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STATE OF MICHIGAN  
DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES  
EMPLOYMENT RELATIONS COMMISSION

IN THE MATTER OF THE ARBITRATION  
ARISING PURSUANT TO ACT 312, PUBLIC  
ACTS OF 1969, AS AMENDED, BETWEEN:

CITY OF WYOMING (Employer) (City)

-and-

POLICE OFFICERS LABOR COUNCIL, DISPATCH  
UNIT (Union)

MERC Case #L98 A-7019

FINDINGS OF FACT, OPINION AND ORDERS

APPEARANCES:

ARBITRATION PANEL:

Mario Chiesa, Impartial  
Chairperson

Fred LaMaire, Union Delegate

Peter H. Peterson, Employer  
Delegate

FOR THE UNION:

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STATE OF MICHIGAN  
DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES  
EMPLOYMENT RELATIONS COMMISSION  
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### INTRODUCTION

As indicated above, this is a statutory compulsory arbitration conducted pursuant to Act 312, Public Acts of 1969, as amended. The petition was filed by the Union and it was received by MERC on June 30, 1998. The impartial arbitrator and chairperson was appointed via a correspondence from MERC dated November 9, 1998.

A pre-hearing telephone conference was conducted on January 22, 1999. The hearing was conducted at the Employer's facilities in Wyoming, Michigan on Friday, September 17, 1999.

Last Offers of Settlement were exchanged between the parties through the neutral chairperson's office on October 4, 1999. On December 21, 1999 the briefs were exchanged between the parties in the same fashion as the Last Offers of Settlement.

On February 21, 2000 the panel held an executive session at the Employer's facilities. An issue arose regarding the wording of one particular Last Offer and the final written communication clarifying the offer was transmitted via a document dated March 21, 2000. It should be noted that the parties waived all regulatory and statutory time limits. They accomplished this both in writing, which was forwarded to MERC, and which was memorialized in a pre-arbitration statement, and verbally on the record. Nonetheless, these Findings of Fact, Opinion and Orders have been issued as soon as possible under the prevailing circumstances.

### STATUTORY SUMMARY

Act 312 is an extensive piece of legislation outlining both procedural and substantive aspects of interest compulsory

arbitration. Without getting into every provision, but certainly ignoring none, there are aspects of the statute which should be highlighted.

For instance, Section 9 outlines a list of factors which the panel shall base its findings, opinions and orders upon. Those factors read as follows:

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

voluntary collective bargaining mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment."

The statute also provides that a majority decision of the panel, if supported by competent, material and substantial evidence on the whole record, will be final and binding. Furthermore, Section 8 provides that the economic issues be identified. Parties are required to submit a "last offer of settlement" which typically is referred to as "last best offer" on each economic issue. As to the economic issues, the arbitration panel must adopt the last offer of settlement which, in its opinion, more nearly complies with the applicable factors prescribed in Section 9.

Section 10 of the statute establishes, inter alia, that increases in rates of compensation or other benefits may be awarded retroactively to the commencement of any period or periods in dispute.

#### ISSUES

The parties settled a number of issues. One of the issues the parties resolved was the duration of the contract. The parties agreed that a Collective Bargaining Agreement would span the period from 7/1/98 through and including 6/30/2001.

The outstanding issues resolved by this arbitration are: wages, longevity, normal retirement age, retiree health insurance, holiday pay, worker's comp/pension coordination, and employee pension contribution. All have been characterized as economic. It was also understood by the parties that there shall be one wage issue. That is, that the Last Offers of Settlement will cover all

three years of the contract and each year of the contract will not be considered an independent issue in regards to the wage dispute. Since each has been characterized as economic, the arbitration panel has the responsibility of accepting one or the other party's Last Offer of Settlement.

In addition, the TAs, settlements of the parties, and language in the prior contract, which has not been deleted or altered by any agreements or by provisions of this award, are made a part of this award.

#### THE RECORD

There was an extensive hearing with both parties being afforded every opportunity to present all the evidence they thought was necessary. Testimony was taken from witnesses and numerous supporting documents were submitted and received.

All the factors contained in Section 9 of the Act, along with all the evidence related to each, was carefully considered and applied. Of course, every item and bit of evidence has not been mentioned in the analysis of the issues. Yet, that doesn't mean that anything was ignored. All the evidence and factors were evaluated and these Findings, Opinion and Orders are based strictly thereon.

#### COMPARABLES

In Act 312 compulsory arbitrations parties typically, and this case was no exception, spend a considerable amount of time presenting evidence and offering arguments regarding paragraph (d) of Section 9 of the statute. That portion of the statute involves

a comparison of the wages, hours and conditions of employment of employees involved in the arbitration with the same factors relating to other employees performing similar services and with employees generally in both public employment in comparable communities and in private employment in comparable communities.

The statute doesn't specifically outline how such comparable communities shall be determined. While parties historically argue about the comparability of communities, they usually agree on a few of them. In this case both parties have submitted the following communities: City of Grand Rapids, City of Grandville and Kent County. In addition, the Union has offered the City of Battle Creek and the City of Kalamazoo. The Employer has offered Muskegon Central Dispatch, Ottawa County Central Dispatch and Allegan County Central Dispatch.

The bargaining unit involved in this arbitration is comprised of all dispatcher I, dispatcher II and police telephone operators employed by the City. At the time of the arbitration there were 16/17 employees working dispatch. Thirteen of the positions were filled by civilians, while four were filled by sworn officers. The sworn officers are members of the patrol bargaining unit. Sworn officers work eight hours, civilian dispatchers work twelve, along with the LEIN operators, and the telephone operators work eight-hour shifts.

As indicated above, the Union has proposed that Battle Creek and Kalamazoo should also be considered comparable. It points out that the employees performing similar services in these two cities

are 312 eligible. Further, in comparison to Wyoming's 1998 SEV of about \$1,567,304,000 Kalamazoo has \$1,302,080,050, while Battle Creek has a 1998 SEV of \$1,086,196,728. In 1998 Wyoming had a taxable value of \$1,503,685,799 compared to Kalamazoo at \$1,204,987,800 and Battle Creek at \$1,001,323,520. In comparing population, Wyoming had a 1990 population of 64,000 compared to Kalamazoo's 80,000 and Battle Creek's almost 54,000.

The communities offered by the Employer, i.e., Allegan County, Ottawa County and Muskegon County, all central dispatch, are contiguous to Kent County, which is the county Wyoming is located in. The Employer points out that the statute requires a comparison of "comparable communities". It argues that the geographic location makes its offerings comparable. It also points out that the communities it has offered as comparable are part of the local labor market.

As I previously indicated, the parties have mutually offered Grandville, Kent County and Grand Rapids. Given the fact that they are mutually acceptable, they will be considered the core comparable communities.

In evaluating the others, I note that over the years parties have relied on various factors in trying to convince arbitration panels that communities are comparable to the one involved in the arbitration. Land area, population, housing, density, character, i.e., commercial versus residential, SEV, ability to tax, commercial support, and a variety of other elements are often relied upon. Many have approached the issue by utilizing the data

in the municipal statistical area. Others have taken the position that those communities which exist within an area officers seek employment, or within which the communities compete for personnel, are the ones which should be utilized. This concept has often been described as utilizing the local labor market.

Looking first at the Union's offering, I note that regarding the information submitted, there is a certain commonality between Battle Creek, Kalamazoo and Wyoming. According to the record, all three are organized dispatch services and the data I have referenced above shows similarities in the communities in the areas of 1998 SEV, 1998 taxable value and 1990 population. While certainly I agree that the statute requires a comparison, inter alia, of private and public employment in "comparable communities", and not individual bargaining units, there have been many arguments made in the past suggesting that a community cannot be truly comparable if its work force doesn't have similar characteristics to the work force involved in the arbitration. The evidence submitted by the Union suggests that the comparables it has offered should be considered.

Frankly, the same conclusion can be reached for the Employer's suggestions. To recall, the Employer has offered the central dispatch units of Allegan County, Ottawa County and Muskegon. While I agree that those proposed comparables are contiguous to Kent County, the county in which Wyoming is located, and arguably within the labor market, the offered communities are counties. Wyoming is a city. However, I am not convinced that given the



nature of the evidence and the dispute, that distinction disqualifies the Employer's suggested comparables.

In summary, the three mutually agreed upon comparables, i.e., Kent County, Grand Rapids and Grandville, will be considered the basic or core comparables in the analysis, while the others offered by the parties, i.e., Cities of Kalamazoo and Battle Creek, Allegan County, Ottawa County and Muskegon central dispatch, will also be considered as comparable communities. While there may be aspects which cause the data to be carefully weighed, the information supplied by the parties regarding these communities will be carefully analyzed.

#### CPI

One of the factors outlined in Section 9 of the statute to be considered in determining which Last Offer of Settlement should be accepted is the average consumer price for goods and services, commonly known as the cost of living.

The data in the record covers the period July, 1998 through and including July, 1999. In July of 1998 the CPI was 159.8, while in July of 1999 it was 163.3. This amounts to an approximate 2.2% increase, from the expiration of the prior Collective Bargaining Agreement, which was July of 1998 through July of 1999.

This data was carefully analyzed when the issues were considered and resolved.

#### WAGES

Wages is an economic issue. As previously explained, each Last Offer of Settlement covers all three years of the Collective

Bargaining Agreement. Furthermore, it is noted that there are no issues regarding retroactivity of wage adjustments. The Last Offer of Settlement submitted by each party provides for a stated increase effective July 1, 1998, 1999 and 2000.

It should be noted that the Last Offers of Settlement submitted by the parties are attached to these Findings of Fact, Opinion and Orders and made a part hereof.

The Union's Last Offer of Settlement seeks a 3.5% increase of each employee's hourly wage rate effective July 1, 1998. Effective July 1, 1999 each employee shall receive another increase of 3.5%, and effective July 1, 2000 each employee shall again receive an increase of 3.5% of their hourly wage.

The Employer's position is that effective July 1, 1998 there shall be a 3.25% wage increase at each level of the pay schedule. Effective July 1, 1999 there shall be a 3.25% increase at each level of the pay schedule, and effective July 1, 2000 there will be a 3% increase at each level of the pay schedule.

Adoption of the Union's Last Offer of Settlement would amount to an approximate 10.9% increase over three years, while adoption of the Employer's would amount to an approximate 9.8% increase over the three years. The difference is just slightly more than 1% over three years. The parties aren't that far apart.

To simplify comparing the data, the top paid classification, i.e., dispatcher II has been utilized. Furthermore, the analysis is based on 2,080 hours. It is recognized that members, or some

members of the bargaining unit, may work more, but nonetheless, to be consistent 2,080 hours was utilized.

As indicated above, the adoption of the Union's Last Offer of Settlement would lead to an approximate 10.9% increase over the life of the contract. Given that a dispatcher II received \$32,136 per year in 1997, application of the Union's Last Offer would increase that amount to \$32,261 on July 1, 1998, \$34,425 on July 1, 1999, and \$35,630 on July 1, 2000. As with all figures, these are very close approximations because of rounding. Application of the Employer's Last Offer of Settlement would lead to a salary of \$33,180 as of July 1, 1998, \$34,259 as of July 1, 1999, and \$35,287 as of July 1, 2000. As I indicated above, the differences are very small.

When comparing the data regarding the core group of comparables, that is, Grand Rapids, Grandville and Kent County, and again utilizing the top paid position, it is noted that on 7/1/97 the average salary in those three communities was \$33,821. The salary in Wyoming was \$32,136 or \$1,685 less than the average. Wyoming ranked third out of the four communities.

As of 7/1/98 the average of the salaries in Grand Rapids, Grandville and Kent County was \$34,937. That's \$1,676 higher than the figure offered by the Union and \$1,757 higher than the figure offered by the Employer. Either offer would rank Wyoming three out of four.

As of 7/1/99 three of the four communities provided data. Grandville's contract had terminated before that date.

Nevertheless, the average of the salaries was \$38,871. This would be \$4,446 more than the \$34,425 sought by the Union, and \$4,612 more than the \$34,259 sought by the Employer. Wyoming would rank three out of three.

As of 7/1/2000 the average of the salaries paid in Kent County and Grand Rapids was \$39,825. This is \$4,195 more than the Union's position and \$4,538 more than the Employer's position. Wyoming would rank three out of three.

In combining all of the comparables offered by the Employer and the Union and excluding the stipulated comparables, it is noted that as of 7/1/97 the average salary was \$31,191. This is \$945 less than was received by the highest paid position in this bargaining unit in Wyoming. Wyoming would rank two out of six. On 7/1/98 the average is \$32,165 which is \$1,096 less than the Union's position and \$1,015 less than the Employer's position. Wyoming would rank two out of six. As of 7/1/99 the average is \$33,031 which is \$1,394 less than the Union's Last Offer of Settlement and \$1,228 less than the Employer's Last Offer of Settlement. The ranking for both would be two out of six. As of 7/1/2000 there was data available for only Battle Creek, Kalamazoo and Muskegon. The average was \$35,170 which is \$460 less than the Union's position and \$117 less than the Employer's position. Wyoming would rank two out of four.

Keeping in mind that the Union's Last Offer of Settlement is 3.5% for each year of the contract, while the Employer's is 3.25% for the first two years and 3% for the last year, Grand Rapids for

the three years in question had increases of 3.5%, 3.15% and 2.8%. Grandville had a 3% increase on 7/1/98 and Kent County provided increases of 3.3% for the first two years and 2% for the final year of its contract. Battle Creek was 4%, 2% and 4%. Kalamazoo was 3% for each year, while Muskegon was 2.75% for each year. Ottawa County was 2.8% and 2.7%, while Allegan County was 3% for the two years the data was available.

Keeping in mind the CPI data, it is quite clear from this evidence that there is little to choose from between the parties' offers.

However, there is other significant evidence to be considered. The police patrol unit, firefighters, general and supervisor administrative group all received the same percentage increase offered by the Employer to this group. Everyone understands that if one starts out at a higher salary rate, the same percentage increase leads to a greater dollar increase, but nonetheless, there is a uniformity among the units mentioned.

When all of this information is assimilated, it is clear that a comparison with the other units within the City tips the scale in the Employer's favor. As a result, the Employer's Last Offer of Settlement will be adopted.

It is noted, as indicated above, that there will be full retroactivity.

AWARD- WAGES

The City's Last Offer of Settlement regarding wages shall forthwith be adopted.

Mario Chiesa 9-5-2000  
Mario Chiesa  
Neutral Chairperson

[Signature]  
Employer Delegate

[Signature]  
Union Delegate

HOLIDAYS

The current Collective Bargaining Agreement contains the following language related to this issue:

"Section 2. Holiday Pay. Full-time employees shall receive 8 hours pay for any holiday and compensated at double time for hours worked. In lieu of holiday pay, an employee may choose an alternate day off (maximum of six (6) holidays per contract year). Alternate holidays must be scheduled with the permission of the supervisor. Alternate holidays not used by the last day of the contract year shall be paid off to the employee within the next thirty (30) days. Alternate holidays shall be taken off or paid on the basis of eight (8) hours per day."

The Union's Last Offer of Settlement seeks an elimination of the restriction, "maximum of six (6) holidays per contract year." The Employer's Last Offer of Settlement is to maintain the current contract language.

There was an issue presented by the Employer regarding how the language in the current contract, and hence in the Union's Last Offer of Settlement, should be interpreted. It points out that the

#### AWARD- WAGES

The City's Last Offer of Settlement regarding wages shall forthwith be adopted.

Mario Chiesa 9-5-2000  
Mario Chiesa  
Neutral Chairperson

15/  
Employer Delegate

Ed L. Maine (Dissent) 8/27/00  
Union Delegate

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Union seeks to interpret the language in a fashion which would actually allow employees two days off per holiday if they choose to disavow holiday pay. The Employer suggests that this alternate holiday only becomes available if an employee works the regular holiday. Nonetheless, while there is such an issue pending, the record really doesn't help resolve the Employer's concerns.

When examining the holiday pay provisions regarding other employee groups in the City, it is noted that the only contract language which parallels the Union's Last Offer is contained in the police patrol contract, or as it is otherwise known, "noncommand" contract. Police command, firefighters, general and the supervisor administrative group, have no such contract language.

The evidence regarding the external comparables doesn't support the Union's position. The contract language in the various Collective Bargaining Agreements has been carefully studied and it is reasonable to conclude that, as suggested by the Employer, only the City of Grandville provides the same type of benefit now sought by the Union. The Grandville contract provides that an employee may elect to be given compensatory time off "in whole or in part, in lieu of earned holiday pay." The Collective Bargaining Agreement in Kent County provides a similar benefit, but much more restrictive. The same holds true for Kalamazoo. As pointed out by the Employer, the contract language in Grand Rapids provides the option of comp time for any overtime worked. This is a lot different than what is sought by the Union.



The testimony establishes that the Employer is concerned about the strain put on manning if this benefit is provided. While certainly that may be a function of understaffing, it nonetheless is part of the equation.

In summary, after carefully considering all of the available evidence, the panel concludes that the Employer's Last Offer of Settlement, which continues the status quo, should be adopted.

#### AWARD- HOLIDAYS

The Employer's Last Offer of Settlement regarding the holiday issue shall be adopted and, hence, the status quo shall continue.

Mario Chiesa 9-5-2000  
Mario Chiesa  
Neutral Chairperson

[Signature]  
Employer Delegate

[Signature]  
Union Delegate

#### LONGEVITY PAY

In its Last Offer of Settlement the Union withdrew the longevity issue and the improvement it had proposed. Since the Employer's Last Offer of Settlement was the status quo, the issue is settled. Nonetheless, at this stage it is probably appropriate to enter an award.

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Mario Chiesa - 9-5-2000  
Mario Chiesa  
Neutral Chairperson

ISI  
Employer Delegate

Ed LoMain (Disant) 8/27/00  
Union Delegate

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AWARD - LONGEVITY PAY

The Union has withdrawn its proposal regarding the Longevity issue and since the Employer's Last Offer of Settlement was to maintain the status quo, the Employer's Last Offer of Settlement is hereby adopted.

Mario Chiesa 9-5-2000  
Mario Chiesa  
Neutral Chairperson

[Signature]  
Employer Delegate

151  
Union Delegate

RETIREMENT - ELIGIBILITY

The Employer has suggested that this issue, along with the issue regarding employee contribution are inextricably intertwined and must be considered together. It is noted that when the Last Offers of Settlement were submitted, there were separate offers for each issue, and while the panel must be cognizant of the relationship of resolutions of various related issues and the impact on various aspects of the relationship, it does not conclude that the age for full retirement, which is the current issue, and the employee contribution issue, are inextricably intertwined.

The language in the prior Collective Bargaining Agreement reads as follows:

"(3) For employees retiring on or after June 30, 1998, and who have not attained age 60 years, the amount of reduction is 2/10 of 1% (.002) for each

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Neutral Chairperson

15/  
Employer Delegate

Fred L. Main 8/27/00  
Union Delegate

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The language in the prior Collective Bargaining Agreement reads as follows:

"(3) For employees retiring on or after June 30, 1998, and who have not attained age 60 years, the amount of reduction is 2/10 of 1% (.002) for each

month between the date retirement is effective and the date the member would attain age 60 years."

The Union's position is to modify the language in question so that it reads:

"For employees retiring on or after (date of award), the age for full retirement benefits shall be age 55."

The Employer seeks the continuation of the status quo.

Information derived from the July 6, 1998 actuarial report indicates that the cost of this benefit would be 2.09% of payroll or a first-year cost of about \$7,165.

When dealing with pension plans it must be kept in mind that there are various elements which come together to form the entire plan. Annuity factors may vary; there may be a cap on benefits; the age of full retirement can vary, as can the years of service; the final average compensation formula can vary; there is also a possibility of employee contributions and post-retirement escalators often in the form of a 13th paycheck. So when pension plans are examined, it is inappropriate to take one specific factor and only compare that factor as it exists in other plans. There must be an analysis of all elements.

Currently the employees in this unit have a pension plan which has an annuity factor of 2.25%. The employees do not contribute to the plan. The Union's summary suggests that the FAC is five, but the Employer's indicates the FAC is three. The normal retirement age is 60, with a minimum of 10 years of service.

Confining the analysis initially to the stipulated comparables, it is noted that Grand Rapids has an annuity factor of

2.5%. Employee contributions are 2.28% and the FAC is three. The normal age of retirement is currently 60 or 62, depending on whose data is accepted, but effective 1/1/2001 this will be reduced to 55 with eight years of service or 30 years of service at any age. Grandville requires an employee contribution of 4.4%, although the Union's data indicates .4%, with an FAC of three and retirement age of 60 with 10 years of service or 55 with 15 years of service. The annuity factor is 2.5%. These provisions apply to employees hired on or before 7/1/93. Those hired after that date have a defined contribution plan. Kent County has an FAC of three, normal retirement age is 60 with 5 years of service, or any age with 25 years of service. The annuity factor is 2.5% and the employees pay 6.5%. Kent County and Grand Rapids have post-retirement escalators.

Looking at the comparables offered by the Employer, it would be safe to conclude that all have FACs of five, none provide for retirement at 55 unless an employee has 25 years of service and that's in Ottawa County and Muskegon, and the annuity ranges from 1.5% to 2%. Ottawa County does not require a contribution, but Muskegon and Allegan County does.

Battle Creek has an annuity factor of 2.5% as does Kalamazoo and both allow retirement at age 55, although Battle Creek requires 25 years of service, and Kalamazoo allows retirement at 50 after 10 years of service, or at any age after 25 years of service. Kalamazoo and Battle Creek have an FAC of three and while Battle Creek has no post-retirement escalator, Kalamazoo does.

So certainly what the above establishes is a rather mixed bag of elements.

As with other issues, however, it is important to recognize the elements of the retirement plans involving other groups employed by the City. Dispatchers are especially close to police, both command and noncommand, and firefighters.

All Employer groups have an FAC of three. Police, non-command, allow retirement at age 50 with 10 years of service. Firefighters is 55 with 10 years of service, and police command is 50 with 10 years of service. While the police command and police noncommand have a maximum of 30 years utilized in the benefit calculation formula, the noncommand police have an annuity factor of 2.35% as does the firefighters unit, with the command unit having an annuity factor of 2.25%. None of the employees in the units contribute to the pension plan.

The general and supervisor administrative plans both provide an FAC of three, and both allow a normal retirement at age 60. The general unit requires 10 years of service, while the supervisor administrative unit only 5 years of service. Both have a 2.35% annuity factor and neither requires an employee contribution.

Two of the plans in the City provide a COLA adjustment, i.e., police command and the supervisor administrative.

As indicated above, it is estimated that the total cost of this benefit would be 2.09% of payroll. This of course has to be evaluated in light of the fact that the actuarial report establishes that the plan at this point is more than adequately

funded. It is true that there is an array of different elements in the pension plans involved, both in external comparables and in the units within the City of Wyoming. However, a careful analysis suggests that adopting the Union's Last Offer of Settlement would do no violence to the relationship between the pension plans in Wyoming and those in the comparable communities, especially the core comparables. Grand Rapids, Grandville and Kent County all have a 2.5% annuity factor and two of them have a COLA adjustment. Of course, it is true that all of them require some degree of employee contribution.

In examining the internal units, it is noted that all of the public safety related units, i.e., police command, firefighters, police noncommand, have a normal retirement age of, at the most, 55 years, with the police units being 50 years, and all, except the police command unit which has a 2.25% annuity factor, have 2.35% annuity factors. The police command unit has a COLA adjustment.

As indicated, when examined in light of all the evidence, the Union's Last Offer of Settlement must be adopted.



#### AWARD - RETIREMENT ELIGIBILITY

The Union's Last Offer of Settlement regarding the normal retirement age shall forthwith be adopted. As indicated, the date of the award shall be the effective date of the contract modification.

Mario Chiesa 9-5-2000  
Mario Chiesa  
Neutral Chairperson

151  
Union Delegate

[Signature] (DISSENT)  
Employer Delegate

#### EMPLOYEE PENSION CONTRIBUTION

Currently members of this bargaining unit are not required to contribute to the pension plan. The Union seeks a continuation of the status quo. The Employer's Last Offer of Settlement provides that effective with the date of the 312 award, "each employee shall contribute towards the pension plan a percentage of gross wages equal to zero percent plus 2.09% if the age for an unreduced retirement benefit provided by this agreement is 55."

The Employer's argument is that in essence the employees should be required to shoulder the expense of lowering the normal retirement age to 55.

There was an extensive analysis of the various pensions plans in the prior section and the panel is not going to reiterate it at this point. Perhaps the most convincing evidence is the fact that employees in other units employed within the City of Wyoming, and

#### AWARD - RETIREMENT ELIGIBILITY

The Union's Last Offer of Settlement regarding the normal retirement age shall forthwith be adopted. As indicated, the date of the award shall be the effective date of the contract modification.

Mario Chiesa - 9-5-2000  
Mario Chiesa  
Neutral Chairperson

Ed L. Main 8/27/00  
Union Delegate

Desmond  
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The Employer's argument is that in essence the employees should be required to shoulder the expense of lowering the normal retirement age to 55.

There was an extensive analysis of the various pensions plans in the prior section and the panel is not going to reiterate it at this point. Perhaps the most convincing evidence is the fact that employees in other units employed within the City of Wyoming, and

particularly the ones related to public safety, make no contributions to their respective pension plans. In fact, none of the employees in any of the City units referenced in the evidence do so. This is so even considering the fact that most have a higher annuity factor, with some having COLA adjustments.

Given the state of the record, the panel concludes that the evidence supports the continuation of the status quo and, hence, the Union's Last Offer of Settlement will be adopted.

#### AWARD - EMPLOYEE PENSION CONTRIBUTION

The Union's Last Offer of Settlement regarding employee contribution to the pension plan shall be adopted and, hence, the status quo shall continue.

 9-5-2008  
Mario Chiesa  
Neutral Chairperson

  
Union Delegate

 (DISSENT)  
Employer Delegate

#### RETIREE HEALTH INSURANCE

The language in the prior Collective Bargaining Agreement provides the following:

"Section 2. Pension-Blue Cross-Blue Shield for Retirees. For any person who retires under the Wyoming Pension System after July 1, 1995, the City shall pay toward medical coverage (or such other carrier which the City has) the following amounts:

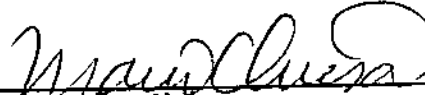
\$10.00 per month for each year of employment with the City not to exceed 25 years, payable monthly beginning with the date of retirement, but

particularly the ones related to public safety, make no contributions to their respective pension plans. In fact, none of the employees in any of the City units referenced in the evidence do so. This is so even considering the fact that most have a higher annuity factor, with some having COLA adjustments.

Given the state of the record, the panel concludes that the evidence supports the continuation of the status quo and, hence, the Union's Last Offer of Settlement will be adopted.

AWARD - EMPLOYEE PENSION CONTRIBUTION

The Union's Last Offer of Settlement regarding employee contribution to the pension plan shall be adopted and, hence, the status quo shall continue.

  
Mario Chiesa  
Neutral Chairperson

 8/27/00  
Union Delegate

  
Employer Delegate

RETIREE HEALTH INSURANCE

The language in the prior Collective Bargaining Agreement provides the following:

"Section 2. Pension-Blue Cross-Blue Shield for Retirees. For any person who retires under the Wyoming Pension System after July 1, 1995, the City shall pay toward medical coverage (or such other carrier which the City has) the following amounts:

\$10.00 per month for each year of employment with the City not to exceed 25 years, payable monthly beginning with the date of retirement, but

not before age 55, and ending upon age 65 unless retired as disabled under the Wyoming Pension System, in which case payments shall begin on the date of disability and continue to age 65; provided further that any employee who is retired and is receiving or can receive medical coverage generally equivalent to the City's plan from his or her employment or the employment of his or her spouse shall not be paid any monies toward the City's plan during such times that said spouse is or could be eligible or said employee is or could be eligible."

The Union's Last Offer of Settlement seeks to change the above by substituting the following language:

"An employee who receives a pension under the Wyoming Pension System shall have the City pay for medical coverage (or such other carrier which the City has), including dental, in the following amounts:

\$10.00 per month for each year of employment with the City not to exceed 30 years, payable monthly beginning with the date of retirement, and ending upon age 60. After the retiree reaches the age of 60, the benefit will be the fully paid lifetime benefit for retiree and spouse which is provided to the Command Officers and Patrol Officers. Provided further, that any employee who is retired and is receiving or can receive medical coverage generally equivalent to the City's Plan from his or her employment or the employment of his or her spouse shall not be paid any monies toward the City's plan during such times that said spouse is or could be eligible or said employee is or could be eligible. Employees for whom the City shall make the payments described in this Section may not select among the various types of insurance coverage but must take the package as a whole. The City's obligation to make the payments described in this Section shall cease upon the failure of any retiree to pay the difference, if any, between the amount contributed by the City and the actual cost of such insurance coverage."

The Employer seeks continuation of the status quo.

In examining the Union's Last Offer of Settlement it is noted that it is seeking a number of changes. First, the Union wants to

include dental in the retiree's coverage. Secondly, it wishes to increase the number of years used in the formula establishing a ceiling to 30 years from 25 years. Thirdly, it wishes to change the language in the current provision which terminates payments upon the age of 65 to indicate that upon reaching 60, the benefit will be fully paid for the retiree and spouse.

The retiree health insurance available in the comparable communities varies, but in general terms the overall consideration indicates that members of this bargaining unit are doing very well in this area compared to the comparables.

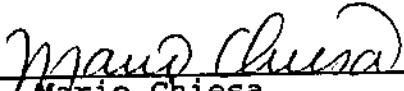
The Union has relied heavily on the internal comparables, but a careful examination of the record establishes some interesting points. For instance, the Union's Last Offer of Settlement, as indicated above, seeks the inclusion of dental. However, the police units have dental, but the firefighters do not, nor does the general employee unit. While the formula in the police units, along with the firefighters utilize 30 years to establish the cap, the general unit utilizes 25 years. In relation to the request for fully paid coverage, while it is true that police officers, including command and noncommand, have such coverage, the language in the firefighters' agreement relates to a fully paid medicare supplement, as does the general unit.

Clearly the Last Offer of Settlement submitted by the Union does not only seek consistency, but it incorporates the best parts of the other units' provisions.

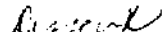
This issue does not present a situation where the members of this bargaining unit do not have any retiree health care coverage. Further, while perhaps certain of the sought improvements could have likely been adopted, not all are warranted. Given the totality of the evidence, including other wage and benefit increases the members of this bargaining unit have received, the evidence more clearly supports a continuation of the status quo.

AWARD - RETIREE HEALTH INSURANCE

The Employer's Last Offer of Settlement regarding Retiree Health Insurance shall be adopted and, hence, the status quo shall continue.

 9-5-2000  
Mario Chiesa  
Neutral Chairperson

  
Employer Delegate

  
Union Delegate

COORDINATION OF WORKER'S COMPENSATION AND PENSION BENEFITS

Under the current Collective Bargaining Agreement there is no coordination between worker's compensation benefits and pension benefits. The Employer's Last Offer of Settlement provides the following:

"7. Coordination of Worker's Compensation and Pension Benefits

"The Employer's last best offer of settlement on this issue is to add the following new subsection 6 to Article XVIII, Section 2:

This issue does not present a situation where the members of this bargaining unit do not have any retiree health care coverage. Further, while perhaps certain of the sought improvements could have likely been adopted, not all are warranted. Given the totality of the evidence, including other wage and benefit increases the members of this bargaining unit have received, the evidence more clearly supports a continuation of the status quo.

AWARD - RETIREE HEALTH INSURANCE

The Employer's Last Offer of Settlement regarding Retiree Health Insurance shall be adopted and, hence, the status quo shall continue.

 9-5-2000  
Mario Chiesa  
Neutral Chairperson

  
Employer Delegate

 8/27/00  
Union Delegate

COORDINATION OF WORKER'S COMPENSATION AND PENSION BENEFITS

Under the current Collective Bargaining Agreement there is no coordination between worker's compensation benefits and pension benefits. The Employer's Last Offer of Settlement provides the following:

"7. Coordination of Worker's Compensation and Pension Benefits

"The Employer's last best offer of settlement on this issue is to add the following new subsection 6 to Article XVIII, Section 2:



For those employees who retire on or after (DATE OF ACT 312 AWARD) any payments under the pension plan shall be coordinated pursuant to MCL 418.354 of the Worker's Disability Compensation Act, except that a retiree who is receiving a duty disability retirement benefit and has not reached age 50 shall have any Worker's Compensation benefit coordinated so that the combination of retirement benefit and Worker's Compensation benefit is equal to 100% of the retiree's net (take-home) salary or wage at the time of retirement. Effective as soon as administratively practicable following (DATE OF ACT 312 AWARD), the City's pension code shall be modified to incorporate the provisions of the previous sentence."

The Union's Last Offer of Settlement provides the following:

"1. ARTICLE XVIII, WAGE AND PAY POLICIES  
(New Subsection)

"The Union's counter proposal to the Employer's Worker's Compensation proposal is as follows:

Worker's Compensation benefits, pursuant to MCL 418.354 of the Workers Disability Compensation Act, may be coordinated with a member's monthly pension benefit. However, exception is made for members receiving a duty disability retirement pension, in which case any coordinated benefits shall not be less than 100% of the member's average monthly compensation at the time of his/her disability retirement."

It is also noted from a subsequent submission by the Union that it is the Union's position that coordination of benefits shouldn't occur until an employee reaches the age of 55. This coincides with its position which allows for full retirement at age 55.

Since both parties have submitted a Last Offer of Settlement on this issue and each suggests changing the status quo and implementing some form of coordination of benefits, it is safe to

conclude that they have recognized that a coordination of benefits provision should be adopted. The data suggests that notwithstanding the provision in the Wyoming City Code which prohibits coordination of benefits, there is no such contract language in Allegan, Grand Rapids, Grandville, Kent County, Ottawa County or Muskegon. In examining the provisions existing in other units within the City of Wyoming, it is noted that the firefighters have a coordination pursuant to MCL 418.352 as does the general unit and the supervisor administrative unit. The police noncommand unit does not have coordination of benefits, but it is noted that in an arbitration decision issued while I was considering the issues in this case and forwarded to me by the parties pursuant to their stipulation, the patrol unit had a coordination of benefits provision added to their Collective Bargaining Agreement.

It is a clear that a coordination of benefits provision is appropriate and the only issue is which should be adopted?

Given the evidence which suggests there is no limit to the total statutory coordination in the internal units which have a provision, and apparently none in the external units, it is clear that the Employer's Last Offer of Settlement must be adopted.

AWARD - COORDINATION OF WORKER'S COMPENSATION  
AND PENSION BENEFITS

The Employer's Last Offer of Settlement regarding Coordination  
of Worker's Compensation and Pension Benefits shall be adopted.

Mario Chiesa 9-5-2000  
Mario Chiesa  
Neutral Chairperson

/S/  
Employer Delegate

Fred L. Main (Dissent) 8/27/00  
Union Delegate

MISCELLANEOUS AWARD

The parties agree that the total award in this matter shall be  
comprised of all TAs, the above awards, and the language in the  
Collective Bargaining Agreement which has not been altered by  
agreement or by the awards in this matter.

Mario Chiesa 9-5-2000  
Mario Chiesa  
Neutral Chairperson

/S/  
Employer Delegate

Fred L. Main 8/27/00  
Union Delegate

AWARD - COORDINATION OF WORKER'S COMPENSATION  
AND PENSION BENEFITS

The Employer's Last Offer of Settlement regarding Coordination of Worker's Compensation and Pension Benefits shall be adopted.

Mario Chiesa 9-5-2000  
Mario Chiesa  
Neutral Chairperson

[Signature]  
Employer Delegate

[Signature]  
Union Delegate

MISCELLANEOUS AWARD

The parties agree that the total award in this matter shall be comprised of all TAs, the above awards, and the language in the Collective Bargaining Agreement which has not been altered by agreement or by the awards in this matter.

Mario Chiesa 9-5-2000  
Mario Chiesa  
Neutral Chairperson

[Signature]  
Employer Delegate

[Signature]  
Union Delegate

**STATE OF MICHIGAN**  
**EMPLOYMENT RELATIONS COMMISSION**  
**ACT 312 ARBITRATION**

---

**POLICE OFFICERS LABOR  
COUNCIL (Dispatchers),**

**Arbitrator Mario Chiesa**

**Petitioner/Union,**

**MERC Case No. L98 A-7019**

**-and-**

**EMPLOYER'S LAST BEST  
OFFERS OF SETTLEMENT**

**CITY OF WYOMING,**

**Respondent/Employer.**

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The City of Wyoming ("Employer") submits the following as its last best offers of settlement regarding the issues in dispute:

**1. Wages**

The Employer's last best offer of settlement on this issue is to modify Article XVIII, Section 1 by deleting the first paragraph and replacing it with the following:

Effective July 1, 1998, there shall be a three and one-quarter percent (3.25%) increase at each level of the pay schedule. Effective July 1, 1999, there shall be a three and one-quarter percent (3.25%) increase at each level of the pay schedule. Effective July 1, 2000, there shall be a three percent (3.0%) increase at each level of the pay schedule.

**2. Holidays (Number of Alternate Days Off Permitted)**

The Employer's last best offer of settlement on this issue is to maintain the current contract language.

**3. Retiree Health Insurance**

The Employer's last best offer of settlement on this issue is to maintain the current contract language.

**4. Retirement Age for Full Benefits**

The Employer's last best offer of settlement on this issue is to maintain the current contract language.

**5. Longevity Pay**

The Employer's last best offer of settlement on this issue is to maintain the current contract language.

**6. Employee Pension Contribution**

The Employer's last best offer of settlement on this issue is to add the following new subsection 5 to Article XVIII, Section 2:

Effective {DATE OF ACT 312 AWARD}, each employee shall contribute toward the pension plan a percentage of gross wages equal to 0% plus 2.09% if the age for an unreduced retirement benefit provided by this Agreement is 55.

**7. Coordination of Worker's Compensation and Pension Benefits**

The Employer's last best offer of settlement on this issue is to add the following new subsection 6 to Article XVIII, Section 2:

For those employees who retire on or after {DATE OF ACT 312 AWARD} any payments under the pension plan shall be coordinated pursuant to MCL 418.354 of the Worker's Disability Compensation Act, except that a retiree who is receiving a duty disability retirement benefit and has not reached age 50 shall have any Worker's Compensation benefit coordinated so that the combination of retirement benefit and Worker's Compensation benefit is equal to 100% of the retiree's net (take-home) salary or wage at the time of retirement. Effective as soon as administratively practicable following {DATE OF ACT 312 AWARD},

the City's pension code shall be modified to incorporate the provisions of the previous sentence.

Respectfully submitted,

MILLER, JOHNSON, SNELL & CUMMISKEY, P.L.C.  
Attorneys for Employer

Date: September 20, 1999

By: \_\_\_\_\_

  
Peter H. Peterson

Business Address & Telephone:

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P.O. Box 306

Grand Rapids, MI 49501-0306

(616) 831-1700

STATE OF MICHIGAN  
EMPLOYMENT RELATIONS COMMISSION  
DEPARTMENT OF CONSUMER & INDUSTRY SERVICES

In the Matter of:

CITY OF WYOMING,

Employer,

-and-

MERC Act 312

Case No: L98 A-7019

POLICE OFFICERS LABOR COUNCIL,  
DISPATCHER UNIT,

Union.

----- /  
MARIO CHIESA, Chairperson  
PETER PETERSON, Employer Delegate  
FRED LA MAIRE, Union Delegate  
----- /

**UNION'S LAST OFFER OF SETTLEMENT**

**UNION ISSUES**

**1. ARTICLE XVIII, WAGE AND PAY POLICIES**

The Union requests that the first paragraph of Article XVIII, Section 1 be modified as follows:

Section 1. Wages. Effective July 1, 1998, each employee shall receive an increase of three and one-half percent (3.5%) of the employee's hourly wage. Effective July 1, 1999, each employee shall receive an increase of three and one-half percent (3.5%) of the employee's hourly wage. Effective July 1, 2000, each employee shall receive an increase of three and one-half percent (3.5%) of the employee's hourly wage.

The Union asserts that the remainder of Article XVIII, Section 1 shall remain as is.

Further, as noted by the effective dates, the Union requests full retroactivity of above wage increases.



2. **ARTICLE XVIII, WAGE AND PAY POLICIES**

The Union requests that the first paragraph of Article XVIII, Section 2 be modified as follows:

[An employee who receives a pension under the Wyoming Pension System shall have the City pay for medical coverage (or such other carrier which the City has), including dental, in the following amounts:

\$10.00 per month for each year of employment with the City not to exceed 30 years, payable monthly beginning with the date of retirement, and ending upon age 60. After the retiree reaches the age of 60, the benefit will be the fully paid lifetime benefit for retiree and spouse which is provided to the Command Officers and Patrol Officers. Provided further, that any employee who is retired and is receiving or can receive medical coverage generally equivalent to the City's Plan from his or her employment or the employment of his or her spouse shall not be paid any monies toward the City's plan during such times that said spouse is or could be eligible or said employee is or could be eligible. Employees for whom the City shall make the payments described in this Section may not select among the various types of insurance coverage but must take the package as a whole. The City's obligation to make the payments described in this Section shall cease upon the failure of any retiree to pay the difference, if any, between the amount contributed by the City and the actual cost of such insurance coverage.

3. **ARTICLE XIII, HOLIDAYS**

The Union is requesting that Article XIII, Section 2 be modified to eliminate the six holiday maximum as follows:

Full-time employees shall receive 8 hours of pay for any holiday and compensated at double time for hours worked. In lieu of holiday pay, an employee may choose an alternate day off (~~maximum of six (6) holidays per contract year~~). Alternate holidays must be scheduled with the permission of the supervisor. Alternate holidays not used by the last day of the contract year shall be paid off to the employee within the next thirty (30) days. Alternate

holidays shall be taken off or paid on the basis of eight (8) hours per day.

4. **ARTICLE XVIII, WAGE AND PAY POLICIES**

The Union requests that Article XVIII, Section 2(3) be modified to reduce the retirement eligibility as follows:

(3) For employees retiring on or after [date of award], the age for full retirement benefits shall be age 55.

5. **ARTICLE XVIII, WAGE AND PAY POLICIES**

The Union withdraws its proposal regarding Article XVIII, Section 3 pertaining to longevity.

**EMPLOYER ISSUES**

1. **ARTICLE XVIII, WAGE AND PAY POLICIES (New Subsection)**

The Union's counter proposal to the Employer's Worker's Compensation proposal is as follows:

Worker's Compensation benefits, pursuant to MCL 418.354 of the Workers Disability Compensation Act, may be coordinated with a member's monthly pension benefit. However, exception is made for members receiving a duty disability retirement pension, in which case any coordinated benefits shall not be less than 100% of the member's average monthly compensation at the time of his/her disability retirement.

2. ARTICLE XVIII, WAGE AND PAY POLICIES

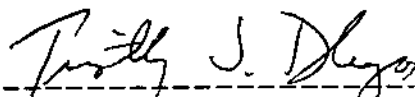
Other than the modifications set forth in the Union Issue 1, the Union requests that the remainder of Article XVIII, Section 1 remain status quo.

3. ARTICLE XVIII, WAGE AND PAY POLICIES

The Union is requesting that no new section be added to this article of the collective bargaining agreement regarding employee contribution.

Respectfully submitted,

JOHN A. LYONS, P.C.



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Attorney for Union  
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Troy, MI 48083  
(248) 524-0890

Dated: September 30, 1999