

222A

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

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

BETWEEN

CHARTER TOWNSHIP OF CLINTON

-and-

CLINTON TOWNSHIP POLICE LIEUTENANTS AND SERGEANTS ASSOCIATION, POLICE  
OFFICERS LABOR COUNCIL OF MICHIGAN

-----/

MERC CASE NO.: D05 J-1049

APPEARANCES:

Arbitration Panel:

**Roger N. Cheek**, Impartial Arbitrator and Chairperson

**John Viviano**, Labor Representative  
Police Officers Labor Council of Michigan  
For Labor Organization

**William S. Smith**, Human Resources Director  
Charter Township of Clinton, Michigan  
For Employer

Advocates:

**Thomas R. Zulch**, Attorney  
For Labor Organization

**Charles M. Towner**, Attorney  
For Employer

RECEIVED  
MAY 11 1997  
MERCANTILE

## INTRODUCTION

This is an opinion and award rendered in a compulsory binding labor arbitration conducted pursuant to Act 312, Michigan Public Acts of 1969, as Amended.

The parties are the Charter Township of Clinton, Michigan, Police Department, which is the “employer,” and the Clinton Township Police Lieutenants and Police Sergeants Association, Police Officers Labor Council of Michigan (POLC), which is the “labor organization.” (In the exhibits and this opinion/award, the employer may sometimes be referred to as “Township,” “department,” “government,” and other obvious terms, and the labor organization may sometimes be referred to as “union,” “bargaining unit,” “employees,” “members,” “command officers,” “POLC,” and other obvious terms.)

## BACKGROUND

For a lengthy period of time, the parties engaged in traditional collective bargaining and then State-supervised mediation in an effort to reach an agreement on a successor labor agreement that would replace the agreement that expired on March 31, 2006. When all of the issues were not fully resolved, the need for this arbitration arose.

On June 7, 2007, the Michigan Employment Relations Commission (MERC) issued its Letter of Appointment naming the impartial chairperson of an arbitration panel. Copies of that letter were sent to the parties and on June 14, 2007, the chairperson made initial contact with both parties by telephone. At that time, the parties reported they had been in a mediation session the prior day and that at least one more mediation session was planned. Obviously, this meant that further steps in the arbitration process had to be temporarily placed “on hold.”

On July 2, 2007, the chairperson was provided with an update on the latest state of the negotiations and mediation. As of that date, the parties had tentatively resolved all but two pension issues and another mediation session was planned for July 19, 2007.

On August 1, 2007, the chairperson was provided with another update. At that point in time, the parties were planning to seek ratification by both the Union members and Township officials on all of the then tentatively settled issues.

In early September 2007 the parties successfully ratified 19 tentative settlements and forwarded a signed copy of that settlement to the chairperson. At that point the parties indicated that two pension issues would be the only unresolved matters that would have to be arbitrated. In the letter that accompanied the settlement document it was stated that one of the issues concerned the Union's goal of eliminating a then-current pension rule that required a reduction be made in the DB plan multiplier once the member became eligible to receive full Social Security benefits. The other issue concerned the Union's proposal to gain a Deferred Retirement Option Plan (DROP) for its members that would be similar to the plan that was then available to the Police Captains, Police Chief, and Fire Chief.

In a letter dated October 15, 2007, the panel chairperson was notified that he was to begin moving the arbitration processes forward by setting a date for the pre-arbitration telephone conference to be conducted.

On October 26, 2007, the pre-hearing conference was conducted through a three-way telephone call. Among the issues discussed was the current state of affairs in the bargaining and it was again stated that only two (2) pension issues remained unsettled. [See Union Exhibit #3.] Also, during the course of that conference it was agreed that a formal arbitration hearing would be conducted on January 21, 2008.

On January 21, 2008, the arbitration panel and the parties convened and conducted the formal hearing. As required by the Act, a verbatim record of that arbitration hearing was taken.

#### ACT 312 TIME FRAMES WAIVED

The parties mutually agreed, during the pre-arbitration conference, to waive all of Act 312's time requirements for completing the various steps in the arbitration process. A written understanding memorializing that agreement was later executed by the parties and placed in the official arbitration record.

#### STIPULATIONS

At the hearing the parties have made the following stipulations:

I. There is one unresolved pension benefits issue to be decided. [Note: By the time the parties appeared for the formal hearing on January 21, 2008, both of the previously described unresolved pension issues, i.e., the Social Security reduction, and gaining a DROP, were no longer on the table.]

II. No oral testimony would go into the record. The panel is to use the following exhibits in reaching its decision, none of which were objected to by either party, therefore, all were accepted into the record by the Panel.

Joint Exhibits: See Appendix A. There are 12 such exhibits. They are the current or recently expired labor agreements between nearby communities and their command-level police officers (primarily lieutenants and sergeants). 10 of the agreements involve the “external comparable” communities identified for purposes of the Act, primarily at Section 9(d)(i). These exhibits are numbered as indicated in the Appendix. [See below at Stipulation III the identities of the 10 communities.]

Union Exhibits: See Appendix B. There are six (6) such exhibits of various types. These exhibits are numbered as indicated in the Appendix.

Employer Exhibits: See Appendix C. There are 23 such exhibits of various types. Included among them are current or recently expired of labor agreements covering all but one of the categories of the Clinton Township employees that serve as the “internal comparables” for purposes of the Act. These exhibits are numbered as indicated in the Appendix.

III. The following ten (10) Southeast Michigan communities were offered and accepted by the panel as the external comparable communities to be used in their deliberations:

1. Canton Township
2. City of Dearborn
3. City of Farmington Hills
4. Macomb County
5. Shelby Township
6. City of Southfield
7. City of Saint Clair Shores

8. City of Sterling Heights
9. City of Warren
10. City of Westland

#### THE UNRESOLVED ISSUE

The unresolved issue to be decided by this arbitration concerns one last detail to be included in a new mutually-agreed upon defined contribution (DC) plan that will be available to the bargaining unit members in the new successor agreement.

The bargaining unit's current basic pension benefit is a defined benefit (DB) plan. Under it, the member becomes eligible for a full regular DB retirement after 25 years of service. The plan is administered by the State of Michigan in accordance with Act 345. The arbitration panel knows that this type of plan is in many respects very similar to what scores, if not hundreds, of police and fire departments around the State provide to their employees. The panel believes that it can be fairly described as a "traditional" DB plan and, as will be demonstrated below, provides for a level of benefits that is similar to what most of the comparable communities are providing to their police officers of similar ranks.

The new DC plan is effective January 1, 2008. Under it, bargaining unit members who reach retirement eligibility in the DB plan, and who will continue to work in full and normal employment for the Department, will have the right to opt out from continuing to increase credits and resulting benefit increases in the DB plan, and instead, start participating in a new 401(a) defined contribution DC plan.

Despite all of the preceding points of agreement, the parties are apart because the Union is proposing that there be two categories of participants in the plan, with different employer contribution amounts, while the Employer is proposing that there be one category of participants, and with all of them receiving the same amount of employer contributions.

Under the Union's proposal, one category of participants would be those officers who were members of the bargaining unit before January 1, 2008, and the second category of participants would be those officers who became bargaining unit members on and after January 1, 2008. For their proposed first category of participants, the Union is proposing that

the Township make an initial contribution of 10% of the member's annual salary to the participant's DC plan account. For their proposed second category, the Union is proposing that the Township is to make an initial contribution of 7% of the member's annual salary. The Union's proposal would, however, for all of the contribution amounts above the two different initial contribution amounts, have the Township follow the same contribution rules for both of its proposed categories of participants.

The Township's proposal is that there should be just one category of DC plan participants, regardless of when they first were promoted into the bargaining unit. Its proposed contribution formula calls for an initial 7% contribution. Its proposed rule for additional contribution amounts above the initial 7%, matches the additional contribution rule proposed by the Union.

In sum, the difference, to be resolved by this panel is whether the Township should be required to pay an additional 3% initial contribution into the DC plan accounts of participants who were members of the bargaining unit prior to January 1, 2008.

#### LAST OFFERS OF SETTLEMENT

The arbitration panel having ruled that the unresolved issue is *economic*, directed each party to submit a last offer of settlement that would either be accepted in full or totally rejected by the panel. As set forth in Section 8 of the Act, a last offer of settlement cannot be modified. A party either "wins" or "loses" its LBO, *in toto*. In other words, a party cannot expect, for example, that the panel may accept the gist or general framework of its proposal, and award it with some modifications, even if such a modification would be deemed very minor by most people. It is for this reason that in most Act 312's the parties are directed to submit their last offers of settlement in complete contract language form and that is what the parties did in this case.

The LBO of the union or the employer, whichever is awarded, will serve as Article 43, Pensions, of the new contract. Both LBOs have proposed that the article will have Sections 43.1 through 43.9, and except for the contents of their proposed Sections 43.9, all of

the other parts of the proposed language for the article is identical. That lengthy portion of identical language that makes up Sections 43.1 through 43.8 is the following:

**ARTICLE 43**  
**PENSIONS**

**43.1 Defined Benefit Pension Provision**

Members of the bargaining unit shall be provided pension benefits in accord with the Fire and Police Pension and Retirement Act 345 of P.A. of 1937 as amended.

Employees who retire on or after November 1, 2007 Section 6(1)(e) of Act 345 shall be amended to provide that upon retirement from service, as provided in this subsection, a member shall receive a regular retirement pension payable throughout the member's life as follows:

Members of the Collective Bargaining Group shall be entitled to regular retirement benefits with twenty-five (25) years of service with the Clinton Township Police Department, regardless of their age.

However, upon taking any employment after retirement, the employee shall notify the Charter Township of Clinton who their employer is and whether or not health care insurance is available to them, and if the employer offers health care insurance, the Township shall drop the employee from the Township's insurance for health care until such time as the employee ceases employment, at which time he/she shall be reinstated with the Township health care insurance as soon as possible.

**Members Promoted prior to January 1, 2008**

The regular retirement pension shall be based upon 2.8% of the member's average final compensation multiplied by the first 25 years of service credited to the member, plus 1% of the member's average final compensation multiplied by the number of years, and fraction of a year, of service rendered by the member in excess of 25 years of service, without a maximum benefit of Final Average Compensation (FAC). There shall be no reduction in pension benefits upon attainment of full social security age.

**Members promoted after January 1, 2008**

The regular retirement pension shall be equal to 2.8% of the member's final average compensation multiplied by the years of service credited to the member, with a maximum benefit of 70% of Final Average Compensation (FAC). There shall be no reduction in pension benefits upon attainment of full social security age.

A surviving spouse of a retiree who is receiving a duty disability pension at the time of death shall continue to receive the same duty disability pension benefit otherwise paid to the disability retiree will attainment of age 55. At the time the duty disability retiree would have otherwise attained the age of 55, the surviving spouse shall be entitled to a benefit based upon the retiree's attainment of age 55, recomputation in accordance with retirement system provisions, and the designation of the spouse as his/her 60% surviving spouse beneficiary under Act 345.

#### 43.5 Surviving Spouse Benefit for Retiree on Duty Disability Retirement

Effective with the pay of January 1, 2008, the pension contribution shall be increased from six and sixty-five one hundredths percent (6.65%) to seven percent (7.00%).

#### 43.4 Member Contribution

"Final Average Compensation" shall mean the average of the three (3) years of highest annual compensation received by the member during their ten (10) years of service immediately preceding their retirement or leaving service. A member with ten (10) years or more of service shall have vested retirement benefits. The Township shall provide the Union with any changes in the components which make up the elements of Final Average Compensation. At the present time, those monetary benefits that are computed for final Average Compensation purposes are: regular salary, overtime pay, longevity pay, payment in lieu of holiday and/or vacation time, education allowance, comp time up to 80 hours, and show-up time. It is understood that lump sum payments for sick days and vacation days at the time of retirement are not included in final Average Compensation except as defined in Articles 11.5 and 8.11.

#### 43.3 Final Average Compensation

For purposes of this calculation, the actuary shall use the then current interest rate for immediate annuities published by the Pension Benefit Guaranty Corporation and the actuary shall also use the mortality table used for the most recent regular actuarial determination. However, if a member applies for military time and receives the same from the Township Board, then that member's contribution to the retirement system for military time cannot be withdrawn upon his/her retirement.

Upon retirement members of the bargaining unit shall be entitled to withdraw up to their accumulated contributions (including interest) to the system, provided that they agree to accept an appropriate lesser monthly benefit. Such lesser benefit is to be computed by the Township's actuary using a method intended to prevent such contribution withdrawal from costing the Township or the Pension Fund any additional monies.

#### 43.2 Annuity Withdrawal

#### 43.6 13<sup>th</sup> Check

For employees who retire on or after April 1, 2000, after 5 years of retirement said retirees will be eligible for annual 13<sup>th</sup> check not to exceed the retirant's normal monthly retirement check. Said check will be distributed if investment funds attributed to the Police members exceed eight (8%) percent. Participants in the defined contribution plan shall be eligible 5 years after termination of employment. Up to 50% of said excess will be used to make such payments. If 50% of the excess is not sufficient to make a payment equal to a monthly check then the amount available will be distributed equally among the eligible retirees. Unused excess will not be carried over from one year to the next.

#### 43.8 Survivor Benefit

The Township and the Union mutually agree that Section 6 (1) (i) of Public "Act 345 of 1937, as amended, shall be amended to provide if a member continues on service on or after the date of acquiring 10 years of service credit, does not have an Option I election provided for in subdivision (j) in force, and dies while in the service of the municipality before the effective date of the member's retirement, leaving a surviving spouse, the spouse shall receive a pension computed in the same manner as if the member had retired effective the day preceding the date of the member's death, elected option I provided for in subdivision (h), and nominated the spouse as survivor beneficiary.

Finally, even though different in two details, the basic language that the parties submitted for Section 43.9 is also very similar. The parties' LBOs are as follows

### UNION'S LBO

#### 43.9 Defined Contribution Pension

##### Members promoted prior to January 1, 2008

The Township agrees to create a 401(a) defined contribution plan for bargaining unit members who have reached regular retirement eligibility with twenty-five (25) years of service and who voluntarily elect to participate in the plan. The 401(a) defined contribution plan will be maintained with Fidelity Investments and will require a mandatory Township contribution of 10% of wages and a mandatory employee contribution of 7% of wages. Thereafter, the Township will match an employee's contribution dollar for dollar at the current maximum allowed by the Internal Revenue Service up to 25%. Upon entering the 401(a) defined contribution plan, the employee's seven percent (7.00%) contribution to the Act 345 pension system will cease and years of service in the Act 345 pension system will be fixed. [A Footnote #1 inserted at this point provides: For example, an employee who elects to enter the 401(a) plan with 27 years of service shall have a defined benefit pension equal to 72% of final average compensation, (25 yos x 2.8% = 70% + 2 yos x 1% = 2%).] During participation in the defined contribution plan, the participant continues with full employment status, receives all future promotions and

benefit/wages increases. Additionally, final average compensation in the 345 pension system shall continue to adjust and be determined upon final separation of employment. It is understood by both parties to this agreement that voluntary employee contributions are post-tax contributions. It is also understood by both parties that it is the participant's sole responsibility for analyzing the tax consequences of participation in the 401(a) defined contribution system.

#### Members promoted after January 1, 2008

The Township agrees to create a 401(a) defined contribution plan for bargaining unit members who have reached regular retirement eligibility with twenty-five (25) years of service and who voluntarily elect to participate in the plan. The 401(a) defined contribution plan will be maintained with Fidelity Investments and will require a mandatory Township contribution of 7% of wages and a mandatory employee contribution of 7% of wages. Thereafter, the Township will match an employee's contribution dollar for dollar at the current maximum allowed by the Internal Revenue Service up to 25%. Upon entering the 401(a) defined contribution plan, the employee's seven percent (7.00%) contribution to the Act 345 pension system will cease and years of service in the Act 345 pension system will be fixed. *[A Footnote #2 inserted at this point provides: For example, an employee who elects to enter the 401(a) plan with 25 years of service shall have a defined benefit pension equal to 72% of final average compensation, (25 yos x 2.8% = 70% + no credit for yos beyond 25yos)].* During participation in the defined contribution plan, the participant continues with full employment status and receives all future promotions and benefit/wage increases. Additionally, final average compensation in the 345 pension system shall continue to adjust and be determined upon final separation of employment. It is understood by both parties to this agreement that voluntary employee contributions are post-tax contributions. It is also understood by both parties that it is the participant's sole responsibility for analyzing the tax consequences of participation in the 401(a) defined contribution system.

### EMPLOYER'S LBO

#### 43.9 Defined Contribution Pension

The Township agrees to create a 401(a) defined contribution plan for bargaining unit members who have reached regular retirement eligibility with twenty-five (25) years of service and who voluntarily elect to participate in the plan. The 401(a) defined contribution plan will be maintained with Fidelity Investments and will require a mandatory Township contribution of 7% of wages and a mandatory employee contribution of 7% of wages. Thereafter, the Township will match an employee's contribution dollar for dollar at the current maximum allowed by the Internal Revenue Service up to 25%. Upon entering the 401(a) defined contribution plan, the employee's seven percent (7.00%) contribution to the Act 345 pension system will cease and years of service in the Act 345 pension system will be fixed. *[A Footnote #1 inserted at this point provides: For example, an employee who elects to enter the 401(a) plan with 25 years of service shall have a defined benefit pension equal to 72% of final average compensation, (25 yos x 2.8% = 70% + no credit for yos beyond 25yos)].* During participation in the defined contribution

plan, the participant continues with full employment status and receives all future promotions and benefit/wage increases. Additionally, final average compensation in the 345 pension system shall continue to adjust and be determined upon final separation of employment. It is understood by both parties to this agreement that voluntary employee contributions are post-tax contributions. It is also understood by both parties that it is the participant's sole responsibility for analyzing the tax consequences of participation in the 401(a) defined contribution system.

#### REPORT OF DELIBERATIONS ON LBOs

Again, the panel is required to adopt, in its entirety, just one of these LBOs and is to make its decision based on its opinion of which LBO more nearly complies with the nine (9) factors provided for in Section 9 of the Act. These factors are identified as Subsections (a) through (h) with (d) divided into two parts. This report of the panel's deliberation on each factor is in sequential order, except for factor (c) that is made the last one to be reported. We believe this order of reporting the deliberations will benefit the user's understanding of the award we have decided upon.

##### Factor (a): The lawful authority of the employer.

Nether party's LBO raises a question involving this factor and the panel does not find that any such question exists. Therefore, the entire panel finds that both LBOs equally comply with this factor.

##### Factor (b): Stipulations of the parties.

The Joint exhibits, Employer exhibits, Union exhibits, and the group of external comparable communities that were all stipulated by the parties, serve as the record on which this opinion has been written and the award issued. No issue concerning any of these stipulations was raised nor appears to exist with respect to either party's LBO, therefore the entire panel finds that both LBOs equally satisfy the purpose of this factor.

Factor (d)(i): Comparison of the wages, hours and conditions of employment of the 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 in public employment in comparable communities.

External Comparables

Pension Benefits Compared.

Employer Exhibit #1 termed "Pension Benefit Comparison -- External Comparables," is a chart comparing the pension benefits of equivalent or near-equivalent rank command officers in the ten (10) external comparable communities, and Union Exhibits #7.1 through #7.12, termed variously, make analyses of many of the same points of comparison. The information summarized in both parties' documents are, for the most part, identical or so very similar that to report from one party's work is tantamount to having reported from the other party's work. Furthermore, since the parties stipulated to mutual acceptance of the contents of all of these exhibits and also put into the arbitration record, as Joint Exhibits, the full texts of the underlying labor agreements from which the exhibit data was drawn, and which the chairperson referred to when there was any uncertainty about the summarization contents of these exhibits, there has been no hesitancy to assume the accuracy of the comparison of the various command officers' pension benefits.

Employer Exhibit #1 and Union Exhibits #7.1, #7.2, and #7.3 illustrate that all of the comparable communities provide for a traditional type of defined benefit pension plan for their police command officers, at least until the point that they first become eligible to receive a full and regular retirement. The pension multipliers for these various plans range from 2% to 3% for those initially-required years of service. Most often that is the first 25 years of service and most often 2.8% is the pension multiplier.

One (1) of the communities has a "20 & Out" retirement eligibility and two others require the basic 25 years of service eligibility to be coupled with 50 years of age. The current DB plan pension multiplier for Clinton Township's police command officers, as well as the agreed upon modification to that plan that will take effect in the new successor agreement (i.e., without a multiplier reduction due to attainment of "full Social Security eligibility" reduction), fits within the DB plan benefits range that is established by the external comparables.

The fourth column in Employer Exhibit #1 and Union Exhibit #7.2 demonstrates that the vast majority of the comparable external communities provide for the final average compensation (FAC) component used in their pension calculations to be the highest 3 years in the last 10 years of service. One (1) of the communities in this retirement factor provide for the highest 2 in the last 10. The existing FAC that the parties in this case have agreed will be continued in the successor agreement is the highest 3 years of compensation in the last 10 years of service. This, therefore, fits well within the range established by the external comparables.

The fifth column in Employer Exhibit #1 and Union Exhibit #7.2 demonstrates that the “cap” on the percentage of the FAC that is payable in several of the DB plans ranges from a low of 50% of the FAC to “no cap” on the FAC. The current “no cap” component that the parties in this case have agreed will be continued into the successor agreement is not outside the external comparables range.

The sixth column in Employer Exhibit #1 and Union Exhibit #7.3 demonstrates that most of the comparable communities do not have Social Security coverage for their police command officers. None of them reduce the pension benefit because the bargaining unit member reaches full Social Security eligibility age. The parties’ expired labor agreement required such reduction after that eligibility was reached, requiring the basic multiplier to go from 2.8% to 2.5%. The parties have agreed to eliminate that reduction requirement in the successor agreement. This change obviously benefits the bargaining unit members but still leaves them within the majority practice of the comparable communities.

The seventh column in Employer Exhibit #1 shows that a DROP is not offered to most police command officer units in the external comparable communities. Only three (3) of those 10 communities offer them. They are not available for use by Clinton Township’s police command officers at the present time, and apparently the Union’s earlier expressed goal of receiving a DROP “similar to the plan enjoyed by the [Township’s] Police Captains, Police Chief and Fire Chief” [*Contained in* POLC letter of October 15, 2007.] has been resolved without any agreement to make one available. With no DROP opportunities made

available to Police Sergeants and Lieutenants, the Township's position will be consistent with the what applies in the majority of the 10 comparable communities.

Finally, the eighth column in Employer Exhibit #1, which is labeled "Post-DB DC Plan" indicates whether the external comparable communities offer their police command officers the opportunity to participate in a post-DB plan DC plan, presumably whose major features would be structured similar to what the parties in this case agreed will be made available to the Clinton Township police command officers. The exhibit shows that none of the other communities provides for this type of plan; Clinton Township's Police Lieutenants and Sergeants group will stand alone.

In light of Clinton Township standing alone with respect to this point of community comparison, a couple of observations seems especially relevant at this point. First, since the *structure*, of this DC plan (i.e., how it operates, as opposed to the *amount of the employer's initial contribution* into participants' individual accounts) was freely negotiated and agreed to by the Township and the Union, no "structural" issue exists for consideration and disposition by the arbitration panel. In other words, whether or not the other employers offer their employees such a program is pretty much irrelevant to this panel since this DC plan exists only because of the exercise of the free will of the two parties involved in this arbitration case.

A second important observation is that it is an entirely voluntary program that allows each eligible Police Lieutenant or Sergeant to choose whether to remain in the DB plan and continue to increase the value of that pension, or to end further participation in that plan and start participation in the DC plan. Either plan, of course, provides value to the employee and whichever plan the member eventually chooses will likely have included some well-considered speculation on the member's part about the likely potential value of one plan versus the other. Certainty about the long-term financial results of either decision is far from assured.

In sum, with respect to the entire subject of this new DC plan that will go into effect in the successor labor agreement, the panel finds that neither party's LBO receives an element of favor under this Section 9 factor.

### Other Components of Total Compensation Compared.

Employer Exhibits #3 and #4, termed “Total Compensation Sergeants (Non-Insurance) -- External Comparison” and “Total Compensation Sergeants (Non-Insurance) -- External Comparison,” respectively, includes the monetary values determined for seven (7) components representing the total compensation of the various police command units in the external comparable communities. Those seven (7) components are: Base Wages, Longevity, Uniform/Cleaning allowance, Holiday pay, Weapon Allowance, College Degree attainment pay, and Show-Up time.

Under such a total compensation analysis, both the Sergeants and Lieutenants employed by Clinton Township’s receive more than the mean, but not the highest pay among the 11 communities compared.

### Internal Comparables

#### Total Compensation

Employer Exhibit #2 is titled “Pension Benefit Comparison- Internal Comparables,” The exhibit does this comparison in five (5) columns. The columns are labeled: Pension Multiplier; Age and Service; Cap; DROP; and DC Plan and twelve different categories of Clinton Township employees are compared, the police command officers being one of the categories.

Comparison of the pension multiplier component shows that it ranges from a low of 2.25% for all years of service to a high of 2.8% for all years of service. The civilian employees are receiving a DB pension administered under another State Act, and are receiving the lower multipliers of 2.25% or 2.5%. In their new labor agreement the Police Lieutenants Police Sergeants and Lieutenants will begin to receive a 2.8% pension multiplier for all years of service. This means they will begin receiving what the Township’s other police and fire personnel are already receiving, or in the case of the patrol officers, are likely to start receiving in the near future (a “tentative agreement” for patrol officers to receive a 2.8% multiplier existed but had not been ratified when the exhibit was prepared).

This new change to a 2.8% pension multiplier for Police Sergeants and Lieutenants for all years of service terminated the prior complex pension multiplier rule for service beyond 25 years and after a retiree reaches the age of eligibility for full Social Security benefits. The panel does not believe that there is a need to go into the detail of that old formula that was eliminated but recognizes that two other pension benefit changes also occurred during this round of negotiations, namely, that a 70% cap would take effect [*See below.*] and the new DC plan would start.

Comparison of the age and service eligibility requirements shows that it is age 55 with 25 years for all civilian employees and 25-and-out for all Clinton Township police and fire personnel, including the police command officers.

Comparison of the caps on the percentage of the FAC that is receivable as a pension indicates that all Clinton Township civilian personnel have an 80% cap and all of the police and fire personnel, including the police command officers, will have a 70% cap. The police command group's 70% cap will be just beginning under the terms of the new successor labor agreement as a result of the party's agreement reached during this round of negotiations. The police command officers' prior agreement provided for "no cap," but contained the lowered pension multiplier for service beyond the 25<sup>th</sup> year of service [*See above.*]

The chart shows that only the Fire Chief and Deputy Fire Chiefs, among all of the groups of Clinton Township employees, still have the opportunity to participate in a DROP for all of their Fire Department service beyond 25 years. (DROP opportunities once existed for Police Captains promoted to that rank prior to May 1, 2007. That opportunity has been eliminated for persons who were promoted to Police Captain after that date.)

Finally, the column labeled DC Plan shows that the Township's Police Captains are currently participating in a post-DB plan eligibility DC plan. Their collective bargaining agreement that provides for this opportunity was signed on November 30, 2007. (The Police Captain plan appears to be identical to what was agreed to with the Police Lieutenants and Sergeants and the portion that has been proposed in its LBO in this case.) In the exhibit, the Patrol Officers are listed as having the opportunity for participate in the DC plan, but as noted elsewhere above in this arbitration opinion, that was a "tentative" opportunity at the

time the exhibit was prepared. The exhibit shows that none of the other groups of Clinton Township employees have the opportunity to participate in a post-DB plan eligibility DC plan.

Employer Exhibit #9 is a copy of the March 31, 2007, actuarial valuation of the Clinton Township Fire and Police Retirement System. This actuarial report was prepared by the Rodwan Consulting Company and submitted to the retirement board in November 2007. As is typical of traditional DB plans such as this one, the actuarial report shows that the funded ratio has been up and down during the last nine (9) years, from a high of 111.3% to a low of 95.2% as of March 31, 2006, when the Unfunded Actuarial Accrued Liabilities (UAAL) equaled \$3,959,884. The upward shift from that low point to the March 31, 2007, level was quite noteworthy, when the fund was then determined to be funded at 103.0%, and the UAAL calculation was then a surplus of \$2,582,771.

The Township's annual pension contribution rates for this DB plan has also varied significantly over the years. A 17-year history of such rates provided in the Rodwan report indicates it has been as high as 20.22% to a low of 11.37%. The report states that over that period, seven (7) amendments to the plan were made and two (2) revisions occurred in the actuarial methods and/or assumptions that were used. Rodwan's report provides for a Recommended Township Contribution Rate for Plan Year beginning April 1, 2008, is 11.59% for the police payroll and 22.59% for the fire payroll. Also at that time, the Total Normal Cost, which the Rodwan report states is the long-term on-going cost of the plan, is 24.33% for the police payroll and 24.38% for the fire payroll.

These financial analyses of the DB plan seem to show, first, that the plan is in good financial standing, generally, and has been that way for a long time. There have not been any periods of significant underfunding during the last the nine (9) years. This history also seems to demonstrate that the Township's potential maximum annual cost of 25% contributions to the DC plan accounts of any Police Lieutenants and Sergeants who may opt-in will be near the range that the Township could expect to sometimes have to pay toward such members' continuing inclusion in the DB plan.

Obviously, how the cost experience will actually play out over time depends on a number of things, most of which cannot be predicted or controlled with any high degree of certainty. It is a common acceptance among the finance departments of units of government that even if a DC plan's expected costs are not reduced, or even if they are increased slightly, some measure of beneficial tradeoff is received because the costs of providing those employment benefits are much more predictable and less subject to large swings. For the units of government, generally, and probably for Clinton Township as well, they tend to like the lower volatility of pension cost swings from year to year, allowing them to achieve better budgeting forecasting in years to come. Again, exactly how things will actually fare in the long term experience of Clinton Township's DC plan is not known, but based on the record it appears likely that paying for continuing with all bargaining unit members in the DB plan versus some possibly being in the new DC plan is not going to make much of a difference in the financial bite that will be put on the Township's treasury.

Employer Exhibit #13 is a copy of the labor agreement between the Township and the Clinton Township Police Captains' Association that will remain in effect until March 31, 2010. It indicates in Article 43, Pensions, at Section 43.7, that the captains' DROP opportunity was eliminated for bargaining unit members who were promoted to captain after May 1, 2007. For members promoted after that date, they will have the opportunity to participate in a 401(a) DC plan (apparently identical to the one proposed in the Employer's LBO in this case). For those who were in the bargaining unit prior to May 1, 2007, it appears they will be allowed to continue their participation in the DC plan after termination in the DROP until that program's five (5) year maximum period of participation ends.

Employer Exhibit #19 is a copy of the labor agreement between the Township and the Clinton Township Fire Chief and Deputy Fire Chiefs, effective for the period April 1, 2004 through March 31, 2008. It provides for a "2.8%, 25 years, 70% maximum" DB plan under of Act 345, like that covering the other police and fire units. After the members reached the minimum retirement eligibility of 25 years the member can elect to participate in a five (5) year DROP. Employer Exhibit #9 shows that as of March 31, 2007, there were three (3) police members and one (1) fire member in the DROP.

Employer Exhibit #14 is a copy of the labor agreement between the Township and the Clinton Township Police Officers Association for the period April 1, 2001 through March 31, 2005. The members earn retirement credits under the "2.8%, 25 years, 70% maximum" DB plan provisions of Act 345, but they do not have the opportunity to participate in either a DROP or a DC plan after they reach eligibility for retirement under the DB plan. Members of this unit hold the rank of Patrol Officer or Detective. (As is reported elsewhere in this opinion, this is contingent on the tentative agreement between the parties that was placed in the record being ratified.)

Employer Exhibit #20 is a copy of the labor agreement between the Township and the International Association of Fire Fighters Association, Local 1381, for the period April 1, 2004 through March 31, 2009. The members earn retirement credits under the "2.8%, 25 years, 70% maximum" DB plan provisions of Act 345, but they do not have the opportunity to participate in either a DROP or a DC plan after they reach eligibility for retirement under the DBP. The members of this unit are all members of the Fire Department except for the Fire Chief and Deputy Chiefs.

Employer Exhibit #15 is a copy of the labor agreement between the Township and Chapter 1103.13, AFSCME Michigan Council 25, AFL-CIO, covering employees who are Property Appraisers, effective for the period April 1, 2006 through March 31, 2009. The current pension is a DB plan in accordance with the B-3 Plan rules administered under State Act 247. No DROP or DC plan is provided in the contract for members to choose after they reach minimum retirement eligibility under the Act 247 DB plan.

Employer Exhibit #16 is a copy of the labor agreement between the Township and Chapter 1917.31, AFSCME Michigan Council 25, AFL-CIO, covering employees who are Mid-Management Employees, effective for the period April 1, 2006 through March 31, 2009. The current pension benefit is a DB plan in accordance with the B-3 Plan rules administered under State Act 247. No DROP or DC plan is provided in the contract for members to choose after they reach minimum retirement eligibility under the Act 247 DB plan.

Employer Exhibit #17 is a copy of the labor agreement between the Township and Chapter 1103-A, DPW Chapter, AFSCME Michigan Council 25, AFL-CIO, covering

employees who are custodian workers, effective for the period April 1, 2003 through March 31, 2007. The current pension benefit is a DB plan in accordance with the B-3 Plan rules administered under State Act 247. No DROP or DC plan is provided in the contract for members to choose after they reach minimum retirement eligibility under the Act 247 DB plan.

Employer Exhibit #18 is a copy of the labor agreement between the Township and UAW Local 412, Unit 52-Clerical Employees, effective for the period April 1, 2002 through March 31, 2007. The current pension benefit is a DB plan in accordance with the B-3 Plan rules administered under State Act 247. No DROP or DC plan is provided in the contract for members to choose after they reach minimum retirement eligibility under the Act 247 DB plan.

Employer Exhibit #21 is a copy of the labor agreement between the Township and Local 1917.29, Supervisory Employees, AFSCME Michigan Council 25, AFL-CIO, covering employees who are custodian workers, effective for the period April 1, 2006 through March 31, 2010. The current pension benefit is a DB plan in accordance with the B-4 Plan rules administered under State Act 247. No DROP or DC plan is provided in the contract for members to choose after they reach minimum retirement eligibility under the Act 247 DBP.

Employer Exhibit #22 is a copy of the "Ratification Draft" labor agreement between the Township and United Auto Workers, Local 412, Unit 76, covering employees who are mechanical type workers in the Water Department, effective for the period 2002 through 2007. The pension benefit provided is a DB plan in accordance with the B-3 Plan rules administered under State Act 247. No DROP or DC plan is provided in the contract for members to choose after they reach minimum retirement eligibility under the Act 247 DB plan. [Again, this Ratification Draft is not signed and no agreement currently in effect was placed into the record for this unit.]

Employer Exhibit #23 is a copy of the labor agreement between the Township and Local 1917, AFSCME Michigan Council 25, AFL-CIO, covering employees who are Building Inspectors and Ordinance Enforcement Officers, effective for the period April 1, 2002 through March 31, 2007. The current pension benefit is a DB plan in accordance with

the B-3 Plan rules administered under State Act 247. No DROP or DC plan is provided in the contract for members to choose after they reach minimum retirement eligibility under the Act 247 DB plan.

For all of the many foregoing reasons in which it was found that the bargaining unit members' total compensation and retirement benefits will either be within the reasonable range of the many examples of employee groups classified as comparable communities for purposes of this factor, and therefore the majority of the panel finds that the Union's LBO more closely complies with this factor.

Factor (d)(ii): Comparison of the wages, hours and conditions of employment of the 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 in private employment in comparable communities.

The arbitration record does not contain any information comparing 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 in private employment in comparable communities. In light of the extensive information and comparisons the record evidence provided regarding public employment under factors (d)(i), (d)(ii), and (f), the entire panel finds that even though no evidence was offered for consideration under this factor, this has had no bearing on the panel's overall deliberations and the award that is being issued.

Factor (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.

A thorough comparison of the direct wage compensation, holidays, and pensions for the bargaining unit members relative to external communities were covered in Factor (d)(i) above. Similarly, using the contents of the various labor agreements, a check of the amount

of vacation, excused time, life insurance, and hospitalization insurance benefits Clinton Township's police command officers would receive if their LBO was granted reveals that it falls within the range of such benefits that police command officers in the comparable communities will be receiving. The bottom line is that bargaining unit members will be receiving a fair wage and benefit package under the new successor agreement, regardless of which LBO is awarded in this arbitration.

A closer question exists when these things are examined relative to the internal comparables consisting of the other Clinton Township employees. The Police Lieutenants and Sergeants group will be receiving retirement benefits different from the Township's civilian employees but in most respects will be equal or within reasonable range of what most other Township police personnel are to receive, except for the DROP opportunity available for some Police Captains, the Police Chief, the Fire Chief, and the Fire Deputy Chief. That last point about the DROP being limited to selection by just a few ranks is made for the purpose of likening it somewhat to the new DC plan being limited to selection by just a few ranks at this time. Finally, despite the closeness based on all of these facts, a call must be made, and a majority of the panel finds that the Union's LBO more closely complies with this factor.

Factor (e): The average consumer prices for goods and services, commonly known as the cost of living.

Neither party made any claims nor took any position with respect to cost of living, thus the entire panel finds that the status of both LBOs is equal with respect to this factor.

Factor (g): Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.

Neither party has claimed that any noteworthy changes in circumstances occurred during the pendency of this arbitration and the panel has not independently come to that conclusion either, therefore, the entire panel finds that the status of both LBOs is equal with respect to this factor.

Factor (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.

Neither party has claimed that there is the existence of other factors that are normally or traditionally taken into consideration in the determination of a pension issue such as the one that is before the panel and the arbitration and the panel has not independently come to that conclusion either, therefore, the entire panel finds that the status of both LBOs is equal with respect to this factor.

Factor (c): The interest and welfare of the public and the financial ability of the unit of government to meet those costs.

While the term “ability” is used in defining what this factor is requiring the panel to consider, over the years, most chairpersons, panel members, and parties on both sides of the table have come to understand that usually the most effective way of examining this factor, is determining whether an “inability” to meet the cost exists. No evidence has been entered into this record alleging Clinton Township’s inability to meet the extra cost of the Union’s proposal.

The bargaining unit’s membership is about 19 or so members [*Contained in the March 28, 2006, Petition for Arbitration filed by the Union.*], all of who are virtually certain to not be currently eligible to opt into the new DC plan, and of course, even if eligible, they would not have to exercise the option. If the Union’s LBO is granted, the maximum amount of potential extra cost for the Township is an additional 3% initial contribution into the participant’s DC plan. So, even without any specific financial documentation being in the record, the panel comfortably concludes that the maximum amount of additional cost that the Township could experience if the Union’s LB will be relatively small and manageable by the Township.

In conclusion, having determined that there is a relatively small difference in likely costs associated with each LBO, and that if the Union's LBO is awarded, the additional cost will be something that the Township can reasonably manage without any negative affect on the interest and welfare of the public, the majority of the panel finds that the Union's LBO more nearly complies with this Section 9 factor.

AWARD ON THE UNRESOLVED ISSUE

Despite the fact that this case required the panel to decide only one last disputed component in a new DC plan benefit, this was not an easy case to resolve. As required by the Act and as specifically encouraged in the MERC Bureau's various directives issued to panel chairpersons, each party's LBO was carefully considered in light of the specifications set forth in all Section 9 factors.

Based on all the evidence placed into the record by each party, the majority of the panel found that six (6) of the factors did not favor either LBO. Those six (6) were (a), (b), (d)(ii), (e), (g), and (h).

The majority of the panel found, however, that the Union's LBO more nearly complied with factors (c), (d)(i), and (f) and for that reason the Union's LBO is awarded.

LIMITATION OF THIS OPINION AND AWARD

The impartial arbitrator and chairperson declares that this arbitration proceeding was decided only on the basis of the panel's evaluation of the evidence that each party made available to serve as the official record and that the opinions plus the resulting award that is being rendered is to be strictly limited to the unresolved issue that has now been resolved.

  
\_\_\_\_\_  
Impartial Chairperson

3/12/2008  
\_\_\_\_\_  
Date

## AWARD

The Union's LBO is awarded.

The following is to be the new Article 43 that will go into the new labor agreement:

### **ARTICLE 43** **PENSIONS**

#### **43.1 Defined Benefit Pension Provision**

Members of the bargaining unit shall be provided pension benefits in accord with the Fire and Police Pension and Retirement Act 345 of P.A. of 1937 as amended.

Employees who retire on or after November 1, 2007 Section 6(1)(e) of Act 345 shall be amended to provide that upon retirement from service, as provided in this subsection, a member shall receive a regular retirement pension payable throughout the member's life as follows:

Members of the Collective Bargaining Group shall be entitled to regular retirement benefits with twenty-five (25) years of service with the Clinton Township Police Department, regardless of their age.

However, upon taking any employment after retirement, the employee shall notify the Charter Township of Clinton who their employer is and whether or not health care insurance is available to them, and if the employer offers health care insurance, the Township shall drop the employee from the Township's insurance for health care until such time as the employee ceases employment, at which time he/she shall be reinstated with the Township health care insurance as soon as possible.

#### **Members Promoted prior to January 1, 2008**

The regular retirement pension shall be based upon 2.8% of the member's average final compensation multiplied by the first 25 years of service credited to the member, plus 1% of the member's average final compensation multiplied by the number of years, and fraction of a year, of service rendered by the member in excess of 25 years of service, without a maximum benefit of Final Average Compensation (FAC). There shall be no reduction in pension benefits upon attainment of full social security age.

#### **Members promoted after January 1, 2008**

The regular retirement pension shall be equal to 2.8% of the member's final average compensation multiplied by the years of service credited to the member, with a

maximum benefit of 70% of Final Average Compensation (FAC). There shall be no reduction in pension benefits upon attainment of full social security age.

#### **43.2 Annuity Withdrawal**

Upon retirement members of the bargaining unit shall be entitled to withdraw up to their accumulated contributions (including interest) to the system, provided that they agree to accept an appropriate lesser monthly benefit. Such lesser benefit is to be computed by the Township's actuary using a method intended to prevent such contribution withdrawal from costing the Township or the Pension Fund any additional monies.

For purposes of this calculation, the actuary shall use the then current interest rate for immediate annuities published by the Pension Benefit Guarantee Corporation and the actuary shall also use the mortality table used for the most recent regular actuarial determination. However, if a member applies for military time and receives the same from the Township Board, then that member's contribution to the retirement system for military time cannot be withdrawn upon his/her retirement.

#### **43.3 Final Average Compensation**

"Final Average Compensation" shall mean the average of the three (3) years of highest annual compensation received by the member during their ten (10) years of service immediately preceding their retirement or leaving service. A member with ten (10) years or more of service shall have vested retirement benefits. The Township shall provide the Union with any changes in the components which make up the elements of Final Average Compensation. At the present time, those monetary benefits that are computed for final Average Compensation purposes are: regular salary, overtime pay, longevity pay, payment in lieu of holiday and/or vacation time, education allowance, comp time up to 80 hours, and show-up time. It is understood that lump sum payments for sick days and vacation days at the time of retirement are not included in final Average Compensation except as defined in Articles 11.5 and 8.11.

#### **43.4 Member Contribution**

Effective with the pay of January 1, 2008, the pension contribution shall be increased from six and sixty-five one hundredths percent (6.65%) to seven percent (7.00%).

#### **43.5 Surviving Spouse Benefit for Retiree on Duty Disability Retirement**

A surviving spouse of a retiree who is receiving a duty disability pension at the time of death shall continue to receive the same duty disability pension benefit otherwise paid to the disability retiree will attainment of age 55. At the time the duty disability retiree would have otherwise attained the age of 55, the surviving spouse shall be entitled to a benefit based upon the retiree's attainment of age 55, recomputation in

accordance with retirement system provisions, and the designation of the spouse as his/her 60% surviving spouse beneficiary under Act 345.

#### 43.6 13<sup>th</sup> Check

For employees who retire on or after April 1, 2000, after 5 years of retirement said retirees will be eligible for annual 13<sup>th</sup> check not to exceed the retirant's normal monthly retirement check. Said check will be distributed if investment funds attributed to the Police members exceed eight (8%) percent. Participants in the defined contribution plan shall be eligible 5 years after termination of employment. Up to 50% of said excess will be used to make such payments. If 50% of the excess is not sufficient to make a payment equal to a monthly check then the amount available will be distributed equally among the eligible retirees. Unused excess will not be carried over from one year to the next.

#### 43.8 Survivor Benefit

The Township and the Union mutually agree that Section 6 (1) (i) of Public "Act 345 of 1937, as amended, shall be amended to provide if a member continues on service on or after the date of acquiring 10 years of service credit, does not have an Option I election provided for in subdivision (j) in force, and dies while in the service of the municipality before the effective date of the member's retirement, leaving a surviving spouse, the spouse shall receive a pension computed in the same manner as if the member had retired effective the day preceding the date of the member's death, elected option I provided for in subdivision (h), and nominated the spouse as survivor beneficiary.

#### 43.9 Defined Contribution Pension

##### Members promoted prior to January 1, 2008

The Township agrees to create a 401(a) defined contribution plan for bargaining unit members who have reached regular retirement eligibility with twenty-five (25) years of service and who voluntarily elect to participate in the plan. The 401(a) defined contribution plan will be maintained with Fidelity Investments and will require a mandatory Township contribution of 10% of wages and a mandatory employee contribution of 7% of wages. Thereafter, the Township will match an employee's contribution dollar for dollar at the current maximum allowed by the Internal Revenue Service up to 25%. Upon entering the 401(a) defined contribution plan, the employee's seven percent (7.00%) contribution to the Act 345 pension system will cease and years of service in the Act 345 pension system will be fixed.<sup>1</sup> During participation in the defined contribution plan, the participant continues with full employment status, receives all future promotions and benefit/wages increases. Additionally, final average compensation in the 345 pension system shall continue to adjust and be determined upon final separation of employment. It is understood by both parties to this agreement

---

<sup>1</sup> For example, an employee who elects to enter the 401(a) plan with 27 years of service shall have a defined benefit pension equal to 72% of final average compensation, (25 yos x 2.8% = 70% + 2 yos x 1% = 2%).

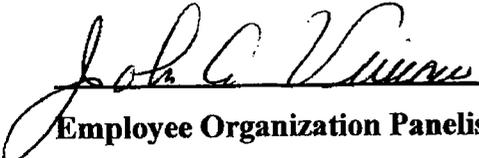
that voluntary employee contributions are post-tax contributions. It is also understood by both parties that it is the participant's sole responsibility for analyzing the tax consequences of participation in the 401(a) defined contribution system.

Members promoted after January 1, 2008

The Township agrees to create a 401(a) defined contribution plan for bargaining unit members who have reached regular retirement eligibility with twenty-five (25) years of service and who voluntarily elect to participate in the plan. The 401(a) defined contribution plan will be maintained with Fidelity Investments and will require a mandatory Township contribution of 7% of wages and a mandatory employee contribution of 7% of wages. Thereafter, the Township will match an employee's contribution dollar for dollar at the current maximum allowed by the Internal Revenue Service up to 25%. Upon entering the 401(a) defined contribution plan, the employee's seven percent (7.00%) contribution to the Act 345 pension system will cease and years of service in the Act 345 pension system will be fixed. <sup>2</sup> During participation in the defined contribution plan, the participant continues with full employment status and receives all future promotions and benefit/wage increases. Additionally, final average compensation in the 345 pension system shall continue to adjust and be determined upon final separation of employment. It is understood by both parties to this agreement that voluntary employee contributions are post-tax contributions. It is also understood by both parties that it is the participant's sole responsibility for analyzing the tax consequences of participation in the 401(a) defined contribution system.

<sup>2</sup> For example, an employee who elects to enter the 401(a) plan with 25 years of service shall have a defined benefit pension equal to 72% of final average compensation, (25 yrs x 2.8% = 70% + no credit for yrs beyond 25yos).

 Awards the Union's LBO 3/12/08  
Impartial Chairperson Date

 Concur  Dissent  3/12/08  
Employee Organization Panelist Date

 Concur  Dissent  3/12/08  
Employer Panelist Date

MERC CASE NO.: D05 J-1049

**Charter Township of Clinton & Clinton Township  
Police Lieutenants' and Sergeants' Association  
312 Arbitration  
January 21, 2008**

**Joint Exhibits**

**Exhibit #**

- 1 Canton Township & Canton Command Officers Association Contract 2006 - 2009
- 2 City of Dearborn & Dearborn Police Supervisors Association Contract 2005 - 2007
- 3 City of Farmington Hills & Farmington Hills Lts. & Srgs. Association Contract 2006 - 2011
- 4 Macomb County & Macomb County Command Officers Association Contract 2004 - 2006
- 5 City of Royal Oak & Royal Oak Command Officers Association Contract 1999 - 2004
- 6 Shelby Township & Shelby Township Command Officers Association Contract 2001 - 2004
- 7 City of Southfield & Southfield Command Officers Association Contract 2002 - 2006
- 8 City of St.Clair Shores & St.Clair Shores Command Officers Association Contract 2005 - 2009
- 9 City of Sterling Heights & Sterling Heights Police Command Officers Association Contract 2002-2007
- 10 City of Warren & Warren Police Command Officers Association 1999 - 2006
- 11 West Bloomfield Township & COAM Contract 2003 - 2006
- 12 City of Westland & Westland Lts. & Sergs. Association 2004 - 2007

# EMPLOYEE ORGANIZATION EXHIBITS

## INDEX OF EXHIBITS

312 Petition	1
Open Issues and Settlement Agreement	2
Pre-hearing Conference Summary	3
Comparability	4
Current Collective Bargaining Agreement	5
 (ISSUES)	
Pension – Multiplier/Deferred Retirement Option Plan	6

# Charter Township of Clinton Employer Exhibits

Exhibit #

1	Pension Benefit Comparison - External Comparables
2	Pension Benefit Comparison - Internal Comparables
3	Total Compensation Sergeant - External Comparables
4	Total Compensation Lieutenants - External Comparables
5	Tentative Agreement - Clinton Township and the Clinton Township Police Lieutenants' & Sergeants' Association, July 20, 2007
6	Summary of Changes - Clinton Township and the Clinton Township Dispatchers Association, November 26, 2007
7	Tentative Agreement - Clinton Township and the Clinton Township Police Officers Association, October 17, 2007
8	Clinton Township Fire and Police Pension System Actuarial Valuation as of 3/31/2007
9	Rodwan Consulting Valuation - Employer's Proposed DB Pension Change - January 7, 2008
10	Rodwan Consulting Valuation - Employer's Proposed DB + 401A Pension Change - January 7, 2008
11	Agreement between the Charter Township of Clinton and the Clinton Township Police Lieutenants' and Sergeants' Association, September 13, 2002 - March 31, 2006
12	Agreement between the Charter Township of Clinton and the Clinton Township Police Dispatchers, April 1, 2005 - March 31, 2006
13	Agreement between the Charter Township of Clinton and the Clinton Township Police Captains' Association, April 1, 2006 - March 31, 2010
14	Agreement between the Charter Township of Clinton and the Police Officers Association of Michigan, April 1, 2001 - March 31, 2005
15	Agreement between the Charter Township of Clinton and the Clinton Township Property Appraisers, April 1, 2006 - March 31, 2009
16	Agreement between the Charter Township of Clinton and the Clinton Township Mid-Management Employees, April 1, 2006 - March 31, 2010
17	Agreement between the Charter Township of Clinton and the Clinton Township Custodians and Department of Public Works, April 1, 2003 - March 31, 2007
18	Agreement between the Charter Township of Clinton and the Clinton Township Clerical Employees, April 1, 2002 - March 31, 2007
19	Agreement between the Charter Township of Clinton and the Clinton Township Fire Chief and Deputy Fire Chiefs, April 1, 2004 - March 31, 2008.
20	Agreement between the Charter Township of Clinton and the Clinton Township Fire Fighters Association, April 1, 2004 - March 31, 2009
21	Agreement between the Charter Township of Clinton and Clinton Township Supervisory Employees, April 1, 2006 - March 31, 2010
22	Agreement between the Charter Township of Clinton and Clinton Township Water Workers, April 1, 2002 - March 31, 2007
23	Agreement between the Charter Township of Clinton and Clinton Township Building Inspectors and Ordinance Enforcement Officers, April 1, 2002 - March 31, 2007