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STATE OF MICHIGAN

MICHIGAN EMPLOYMENT RELATIONS COMMISSION

COUNTY OF WAYNE

MERC CASE NO: D96 J-3212

-AND-

ACT 312, 1969 ARBITRATION

AFSCME, MICHIGAN COUNCIL 25, LOCAL 3317

ACT 312 PANEL OPINION & AWARD

PANELISTS

Joseph P. Girolamo, Chairperson John L. Miles, Employer Panelist Jamil Akhtar, Union Panelist

<u>Appearances</u>:

Employer: Union:

Kenneth L. Lewis, Attorney David K. Sucher, Attorney

Dated: October 22, 1999

LABOR AND INDUSTRIAL RELATIONS COLLECTION Michigan State University STATE OF MICHIGAN

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ACT 312 PANEL OPINION & AWARD

BACKGROUND

The Undersigned, by letter dated September 18, 1997, was advised by the Michigan Employment Relations Commission of his appointment as Chairperson of the Arbitration Panel in this case.

A Pre-Hearing Conference was held on November 10, 1997. Hearings relative to the issues in dispute were held on the following dates: January 7, 16; February 2, 3, 11, 13; April 20, 24, 27; May 15, 18, 20; June 10; July 8, 28, 31; September 1, 2,; October 26, 29; November 4, 16, 18, 30, 1998, and January 13, 25; February 12; March 5, 15, 26; April 23, 30; May 3, 4, 28; and June 1, 1999.

In the course of the above recited lengthy proceedings, the Parties presented an extensive array of non-economic and economic issues for resolution.

The Parties, to their credit, were able to resolve their

differences in regard to the non-economic issues. The significance of the economic/non-economic distinction is that in the former, the Statute provides:

"As to each economic issue, the arbitration panel shall adopt the last offer of settlement which, in the opinion of the arbitration panel, more nearly complies with the applicable factors prescribed in section 9..."

The factors enumerated in Section 9 of the Statute are displayed as follows:

- "(a) The lawful authority of the employer.
- (b) Stipulation 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."

The Undersigned, with the able assistance of the Panelists, has attempted to conform the Decision herein to the above-recited factors. It should also be noted that the voluminous record in this case makes it impractical and perhaps impossible to provide specificity as to the applicability of each and every factor. Suffice it to say that the Undersigned has attempted with diligence to confine his decision-making authority within the boundary dictated by the Statute under which his authority is vested.

One matter which did not require the Panel's attention is that of Comparables. The Parties agreed as to the External Comparables which should be applicable. They are set forth in the Agreement as follows:

- "1. Detroit Police Department
- 2. Michigan State Police
- 3. Oakland County Sheriff
- 4. Livonia Police Department
- 5. Dearborn Police Department"

ISSUES IN DISPUTE

ARTICLE 24 - OVERTIME

The Union proposes that the status quo be maintained.

The County seeks to limit the availability of Overtime to those situations where:

- (1) the employee works in excess of eight (8) hours in a day;
- (2) time and one-half for work on the sixth (6th) day

provided the employee is paid, exclusive of paid leave, for forty (40) hours in the work week;

(3) Two hundred (200%) percent for work on the seventh (7th) day with restrictions the same as applicable to the one hundred fifty (150%) percent entitlement.

While the Panel is sympathetic to the amount of Overtime cost the County has endured, it is not clear that the County Proposal will rectify the situation. Airport Police Chief Schmidtke did express concerns relative to the Proposal having a positive effect on Overtime costs.

It is recognized that this Proposal was adopted by the Arbitration Panel in the Local 502 Arbitration, however, the amount of Overtime associated with that Union - "somewhere in the area of 9 million dollars" in 1996 - convinced the Panel relief was warranted.

The Panel is not persuaded the Proposal has merit and it is rejected. The Union Offer is adopted.

ARTICLE 25 - EXTRA TIME PROVISIONS

The Union requests the status quo be maintained.

The County has also proposed that the status quo be maintained.

Based on the above, this issue is resolved.

ARTICLE 26 - HOLIDAYS

26.01

The Union proposes that Martin Luther King's Day be a major Holiday and that the employee's birthday be an additional Holiday.

The County urges the status quo be maintained on the above item.

The Union Proposal for an additional major Holiday - Martin Luther King - and the Employee's Birthday are not deemed warranted. The Union stresses that those individuals covered by the County Executive Compensation Plan receive sixteen (16) Holidays. The comparison misses the mark since the above are not in Bargaining Units and therefore they do not receive the other benefits and protections accorded to members of Local 3317. The more appropriate Comparable is Local 502 and the County Offer is in line with the Holidays received by that group. It is the Panel's assessment that the County Proposal has more merit.

The County Offer is adopted.

26.06

The County proposes that an employee is entitled to Holiday
Pay or Premium Pay for a Holiday only if the employee works the
entire scheduled shift on the day before and after the Holiday.

The County also proposes that employees in the Court Services
Division may be assigned elsewhere on Holidays recognized by the
Courts but not in the Collective Bargaining Agreement herein.

Another County Proposal provides:

"An Employee who calls in sick on a scheduled holiday will be paid sick leave, if available, and will forfeit holiday pay for the day. The Employer may request medical verification in order to pay the sick leave."

The Union requests the status quo on the above items.

The Local 502 Arbitration Panel adopted the County Proposal as it relates to one being required to work the entire day before and after a Holiday to receive the benefit. In the Hearing before this Panel, the Parties did allude to various scenarios as to the issue herein.

The extent to which a problem exists is in doubt. That is to say, it is not clear that requiring an Employee to work the entire day before and after a Holiday will have any appreciable positive impact on the County operations.

In that context, the Union's Offer to retain the status quo is adopted.

The County Proposal relative to the use of Sick Leave on a Holiday constituting forfeiture of Holiday Pay was granted by the Local 502 Panel. Mr. Ferguson said the provision reflects the current practice. This Panel, like the Local 502 Panel, is skeptical of the need for this measure.

The evidence is insufficient to establish that members of this Unit unduly use Sick Leave in connection with Holidays. The evidence indicates a Practice is in existence and the Panel Ruling herein is not intended to change current Procedures.

The Panel concludes the Status Quo should be maintained and

the Union Proposal is adopted.

26.07

The County Proposal relative to assigning Court Personnel elsewhere on Court Holidays has appeal. The Proposal also seems to be fraught with difficulty. Personnel assigned to the Jail would need to be trained. If the provision is to be administered in an even-handed way, all Court Personnel would need to be trained.

It is the Panel's conclusion this provision should be further discussed and refined and therefore it is rejected.

The Union Offer of status quo is adopted.

ARTICLE 27 - ANNUAL LEAVE

27.01

The Union proposes that Unit Employees with twenty-five (25) years of service earn eighteen (18) hours of Annual Leave per month. The County notes that "senior employees in Local 3317 currently receive twenty-four (24) Vacation Days per year." It is stressed that this is the same number that other County Employees receive and far more than a majority of the external Comparables.

The Union seeks to focus on the Executive Compensation Program - eighteen (18) hours per month with over eight (8) years of service - but the comparison is dubious.

The Panel is persuaded the County Offer is warranted and it is adopted.

27.03

The Parties agree on status quo.

27.08

The County seeks to delete the right of an Employee to request to carry-over an additional fifteen (15) days of Annual Leave to the following year.

The County alludes to an administrative burden and notes "Local 502 no longer provides a 15 day carry over option."

The Panel is not convinced that this provision is a hardship which requires elimination.

The Union Proposal - retain the status quo - is adopted.

ARTICLE 28 - SICK LEAVE

The Union has proposed that for employees hired on or after October 1, 1983 that:

A. Annual Sick Leave accumulations in excess of forty (40) days shall be paid at a rate of 100%.

The County says that the status quo should be maintained and it provides as follows for those days in excess of forty (40) days:

- 10, 11 or 12 days shall be paid at the rate of 100%;
- 7, 8 or 9 days shall be paid at the rate of 75%;
- 6 or less days shall be paid at the rate of 50%.

The Union's line of argument is that Employees will use the

Sick Leave if it is paid at a lesser amount.

The County counters that the 'proposed payment of all sick leave over forty (40) days at one hundred (100%) percent will remove the incentive to conserve sick leave under the present formula."

The Panel does not perceive a change is warranted.

The County Offer of status quo is adopted.

28.12

The County proposes the following provision:

"Effective December 1, 1999, the above-cited payments for unused accumulated Sick Leave shall not be included in the employee's average final compensation."

Preceding provisions of the above specify the amount to be paid to an employee relative to accumulated unused Sick Leave.

The Union requests that the status quo be maintained so that such payments are included in the employee's average final compensation.

The County Proposal is to eliminate Sick Lave Pay-Out at Retirement from Average Final Compensation for Retirement Credit.

The County urges that it is proposing to significantly enhance the Retirement Benefit and this proposal is justified:

"Mr. Naughton testified that the inclusion of the accumulated sick leave pay off in the average final compensation formula represents a significant cost to the County."

Moreover, if the County Proposals are adopted:

"...eligible Employees in Local 3317 will have a window

period in which they may exercise the option of retiring under the terms and conditions of the current Plan #1."

The Union explains the basis for its Proposal as follows:

"Back in 1984, members of Local 3317 had the option of staying in the old County sick plan, wherein they could accumulate one-hundred (100%) percent of their sick leave and have it paid off at the time of retirement at one-hundred (100%) percent of it's then-cash value, however, only seventy-five (75%) of the sick leave bank would apply to final average compensation towards their Plan 1 pension benefits.

Those employees who opted out of the total accumulation sick plan went to the County LTD Plan, wherein they had their sick bank frozen, and they would then be eligible for long-term disability benefits under the County plan.

What Wayne County attempts to do under their amendment to Article 28.12 (proposal number 18), is to change the rules of the game effective December 1, 1999. Under the County proposal, those employees who have planned their retirement benefits based upon the pay-off of their sick and annual leave, would now be penalized for banking their sick leave for the past twenty-five (25) or thirty (30) years."

The Union characterizes the County proposal as "most punitive."

The Panel finds the Union argument more persuasive and the Union Offer is adopted.

The earlier County proposal regarding a Cash Plan Sick Leave Program has been withdrawn by the County and the Union agrees.

28.13

The County proposes elimination of the following:

"If an employee is on sick leave, with or without pay, for a period longer than twenty (20) working days, the employee's position shall be filled on a temporary basis."

The Union wants the provision retained - i.e., the status quo.

The County seeks to eliminate the provision requiring a position be filled when an Employee is on Sick Leave for a period longer than twenty (20) days.

The County urges:

"Representatives of Local 3317 mistakenly believe that the current language in Article 28.13 compels the County without exception to promote an employee into the classification of police sergeant or police lieutenant (supervisory police officer positions represented by Local 3317) on every occasion where another supervisory police officer is on sick leave for a period in excess of twenty (20) working days. Requiring the County to effectuate a promotion every time an employee in Local 3317 (police sergeant or police lieutenant) is physically absent from the work place after twenty (20) working days places an unreasonable burden on the County budget.

The Union's position with respect to Article 28.13 distorts management's exclusive right to manage its affairs and direct its operations. Automatically replacing an employee that is on sick leave is often not the best use of available police staff because there may be greater manpower needs in other areas. Pursuant to Article 21 of the Collective Bargaining Agreement, a number of supervisory police officer positions are filled at the sole discretion of either the Sheriff or Airport Director. Based on the Union's rigid interpretation, Article 28.13 can nullify the Sheriff's and Airport Director's discretionary rights under Article 21."

The Union contends the County has not met its burden to demonstrate a change is warranted. It is further stressed that this provision has been in existence for at least thirteen (13) years. From a historical view, the Union says that:

"...when it benefitted Wayne County in filling positions of employees who were on sick leave, that the County had done so in the past."

The Union also asserts that the fact "...the County did not like

this proposal...is not substantial reason to change the terms of the contract."

The Panel, after careful consideration, finds the County argument more persuasive. The decision to fill or not fill a position as a result of Employee illness is deemed a fundamental Employer Right. It is noted the Local 502 Agreement contains no provision relative to a requirement that positions vacant by reason of Sick Leave must be filled. The County Offer is adopted.

ARTICLE 29 - PERSONAL BUSINESS LEAVE

29.01

The Union seeks a total of four (4) Personal Business days without regard to years of service - the Collective Bargaining Agreement now provides that employees with one (1) year of service are entitled to Personal Business Leave not to exceed two (2) days in any anniversary year. While the current language indicates Personal Business is not charged to Sick Leave, the Union proposal indicates Personal Business is not to be charged to the employee's Sick Leave, Compensation Time or Vacation Banks.

The County urges the status quo be maintained.

The current Contract allows for two (2) days and an additional day which is charged to Sick Leave.

The County says the cost of the above Union Demand is Sixty Thousand (\$60,000.00) Dollars.

The Panel is not convinced the above increase is necessary.

The County Offer is adopted - status quo.

29.03(D)

Insofar as use of Personal Business Leave is concerned, the Union offers:

"Approval of Request for Personal Leave days shall not be withheld except when there is a stated-departmental emergency as defined in Article 25.02 of this Agreement. The fact that overtime may be required to replace a member of the Bargaining Unit who utilizes his contractual Personal Business Leave time shall not be a reason for denying an employee the right to use his/her Personal Business Leave days."

The County proposes:

- "B. Approval of requests for Personal Business Leave days may be withheld if they cause a hardship upon the Employer's exclusive right to either manage its agencies, departments and offices or direct its affairs, operations and the services of its employees as determined by the Department.
- C. Denial of Personal Business Leave days as an adjunct to leave days or vacation days may not be deemed unreasonable and approval thereof may be withheld in the discretion of the Sheriff, the Airport Director or approved representative."

The Agreement presently provides that the reason for the requested Leave need not be given except in cases of emergency and "approval of requests for Personal Business Leave days shall not be unreasonably withheld."

In support of the above Proposal, the County says:

"In order to reduce the difficulty inherent in utilizing a vague standard to assess management's consideration of an employee's personal business leave request, the County proposes the use of a more objective measure. The new standard is based upon management's right to determine if

an employee's request causes a hardship or impairs the department's ability to safely and effectively direct its operation and render services."

The Union characterizes the above language as an "Arbitrator's dream."

The Union's Proposal is to allow denial of Personal Business
Leave Day only during a stated-Department emergency...

The Panel has some misgiving over both Proposals. With reference to the County language, it is not clear that "hardship" will add significantly since the current language already allows some flexibility so long as it is not unreasonable. The denial of a Personal Business Leave because Overtime will result is, standing alone, unlikely to be regarded as a hardship. The Union's Proposal, by contrast, is deemed overly restrictive. The Union Proposal provides that a Personal Business Leave could only be denied in an Emergency which is defined as follows:

"In the event of a departmental emergency alert ordered as a result of riot, insurrection, or general civil disturbance, an employee required to remain on stand-by duty shall be paid at the rate of fifty percent (50%) of their regular rate of pay."

The Panel is not persuaded the Union Proposal has merit and it concludes the County Proposal is better reasoned.

The County Offer is adopted.

ARTICLE 34 - UNIFORM, CLOTHING AND EQUIPMENT ALLOWANCE

The Union has proposed several changes:

34.11

"Articles of personal apparel damaged or destroyed during the course of an Employee's assigned police duties, as determined by the Sheriff or Airport Director, shall be replaced at the expense of the County. All said replacements shall be new uniform items and new personal apparel.

The Agreement currently provides for repair or replacement "subject to the provisions of the policy and procedures established by the County and the respective Departments."

The Union's concern that replaced items be new appears reasonable in that it conforms with a professional appearance and therefore the Union Offer is adopted.

34.12

The Union proposes:

"On March 1st and October 1st annually, each Employee shall be given a cash payment of Five Hundred (\$500.00) Dollars for uniform replacement and/or maintenance of said uniforms in accordance with the specifications, standards and regulations established by the County.

The current amount relative to uniform replacement and maintenance is Nine Hundred Fifty (\$950.00) Dollars per year but it is allocated for use from uniform suppliers rather than a cash payment to the Employee.

The Union seeks a Fifty Dollar (\$50.00) increase in Uniform Allowance along with a discontinuance of the Voucher System.

The County wants the status quo.

It appears to the Panel a Clothing Allowance increase is warranted at this time.

The Union Offer is adopted.

34.15

The Union also seeks an increase in the Weapon Allowance, which the County says is not needed.

The Union Proposal is as follows:

"All full-time Employees required to carry firearms shall, upon qualifying annually with their weapon, be paid a qualifying allowance of Six Hundred (\$600.00) Dollars on or before May 1st annually. Employees who qualify as a master shall be paid an additional One Hundred (\$100.00) Dollars."

The County is in favor of the status quo, which is the following:

"All full time employees required to carry firearms shall, upon qualifying annually with their duty weapon, be paid a qualifying allowance of four hundred fifty (\$450.00) dollars on or before May 1st annually if on the payroll at the time of payment. Master shall be paid an additional fifty (\$50.00) dollars."

The Panel is in agreement with the County. The County Offer of status quo is adopted on Weapon Allowance.

ARTICLE 35 - MILEAGE ALLOWANCE

35.01

The County proposes that employees required to use their private vehicle be reimbursed as follows:

"A. First 300 miles 6 cents below the (AAA) published rate

B. Next 300 miles 8 cents below the (AAA) published rate

C. Over 600 miles 10 cents below the (AAA) published rate."

The Union proposal is as follows:

"47 cents per mile for all miles driven."

The County says its Proposal - reimburse with an amount below the AAA published rates - is justified:

"In comparison to the external comparables, the County provides the highest mileage reimbursement rates. The nearest comparable is the City of Livonia at thirty-two and one-half cents (.325) per mile. Nevertheless, in spite of the fact that the County mileage reimbursement rates exceed the rates of the external comparables, the County is proposing to enhance this benefit by increasing the current reimbursable mileage rates by two cents (.02) per mile in all three mileage categories.

Also, the County's proposal provides the supervisory police officers with the exact mileage reimbursement rates provided to the rank and file police officers represented by Local 502."

The Union Demand appears excessive.

The County Proposal is adopted.

35.04

In those situations where the Director of Personal/Human Resources elects to provide flat rate mileage, the County requests a rate of \$166.66 per pay period.

The Union seeks the following:

"\$500.00 per month effective 12/1/96

\$550.00 per month effective 12/1/97

\$600.00 per month effective 12/1/98 \$650.00 per month effective 12/1/99."

The County Proposal that the current amount - Three Hundred Sixty (\$360.00) Dollars per month - be changed to One Hundred Sixty-Six and 16/100 Dollars (\$166.16) per pay period is inadequate. It fails to provide any increase to those Employees who have used their private vehicles on behalf of the County.

The Union says its change reflects the change in the CPI so that by November 30, 1999, the flat rate would amount to Six Hundred Fifty Dollars (\$650.00) per month.

The County says it is the only Comparable which pays flat rate mileage and it intends to "phase out the use of private vehicles for County-related Police business.

The Union's Demand relative to Flat Rate Mileage is deemed justified.

The Union Offer on Flat Rate Mileage is adopted.

35.05

The County proposes:

"Effective beginning June 1, 1999, no Police Supervisor will be required to use his or her car on Police business. Those that do shall receive mileage on a reimbursable basis."

The County phasing out of Flat Rate Mileage is reflected in the above provision.

The Union responds:

"The County's next punitive change is to state that those members who have previously been provided a flat-rate mileage will still be required to use their automobiles and will receive the intermittent mileage as proposed by the Employer. The Union understands this punitive measure to mean that on the one hand, the County will take away an employee's flat-rate mileage, and on the other hand, still require the employee to use his automobile in the performance of his duties and reimburse him on an intermittent mileage basis. Assuming that the flat-rate mileage is five-hundred (\$500.00) per month, this would mean that an employee would have to drive in excess of two-thousand (2,000) miles per month in order to obtain a mileage check equal to that he or she received under the flat-rate mileage provision of the existing contract."

The above seems to be a mis-reading since the County Proposal clearly states:

"...no police supervisor will be required to use his or her car on police business."

It is the Union's contention that if flat rate mileage is eliminated, the employee shall be assigned a car for on and off duty use and that the cars will be removed from service upon reaching seventy-five thousand (75,000) miles.

This Union Proposal is deemed without merit and it is unnecessary to further give it consideration.

The Panel adopts the County Offer.

ARTICLE 36 - TUITION REIMBURSEMENT AND IN-SERVICE TRAINING 36.02:

The Union requests that participation extend to college level courses which are not directly related to law enforcement.

In regard to eligibility, the County proposes that tuition reimbursement be limited to those courses as outlined in the

current 36.04.

As to the amount of reimbursement, the County proposes one hundred (100%) percent reimbursement not to exceed One Thousand (\$1,000.00) Dollars - except if the legal plan is eliminated, the reimbursement amount will increase to One Thousand Five Hundred (\$1,500.00) Dollars.

The Union seeks to increase the present available amount of refund from One Thousand (\$1,000.00) Dollars to Two Thousand Five Hundred (\$2,500.00) Dollars.

The Union Proposal is deemed excessive and therefore the Panel adopts the One Thousand (\$1,000.00) Dollars reimbursement amount.

The County proposes a new application and reimbursement process provision relative to benefits outlined in the Article covering tuition reimbursement and in-service training. The County also proposes a program administration provision.

The Union only disagrees with the following:

"Approval and program continuation are contingent upon availability of funds."

The Panel does not perceive the above restriction to be unwarranted so the County Proposal is adopted.

The County has combined existing In-Service Training provisions and placed them in one (1) subsection of Article 37.

The County has also deleted reference to the Northwestern Traffic Institute School of Police Staff and Command and retained only the FBI National Academy as attendee training sites.

The Parties differ on the method of selecting attendees with the County advocating a selection based on a "the sole recommendation of the Airport Director and approval of the FBI Academy," whereas the Union proposes it be based upon the recommendation of "the In-Service Training Committee and the approval of the FBI National Academy."

The County objects to the Union Proposal:

"The Union's proposal to take from the Sheriff his discretion to select the employees that are to attend the FBI academy and the Staff and Command school is an unsupported intrusion into the Sheriff's rights to manage."

The Panel is not satisfied that the Union Proposal has merit.

The County Offer is adopted.

ARTICLE 37 - INSURANCE PROGRAMS

37.01

The Union proposes that the Wayne County Health and Welfare Plan no longer be utilized to interpret or modify the insurance provisions in the Agreement. It is also urged that the provisions in the Plan allowing a modification of retiree medical benefits "shall not apply to members of this Bargaining Unit."

The Union notes that the Wayne county Health and Welfare Benefit Plan, in part, provides:

"The County reserves the right to modify, amend, replace and/or discontinue any retiree's health benefits provisions applicable to retirees."

The Union explains its concern:

"The Union was astonished to find out that the County had incorporated, by reference, such a heartless provision in the collective bargaining agreement and now requests that the Panel correct this gross injustice. It was during the course of the Act 312 Arbitration Hearings that the Sixth Circuit Court of Appeals determined that it was permissible for General Motors to eliminate retirees' health care benefits without bargaining same with the employees individually or with a representative of the former, retired employees."

While the Panel is sympathetic to the Union's worry, it is not persuaded that the benefits accorded to retirees are threatened in the foreseeable future. The above provision is applicable Countywide so that a change, if it were to occur, would not be made solely as to members of this Unit.

The Panel adopts the Status Quo, which is the County proposal.

37.02 - MEDICAL INSURANCE

The Union proposes a Two (\$2.00) Dollar deductible as to prescriptions.

The County wishes to eliminate the Two (\$2.00) Dollar deductible and retain the Five (\$5.00) Dollar deductible effective 12/1/95.

The Panel does not perceive that a Five (\$5.00) Dollar deductible relative to prescriptions is unreasonable.

The Panel adopts the County Proposal, which is Status Quo - Five (\$5.00) dollar deductible.

The County also proposes that it provide only one (1) health care benefit per family, even where both spouses are County employed and/or covered as a result of the retirement program.

The Panel finds merit in the County Proposal which provides "one health care benefit option per family" and therefore the County Proposal is adopted.

ARTICLE 37.05 - OPTICAL PROGRAMS

The County proposal continues a benefit of One Hundred Twenty-Five (\$125.00) Dollars for each family member every two (2) years.

The Union suggests that every Bargaining Unit Member should have an Optical Benefit Account which would be credited with Eight Hundred (\$800.00) Dollars annually.

The Union justifies its Demand as follows:

"A. Support for proposal

- 1. \$125 will only buy the frames.
- 2. It is widely accepted that everyone should have annual eye exams especially children whose eyes change rapidly"

The County responds:

"The current maximum benefit level of One Hundred and Twenty-five (\$125.00) per eligible family member every two (2) years compares favorably with that provided in comparable jurisdictions."

Some Internal Comparables receive a higher reimbursement - other AFSCME Units receive One Hundred Seventy-five (\$175.00) Dollars. With reference to External Comparables, the current benefit is favorable. In any event, none of the Comparables have a family account structure as proposed by the Union.

The Panel is unconvinced that an improvement is warranted.

The County Proposal - Status Quo is adopted.

ARTICLE 37.07 - DENTAL INSURANCE

The County wishes to retain the status quo.

The Union seeks an increase in benefits. It is proposed that the benefit amount be increased from One Thousand (\$1,000.00) Dollars to Two Thousand (\$2,000.00) Dollars per person per benefit year for Class I benefits.

For Class II benefits, it is proposed that the lifetime benefit maximum be increased from Nine Hundred Fifty (\$950.00) Dollars to Two Thousand (\$2,000.00) Dollars.

Insofar as Internal Comparables are concerned, the existing benefit exceeds other AFSCME Units and is the same as that received by Local 502 Unit Employees. The present benefit amount appears to compare favorably with the External Comparables.

While the Panel appreciates that the current benefit may not cover all actual expenses in each and every case, it does conclude that the present benefit is in line with Comparables. The County Proposal of Status Quo is adopted.

ARTICLE 37.09 - LIFE INSURANCE

The Union proposes a life insurance increase from Twenty-Five Thousand (\$25,000.00) Dollars to the following:

"...life insurance equal to two and one-half (2 1/2) times the Employee's base rate of pay."

County employees in Local 502 receive the same Life Insurance Benefit as the members of Local 3317. In regard to External Comparables, the Michigan State Police receive twice their Annual Salary in Life Insurance coverage.

Although the current level of coverage - Twenty Five Thousand (\$25,000.00) Dollars - is less than the optimal, the Panel considers the Union Demand to be excessive.

The County Offer of Status Quo is adopted.

ARTICLE 37.11

The Union wants the following:

"The Employer shall pay the full premium for One Hundred Fifty Thousand (\$150,000.00) Dollars of life and dismemberment insurance for Employees assigned to the S.W.A.T. detail and bomb squad detail who actually handle potentially explosive devices and the canine unit members."

The current benefit amount is Fifty Thousand (\$50,000.00)

Dollars.

The Union, in its Brief, urges:

"The Employer has not produced any evidence to show that they cannot afford any increases in insurance benefits and, in fact, have alleged that they are not going to claim inability to pay any of the Union's demands."

Ability to pay is, of course, only one criteria found in the statutory framework.

The Panel is not persuaded that this Demand has merit. The County Proposal of Status Quo is adopted.

ARTICLE 37.14 - PRE-PAID LEGAL PLAN

The Union requests a County contribution increase from the current amount of Six (\$6.00) Dollars monthly per Employee to Eight (\$8.00) Dollars.

The County proposes that this benefit be eliminated.

The Union advances the following in support of its Demand:

"The Union had requested that the pre-paid legal plan be increased from six \$6.00) dollars per month per member to ten (\$10.00) dollars per month per member. As part of the Union's last Best Offer, it has lowered its demand from ten (\$10.00) dollars down to eight (\$8.00) dollars per month per member. The six (\$6.00) dollars per month per member rate has been in effect for approximately sixteen (16) years with no increases during that period of time.

Lt. David Quinn testified during the May 18, 1998 hearing, as to the Union's position and offered support for the increase in the premium. Under excellent direct examination by the Union's advocate, Lt. Quinn more than set forth the basis for this Panel to award an increase in the pre-paid legal plan from six (\$6.00) dollars per month per member to eight (\$8.00) dollars per month per member."

The other Comparables, with the exception of Local 502, do not have this particular benefit.

It remains a fact, however, that members of Local 3317 have enjoyed this benefit for many years. In that connection it is noted that the County has not advanced "ability to pay" as an issue. Certainly, in the case of a "take-away," ability to pay is an important consideration.

The Panel recognizes that the Union Demand entails an increase in this particular benefit. The increase in dollar amount is not extravagant. It must also be noted that the Panel has basically "towed the line" with regard to the several other Demands from the Union on the Insurance matters. Finally, it can hardly be denied that Legal Insurance does provide those covered with a measure of peace of mind from which the Employer derives a benefit.

The Panel adopts the Union Proposal and increases the monthly

per employee rate to Eight (\$8.00) Dollars.

ARTICLE 37.15

The Union wishes to delete this provision contained in the prior Agreement which specified that Employees who terminate their employment prior to retirement "and who subsequently exercise their vested retirement rights will not be entitled to any health or insurance benefits."

The Panel is unconvinced that the Union Proposal has merit. The Status Quo is adopted.

ARTICLE 37.16

The most important aspect of the Union Proposal is to eliminate the word "accidental."

The Union, in justification of its Proposal, says:

"37.16 as offered by the Union, would provide for both accidental death and death caused by an intentional act of a third-party and be covered by the contract. As the section now reads, surviving spouses and legally-dependent children of an officer killed in the line of duty can only obtain the survivor's benefits if the death was accidental. However, a strict reading of the provisions provides that in the event the officer is killed by a felon performing a deliberate act, the employee's surviving spouse and legal dependents would not be entitled to medical benefits.

As absurd as this may appear, the County would punitively interpret the contract in such a manner and deprive the widow/widower of a police officer killed in the line of duty said benefits."

The Panel finds the above fear most distressing. It probably

best exemplifies the reason for the lengthy list of issues and the protracted length of Hearings which has been expended in this matter.

The Panel is unconvinced that the Union fear is well founded. In any event, it is the Panel's belief that the provision as it now reads does cover a situation involving a death as a result of a deliberate act by a felon.

The Panel adopts the Status Quo which is the County Proposal.

ARTICLE 37.25 - LONG-TERM DISABILITY

The Union proposes an income protection plan which provides "100% of the employee's regular rate of pay for their first six months of disability and 60% of the employee's base rate of pay thereafter." It also wants eligibility issues resolved pursuant to the "grievance arbitration provision of the contract."

The County proposes to increase the maximum monthly benefit to Two Thousand Four Hundred (\$2,400.00) Dollars effective June 1, 1999.

The County wants the current benefit maximum increased to Two Thousand Four Hundred (\$2,400.00) Dollars, with the following addition:

"Benefits will begin on the 61st calendar day of illness or disability or the day following the use of all sick leave whichever occurs last. To minimize financial loss during this period, an employee may elect to utilize accumulated annual leave, personal business leave or holiday leave. The employee receives benefits under the terms and conditions of the Long Term Disability Income Benefit Plan. Payment of benefits will be made in

accordance with the approved Long Term Disability Income Benefit Plan."

The Union asserts the following in support of its Proposal:

"The long-term disability changes proposed by the Union would provide an employee with one-hundred (100%) percent of his salary for the first six (6) months of his disability, and then sixty (60%) percent of his base salary with no cap thereafter. The proposal would also provide for any disputes to go directly to the grievance arbitration provisions of the contract.

In support of their position, the Union relied upon the long-term disability provisions provided for commanders, deputy chiefs and the Undersheriff of Wayne County, in that they are covered by the County Executive Wage Plan, being exhibit 37-16. The Executive Employee Benefit Plan includes not only high-ranking command officers in the Wayne County Sheriff's Department not represented by a collective bargaining agreement, but also secretaries, entry-level clerks and all other employees in the unclassified service of Wayne County. The Executive Compensation Plan sets forth at page eleven (11) the long-term disability benefits, as follows:

'The County shall provide a long-term disability (LTD) income protection plan. An employee must exhaust his or her allotted sick time before they are eligible for benefits under the plan. The employee who is eligible for sick leave qualifies for this income protection plan after thirty (30) calendar days of illness or disability. The plan pays a member one-hundred percent (100%) of current salary for a period of six (6) months following the initial thirty (30) days of disability. After six (6) months of long-term disability benefits, the employee will receive sixty percent (60%) of current salary.'

As can be seen by the Union's proposal as compared to the Executive Employee Benefit Plan, the Union is asking no more than what the commanders, deputy chiefs, Undersheriff and secretaries of Wayne County receive in long-term disability benefits. It should also be noted that employees of Wayne County who are represented by Local 3317, and assigned to the Executive Service positions, receive Union protection, and at the same time receive benefits under the Executive Employee Benefits Plan.

Therefore, it is argued by the Union that certain members of Local 3317 enjoy this one-hundred (100%) percent benefit for the first six (6) months and sixty (60%) percent of the employee's base rate of pay thereafter, while other members of Local 3317 do not receive this benefit."

The County stresses that its Proposal provides:

"...a four hundred (\$400) per month increase in the long term disability benefit level [twenty percent (20%) increase] comparable to the wage adjustments in recent years."

The Union has referenced the Executive Compensation Plan but it should be noted that those covered by the above are unrepresented employees. The County Proposal compares favorably with Local 502, the Government Administration Association and other AFSCME Locals. With regard to External Comparables, it should be noted that the Michigan State Police provides coverage of two-thirds (2/3) of wages and the Oakland County Sheriff's Department provides sixty (60%) percent of wages to Three Thousand (\$3,000.00) Dollars a month. The County Offer seems to be in line with the latter. The other three (3) Comparables have no Long Term Disability Plan.

The Panel concludes that the Union Proposal, especially on the one hundred (100%) percent of salary for the first six (6) months of disability, is far-reaching and beyond the bounds of reasonableness.

The Panel adopts the County Proposal.

ARTICLE 37.29

The Union proposes the following new language:

"The Department of Risk Management acknowledges that it is a violation of the Federal American With Disability Act to provide the Corporation Counsel's office with an employee's medical records if the employee files a Worker's Compensation Claim."

The Union explains:

"37.29 brings the County LTD Plan in conformity with the Americans With Disabilities Act, in that it prohibits the Risk Management Department from giving the Corporation Counsel's Office for Wayne County the employee's medical records when the employee files a worker's compensation claim."

The Panel is not persuaded the Proposal is needed. The Status Ouo is maintained.

ARTICLE 37.30

The Union does not favor retention of the County Long Term Disability Benefit Plan and urges it be replaced with a policy "provided by a third party insurance company which shall be selected jointly by the Union and the Employer..."

The County only proposes that the applicable Long Term Disability Income Plan be one revised to 12/1//96.

The Union says a third party administrator is needed:

"The egregious acts of the Employer, in denying LTD benefits to an employee who also requests Worker's Compensation benefits are well-documented."

More specifically, it is noted:

"Compelling testimony was offered by Mr. Vincent Gregory, the former president of Local 502 at the May 18, 1998 hearing, when he testified that Wayne County routinely denied applications for long-term disability benefits and that somewhere between twenty (20) and thirty (30) members of Local 502 apply for benefits on an annual basis, and are denied.

Further, on May 18, 1998, Sgt. Carter testified that he was denied worker's compensation benefits, then applied for LTD benefits and was specifically turned down for LTD benefits because he had applied for worker's compensation benefits. Sgt. Carter then testified that he was required to obtain the services of an attorney in order to receive a workers' compensation settlement and that he was off the payroll for several months during this period of time."

The Panel has some real concerns relative to denial of LTD based on the fact that a Workers' Compensation claim has been filed. If an employee meets the LTD requirements, it should be paid. The Agreement provides the means by which the County can recoup LTD paid benefits which are paid prior to a favorable adjudication of an employee's Worker's Compensation claim.

The Union's approach to turn the matter to a third party insurance carrier is rather far-reaching. The testimony of the former Local 502 President has been referenced by the Union. It should be noted that the Local 502 Agreement provides a mechanism for resolving conflicts by utilizing a neutral third party doctor. Another procedure entails a selection by Risk Management and Local 502. The point here is that Local 502 resolved the problem by a process which did not divest the Parties of participation in the procedure for resolving disputes.

At this juncture, the Panel believes it is not necessary to belabor the point. For present purposes, it is determined the Status Quo should remain in effect.

ARTICLE 37.31 - WORKERS' COMPENSATION

The Union has submitted a substantial revision of the existing language and therefore it is fully displayed:

"37.31 - Worker's Compensation

- A. Worker's Compensation shall be paid in accordance with the qualification period established by state law;
- B. Any member of the Bargaining Unit who is in receipt of Worker's Compensation Benefits shall receive Supplemental Worker's Compensation Benefits equal to 100% of his/her contractual salary rate. State and Federal Income Tax shall be deducted from the Supplemental Worker's Compensation payments;
- C. Officers receiving benefits in accordance with Article 37.31(B) above, shall be placed on Duty Disability Retirement as soon as they are determined to be eligible under the Retirement Ordinance. However, said determination cannot be made until the employee is in receipt of the statutory Worker's Compensation Benefits and Supplemental Worker's Compensation Benefits for a period of Two (2) years.

However, after receiving Worker's Compensation Benefits for Two (2) years, the employee will be presumed eligible and an application will automatically be made on his/her behalf for a Duty Disability Retirement.

If the medical director of the Wayne County Employees' Retirement System determines that the employee is not disabled from performing his/her duties and denies a Duty Disability Retirement, the employee will continue to receive Supplemental Worker's Compensation Benefits for the period of time the employee would have otherwise worked and obtained Twenty-Five (25) years of service.

Upon obtaining Twenty-Five (25) years of service, the employee will be required to retire and will be the recipient of a Duty Disability Retirement allowance as otherwise provided for under the Retirement Ordinance;

D. In the event the Employer challenges the employee's eligibility to receive Worker's Compensation

Benefits and the employee is at a later date awarded said Worker's Compensation Benefits by the Department of Labor, the employee shall be entitled to receive retroactive Supplemental Worker's Compensation Benefits. The retroactive Supplemental Worker's Compensation Benefits shall accrue at a rate prescribed by the Worker's Disability Compensation Act;

E. Any member of the Bargaining Unit who applies for and receives or who the County applies for and the employee then receives a duty disability pension shall not be subject to any cap on wages the employee earns subsequent to retirement. The parties recognize that General Order 86-19 severely limits the availability of employment within the Department and therefore, an employee who may not be otherwise qualified to perform the duties of a member of Local 3317 may otherwise qualify to perform other employment.

The County further recognizes that any employee who was gainfully employed and approved outside employment while a member of the Sheriff's Department or Airport Police and who subsequently retires on a disability pension, shall likewise be allowed to continue work at said job or jobs without any penalties whereby his retirement benefits are reduced in accordance with the amount of money the employee earns after retirement."

According to Mr. Quinn's testimony on November 30, 1998, the Union Proposal (B) would extend the one hundred (100%) percent after tax entitlement beyond a two (2) year limitation. The Union Proposal would extend the Supplemental Pay entitlement until the disability ceases. Another provision (C) is intended to clarify entitlement rights when a dispute surfaces between the County and the Retirement Board as to the disability of a Bargaining Unit employee. Subsection (D) provides an employee will be entitled to retroactive Supplemental Pay if a Workers' Compensation claim is denied and later determined to have merit. The provision also provides interest at the prevailing rate under the Workers'

Compensation Act. Subsection (D) allows one with approved outside employment to continue same with no effect on Workers' Compensation entitlement.

While the Panel is sympathetic to some of the problems experienced by Unit members in this area, it is not convinced that the expansive revision as proposed by the Union is required. For present purposes, the Panel concludes the better approach is for the Department to coordinate its needs - an employee must be one hundred (100%) percent to return to work - with the County requirement as to benefit entitlement.

Once again, the existing language appears to be in line with that provided to the other County Law Enforcement Unit - Local 502.

The Union Proposal is rejected and the County Offer of Status Quo is accepted.

ARTICLE 37.35

The Union wants the following language deleted:

"However, the party recognizes that the Sheriff has the sole authority over the gun range facilities, therefore when a member is not working due to an on the job injury and collecting benefits under this Article, such member shall not be allowed to qualify until he/she has returned to full time duty."

The intent, from the Union's view, is to preserve a member's right to qualify so that the member continues to be entitled to the qualifying allowance - 34.15.

The Panel is not persuaded the Proposal has merit. The matter of qun range facility and the Sheriff's authority over same is

deemed appropriate.

The County Proposal of Status Quo is adopted.

ARTICLE 37.38

The current language allows the Employer to assign duties in accordance with physical ability and specifies consequences for refusal to perform and benefits as a result of returning to work. The Union seeks the following:

"If the Employer determines to assign duties to an officer who is in receipt of statutory Worker's Compensation Benefits, the officer shall continue to receive his/her regular gross rate of pay and all other benefits as otherwise required under this Agreement. The job duties which the officer will be assigned are subject to approval by the Union and must be within the limitations placed on the officer by his personal attending physician."

The justification for the proposed change is insufficient and therefore it is not adopted.

The County Offer of Status Quo is adopted.

ARTICLE 37.44

This is a new provision which the Union demands:

"All members of the Bargaining Unit who retire on and after November 30, 1996 shall continue to receive the same medical, dental, optical benefits they were in receipt of prior to their retirement. The member's life insurance shall be reduced to Twenty-Five Thousand (\$25,000.00) Dollars upon retirement."

In its Brief, it is noted:

"The Union is requesting that a member who retires after

November 30, 1996 shall continue to receive the same medical, dental and optical benefits they received prior to retirement. This provision would not apply to employees who retired prior to November 30, 1996, but only for those employees who retire on and after the effective date of this agreement."

The Panel has serious concerns on the notion that employees, by virtue of their retirement date, are entitled to a wider range of benefits than others. Another concern is that the provision does not maintain conformity among retirees. Finally, individuals while at work do enjoy a greater range of benefits because they perform services on behalf of the Employer.

The Panel is not persuaded the Proposal has merit. The County Offer of Status Quo is adopted.

ARTICLE 38 - RETIREMENT

At the outset, it should be noted that the Parties herein have not agreed as to the manner for treating the Retirement issue. In the Wayne County and Local 502 case, it was noted:

"Both the Union and the County has indicated that they wish to have the General Provisions and the four retirement plans treated as one issue."

In this case, no such Agreement exists and therefore Retirement is not treated as one issue.

38.01

The Union proposes the following relative to Defined Benefit Plan #1:

- * * *
- D. Effective upon the implementation of the new contract, all employee contributions to the Retirement System shall be 5.0% of all W-2 compensation;
- E. The Employer shall contribute in addition thereto, the amount required to actuarially fund the Retirement System;
- F. Average Final Compensation shall be equal to the average of the four (4) highest years of compensation while a member of the Retirement System. The standard method used by the Retirement System in calculating the employee's highest years shall continue to be utilized;
- G. Delete;
- H. For employees retiring under Defined Benefit Plan #1 on and after December 1, 1991 with a regular service (normal) retirement, i.e., with Twenty-Five (25) or more years of service, the amount of their retirement compensation (normal pension) shall equal Two and Sixty-Five One-Hundredths (2.65%) percent per service year credit times average Final Compensation.
- I. The amount of County financed normal pension shall not exceed 75% of average final compensation reduced by the annual equivalent, as presently used and determined by the retirement system, of any Workers' Compensation benefit paid on account of prior employment by the County.
- J. Effective December 1, 1995, the maximum benefit on retirement shall not exceed 75% of average final compensation regardless of the formula used and regardless of the source of funding. This does not apply to employees who had Thirty (30) or more years of credited service on or before November 30, 1995.

An employee who reaches the maximum benefit of 75% shall be allowed to freeze his/her vested rights under Defined Benefit Plan #1 and transfer to Defined Contribution Plan #4. Provided, however, the amounts paid off upon retirement for sick and annual leave shall be counted in computing an employee's AFC.

K. If an employee receives Social Security Disability

Benefits after he/she is in receipt of a Disability Pension or a normal pension, said Social Security Disability Benefits shall not cause the employee's pension to be reduced as is now the current practice."

The County proposal begins with the following General Provisions:

"38.01 - GENERAL PROVISIONS

- A. The detailed provisions of the Wayne County Employee's Retirement System shall control except where changed or amended below.
- B. Each employee shall participate in one of the Defined Benefit Plans or the Defined Contribution Plan.
- C. Employees must meet all age and service requirements to be eligible for post retirement insurance and health care benefits pursuant to the Wayne County Health and Welfare Benefit Plan, effective December 1, 1990.
- D. All new employees hired on or after December 1, 1990, shall be eligible for participation in Defined Benefit Plan #2 or Defined Contribution Plan #4, however, said employees shall not be eligible for insurance and health care benefits upon retirement unless they retire with 30 or more years of service or after a minimum 15 years of service at age 60 or older.
- E. Employees separating from County service with vested pension benefits who then receive, when eligible, a deferred pension payment, shall not be eligible for post retirement insurance and health care benefits.
- F. One (1) year of service equals 2,080 straight time hours. No more than one (1) year of service credit may be earned in any one (1) calendar year."

The County offers the following in regard to Defined Benefit Plan #1:

"38.02 - DEFINED BENEFIT PLAN #1 (DBP-#1):

- A. Applicable to full-time members of Local 3317 employed by the County of Wayne PRIOR to October 1, 1983.
- B. The Employer shall pay the employee's cost for the increase in retirement benefits in accordance with the July 31, 1972, Act 312 Award.
- C. Normal Retirement shall mean twenty-five (25) years of credited service without any age requirement.
- D. Effective December 1, 1995, an employee's contributions to the Retirement System shall be 4.42% of annual compensation, to be deducted from the bi-weekly payroll. Effective December 1, 1999, all employee contributions to the Retirement System shall be 5.21% of annual compensation.
- E. The Employer shall contribute to the Retirement System the amounts required to actuarially fund the Retirement System.
- F. Average Final Compensation shall be equal to the average of the five (5) highest years of compensation while a member of the system. Effective December 1, 1999, Average Final Compensation shall be equal to the average of the three (3) highest years of compensation during the ten (10) years immediately preceding retirement while a member of the system. Compensation shall not include payouts of any sick leave or overtime.
- G. For employees who retired under Defined Benefit Plan #1 prior to December 1, 1991, the amount of their retirement compensation (normal pension) shall equal two (2%) percent per service year credit times average final compensation.
- H. For employees retiring under Defined Benefit Plan #1 on or after December 1, 1991 with a regular service (normal) retirement, i.e., with 25 or more years of service, the amount of their retirement compensation (normal pension) shall equal two and one-half (2 1/2%) percent per service year credit times Average Final Compensation. Effective December 1, 1999, employees eligible for normal retirement may retire with a pension benefit formula of 2.679% of Average Final Compensation multiplied by all years of credited service.

- I. The amount of County financed normal pension shall not exceed 75% of average final compensation reduced by the annual equivalent, as presently used and determined by the retirement system, of any workers' compensation benefit paid on account of prior employment by the County.
- J. Effective December 1, 1995, the maximum benefit on retirement shall not exceed 75% of average final compensation regardless of the formula used and regardless of the source of funding. This does not apply to employees who had thirty (30) or more years of credited service on or before November 30, 1995.
- K. In lieu of any other inflation equity program provided by the County, employees who retire after December 1, 1999, shall receive a cost of living allowance according to the following schedule:
 - 1. Beginning the second year after retirement: \$20.00 per month
 - 2. Beginning the third year after retirement: \$40.00 per month
 - 3. Beginning the fourth year after retirement: \$60.00 per month
 - 4. Beginning the fifth year after retirement: \$80.00 per month
 - 5. Beginning the sixth year after retirement: \$100.00 per month
 - 6. Beginning the seventh year after retirement and each year thereafter: \$120.00 per month
- L. Employees separating from County service with vested pension benefits who then receive, when eligible, a deferred pension payment shall have that payment computed in accordance with Article 38.01(G).
- M. Once an employee has elected to withdraw from the Defined Benefit Plan #1, that employee may not return.
- N. Effective December 1, 1996, the option to transfer to Defined Contribution Plan #4 will be eliminated."

The Union explains its Proposal:

"The main changes which the Union wishes to make in Defined Benefit Plan 1, calls for average final compensation to be moved from the present multiplying factor of 2.5% up to 2.65%. (Section H). Further, the Union requests that the average final compensation be based upon the four (4) highest years of compensation, rather than the five (5) highest years of compensation as presently provided for under the contract. (Sub-section 'F'). Lastly, the Union proposal provides for an increase in employee contributions from 4.42% up to 5%."

The County states the following in connection with its Proposal:

"To begin, as evidenced by Mr. Naughton's testimony, the County maintains that the current retirement benefits for members of Defined Benefit Plan #1 are greater than any of the external comparables. Nevertheless, the County proposed several changes to conform and improve Plan #1 with the same retirement plan coverage negotiated or County employees represented by other awarded to However, bargaining units. the Union demanded significant changes to apply to their Plan #1 members. The cost of the <u>Union's</u> demands with respect to only the defined benefit plans total \$518,556 in first year costs.

Consequently, in an effort to try to meet some of the Union's concerns, the County submitted a last offer of settlement that in effect is the much heralded retirement plan provided by the City of Livonia ('Livonia Plan'). Throughout the arbitration proceedings witnesses on behalf of Local 3317 promoted the 'Livonia Plan' as the premier retirement plan among all of the comparables. Accordingly, the County's proposal adopts that plan by: Increasing the current multiplier from 2.5% to 2.679%; (2) Reducing the average final compensation computation period from 5 years to the average of an employee's 3 highest years of compensation; (3) Increasing employee contributions from 4.42% to 5,21%; (4) Providing a fixed inflation equity benefit identical to the 'Livonia Plan;' and (5) Removing overtime and sick leave from the average final compensation computation formula."

Attached to the Employer Brief is the following Cost Estimate of the Union Demand relative to Plan #1 from the firm of Gabriel, Roeder, Smith and Company:

"PROPOSED PROVISIONS:

- 4 years AFC including base pay plus overtime and payoffs
- Members would contribute 5.0% of pay per year.
- 2.65% multiplier with maximum of 75% of AFC.
- Disability benefit would be the smaller of i) the accrued benefit, and ii) 75% of AFC less Worker's Compensation.
- If there is no eligible surviving spouse, the estate is paid a lump sum amount equal to the actuarial present value of the accrued benefit at the time of death.

Actuarial Statement

Computed Employer Contributions
% of Plan One Sheriff
Command Officers Payroll

Increase in

Employer Normal Cost 1.19% Accrued Liabilities* 8.39

TOTAL 9.58%

First Year Dollars

\$429,838

*Financed over average future service to retirement.

The results shown above are based on the assumption that retirement probabilities for Sheriff Command Officers would not change as a result of the proposal. Higher benefits could result in earlier retirements. If retirement probabilities at each age were assumed to be higher, then the increase in total computed contribution costs would be higher than shown above."

The Union is bitterly critical of the County Proposal:

"The County's first proposed change is under Section D, which provides for an employee contribution effective December 1, 1991 to be 5.21% of annual compensation. This proposal constitutes an unfair labor practice and further, is not supported by the competent, material and substantial evidence on the record. The County's original proposal which is dated November 13, 1996, and identified as County proposal number 26, never made

mention of any increase in employee contributions and it is an unfair labor practice for the Employer to come in at the last minute, without ever making such a proposal at the table, and requesting that the Arbitration Panel increase the employee contributions above 5.21%.

* * *

There has been ample testimony on the record that employees such as Lt. Thiesmeyer is 1984, chose to stay in the old sick leave program, wherein they were allowed to accumulate one hundred (100%) percent of their sick time, have it paid off at retirement and have seventy-five (75%) percent of that sick time go towards their final average compensation.

What the County is now, in fact, doing is destroying the retirement planning made by these officers over the last fifteen (15) years.

* * *

This proposal would apply to Mr. Kenneth Darwish, a member of the Union's bargaining team, who in the late 1970's, earned over seventy thousand (\$70,000.00) dollars per year when he worked a substantial amount of overtime and who has planned for this overtime to be added to his final average compensation. Here again, the County has set out on a punitive course of action to punish individual members of the bargaining team for no apparent reason, other than to be spiteful.

* * *

The multiplier offered by Wayne County, that being 2.679% of average final compensation is, in fact, greater than the multiplier requested by the Union, that being 2.65%.

The next unfair labor practice committed by Wayne County is their proposal contained in the new paragraph 'K' under Defined Benefit Plan 1. Out of the blue, with no previous bargaining on the issue, Wayne County comes forward with a revision to the inflation-equity program for retired employees who have retired from Plan 1. Here again, this is a total repudiation of the collective bargaining process by Wayne County, in that at 11:59:59 of the collective bargaining process, they come forward with a proposal that has never been presented to the Union, nor even to this Arbitration Panel. This proposal must be rejected hat-in-hand, and this Panel should admonish the County for their blatant disregard for the processes set forth in Act 312.

The last proposed change in Defined Benefit Plant 1 is the new section 'L', which provides for the cessation of an employee's right to transfer to Defined Contribution Plan IV. No evidence has been presented on the record as to why the County wants this position."

The Panel is persuaded that the Union Proposal as to Plan 1 should be adopted. It appears that some of the changes proposed by the County had not been proposed earlier. Some of the proposed changes fundamentally alter the longstanding retirement entitlement associated with Plan 1 participants. The Employees in Plan 1 are the longer-tenured Employees. The Panel does not accept that it is fair or equitable to require these Employees to accept major changes relative to retirement entitlement when they are at the twilight of their careers. The Panel adopts the Union offer as to Plan 1.

DEFINED BENEFIT PLAN #2

The Union proposal includes a provision allowing retirement after twenty-five (25) years of service with no age requirement and entitlement to a Duty Disability Retirement Benefit equal to seventy-five (75%) percent of the Employee's average final compensation.

The County proposal as to Benefit Plan #2 follows:

"38.03 - DEFINED BENEFIT PLAN #2(DBP-#2):

- A. For employees who are members of Defined Benefit Plan #2, the detailed provisions of the Wayne County Employee's Retirement System shall control.
- B. Normal retirement shall mean twenty-five (25) years

of credited service at age 55, twenty (20) years of credited service at age 60, or eight (8) years of credited service at age 65.

C. Once an employee has elected to withdraw from Defined Benefit Plan #2, that employee may not return."

DEFINED BENEFIT PLAN #3

The Union proposes the following additional provisions:

- "D. Members covered by Defined Benefit Plan #3 (DBP-#3) shall be allowed to retire after twenty-five (25) years of service without any age requirement. An employee who retires with twenty-five (25) years of service shall receive all medical benefits as otherwise provided for under the terms of this Agreement.
- E. Any member of the Bargaining Unit covered by Defined Benefit Plan #3 (DBP-#3) shall be entitled to a duty disability retirement benefit which shall equal 75% of the employee's average annual compensation as otherwise provided for in DBP-#1."

The County Proposal contains the following additions:

"B. Normal retirement shall mean twenty-five (25) years of credited service at age 55, twenty (20) years of credited service at age 60, or five (5) years of credited service at age 65.

* * *

D. Once an employee has elected to withdraw from Defined Benefit Plan #3, that employee may not return."

The Union's major changes as to Defined Benefit Plans II and III is to provide for retirement after twenty-five (25) years of service and a seventy-five (75%) percent disability retirement for individuals injured in the line of duty.

A total of twenty-five (25) Bargaining Unit Employees are in Plans 2 and 3. The cost implications associated with the Union proposal is small. The Panel does not perceive that the Union Proposal will be a hardship on the County.

The Union's Proposals are adopted as to Plans 1, 2, and 3.

ARTICLE 38.04 - DEFINED CONTRIBUTION PLAN #4

The final Plan is Defined Contribution Plan #4, wherein the Union proposes the following:

"The Defined Contribution Plan #4 is one of two (2) retirement plan options afforded to employees hired on or after January 1, 1986. The other option is Defined Benefit Plan #2.

- A. A Defined Contribution Retirement Savings Plan shall be established with the Wayne County Employee's Retirement System.
- B. All Bargaining Unit members who elect the Defined Contribution Plan shall contribute not less than two (2%) percent nor more than four (4%) percent of gross wages to the Plan. Effective December 1, 1999, members with twenty (20) or more years of credited service may contribute five (5%) percent of gross wages to the Plan.
- C. The Employer shall contribute Four (\$4.00) Dollars for each One (\$1.00) Dollar the employee contributes. Effective December 1, 1996, the County shall contribute Five (\$5.00) Dollars for each One (\$1.00) Dollar the employee contributes after twenty (20) years of service.
- D. Effective beginning December 1, 1999, employees may contribute an additional 7.5% of gross wages to the Plan annually with no matching County contribution. The combined total contribution that an employee may make to Plan #4 and to the Deferred Compensation Program (the 457 Plan) cannot exceed Thirty Thousand (\$30,000.00) Dollars annually, and must otherwise conform to Internal Revenue Service Rules and Regulations.

- E. Vesting the Defined Contribution Plan shall occur as follows:
 - 1. An employee with less than three (3) years of total County credited service who voluntarily terminates employment shall be permitted to withdraw only the employee's contribution from the Defined Contribution Plan #4, plus earnings on those withdrawal contributions, if any.
 - 2. After three (3) years of total County credited service or upon involuntary termination of employment other than for cause, the employee shall be permitted to withdraw both the employee and Employer contributions plus earnings, if any.
- F. The funds deposited with the Retirement System as contributions to the Defined Contribution Plan #4 shall be invested as specified by the Retirement Ordinance.
- G. Distribution of the funds from the Defined Contribution Plan #4 shall be in accordance with the prevailing rules and regulations of the Internal Revenue Service and the Retirement Ordinance.
- H. Any member of the Bargaining Unit covered by Defined Contribution Plan #4 (DBP-#4) shall be entitled to a Duty Disability Retirement Benefit which shall equal 75% of the employee's average annual compensation as otherwise provided for in DBP-#1. The employee shall be required to spread his/her accrued retirement contributions over the period of time established by the State Mortality Table and the Employer shall be required to fund the difference between the employee's pension benefit and the 75% of the employee's final average compensation amount."

The following changes are suggested by the County relative to Defined Contribution Plan #4:

"B. Normal retirement shall mean twenty-five (25) years of credited service at age 60, or eight (8) years of credited service at age 65.

- C. ...Effective December 1, 1999, members with twenty (20) or more years of credited service may contribute three (3%) percent of gross wages to the Plan.
- D. The County has agreed to eliminate the maximum amount of yearly contribution by an employee.
- E. Effective beginning December 1, 1999, employees may contribute an additional 7.5% of gross wages to the Plan annually with no matching County contribution. The combined total contribution that an employee may make to Plan #4 and to the Deferred Compensation Program (the 457 Plan) cannot exceed Thirty Thousand (\$30,000.00) Dollars annually, and must otherwise conform to Internal Revenue Service Rules and Regulations.

* * *

I. Once an employee has opted for the Defined Contribution Plan #4, that employee may not opt for a Defined Benefit Plan."

The Union explains its proposal relative to Plan 4 - Defined Contribution Plan - as follows:

"The major changes which the Union requests in Defined Contribution Plan IV is to allow an employee to retire with twenty-five (25) years of service regardless of age, requiring a minimum contribution by the employee of 2% and not more than 4% of gross wages, and effective December 1, 1999, allowing the employee to contribute an additional 1% of gross wages to take the total percent up to 5%, provided the employee has twenty (20) years or more of credited service.

The proposed Employer match would rise four (\$4.00) dollars for every dollar contributed by the employee to five (\$5.00) dollars for every one (\$1.00) dollar contributed by an employee who has twenty (20) years of service.

Further, as of December 1, 1999, employees will be allowed to contribute an additional 7.5% of gross wages with no County match, and the total employee/Employer contribution cannot exceed thirty thousand (\$30,000.00) dollars annually.

This last major change is the provision calling for a seventy-five (75%) percent duty disability pension if the employee is injured in the line of duty. The Union offers as support for its position the testimony of Mr. Jones and Mr. Ronald Yee, and the testimony of Mr. Yee contained in Volume 29."

The County notes:

"...the County's retirement proposal includes improvements in the Defined Contribution Plan #4, similar to those negotiated with other County bargaining units, including a five (5) to one (1) employer match after twenty (20) years of service up to three percent (3%) of employee compensation."

The County considers the Union's Demands as excessive:

"On the contrary, the Union is demanding an increase in the matched employee contribution from two and one-half percent (2.5%) to four percent (4%) for all members, not to mention a five percent (5%) matched employee contribution for all members with twenty (20) or more years of service. We estimate an annual cost of the Union's proposed changes to be approximately \$150,000 per year. The Union is also proposing a new benefit, a one (1) to five (5) employer match of deferred compensation. This cost is estimated to be \$240,000 per year."

The Union objects to the County Proposal:

"The first change in the County's proposal is to provide for an increase in the amount of the employee's maximum contribution from 2.5% to 3%. Here again, this constitutes an unfair labor practice, as the County has never, prior to the presentment of their Last Best Offer, made a proposal to increase the maximum percentage an employee can contribute to the Plan. Further, the County has not provided the Arbitration Panel with any evidence to support the 3%. What the County, in fact, has done, is to lay in the bushes and spring a proposed modification to Defined Contribution Plan IV on the Union at the very last moment. As previously stated, this constitutes an unfair labor practice, in that the County has bargained in bad faith.

The next significant change is in the new provision 38.05(E), which provides for an employee to contribute an additional 7.5% of gross wages, with non matching County

contributions.

This is identical to the Union proposal, however, the Union did make a proposal during 1996, when the original contract demands were submitted to Wayne County and here again, the County has never produced any evidence to support their position, has not offered any testimony on this issue and in fact, their proposal constitutes an unfair labor practice."

The Panel concludes that the County Proposal more nearly complies with the statutory criteria. First, the County Proposal tracks closely with the comparable provision for Local 502 Employees in the County. The Panel is persuaded that a degree of uniformity between the Patrol and Supervisory Units is desirable and justified under the applicable statutory framework. Thomas Naughton, the County Chief Financial Officer, explained the cost implications relative to the Defined Contribution Plans:

"Well, the proposal for the defined contribution plan would provide for a required six percent contribution on the part of the employee, that would be matched, I believe, seven percent by the employer.

So if you do the math, seven times six percent is 42 percent. So the -- in reference back to the numbers we just discussed, if the county retirement clause were a four to one match the employer's cost is 10 percent now. The employer cost would increase to 42 percent under the union proposal. That's an increase of 32 percent of payroll, at least I remember."

The Union Last Best Offer specifies a maximum contribution effective December 1, 1999 of five (5%) percent with an Employer match of Five Dollars (\$5.00) for every One Dollar (\$1.00) contributed by an Employee for those having twenty (20) years of service. The Panel is persuaded that the cost implications of this Proposal are excessive.

The Panel distinguishes Plans 1, 2 and 3 from Plan 4. the former are Defined Benefits Plans, whereas the latter is a Defined A Defined Benefit Plan is fundamentally Contribution Plan. different than a Defined Contribution Plan. The difference was explained to the Panel during the Hearings. A Defined Benefit Plan is one in which the participant has a specified Benefit Entitlement at time of Retirement. A defined Contribution Plan specifies the Contribution formula toward an Employee's Retirement but the benefit itself is not specified and is determined by the performance of the investments made from the Contributions of Employee and Employer. Again, in this case, the Parties have not agreed that the Plans should be treated as one issue. Given the distinguishing features of the Plans, it is the Panel's determination that it is entirely appropriate to consider the Defined Contribution Plan as an issue separate and apart from the Defined Benefit Plans.

The County Proposal is adopted as to Plan 4.

The Union's proposal relative to normal retirement is as follows:

"38.05

Normal retirement for all Plans shall mean twenty-five (25) years of credited service without any age requirement or six (6) years of credited service at age sixty (60). A year of credited service equals 2,080 straight time hours."

The Union explains:

"This provision provides for all retirement plans to

provide for retirement after twenty-five (25) years of service with no age requirement."

The County adamantly resists a lowering of the Retirement age.

Mr. Naughton explained:

"One critical issue that may have been explored before, but really has a very significant impact on the employer's cost is the age of the employee at retirement.

And it works two ways: First, if the employee retires at an earlier age you have shortened the funding period, you've shortened the period, the credited service, the period over which the contributions have to be made to the retirement system. That directly impacts the employer's cost.

Equally important, when the employee retires at an earlier age, those pension benefits, if they're paid until the employee dies or his or her spouse dies; you're going to pay that pension amount, that annuity, over a longer period of time.

So, for instance when you reduce normal retirement age from, say, age 30 to 25 (sic.), it has two impacts. First, in terms of the funding period, in an example, say you knew that you had to have \$150 thousand set aside to pay this annuity at age 55; and the employee would work 30 years.

So over 30 years you would contribute five thousand dollars a year, in a very simplistic example, so that \$150 thousand would be available at age 55.

If the same employee only works 25 years you have to put in six thousand dollars a year over 25 years, to have \$150 thousand set aside, in the plan, to pay the annuity.

That's simply on the funding period. That's one way it impacts on the employer's costs. But also, the number is no longer \$150 thousand that you have to have set aside in the retirement system to pay the annuity, because you're going to have to now pay that annuity for an additional five years.

The employee will live to age 80 or 85, or whatever the case, whatever it is. On average, say, 85. So you're going to have to pay -- if this employee, in the first example, retires at age 55 and lives to be 85, you're going to pay that annuity for 30 years.

If he retires at age 50 and still lives to age 85, you're going to have to pay that 35 years."

The above concerns primarily impact the Defined Benefit Plans. The point here is that Plan #1 already has a twenty-five (25) years of service retirement provision. The overwhelming number of new Bargaining Unit Employees are governed by the Defined Contribution Plan so that the concerns raised by Mr. Naughton are not as critical for that group.

The Panel adopts the Union Offer.

38.07 Early Retirement

The County wishes to eliminate the exiting Early Retirement Provision, while the Union seeks to make it available on or before November 30, 2000.

The Panel is not persuaded that this provision should be extended in the current Agreement. While an Early Retirement Option was available in the prior Agreement, that fact standing alone does not justify its continuation.

The Panel adopts the County Offer.

38.08 Deferred Compensation

With regard to Deferred Compensation, the Union wants to add:

"If the Internal Revenue Service Rules and Regulations allow, the Employer will match One (\$1.00) Dollar for every Five (\$5.00) Dollars the employee contributes to the Deferred Compensation Plan."

The Panel is not persuaded that the Union Demand has merit. The County Offer is adopted.

38.13

The Union seeks to eliminate the following provision - 38.13 - in the current Agreement:

"All new employees hired on or after December 1, 1990, shall be eligible for participation in Defined Benefit Plan #2 or Defined Contribution Plan #4, however, said employees shall not be eligible for insurance and health care benefits upon retirement unless they retire with 30 or more years of service or after a minimum 15 years of service at age 60 or older."

To the extent that this provision is not covered elsewhere, its deletion seems inappropriate. The County Offer - retain the provision - is adopted.

The Union proposes the following new language:

"38.17

In the event a member of the Bargaining Unit, who is covered by Defined Benefit Plan #1, dies after the date his retirement is approved by the Retirement Board and does not have a spouse at the time of his death, then the value of the annuity allocated to his account by the Retirement Board Actuary shall be paid into the estate for distribution pursuant to the terms of his or her will or under the provisions of the State statute regulating distribution of a decedent's assets."

The Panel is not convinced this Proposal has merit. The thrust of a Defined Benefit Plan is to provide benefits to a retiree or spouse without regard to contribution. The notion of annuity is not applicable. The County Offer is adopted.

ARTICLE 39 - ECONOMIC IMPROVEMENTS

39.01 - SPECIAL SKILLS POSITIONS

The Parties are in agreement on this provision.

39.02 - EXECUTIVE STAFF OFFICERS

The Union wants this item deleted.

The County proposes that "all employees assigned to Executive Staff Positions as enumerated in Article 21.02(B)" receive additional compensation of \$2,000.00 per year and that:

"Effective June 1, 1999, all employees assigned to the County Executive's Office will receive the additional compensation of Two Thousand (\$2,000.00) Dollars per year provided by the above paragraph during the term of that assignment."

The Union has failed to justify its Demand that this provision be deleted.

The Panel adopts the County Offer.

39.03 - WAGE RATE FOR EMPLOYEES IN LOCAL 3317

A. The Parties have agreed to retain the existing list of Comparables.

B. <u>Police Sergeants</u>

The County proposal is displayed below:

"The following rates shall apply to regular full-time employees of record who are employed in the classification of Police Sergeant as of the date of the Act 312 Arbitration Award for Case No. D96 J-3212.*

STEP 11-30-96 12-01-96 12-01-97 12-01-98 12-01-99 ENTRY \$45,638 \$45,638 \$45,638 \$49,745 \$51,238

- 2 \$47,225 \$47,225 \$47,225 \$51,475 \$53,020 3. \$48,813 \$48,813 \$48,813 \$53,206 \$54,802
- * An annual increase will be applied to each Step on December 1st of each year of the contract as follows:
 - 1. 1996: 0.0% 2. 1997: 0.0% 3. 1998: 9.0% 4. 1999: 3.0%

Employees promoted to the classification of Police Sergeant after the date of the Act 312 Arbitration Award for Case No. D96 J-3212, shall be placed at the minimum wage rate in effect as of the date of the promotion as follows:

Effective Date 12-01-98 12-01-99 Minimum Rate \$49,475 \$51,238

The Union counters with the following:

"B. Police Sergeants

- 1) Effective December 1, 1996, all police sergeants with less than one (1) year of service shall receive a base rate of pay of Forty-Eight Thousand Five Hundred Seventy-Six (\$48,576.00) Dollars per year.
- 2) Effective December 1, 1996, all police sergeants with more than one (1) year of time in grade but less than twenty-four (24) months of time in grade shall have their annual salary adjusted Forty-Nine Thousand Seven Hundred Fifty-Three (\$49,753.00) Dollars per year.
- 3) Effective December 1, 1996, all police sergeants with more than twenty-four (24) months of seniority in grade shall be compensated at an annual base rate of Fifty Thousand Nine Hundred Thirty (\$50,930.00) Dollars per year.
- 4) Effective December 1, 1997, all police sergeants who have less than one (1) year of time in grade shall be paid Fifty Thousand Two Hundred Fourteen (\$50,214.00) Dollars per year.

- 5) Effective December 1, 1997, all police sergeants who have completed twelve (12) months of service, but with less than twenty-four (24) months of seniority in grade, shall be paid Fifty-One Thousand Four Hundred Fifty-Six (\$51,456.00) Dollars per year.
- 6) Effective December 1, 1997, all police sergeants who have twenty-four (24) or more months of service in grade shall receive Fifty-Two Thousand Six Hundred Ninety-Nine (\$52,699.00) Dollars per year.
- 7) Effective December 1, 1998, all police sergeants who have less than one (1) year of time in grade shall be paid Fifty-Two Thousand Four Hundred Forty-Four (\$52,444.00) Dollars per year.
- 8) Effective December 1, 1998, all police sergeants who have completed twelve (12) months of service, but with less than twenty-four (24) months of seniority in grade, shall be paid Fifty-Three Thousand Eight Hundred Fifteen (\$53,815.00) Dollars per year.
- 9) Effective December 1, 1998, all police sergeants who have twenty-four (24) or more months of service in grade shall receive Fifty-Five Thousand One Hundred Eighty-Seven (\$55,187.00) Dollars per year.
- 10) Effective December 1, 1999, all police sergeants who have less than one (1) year of time in grade shall be paid Fifty-Four Thousand Five Hundred Forty-One (\$54,541.00) Dollars per year.
- 11) Effective December 1, 1999, all police sergeants who have completed twelve (12) months of service, but with less than twenty-four (24) months of seniority in grade, shall be paid Fifty-Five Thousand Nine Hundred Sixty-Eight (\$55,968.00) Dollars per year.
- 12) Effective December 1, 1999, all police sergeants who have twenty-four (24) or more months of service in grade shall receive Fifty-Seven Thousand Three Hundred Ninety-Four (\$57,394.00) Dollars per year."

The County proposal for Lieutenants is as follows:

"C. Police Lieutenant:

The following rates shall apply to regular full-time employees of record who are employed in the classification of Police Lieutenant as of the date of the Act 312 Arbitration Award for Case No. D96 J-3212.*

STEP	11-30-96	12-01-96	12-01-97	12-01-98	12-01-99
ENTRY	\$52,744	\$52,744	\$52,744	\$57,491	\$59,216
2	\$53,400	\$53,400	\$53,400	\$58,206	\$59,952
3.	\$54,740	\$54,740	\$54,740	\$59,667	\$61,457

- * An annual increase will be applied to each Step on December 1st of each year of the contract as follows:
 - 1. 1996: 0.0%
 - 2. 1997: 0.0%
 - 3. 1998: 9.0%
 - 4. 1999: 3.0%

Employees promoted to the classification of Police Lieutenant after the date of the Act 312 Arbitration Award for Case No. D96 J-3212, shall be placed at the minimum wage rate in effect as of the date of the promotion as follows:

Effective Date 12-01-98 12-01-99 Minimum Rate \$57,491 \$59,216"

The Union's proposal for Lieutenant is as follows:

"C. Police Lieutenants

- 1) Effective December 1, 1996, all police lieutenants will less than one (1) year of time in grade shall be paid Fifty-Three Thousand Five Hundred Seventy-One (\$53,571.00) Dollars per year.
- 2) Effective December 1, 1996, all police lieutenants who have completed twelve (12) months of service but with less than twenty-four (24) months seniority in grade, shall be paid Fifty-Five Thousand Five Hundred Twenty (\$55,520.00) Dollars per year.

- 3) Effective December 1, 1996, all police lieutenants who have twenty-four (24) months or more months of service in grade shall receive Fifty-Seven Thousand Four Hundred Sixty-Nine (\$57,469.00) Dollars per year.
- 4) Effective December 1, 1997, all police lieutenants who have less than one (1) year of time in grade shall be paid Fifty-Five Thousand Seven Hundred Twenty-Six (\$55,726.00) Dollars per year.
- 5) Effective December 1, 1997, all police lieutenants who have completed twelve (12) months of service, but with less than twenty-four (24) months of seniority in grade, shall be paid Fifty-Seven Thousand Seven Hundred Forty (\$57,740.00) Dollars per year.
- 6) Effective December 1, 1997, all police lieutenants who have twenty-four (24) or more months of service in grade shall receive Fifty-Nine Thousand Seven Hundred Fifty-Three (\$59,753.00) Dollars per year.
- 7) Effective December 1, 1998, all police lieutenants who have less than one (1) year of time in grade shall be paid Fifty-Seven Thousand Nine Hundred Sixty-Three (\$57,963.00) Dollars per year.
- 8) Effective December 1, 1998, all police lieutenants who have completed twelve (12) months of service, but with less than twenty-four (24) months of seniority in grade, shall be paid Sixty Thousand Three Hundred Fifty (\$60,350.00) Dollars per year.
- 9) Effective December 1, 1998, all police lieutenants who have twenty-four (24) or more months of service in grade shall receive Sixty-Two Thousand Seven Hundred Thirty-Seven (\$62,737.00) Dollars per year.
- 10) Effective December 1, 1999, all police lieutenants who have less than one (1) year of time in grade shall be paid Sixty Thousand Two Hundred Eighty-One (\$60,281.00) Dollars per year.
- 11) Effective December 1, 1999, all police lieutenants who have completed twelve (12) months of service, but with less than twenty-four (24) months of seniority in grade, shall be paid Sixty-Two Thousand Seven Hundred Sixty-Four (\$62,764.00)

Dollars per year.

12) Effective December 1, 1999, all police lieutenants who have twenty-four (24) or more months of service in grade shall receive Sixty-Five Thousand Two Hundred Forty-Six (\$65,246.00) Dollars per year.

LOCAL 3317 PROPOSED WAGE SCALES 6/18/99

SERGEANTS				
	12-01-96	12-01-97	12-01-98	12-01-99
MINIMUM	\$48,576	\$50,214	\$52,444	\$54,541
MIDDLE	\$49,753	\$51,456	\$53,815	\$55,968
MAXIMUM	\$50,930	\$52,699	\$55,187	\$57,394
LIEUTENANTS				
	12-01-96	12-01-97	12-01-98	12-01-99
MINIMUM	\$53,571	\$55,726	\$57,963	\$60,281
MIDDLE	\$55,520	\$57,740	\$60,350	\$62,764
MAXIMUM	\$57,469	\$59,753	\$62,737	\$65,246"

The County maintains its Offer should be adopted:

"The County has increased its wage proposal in its last offer of settlement from ten percent (10%) over the term of the agreement to twelve (12%). In addition, the County has provided for movement in the range (step increases) so that all members may move toward the maximum of the salary range.

The maximum base wage for a police sergeant at the end of this agreement will be \$54,802 under the County's last offer of settlement. All sergeants currently employed who do not retire or separate from County service before the end of this agreement will be at the maximum \$54,802 base wage rate. Sergeants currently at the minimum step will receive a \$9,164 increase (20.08% of their current salary) over the term of the agreement. Sergeants currently at the first step will receive an increase of \$7,577 (16.04% of their current salary) over the term of the agreement. Sergeants currently at the maximum step will receive an increase of \$5,989 (12.27% of their current salary) over the term of the agreement.

Several exhibits were presented for comparable wage scales in effect on December 1, 1998. Both the County and the Union presented analyses of comparable wage scales adjusted for longevity payments and FICA contributions where appropriate. Attachment B provides a similar calculation updated to reflect the last offers

of settlement. The updated analysis shows that the County's last offer of settlement for maximum Sergeant pay of \$53,206 in effect on that date (December 1, 1998) represents 99.15% of the average of all comparables when adjusted for longevity and FICA payments. If the high (Livonia) and low (Detroit) are removed, the County's last offer represents 100.31% of the average of the remaining comparables.

The maximum lieutenant base wage at the end of this agreement will be \$61,457 under the County's last offer of settlement. As with sergeants, all lieutenants currently employed who do not retire or separate from County service before the end of this agreement will be at the maximum \$61,457 wage. Lieutenants currently at the minimum step would receive a \$8,713 increase (16.52% of their current salary) over the term of the agreement. Lieutenants currently at the first step will receive an increase of \$8,057 (15.09% of their current salary) over the term of the agreement. Lieutenants currently at the maximum step will receive an increase of \$6,717 (12.27% of their current salary) over the term of the agreement.

Attachment B shows that the County's proposed maximum Lieutenant pay of \$59,667 in effect on that date represents 98.43% of the average of all external comparables when adjusted for longevity and FICA. If the high (Livonia) and low (Detroit) are excluded, the County's last offer represents 98.22% of the average of the remaining comparables.

This analysis considers only maximum base wages rates, longevity and FICA. No adjustment has been made for other compensation such as shift differential, holiday premiums, special skills pay and others. The County provided testimony and exhibits related to these costs and believe they should be considered when evaluating total compensation.

The County and Union proposals compare as follows:

	County <u>Proposal</u>	Union <u>Proposal</u>
Max. Sergeant 12/1/98	\$53,206	\$55,187
Longevity	None	\$ 1,739
Percent of 3 external comparables	100.31%	107.17%
Percent of 5 external comparables	99.15%	105.92%
Max. Lieutenant 12/1/98	\$59,667	\$62,737
Longevity	None	\$ 1,882
Percent of 3 external comparables	98.22%	106.37%

Percent of 5 external comparables 98.43% 106.60%

The County's last offer of settlement on wages will place Local 3317 members right in the middle of the pack. In contrast, the Union's last offer will place Local 3317 members six percent (6%) to seven percent (7%) above the average of the comparables and second only to the City of Livonia.

As discussed above, the County's last offer on wages represents an average of comparables including adjustments for longevity and FICA as applicable. The County's Last Offer is competitive for similar services. Taking into account the dissimilarities in services provided by Dearborn, Livonia and the Michigan State Police, the County's last offer is a very reasonable.

The County's last offer is also appropriate with respect to specialty pays, shift differential, holiday premium and overtime and other manners of direct wage compensation. This is especially true since the Consumer Price Index (C.P.I.) during the last several years has moved between one percent (1%) and two percent (2%) per year.

On wages, the four (4) year cost of the County's proposal is \$1,542,586 compared to the cost of the Union's proposal which is \$3,599,731.

The County would also like to note that contrary to statements expressed by the Union delegate, the County's wage offer has retroactive effect to December 1, 1998, regardless of the date of the Award. The increases, however, do not apply to individuals who are no longer employed by the County on the date the Award is issued."

The Union says its Offer is justified:

"By way of support of the Union's position, the Union incorporates by reference exhibits 39-58, 39-59, 39-60, 39-62, 39-63, 39-64, 39-65, 39-66 and the testimony of the County's Director of the Budget, Ms. McKinnon, found in Volumes 33 and 34. The Union will also rely upon the testimony of Mr. Naughton in Volume 15, page 8, where he states that there was a forty-million (\$40,000,000.00) dollar surplus as a result of fiscal year 1997-1998, and further, his testimony at page 26 of hearing transcript 15, where Mr. Naughton testified that there is an undesignated 'rainy day' fund. Also, the testimony of Mr. Naughton at page 27 of hearing transcript 15 where he

anticipated a fifteen-million (\$15,000,000.00) dollar to forty-million (\$40,000,000.00) dollar surplus for the end of the 1998 fiscal year, the testimony of Mr. Naughton at page 57 of hearing transcript 36, where he makes comment on an electric sub-foreman making fifty-nine thousand (\$59,000.00) dollars and an electric foreman making sixty-four thousand (\$64,000.00) dollars and further, where he stated that foremen are akin to sergeants and lieutenants. Finally, the Union makes reference to and relies upon Mr. Naughton's testimony at page 140 of hearing transcript 34, where he states that Wayne County, as of this point in time, has a forty-five million (\$45,000,000.00) dollar surplus between the general fund and the budget stabilization fund that the County has the ability to pay any award of the Arbitration Panel.

The Union further relies upon the exhibits prepared by Nancy Ciccone and presented to the Arbitration Panel at the last hearing date.

Without specifically referencing the individual exhibits, the Union makes the following justifications below for its wage increases for 1996-2000.

The Union also relies upon the testimony of GAA Executive Board Member, Evelyn Glanton, who testified that comparable County Administrators represented by the GAA receive the following wage increases during the same comparable period:

```
12/1/96
              = 3.5%;
1.
2.
    12/1/97
             = 3.0%;
             = 3.5%;
з.
    6/1/98
             = 3.0%;
4.
    12/1/98
    6/1/99
            = 3.5%;
5.
             = 3.5%;
   12/1/99
6.
             = 3.5%;
     6/1/00
```

23.5% = 26.2% Compounded

It is important for this Arbitration Panel to remember that Ms. McKinnon, the Budget Director for Wayne County, unequivocally testified that the County has annually budgeted 6% for pay increases. The Panel should also note that it was a priority for the County to give fair wage increases and that they have attempted to do that with all labor contracts settled to date. If it is fair to give the GAA an average of twenty-six (26%) percent compounded over a three-and-a-half (3 1/2) year period, it is fair to give the Local 3317 their requested wage increase, which is far less than the twenty-six (26%) granted to the GAA and to non-unionized employees such as

the members of the Labor Relations Department. It must also be remembered that the commanders and deputy chiefs in the Wayne County Sheriff's Department likewise receive the same percentage increases that the GAA received and therefore, the Union takes the position that they should be treated equally and fairly as Ms. McKinnon stated at page 77 of the hearing transcript for the 33rd session.

In further support of the Union's wage position, the Union would bring the Arbitration Panel's attention to the testimony of Mr. Gary Evanko, the Equalization Director for Wayne County, wherein he testified at page 68 of the transcript for the 34rd hearing, that Mazda Plant going on-line would bring the County an additional three-million (\$3,000,000.00) dollars per year in general It is the Union's position that this fund revenue. (\$3,000,000.00) dollars is grossly three-million understated, as the Union's panelist used to be the attorney for the Gibralter School District, and the Equalization Director for Wayne County in 1994 personally told the Union's panelist that the Mazda Plant going online would bring the County an additional ten-million (\$10,000,000.00) dollars per year in general fund taxes.

The Panel should also remember that it is the Union's position that they wish to be right in the middle of their comparables, those being the Detroit Police Department, the Michigan State Police, the Oakland County Sheriff's Department, the Livonia Police Department and the Dearborn Police Department. These comparables have been agreed to by the parties for the past fifteen (15) years and further, the parties have specifically agreed by way of Article 39.03 that the wages to be used in comparing Wayne County command officers with the comparable communities shall include 'longevity'. In an effort to simplify the Union's contract proposals, the following represents the wages paid for a starting sergeant, the top sergeant, the starting lieutenant and the top lieutenant's position for the four (4) years of the contract.

The base pay for a sergeant will increase 18.2% compared to the 23.5% increase granted to the GAA.

The top pay for a sergeant over the four (4) years of the contract will increase by 16.5% compared to the 23.5% granted to the GAA.

The base pay for a lieutenant over the four (4) years of the contract will increase by 13.9% compared to the 23.5% increase granted to the GAA. The top pay for a lieutenant over the four (4) years of the contract will increase by 18% compared to a 23.5% increase for the GAA.

The breakdown is as follows:

PERCENTAGE INCREASES LOCAL 3317 WAGE PROPOSAL

BASE SERGEAL	איזי		PERCENTAGE
DATE	POSITION	RATE	INCREASE
12/01/96	3.00	48,576.00	6.40
12/01/97	3.00	50,214.00	3.40
12/01/98	3.00	52,444.00	4.40
	2.00	54,541.00	4.00
12/01/99	2.00	TOTAL	18.20
		IOIAL	10.20
TOP SERGEAN	T		PERCENTAGE
DATE	POSITION	RATE	INCREASE
12/01/96	3.00	50,930.00	4.30
12/01/97	3.00	52,699.00	3.50
12/01/98	2.00	55,187.00	4.70
12/01/99	2.00	57,394.00	4.00
		TOTAL	16.50
BASE LIEUTE	NANT		PERCENTAGE
DUDE HINGIE			
DATE DIBOTE	POSITION	RATE	INCREASE
DATE	POSITION 3.00	<i>RATE</i> 53,571.00	INCREASE 1.90
DATE 12/01/96			
DATE 12/01/96 12/01/97	3.00	53,571.00	1.90
DATE 12/01/96 12/01/97 12/01/98	3.00 4.00	53,571.00 55,726.00	1.90 4.00
DATE 12/01/96 12/01/97	3.00 4.00 3.00	53,571.00 55,726.00 57,963.00	1.90 4.00 4.00
DATE 12/01/96 12/01/97 12/01/98	3.00 4.00 3.00	53,571.00 55,726.00 57,963.00 60,281.00	1.90 4.00 4.00 4.00
DATE 12/01/96 12/01/97 12/01/98	3.00 4.00 3.00 2.00	53,571.00 55,726.00 57,963.00 60,281.00	1.90 4.00 4.00 4.00
DATE 12/01/96 12/01/97 12/01/98 12/01/99	3.00 4.00 3.00 2.00	53,571.00 55,726.00 57,963.00 60,281.00	1.90 4.00 4.00 4.00 13.90
DATE 12/01/96 12/01/97 12/01/98 12/01/99 TOP LIEUTEN	3.00 4.00 3.00 2.00	53,571.00 55,726.00 57,963.00 60,281.00 TOTAL	1.90 4.00 4.00 4.00 13.90 PERCENTAGE
DATE 12/01/96 12/01/97 12/01/98 12/01/99 TOP LIEUTEN DATE 12/01/96	3.00 4.00 3.00 2.00 ANT POSITION	53,571.00 55,726.00 57,963.00 60,281.00 TOTAL	1.90 4.00 4.00 4.00 13.90 PERCENTAGE INCREASE
DATE 12/01/96 12/01/97 12/01/98 12/01/99 TOP LIEUTEN DATE 12/01/96 12/01/97	3.00 4.00 3.00 2.00 ANT POSITION 3.00	53,571.00 55,726.00 57,963.00 60,281.00 TOTAL RATE 57,469.00	1.90 4.00 4.00 4.00 13.90 PERCENTAGE INCREASE 5.00
DATE 12/01/96 12/01/97 12/01/98 12/01/99 TOP LIEUTEN DATE 12/01/96 12/01/97 12/01/98	3.00 4.00 3.00 2.00 ANT POSITION 3.00 3.00	53,571.00 55,726.00 57,963.00 60,281.00 TOTAL RATE 57,469.00 59,753.00	1.90 4.00 4.00 4.00 13.90 PERCENTAGE INCREASE 5.00 4.00
DATE 12/01/96 12/01/97 12/01/98 12/01/99 TOP LIEUTEN DATE 12/01/96 12/01/97	3.00 4.00 3.00 2.00 ANT POSITION 3.00 3.00 3.00	53,571.00 55,726.00 57,963.00 60,281.00 TOTAL RATE 57,469.00 59,753.00 62,737.00	1.90 4.00 4.00 4.00 13.90 PERCENTAGE INCREASE 5.00 4.00 5.00

The Union is obviously over-preoccupied with the County present surplus and so-called "Rainy Day" fund. The fact that the County may now have a surplus does not mean it is obligated to dissipate all of the monies.

The Panel, on the other hand, has no real quarrel with the County's observation relative to its Offer as it relates to the end of this Agreement. The fundamental flaw with the County Offer is the time lapse in regard to a wage increase. The County Proposal is too heavily back-loaded in that no increase is offered in the first two (2) years. It hardly seems likely such a Proposal would be accepted in the course of bargaining. The Panel is not entirely pleased with the Offer of either Party.

The County Offer relative to Local 502 - Sheriff's Deputies - was as follows:

"1996 = 3.5%; 1997 = 3.0%; 1998 = 3.0%; 1999 = 4%."

The Panel determines that for the First Year of this Agreement, the County Offer is accepted. The net impact is that members of this Bargaining Unit will have no wage increase for the period June 1, 1996 to December 1, 1997.

For the Second Year, the Panel adopts the Union Offer.

The Panel adopts the Union Offer for the Third Year, which begins on December 1, 1998.

For the Fourth Year, beginning 1999, the Panel awards the County Offer of 3.0%.

The Panel has expressed regret at the fact that the Wage Proposals of neither Party represent a satisfactory resolution of the issue. The Union's Proposal, when considered with the fact that Step Increases are demanded effective December 1, 1996, is deemed excessive. The net impact of the Step Increase provision is that all Bargaining Unit Employees will achieve the maximum pay

level after two (2) years of service in grade from the effective date. The County Proposal, on the other hand, is unrealistic in the extreme. No evidence was presented to justify the most unusual County Offer. It is not indicated in any manner whatsoever that such a Proposal was made, let alone implemented, as it relates to any other County Unit. The idea that a Bargaining Unit should tolerate or would ever accept a wage freeze for the first two (2) years of a new Contract, given the County's Bargaining record with other Units and its financial condition, is really in the realm of over-reaching. The above is fully supported by the following commentary found at pages 8 and 9 of the Local 502 Award:

"Usually, negotiations on a contract renewal would provide for retroactivity dating from the expiration date of the previous contract. While the Chairman would have preferred to see this principle incorporated in the Award, he understands the County's need to limit the cost of its offer, having moved from its position during hearings by increasing its final year increase from 3.5% to 4.0%, and by providing for annual step increases during the term of the contract and continuing beyond the contract expiration date. The County's initial cost estimate for its offer before these changes were made in its final offer was \$12,468,276 (C-13D, VIII 20). With the changes, the cost will be considerably higher."

Based on the above, the Panel has concluded that the "Issue" as it relates to Wages is a year-by-year consideration.

D. ANNUAL STEP INCREASES

The County proposes the following:

"1. Effective June 1, 1999, the County will provide an annual step increase to all eligible regular full-time employees of record with one (1) or more years of continuous service in grade who are below the maximum step [Step #3] for their classification.

Thereafter, June 1 shall be considered their anniversary date for future step increases. Employees with less than one (1) year of continuous service in grade will receive the annual step increase on their anniversary date.

- 2. In order to be eligible for the annual step increase, employees must have worked or been paid at least 1,040 straight-time hours in the twelve (12) months preceding their anniversary date. In addition, employees must receive a satisfactory rating on an annual performance appraisal form completed by the appropriate divisional Police Commander.
- 3. Any employee that is off the payroll, on leave without pay (except military leave and workers' compensation leave), or on long-term disability leave on his or her anniversary date, will not receive the annual step increase unless that employee has worked or been paid 1,040 straight-time hours in the twelve (12) months preceding his or her anniversary date. If otherwise eligible, the step increase shall be effective on the date the employee returns to regular full-time active employment.
- 4. In addition to the annual step increase provided in Paragraph #1 above, all eligible regular full-time employees of record with one (1) or more years of continuous service in grade who are below the maximum step [Step #3] for their classification shall receive additional step increases on subsequent anniversary dates, provided they satisfy the requirements indicated in Paragraph #2 above.
- 5. The anniversary date for any employee promoted or demoted on or after June 1, 1999, shall be the effective date of that event."

The Union's proposal relative to Step Increases is the following:

"39.03(D) - Economic Improvements

A. Effective December 1, 1996, the wage rates as above set forth shall be implemented and all wages which would otherwise be reported on an IRS form W-2, and shall be paid retroactive to the appropriate date.

The above minimum pay rates shall be used to compensate an employee upon being promoted to sergeant or lieutenant, a mid-range step which the employee shall obtain after one (1) year of service in grade and a maximum pay step which the employee shall obtain after two (2) years of service in grade. After the employee reaches a maximum pay level for his/her classification, the employee will be entitled to an across-the-board increase as set forth above.

The Union explains its Offer as follows:

"In order that there not be any misunderstanding as to retroactivity, the Union is demanding retroactivity on all wages paid to members of the bargaining unit effective December 1, 1996, which would have been included in their W-2 statements and from which W-2 taxes would have been withheld. The Union's position provides for step-increases after the completion of one (1) year in grade and a second step-increase to the maximum level after two (2) years in grade.

As an example, a sergeant who was promoted on December 1, 1996, would be at the minimum level on December 1, 1996 would be at the middle-step as of December 1, 1997 and the maximum-step as of December 1, 1998, and thereafter would remain at the maximum step.

The same progression would apply to a lieutenant who was promoted on December 1, 1996 would be at the minimum-step. The lieutenant would move to the middle-step as of December 1, 1997 and would be moved to the maximum-step as of December 1, 1998."

The Panel concludes that neither of the above Proposals need be implemented. In view of the above adopted Wage Provisions, this issue is addressed and does not require a decision. That is to say, it has been determined that effective December 1, 1996, a one (1) year wage freeze is in effect. On December 1, 1997, the Union Proposal, which has been adopted, sets forth the Wage entitlement based on years of service in grade. The Union Proposal for the Third Year - effective December 1, 1998, continues with a Wage

entitlement based on time in grade. For the Final Year, the County Proposal - a three (3%) percent increase - is applicable and it will be multiplied by each of the hereinbefore noted Step categories - i.e., effective December 1, 1999, a Sergeant having completed twelve (12) months of service...will receive the following:

 $$53,815 \times .03 = $55,429$, etc.

The Union proposes the following for the final year:

"3903(E) - Economic Improvements for 1999-2000

The Proposed wage increases for the year 1999-2000 are to be awarded by the Arbitrator only if the County concurs that an additional year should be added onto the contract. The payment of the increases for the 1999-2000 contract year would be in accordance with Section 39.03(D) above.

The Panel has addressed this matter. The County Offer is adopted.

Another Union Proposal concerns the creation of a Senior level for Sergeants and Lieutenants:

- "39.04 Senior Sergeant/Senior Lieutenant (effective 11/30/99)
- A. Any member of the Bargaining Unit holding the classification of Sergeant and who has completed eight (8) years of service to the Department as a Sergeant shall be automatically promoted to the rank of Senior Sergeant and paid an additional 2% pay increase which shall be added to their base rate of pay annually.
- B. Any member of the Bargaining Unit holding the

classification of Lieutenant and who has completed Five (5) years of service to the Department as a Lieutenant shall be automatically promoted to the rank of Senior Lieutenant and paid an additional 2% pay increase which shall be added to their base rate of pay annually."

The Panel fully appreciates that those individuals who were at the maximum rate in the prior Agreement will not realize a wage increase commensurate with those who were at lower levels. should be noted that a Sergeant at the maximum - \$48,813 in the prior Agreement will advance to the following amount on December 1, 1999 - \$56,843 (\$55,187 X 3%). The net increase over the term of this Agreement is \$8,030.00 or a 16.5% increase. For the top Lieutenant, the increase is \$9,879 (\$64,619 - \$54,740) or 18%. Those increases are not inconsequential and they compare most favorably with the increase - 7.1% - realized by each of these groups in the prior Agreement for the period December 1, 1993 to June 1, 1996. Moreover, most of the Senior level Sergeants and Lieutenants are presumably governed for Retirement purposes by the Plan 1 Defined Benefit Plan. In that regard, the Panel has not implemented any of the revisions which the County has vigorously pursued. The Panel has resisted the effort to "back-load" all wage increases so all members will realize a retroactive compensation enhancement.

The Panel is not persuaded that the rank of Senior Sergeant or Senior Lieutenant should be adopted at this time. The County Offer is adopted.

The Union has proposed the following:

"39.05 - Educational Incentive (effective 11/30/99)

- A. Each member of the Bargaining Unit who possesses a Bachelor Degree shall receive an additional 1% pay increase which shall be added to their base rate of pay annually.
- B. Any member of the Bargaining Unit who has a Master's Degree shall receive a 2% pay increase which shall be added to their base rate of pay annually.
- C. Any member of the Bargaining Unit who possesses a Doctorate Degree shall have no increases added to their base rate of pay."

"39.06 - Longevity Pay (effective 11/30/99)

Each member of the Bargaining Unit who has completed nineteen (19) years of service shall receive an annual longevity payment on their next anniversary date equal to 3% of their base rate of pay. The longevity check shall be paid in a lump sum payment and shall be included in the employee's final average compensation for retirement purposes."

The Panel does not perceive that either of the above Proposals are warranted at this time.

ARTICLE 42 - GENERAL PROVISIONS

42.12 - SUPPLEMENTAL AGREEMENTS

The County proposes the status quo.

It appears the Union does not object to the status quo.

42.15

The County has withdrawn an earlier proposal.

42 - DURATION OF AGREEMENT

Both Parties agree the Agreement should remain in effect through November 30, 2000.

COUNTY PROPOSALS

ARTICLE XX - ERRORS IN WAGES, FRINGE BENEFITS AND LEAVE TIME

The Union opposes the County proposal on the basis it is covered by statute.

The County proposal contains a detailed procedure relative to the subject matter.

The County, in support of its Proposal, states:

"Currently, if a significant error is discovered after thirty (30) days and an employee refuses to execute deduction authorizations, the County must resort to garnishment actions."

The Union disputes the need for the provision:

"County Proposal Number 32 (Article XX), as stated by the Union, when the County made their presentation, the County attempted to put the provisions of the Michigan Statute into the contract. This is not necessary, as the Statute would supercede the contract."

The Panel adopts the County Offer.

The next County Proposal relates to Direct Payment of Payroll Checks.

"ARTICLE XX - DIRECT DEPOSIT OF PAYROLL CHECKS

Effective the second pay period following execution of this Agreement by the County Executive, all employees shall be required to participate in the County's Payroll Direct Deposit Program."

In support of its Proposal, the County points out:

"Many employers have realized cost savings from the use of direct deposit programs. Administrative costs in handling checks is eliminated. Productive time loss by payroll unit employees is reduced. And, last but not least, predictable receipt on or before the actual paydate. As a result, fewer bounced checks because of lost or delayed distribution of paychecks, has led to much greater employee satisfaction with the pay process."

The Union does not favor the Proposal:

"County Proposal Number 73 (Article XX - Direct Deposit of Payrolls Checks) is the most asinine proposal made by the County. It would require each employee to electronically deposit their money into a bank even if they now do not have a bank account."

The Union Offer is adopted.

(See letter to Chairman Girolamo dated October 27, 1999)

John L. Miles, Employer Panelist

Dated: October 22, 1999



Edward H. McNamara County Executive

October 27, 1999

Joseph P. Girolamo, Chairman Act 312 Arbitration Panel 402 Ford Bldg. Detroit, MI 48226

Re: MERC Case No. D96 J-3212

Dear Chairman Girolamo:

I wish to advise you of my vote in the Opinion and Award of the referenced matter on an issue by issue basis. I concur and dissent as follows:

	Concur	Dissent
Overtime (Elig. for time & one-half)		X
Overtime (Elig. for double time)		X
Holidays (Number of days)	X	
Holidays (Eligibility for benefit)		X
Holidays (Reassignment)		X
Annual Leave (Accrual rate)	X	
Annual Leave (Annual payout/carryover)		X
Sick Leave (Rate of annual payout)	Χ,	
Sick Leave (Inclusion of payout in AFC)		X
Sick Leave (Deletion of 28.13)	X	
Personal Business Lv. (Number of days)	X	
Personal Business Lv. (Approval process)	X	
Uniform & Clothing Allowance		X
Weapon Allowance	X	
Mileage (Reimbursable)	X	
Mileage (Flat Rate)		X
Tuition Reimbursement & In-Service Training	X	
Insurance (Health & Welfare Benefit Plan)	X	
Insurance (Prescription co-pay)	X	
Insurance (One benefit per family)	X	
Insurance (Optical Benefit)	X	
Insurance (Dental Benefit)	X	
Insurance (Life)	X	
Insurance (S.W.A.T. & Bomb Squad)	X	
Insurance (Pre-paid Legal)		X
Insurance (No benefits for vested retirees)	X	
Insurance (Accidental Death)	X	
Insurance (Long Term Disability)	X	

DEPARTMENT OF PERSONNEL/HUMAN RESOURCES

Joseph P. Girolamo Page 2

October 27, 1999

	Concur	<u>Dissent</u>
	~~	
Insurance (Workers' Comp.)	X	
Insurance (Benefits for retirees)	X	
Retirement		X
Economic Improvements (Exec. Staff Officers)	X	
Economic Improvements (Annual/Step Increases)		X
Duration of Agreement	X	
Errors in Wages, Fringe Benefits & Leave Time	X	
Direct Deposit of Payroll Checks		X

John L. Miles County Delegate

Cc: Jamil Akhtar