137
Pontiac	73,156	178
Royal Oak	68,390	89
Troy	67,031	100
Dearborn Heights	64,702	87
Farmington Hills	60,945	73
Roseville	52,785	75
Lincoln Park	43,533	55
East Detroit	37,033	47
Madison Heights	34,609	54
Garden City	33,811	41
Inkster	33,786	40
Wyandotte	32,526	45
Allen Park	32,418	49
Southgate	20,679	42
Highland Park	25,733	53
Ferndale	25,550	44

The Panel considers the term "area communities" used by the City for all practical purposes the same as the term "comparable communities" used by the Union insofar as the application of Sec. 9(d) of Act 312 is concerned. This section requires the Panel to make a determination of "comparable communities".

There are minor differences between the Union and the City's figures on staffing and on population, because of different dates or other reasons. These minor discrepancies do not affect the decision as to which communities are comparable, a decision required by Section 9(d)(i) as the basis for comparing "wages, hours, and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar work and with other employees generally".

If the Panel were to consider that the Union's proposed comparable communities appropriate, the maximum rates of pay for police officers would be for each of the comparable communities as described in Union Exhibit VII.

Although the City argued that Dearborn is unique because of its financial condition, the Panel considers that this factor should be considered in relation to Sec. 9(c) of the statute separate and apart from Sec. 9(d)(i). The City's "area communities" are in fact the City's suggested comparable communities under Section 9(d)(i). The maximum police officers salaries for these communities are listed in attached City Exhibit 71.

In making comparisons with other communities the Panel is directed to consider hours and working conditions. No significant comparisons were presented by the parties with respect to working conditions. With respect to hours the City argued that Dearborn's unique 7-2, 7-5 schedule with each working day consisting of eight (8) hours and thirty-five (35) minutes means that a police officer is scheduled for only fourteen days in a twenty-one (21) day period contrasted with the typical five (5) day work week. This schedule of seven (7) consecutive work days, followed by two (2) off days, seven (7) work days and then five (5) consecutive off days, results in seventeen (17) fewer days than is true in other communities.

There is a cost to the City for the 17 days in that no work is performed. However, the size of the police force which each community has decided to be needed seems to the Panel to be a good measuring stick to determine comparability.

It is the opinion of the Panel that the City of Detroit is unique because of its huge resident and community working population, the extent of the problems requiring police, and the number of police officers. The communities listed by the Union and by the City are sufficiently similar to be considered comparable in the Panel's judgment.

#### WAGES

There is considerable disparity between the City's Last Best Offer of 4% effective January 3, 1985 (2% for the period July 1, 1984 to June 30, 1985) and the Union's Last Best Offer of 7½% retroactive to July 1, 1984. The Panel by law must choose one or the other.

Choosing the Union's Last Best Offer would increase the average police officer's compensation from \$26,089 to \$28,046. In contrast, the City's Last Best Offer would on June 30, 1985 provide that officer a salary of \$27,133. City Exhibit 71 would show Dearborn 13th in that list of comparable communities.

If the City's Last Best Offer were awarded Dearborn would be 16th dropping below Dearborn Heights, Livonia and Garden City but ahead of Westland, East Detroit, Allen Park, Ferndale, Southgate, Inkster, Wyandotte, and Highland Park (with Detroit excluded).

The difference in cost to the City between the City's Last Best Offer and the Union's Last Best Offer is estimated at \$231,000 (City's Post-Hearing Brief).

The Union bases its case primarily on comparability with other similar communities. There is much to be said for this argument in terms of recruitment, retention of trained competent police officers, and equity. But the law provides for other criteria to be evaluated by the Panel.

The City points out that settlements with four other unions representing city employees have been in line with the City's Last Best Offer and that this is true also of the so-called meet-and-confer units and the City administration (Tr. 551-4, 565: C. 39,40, 41,42):

<u>Unit</u>	<u>Amount and Effective Date of Wage Increase</u>	<u>Effective Date of Dimension 3 Program</u>
1. Clerical	4%, effective 12/3/84	1/3/85
2. Super/Tech/ Prof	4%, effective 12/3/84	1/3/85
3. Police Dispatchers	4%, effective 12/3/84	3/3/85
4. 19th District Court	4%, effective 12/3/84	3/3/84
5. Executive/ Administrative	4%, effective 12/3/84	1/3/85
6. City Administration	?*	1/3/85

\* As the City Charter (C.36) provides, elected and appointed City officials receive, as their salary increase or decrease, the average salary increase or decrease of all non-uniformed (i.e. non-police and fire) City employees (Tr. 481). Since the Operative employee unit, represented by TPOAM, has not, as yet, settled, the elected and appointed City officials have not received any salary increase for the period 7/1/84-6/30/85.

Sec. 9(d) requires comparisons "with other employees generally" and Sec. 9(h) requires the Panel to consider "such other factors... which are normally or traditionally taken into consideration."

Although there is merit to this argument, the Panel is persuaded that police officers have markedly different functions from other city-employees which are perhaps the most basic service of municipal government. Dearborn's police department has won the respect of the City Administration and the Union for its professionalism and competence.

The City argues against the acceptance of the Union's Last Best Offer not only as excessive, but unwise in view of the City's serious financial condition. That condition results from a number of factors:

- 1) The diminishing population of the City since 1960 (Tr. 478: C. 35, 55). City Exhibit 55 reports:

1960	112,007
1970	104,119
1980	90,660
1982	86,544

- 2) The aging population of the City of Dearborn residents (65 years old and older) increased from 11,831 in 1970 to 14,157 in 1980 (Tr. 306, 479: C. 35), a 38% increase in the proportion of the elderly to the total population.
- 3) Despite reduced services, increased user fees and reduced city employment, the City is spending more than its revenues.
- 4) Accrual civil liability as of January, 1985 is estimated at \$4,416,900 (Tr. 455: C. 34) or even at \$5,333,258 as reported in the Annual Financial Report (Tr. 277).
- 5) Most important of all factors is the tax settlement with the Ford Motor Company. In March 1955 an agreement was reached which reduced the existing true cash value of the Ford properties from an average of \$868,621,000 for the periods 1983-84 to \$575,000,000 (Tr. 387) and for 1985 to \$600,000,000. The City is required to pay 6% interest on the balance due.

The net result of this agreement is that the City is to pay Ford Motor Company \$9,096,229 (C. 23) for the period 1981-4 and an additional \$1,027,544 in interest for a total of \$10,123,773.

The reduced Ford assessment will result in a decrease of about \$2.1 per year in property tax revenues to the City (Tr. 391,394: C. 24).

As of the conclusion of the hearings and the receipt of the post-hearing briefs the City had not decided on its method of financing the payment to the Ford Motor Company under the settlement. If the decision is to issue judgment bonds assessing the settlement is approved by the State Tax Tribunal and if they were fifteen-year bonds the annual debt service is established at about \$1.3 million per year (Tr. 395).

The City argues that the Ford settlement will cost the City if the fifteen-year bonds are the funding vehicle a net loss of \$3.4 million annually (the \$2.1 million tax revenue deduction plus the \$3.1 debt service cost).

As of this time it is not known by the Panel what method the City will employ to deal with the Ford tax settlement and other fiscal problems. The hypothetical case of financing through the use of judgment bonds could, if adopted, take any one of a number of forms. For example, the period for repayment could be shorter than fifteen years and the interest rates lower because of the willingness of the Ford Motor Company to assist in this matter.

Another example might be to sell city-owned property in Florida to offset at least a significant part of the non-recurring Ford tax settlement, thus saving the cost to the tax-payer of borrowing funds for this purpose.

The City has presented its analysis of the City's finances and outlook in detail and argued its case articulately and clearly. (Tr. 455-59; Tr. 275-7; Tr. 287; Tr. 355; Tr. 388-395. C. 23, C. 24) The Panel does believe that the City has serious financial problems, particularly because of the Ford tax settlement. However, the Ford properties because of decisions made by the Company to increase investment in Dearborn and the improved economy are increasing in value which should be reflected in higher assessments in the future.

Sec. 9(c) requires that the Panel consider "the interests and welfare of the public" and "the financial ability of the unit of government to meet these costs". "The interests and welfare of the public" require a competent, professional police force as perhaps the most important city function not minimizing the importance of the Mayor and Council and other City services.

Since Sec. 9(d)(i) provides that the Panel should base its findings inter alia on "comparison of wages, hours, and conditions of employment of employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally: (d) in public employment in comparable communities...", and since Sec. 9(c) requires consideration of the interests and welfare of the public the burden of proof is on the City to demonstrate that the City does not have "the financial ability to meet these costs".

The Panel does believe that the City has fiscal problems. The determination of priorities on the use of City resources is properly the responsibility of the Mayor and City Council. However, these priorities as reflected in budget allocations are subject to change in the discretion of the Mayor and Council. Their decisions for a specific budget year cannot be permitted to preclude the results of collective bargaining. Theoretically, the Mayor and the Council could allocate all revenues to other than compensation increases and make a mockery of the collective bargaining process through prior allocation of all available resources.

Because of the opportunity to change priorities so that less important functions than police protection receive less and because of the uncertainties of problems created by the Ford tax settlement and other concerns, the Panel believes that the choice between the City's Last Best Offer and the Union's Last Best Offer should be that of the Union (pages 3 and 4, Appendix B).

The Award is therefore to apply 7½ percent across-the-board increase retroactive to July 1, 1984.

#### LONGEVITY

The present Longevity Pay Schedule for Police employees represented by the Union is:

The Union's Final Offer of Settlement is to be found on Page 5, Appendix B.

The City's Last Best Offer is to be found in Attachment C, Appendix A.



The Union argues that its Last Best Offer is in line with the average of the Union's proposed comparable communities (U9 and Post-Hearing Brief, p. 10).

The City argues that its current longevity pay program is in line with Police Command officers and firefighters (Tr. 525) and greater than clerical employees, supervisory/technical/professional employees, police dispatchers and operative employees (C. 61).

As previously discussed the statute provides for consideration of wages, benefits and working conditions of employees involved in the instant case with those of employees in comparable communities and with other employees. In comparing wages the Panel has given great weight to comparisons with other communities. However, with respect to such matters as longevity it is the Panel's opinion that comparison with other employees of the same public employer are more important. The reasoning is that such long-term employees are less likely to leave to take a job with a new employer and that long-term employees, of the same employer should have similar benefits.

Accordingly, the Panel believes that the City's Last Best Offer (Appendix A, Attachment C and D) should be adopted.

The Panel takes cognizance of the Union's agreement that the City in its final offer on longevity pay did not specify an effective date. The Union maintains that failure to do so means that the acceptance of the City's Last Best Offer is retroactive to July 1, 1984 including the new pro-rated reductions on the amount paid to survivors if the employee should have died or retired during the year.

The Panel believe that the Union is right technically in its contention but recommends to the City that it voluntarily decide not to implement this aspect of its Last Best Offer retroactively.

#### HEALTH CARE COVERAGE

The City has proposed in its Last Best Offer (Appendix A, Attachment E) changes in health care benefits to a program known as "Dimension 3" which, it is argued, provides for the same quantity and quality of benefits but at a lower cost (Tr. 414. C. 29). Health insurance costs have doubled in Dearborn City Government during the past five years (C. 15).

The Dimension 3 program is in effect for certain other city employees: clerical employees, police dispatchers, supervisory/technical/professional employees, 19th District Court employees etc.

The Union wants to maintain the present Blue Cross/Blue Shield program and opposes the change to Dimension 3. The Union also argues that if the Panel were to accept the City's Last Best Offer, the Panel is without authority to apply it to retirees because the City did not provide "competent and material evidence" on the record concerning any application of Dimension 3 to retirees.

For the reasons stated in the discussion concerning longevity pay, the Panel believes that internal comparisons (i.e. among city employees) are important with respect to benefits. For that reason together with the desirability of controlling health care costs while providing similar benefits to those previously enjoyed by employees involved in the constant case, the Panel accepts the City's Last Best Offer.

However, with respect to retirees, the limited record does raise the question posed by the Union as to whether there is "competent and material evidence" before the Panel. Testimony was presented (Tr. 402) to the effect that the "substantial ratio of retirees to active employees contributes to" the relatively high cost of health care coverage for City employees. City Exhibit 15 and the testimony relating thereto (Tr. 296) points out the increase in the number of retired employees as cause of rising health care costs.

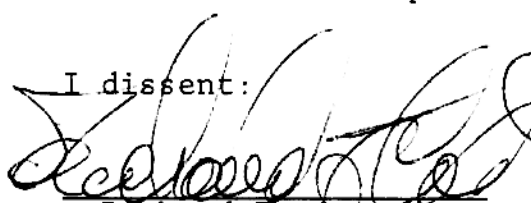
The parties to this dispute are represented by experienced professionals. The City's presentation covered costs for retirees which would be meaningful only if its proposal was intended to cover present and future retirees. Furthermore, changing to Dimension 3 for active employees in this unit as has been done in the case of other city employees previously cited and applying Dimension 3 to retirees would be consistent. In this context, the presentation can be considered "competent and material."

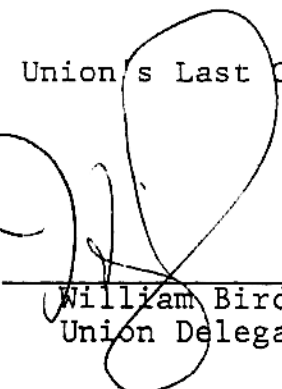
AWARD


I. WAGES

The Panel adopts the Union's Last Offer as its Award.

I dissent:

  
Richard F. Cox  
City Delegate

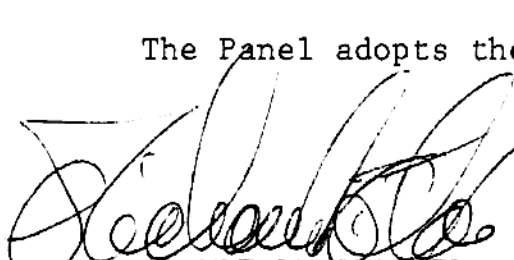
  
William Birdseye  
Union Delegate

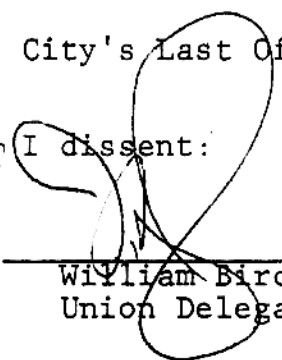
  
Edward L. Cushman  
Chairman

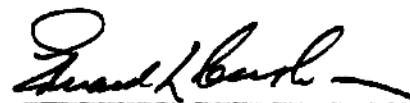
II. LONGEVITY

The Panel adopts the City's Last Offer as its Award.

I dissent:

  
Richard F. Cox  
City Delegate

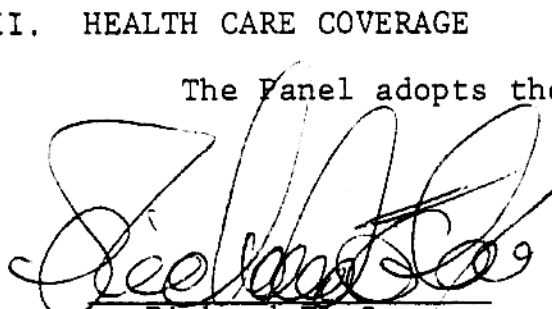
  
William Birdseye  
Union Delegate

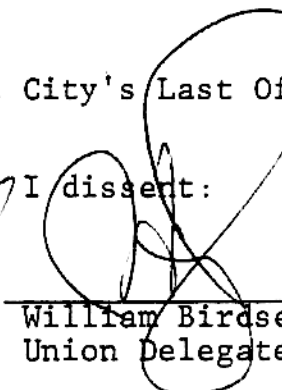
  
Edward L. Cushman  
Chairman

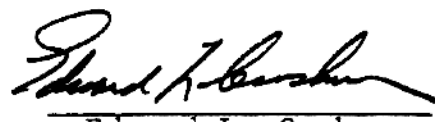
III. HEALTH CARE COVERAGE

The Panel adopts the City's Last Offer as its Award.

I dissent:

  
Richard F. Cox  
City Delegate

  
William Birdseye  
Union Delegate

  
Edward L. Cushman  
Chairman

Dated: May 29, 1985

(A)

STATE OF MICHIGAN  
EMPLOYMENT RELATIONS COMMISSION  
ACT NO. 312 ARBITRATION PROCEEDINGS  
BEFORE EDWARD L. CUSHMAN, CHAIRPERSON

In the Matter of:

CITY OF DEARBORN

Act No. 312

vs.

POLICE OFFICERS ASSOC. OF MICHIGAN

MERC No. D84 H-2501

LAST BEST OFFER OF CITY OF DEARBORN

The City of Dearborn does hereby submit its last best offers on the nine economic issues, and one non-economic issue in dispute. Said offers are as follows:

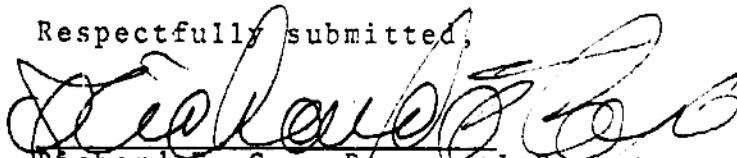
ECONOMIC ISSUES

<u>Issue</u>	<u>Offer</u>
1. Wages - from July 1, 1984 through January 7, 1985.	Current rates to remain in effect. See Attachment A.
2. Wages - effective January 8, 1985.	Four percent 4.0% increase. See Attachment B.
3. Longevity Pay	Current formula to remain in effect. Include present policy of prorated amounts on retirement or death. See Attachment C.
4. Pension - Employee contribution	Chapter 21 - City offers to reduce employee contributions from 5.75% to 5.0% effective first pay period beginning after date of arb. award. Chapter 23 - No change in contributions.
5. Pension - escalator	No change in benefits after retirement.
6. Pension - "pop up"	No change in current optional forms of allowance.
7. Pension - def. of FAC	No change in current definition of "Compensation" that determines final average compensation.
8. Pension - Widow's benefits.	Chapter 21 and Chapter 23 to provide that widow benefits are to continue upon remarriage. See Attachment D.
9. Health Care Cost Containment	See attached proposed Article XXXIX. Attachment E, Health Care Benefits for current employees; and Article XL Attachment F. Health Care Benefits for future retirees.

NON-ECONOMIC ISSUE:

1. Residency	See Attachment G. Proposed amendment to Article XX
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Respectfully submitted,

  
Richard F. Cox, Personnel Director  
CITY OF DEARBORN, MICHIGAN

Dated:  
March 15, 1985

CITY'S LAST BEST OFFER  
ACT 312 - CITY OF DEARBORN  
V. POAM

ATTACHMENT A

ARTICLE XXVII

CLASSIFICATIONS AND RATES OF COMPENSATION

POLICE NON-SUPERVISORY UNIT  
REPRESENTED BY POLICE OFFICERS ASSOCIATION OF MICHIGAN

RATES OF COMPENSATION FROM JULY 1, 1984 THROUGH JANUARY 7, 1985

<u>No.</u>	<u>Class Title</u>	<u>Service Increment Interval</u>	<u>Rates of Compensation with Service Inc. Added</u>
1.	Police Officer	(a)	18460 20003 21546 23088 24633
2.	Police Corporal	*	26089
3.	Detective Sergeant	annually	** See note below
4.	Detective Sergeant R.I.B.	annually	** See note below

- (a) First 12 months =Minimum rate  
After 12 mos. and for 12 mos.=Second step in the range.  
After 24 mos. and for 6 mos.=Third step in the range.  
After 30 mos. and for 6 mos.=Fourth step in the range.  
After 36 mos. and for 12 mos.=Fifth step in the range.  
After 48 mos. \*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.

ATTACHMENT B

ARTICLE XXVII

CLASSIFICATIONS AND RATES OF COMPENSATION

POLICE NON-SUPERVISORY UNIT  
REPRESENTED BY POLICE OFFICERS ASSOCIATION OF MICHIGAN

RATES OF COMPENSATION EFFECTIVE JANUARY 8, 1985

<u>No.</u>	<u>Class Title</u>	<u>Service Increment Interval</u>	<u>Rates of Compensation with Service Inc. Added</u>
1.	Police Officer	(a)	19198 20803 22408 24012 25618
2.	Police Corporal	*	27133
3.	Detective Sergeant	annually	** See note below
4.	Detective Sergeant R.I.B.	annually	** See note below

- (a) First 12 months =Minimum rate  
After 12 mos. and for 12 mos.=Second step in the range.  
After 24 mos. and for 6 mos.=Third step in the range.  
After 30 mos. and for 6 mos.=Fourth step in the range.  
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- \*\* Rates for Detective Sergeant and Detective Sergeant R.I.B.  
to be adjusted at conclusion of negotiations with Police  
Lieutenants and Police Sergeants.

ATTACHMENT C

ARTICLE XXXVIII  
LONGEVITY PAY

38.1: The Longevity Pay Schedule for Police employees in this unit shall be as follows:

<u>Years of Service Completed</u>	<u>Amount of Longevity Pay</u>
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

38.2: Administrative Regulations

- A. 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 the Agreement.
- C. To be eligible for longevity pay under Section 38.1, employees must have a satisfactory working record for the twelve months previous to December first of each year; and such satisfactory work record shall be determined by the Civil Service Commission from the information that may be contained in the employee's personnel file.

38.3: Prorated Amounts on Retirement or Death

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.

CITY'S LAST BEST OFFER  
ACT 312 - CITY OF DEARBORN  
V. POAM

ATTACHMENT D

ISSUE: WIDOW BENEFITS UPON REMARRIAGE

Chapter 21

Section 21.56 to be amended to provide that:

Effective the date of the arbitration award, upon the death of a policeman member represented by the Police Officers Association of Michigan, monthly benefits payable to a surviving spouse shall be for the future lifetime of such spouse.

Chapter 23

Section 235.08 to be amended to provide that:

Effective the date of the arbitration award, upon the death of a policeman member represented by the Police Officers Association of Michigan, the widow's allowance shall continue upon remarriage if the the deceased member was eligible for age and service retirement provided for in Section 235.01 at the time of his death.

CITY'S LAST BEST OFFER  
ACT 312 - CITY OF DEARBORN V. POAM

ATTACHMENT E

ARTICLE XXXIX

HEALTH CARE BENEFITS

39.1 The City will make monthly payments for the cost of Health Care Benefits for all employees who work in a permanent full-time position, in an amount equal to the full subscription rate charge for the coverage to which the employee shall have subscribed. The monthly payment shall be made by the City for each month that the employee receives some salary or wage as compensation for services. The coverage shall be limited as set forth in the following sections.

(Following section to continue until results of arbitration award are known and determined.)

39.2 The basic coverage for self, or self and spouse, or self and family (including only spouse and eligible children) shall be either the Blue Cross-Blue Shield MVF-1, plus Master Medical and Drug Rider; or coverage under the Health Alliance Plan or an equivalent Health Maintenance Organization Plan.

39.3 Effective the date of the arbitration award the coverage shall be limited to one of the following programs for self, or self and spouse, or self and family (including only spouse and eligible children). The City reserves the right to provide additional health coverage programs for the employee's selection.

1. Blue Cross-Blue Shield Comprehensive Major Medical Program (Dimension III) with deductible and co-payment with stop-loss, according to the following schedule.

Wage Group	Base Wage	DEDUCTIBLE		80/20 CO-PAY Up to Stop Loss
		Single	2P/Family	
I	Up to \$21,999	\$150	\$300	\$ 500
II	\$22,000 thru 31,999	200	400	750
III	32,000 thru 39,999	250	500	1,000
IV	40,000 and over	300	600	1,000

2. One of the following Health Maintenance Organization Plans:

1. Health Alliance Plan
2. Total Health Care
3. Health Care Network
4. Independence Health Plan



CITY'S LAST BEST OFFER  
ACT 312 - CITY OF DEARBORN  
V POAM

ATTACHMENT E - HEALTH CARE BENEFITS (con't)

39.4 Employees shall be required to pay for family continuation and/or sponsored dependent riders. Under the Blue Cross-Blue Shield Comprehensive Major Medical program the sponsored dependent rider shall be determined to be under Wage Group IV, and the employee shall be required to pay the corresponding premium rate.

39.5 If an employee represented by this bargaining unit is killed in line of duty, the benefits of this section shall continue to be provided to the spouse until the spouse remarries, and to dependent children until the children cease to be dependents.

NON-PARTICIPATION IN HEALTH CARE COVERAGE

A one-time cash bonus of Six Hundred Dollars (\$600) to be payable under the following conditions:

1. Employee must have health coverage via a spouse who is employed by an employer other than the City of Dearborn.
2. Such payment shall be a one-time payment.
3. Any employee who collects this bonus whose circumstances subsequently change shall be eligible for health care coverage. Such employee shall reimburse the City a prorated portion of the bonus based on the first twelve-month period.

ATTACHMENT F

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 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: For future retirees (effective the date of the arbitration award) 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 co-payment with stop loss according to the following:

<u>Service Annuity</u>	<u>Deductible</u>		<u>80/20 Co-Pay</u>
	<u>Single</u>	<u>Two Person</u>	<u>Up to Stop Loss</u>
Up to \$21,999	\$ 150	\$ 300	\$500

- B. One of the following Health Maintenance Organization Plans:

1. Health Alliance Plan
2. Total Health Care
3. Health Care Network
4. Independence Health Plan

CITY'S LAST BEST OFFER  
ACT 312 - CITY OF DEARBORN  
V POAM

ATTACHMENT G

ARTICLE XX  
RESIDENCE

20.1: All employees covered by this agreement hired on and after July 1, 1978 shall be required to maintain residence in the City of Dearborn.

All employees covered by this agreement who were hired prior to July 1, 1978 are urged but not required to acquire or maintain residence in the City of Dearborn.

(B)

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

BEFORE: EDWARD L. CUSHMAN, IMPARTIAL CHAIRMAN

CITY OF DEARBORN

- and -

MERC Case No. D84 H-2501

POLICE OFFICERS ASSOCIATION  
OF MICHIGAN (Police Non-  
supervisory 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

Duration/Retroactivity

#### Union

1. Wages
2. Longevity
3. Shift Differential
4. Clothing Allowance
5. Gun Allowance
6. Call Back
7. Pension - Employee Contribution
8. Pension - Escalator
9. Pension - "Pop up" (Survivor Application)
10. Pension - Definition of FAC
11. Pension - "Live in Sin" (Widow's Application)

#### Employer

12. Wages
13. Health Care Coverage

### Non-Economic Issues

#### Union

14. Residency

## ECONOMIC ISSUE

### DURATION/RETROACTIVITY

The parties have stipulated to a contract term of one year commencing July 1, 1984 through and including June 30, 1985. The parties have further indicated that retroactivity or prospective implementation date for any of the final offers tendered shall be included as an inseparable portion of each final offer of settlement. Therefore, no final offer is made on Duration/Retroactivity and no award is necessary by the Panel specifically to Duration/Retroactivity.

UNION ECONOMIC ISSUE #1  
EMPLOYER ECONOMIC ISSUE #12

WAGES

PRESENT:

RATES OF COMPENSATION EFFECTIVE JULY 1, 1983

<u>No.</u>	<u>Classification Title</u>	<u>Service Increment Interval</u>	<u>Rates of Compensation with Service Increment Added</u>
1.	Police Officer	(a)	18460 20003 21546 23088 24633
2.	Police Corporal	*	26089*
3.	Detective Sergeant	annually	29578 30382
4.	Detective Sergeant (R.I.B.)	annually	29578 30382
(a)	First 12 months	- Minimum rate	
	After 12 months and for 12 months	- The second step in the range	
	After 24 months and for 6 months	- The third step in the range	
	After 30 months and for 6 months	- The fourth step in the range	
	After 36 months and for 12 months	- The fifth step in the range	
	After 48 months	* 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.		

FINAL OFFER OF SETTLEMENT:

(Represents 7.5% across-the-board increase)

RATES OF COMPENSATION EFFECTIVE JULY 1, 1984

<u>No.</u>	<u>Classification Title</u>	<u>Service Increment Interval</u>	<u>Rates of Compensation with Service Increment Added</u>
1.	Police Officer	(a)	19845 21503 23162 24820 26480
2.	Police Corporal	*	28046*
3.	Detective Sergeant	annually	** See note below
4.	Detective Sergeant (R.I.B.)	annually	** See note below

- (a) First 12 months - Minimum rate
- After 12 months and for 12 months - The second step in the range
- After 24 months and for 6 months - The third step in the range
- After 30 months and for 6 months - The fourth step in the range
- After 36 months and for 12 months - The fifth step in the range
- After 48 months \* 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 adjsuted at conclusion of negotiations with Police Lieutenants and Police Sergeants.

Wages to be retroactive to July 1, 1984.



UNION ECONOMIC ISSUE #2

LONGEVITY

PRESENT:

38.1: The Longevity Pay Schedule for Police employees in this unit shall be as follows:

<u>Years of Service Completed</u>	<u>Amount of Longevity Pay</u>
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

FINAL OFFER OF SETTLEMENT:

38.1: The Longevity Pay Schedule for Police employees in this unit shall be as follows:

<u>Years of Service Completed</u>	<u>Amount of Longevity Pay</u>
5 through 9 years	\$ 350.00
10 through 14 years	550.00
15 through 19 years	750.00
20 through 24 years	950.00
25 years and over	1,150.00

38.2: To remain unchanged.

Longevity to be retroactive to July 1, 1984.

UNION ECONOMIC ISSUE #3

SHIFT DIFFERENTIAL

The Union has withdrawn this issue from consideration and award by the Panel. Therefore, the status quo shall prevail.

UNION ECONOMIC ISSUE #4

CLOTHING ALLOWANCE

The Union has withdrawn this issue from consideration and award by the Panel. Therefore, the status quo shall prevail.

UNION ECONOMIC ISSUE #5

GUN ALLOWANCE

The Union has withdrawn this issue from consideration and award by the Panel. Therefore, the status quo shall prevail.

UNION ECONOMIC ISSUE #6

CALL BACK

The Union has withdrawn this issue from consideration and award by the Panel. Therefore, the status quo shall prevail.

UNION ECONOMIC ISSUE #7

PENSION - EMPLOYEE CONTRIBUTION

The Union withdraws this issue from consideration and award by the Panel. Therefore, the status quo shall prevail.

UNION ECONOMIC ISSUE #8

PENSION - ESCALATOR

The Union withdraws this issue from consideration and award by the Panel. Therefore, the status quo shall prevail.

UNION ECONOMIC ISSUE #9

PENSION - "POP UP" (SURVIVOR APPLICATION)

The Union withdraws this issue from consideration and award by the Panel. Therefore, the status quo shall prevail.

UNION ECONOMIC ISSUE #10

PENSION - DEFINITION OF FAC

The Union withdraws this issue from consideration and award by the Panel. Therefore, the status quo shall prevail.

UNION ECONOMIC ISSUE #11

PENSION - "LIVE IN SIN" (WIDOW'S APPLICATION)

The Union withdraws this issue from consideration and award by the Panel. Therefore, the status quo shall prevail.

EMPLOYER ECONOMIC ISSUE #11

HEALTH CARE COVERAGE

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 health care, thereby maintaining the status quo.

UNION NON-ECONOMIC ISSUE #14


RESIDENCY


The Union withdraws this issue from consideration and award by the Panel. Therefore, the status quo shall prevail.

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

Respectfully submitted,

POLICE OFFICERS ASSOCIATION  
OF MICHIGAN

  
\_\_\_\_\_  
William Birdseye  
Business Agent

  
\_\_\_\_\_  
Ann Maurer  
Labor Economist

DATED: March 15, 1985

(C)

POLICE OFFICER MAXIMUM SALARY  
Fiscal Period 7-1-84 through 6-30-85

CITY	MAXIMUM After (yrs)	MAXIMUM SALARY	PLUS COLA	TOTAL	EFFECTIVE DATE
Sterling Heights	5	30,709	-	30,709	7-1-84
Pontiac	4	29,425	-	29,425	1-1-85
Farmington Hills	3	29,044	-	29,044	1-1-85
Southfield	2½	29,030	-	29,030	7-1-83*
Troy	4	28,719	-	28,719	7-1-83*
Taylor	2½	26,570	2,018	28,588	7-1-84
Madison Heights	3	27,848	728	28,576	1-1-85
St. Clair Shores	5	28,233	231	28,464	11-1-84
Lincoln Park	3	27,851	541	28,392	7-1-84
Warren	4	28,291	-	28,291	7-1-84
Roseville	4	28,245	-	28,245	7-1-84
Royal Oak	3½	28,070	-	28,070	6-1-84
Dearborn Heights	2	25,654	1,981 <sup>a</sup>	27,635	7-1-84
Livonia	5	27,310	-	27,310	12-1-84
Garden City	4	27,222	-	27,222	7-1-84
Westland	4	26,869	-	26,869	7-1-84
East Detroit	4	26,606	200	26,806	11-1-84
Allen Park	5	26,593	-	26,593	7-1-83*
Ferndale	3	26,400	-	26,400	7-1-83*
Detroit	5	26,296	-	26,296	7-1-82*
<u>DEARBORN</u>	4	26,089	-	26,089	7-1-83*
Southgate	2	25,773	-	25,773	5-1-83
Inkster	2	25,188	-	25,188	7-1-83*
Wyandotte	3	24,960	-	24,960	10-1-84
Highland Park	4	20,411	-	20,411	7-1-82*

\* Negotiated Arbitration

<sup>a</sup> Supplemental Living Allowance