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FF 12/21/98

STATE OF MICHIGAN  
DEPARTMENT OF CONSUMER AND INDUSTRIAL SERVICES  
BUREAU OF EMPLOYMENT RELATIONS  
EMPLOYMENT RELATIONS COMMISSION

In the Matter of the  
Fact Finding Between

CITY OF TROY

MERC Case No. D97 K-2220

-and-

MICHIGAN ASSOCIATION  
OF POLICE

FACT FINDER'S REPORT, FINDINGS OF  
FACT AND RECOMMENDATIONS

APPEARANCES:

FOR THE CITY OF TROY:

Craig W. Lange, Attorney  
Peggy E. Clifton, Human Resources  
Director

FOR MICHIGAN ASSOCIATION OF  
POLICE:

Fred M. Timpner, Business Rep.  
Ronald Palmquist, Labor Relations  
Specialist

Background

The Michigan Association of Police represents a bargaining unit of employees in  
the City of Troy described as:

All permanent full-time Clerk-Typists, Account Clerks, Police  
Service Aide I's, Police Service Aide's II, Police Service Aide  
or civilian performing Property Officer work, and Animal  
Control Officers, Secretaries, Data Processing Clerks, but  
excluding those listed in Article II of contract.

George T. Roumell, Jr.

LABOR AND INDUSTRIAL  
RELATIONS COLLECTION

Michigan State University

Troy, City of

The parties have had previous collective bargaining agreements with the parties' 1993-1997 Agreement expiring on June 30, 1997.

In connection with the expiration of the 1993-1997 Agreement, the parties engaged in negotiations for a successor agreement. With the aid of mediation, a tentative Agreement was reached between the parties on January 15, 1998. This Agreement, among other matters, resolved issues between the parties as to pensions, wages and health care. The tentative Agreement was not ratified by the bargaining unit membership.

As a result, the parties returned to the bargaining table and engaged in further bargaining, including mediation. Subsequently, a petition for fact finding was filed with the Michigan Employment Relations Commission that resulted in the undersigned being appointed fact finder.

By the time of the last day of fact finding, December 9, 1998, the major issues separating the parties were:

- Wages
- Retirement
- Health Insurance
- Dental Insurance
- Personal Business Time
- Funeral Leave

#### The Criteria

The purpose of fact finding is to make recommendations as to the basis upon which the parties can resolve their labor dispute and reach agreement. The fact finder's

recommendations are based on criteria, namely, factors that are considered by both management and labor when attempting to reach a collective bargaining agreement.

In the area of public employment, the legislature of the State of Michigan, in addressing the issue of compulsory arbitration for police and fire fighters in Act 312, Public Acts of 1996, MCLA 423.231 *et seq.*, has set forth certain criteria for arbitrators under that Act, which certainly would apply to fact finding. These criteria are set forth in Section 9 of the Act, MCLA 423.239 and read:

- (a) The lawful authority of the employer.
- (b) Stipulations of the parties.
- (c) The interests and welfare of the public and the 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 conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties in the public service or in private employment.

This criteria emphasizes, after considering the ability of the employer to meet costs, comparison of wages, hours and conditions of employment, particularly among other similarly situated public employers, as well as internal comparisons and consideration of the consumer price index. In addition, the criteria refers to "overall compensation presently received by the employees."

Translated to the Troy/MAP situation, this means that the Fact Finder should recognize that the cost of living increase has been most modest in recent times; that there are four other bargaining units among the employees of the City of Troy, as well as the classified and exempt. These units are the American Federation of State, County and Municipal Employees, the Troy Command Officers Association, the Troy Police Officers Association, the Troy Fire Fighters, and MAP. These bargaining units, with the exception of the classified and exempt, have a bargaining relationship with the City of Troy. Their collective bargaining agreements can be the basis of the internal comparables that can be used as a criteria.

In addition, within the City of Troy, at least as to MAP, the parties in past fact finding, for external comparables, have referred to Farmington Hills, Pontiac, Royal Oak and Southfield.

There is also the Section 9(h) factors, namely, consideration of factors "normally or traditionally taken into consideration, the determination of wages, hours and conditions of employment by fact finders. Two important Section (h) factors are what fact finders have sometimes referred to as the "art of the possible" and bargaining history. In this situation, the parties, after at least three mediation sessions with an experienced mediator, have arrived at a tentative agreement. This Agreement was not ratified by the MAP membership.

It is recognized in labor parlance that frequently when there has been a rejection of a

tentative agreement, it is necessary to revise the agreement in order to obtain acceptance. The rationale behind such an approach is that any tentative agreement has to be adopted by both parties through their constituencies. The rejection by the MAP membership indicated that there were portions of the tentative agreement that needed to be addressed or revised so as to obtain acceptance.

On the other hand, the Union must recognize that when the City government authorized its representatives at the bargaining table to enter into the tentative Agreement, the City was setting forth parameters of what the City believed it would be willing to agree to in order to reach a Collective Bargaining Agreement.

In the end, the parties should reach agreement. To have a work force working for some time without an agreement is not beneficial to the City. The City cannot plan its budget. The City, in such a situation, runs the risk of having a disgruntled work force which could reflect on the productivity of the employees.

Therefore, the task of the Fact Finder is to make a recommendation that would consider the criteria, including the art of the possible, namely, to attempt to bring the parties together, recognizing that they once reached a tentative agreement. The aim is to modify the tentative agreement in such a way that it could be acceptable to the MAP membership, and yet come within the parameters of the City's resources, consistent with contracts bargained with other groups within the City. In doing this, the Fact Finder will consider the bargaining history of and the relationship between the various groups within the City, as well as both internal and external comparables.

Hopefully, these recommendations, after the parties have been without a contract for

almost a year and one-half, will bring this collective bargaining impasse to a conclusion.

#### Duration

The art of the possible criteria becomes important in this situation. As mentioned, there was a tentative agreement. This tentative agreement failed to be ratified by the membership of the bargaining unit. Though there were a number of areas in dispute, the issues between the parties following the failed ratification seemed to be centered around retirement provisions, health care, and dental benefits.

The contract expired on June 30, 1997. This Fact Finding Report is being issued in December 1998 -- almost a year and one-half after the previous contract expired. It makes no sense under the concept of the art of the possible to make a recommendation for a three year contract when half of that three year period has already expired. It is important, after going through four mediation sessions, lengthy negotiations, and fact finding that some stability be brought to the bargaining relationship.

It must also be recognized that the cost of living has remained relatively low and that the wage increases of MAP members have exceeded the cost of living.

Considering the rejection of the tentative Agreement, in order to have a viable collective bargaining agreement, there must be some changes in the pension plan over that agreed to in the tentative Agreement. In order to accomplish this purpose, it would seem that there should be, in balancing the interests here, a fourth year of the contract so that, rather than the contract expiring on June 30, 2000, it should expire June 30, 2001. Such an approach will enable the Fact Finder to make recommendations that will permit both parties to arrive at a collective bargaining agreement and, in particular, address the pension issues. Unless there is a fourth year of the

contract, the Fact Finder might be inclined to recommend just the tentative Agreement. If the Fact Finder did so, the parties would not reach agreement.

The art of the possible would then suggest that, balancing all the interests, a four year agreement is a must. For this reason, the Fact Finder will recommend that the Collective Bargaining Agreement be a four year agreement expiring June 30, 2001. The recommendations as to the specific issues in dispute are based upon a four year agreement because it is only with a four year agreement that the Fact Finder, in good conscience, can recommend an Agreement that is different than the tentative Agreement, and yet balances the interests of both the City and MAP.

#### Wages

The issue of wages between the parties was set forth in a joint City of Troy-MAP exhibit, which, in its entirety, reads:

#### **ISSUE: WAGES**

##### Present Language:

<u>Classification</u>	<u>Step</u>	<u>1/1/97</u>
Clerk-Typist	Start	\$ 20,101
	Step 1	20,918
	Step 2	21,873
	Step 3	23,818
	Step 4	26,683
Account Clerk	Start	\$ 22,253
	Step 1	23,074
	Step 2	24,028
	Step 3	25,916
	Step 4	28,782
Data Processing Clerk	Start	\$ 22,592
	Step 1	23,413

	Step 2	24,363
	Step 3	26,252
	Step 4	28,925
Secretary	Start	\$ 23,161
	Step 1	23,982
	Step 2	24,936
	Step 3	26,822
	Step 4	29,687
Police Service Aide I	Start	\$ 23,310
	Step 1	24,113
	Step 2	24,968
	Step 3	26,876
	Step 4	27,831
Police Service Aide II	Start	\$ 25,234
	Step 1	26,094
	Step 2	27,051
	Step 3	28,959
	Step 4	29,910
Animal Control Officer	Start	\$ 28,048
	Step 1	28,717
	Step 2	29,672
	Step 3	31,583
	Step 4	33,259

Union Position:

7/1/97	\$300 roll-in for PSA I & II; 3% across the board
7/1/98	\$200 roll-in for PSA I & II, 3% across the board
7/1/99	3% across the board

*Any adjustment to wages, including annual salary, shall be effective on the pay period beginning dates prior to the dates specified in this Agreement or on the dates specified in this Agreement.*



City Position:

7/1/97        \$300 roll-m for PSA I & II; 3% across the board  
7/1/98        \$200 roll-in for PSA I & II, 3% across the board  
7/1/99        3% across the board

*Any adjustment to wages, including annual salary, shall be effective on the pay period beginning dates closest or prior to the dates specified in this Agreement.*  
(Italics added.)

The only difference in the wage offers is the language as to implementation. The offer as to the wages show the following wage schedule for the contract in issue:

CITY OF TROY WAGE SCHEDULE  
CLERICAL AND NON-SWORN POLICE PERSONNEL

<u>Classification</u>	<u>Step</u>	<u>7/1/97</u>	<u>7/1/98</u>	<u>7/1/99</u>
Clerk-Typist	Start	20,704	21,325	21,965
	Step 1	21,546	22,192	22,858
	Step 2	22,529	23,205	23,901
	Step 3	24,533	25,269	26,027
	Step 4	27,483	28,307	29,156
Account Clerk	Start	22,921	23,609	24,317
	Step 1	23,766	24,479	25,213
	Step 2	24,749	25,491	26,256
	Step 3	26,693	27,494	28,319
	Step 4	29,645	30,534	31,450
Data Processing Clerk	Start	23,270	23,968	24,687
	Step 1	24,115	24,838	25,583
	Step 2	25,094	25,847	26,622
	Step 3	27,040	27,851	28,687
	Step 4	29,793	30,687	31,608
Secretary	Start	23,856	24,572	25,309
	Step 1	24,701	25,442	26,205
	Step 2	25,684	26,455	27,249
	Step 3	27,627	28,456	29,310
	Step 4	30,578	31,495	32,440
Police Service Aide I	Start	24,318	25,254	26,012
	Step 1	25,145	26,105	26,888
	Step 2	26,026	27,013	27,823
	Step 3	27,991	29,037	29,908
	Step 4	28,975	30,050	30,952

Police Service	Start	26,300	27,295	28,114
Aide II(*)	Step 1	27,186	28,208	29,054
	Step 2	28,172	29,223	30,100
	Step 3	30,137	31,247	32,184
	Step 4	31,116	32,255	33,223
Animal Control	Start	28,889	29,756	30,649
Officer	Step 1	29,579	30,466	31,380
	Step 2	30,562	31,479	32,423
	Step 3	32,530	33,506	34,511
	Step 4	34,257	35,285	36,344

This wage schedule reflects the roll-ins for Police Service Aide I and Police Service Aide II beginning July 1, 1997, and beginning July 1, 1998.

As the Fact Finder reviews the clerical rates, he noted a between Farmington Hills, Pontiac, Royal Oak and Southfield, the base salaries in Troy was usually above the average, and in most cases, the top pay, as among these external comparables. For example, in the Account Clerk base salary at the fourth step, on July 1, 1996, the average was \$26,845; in Troy, the payment was \$28,782. The facts reveal that, for instance, with the exception of Pontiac, whose base salary was \$25,272 on July 1, 1996, the wage increases have been, in these communities, three percent or less. For example, Southfield, for an Account Clerk, on July 1, 1997, only received a two percent increase. As a matter of fact, in all categories, including PSA's, the Southfield wage increase in 1997 was two percent, though in 1998 it was three percent.

In the area of the Police Service Aides I and II, there was a need, in Troy, to increase the Police Service Aides rates of pay in order to be competitive with the external comparables. By providing not only a three percent increase but also for a roll-in of \$300 in 1997, and \$200 in 1998, these increases compounded, will indeed make the Police Service Aides competitive with

the external comparables.

This then brings the Fact Finder to the point he wishes to make. This Fact Finder, under the "art of the possible", has recommended there be a fourth year in the contract. The Fact Finder has noted that the highest paid external community whose clerical are not paid as well as Troy in 1997 only opted for a two percent increase, namely, Southfield, though in 1998, Southfield opted for a three percent increase. As to the internal comparables, the following is noted by the Fact Finder:

CITY OF TROY  
6-YEAR HISTORICAL COMPARISON  
WAGE INCREASES: AFSCME AND MAP

	<u>AFSCME</u>	<u>MAP</u>
1993	2.0%	3.0%
1994	2.5%	3.0%
1995	3.5%	3.0%
1996	3.0%	2.0% + 1.0% (1/1/97)
1997	3.0%	
1998	2.5%	

In other words, during one of the years covered by this recommended Agreement, AFSCME, another bargaining unit that has compared very similar to MAP in wages, received a 2.5% increase. Though at the Fact-Finding, the Union bargaining committee suggested that if there was to be a four year contract, the wage increase should be four percent, this would not comport with the internal comparables with MAP. Furthermore, none of the external comparables, during the period involved, have given four percent increases except one year, in Pontiac, whose wage scale is generally substantially lower than the wage scales in Farmington Hills, Royal Oak,

Southfield, and certainly, as compared to Troy. For instance, in July, 1996, the Pontiac secretaries were receiving \$22,568 versus \$29,687 for Troy secretaries.

As the Fact Finder goes through the pension issues, and the costs associated therein, and recognizing that MAP is seeking pension benefits similar to AFSCME, it would seem applying bargaining history and the "art of the possible," in considering the internal comparables and the bargaining history in the City, that the fourth year wage increase should be 2.5% across-the-board.

The recommendation of the 2.5% for the fourth year is not only consistent with the internal comparables and the external comparables, but is necessary in order to accomplish the goal of recommending a contract which the parties can live with. Unless there is a change in the pension provisions over the tentative agreement, there will be no contract. But in order to get this change, MAP must be realistic and realize a 2.5% increase, beginning July 1, 2000, is reasonable, consistent with the cost of living, consistent with external comparables, and consistent with the internal comparables within the City.

It is for these reasons that the Fact Finder will recommend a fourth year wage increase of 2.5% across-the-board. The Fact Finder will also recommend that the language as set forth in the tentative Agreement as to the implementation of future wage increases, namely, "Any adjustment to wages, including annual salary, shall be effective on the pay period beginning dates closest or prior to the dates specified in this Agreement."

### Pension Issues

The pension issue is divided into two parts -- the defined contribution plan and the defined benefit plan. As to the defined benefit plan, there is an annuity factor issue and a contribution issue.

At the time of the tentative agreement, the parties had agreed that the defined contribution plan would be the plan for all new employees hired after July 1, 1998, and optional for current employees with a contribution rate of the employer contributing 11%, the employee 5%.

The defined contribution plan would be new to MAP in the contract under consideration. MAP, by virtue of the tentative agreement, had accepted the concept of defined contribution. The issue is the Employer's contribution.

In terms of internal comparables, the Fact Finder has reviewed the AFSCME contract. Under the AFSCME contract, current employees have the option of joining the defined contribution plan, with the employee contributing 4%, the Employer contributing 12%. New employees hired after July 1, 1998 must become members of the defined contribution plan, with the employees contributing 5% and the Employer contributing 11%.

For this reason, the Fact Finder believes that the same treatment should be given to MAP members. Therefore, the Fact Finder recommends, effective the date of this Fact Finding Report, the current employees will have the option to make the election to join the defined contribution plan, with the employee contributing 4% and the employer contributing 12%. As to new employees hired after the date of this Fact Finding Report, those employees will be required, as their pension plan, to be members of the defined contribution plan, with the employee contributing 5% and the employer contributing 11%. This is consistent with the internal

comparable, namely, the AFSCME contract.

As to defined benefit plan, the issue is annuity factor plus the employee's contribution.

The tentative agreement provided for an annuity factor of 2.25 to age 62; 2.15 percent after 62, for employees retiring after July 1, 1998, and for an employee contribution of 1.5 effective July 1, 1998. This was not accepted by the membership.

This is an internal comparable issue. The pension or annuity factor of the various bargaining units in Troy are:

PENSION COMPUTATION FACTOR  
Internal Comparisons

AFSCME	2.5% at age 50-62 with 27 yrs. service; 2.25% from age 62
CLASSIFIED & EXEMPT	2.5% at age 50-62 with 27 yrs. service; 2.25% from age 62; (or 2.0% at age 55 w/25 yrs. service with no supplement)
TCOA	2.5% at age 50-62 with 25 yrs. service; 2.25% from age 62
TPOA	2.5% at age 50-62 with 25 yrs. service; 2.25% from age 62
TFSOA	2.5% at age 50-62 with 25 yrs. service; 2.25% from age 62
MAP	2.15% at age 50 with 27 yrs. service

The present employee pension contribution rate for the defined benefit plan among the various bargaining unit is:

AFSCME	1.5%
CLASSIFIED & EXEMPT	1%

TCOA	2.75%
TPOA	3%
TFSOA	1.5%
MAP	0.75%

The positions of the parties as presented to the Fact Finder were:

Union Position:

- (1) For employees retiring after 7/1/98, increase pension computation factor to 2.5% which would reduce to 2.25% when the employee begins receiving social security benefits.
- (2) Increase employee pension contribution to 1.5%

City Position:

- (1) For future retirees, increase pension computation factor to 2.25% from age 50-62, 2.15% at age 62.
- (2) Increase employee pension contribution to 1.5%

Obviously, MAP wishes to obtain the 2.5 factor. The City is proposing to have the employee contribution rate increased for MAP bargaining unit members consistent with its internal bargaining history with other bargaining units.

Again, the Fact Finder notes that pensions were a factor that caused the tentative Agreement to fail ratification. The Arbitrator also notes that to obtain the 2.5 factor, the cost to the City will be increased from 2.5% to 5.85% of payroll, representing a dollar amount of approximately \$149,000 in payroll. This is a substantial increased cost to the City over what the City is now paying for MAP defined benefit pensions, and therefore, cannot under the art of the possible criteria be implemented in one year.

On the other hand, MAP is entitled to a change because the internal comparables,

particularly as to AFSCME, would so require.

Therefore, under the art of the possible criteria, and considering the comparables, the Fact Finder will make the following recommendations:

Effective January 1, 1999, increase pension computation factor to 2.25% from age 50 to 62; 2.15% thereafter. Increase employee pension contribution to 1.0% effective January 1, 1999.

Effective July 1, 2000, increase pension computation factor to 2.5% from age 50 to 62; 2.25% thereafter. Increase employee pension contribution to 1.5% effective July 1, 2000.

What this recommendation does is place the MAP defined benefit on par with the AFSCME contract, namely, the Troy general city employees by the last year of the contract. There is a delay in implementation of the 2.5%/2.25%. But the Fact Finder has opted for this delay because AFSCME received only a 2.5% wage increase on July 1, 1998, whereas during the same period MAP received a 3% increase plus the roll-in for police service aides. Furthermore, the delay is consistent with the art of the possible because of the more gradual implementation of the employee pension contribution to 1.5% by July 1, 2000.

After all, the MAP employees cannot have it both ways. MAP employee cannot make the lowest contribution of any Troy employees toward the defined benefit plan and receive a higher wage increase than the AFSCME employees for the first three years of this contract, and expect the City to assume \$149,000 payroll costs. There must be some tradeoffs. There must be some balance between the parties' respective points of view.

Furthermore, this entire recommendation is conditioned on having a fourth year in the contract as to wages in order to balance the interests of the parties and also to permit the phase-in



of the improved pension and employee contribution as set forth in the recommendations. The recommendations also provide that this improved pension would be effective the date of this report.

### Health and Dental

The health insurance issue is perhaps put in focus by the following Exhibit submitted jointly by the parties:

#### ISSUE: HEALTH INSURANCE (Employee co-pay of premium)

##### Present Language:

Section 114.e. The employer's unilateral responsibility of paying premiums for the above medical insurance shall be frozen at the following rates. Effective following ratification, any increase in the cost of medical insurance in excess of the following rates will be paid by deducting 50% of the premium increase from the employee's paycheck. (Note: In the event the cap for family Blue Cross/Blue Shield insurance for the City of Troy Classified employee group is increased beyond \$500 during the term of the collective bargaining agreement, the same increase will be applied at the same point in time to the cap for family PPO/HMO coverage for members of this bargaining unit; the remaining caps will be increased proportionately.)

<u>Coverage</u>	<u>Blue Cross</u>	<u>PPO and HMOs (Blue Preferred, SelectCare, Health Alliance and Blue Care Network)</u>	
		<u>Effective 1/1/95</u>	<u>Effective 7/1/96</u>
1 Person	\$145.00	\$208.00	\$228.00
2 Persons	323.00	463.00	509.00
Family	350.00	500.00	550.00

Union Position:

- (1) Reduce employee portion in excess of the cap from 50% to 40%
- (2) Modify last sentence such that the dollar increase in the cap for the family coverage is applied for all levels of the PPO/HMO coverage instead of proportionately.

City Position:

Status quo.

There is only so much that can be accomplished in one bargaining. The fact is that the internal comparisons in Troy are as follows:

CITY OF TROY  
HEALTH INSURANCE  
(Employee Co-payment of Premium)  
Internal Comparisons

	<u>Employee Co-Pay</u>	<u>Coverage</u>
AFSCME	40% of cost in excess of: \$228 (1-person) \$509 (2-person) \$550 (family)	BCBS PPO Opt. I (\$100/\$200 deductible)
CLASSIFIED	50% of cost in excess of \$550	BCBS Opt. 3 (\$50/\$100 deductible)
EXEMPT	50% of cost in excess of \$550	BCBS Opt. 3 (\$50/\$100 deductible)
MAP	50% of cost in excess of: \$223 (1-person) \$509 (2-person) \$550 (family)	BCBS Opt. 3 (\$50/\$100 deductible)

There are differences between AFSCME and MAP. For instance, there is the \$100 and \$200 deductible in the AFSCME program with a PPO Option I, whereas in the MAP program there is a \$50/\$100 deductible with a BCBS Option 3. AFSCME has the same limits as does MAP, but pays 40% of the cost in excess of. But the difference between the two programs is that MAP has Option 3, as does the Exempt and Classified with a \$50/\$100 deductible.

As this Fact Finder has suggested, there is only so much that can be done in one set of negotiations. This is the contract of the improved pensions. For this reason, recognizing the art of the possible, this is not the contract for any changes in the health insurance. For this reason, recognizing that the current language provides flexibility in the amount of the cap as spread to 2 person/single person coverage on an equitable pro rata basis, the Fact Finder will recommend no changes in the health insurance package.

As to the dental program, the respective positions of the parties are set forth in the following Exhibit:

#### DENTAL INSURANCE

##### Present Language:

Section 114.g. Dental insurance for Class I and Class II dental work as defined in the Employer's insurance contract with the insurance carrier, based on the insurance carrier paying ninety percent (90%) of the cost of the dental work and the employee paying ten (10%) percent of the cost for such work, up to a maximum of \$600.00 per year.

- h. Orthodontic coverage with a 50% employee co-payment of claims for dependents under the age of 19 years with a \$1,200 maximum lifetime benefit.

Union Position:

- (1) Effective upon ratification, increase the maximum allowance for dental insurance from \$ 600 to \$1000.
- (2) Effective upon ratification, increase the maximum allowance for orthodontic coverage from \$1200 to \$2000.

City Position:

- (1) Effective 1/1/99, increase the maximum allowance for dental insurance from \$600 to \$1000.
- (2) Effective 1/1/2000, increase the maximum allowance for orthodontic coverage from \$1200 to \$2000.
- (3) Employees will share 1/2 the cost of these improvements by means of a payroll deduction.

The Union's position is that the \$600 to \$1,000, the \$1,200 to \$2,000 for orthodontic coverage and both would be effective upon ratification. The difference between the City's position and the Union's position is that the City seeks a later implementation date and to have the employee share one-half the cost of the improvements by means of a payroll deduction. It was represented to the Fact Finder that the payroll deduction would amount to \$3.50 per month. The Fact Finder will recommend that the Union's position be adopted as to no co-pay, but will opt for the City's proposed implementation dates. It may be that the Troy COA unit has agreed to the co-pay. But this again is a matter of the art of the possible. The Troy COA unit has received slightly higher wages than MAP. The Fact Finder balances these factors and concludes that there should be no co-pay in the MAP agreement.

Considering that the recommendation is for a four year contract, there is no reason to add a co-pay because this is part of the art of the possible. As to the effective dates, the Fact Finder

will recommend that the effective dates, as proposed by the City, be adopted because, again, this is a phase-in situation, recognizing the art of the possible. Thus, the increase in dental insurance will be effective January 1, 1999. The increase in the orthodontic coverage will be effective January 1, 2000.

#### Funeral Leave

The funeral leave dispute is set forth in the following exhibit:

#### ISSUE: FUNERAL LEAVE

##### Present Language:

Section 109. Funeral Leave - In the event of the death of one of the following listed relatives of an employee, or the employee's spouse, the employee shall be entitled to leave, without loss of pay, for a period not to exceed four (4 ) working days:

Mother	Father
Sisters	Brothers
Spouse	Grandparents
Children	Grandchildren
	Step-parent

An additional period of time equivalent to one (1) regularly scheduled work day with pay may be taken off for such reason and deducted from sick leave.

If death occurs under these provisions of immediate family while the employee is on vacation, the employee's status will be changed from vacation to funeral leave if the City receives written notice from the employee.

##### Union Position:

- (1) replace "step-parent" in second paragraph with "Step - (of above listed relatives)."
- (2) replace "4 working days" in first paragraph with "forty hours of work".

City Position:

- (1) replace "step-parent" in second paragraph with "Step - (of above listed relatives)"; remainder of section status quo.

The internal comparables as to funeral leave as to AFSCME and MAP are as follows:

AFSCME	40 hours for immediate family, 4 days not ded. from sick pay; for grandparents, 1 day not ded. from sick pay.
MAP	4 work days; option of 1 additional day ded. from sick pay.

There is no reason to change the current amount of funeral leave. It is no different than AFSCME. And there is no particular reason, based upon this bargaining history as between the two units, for any change over the position offered by the City, namely, "step" of the above listed relatives.

Personal Business Leave

There was a proposal from MAP to modify the personal business time. The internal comparables reveal:

AFSCME	3 days, 3rd day deducted from sick leave
Classified & Exempt	3 days
TCOA	3 days, 3rd day deducted from sick leave
TPOA	3 days, 3rd day deducted from sick leave
TFSOA	3 days, 3rd day deducted from sick leave
MAP	3 days, 3rd day deducted from sick leave

Based upon the internal comparables, there is absolutely no reason to recommend any change in the status quo. The bargaining history within the City does not support any change. For this reason, there will be a recommendation of the status quo.

#### Other Recommendations

The remainder of the January 15, 1998 tentative Agreement should be adopted by the parties in its entirety, except as modified by the recommendations herein. The reason is simple. These other provisions were reached through long, hard bargaining, including mediation. There is no reason not to adopt the other agreements represented in the tentative agreement.

#### Conclusion

This Fact Finder began this Report by pointing out to the parties that there comes a time when an agreement must be reached. From MAP's viewpoint, this Report addresses pension issues that were apparently the basis for rejecting the tentative Agreement. From the City's standpoint, there has been a delicate balance to assure that the settlement reached here is consistent with the bargaining patterns throughout the City. The Fact Finder is of the opinion that this Report has accommodated the interests of both parties, should be accepted, and should result in a Collective Bargaining Agreement. The recommendations set forth above follow.

#### RECOMMENDATIONS

1. **Duration.** The contract should commence July 1, 1997 and expire June 30, 2001.
2. **Wages.** The wages shall be \$300 roll-in to Police Service Aide I and Police Service Aide II classes, plus a 3% increase across-the-board for July 1, 1997; a \$200 roll-in to PSA I and PSA II classes, plus a 3% increase across-the-board for July 1, 1998; a 3% increase

across-the-board for July 1, 1999; and a 2½% increase effective July 1, 2000. The language as to wages shall read, "Any adjustment to wages, including annual salary, shall be effective on the pay period beginning dates closest or prior to the dates specified in this Agreement."

3. **Pensions.**

**Defined Contribution:** Adopt all language agreed on between the parties as to defined contribution except that, effective the date of this Report, the contribution rate for current employees, who exercise the option to join the Defined Contribution Plan, shall be 4% for the employee, 12% for the employer; that employees hired after the date of this Report shall mandatorily be placed in the defined contribution pension plan with the employee contributing 5% and the employer contributing 11%.

**Defined Benefit:** The defined benefit plan shall be as the parties agreed to in the tentative Agreement, except as follows:

Effective January 1, 1999, increase pension computation factor to 2.25% from age 50 to 62; 2.15% thereafter. Increase employee pension contribution to 1.0% effective January 1, 1999.

Effective July 1, 2000, increase pension computation factor to 2.5% from age 50 to 62; 2.25% thereafter. Increase employee pension contributoin to 1.5% effective July 1, 2000.

4. **Health Care.** The status quo shall continue.

5. **Dental Plan.** Effective January 1, 1999, the increase in the maximum allowance for dental insurance shall be \$1,000. Effective January 1, 2000, the maximum allowance for orthodontic coverage shall be \$2,000. There shall be no co-pay of premiums reflecting this change.



6. **Funeral Leave.** The funeral leave proposed by the City is recommended, namely, replace "Step-parent" in second paragraph with "Step- (of the above listed relatives)." The remaining section shall be status quo.

7. **Personal Business Leave.** It is recommended that the current language status quo shall be continued into the new agreement.

8. It is recommended that all other provisions of the tentative Agreement be adopted by the parties.

  
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GEORGE T. ROUMELL, JR.  
Fact Finder

December 21, 1998