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

CITY OF MONROE

-and-

Act 312 Case No. D98 A-0043

**POLICE OFFICERS LABOR COUNCIL
(Command Unit)**

For the Employer: Dennis B. DuBay, Esq. of Keller, Thoma, Schwarze, Schwarze,
DuBay & Katz, P.C., Detroit, MI

For the Union: Timothy J. Dlugos, Esq. of John A. Lyons, P.C., Troy, MI

Panel: Donald F. Sugerman, Chairman
Joseph S. Lybik, Employer Delegate
Danny Bartley, Union Delegate

Dates:

Pre-hearing

Conference: May 17, 1999

Hearing: November 1, 1999, and January 27, 2000

**Last Offers of:
Settlement:** February 14, 2000

**Post-Hearing
Briefs:** May 15, 2000

**Executive
Meetings:** August 24 and September 24, 2000

Award: September 26, 2000

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

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OPINION

Introduction

The **City of Monroe** ("City," "Employer" or "Monroe") is a municipal corporation in Monroe County. It has a geographical area of nine square miles and is located in the southeast quadrant of the State, near the Ohio border, and roughly eighty miles from the City of Detroit. As of the 1990 census, the latest one available, Monroe had a population of just under 23,000 residents.

Police Officers Labor Council ("Union" or "POLC") represents separate units of Patrol Officers (of which there are 36) and Command Officers (of which there are nine, 4 lieutenants¹ and 5 sergeants). Only the command officer unit is implicated in this proceeding. The remaining employees of the City are represented for collective bargaining in four units.²

The last contract between the City and the POLC was for the period July 1, 1995 to June 30, 1998. Unable to reach agreement on certain terms and conditions for a new contract, the Union filed a petition under Act 312 with the Michigan Employment Relations Commission ("MERC"). The undersigned was selected as the neutral arbitrator to chair a panel made up of a delegate appointed by each party as noted on the cover sheet.

¹One of the lieutenants retired after the June 30, 1998, contract expiration and his position had not been filled at the time of the hearing.

²City of Monroe Employees Association (COMEIA) with 74 employees. A separate unit (COMEIA II) comprised of 8 supervisors; IBT Local 214 (70 employees in the DPS and the DPR); Monroe Firefighters Association (40 employees below the rank of Chief). Lastly, there is a non-represented group (17 appointed/confidential employees).

The issues still outstanding are: **Union** - 1. Wages; 2. Pension Benefits; 3. Vacation Benefits; 4. Longevity Payments; 5. Educational Bonus; 6. Optical Benefits; 7. Training/Over-time. **Employer** - 8. Assigned Bidding; 9. Retiree Health Insurance; 10. Prescription Drug Co-Payments. These issues will be discussed *seriatim*. The parties have agreed that the contract in this case will be for three years: July 1, 1998 to June 30, 1999; July 1, 1999 to June 30, 2000; July 1, 2000 to June 30, 2001. During the proceedings they also resolved issues on Promotions, Drug Testing and Dental Benefits.

Thus, the 1998 - 2001 contract between the parties will consist of: 1. The provisions resolved in this opinion and award; 2. The voluntary agreements reached by the parties in their negotiations for the new contract, and; 3. All provisions of the expired 1995 - 1998 contract unaffected by items 1 and 2. The Chairman is the author of this decision. By signing below, Panel Delegates concur on those items decided in favor of their principal and dissent on those issues in favor of the other party.

Statutory Criteria

Pursuant to Section 8 of Act 312, the Panel must adopt the Last Offer of Settlement ("LOS") on economic issues that more nearly comports with the applicable factors designated in Section 9 below. On non-economic items the Panel may craft its own resolution. Regardless of the economic/non-economic dichotomy, the Section 9 standards must be considered by the panel in its review. The Panel, however, has the authority to determine the priority and weight to be given to the criteria in each instance.

Section 9 of Act 312 sets forth the factors to be considered by a Panel in reaching its decision. They are 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, hour 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 wages, 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 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 Panel has carefully considered the data and other relevant evidence presented by the parties in conjunction with the above factors. The Panel has largely focused its attention on (c), (d)(i), (e), (f), and (g). Based upon its analysis, the Panel issues this decision and award.

Comparable Communities

The statute does not define comparable communities. Determining comparability has flummoxed parties to Act 312 cases³ as well as panels. This case is no exception. The Union nominates the following cities as being comparable to Monroe: Adrian, Allen Park, Garden City, Harper Woods, Lincoln Park, Mt. Clemens, Romulus, Southgate, Trenton, Wayne, Wyandotte, and Ypsilanti. The City nominates the following communities: Adrian, Allen Park, Brownstown Township, Ecorse, Pittsfield Twp., Riverview, Romulus, Southgate, Trenton, Van Buren Twp., Wyandotte, and Woodhaven. Both parties agree on **Adrian, Allen Park, Romulus,⁴ Southgate, Trenton, Wyandotte, and Ypsilanti.**

In dispute then are: Brownstown Twp., Ecorse, Garden City, Harper Woods, Lincoln Park, Mt. Clemens, Pittsfield Twp., Riverview, Van Buren Twp., Wayne, and Woodhaven.

³The City aptly notes that "the term "comparable" denotes some degree of commonality. The New Webster Encyclopedic Dictionary of the English Language defines comparable as follows: 'Capable of being compared, worthy of comparison; being of equal regard.' " (Brief at 18) I agree with this concept. I have difficulty, however, with the City's claim that "comparable" also means "substantially equal." If this were the test, it would be virtually impossible to find communities comparable to the one involved in the case.

⁴Although Romulus has a land area four times greater than Monroe, much of it is under the exclusive control of the Detroit Metropolitan Airport Authority. The other factors demonstrate that Romulus is properly considered as a city comparable to Monroe.

Inasmuch as townships have an altogether different taxing authority than cities, I conclude that regardless of other factors that give them the appearance of commonality with Monroe, this factor alone is sufficient to distinguish the two categories. Townships are therefore excluded from consideration.

Except for Garden City, the other nominated cities are too unlike Monroe to be considered comparable. For example, Ecorse has too small a population (12, 200), land area (2.7 sq. miles), per capita income (\$9,800), and median home value (\$25,500) to compare to Monroe. Riverview's population (13,900) is too small, its family median income and median home value (\$50,100 and \$83,200 respectively) are too high and distinguish it from Monroe and the average and median of the cities agreed to by the parties. One other example will suffice: Harper Woods is in northern Wayne County, a suburb of Detroit. Its population is below that of Monroe and less than any of the communities the parties have agreed are comparable. For similar comparative reasons, these and the other cities are excluded.

On the other hand, **Garden City** compares favorably to Monroe and the median and average numbers of the other cities that both parties agree are to be included in the mix. The figures for Garden City, Monroe, and the Average/Median figures for the agreed upon comparable communities follow: Population: Garden City 31,850, Monroe 23,000, A/M 26,855/27,800. Land Area: GC 5.9, Mon 9.0, A/M 7.6.3/6.9.⁵ Per Capita Income: GC \$14,300, Mon \$13,100, A/M 13,800/\$12,600. Median Family Income: GC \$42,400, Mon

⁵For the reason set forth in n. 4, Romulus has been excluded from the land area computation.

\$35,400, A/M \$44,100/\$34,700. Median Home Value: GC \$59,700, Mon \$65,100, A/M \$59,500/\$58,700. Total Patrol/Command Officers: GC 43, Mon 44, A/M 48/47.

The comparable communities will be: **Adrian, Allen Park, Garden City, Romulus,⁶ Southgate, Trenton, Wyandotte, and Ypsilanti.⁷**

⁶ The other factors demonstrate that Romulus is properly considered as a city comparable to Monroe.

⁷ The Union argues that historical practice favors the cities it has nominated. In the 1990 Act 312 Patrol Officer Unit award, the parties agreed on Adrian, Mt. Clemens, Romulus, Trenton, Wayne, Wyandotte, and Ypsilanti. The Union sought to add Ferndale, Garden City, Lincoln Park and Madison Heights. The Employer sought to add Riverview. Panel Chairman Browning accepted the Union's nominees, but rejected the use of Riverview because no data on that community had been supplied. In the June 1996 Patrol Officer Unit award, Chairman Burkholder stated that the comparable communities were: Adrian, Allen Park, Garden City, Harper Woods, Lincoln Park, Mt. Clemens, Romulus, Southgate, Trenton, Wayne, Wyandotte, and Ypsilanti. It is unclear from the decision how this determination was made. It may have been the result of mutual agreement, but this cannot be determined from the award. I note that in this Act 312 case there were three new additions: Allen Park, Harper Woods and Southgate. And for reason unexplained, Ferndale and Madison Heights were deleted. Next came the June 11, 1997 Command Officer Unit award. Chairman Sefcovic accepted the twelve communities stipulated to by the parties. They were the ones used in the prior case. In the June 30, 1997 Patrol Officer Unit award, it appears that the parties again stipulated to the use of the same cities as in the Burkholder and Sefcovic cases. Finally, in the 2000 Patrol Officer unit award, Chairman Chiesa accepted the parties mutual nominees of Adrian, Allen Park, Romulus, Southgate, Trenton, and Wyandotte. (Those are the same cities mutually nominated in the instant case). The City proposed the same additions as here and the Union wanted to use the same 12 communities as in the prior three Act 312 proceedings. As I read the opinion, Arbitrator Chiesa did not accept the 3 townships or the cities of Ecorse and Wayne. In that opinion, it seems that the Panel relied on the mutually agreed upon comparable communities and gave some heed to the remaining disputed comparable communities. I also note that Arbitrator Chiesa paid lip service to the 12 historical comparable cities, stated that their use was not necessarily mandated (especially if data had changed) and appears to have accepted Riverview and Woodhaven. I do not want to reinvent the wheel. I believe the use of a smaller number of selected, representative communities has the advantage of conciseness and narrows the field to those cities that are, in fact, most comparable to Monroe. One other factor warrants mentioning. While not conclusive, the Union's expert on comparability indicated that in 5 of the 6 communities it nominated, the Union represents patrol or command officers and to her recollection, none of those cities has cited Monroe as a comparable in Act 312 proceedings. Of course, the problem is in the process. Parties naturally want to select comparable communities that will support their respective LOS. They will, from time to time, throw in a community or two that might not be wholly supportive, but these will not make a difference overall and are, I suspect, used to rationalize the overall selections. A better process can be found for complying with the statutory mandate of using comparable communities. Be that as it may, this decision will be based on the 8 comparable communities. The accuracy of the conclusions reached will be verified by using the remaining so-called historical cities.

1. Wages

Command Officers have had an indexing system in place for many years. A Sergeant receives 115% of the wage paid to a patrol officer/corporal at the top of scale. A Lieutenant receives a salary that is 110% of that of the sergeant at top of scale. The Union's LOS is to increase the percentage differential for sergeants to 118%. The City proposes no change in the differential. In the 2000 patrol officer award, the panel granted increases of 3%, 2.75% and 2.75% for same three year period that is involved in this case. A sergeant currently earns an annual salary of \$48,158. Under the present indexing system, that sergeant would receive \$49,603. effective July 1, 1998. The Union's proposal would boost this amount from 3% to 6% and would result in a payment of \$51,048. But not a single comparable community increased the pay of its sergeants by such a percentage. The average was 3.2.⁸ The median was 3%.⁹

The differential in percentages in the comparable communities is: Adrian - 112, Allen Park 110, Garden City, 117.3, Romulus 113, Southgate 118.3%, Trenton, 115, Wyandotte 114, and Ypsilanti 129. The average is 114.8¹⁰ and the median is 113.5.¹¹ These figures themselves do not support an increase to 118%.

In addition, one must be mindful of the so-called internal comparables. None of the

⁸Again there is no significant change with the average being 3.09

⁹The median in the historical comparable communities is 3%.

¹⁰Ypsilanti appears to skew the results. If it is not included, the average is 112.8%.

¹¹Adding the historical comparable communities results in an average/median of 115.2/113.5.

bargaining units in the City received an increase of 6% in the first year or, for that matter, in any of the years of the contract term. Were the Union's proposal to be accepted, it presumably would apply to the counterparts of command officers in the Fire Department who are considered to be *pari passu*.. It is all but certain that these other units, including patrol officers, would point to this increase in the next round of bargaining (that is only months away) to justify a larger increase in their rates of pay.

The differential is, of course, not the same as examining the actual salaries paid to employees. Obviously, 115% for the sergeant depends on the earnings of the top of scale police officer; the lower the pay, the lower the indexed amount. The average paid to a sergeant in the comparable communities is \$49,175.¹² The median in the comparable communities is \$50,800.¹³ At \$49,600, the Union is just above average, but below the median.

Were the Union's proposal granted it would seemingly impact on the City's financial condition. While it has not claimed an inability to pay, its revenue sources are "flat," to use private sector terminology, and although not taxing at the full limit, it is very close thereto. All things considered, the criteria, including the cost of living that has moved at a rate below the amounts proposed, establishes that the City's LOS is the more reasonable one. It will be adopted. It is effective July 1, 1998.

¹²I have rounded all numbers to the nearest 100. Using the 12 comparable communities results in an average of \$50,000.

¹³The median in the historical group is 50,990.

2. Pension Benefits

The pension of a retiring command officer is computed on his/her final average compensation ("FAC"). FAC is defined as follows:

Final Average Compensation includes base salary, longevity applied, holiday pay, payment for Gun Allowance, Uniform Cleaning and over-time pay, but does not include unused sick or vacation Payment.

Under the Agreement, command officers are paid 50% of unused sick leave time during each year. And, on retirement, they receive a bonus equal to the amount paid for this sick leave bonus. Currently, FAC does not include this sick leave bonus. The Union seeks to modify the Agreement to include the last three years of unused sick leave bonus with a cap of 18 days. The City opposes this change.

POLC notes that only two of the base comparable communities consider unused sick time in computing the FAC. But it points out that 5 of the 8 consider unused vacation time in this formula. It finds a parallel pattern of reasoning in this fact. Monroe, however, considers neither unused sick or vacation days in computing the FAC. The City contends that it compares favorably with the comparable communities in overall pension benefits and that it exceeds most when the employee retires beyond the twenty-five year threshold.

The Union further states that the cost of the increase is nominal, that the Pension Plan is 150.6% funded, that it is in actuarially sound condition and that therefore any actual increase in contributions is likely to be delayed. Finally, POLC notes that the study by the Fund Actuary was predicated on each retiring officer having the maximum number of days

available in his/her bank for use in the FAC. This, the Union, says is highly improbable. Some officers may use 18 days while others will have less than that.

Using the comparable communities as a guide (with regard to unused sick and/or vacation days, looking at the overall Pension Plan, and considering the modest cost to the Employer, the Union's LOA will be adopted. It is to be effective July 1, 1998.

3. Vacation Benefits

In the current CBA, employees with 1 to 5 years of service receive 10 days (two weeks) of vacation annually. This increases after 5 years to 10 days plus 1 day for each additional year of service with a maximum of 20 days. The Union proposes 15 days after 10 years and 25 days after 15 years of service.

The City proposal is the one awarded to Patrol Officers in the recent Act 312 arbitration, namely 12 days of vacation through the first 5 years of service, and 1 additional day for each year of service after 5, to a maximum of 22 days of vacation leave. It was the POLC proposal in that Act 312 case that was adopted by the Panel. Transposing this to the instant case results in an increase of 2 days per year for each unit member. Since virtually all of the command officers have (or will shortly have) at least 15 years of service, the Union's proposal would add 5 days to their annual vacation entitlement. The City argues that this blatant attempt at whipsawing should be rejected.

The Union argues that inasmuch as command officers already have fifteen years of service, the Employer's proposal of "the additional two days are ineffective for most of the

vacation leave schedule.” (Brief, p. 13). This is incorrect. All unit officers will receive the benefit of the added cap immediately. POLC also says that at 15 years, the average number of vacation days for the comparable communities is 23 and at 20 years and 25 years the average is 26 and 27 days respectively.

The City notes that Personal Days must be factored into the equation in order to see the broader picture. Indeed, it argues that inasmuch as unused personal days can be carried over to vacation days, this item is particularly relevant. City Exhibit C(6)(Z) shows the two considered together. Among the base comparable communities, using the recent patrol officer improvement and personal days shows that the average is 26.25 for officers with 19 years of service.¹⁴ This compares favorably with the 27 proposed by the City. The Union’s proposal would skew this number. Accordingly, the City’s LOS will be accepted. It will be effective July 1, 1998.

4. Longevity Amounts

Currently, command officers receive \$25.00, \$30.00, and \$35.00 per year of service after five, ten, and twenty years, respectively. POLC proposes to increase each of these amounts by \$5.00. The City proposes that no change be made. Of the base comparable communities, two do not pay longevity and one pays -0- for the first increment. In those that pay longevity, the averages are \$305.00, \$545.00 and \$825.00 at the 5, 10 and 15 year tiers.¹⁵

¹⁴The figure is 27.5 in the other four communities.

¹⁵In the other comparable community nominees, the amounts are significantly higher across the board with lieutenants receiving a higher amount than sergeants.

Thus, at \$125.00, \$300.00 and \$450.00, Monroe is far below these averages. Even with the increases proposed by the Union, Monroe command will still be below the averages paid in the comparable communities. While patrol and fire receive the same longevity as is currently paid to the command unit, it is noted that City employees in Unit II are paid at a higher level: \$250.00, \$500.00 and \$750.00. The Panel believes that this increase is warranted and the Union's LOS is accepted. It is to be effective July 1, 2000.¹⁶

5. Educational Bonus

POLC proposes that command officers be paid an annual bonus for having or obtaining a degree from an institution of higher education. The amounts it has proposed are Associate's Degree - \$500.00; Bachelor's Degree - \$750.00, and; Master's Degree - \$1000.00. Payment is to be received only for the highest degree. There is no requirement that the degree be in criminal justice or in a field of study that would directly benefit the Employer—other than the fact that a degree will generally benefit provide a more educated employee. Indeed, a degree is not even a requirement as the Union proposes that the benefit be paid if an employee obtains credit hour equivalence.

Only Allen Park among the base comparable communities pays an educational bonus and it is a one time payment of \$400.00. None of the other have such a benefit. None of the internal comparable units has this benefit. While the Chairman personally believes it is in the City's interest to have the best educated work force it can, the law requires that

¹⁶Although it may have been implicit in its LOS, the Union did not set forth an effective date for this benefit. This start date was selected to avoid problems inherent in retroactive computations.

determinations be based on the criteria of Section 9, not the subjective beliefs of one member of the panel. Under the circumstances of this case, the benefit sought here is not one that should be imposed by a panel, but rather obtained in negotiations. The panel is compelled to accept the LOS of the City.

6. Optical Benefits

It is unclear whether this item is properly before the panel for resolution. Optical benefits are mentioned in the Petition that POLC filed with MERC. But nothing more was set forth. It is unclear if there was bargaining on this subject. In any event, at the hearing the Union put forth what appears to be a schedule of vision care benefits from a Blue Care Network A-80 Rider. But the plan itself was not identified. It is difficult to determine exactly what benefits are being sought, the reach of those benefits to dependents, restrictions, if any, and the costs for the program. While most of the base comparable communities have some type of vision care coverage, none of the other City employees have this benefit. In view of these factors, the City's LOS will be adopted.

7. Hours of Work/Over-time

The current contract (Article VIII, Section 4(B)) reads:

In-service training to the extent of one hundred (100) hours annually will also be excluded from the over-time provisions of Section 4 'A' above, the one hundred (100) hours in-service training will be paid at the employee's straight time rate of pay.

POLC proposes to delete B and amend subsection A to read:

Such calculations are to include time spent by Officers attending mandatory or Employer-authorized training, as well as any related travel time, in excess of eight (8) hours per day or forty (40) hours per week.

Under this proposal, all training time and travel time that is mandatory or is authorized by the Employer in excess of eight (8) hours a day or forty (40) hours per week would be paid at the over-time (1 and ½%) rate.

With respect to the payment rate, the parties agree that mandatory training is compensated at the over-time (1½) rate for hours in excess of eight (8) in a day or forty (40) in a week. It seems clear that when mandatory training is involved, the travel time needed to get to and from such training is likewise required and is to be included in computing over-time.¹⁷

There is a fine line between mandatory training and so-called voluntary training. To avoid any problems, the POLC proposal makes sense. Training authorized by the Employer should be treated in the same manner as mandatory training. If over-time was to be involved and the City did not wish to pay over-time for attendance/travel, it would be a simple matter to withhold authorization. If training is truly voluntary, without over-time the officer is free to decline such training.

For these reasons, the Union's LOS will be adopted. It is effective with the execution

¹⁷Chief Frank explained that command officers are on the honor system when it comes to reporting their time. For example, if a training session is scheduled for eight hours and involves a round trip of three hours the employee would be paid time and ½ for three hours. Sometimes, however, the scheduled training may not be adhered to and officers will be released early. When that occurs, over-time would only be paid for actual hours "worked" (including those of travel).

of this award.

8. Assignment Bidding

In the current contract, Command assignments are filled by a bidding process on May 1 of each year. School liaison and narcotic unit assignments are exempt. It is possible that under this system, a command officer could be bumped by a more senior unit member. The City seeks to exempt from the process the Field Service/Administrative Lieutenant, the Training Sergeant, and the Investigative Sergeant. In other words, it wants to insulate these additional assignments from the selection process.

The Union objects to the proposal. It contends that if three positions are added to the excluded class, the seniority aspects of assignment bidding lose almost all effect. In other words, five of the nine officers would be locked into position. Thus, by way of example, the most senior person in the unit (if not among those excluded) can use seniority against only three other unit members.

The City's concerns are based on speculation. It comes down to a subjective feeling that a more senior officer might, out of pique or spite, bump a less senior officer who was doing an able and capable job. This, of course, holds true for all of the assignments in the unit. No anecdotal evidence was presented that demonstrated a real problem. To accept the Employer's proposal would be the harbinger of the removal of seniority for the selection of assignments within the unit. Absent a showing that the system is not working, it should not be tinkered with in the manner proposed. The Union's LOS is adopted.

9. Retiree Health Insurance

The City requests that the following paragraph be added to Addendum E with respect to retirement:

All references to health insurance for retirees shall mean the health insurance in effect at any time for then active employees.

In response, the Union proposes the following modification:

All references to health insurance for retirees shall mean the health insurance equal to or better than that in effect upon retirement.

With this change, the City says it will be able to take advantage of group rates for both retirees and active employees together, rather than having to maintain separate programs. This proposal is identical to the one voluntarily agreed to by the City and POLC for the patrol officers unit.

An actuarial valuation of the costs of health care coverage during retirement was prepared by Gabriel, Roeder, Smith & Company. It indicates that retiree health care costs have nearly doubled since its last report in 1996. These costs are expected to continue to rise in the foreseeable future.

The Union has raised two concerns with the City's proposal. First, it fears that the City may be trying to ultimately remove hospitalization coverage from retirees' spouses. The City states that this is not the case and that spouses will continue to receive such benefits. According to the Employer, nothing with regard to spousal coverage is changed. Indeed, the City recognizes that it has a continuing commitment to provide health insurance for the

retiree's spouse. The Union's second concern is that this provision will permit the City to alter the benefits of officers who are already retired. In this regard, it states, "Retirees are unable to bargain collectively. As a result, they should, at the least, receive the benefits they indeed bargained for while actively working for the Employer." (Brief, p. 26) This latter concern was not addressed by the Employer.

The Union's first concern has been put to rest by the pronouncements of the City. But the second area of concern remains open. It seems possible that were the City's LOS accepted, benefits of current retirees (and their spouses) might be materially impacted, notwithstanding the Employer's assurance that it will have "little effect upon unit members or retirees." (Brief, p. 59) Presumably, active unit members can fend for themselves through negotiations between their representative and the City. But officers (spouses) already retired have no such rights.

It is unclear in this record what impact, or potential impact, if any, the City's LOS would have on already retired officers and their spouses. If for example, a HMO were put in place, how would this affect retirees who have relocated to other States. Without such information, equity and prudence require that the City's LOS be rejected at this time.¹⁸ In rejecting the change proposed by the City, the Panel does not adopt the Union's LOS that was offered only as a counterproposal. Instead, it leaves the contract unchanged.

¹⁸This matter can be revisited shortly. Since this Act 312 contract will expire on June 30, 2001, negotiations for a new contract will begin in a matter of months.


10. Prescription Drugs

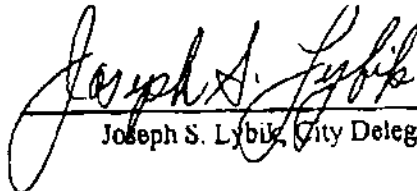
The City proposes the same change with respect to the prescription drug co-pay that was negotiated and agreed to as part of the patrol officers Act 312 award. The proposal of the City is also a part of the contract with the Fire Fighters unit. POLC believes the contract should remain unchanged.

Under the proposal, the co-payment for generic drugs remains \$3.00. The co-payment for "brand" name non-generic drugs would be \$10.00. The prior contract has a \$10.00 co-pay for brand name drugs only when a generic equivalent was available. This is a modest change designed to help contain escalating costs in providing health care benefits. In view of its acceptance in the patrol officers and fire fighters units, consistency suggests that it be granted here as well. The City's LOS will be adopted. It is to be effective with the execution of this Award.

AWARD¹⁹

For the reasons set forth in the Opinion, and with the effective dates noted at the end of each issue, the City's LOS is adopted on 1. Wages, 3. Vacation Benefits, 5. Educational Bonus, 6. Optical Benefits, 10. Prescription Drug Co-Payments and the Union's LOS is adopted on 2. Pension Benefits, 4. Longevity Amounts, 7. Training/Over-time, 8. Assigned Bidding. The City's LOS on 9. Retiree Health Insurance is not adopted.


Donald F. Sugerman, Chairman

 9/26/00
Joseph S. Lybik, City Delegate

 9/26/00
Danny Bartley, Union Delegate

September 26, 2000

¹⁹This document may be signed in counterpart.