

STATE OF MICHIGAN  
DEPARTMENT OF LABOR  
EMPLOYMENT RELATIONS

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

Plymouth Charter Township (Employer)

-And-

Plymouth Township Fire Fighters, Local 1496 (Union)

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MERC Case No. D11 D-0439

FINDINGS OF FACT, OPINION AND ORDERS

APPEARANCES

A. Robert Stevenson, Impartial Chairperson  
Gregory T. Schultz, Employer Delegate  
Greg Mangan, Union Delegate

FOR THE EMPLOYER

Gregory T. Schultz, Attorney for Township  
Beth Young, Attorney for Township  
Joann Coobatis, Human Resources Director  
Richards Reaume, Township Supervisor  
Joe Bridgman, Township Clerk

FOR THE UNION

Michael L. O'Hearon, Union Attorney  
Ricky Tefend, Union President  
James M. Harrell, Vice President  
Patrick Conely, Secretary  
Greg Mangan, Treasurer

### INTRODUCTION

As previously indicated, this proceeding is a statutory compulsory arbitration conducted pursuant to Act 312, Public Acts of 1969, as amended. This petition was initially filed by the Employer August 12, 2011.

I was appointed as the impartial arbitrator and chair of the arbitration panel, September 12, 2011.

A prehearing conference was conducted on October 3, 2011, at 1:00 pm and a hearing was scheduled for January 17-18, 2012. However, the first hearing was later scheduled by agreement of the parties to February 14-15, 2012. Subsequent hearings were conducted March 6-7, 2012.

The Township and the Union stipulated Issues on March 6, 2012 as follows:

#### **Township Issues**

1. Ability to Pay
2. Management Rights - Clarification of Township's rights to use part-time/part-paid firefighters
3. Wage Reduction
4. Reduction of longevity for employees
5. Elimination of longevity for employees hired after April 1, 2010

6. Hours of Employment - Implementation of 12 hour shifts and associated changes in scheduling, pay and benefit provisions through out agreement.

7. Holidays - reduce number of paid holidays

8. Modify accrual of vacation rates

9. Delete reference to number of employees from the same platoon who can be on vacation at the same time.

10. Reduction of personal time

11. Modify payout of sick leave

12. Include provision which requires employee to be off work for 2 or more weeks before reaching eligibility for short term disability.

13. Modify health insurance plan

14. Cap Township's maximum annual contribution to health insurance for active and retirees

15. Medicare eligible retiree/spouses to receive payment in lieu of health insurance and are responsible to purchase supplemental insurance

16. Add retiree health care opt out (parties agree on these issues, LBO language is different)

17. New hires to receive HRA contribution rather than retiree health care

18. Retiree healthcare provided only to spouse at time of retirement (parties agree on this issue, LBO language is different)

19. Defined Contribution for new employees

20. Limit Township contribution rate to MERS pension for current employees

21. Extension (Joint Issue)

22. Staffing - Saturday and Sunday to be regular work days

### **Union Issues**

1. Duration

2. Wages Year 1 (April 1, 2010 to March 31, 2011)

3. Wages Year 2 (April 1, 2011 to March 31, 2012)

4. Wages Year 3 (April 1, 2012 to March 31, 2013)

5. Promotions

6. Overtime - Eliminate 604 forfeiture

7. Trading Days

8. Retiree Health Care - Benefit Level

9. Extension Clause (Joint Issue)

The parties agreed on comparable communities to be used in the arbitration.

Canton Township  
Flat Rock  
Harrison Township  
Madison Heights  
Northville Township  
Redford Township

In addition, internal comparables of the Township are also to be considered.

The parties Last Best Offers of Settlement were exchanged on January 4, 2012 see attached. .

#### **STATUTORY SUMMARY**

Section 9 outlines a set of factors upon which the panel shall base its findings, opinions and orders.

Those factors read as follows:

- (a) The financial ability of the unit of government to pay
- (b) The interest and welfare of the public
- (c) Stipulations of the parties
- (d) Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding, with the wages, hours and conditions of

employment of other employees performing similar services and with other employees generally:

In public employment in comparable communities

In private employment in comparable communities

- (e) Comparison of the wages, hours and conditions of employment of other employees of the unit of government outside the bargaining unit in question
- (f) The average consumer prices for goods and services, commonly known as the cost of living
- (g) 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
- (h) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings
- (i) Other factors, that are normally or traditionally taken into consideration in 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 arbitration panel shall give the financial ability of the unit of government to pay the most significance, if the determination is supported by competent, material, and substantial evidence.

**Factors to be considered in ability to pay:**

1. The financial impact on the community of any award made by the panel
2. The interest and welfare of the public
3. All liabilities, whether or not they appear on the balance sheet of the unit of government
4. Any law of this state or any directive issued under the local unit of government's expenditures or revenue collection

This statute also provides that a majority decision of the panel, if supported by competent, material, and

substantial evidence on the whole record, will be final and binding. As to economic issues, the arbitration panel must adopt the Last Offer of Settlement which in its opinion more nearly complies with the applicable factors prescribed in Section 9.

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

#### **BACKGROUND**

The Township has 5 bargaining units in addition to the Fire Fighters Union. The Police Officer Association (POAM) represents two groups of employees including Township Police Officers and Dispatchers/PSAs (contract expired December 31, 2011). The Command Officers Association of Michigan (COAM) represents the Command Officers in the Township Police Department (contract expired December 31, 2011). The Technical Professional and Office workers Association of Michigan (TPOAM) represents general Township employees including clerical positions and other positions throughout Township Hall (contract is set to expire December 31, 2013 and they are bargaining in regard to a reopener related to wage concessions which are currently in effect). Teamsters represent employees who work in the Township's Department of Public Works (contract is set to expire December 31, 2012). There is also a group of employees not represent by any union who the Township maintains should also be considered in this matter pursuant to the statute.

The Fire Fighter Unit has 21 employees (Employer 312 Petition) and represents the professional fire fighters employed by the Township. The most recent collective bargaining agreement between the parties expired March 31, 2009. Pursuant to its provision, the term automatically renewed until March 31, 2010. The City of Plymouth, recently terminated the joint arrangement for fire fighting leaving the Township Fire

Department with a 25% reduction in revenue and a corresponding 25% reduction in the geographical coverage area and services required to be performed by the Plymouth Township Fire Department (Employer Brief pg. 1). The Union refutes the conclusion that this development results in an inability to pay the Union's Last Best Offer (Union Brief pg. 6) .

### HEARING

The parties held their first hearing before this Panel on February 14 2012 at the Township Hall 9955 North Haggerty, Plymouth Michigan. Subsequent hearings were held February 15, March 6 and 7, 2012.

#### **1. ABILITY TO PAY**

The Township maintains that it has an "ability to pay" issue based on current financial conditions which should be considered by the Arbitration Panel in resolving each of the economic issues presented in this matter (Employer Brief pg. 7). The Unions Position is that the employer does not lack the ability to pay to maintain the status quo within the fire department(Union Brief pg. `18).

The Township's fiscal condition and "ability to pay" position presented by Joe Heffernan, an Audit Partner of Plante & Moran PLLC. Five years ago, the Township had a positive unrestricted net assets of \$3 million and as of December 31, 2010 it was a negative \$3 million. (Employer Brief pg. 10). Mr. Heffernan presented a summary of the Townships financial condition. The largest source of revenue for the Township is property tax which in 2008 was \$8.1 million and in 2011 is just over \$7 million a reduced by more than \$1 million(Employer Brief pg. 10,11). The second largest source of revenue, State shared revenue, has also been reduced as detailed in Township Exhibit 10. Heffernan testified to the approximately \$900,000 loss to the Township with the cancelation of the Intergovernmental Agreement with the City of Plymouth(Employer Brief pg. 14). He stated police and fire with dispatch service make up 71% of the total costs to the Township. He further testified that these departments suffer the most from the declining

revenue especially the fire departments budget(Employer Briefpg.14).

Within the fire department budget the largest component would be salaries and fringe benefits and the benefit cost –per-fire-fighter equivalent has gone up in part to the reduction in fire fighters according to Heffernan (Employer Brief pg.15). The employer’s position is that since the largest portion of Fire Department expenditures come from employee wages and benefits, the only way the Township can deal with its current financial predicament is through both short term and long term adjustments to benefits, consistent with those proposed by the Township in its Last Best Offers of Settlement (Employer Brief pg. 17).

The Union presented Prof. Howard Bunsis from Eastern Michigan who testified and submitted documentary evidence pronouncing at the outset that the Township is in “solid financial condition (Union Brief pg.9). He based this conclusion on several factors including the Townships very strong bond rating: its solid reserves: a manageable level of debt and annual general fund surpluses. In the four years covered by Prof. Bunsis’ analysis the Township’s total revenues outstripped its total expenditures every year and ranked its surplus first among the comparables.( U-2 pg.29 Union Brief pg. 10). Prof. Bunsis also mentioned in Township’s over budgeting the fire department by a full 10% ( Union Brief pg.10).

It is the Union’s position that much of the Township’s distress, if it exists, has been brought on by its own actions, many of which are designed to punish or penalize the Union and its members( Union Brief Pg. 11).

The Union presented witnesses demonstrating other sources of income from the Township that the Township has not supported. For example it has failed to take up transporting (providing ambulance services directly to hospitals) which could earn approximately \$950,000 a year (Union Brief pg. 11). This has been implemented in Northville Township which is nearly identical geography and demography to Plymouth Township (Union Brief pg. 12). Citizens Action Group of Plymouth has tried to promote millage increases without the support of the Township (Union Brief pg. 14). The Township submitted an application



for a SAFER grant worth approximately \$880,000 but dropped its application when it found out it could not layoff fire fighters (Union Brief pg. 16). It should be noted that 3 fire fighters have been laid off January 23, 2010 (Union Brief pg. 13) and 6 more were laid off during this 312 hearing (Union Brief pg. 17). The Union estimates that this has been a saving of nearly \$1million (Union Brief pg. 17).

The Township's position is that Dr. Bunsis' analysis is flawed based on his failure to understand government accounting principles (Employer Brief pg. 18). For example, his attempt to include assets in his analysis which cannot be used by the Township to pay employee wages and benefits (example, Water, Sewer and Solid Waste Fund), and his refusal to even consider the Township's legacy costs (Employer Brief pg. 18, 20). Dr. Bunsis' analysis of Township Budgets as too pessimistic fails to take into account that Michigan law will not allow over-budget for a community and even forbids individual departments from exceeding its budget (Employer Brief pg. 19).

Dr. Bunsis' opinion that the Township is in solid condition is based on data as of December 31, 2010 (Employer Brief pg. 22). This does not include the approximate \$1million that the Township lost effective January 1, 2012 with the withdrawal by the City of Plymouth and approximately \$27 million in pension and retiree health insurance legacy costs which will be paid in the future (Employer Brief pg. 22).

As to the transporting issue, the Township points out that the Union proposal to generate \$950,000 includes a staffing level of 30, which is 15 more fire fighters than the current staffing level. It is the Township's position that the wage and benefit cost of 15 additional employees would have more than offset the revenue the Union alleges would have been brought in through transporting (Employer Brief pg. 24). As to the SAFER Grant, the failure to pursue was based on the City of Plymouth withdrawal and the Township's ability to honor the two year no layoff pledge (Employer Brief pg. 27). Regarding a tax increase Proposal, a Citizen based proposal to increase taxes through a special assessment district was rejected by the citizens of the Township on February 28, 2012 by a vote of 6,517 to 1,247 in favor (Employer Brief

pg. 29). And finally as to the money spent on items outside the Department as testified by Greg Mangan, Union Treasurer, such as land for a golf course etc., the Township's position is that cutting off other services to pay for fire fighter wages and benefits would only increase the gap between public safety and other Township functions (Employer Brief pg.30, Employer Ex. 12).

The Township points out that concession agreements have been reached by every other union which represents its employees (Employer Brief pg. 30, Employer Ex. 20 through 25). It is the Township's position that all these unions have agreed to concessions is a clear statement that the Township has current financial concerns ( Employer Brief pg. 30). The Township also cites the fact that the Fire Fighters union Last Best Offer includes of 5%wage reduction which is a recognition that all is not sound on the "ability to pay" issue.

## **2. MANAGEMENT RIGHTS, PART-TIME-PAID FIRE FIGHTERS**

### **Employer Last Best Offer**

Article 3, Management Rights Clause-Modify Sections G and L as follows:

G. To hire new employees in either a paid on-call, part-time or full-time capacity, to assign and layoff employees subject to Act 78(Act 78 applies to full time employees only) and this Collective Bargaining Agreement;

To establish work schedules which include paid on-call, part-time or full time schedules, work standards and the methods, processes, and procedures by which such work is to be performed;

### **Union Last Best Offer**

The Union proposes to maintain the status quo and make no modification to Article 3 or any other article in the collective bargaining agreement to reflect a management right to use part-time fire fighters.

It is the Township's position that since it has employed part-paid fire fighters in the past, clarifying language be made in the Collective Bargaining Agreement (Employer Brief pg. 31). Human Resource Director

Coobatis testified that these employees have been used to supplement the full-time staff on all-call runs (which require all Department staff to respond) and in one case where a supplemental employee had an EMT background, to respond to calls for medical help. She further stated that the Township currently has a number of part-time/part-paid fire fighters on staff (Employer Brief pg. 31).

Employer Ex. 17 shows that five of six comparable communities have part-paid fire fighters included in their Collective Bargaining Agreements (Employer Brief pg. 32).

The Union position is that the Township is attempting to expand its right to transfer bargaining unit work to non-bargaining unit employees while attempting to give the impression that nothing would change if its proposal were adopted (Union Brief pg. 19). Chris Mack, a Township fire fighter testified that part paid fire fighters were used to supplement or assist at large fires and big traffic accidents and were never put on the schedule to work a regular shift ( Union Brief pg 19). It is the Union's position that the record is devoid of any evidence that the Union ever protested or took any action to impede the Township in any effort to hire or utilize paid on-call fire fighters (Union Brief pg.20). The Union objects to the addition of the term "part-time" in the management rights clause (Union Brief pg. 23).

## **OPINION**

As the Employer's Last Best Offer is a clarification of an existing right I feel that it is appropriate to amend the Management Right Clause to reflect that right. After reading the language of the current Article 3 of the Management Rights Clause I see no inconsistency in adding the language requested.

After carefully analyzing the evidence and all the factors in section 9 of the Statute, the Employer Last Best Offer should be granted.

**AWARD**

The panel orders that the Employer's Last Best Offer 2. Management Rights be adopted as follows:

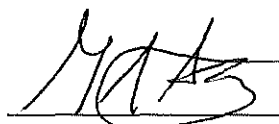
Article 3 Management Rights Clause- Modify Sections G and L as follows:

G. To hire new employees in either a paid on-call, part-time or full time capacity, to assign and layoff employees subject to Act 78 (Act 78 applies to full time employees only) and this Collective Bargaining Agreement

L. To establish work schedules which include paid on-call, part time or full time schedules, work standards and the methods, processes and procedures by which such work is to be performed.

 3/6/12

A. Robert Stevenson  
Chairperson

 5/6/12

Employer Delegate

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Union Delegate

**AWARD**

The panel orders that the Employer's Last Best Offer 2. Management Rights be adopted as follows:

Article 3 Management Rights Clause- Modify Sections G and L as follows:

G. To hire new employees in either a paid on-call, part-time or full time capacity, to assign and layoff employees subject to Act 78 (Act 78 applies to full time employees only) and this Collective Bargaining Agreement

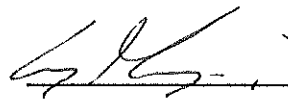
L. To establish work schedules which include paid on-call, part time or full time schedules, work standards and the methods, processes and procedures by which such work is to be performed.

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A. Robert Stevenson  
Chairperson

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Employer Delegate

 Dissent

Union Delegate

### 3. WAGE REDUCTION

#### **Employer Last Best Offer**

Article 5, Wages and Other Benefits –Modify Section B as follows;

B. For firefighters the following annual salary schedules, which reflect a 7% wage decrease effective at the date of the 312 award to be reinstated upon contract expiration will be effective (See schedule pg. 2 of Employer Last Best Offer)

#### **Union Last Best Offer**

The Union proposes the following modification to Article 5:

- a. Wage Reduction- The Union proposes to modify the annual salary schedule contained in Article 5(B) as follows:

Wages-4/1/2010- status quo (0%)

Wages-4/1/2011- status quo (0%)

Wages-4/1/2012- 5% reduction to base wage. This wage reduction shall become effective I the first pay period after the Act 312 arbitration award issues and shall be restored (to the 10/1/2008 rate) on March 30, 2013.

Both parties are seeking a temporary wage reduction that would take effect immediately upon issuance of the Award in this case, and parties would end the temporary concessions at the expiration of this agreement( Employer Brief pg. 33).

The Township submits that its Last offer of 7% reduction is more appropriate base on a review of internal comparisons (Employer Brief pg. 33 Township Ex. 20-25). The Township points out the Teamsters agreed to a 7% permanent wage reduction (Employer Brief pg. 33).

The Union's Last Best Offer of a 5% reduction is consistent with the wage concession percentage attributed to each of the three other public safety bargaining units within the Township (Union Brief pg. 37). Of the

six comparable communities, the Union's members are currently ranked fifth in base wages for a top paid firefighter (Union Brief pg. 27). With the multiple issues in controversy which can only result in a reduction union member benefits the Union submits that its LBO is reasonable (Union Brief pg.25).

#### **OPINION**

As other internal bargaining units had agreed to a 5% wage reduction over a longer period of time I feel the Union's request for a 5% reduction as opposed to a 7% reduction is reasonable and should be granted.

While the Township is experiencing financial strain, the Union is being asked for substantial sacrifices and this is not a large request.

After carefully analyzing the evidence and all the factors in section 9 of the statute, the Unions Last Best Offer should be adopted.

**AWARD**

The panel orders that the Union's Last Best Offer 3. Wage Reduction be adopted:

Modify the annual salary schedule contained in Article 5(B) as follows:

Wages-4/1/2010 status quo (0%)

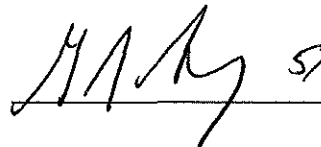
Wages-4/1/2011-status quo (0%)

Wages-4/1/2012-status quo (0%)-5% reduction to base wage

This wage reduction shall become effective in the first pay period after the Act 312 arbitration award issues and shall be restored (to the 10/1/2008 rate) on March 30, 2013.

 5/6/12

A. Robert Stevenson  
Chairperson

 5/6/12 I do not concur

Employer Delegate

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Union Delegate



**AWARD**

The panel orders that the Union's Last Best Offer 3. Wage Reduction be adopted:

Modify the annual salary schedule contained in Article 5(B) as follows:

Wages-4/1/2010 status quo (0%)

Wages-4/1/2011-status quo (0%)

Wages-4/1/2012-status quo (0%)-5% reduction to base wage

This wage reduction shall become effective in the first pay period after the Act 312 arbitration award issues and shall be restored (to the 10/1/2008 rate) on March 30, 2013.

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A. Robert Stevenson  
Chairperson

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Employer Delegate



Union Delegate

#### **4. REDUCTION OF LONGEVITY FOR CURRENT EMPLOYEES**

Employer Last Best Offer

Article 5, Wages and Other Benefits- Modify Section c.

##### **C. Longevity Pay**

Effective (date of Award) each firefighter or fire officer hired prior to April 1, 2010 shall receive longevity pay based on the following years of service, in addition to his regular pay:

1. Upon completion of three (3) years of service, each employee shall receive longevity pay in the amount of \$150.00. An additional \$50.00 per year will be paid to eligible employees for each additional year of service beyond three (3) years to a maximum of \$1000).

##### **Union Last Best Offer**

The Union proposes to maintain the status quo and continue to express the wages of the bargaining union in terms of salary.

The firefighters currently receive \$250.00 in longevity pay after 5 years of service, and additional \$75.00 for years six through nine of service and \$100 for years ten and beyond with a maximum of \$2,150.00 in longevity pay annually (Employer Brief pg. 36)

The Township's proposal is being made to bring the fire fighters in line with all other public safety units within the Township (Employer Brief pg.36). As to external comparables the City of Flat Rock is capped at \$700, Northville at \$1500 and Redford Township is \$1,325 (Employer Brief pg. 36,37).

The Union states that the two main reasons for longevity pay are to reward long-term service and to assure retention of experienced employees ( Union Brief pg.29). The Union asserts that the rates currently paid

for longevity for members of this bargaining unit who are top paid firefighters are consistently paid 50% or more below the average longevity payment among the external comparables (Union Brief pg. 29).

**OPINION**

Other bargaining units within the Township have longevity pay similar as to what is being proposed by this Employer because of the economic stress being experienced by the Township all employees are being asked to sacrifice. The Township's proposal is not unreasonable under the circumstances.

After carefully analyzing the evidence and all the factors in section 9 of the statute, the Employer's Last Best Offer should be adopted.

**AWARD**

The panel orders that the Employer's Last Best Offer 4. Longevity be adopted as follows:

**C. Longevity Pay**

Effective (date of Award) each firefighter or fire officer hired prior April 1, 2010 shall receive longevity pay based on the following years of service, in addition to his regular pay:

1. Upon completion of three(3) years of service , each employee shall receive longevity pay in the amount of \$150.00. An additional \$50.00 per year will be paid to eligible employees for each additional year of service (beyond three (3) years to a maximum of \$1000).

 5/6/12

A. Robert Stevenson  
Chairperson

 5/6/12

Employer Delegate

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Union Delegate

**AWARD**

The panel orders that the Employer's Last Best Offer 4. Longevity be adopted as follows:

**C. Longevity Pay**

Effective (date of Award) each firefighter or fire officer hired prior April 1, 2010 shall receive longevity pay based on the following years of service, in addition to his regular pay:

1. Upon completion of three(3) years of service , each employee shall receive longevity pay in the amount of \$150.00. An additional \$50.00 per year will be paid to eligible employees for each additional year of service (beyond three (3) years to a maximum of \$1000).

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A. Robert Stevenson  
Chairperson

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Employer Delegate

A handwritten signature in black ink, appearing to read "L. H. Dissert", is written over a horizontal line.

Union Delegate

## **5. ELIMINATION OF LONGEVITY FOR EMPLOYEES HIRED AFTER APRIL 1, 2010**

The Township has proposed the elimination of longevity for any employee hired after April 1, 2010. The Union has proposed that employees hired into the unit after April 1, 2010 would have their longevity capped at a maximum of \$1000 (employer Brief pg. 37). Three employee groups in the Township (Teamsters, TPOAM and non-represented) do not receive any longevity pay (Employer Brief pg. 36). External comparable Madison Heights has eliminated longevity for employees hired after July 1, 2009 (Employer Brief pg. 38). The Union states that no other public safety bargaining units within the Township have accepted the elimination of longevity pay for all new hires. (Union Brief pg. 30). Canton Township and Harrison Township have agreed to tier their longevity benefit for new hires (Union Brief pg. 30).

### **OPINION**

Because of the financial stress of the Township, the elimination of longevity for new hires seems reasonable as current employees would not be affected. Other than the public safety officers no other Township employee have longevity. There is also some evidence that external comparables are modifying their new hire practices.

After carefully analyzing the evidence and all the factors in Section 9 of the statute, the Employer's Last Best Offer should be adopted.

**AWARD**

The panel orders the Employer's Last Best Offer 5. Longevity Pay be adopted:

Article 5 c. i

Effective (Date of Award) each firefighter or fire officer hired prior to April 1, 2010 shall receive longevity pay based on the following years of service, in addition to his regular pay;

1. Upon completion of three (3) years of service, each employee shall receive longevity pay in the amount of \$150.00. An additional \$50.00 per year will be paid to eligible employees for each additional year of service (beyond three (3) years) to a maximum of \$1000.

 5/6/12

A. Robert Stevenson  
Chairperson

 5/6/12

Employer Delegate

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Union Delegate

**AWARD**

The panel orders the Employer's Last Best Offer 5. Longevity Pay be adopted:

Article 5 c. i

Effective (Date of Award) each firefighter or fire officer hired prior to April 1, 2010 shall receive longevity pay based on the following years of service, in addition to his regular pay;

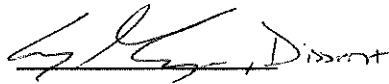
1. Upon completion of three (3) years of service, each employee shall receive longevity pay in the amount of \$150.00. An additional \$50.00 per year will be paid to eligible employees for each additional year of service (beyond three (3) years) to a maximum of \$1000.

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A. Robert Stevenson  
Chairperson

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Employer Delegate



Union Delegate



## **ELIMINATION OF FOOD ALLOWANCE –WITHDRAWN AND ADDRESSED IN 12 HOUR WORK PROPOSAL**

### **6. HOURS OF WORK: 12-HOUR SHIFTS**

#### **Employer Last Best Offer**

Add language clarifying Township's right to determine schedules, including right to work a portion or the entire department on a 12 hour work schedule and modify wage and benefit provisions, including salary schedule, overtime, food allowance, trading of days, holidays, vacation time and personal time to bring into line with a 12 hour work schedule. (See page 4-6 Employer Last Best Offer of Settlement)

#### **Union Last Best Offer**

The Union proposes to maintain the status quo and make no modifications to Article 6 or any other article in the collective bargaining agreement that would modify the current 24 hour shift.

The Township is proposing a 12-hour shift to maximize efficiency of operation within the Fire Department as a basic management right to schedule employees in a manner that would allow the Township to obtain the most productive use of its resources( Employer Brief pg. 38). Jeffrey Johnson, Director of EMS and Fire Operations for the City of Novi testified for the Township. Novi has 6 officers who work a 24 hours shift and a group of 20 fire protection officers who work 12-hour shifts (Employer Brief pg. 39). Director Johnson explained that the City was in a 312 Arbitration with a third group of employees within the Fire Department, part-time officers, and the issue of 12 hour shifts is waiting resolution (Employer Brief pg. 39) In his opinion 12 hour shifts allows for more data driven decisions on staffing levels (Employer Brief pg. 40). The Employer cites Flat Rock, one of the external comparable communities, as using a 12 hour shift but no testimony was given as to its experience. The Township in its brief states that is not necessarily seeking to convert the entire Department to 12 hour shifts (Employer Brief pg. 41).

The Union's position is that there is a clear preference for 24 hour fire departments in the State and there is

no reason to consider a 12 hour shift for Plymouth Township without a significant and compelling justification from the Employer(Union Brief pg. 38). The Union cites several deficiencies in the employer proposal . First, there is no date certain or any timeframe for the implementation of the newly proposed work schedule. Next, not one of the comparable communities has language in its collective bargaining agreement with firefighters which would allow the employer to change the hours of work at will. And lastly, the employer unrestrained ability to move employees between 12 hour and 24 hour shifts is even more problematic given the Employer's proposed method of "adjusting" the wage rates of employees working on 12 hour shifts(Union Brief pg.34).

#### **OPINION**

The Union's argument that there is no "significant and compelling justification" for this Employer proposal has merit. No examples of a completed and working program similar to the Township were cited. Also, many unanswered question need to be resolved and the majority of external do not support as well as fire departments generally.

After carefully analyzing the evidence and all the factors in section 9 of the statute, the Union's Last Best Offer should be adopted.


**AWARD**

The panel orders that the Union's Last Best Offer 6. 12 Hour Shift be adopted:

HOURS OF EMPLOYMENT The Union proposes to maintain the status quo and make no modification to Article 6 or any other article in the collective bargaining agreement that would modify the current 24 hour shift.

 5/6/12

A. Robert Stevenson  
Chairperson

 5/6/12 I do not concur

Employer Delegate

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Union Delegate

**AWARD**

The panel orders that the Union's Last Best Offer 6. 12 Hour Shift be adopted:

**HOURS OF EMPLOYMENT** The Union proposes to maintain the status quo and make no modification to Article 6 or any other article in the collective bargaining agreement that would modify the current 24 hour shift.

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A. Robert Stevenson  
Chairperson

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Employer Delegate



Union Delegate

## **7. HOLIDAYS-REDUCED NUMBER OF PAID HOLIDAYS**

### **Employer Last Best Offer**

Modification of Section A as follows:

Effective for the term of this Collective Bargaining Agreement, all Firefighters and Fire Officers working a 24 hour work day schedule shall receive, in addition to their regular pay, annual holiday pay... for thirteen (13) holidays at the rate of 12 hours paid at individual employee's straight time rate for each holiday. Firefighters and Fire Officers working a 12 hour work day schedule shall be paid for 8 hours on each of the thirteen (13) holidays.\*

For Firefighters and Fire Officers working a 24 hour work day schedule the straight time hourly rate is equal to the individual employee's base pay divided by 2808 hours. For firefighters and Fire Officers working a 12 hour work day schedule, the straight time hourly rate is equal to the individual employee's base pay divided by 2,184 hours. Notwithstanding the above schedule, an employee hired before the effective date of the merger will not receive less than \$1,820.00 per year in Holiday pay. [\*Should Township proposal to reduce Holidays from 13 to 12.5 annually be awarded, that change would also be incorporated in this contract language]

### **Union Last Best Offer**

The Union proposes to maintain the status quo and make no modifications to Article 8 of the agreement.

The Township proposed to reduce the number of paid holidays from 13 to 12.5 (Employer Brief pg. 46). This would be achieved by eliminating Easter Holiday as a paid holiday, and replacing it with a half day paid holiday on Good Friday. This would place the Union in line with all other employees in the Township (Employer Brief pg. 46). In addition the Union receives 12 hours of pay for each paid holiday, While all other units receive only 7.5 or 8 hours of pay for each paid holiday (Employer Brief pg. 46).

The Union points out that members of other bargaining units receive anywhere from two thirds of a day's pay to a full day's pay for each paid holiday, based on the number of hours they work in a normal workday. Members of the Union earn only a half day's pay for each paid holiday (Union Brief pg. 43).

## **OPINION**

The Employer's proposal to reducing the number of paid holidays for this Union like other Township employees seems equitable.

After carefully analyzing the evidence and all of the factors in section 9 of the Statute, the Employers Last Best Offer should be adopted.

AWARD

The panel orders that the Employer's Last Best Offer 7. Holidays be adopted:

Article 8 Holidays- Modify Section A as follows:

Reduce Holidays from 13 to 12.5 annually to be incorporated in Article 8 section A

A handwritten signature in black ink, appearing to read "R. Stevenson", with the date "5/6/12" written to the right. The signature is written over a horizontal line.

A. Robert Stevenson  
Chairperson

A handwritten signature in black ink, appearing to read "M. King", with the date "5/6/12" written to the right. The signature is written over a horizontal line.

Employer Delegate

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Union Delegate

AWARD

The panel orders that the Employer's Last Best Offer 7. Holidays be adopted:

Article 8 Holidays- Modify Section A as follows:

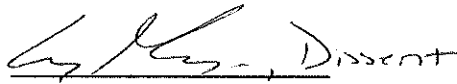
Reduce Holidays from 13 to 12.5 annually to be incorporated in Article 8 section A

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A. Robert Stevenson  
Chairperson

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Employer Delegate



*[Handwritten signature]* Dissent

Union Delegate



**8. VACATION: REDUCED ACCRUAL RATE**

**Employer Last Best Offer**

See Employer Last Best Offer pg. 12

**Union Last Best Offer**

- a. Vacation Accrual –The Union proposes to maintain the status quo and make no modifications to Article 9as it relates to vacation accrual.

The Township proposes reducing the vacation accrual rate for current employees, effective January 1, 2013 (Employer Brief pg. 47). The Township proposal would impact vacation accrual for employees with ten or more years seniority, while employees with less than ten years seniority would continue to accrue vacation at the rates that are included in the current Collective Bargaining Agreement.

**Current Rates**

10-12 year seniority	10 days vacation
13-15 years seniority	12 days vacation
Greater than 15 years seniority	13 days vacation

**Proposed Rates**

10-15 years seniority	9 days vacation
Greater than 15 years seniority	11 days vacation

The Township’s seeks to reduce vacation accrual for its fire fighters because of the great deal of time members of the bargaining unit already have off each year. (Employer Brief pg. 48). Firefighters are typically scheduled to work on only approximately 122 days per year and this is not counting vacation

time, sick time, and personal time ( Employer Brief pg. 48). The Township also cites support for its proposal in the external comparable for Harrison Township, Madison Heights and Redford (Employer Brief pg. 48). The Union's position among the comparable communities running 24 hour shifts, the average number of hours granted to employees with 10 years of service is 294 hours(Union Brief pg. 46). According to the Union the Township narrows the gap slightly as year of service increase, but consistently remains below average among comparables in the vacation benefit available to its firefighters (Union Brief pg. 46).

#### **OPINION**

With the Township's economic stress its proposal to reduce vacation time modestly after 10 years in view of the number of hours worked by members of the bargaining unit is reasonable. Vacation time along with sick time and personal time seems more than needed in relation to the hours worked. No other Township bargaining units operate on a 24 hour schedule basis which makes it unique in the Township.

After carefully analyzing the evidence and all of the factors in section 9 of the Statute, the employers Last Best Offer should be adopted.

AWARD

The panel orders that the Employers Last Best Offer 8. Vacation Accrual be adopted:

See page 9-11 Employer Last Best Offer Article 9 Vacation Time/ Personal Time for contract language.

 5/6/12

A. Robert Stevenson  
Chairperson

 5/6/12

Employer Delegate

\_\_\_\_\_  
Union Delegate

AWARD

The panel orders that the Employers Last Best Offer 8. Vacation Accrual be adopted:


See page 9-11 Employer Last Best Offer Article 9 Vacation Time/ Personal Time for contract language.

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A. Robert Stevenson  
Chairperson

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Employer Delegate

  
Union Delegate

## **9. VACATION LIMITATION: EMPLOYEES FROM SAME PLATOON**

### **Employer Last Best Offer**

The Township proposes to eliminate the following language from the Collective Bargaining Agreement:

Effective January 1, 2005, two employees from the same platoon (provided both may not be Fire officers) may be on vacation at the same time, subject to Article 9, paragraph M.

### **Union Last Best Offer**

The Union proposes the following modification to Article 9 (G):

Each platoon shall select vacation period independently of the others and by seniority in that platoon. Two employees from the same platoon (provided both may not be Fire Officers) may be on vacation at the same time subject to Article 9, paragraph M.

The Township seeks to eliminate this language from the parties agreement because of the overtime which results from the maintenance of the provision in the Collective Bargaining Agreement ( Employer Brief pg. 50) Also, certain staffing levels are required to protect the safety of the fire fighters, as well as to conform To the operational needs of the Township Fire Department (Employer Brief pg. 50) During the periods of high vacation and sick time use, this Provision according to the Township, if not eliminated will almost certainly result in increased overtime and may even present operational difficulties to the extent that appropriate coverage is not available.

The Union filed a grievance as to the interpretation of the previous contract and an arbitrator, after the Union had spent substantial sums of money, ruled in the Union's favor. (Union Brief pg. 47, 48). This decision allowed the Union the right to have two men off on vacation on the same platoon at the same time( Union pg. 48). The result is that members of the bargaining unit with low seniority could be forced to take all of their vacation time when it is either inconvenient or undesirable because all of the best vacation

time has already been bid by the senior members (Union Brief pg. 48).

#### **OPINION**

While substantial money has been spent litigating this issue it has caused the use of overtime to adequately staff the operation. Since this is an ongoing problem which effects operations I feel the language should be clarified as the employer suggests. Even though it may inconvenience employees, the operation comes first.

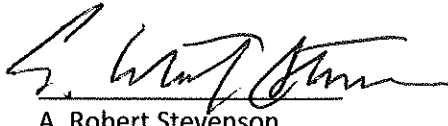
After carefully analyzing the evidence and all of the factors in section 9 of the statute, the Employer's Best Offer should be adopted.

AWARD

The panel orders that the Employer's Last Best Offer9. Platoon Vacation be adopted

The following language will be eliminated from the contract

Effective January 1, 2005 two employees from the same platoon (provided both may not be Fire Officers) may be on vacation at the same time, subject to Article 9, paragraph M.

 5/6/12

A. Robert Stevenson  
Chairperson

 5/6/12

Employer Delegate

\_\_\_\_\_  
Union Delegate

AWARD

The panel orders that the Employer's Last Best Offer<sup>9</sup>. Platoon Vacation be adopted

The following language will be eliminated from the contract


Effective January 1, 2005 two employees from the same platoon (provided both may not be Fire Officers) may be on vacation at the same time, subject to Article 9, paragraph M.

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A. Robert Stevenson  
Chairperson

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Employer Delegate



Union Delegate



## **10. PERSONAL TIME: REDUCED HOURS AVAILABLE**

### **Employer Last Best Offer**

See Employer Best Offer pg. 13.

### **Union Last Best Offer**

The Union proposes to maintain the status quo and make no modification to Article 9 as it relates to personal time.

The Township has proposed to reduce the amount of time awarded to from 48 hours to 24 hours effective January 1, 2013 (Employer Brief pg. 51). A review of personal time granted to other Township employees shows that no other employee group is awarded more than 24 hours of personal time (Employer Brief pg. 52).

The Union President testified that 48 hours of personal leave time converts to two days of time worked on a firefighter schedule.(Union Brief pg. 50) Members of the other bargaining units within the Township work either 8 hours or 12 hours per day. As such receiving 24 hours of personal time, all of those employees receive at least two days of personal time. Viewed in this manner the firefighters are already in line with other employees within the Township (Union Brief pg. 50).

### **OPINION**

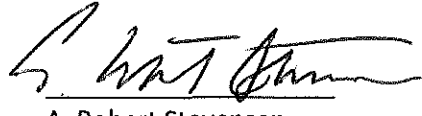
The Union currently is getting 48 hours of personal time which the Township proposal would like to reduce to 24 hours. No other Township employee has more than 48 hours. With the Townships current financial stress the Township has merit.

After carefully analyzing the evidence and all of the factors in section 9 of the Statute, the Employer's Last Best Offer should be adopted

**AWARD**

The panel orders that the Employer's Last Offer 10. Personal Time be adopted:

See pgs. 9-11 of Employers Last Best Offer Modification of Article 9 Vacation time/ Personal Time

 5/6/12

A. Robert Stevenson  
Chairperson

 5/6/12

Employer Delegate

\_\_\_\_\_  
Union Delegate

**AWARD**

The panel orders that the Employer's Last Offer 10. Personal Time be adopted:


See pgs. 9-11 of Employers Last Best Offer Modification of Article 9 Vacation time/ Personal Time

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A. Robert Stevenson  
Chairperson

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Employer Delegate

  
Union Delegate

Dissent

## **11. SICK LEAVE PAYOUT: MODIFY ANNUAL PAYOUT; PAYOUT AT TERMINATION**

### **Employer Last Best Offer**

See Employer Last Best Offer pg. 13-14

### **Union Last Best Offer**

The Union proposes to maintain the status quo and make no modification to Article 12 as it relates to sick leave.

Currently, annual payout for 100% of all unused sick leave hours is made to unit members at the employee prevailing hourly rate. Under the Township proposal, only on half of each sick day would be paid in cash, while the other 50% unused time would be credited to the individual's Supplemental Sick Leave Bank (Employer Brief pg. 53). The Township is also seeking to cap the maximum payout at termination at 540 hours of unused sick leave (Employer Brief pg. 54). The Township proposal position is in line with payout provisions found in the contracts of the external comparables (Employer Brief pg.54).

The Union's position is that the sick leave payout is a benefit that is offered to firefighters to come to work, even when they are sick, to save the Township from potential over time costs (Union Brief pg. 53).

### **OPINION**


With the Township's current economic stress paying a benefit not in line with the external comparables does not seem appropriate. The Township's proposal would put the Union in line with the external comparable.

After carefully analyzing the evidence and all of the factors in section 9 of the Statute, the Employer's Last Best Offer should be adopted.

AWARD

The panel orders that the Employer's Last Best Offer 11. Sick Leave be adopted:

See Employer Last Best Offer pgs. 13-14 Modification to Section B, Article 12, Sick Leave and Disability Program.

 5/6/12  
A. Robert Stevenson  
Chairperson

 5/6/12  
Employer Delegate

\_\_\_\_\_  
Union Delegate

AWARD

The panel orders that the Employer's Last Best Offer 11. Sick Leave be adopted:

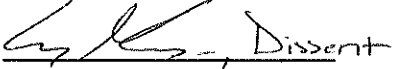
See Employer Last Best Offer pgs. 13-14 Modification to Section B, Article 12, Sick Leave and Disability Program.

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A. Robert Stevenson  
Chairperson

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Employer Delegate

  
Union Delegate

## **12. ELGIBILITY FOR SUPPLEMENTAL SICK LEAVE BANK**

### **Employer Last Best Offer**

Article 12. Sick Leave and Disability Program-Add new subsection 1.b to section *(and renumber current subsection 1.b to 1.c) to read as follows:*

*b. The employee suffers an illness or injury that causes the employee to be absent from work for at least two (2) weeks: and*

### **Union Last Best Offer**

The Union proposes to retain Article 12 (I) of the agreement as it relates to short-term disability.

Under the current contract there is no requirement that an employee be out of work for any length of time before becoming eligible for use of the supplemental sick leave bank. The only other group in the Township that has access to supplement sick leave bank time without a two week elimination period is the COAM unit and that is likely to be a subject of negotiations between the parties according to the Township (Employer Brief pg. 56).

The Union's position if the Employer's offer is adopted the members who have exhausted their sick bank and are off sick or injured for less than two weeks would suffer a loss of pay for the entire absence ( Union Brief pg. 54).

### **OPINION**

While not all the employee units are subject to a two week elimination period the majority are. Therefore this Union should also have a two week elimination period before the employee is eligible for the Supplemental Sick Leave Bank.

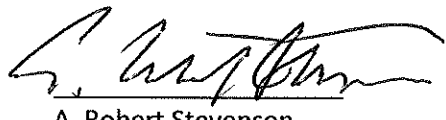
After carefully analyzing the evidence and all of the factors in section 9 of the Statute, the Employer's Last Best Offer should be adopted.

AWARD

The panel orders that the Employer's Last Best Offer 12. Sick Leave Bank be adopted:

Article 12 Sick Leave and Disability Program- Add new subsection 1.b to section (and renumber current subsection 1.b to 1.c) to read as follows:

b. The employee suffers an illness or injury that causes the employee to be absent from work for at least two (2) weeks: and

 5/6/12

A. Robert Stevenson  
Chairperson

 5/6/12

Employer Delegate

\_\_\_\_\_  
Union Delegate



AWARD

The panel orders that the Employer's Last Best Offer 12. Sick Leave Bank be adopted:

Article 12 Sick Leave and Disability Program- Add new subsection 1.b to section (and renumber current subsection 1.b to 1.c) to read as follows:

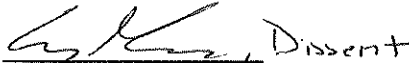
b. The employee suffers an illness or injury that causes the employee to be absent from work for at least two (2) weeks: and

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A. Robert Stevenson  
Chairperson

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Employer Delegate

 Dissent  
Union Delegate

### **13. HEALTH CARE BASE PLAN**

#### **Employer Last Best Offer**

See Employer Last Best Offer pgs.14-15

#### **Union Last Best Offer**

See Union Last Best Offer pgs. 4-5

According to the Township the Union enjoys a healthcare plan with lower co-pays and deductibles than all other Township employees (Employer Brief pg 58). The Township is proposing a base healthcare plan which contains the same co-pays as all other public safety employees ( Employer Brief pg. 59). The Union has proposed the same plan however, the Township would be responsible for the \$3000/\$6000 deductible not members of the bargaining unit (Employer Brief pg. 59). The Township is now asking for the same deductible for all public safety units ( Employer Brief pg. 60).

The Union's position is that the Township pay the deductibles as they are taking a sizable concession by switching to a less expensive plan with significantly reduced benefits (Union Brief pg.57). Kathy McAtee, a labor liaison with Blue Cross/Blue Shield, testified that the Plymouth Township police patrol unit has a Health Reimbursement Account (HRA) used to fund the deductibles (Union pg. 59). No other bargaining unit members within the Township or comparable communities are required to pay the \$3000/\$6000 deductibles on their health care plans ( Union Brief pg. 61).

#### **OPINION**

The Union's proposal seems the more reasonable. While the Township is under financial stress, making the employee pay such a large deductible, even if it does not apply to routine medical, is harsh. This is especially true when no other Township bargaining unit members or comparable communities are required to pay \$3000/\$6000 deductibles.

After carefully analyzing the evidence and all the factors in section 9 of the Statute, the Union's Last Best

Offer should be adopted.


AWARD

The panel orders that the Union's Last Best Offer 13. Health Insurance Plan be adopted:

Health Insurance Plan- Modification to Article 14(b) see pgs. 4-6 Union Last Best Offer.

 5/6/12

A. Robert Stevenson  
Chairperson

 5/6/12 I do not concur

Employer Delegate

\_\_\_\_\_  
Union Delegate

AWARD

The panel orders that the Union's Last Best Offer 13. Health Insurance Plan be adopted:


Health Insurance Plan- Modification to Article 14(b) see pgs. 4-6 Union Last Best Offer.

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A. Robert Stevenson  
Chairperson

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Employer Delegate



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Union Delegate

## **14. HEALTH CARE PREMIUM SHARING**

### **Employer Last Best Offer**

Article 14 Insurance-Modify Sections C.3 and G. See page 16 of Employer Last Best Offers

### **Union Last Best Offer**

See Last Best Offer pgs.4-5

The Township is seeking to incorporate health care premium sharing as set forth in PA 152 . The Township Board of Trustees voted to utilize the 80%/20% cost sharing method for limiting its healthcare expenditures scheduled for September 1, 2012 the effective date at the start of the next health plan year(Employer Brief pg. 63). Although PA 152 does not require premium sharing by retirees, the Township has sought premium sharing by retirees, in order to remain equitable as well as to achieve cost containment with respect to retiree health care costs ( Employer Brief pg. 63).

The Union's Last Best Offer on this issue is to have current employee pay 1% of annual base wage toward Employer provided health insurance coverage via payroll deduction and to maintain the status quo regarding future retirees' contributions ( Union Brief pg. 63). Where retirees are concerned, fully employer paid health care remains the norm, with no comparable community requiring a 20% premium share from their retirees ( Union Brief pg. 66).

### **OPINION**

The Employer's Last Best Offer of 80%/20% premium sharing should be adopted for active employees and future retirees. This is in accordance with PA 152 as to employees. As to future retirees the trend seems to be with the substantial cost involved in health care that they share the fate of the active employees and the financial ability of the employer.

After carefully analyzing the evidence and all of the factors in section 9 of the Statute, the Employer's Last

Best Offer should be adopted.

AWARD

The panel orders that the Employer's Last best Offer 14. Township Cap on Health Insurance contribution be adopted.

Article 14 Insurance- Modify Sections C.3 and G See page 16 of Employer Last Best Offer.

 5/6/12

A. Robert Stevenson  
Chairperson

 5/6/12

Employer Delegate

\_\_\_\_\_  
Union Delegate



AWARD

The panel orders that the Employer's Last best Offer 14. Township Cap on Health Insurance contribution be adopted.

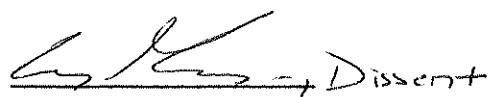
Article 14 Insurance- Modify Sections C.3 and G See page 16 of Employer Last Best Offer.

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A. Robert Stevenson  
Chairperson

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Employer Delegate



Union Delegate

## **15. PAYMENT IN LIEU OF COVERAGE FOR MEDICARE ELIGIBLE RETIREES**

### **Employer Last Best Offer**

See Employer Last Best Offer pgs. 16.

### **Union Last Best Offer**

See Union Last Best Offer pgs.5,6.

The Township proposes a change to retiree health benefits that would offer great savings to the Township, but would have little or no impact on the benefit levels provided to Medicare eligible retirees (Employer Brief pg. 65). Payments would be in the annual amount of \$1500 for single employees, and \$3000 for two person coverage, and would be placed into a health reimbursable account to be used for all medical expenses allowed by law upon the attainment of Medicare-eligibility. This proposal has been agreed to by every other union in the Township, and provides a significant impact on the Township's huge OPEB liability (Employer Brief pg. 65).

The Union position is that there is a stark difference in liability and economic vulnerability. It is more than an economic benefits cost to the Township as there are gapping holes that are left between the coordination of benefits between Medicare and the currently employer paid health insurance enjoyed by current retirees and the level of coverage that can be expected with the allotments proposed by the Township (Union Brief pg 67). While it is true that other Township bargaining units have accepted essentially similar benefits only one comparable community has a similar program (Union Brief pg. 68).

### **OPINION**

In the Township's current financial condition they have looked for ways to save money. In the Employer's proposal in payment in Lieu of coverage for Medicare Eligible Retirees they are proposing a way to offer greater saving to the Township but with little or no impact on benefit levels provided to Medicare Eligible


Retirees. This has been agreed to by every other Union in the Township.

After carefully analyzing the evidence and all of the factors in section9 of the Statute, the Employer's Last Best Offer should be adopted.

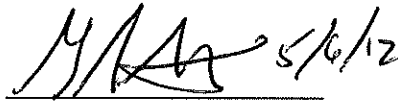
AWARD

The panel orders that the Employer Last Best Offer 15. Medicare Gap be adopted.

Article 14 Insurance New Section H pgs. 17-18 of Employer Last Best Offer

 5/6/12

A. Robert Stevenson  
Chairperson

 5/6/12

Employer Delegate

\_\_\_\_\_  
Union Delegate

AWARD

The panel orders that the Employer Last Best Offer 15. Medicare Gap be adopted.


Article 14 Insurance New Section H pgs. 17-18 of Employer Last Best Offer

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A. Robert Stevenson  
Chairperson

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Employer Delegate

  
Union Delegate

## **16. RETIREE HEALTH CARE OPT OUT**

### **Employer Last Best Offer**

See Employer Last Best Offer pg.18

### **Union Last Best Offer**

See Union Last Best Offer pgs. 5, 6

The Township and the Union have each proposed language which provides an annual payment of \$1500/ \$3.000 to retirees who opt out of health care during retirement ( Employer Brief pg. 72) The parties' Last Best Offers, differ in the manner and method the amount would be paid. The Township's language mirrors the Police bargaining units and the TPOAM. The Union on the other had requires a monthly payment of \$150.

### **OPINION**

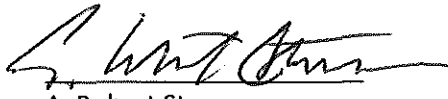
The Township's proposal of a lump sum payment is less of an administrative burden and should be chosen. Other bargaining units have the same provision.

After carefully analyzing the evidence and all of the factors in section 9 of the Statute, the Employer's Last Best Offer should be adopted.

**AWARD**

The panel orders that the Employer Last Best Offer 16. Health Insurance Opt Out be adopted.

Article 14, Insurance New Section H see pg. 17 Employer Last Best Offer

 5/6/12  
A. Robert Stevenson  
Chairperson

 5/6/12  
Employer Delegate

\_\_\_\_\_  
Union Delegate

**AWARD**

The panel orders that the Employer Last Best Offer 16. Health Insurance Opt Out be adopted.

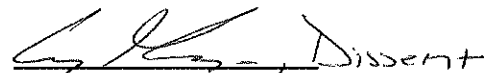
Article 14, Insurance New Section H see pg. 17 Employer Last Best Offer

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A. Robert Stevenson  
Chairperson

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Employer Delegate



Union Delegate



## **17. HEALTH RETIREMENT ACCOUNT IN LIEU OF RETIREE HEALTH INSURANCE FOR NEW HIRES**

### **Employer Last Best Offer**

See Employer Last Best Offer pgs. 18, 19

### **Union Last Best Offer**

See Union Last Best Offer pgs.5, 6

The Township has proposed that new employees hired will receive a Township contribution of \$50 per pay period into a health reimbursable account in lieu of retiree health insurance (Employer Brief pg. 74).

The following vesting schedule is proposed:

50% vested after 10 years

75% vested after 15 years

100% vested after 20 years

The Teamsters, TPOAM, and non represented employees have similar plans. This HAP program according to the Township would provide much needed relief to the Township's legacy costs, ultimately decreasing its \$22.5 million unfunded OPEB liability ( Employer Brief pg. 74).

The Union's position is that the Township's proposal is totally inadequate to provide the security and necessary insurance coverage required by people in retirement ( Union Brief pg. 73). Monthly premiums for current retirees ranged from a low of \$820.55 to \$2,117.01 in September of 2011 (Union Brief pg. 74). Since this issue only relates to future fire fighters it is difficult to even project what premium levels might be when those employees retire (Union Brief pg. 74).

### **OPINION**

Because of the Township's current financial condition the Township's proposal on a Health Retirement

Account for new hires would help balance future costs and not effect current Union members. The Teamsters, TPOAM and non represented have similar plans.

After carefully analyzing the evidence and all of the factors in section 9 of the Statute, the Employer Last Best Offer should be adopted.

**AWARD**

The panel orders that the Employer Last Best Offer 17. New Hire HRA contribution be adopted.

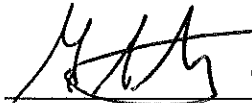
Article 14 Insurance- New Section J

J. Employees hired on or after (Date of Award)

Employees hired on or after (Date of Award) in lieu of retiree health insurance, will be eligible to participate in a Health Reimbursable Account under the following terms: Township to contribute \$50 per pay. Employees shall vest 50% after 10 years of employment, 75% after 15 years of employment and 100% after 20 years of employment.

 5/6/12

A. Robert Stevenson  
Chairperson

 5/6/12

Employer Delegate

\_\_\_\_\_  
Union Delegate

**AWARD**

The panel orders that the Employer Last Best Offer 17. New Hire HRA contribution be adopted.


Article 14 Insurance- New Section J

J. Employees hired on or after (Date of Award)

Employees hired on or after (Date of Award) in lieu of retiree health insurance, will be eligible to participate in a Health Reimbursable Account under the following terms: Township to contribute \$50 per pay. Employees shall vest 50% after 10 years of employment, 75% after 15 years of employment and 100% after 20 years of employment.

\_\_\_\_\_  
A. Robert Stevenson  
Chairperson

\_\_\_\_\_  
Employer Delegate

 Dissent  
\_\_\_\_\_  
Union Delegate

## **18. HEALTH CARE, HEALTH INSURANCE FOR SPOUSE OF RETIREE**

### **Employer Last Best Offer**

See pg. 19 of Employer Last Best Offer

### **Union Last Best Offer**

See pg 6 of Union Last Best Offer

Both the Township and the Union propose language which would make clear that health insurance entitlement for the spouse of a retiree shall apply only to the spouse at time of retirement ( Employer Brief pg.77.) The Township position is that its language is consistent with other internal bargaining units . The Union proposed language is an attempt at simplification ( Union Brief pg 79).

### **OPINION**

To be consistent with other bargaining units the Employer's language should prevail,  
After carefully analyzing the evidence and all of the factors in section 9 of the Statute, the Employer Last Best Offer should be adopted.


**AWARD**

The panel orders that the Employer Last Best Offer 18.Spouse Retiree Health Care be adopted

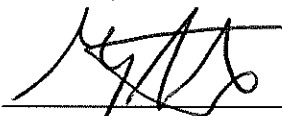
Article 14 Insurance – New Section K

K. Spouse Defined

Effective (Date of Award) any retirement benefits in this provision provided to the spouse of the employee, shall be limited solely to the employee's spouse at the time of retirement.

 5/6/12

A. Robert Stevenson  
Chairperson

 5/6/12

Employee Delegate

\_\_\_\_\_  
Union Delegate

**AWARD**

The panel orders that the Employer Last Best Offer 18.Spouse Retiree Health Care be adopted

Article 14 Insurance – New Section K

K. Spouse Defined


Effective (Date of Award) any retirement benefits in this provision provided to the spouse of the employee, shall be limited solely to the employee's spouse at the time of retirement.

---

A. Robert Stevenson  
Chairperson

---

Employee Delegate



Union Delegate

## **19. PENSION: DEFINED CONTRIBUTION FOR NEW EMPLOYEES**

### **Employer Last Best Offer**

See pg.19,20 Employer Last Best Offer

### **Union Last Best Offer**

The Union proposes to maintain the status quo and make no modification to Article 23 as it relates to the pension plan offered to newly hired bargaining unit members.

The Township proposes employees hired after the date of the Award will receive a defined contribution retirement plan, as opposed to a defined benefit pension plan (Employer Brief pg77). The plan is to be funded by a Township contribution of 15% of base wages and the employee to contribute 5% of base wages.

The vesting schedule applied to Township contributions:

20% after one (1) year

40% after two (2) years

60% after three (3) years

80% after four (4) years

100% after five (5) years

Teamster, TPOAM and all non represent employees participate in a Defined Contribution Plan (Employer Brief pg. 78). The Township claims that in the external comparable a trend has emerged to provide a second tier pension plan for new hires. In both Madison Heights and Redford Township, fire department employees newly hired are being provided a reduced defined benefit pension plan (Employer Brief pg. 78).

The Union points out that most public employers seek refuge from rising pension contributions with a defined contribution plan but in the end pay significantly more than they would have under a defined



benefit plan (Union Brief pg. 81). The Union also notes that the only the non public safety unit have agreed to a Defined Contribution Plan and the public safety employees and the external comparable all have Defined Benefit Plans. The Union also cites significant legal issue to the making a change to the Employers Last Best Offer (Union Brief pg. 82).

#### **OPINION**

There is a trend toward Defined Contribution Plans in both the private and public sectors. This is especially true as to new hires where there is economic stress of the employer. A Defined Benefit Plan has substantial liabilities over a Defined Contribution Program. . Other bargaining units in the Township have similar Defined Contribution Plans.

After carefully analyzing the evidence and all of the factors in section 9 of the Statute, the Employer Last Best Offer should be adopted.


**AWARD**

The panel orders that the Employer Last Best Offer 19 New Employee Pension be adopted.

Article 23, Pension- New Section D Employer Last Best Offer pgs. 19, 20

 5/6/12

A. Robert Stevenson  
Chairperson

 5/6/12  
Employer Delegate

\_\_\_\_\_  
Union Delegate

**AWARD**

The panel orders that the Employer Last Best Offer 19 New Employee Pension be adopted.

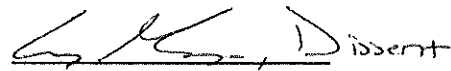
Article 23, Pension- New Section D Employer Last Best Offer pgs. 19, 20

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A. Robert Stevenson  
Chairperson

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Employer Delegate

  
Union Delegate Dissert

**20. PENSION : LIMIT TOWNSHIP CONTRIBUTION TO MERS DEFINED BENEFIT PROGRAM**

**Employer Last Best Offer**

See pgs 20,21 Employer Last Best Offer

Current funding levels:

First 2% contributions necessary to fund the plan	Employees
Next up to 13.5% of contributions necessary to fund plan	Township
Next up to 5% of contributions necessary to fund plan	Employees
Any additional contributions required to fund the plan	Township

**Township Proposal**

First up to 13.5% of contributions necessary to fund the plan	Township
Any further contributions necessary to fund the plan	Employees

**Union Last Best Offer**

The Union proposes to maintain the status quo and make no modification to Article 23 as it relates to the Employer's contribution to the pension plan.

The MERS defined benefit plan in 2005 had a 2% employee pay and a 9.7% employer pay and now has a 7% employee pay (capped) and a 15% employer pay (uncapped) (Employer Brief pg.80). According to the Township this was a significant increase not contemplated by the Township and the Township wishes to cap its contribution at 13.5%. The benefit is greater than is provided for employees in five of the six comparable communities (Employer Brief pg. 80).

It is the Township's position that if employees want to keep this high a benefit they should be made to pay a higher contribution.

The Union points out that the increase has been a function of reduced staffing levels as there have been a layoff of nine bargaining unit members, six of them during the course of this hearing (Union Brief pg. 85).

Since the establishment of the firefighter DB plan all of the other public safety units have gone to a defined Benefit plan as well. According to the Union if the Employer's plan is adopted in will be dead last among the external comparable (Union Brief pg. 86).

#### **OPINION**

The Township's proposal would cap the employer contribution to the pension plan at 13.5% . This seems reasonable in view of the fact of the Township's current financial situation and that the benefit the pension plan would pay is greater than 5 of the 6 of the external comparables. The employee contribution is currently capped at 7% . To keep this benefit without a reduction in benefit levels an increase in the employee contribution may be necessary.

After carefully analyzing the evidence and all of the factors in section 9 of the Statute, the Employer Last Best Offer be adopted.

**AWARD**

The Panel orders that the Employer Last Best Offer 20. MERS Employer Contribution be adopted.

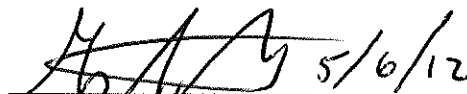
Article 23 Pension. See pgs. 20,21 of Employer Best Offer.

**Funding Levels**

First up to 13% of contributions necessary to fund the plan                      Township

Any further contributions necessary to fund the plan                      Employee

 5/6/12  
A. Robert Stevenson  
Chairperson

 5/6/12  
Employer Delegate

\_\_\_\_\_  
Union Delegate

**AWARD**

The Panel orders that the Employer Last Best Offer 20. MERS Employer Contribution be adopted.

Article 23 Pension. See pgs. 20,21 of Employer Best Offer.

**Funding Levels**

First up to 13% of contributions necessary to fund the plan                      Township

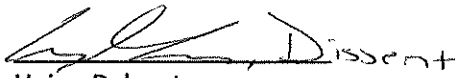
Any further contributions necessary to fund the plan                      Employee

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A. Robert Stevenson  
Chairperson

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Employer Delegate



Union Delegate

## **21. EXTENSION**

### **Employer Last Best Offer**

See pg.21 Employee Last Best Offer

### **Union Last Best Offer**

See pg. 7 Union Last Best Offer

The Union proposes to delete Article 25-Extension in its entirety and to modify Article 37

The Township proposes adding language which would clarify that Article 25 only applies to mandatory terms and conditions of employment (Employer Brief pg.81). The Townships position is that only permissive subjects of bargaining may be unilaterally modified or discontinued after expiration (Employer Brief pg. 82).

The Union is concerned about what happened after the expiration of the current agreement. The Township notified the Union that it would cease deducting Union dues ( Union Brief pg. 88). To correct the problem of unilateral action the Union offer has proposed to include a finite timeframe during which successor collective bargaining need to be mutually agreed by the parties or submitted to an Act 312 panel for resolution ( Union Brief pg.89).

### **OPINION**

The language proposed by the Township is a reflection of well established law which provides that permissive subject of bargaining may be unilaterally modified or discontinued after the expiration of the collective bargaining agreement.

After carefully analyzing the evidence and all of the factors in section 9 of the Statute, the Employer Last Best Offer should be adopted

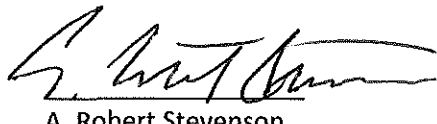


AWARD


The panel orders that the Employer Last Offer 21.Extension be adopted.

Article 25 Extension

In the event that negotiations for any modifications or termination extend beyond the termination date of the Collective Bargaining Agreement, the mandatory terms and conditions of employment contained in this Collective Bargaining Agreement shall remain in full force and effect pending a Collective Bargaining between the parties. Consistent with Michigan Law, permissive bargaining subjects may be discontinued or modified unilaterally by the Township after contract expiration.

 5/6/12

A. Robert Stevenson  
Chairperson

 5/6/12

Employer Delegate

\_\_\_\_\_  
Union Delegate

AWARD

The panel orders that the Employer Last Offer 21.Extension be adopted.

Article 25 Extension


In the event that negotiations for any modifications or termination extend beyond the termination date of the Collective Bargaining Agreement, the mandatory terms and conditions of employment contained in this Collective Bargaining Agreement shall remain in full force and effect pending a Collective Bargaining between the parties. Consistent with Michigan Law, permissive bargaining subjects may be discontinued or modified unilaterally by the Township after contract expiration.

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A. Robert Stevenson  
Chairperson

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Employer Delegate

 Dissent  

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Union Delegate

## **22. STAFFING: SATURDAY AND SUNDAY AS REGULAR WORK DAYS**

### **Employer Last Best Offer**

Include contract language which provides that Saturday and Sunday are regular work days (see pg. 21 Employer Last Best Offers)

### **Union Last Best Offer**

The Union proposes to maintain the status quo and make no modifications to Article 35 or any other article in the collective bargaining agreement relating to regular work days

The Township's position is there is no apparent explanation for limiting duties on regularly scheduled work days (Employer Brief pg. 84). In 4 Of the 6 comparables no restriction on regular work days can be found. and in two other comparables restrictions are not as broad.

The Union's position is that the Township has no legitimate business reason to seek the contract alteration sought in this issue.

### **OPINION**

I see no apparent reason and none was presented to limit duties on regularly scheduled work days. In 4 of the 6 comparables there are no restrictions and thus I would favor the Employer Last Best Offer.


After carefully analyzing the evidence and all of the factors in section 9 of the Statute, the Employer Last Best Offer should be adopted.

**AWARD**

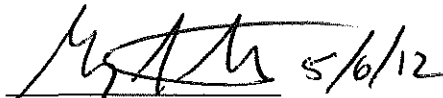
The panel orders that the Employers Last Offer of Settlement 22. Staffing be adopted.

Article 35 Staffing- Modify Section D to read:

Saturday and Sundays shall be regular work days.

 5/6/12

A. Robert Stevenson  
Chairperson

 5/6/12

Employer Delegate

\_\_\_\_\_  
Union Delegate

**AWARD**

The panel orders that the Employers Last Offer of Settlement 22. Staffing be adopted.

Article 35 Staffing- Modify Section D to read:

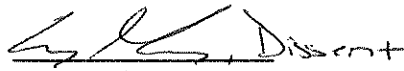
Saturday and Sundays shall be regular work days.

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A. Robert Stevenson  
Chairperson

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Employer Delegate



Union Delegate

## **UNION ISSUES**

### **1. DURATION**

The parties have both proposed that the Collective Bargaining Agreement will be effective until March 31, 2013

### **2. WAGES YEAR 1 ( APRIL 1, 2010 TO MARCH 31, 2011)**

The parties have both proposed maintenance of the status quo

### **3. WAGE YEAR 2 (APRIL 1, 2011 TO MARCH 31, 2010)**

The parties have both proposed maintenance of the status quo

### **3. WAGE YEAR 3 (APRIL 1, 2012 TO MARCH 31, 2013)**

Temporary Wage reduction Employer 7% Union 5% from the effective date of the 312 Award to end of contract, See prior section on WAGES Issue 3.

Staffing – Maintain the status quo

Shift Premium- Union withdraws issue

Shift Bid- Union withdraws issue

### **5. PROMOTIONS**

Union Last Best Offer

See pgs. 7,8 Union Last Best Offer

Employer Last Best Offer

Status Quo- Township objects to inclusion of this is as it was never raised during bargaining. Because it was never discussed the Township has no knowledge as to any specifics of the Union Proposal.

The Union proposes promotion based upon seniority in grade provided that they have met various training qualifications (Union Brief pg. 94). Union proposal would require Fire Officer 1 & 2 to be promoted to lieutenant, and being certified as the level of Fire Officer 1, 2, & 3 would be required to be promoted to

captain. They dispute that the issue was not raised in bargaining.

The Township's position is that the Union Proposal represents a major change in the parties relationship which was never explained in detail at the bargaining table ( Employer Brief pg. 88).

**OPINION**

Even though no written proposal was presented during the bargaining the parties stipulated to its inclusion for the hearing. Because this issue needs further discussion I would favor the Township position of status quo since it represents a major change in the parties relationship.

After carefully analyzing the evidence and all of the factors in section 9 of the Statute, the Employer Last Best Offer is adopted.

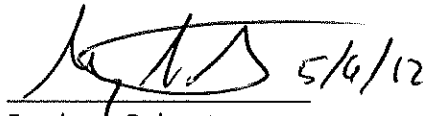
**AWARD**

The panel orders that the Employer Last Best Offer Union Issue5.be adopted.

No change in contract language on Promotion.



A. Robert Stevenson  
Chairperson



Employer Delegate

\_\_\_\_\_  
Union Delegate



**AWARD**

The panel orders that the Employer Last Best Offer Union Issue 5 be adopted.

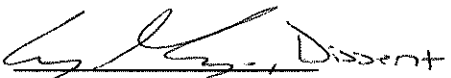
No change in contract language on Promotion.

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A. Robert Stevenson  
Chairperson

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Employer Delegate



Union Delegate

**OVERTIME- ELIMINATE 604 PAY- Union elects to withdraw this issue**

**6. OVERTIME PAY 604 FORTITURE**

**Union Last Best Offer**

See page 8 Union Last Best Offer

**Employer Last Best Offer**

Status quo - The Township object to inclusion of this issue as it was never raised during bargaining.

The Union proposal would add language to the collective bargaining agreement counting sick time and personal time used during the 604 cycle as hours worked ( Union Brief pg. 96). An employee can lose some or all of his 604 pay if he takes any sick or personal time during the 604 cycle. In the Union's opinion the forfeiture policy should be abolished (Union Brief pg. 97).

Under the parties current Agreement, only sick and personal time use during a 604 cycle results in forfeiture of 604 overtime pay ( Employer Brief pg. 88). The Township is concerned that sick time use will increase, resulting in more required overtime pay in the event that the Union's proposal is granted (Employer Brief pg. 89). No written proposal to the Township was made on this issue.

**OPINION**

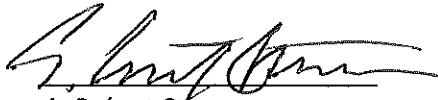
Even though there was no written proposal made during bargaining on this issue and the specifics of the proposal were not clarified the parties stipulated to its inclusion. In the current economic environment a chance for unattended overtime is not warranted.

After carefully analyzing the evidence and all of the factors in section 9 of the Statute, the Employer Last Best Offer is adopted.

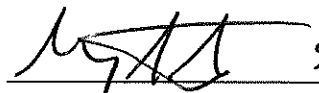
**AWARD**

The panel orders that the Employer last Best Offer Union Issue 6 be adopted

No change to Article 5 (d)

 5/6/12

A. Robert Stevenson  
Chairperson

 5/6/12

Employer Delegate

\_\_\_\_\_  
Union Delegate

**AWARD**

The panel orders that the Employer last Best Offer Union Issue 6 be adopted

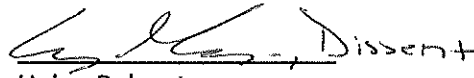
No change to Article 5 (d)

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A. Robert Stevenson  
Chairperson

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Employer Delegate

  
Union Delegate

Bonus Pay –Union withdrew issue

Long Term Disability-Union withdrew issue

Light Duty- Union withdrew issue

## **7. TRADING DAYS**

### **Union Last Best Offer**

See pgs.8,9 Union Last Best Offer

### **Employer Last Best Offer**

Township Position status quo

The Union proposal would permit “round robin” trades whereby time already owed from previous trades can be repaid to firefighters other than the firefighter with whom the original trade was made (Union Brief pg. 98).

The Township’s opposition to this issue is based on the fact that it has the potential to create a very confusing situation. None of the six comparable communities have contract language allowing fire fighters to engage in round robin trading days (Employer Brief pg90. 91).

## **OPINION**

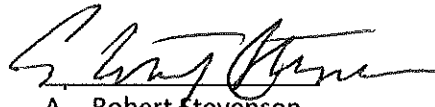
Since none of the comparable communities have language allowing firefighters to engage in round robin trading days I would not recommend its adoption. The position of the Township that it would be confusing to administrate has merit.

After carefully analyzing the evidence and all the factors in section 9 of the statute, the Employer Last Best Offer should be adopted.

AWARD

The panel orders that the Employer last Best Offer 7. Union Issue be adopted.

No change to Article 7 Trading Days

 5/6/12

A. Robert Stevenson  
Chairperson

 5/6/12

Employer Delegate

\_\_\_\_\_  
Union Delegate

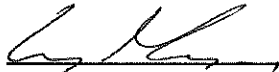
AWARD

The panel orders that the Employer last Best Offer 7. Union Issue be adopted.

No change to Article 7 Trading Days

\_\_\_\_\_  
A. Robert Stevenson  
Chairperson

\_\_\_\_\_  
Employer Delegate

  
Unión Delegate

Dissent

STATE OF MICHIGAN  
BEFORE THE MICHIGAN EMPLOYMENT RELATIONS COMMISSION

CHARTER TOWNSHIP OF  
PLYMOUTH,

Petitioner/Employer,

Case No. D-11 D-0439

and

Arbitrator: A. Robert Stevenson

PLYMOUTH TOWNSHIP FIRE  
FIGHTERS ASSOCIATION, LOCAL 1496, I.A.F.F.,

Respondent/Labor Organization.

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**UNION'S LAST OFFERS OF SETTLEMENT**

NOW COMES, the Plymouth Township Fire Fighters Association, Local 1496, by and through its attorney, Michael L. O'Hearon, PLC, and for its last offers of settlement states the following:

1. **DURATION**<sup>1</sup> – Employer's Issue<sup>2</sup> - The Union proposes to delete Article 25 – **EXTENSION** in its entirety and to modify Article 37 as follows:

**DURATION OF AGREEMENT**

A. The provisions of this Collective Bargaining Agreement shall be effective as of the date specified in the Collective Bargaining Agreement and pursuant to the Letter of Understanding attached hereto of the Act 312 arbitrator's award and shall continue and remain in full force and effect to and including March 31, 2003, 2013 and thereafter for successive periods of one (1) year, unless either party shall, at least ninety (90) days prior to March 31st, serve written notice on the other party of a desire to terminate, modify, alter, amend, renegotiate, or change, ~~or any combination thereof,~~ this collective bargaining agreement. ~~shall have the effect of terminating the entire Collective Bargaining Agreement on the expiration date in the same manner as a notice of desire to terminate unless before that date all subjects of amendment proposed by either party have been disposed of by agreement or by withdrawal, by the party proposing amendment. If either party serves such a notice upon the other, the term of this agreement shall endure~~

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<sup>1</sup> Number and letter designations of the Employer's issues refer to the Employer's list of issues as modified on December 19, 2011.

<sup>2</sup> The Union has a related issue to this Employer issue. As such, the Union's last offer of settlement on the Employer's Duration issue is identical to the Union's last offer of settlement on its own issue concerning the Extension Article of the collective bargaining agreement.



and all of the terms and conditions recited in this collective bargaining agreement shall remain in full force and effect until such time as a new collective bargaining agreement is reached by mutual agreement or by the award of an Act 312 arbitrator; provided however, that under no circumstances will the parties permit more than two (2) years to elapse from March 31 of the year in which the notice was served before filing an Act 312 petition with the Michigan Employment Relations Commission.

~~———— B. ——— If any negotiations described in Section A above reach an impasse, the procedure described in Act 379 of the Michigan Public Act of 1965 shall be followed.~~

2. **MANAGEMENT RIGHTS CLAUSE** - Employer's Issue - The Union proposes to maintain the *status quo* and make no modifications to Article 3 or any other article in the collective bargaining agreement to reflect a management right to use part-time firefighters.
  
3. **WAGES AND OTHER BENEFITS** - Employer's Issue and Union's Issues 1-3<sup>3</sup>  
- The Union proposes the following modifications to Article 5:
  - a. **Wage Reduction**- The Union proposes to modify the annual salary schedules contained in Article 5(B) as follows:<sup>4</sup>
    - Wages - 4/1/2010 - *status quo* (0%)
    - Wages - 4/1/2011 - *status quo* (0%)
    - Wages - 4/1/2012 - 5% reduction to base wage. This wage reduction shall become effective in the first pay period after the Act 312 arbitration award issues and shall be restored (to the 10/1/2008 rate) on March 30, 2013.
  
  - b. **Conversion of Annual Wage to Hourly Wage**- The Union proposes to maintain the *status quo* and continue to express the wages of the bargaining unit in terms of an annual salary.
  
  - c. **Longevity Pay (Current Employees)** -The Union proposes to maintain the *status quo* and make no modification to Article 5(C) as it relates to current employees.
  
  - d. **Longevity Pay (New Hires)** - The Union proposes to modify Article 5(C) as it relates to new hires as follows:

C. Longevity Pay.

<sup>3</sup> The Union's answer to the petition divided the wage issue into three separate issues, one for each year. As such, subsection (a) of the Employer's third issue treats each year of wages as a separate issue and the arbitrator is asked to rule upon each.

<sup>4</sup> Annual wage proposals are "across-the-board" wage proposals: meaning that they apply equally to the firefighters and officers salary schedules.

Each Firefighter or Fire Officer shall receive longevity pay based on the following years of service, in addition to his regular pay:

1. Upon completion of five (5) years of service, each employee hired prior to April 1, 2010 shall receive longevity pay in the amount of \$250.00. For each additional year from the sixth year of service through the ninth year, each employee shall receive longevity pay in the amount of \$75.00 per year. For each additional year of service beginning with the tenth year and for each year thereafter, each employee shall receive longevity pay in the amount of \$100.00 per year, up to a maximum annual longevity payment of \$2,150.00. (For example, an employee completing 20 years of service would receive \$250.00 for the first five years, \$300.00 for the sixth through ninth years, and \$1,100.00 for the tenth through the twentieth years, for a total longevity payment of \$1,650.00.) Employees hired after April 1, 2010 shall receive longevity pay pursuant to this subsection except that upon reaching 14 years of service their longevity pay shall reach its maximum annual amount of \$1,000.00. Longevity pay will be paid to each employee on or before the anniversary date of his employment. In the event of termination of employment, longevity pay shall be computed on a pro rata basis for the period of time actually worked from the date that the last longevity payment was made to the employee.

- e. Food Allowance - The Union proposes to maintain the *status quo* and make no modifications to Article 5(F).

4. HOURS OF EMPLOYMENT - Employer's Issue - The Union proposes to maintain the *status quo* and make no modifications to Article 6 or any other article in the collective bargaining agreement that would modify the current 24-hour shift.
5. HOLIDAYS - Employer's Issue - The Union proposes to maintain the *status quo* and make no modifications to Article 8 of the agreement.
6. VACATION TIME/PERSONAL TIME - Employer's Issue - The Union makes the following proposals for each of the Employer's issues in this category:
  - a. Vacation Accrual - The Union proposes to maintain the *status quo* and make no modifications to Article 9 as it relates to vacation accrual.
  - b. Number of Employees Permitted to Take Vacation Simultaneously- The Union proposes the following modifications to Article 9 (G):

G. Each platoon shall select vacation period independently of the others and by seniority in that platoon. ~~Two or more employees of the same platoon cannot be on vacation at the same time. Effective January 1, 2005, T~~two employees from the same platoon (provided both may not be Fire officers) may be on vacation at the same time, subject to Article 9, paragraph M.

- c. **Personal Time** - The Union proposes to maintain the *status quo* and make no modifications to Article 9 as it relates to personal time.

7. **SICK LEAVE and DISABILITY PROGRAM** - Employer's Issue - The Union makes the following proposals for each of the Employer's issues in this category:

- a. **Sick Leave Payout** - The Union proposes to maintain the status quo and make no modifications to Article 12 as it relates to sick leave payout.
- b. **Short-Term Disability (Eligibility)** - The Union proposes to maintain the status quo and make no modifications to Article 12 (I) of the agreement as it relates to eligibility for short-term disability.

8. **INSURANCE** - Employer's Issue - The Union makes the following proposals for each of the Employer's issues in this category:

- a. **Health Insurance Plan** - The Union proposes the following modifications to Article 14(B):

B. The Employer shall maintain health, dental, and optical insurance for Fire Department employees. The Employer will provide at the Employer's expense, subject to the provisions of Paragraph C (below), M-Care PPO Plan 1 and M-Care HMO. Pursuant to the dissolution of M-Care as a healthcare provider and the subsequent acquisition of M-Care PPO by Blue Cross and Blue Shield (BC/BS) and M-Care HMO by the Blue-Care Network (BCN), the policies were transferred to BC/BS and BCN with the most closely corresponding coverage and benefits effective January 2008. BCN 10 HMO as detailed in Exhibit \_\_\_\_\_ -active and Exhibit \_\_\_\_\_ retiree, as quickly as practicable after the date of the issuance of the Act 312 award. The plan shall include a \$3000/\$6000 annual individual/family in-network deductible, with such deductible to be paid in full by the Township. The Employer shall maintain the current benefit plans in full force and effect until the BCN 10 HMO is in place.

- b. **Insurance Copays** - The Union proposes the following modifications to Article 14(C)(1) and Article 14(C)(2):

C. Employee health insurance programs are subject to the following:

1. Prescription co-pay (all-programs) shall be \$10.00 generic pharmaceutical, \$20.00 brand name preferred and ~~\$30.00~~ \$40.00 brand name, non preferred. In those cases when a generic equivalent is available, but an insured or his or her physician insists on a brand name drug in lieu of the available generic equivalent, the employee shall be responsible for any additional cost of the brand name drug in excess of the generic equivalent to the extent not paid by the carrier or HMO, over and above the applicable \$20.00 co-pay.
2. Office visit co-pay: (HMO: ~~\$10.00~~ \$30.00) (PPO: ~~\$15.00~~). (ER Co-pay HMO: ~~\$25.00~~; \$100.00 PPO ~~\$50.00~~). (UC Co-pay: HMO: ~~\$10.00~~; \$35.00 PPO: ~~\$15.00~~).

c. **Employer Health Care Contribution Limit** - The Union proposes to modify Article 14(C)(3) as follows:

Insurance Premium Sharing as follows: During any rating year in which the premium for the insurance plan selected by the employee increases by greater than ten (10%) percent over the previous year's premium, the employee shall pay fifty (50%) percent of the amount of the premium increase in excess of ten (10%) percent by means of a payroll deduction. (For example, if the premium increases fourteen (14%) percent over the previous year's premium in a given rating year, the employee shall pay two (2%) percent of the premium INCREASE if he maintains that program. If the premium increases nine (9%) percent in the following rating year, the employee shall pay no premium to maintain the program. The maximum that an employee shall have to pay towards the premium in any year shall be one (1%) percent of the amount of his annual base salary as of January 1st of that year. Employees shall contribute to the cost of health care coverage by way of payroll deductions spread evenly over each payroll period, in the amount of 1% of his/her annual base wage.

d. **Benefits for Medicare Eligible Retirees/Spouses** - The Union proposes to maintain the *status quo* and make no modifications to Article 14 as it relates to health care benefits for Medicare eligible retirees/spouses.

e. **Retiree Health Care Opt Out** - The Union proposes to modify Article 14(J)(3) as follows:

3. Union members and retirees who waive medical benefits will be entitled to a taxable cash benefit of ~~\$50.00~~ \$150.00 per pay period for the duration of the waiver. Effective April 1, 2008, this amount shall be increased to \$150.00 per pay period. The Employer shall issue one check per month for the full amount due each retiree for the month that the waiver is effective. The provisions of Article 14(J)(1) above shall apply equally to retirees.

f. **Retiree Health Care (New Hires)** - The Union proposes to maintain the *status quo* and make no modifications to Article 14 as it relates to

the availability of retiree health care to newly hired bargaining unit members.

- g. **Retiree Health Care (Spousal Eligibility)** - The Union proposes the following modifications to article 14(G) as it relates to spousal eligibility:

G. The Employer will provide retirees who leave the Fire Department after twenty-five (25) years of service, and their spouses, with health insurance comparable to that provided full-time employees, including dental, optical and prescription drug riders, provided that benefits are coordinated with Medicare, Medicaid, and other benefits provided by subsequent employer's or spousal employers. For the purposes of this subsection, a spouse shall be defined as the individual to whom the bargaining unit member was married on the date of his or her retirement. Retiree shall be provided the opportunity to pay the cost for coverage of dependents at the Township's group rate, including premium increases and a charge for administrative costs in the amount of two per cent (2%) of the retiree's premium payment for such additional coverage. Effective as soon as possible after execution of this Agreement, the Employer shall pay 25% of the group premium rate for providing such coverage to dependents of all future retirees. Upon retirement and eligibility, Medicare shall be the primary insurer. The Employer will reimburse retired employees who were hired prior to 1961 for Medicare medical co-payments. No one hired in 1961 or thereafter will be reimbursed for Medicare medical co-payments. The Employer will also provide term life insurance for retirees in an amount not less than \$2,000,00. A spouse who is divorced from her retiree, or who remarries after the retiree's death, shall only be eligible for those benefits which the spouse would be permitted to obtain, by providing the Employer with the premium, under Federal laws regarding extended health care coverage. Notwithstanding the above, retirees who currently have coverage under Blue Cross Blue Shield shall continue to be provided such coverage. If, however, BCBS shall discontinue the Township's ability to provide said coverage pursuant to the Michigan Small Group Reform Act or for other reasons beyond the control of the Township, those retirees shall be provided coverage comparable to that provided full-time employees.

- 9. **PENSION** - Employer's Issue - The Union makes the following proposals for each of the Employer's issues in this category:

- a. **Pension Plan (New Hires)** - The Union proposes to maintain the *status quo* and make no modifications to Article 23 as it relates to the pension plan offered to newly hired bargaining unit members.
- b. **Employer Pension Contribution** - The Union proposes to maintain the *status quo* and make no modifications to Article 23 as it relates to the Employer's contribution to the pension plan.

10. **EXTENSION** - Employer's Issue - The Union proposes to delete Article 25 – **EXTENSION** in its entirety and to modify Article 37 as follows:

### **DURATION OF AGREEMENT**

A. The provisions of this Collective Bargaining Agreement shall be effective as of the date specified in the ~~Collective Bargaining Agreement and pursuant to the Letter of Understanding attached hereto~~ of the Act 312 arbitrator's award and shall continue and remain in full force and effect to and including March 31, ~~2003~~, 2013 and thereafter for successive periods of one (1) year, unless either party shall, at least ninety (90) days prior to March 31st, serve written notice on the other party of a desire to terminate, modify, alter, amend, renegotiate, or change, ~~or any combination thereof~~, this collective bargaining agreement. ~~shall have the effect of terminating the entire Collective Bargaining Agreement on the expiration date in the same manner as a notice of desire to terminate unless before that date all subjects of amendment proposed by either party have been disposed of by agreement or by withdrawal, by the party proposing amendment. If either party serves such a notice upon the other the term of this agreement shall endure and all of the terms and conditions recited in this collective bargaining agreement shall remain in full force and effect until such time as a new collective bargaining agreement is reached by mutual agreement or by the award of an Act 312 arbitrator; provided however, that under no circumstances will the parties permit more than two (2) years to elapse from March 31 of the year in which the notice was served before filing an Act 312 petition with the Michigan Employment Relations Commission.~~

11. **STAFFING** - Employer's Issue - The Union proposes to maintain the *status quo* and make no modifications to Article 35 or any other article in the collective bargaining agreement relating to regular work days.
12. **SHIFT PREMIUM** - Union's Issue No. 4<sup>5</sup> - The Union elects to withdraw this issue from the consideration of the Act 312 panel.
13. **SHIFT BID** - Union's Issue No. 5 - The Union elects to withdraw this issue from the consideration of the Act 312 panel.
14. **PROMOTION** - Union's Issue No. 6 - The Union proposes the following modifications to Article 10:

### **SENIORITY AND PROMOTION**

- A. Seniority within a given rank shall be based on the date of appointment to that rank, and if two (2) or more individuals have the same date of appointment then the seniority shall be based on the results of the examination score if promoted pursuant to Act 78; that is, the individual having the highest score shall receive

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<sup>5</sup> The issue numbers attributed to the Union's issues relate back to their numerical designation on the Union's Answer to the Act 312 petition.

the highest seniority. Otherwise, individuals promoted on the same date shall have their in-grade seniority determined on the basis of their department seniority.

- B. Notwithstanding the provisions of Act 78, seniority for purposes of filling vacancies above the rank of Firefighter shall be in accordance with the terms of Act 78 based upon seniority in-grade and the following qualifications: Lieutenant: Fire Officer 1 & 2; Captain: Fire Officer 1, 2, & 3. To be eligible to test for promotion to a position above the rank of Firefighter an individual must be a member of the Union (or an individual who tenders service fee - See Article 2, Paragraph G) and have completed five (5) years of service with the Charter Township of Plymouth fire department.
- C. Notwithstanding the provisions of Act 78, any member of the unit in the rank of Lieut. or above shall be permitted to test for the purpose of filling a vacancy in the position of Chief of the Department.
15. **OVERTIME PAY (604 PAY)** - Union's Issue No. 7 – The Union elects to withdraw this issue from the consideration of the Act 312 panel.
16. **OVERTIME PAY (604 PAY FORFEITURE)** - Union's Issue No. 8 – The Union proposes to modify Article 5(D)(1) as follows:
1. All Firefighters/Fire Officers shall be paid one and one-half (1-1/2) their hourly wage rate based on fifty-four (54) hour work week for all time spent on duty in excess of the nearest one-quarter (1/4) of an hour worked. Act 604 pay shall be paid on the regular pay day next following the end of the bonus cycle. For the purposes of this subsection, utilization of sick time and personal time shall be counted as hours worked and shall not cause the forfeiture of Act 604 pay.
17. **BONUS PAY** - Union's Issue No. 9 - The Union elects to withdraw this issue from the consideration of the Act 312 panel.
18. **LONG-TERM DISABILITY** - Union's Issue No. 10 - The Union elects to withdraw this issue from the consideration of the Act 312 panel.
19. **LIGHT DUTY** - Union's Issue No. 11 - The Union elects to withdraw this issue from the consideration of the Act 312 panel.
20. **TRADING DAYS** – Union's Issue No. 12 - The Union proposes to modify Article 7 by adding the following new paragraph:

Employees may participate in "round-robin" time trades. Such a trade enables employees to transfer trade time owed between each other. By way of example: if Employee A owes Employee B 24-hours' time from a previous trade and Employee C asks Employee B to work a 24-hour shift

for him, Employee A shall be allowed to work Employee C's 24-hour shift as repayment of his 24-hour debt to Employee B. In this example, Employee C would owe Employee B 24-hours of time as a result of Employee A covering the traded shift.

21. **BEREAVEMENT LEAVE** - Union's Issue No. 13 - The Union elects to withdraw this issue from the consideration of the Act 312 panel.
22. **VACATION (SCHEDULING)** - Union's Issue No. 14 - The Union elects to withdraw this issue from the consideration of the Act 312 panel.
23. **PERSONAL LEAVE (PAYOUT)** - Union's Issue No. 15 - The Union elects to withdraw this issue from the consideration of the Act 312 panel.
24. **PENSION (D-2)** - Union's Issue No. 16 - The Union elects to withdraw this issue from the consideration of the Act 312 panel.
25. **RETIREE HEALTH CARE (BENEFIT LEVEL)** - Union's Issue No. 17 – The Union proposes the following modification to Article 14(G) as it relates to the retiree health care benefit level:

G. The Employer will provide retirees who leave the Fire Department after twenty-five (25) years of service, and their spouses, with health insurance comparable to that provided full-time employees on the date of his/her retirement, including dental, optical and prescription drug riders, provided that benefits are coordinated with Medicare, Medicaid, and other benefits provided by subsequent employer's or spousal employers. Retiree shall be provided the opportunity to pay the cost for coverage of dependents at the Township's group rate, including premium increases and a charge for administrative costs in the amount of two per cent (2%) of the retiree's premium payment for such additional coverage. Effective as soon as possible after execution of this Agreement, the Employer shall pay 25% of the group premium rate for providing such coverage to dependents of all future retirees. Upon retirement and eligibility, Medicare shall be the primary insurer. The Employer will reimburse retired employees who were hired prior to 1961 for Medicare medical co-payments. No one hired in 1961 or thereafter will be reimbursed for Medicare medical co-payments. The Employer will also provide term life insurance for retirees in an amount not less than \$2,000.00. A spouse who is divorced from her retiree, or who remarries after the retiree's death, shall only be eligible for those benefits which the spouse would be permitted to obtain, by providing the Employer with the premium, under Federal laws regarding extended health care coverage. Notwithstanding the above, retirees who currently have coverage under Blue Cross Blue Shield shall continue to be provided such coverage. If, however, BCBS shall discontinue the Township's ability to provide said coverage pursuant to the Michigan Small Group Reform Act or for other reasons beyond the control of the Township, those retirees shall be provided coverage comparable to that provided full-time employees.



26. INDEMNIFICATION - Union's Issue No. 18 - The Union elects to withdraw this issue from the consideration of the Act 312 panel.
27. TUITION REIMBURSEMENT - Union's Issue No. 19 - The Union elects to withdraw this issue from the consideration of the Act 312 panel.
28. EXTENSION - Union's Issue No. 20 - The Union proposes to delete Article 25 – EXTENSION in its entirety and to modify Article 37 as follows:

### DURATION OF AGREEMENT

A. The provisions of this Collective Bargaining Agreement shall be effective as of the date specified in the ~~Collective Bargaining Agreement and pursuant to the Letter of Understanding attached hereto~~ of the Act 312 arbitrator's award and shall continue and remain in full force and effect to and including March 31, 2003, 2013 and thereafter for successive periods of one (1) year, unless either party shall, at least ninety (90) days prior to March 31st, serve written notice on the other party of a desire to terminate, modify, alter, amend, renegotiate, or change, ~~or any combination thereof,~~ this collective bargaining agreement. ~~shall have the effect of terminating the entire Collective Bargaining Agreement on the expiration date in the same manner as a notice of desire to terminate unless before that date all subjects of amendment proposed by either party have been disposed of by agreement or by withdrawal, by the party proposing amendment. If either party serves such a notice upon the other, the term of this agreement shall endure and all of the terms and conditions recited in this collective bargaining agreement shall remain in full force and effect until such time as a new collective bargaining agreement is reached by mutual agreement or by the award of an Act 312 arbitrator; provided however, that under no circumstances will the parties permit more than two (2) years to elapse from March 31 of the year in which the notice was served before filing an Act 312 petition with the Michigan Employment Relations Commission.~~

~~B. If any negotiations described in Section A above reach an impasse, the procedure described in Act 379 of the Michigan Public Act of 1965 shall be followed.~~

Respectfully submitted this fourth day of January 2012.

MICHAEL L. O'HEARON, PLC

Michael L. O'Hearon

**Charter Township of Plymouth**  
**and**  
**International Association of Fire Fighters, Local 1496**  
**312 ARBITRATION**

**CHARTER TOWNSHIP OF PLYMOUTH'S LAST**  
**OFFERS OF SETTLEMENT**

**TOWNSHIP ISSUES**

**1. Duration**

- o 3 year agreement from April 1, 2010 through March 31, 2013

**CONTRACT LANGUAGE:**

Article 37, Duration of Agreement – Modify Section A as follows:

A. The provisions of this Collective Bargaining Agreement shall be effective as of the date specified in the Collective Bargaining Agreement and pursuant to the Letter of Understanding attached hereto and shall continue and remain in full force and effect to and including March 31, ~~2009~~2013, and thereafter for successive periods of one (1) year, unless either party shall, at least ninety (90) days prior to March 31<sup>st</sup>, serve written notice on the other party of a desire to terminate, modify, alter, amend, renegotiate, or change, or any combination thereof, shall have the effect of terminating the entire Collective Bargaining Agreement on the expiration date in the same manner as a notice of desire to terminate unless before that date all subjects of amendment proposed by either party have been disposed of by agreement or by withdrawal, by the party proposing amendment.

**2. Management Rights – Clarification of Township's right to use part-time firefighters**

- o Include language in the Agreement which reflects Township's existing right to utilize part-time employees

**CONTRACT LANGUAGE:**

Article 3, Management Rights Clause – Modify Sections G and L as follows:

G. To hire new employees in either a paid on-call, part-time or full-time capacity, to assign and layoff employees subject to Act 78 (Act 78 applies to full-time employees only) and this Collective Bargaining Agreement;

\* \* \*

L. To establish work schedules which includes paid on-call, part-time or full-time schedules, work standards and the methods, processes, and procedures by which such work is to be performed;

### 3. Wages and Other Benefits

#### a. Wage Reduction

- o Across the Board wage decrease of 7% for the duration of Agreement with wages to be reinstated effective at contract expiration

#### CONTRACT LANGUAGE:

Article 5, Wages and Other Benefits – Modify Section B as follows:

B. For firefighters the following annual salary schedules, which reflect a 7% wage decrease effective at the date of the 312 award to be reinstated upon contract expiration, will be effective:

	<u>4/1/2006</u> (3% increase)	<u>4/1/2007</u> (1.5% increase)	<u>10/1/2007</u> (1.5% increase)	<u>4/1/2008</u> (1.5% increase)	<u>10/1/2008</u> (1.5% increase)
Start (60%)*	\$36,019.98	\$36,560.28	\$37,108.68	\$37,665.31	\$38,230.29
After 1 Year (68%)	\$40,822.62	\$41,434.96	\$42,056.48	\$42,687.33	\$43,327.64
After 2 Years (75%)	\$45,024.96	\$45,700.33	\$46,385.83	\$47,081.62	\$47,787.84
After 3 Years (82%)	\$49,227.27	\$49,965.68	\$50,715.17	\$51,475.90	\$52,248.04
After 4 Years (90%)	\$54,029.95	\$54,840.40	\$55,663.01	\$56,497.96	\$57,345.43
After 5 Years (100%)	\$60,033.27	\$60,933.77	\$61,847.78	\$62,775.50	\$63,717.13

	<u>4/1/2010</u>	<u>(date of award)</u> (7% decrease)	<u>Upon contract termination</u> (restoration)
Start (60%)*	\$38,230.29	\$35,554.17	\$38,230.29
After 1 Year (68%)	\$43,327.64	\$40,294.71	\$43,327.64
After 2 Years (75%)	\$47,787.84	\$44,442.69	\$47,787.84
After 3 Years (82%)	\$52,248.04	\$48,590.68	\$52,248.04
After 4 Years (90%)	\$57,345.43	\$53,331.25	\$57,345.43

After 5 Years (100%)	\$63,717.13	\$59,256.93	\$63,717.13
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\*Percentage based on annual salary of a firefighter/EMT; year (i.e. "1 year") means 1 year from date of hire.

All new hire firefighters shall be certified in accordance with the Michigan State Firefighting Training Council's mandate for full-time Firefighter/Training Programs. Level II Firefighter Training Course and the Conference of Western Wayne Firefighter testing Program must be completed before hire. An applicant must possess a State of Michigan License.

For Fire Officers the following annual salary schedules, which reflect a 7% wage decrease effective at the date of the 312 award to be reinstated upon contract expiration, will be effective:

	4/1/2006	4/1/2007	10/1/2007	4/1/2008	10/1/2008
Lieutenant	\$64,315.82	\$65,280.56	\$66,259.77	\$67,253.67	\$68,262.48
Captain					
Entry:	\$66,082.93	\$67,074.17	\$68,080.28	\$69,101.48	\$70,138.00
After Six Months:	\$67,597.10	\$68,611.06	\$69,640.23	\$70,684.83	\$71,745.10

	4/1/2010	(date of award) (7% decrease)	Upon contract termination (restoration)
Lieutenant	\$68,262.48	63,484.11	\$68,262.48
Captain			
Entry:	\$70,138.00	\$65,228.34	\$70,138.00
After Six Months:	\$71,745.10	\$66,722.94	\$71,745.10

NOTE: SAME MODIFICATIONS TO SALARY SCHEDULE IN APPENDIX A

**b. Convert annual salary to hourly to establish wage reduction based on conversion to 12 hours shifts**

- o Plymouth Township withdraws this issue as the appropriate salary applicable for employees working a 12 hour shift is addressed in Issue 4, below.

**c. Reduction of longevity for current employees**

- o Reduce longevity to current employees as follows: \$150 after 3 years, \$50 for each additional year of service to a maximum of \$1,000

NOTE: Contract language for issue 3.c is combined with contact language for issue 3.d below.

**d. Elimination of longevity for employees hired after April 1, 2010**

- o Eliminate longevity for employees hired after April 1, 2010

CONTRACT LANGUAGE FOR ISSUES 3.c and d:

Article 5, Wages and Other Benefits – Modify Section C.1 as follows:

**C. Longevity Pay.**

Effective [DATE OF AWARD], eEach Firefighter or Fire Officer hired prior to April 1, 2010 shall receive longevity pay based on the following years of service, in addition to his regular pay:

1. Upon completion of ~~five (5)~~ three (3) years of service, each employee shall receive longevity pay in the amount of ~~\$1250.00~~. An additional \$50.00 per year will be paid to eligible employees for each additional year of service (beyond three (3) years) to a maximum of \$1,000.00. ~~For each additional year from the sixth year of service through the ninth year, each employee shall receive longevity pay in the amount of \$75.00 per year. For each additional year of service beginning with the tenth year and for each year thereafter, each employee shall receive longevity pay in the amount of \$100.00 per year, up to a maximum annual longevity payment of \$2,150.00. (For example, an employee completing 20 years of service would receive \$250.00 for the first five years, \$300.00 for the sixth through ninth years, and \$1,100.00 for the tenth through the twentieth years, for a total longevity payment of \$1,650.00.)~~ Longevity pay will be . . .

**e. Eliminate food allowance**

- o Eliminate food allowance for employees regularly scheduled to shifts which are less than 24 hours

CONTRACT LANGUAGE:

The contract language for this item is included in the contract language in Issue 4, as it only relates to employees who work 12 hour shifts

**4. Hours of Employment - Implementation of 12 hour shifts and associated changes in scheduling, pay and benefit provisions throughout agreement**

- o Add language clarifying Township's right to determine schedules, including the right to work a portion or the entire department on a 12 hour work schedule and modify wage and benefit provisions, including salary schedule, overtime, food allowance, trading of days, holidays, vacation time and personal time to bring into line with a 12 hour work schedule.

CONTRACT LANGUAGE:

Article 6, Hours of Employment – Modify Article as follows:

A. The Township shall have the right to assign Firefighters and Fire Officers to a 24 hour work schedule or a 12 hour work schedule. When the Township elects to assign only a portion of the Department to a 12 hour work schedule, such assignment shall be based on seniority meaning the least senior bargaining unit member shall be selected to work a 12 hour shift, subject to management discretion based on operating needs. Notwithstanding any language in this or other Articles in this contract, employees may be assigned between 12 hour work schedules and 24 hour work schedules at any time during the year.

B. 24 Hour Work Schedules

~~A.i.~~ The work week for Firefighters and Fire Officers working a 24 hour work schedule shall be fifty-six (56) hours a week based on an average of fifty-two (52) weeks per year. This shall not be construed as a guarantee of minimum hours worked per day or days worked per year.

~~B.ii.~~ All Firefighters and Fire Officers working a 24 hour work schedule ~~fifty-six (56) hours per week~~ employee shall work a twenty-four work day beginning at 8:00 a.m. and terminating at 8:00 a.m. the following day. Each day off shall be twenty-four (24) consecutive hours and each employee shall work three (3) days in every nine (nine) consecutive days. The work will be scheduled as follows: W O W O W O O O O (W = Work Day; O = Off Duty Day).

~~C.iii.~~ The annual salary of a firefighter or fire officer working a 24 hour work schedule shall be based upon a fifty-four hour (54) hour week.

~~D.iv.~~ The hourly wage for a Firefighter and a Fire Officer working a 24 hour work schedule, for all purposes of this Collective Bargaining Agreement, shall be determined by dividing the annual salary in Article 5 and Appendix A by 2,808 hours (54 hours/week x 52 weeks/year).

C. 12 Hour Work Schedules

~~i.~~ The basic hours of employment for Fire Fighters and Fire Officers working a 12 hour work schedule will consist of a twelve (12) hour day, eighty-four (84) hour, two (2) week pay period. A week shall be from Monday through Sunday. This shall not be construed as a

guarantee of minimum hours worked per day or days worked per year.

- ii. The day shift for Fire Fighters and Fire Officers working a 12 hour work schedule shall be from 8:00 a.m. to 8:00 p.m. and the night shift shall be from 8:00 p.m. to 8:00 a.m.
  - iii. The annual salary of a firefighter or fire officer working a 12 hour work schedule shall be based upon a forty-two hour (42) hour week.
  - iv. Fire Fighters and Fire Officers working a 12 hour work schedule shall be paid the same hourly wage rate as employees working the 24 hour schedule. The hourly wage rate for employees working a 12 hour work schedule for all purposes under this collective bargaining agreement shall be determined by dividing the annual salary for 12 hour employees listed in Article 5 and Appendix B by 2,184 hours (42 hours/week x 52 weeks/year).
- ED. All other employees shall work eight and one-half (8 1/2) hours per day from Monday through Friday, inclusive, excluding holidays (except as otherwise provided in the Collective Bargaining Agreement). From this eight and one-half hour schedule, employees shall be permitted one hour unpaid lunch. This shall not be construed as a guarantee of hours worked per day or days worked per year.
- FE. A half-time calculation shall be used for purposes of calculating FLSA overtime due for bonuses paid members of the bargaining unit. For illustrative purposes only, the parties have adopted a letter of calculation.
- GF. On or before November 15 of each year, the Department shall notify employees of platoon transfers to take place in January of the following year. The notification shall include the name of the employees being transferred and the platoon to which they shall be transferred.

Article 5, Wages and Other Benefits – Modify Sections B, D.1 and F as follows:

- B. i. For Firefighters working a 24 hour work day schedule, the following annual salary will be effective:

[Insert appropriate language/wage schedule based on resolution of wages issue]

- ii. For Firefighters working a 12 hour work day schedule, the following annual salary shall be effective:

	<u>4/1/2010</u>	<u>(date of award)</u> <u>(7% decrease)</u>	<u>Upon contract termination</u> <u>(7% increase)</u>
<u>Start (60%)*</u>	<u>\$29,724.24</u>	<u>\$27,643.54</u>	<u>\$29,724.24</u>
<u>After 1 Year (68%)</u>	<u>\$33,699.12</u>	<u>\$31,340.18</u>	<u>\$33,699.12</u>
<u>After 2 Years (75%)</u>	<u>\$37,171.68</u>	<u>\$34,569.66</u>	<u>\$37,171.68</u>
<u>After 3 Years (82%)</u>	<u>\$40,644.24</u>	<u>\$37,799.14</u>	<u>\$40,644.24</u>
<u>After 4 Years (90%)</u>	<u>\$44,597.28</u>	<u>\$41,475.47</u>	<u>\$44,597.28</u>
<u>After 5 Years (100%)</u>	<u>\$49,554.96</u>	<u>\$46,086.11</u>	<u>\$49,554.96</u>

\*Percentage based on annual salary of a firefighter/EMT; year (i.e. "1 year") means 1 year from date of hire

All new hire firefighters.....State of Michigan Paramedic License.

iii. For Fire Officers working a 24 hour day schedule the following annual salary schedules . . .

[Insert appropriate language/wage schedule based on resolution of wages issue]

iv. For Fire Officers working a 12 hour work day schedule, the following annual salary schedules will be effective:

	<u>4/1/2010</u>	<u>(date of award)</u> <u>(7% decrease)</u>	<u>Upon contract termination</u> <u>(7% increase)</u>
<u>Lieutenant</u>	<u>\$53,093.04</u>	<u>49,376.53</u>	<u>\$53,093.04</u>
<u>Captain</u>			
<u>Entry:</u>	<u>\$54,556.32</u>	<u>\$50,737.38</u>	<u>\$54,556.32</u>
<u>After Six Months:</u>	<u>\$55,801.20</u>	<u>\$51,895.12</u>	<u>\$55,801.20</u>

NOTE: SAME NEW LANGAUGE AND SALARY SCHEDULE IN NEW APPENDIX B

D. Overtime Pay.

1. a. All Firefighters/Fire Officers working a 24 hour work day schedule shall be paid one and one-half (1-1/2) their hourly wage rate based on fifty-four (54) hour work week for all time spent on duty in excess of the nearest one-quarter (1/4) of an hour worked. Act 604 pay shall be paid on the regular pay day next following the end of the bonus cycle.



b. All Firefighters/Fire Officers working a 12 hour work day schedule shall be paid one and one-half (1-1/2) their hourly wage rate for all time spent on duty in excess of the nearest one-quarter of an hour worked outside their regular schedule.

F. Food Allowance

Firefighters and Fire Officers regularly scheduled to work a 24 hour work day schedule shall be paid an annual food allowance of ~~\$750.00~~ \$775.00 to be paid one-half on the second employee payday in the month of September and one-half on the second employee payday in the month of March. ~~Effective April 1, 2004, the allowance shall be increased to \$775.00.~~ Employees who convert from a 12 hour work day schedule to a 24 hour work day schedule or from a 24 hour work day schedule to a 12 hour work day schedule shall receive a pro-rated food allowance.

Article 7, Trading of Days – Modify Article as follows:

All non-probationary Firefighters and Fire Officers will be permitted to voluntarily trade work or off-duty days with employees of the same rank. No employee shall exceed one-hundred twenty (120) hours of time to be repaid. Time may be traded in increments of one (1) hour or more. Employees may trade time on consecutive days. Trading of days shall only occur between Firefighters and Fire Officers working the same hourly work schedule.

\* \* \*

Article 8, Holidays – Modify Section A as follows:

\* \* \*

Effective for the term of this Collective Bargaining Agreement, all Firefighters and Fire Officers working a 24 hour work day schedule shall receive, in addition to their regular pay, annual holiday pay . . .for thirteen (13) holidays at the rate of 12 hours paid at individual employee's straight time rate for each holiday. Firefighters and Fire Officers working a 12 hour work day schedule shall be paid for 8 hours on each of the thirteen (13) holidays.\*

For Firefighters and Fire Officers working a 24 hour work day schedule, the straight time hourly rate is equal to the individual employee's base pay divided by 2,808 hours. For Firefighters and Fire Officers working a 12 hour work day schedule, the straight time hourly rate is equal to the individual employee's base pay divided by 2,184 hours. Notwithstanding the above schedule, an employee hired before the effective date of the merger will not receive less than \$1,820.00 per year in Holiday pay.

[\*Should Township proposal to reduce Holidays from 13 to 12.5 annually be awarded, that change would also be incorporated into this contract language.]

Article 9, Vacation Time/Personal Time – Modify Article as follows:

- A. i. As of December 31st of the preceding year, each Firefighter or Fire Officer working a 24 hour work day schedule shall earn credit toward a vacation with pay in accordance with the following schedule:

\* \* \*

- ii. As of December 31<sup>st</sup> of the preceding year, each Firefighter or Fire Officer working a 12 hour work day schedule shall earn credit toward a vacation with pay in accordance with the following schedule:

<u>Less than five years</u>	<u>12 days</u>
<u>5-9 years</u>	<u>18 days</u>
<u>10-14 years</u>	<u>24 days</u>
<u>15-20 years</u>	<u>25 days</u>
<u>Greater than 20 years</u>	<u>26 days</u>

- B. Credit will be earned for only those months in which ~~an~~ employees working a 24 hour shift works at least eight (8) working days and employees working a 12 hour shift works at least 18 days. Time spent on a scheduled vacation while on the active roll will be considered as time worked for computing credits. Time spent on a disability absence due to compensable injury or approved sick leave, bereavement and court and morgue time will be considered time worked, provided the employee works three (3) months during the calendar year in which credit is earned.
- C. If, as of December 31st of the year during which vacation is earned, an employee who was hired during such year worked at least three (3) months but earned less than three (3) working days for employees working a 24 hour work schedule and less than twelve (12) working days for employees working a 12 hour work schedule, he shall be eligible in the year in which vacation is taken for the number of non-accrued vacation days sufficient to bring his total vacation days both earned and non-accrued to three (3) working days for employees working a 24 hour work schedule and twelve (12) working days for employees working a 12 hour work schedule. No employee shall be entitled to non-accrued vacation days prior to completing six (6) months of continuous service.
- D. For employees working a 24 hour work schedule vVacations will be taken in period of three (3) consecutive working days minimum; provided, however, that a Firefighter or Fire Officer may take single day increments according to the following chart:

<u>Years</u>	<u>Single Day</u>
1-4	3
5-9	2
10-12	4
13-15	3
15+	4

Firefighters and Fire Officers working a 24 hour work day schedule may accumulate three (3) vacation days and carry them until January 5th of the next year. Any vacation not taken by January 5th is forfeited. An employee shall not forfeit his vacation when he is prevented from exercising his full vacation benefit due to disability absence. Vacations for employees working a 24 hour work day schedule are taken in minimum of 3 consecutive work days with only 1 off day between vacation days (i.e. M-W-F not W-F-W). If an employee has single day picks, the employee is allowed to pick as 3 consecutive, 2 consecutive or single day. Consecutive days are subject to the 1 off day between vacation days.

For firefighters and fire officers working a 12 hour work day schedule, up to seven (7) vacation days can be taken in less than five (5) day increments. Employees working a 12 hour work day schedule may, at the discretion of the Fire Chief, carry up to ten (10) days of vacation for up to six (6) months beyond December 31<sup>st</sup> of each calendar year. If the employee does not use their vacation within the six (6) month carry-over time period, their vacation time will be forfeited. An employee shall not forfeit his vacation when he is prevented from exercising his full vacation benefit due to disability absence.

\* \* \*

- F. For employees working a 24 hour work day schedule, one (1) working day of vacation time is a twenty-four (24) hour work day. For employees working a 12 hour work day schedule, one (1) working day of vacation is a twelve (12) hour work day.

\* \* \*

- H. Vacation periods shall be bid by employees on each platoon by seniority. This will be accomplished as follows: Bids for vacation periods shall be in by January 31<sup>st</sup>; For employees who work a 24 hour work day schedule, bidding will be for three (3) days at a time. For employees who work a 12 hour work day schedule, bidding will be for five (5) days at a time. This bidding will continue until all employees on a platoon have bid their respective amounts of vacation.

- I. For employees working a 24 hour work day schedule, an employee's scheduled work day(s) (See Article 6, Paragraph B) falling within a scheduled and approved vacation period will be considered time worked for bonus cycle overtime wage purposes. (This bonus cycle credit shall apply to approved vacation days and shall not apply to any other form of paid leave time or paid time off).

\* \* \*

L. Upon termination of employment, employees with at least one (1) year departmental seniority shall be entitled to receive compensation equal to the number of unused vacation days at the employee's prevailing basic salary rate; at the hourly rate of pay times twenty-four times the number of unused days for employees who work a 24 hour work day schedule, and at the hourly rate of pay times twelve times the number of unused days for employees who work a twelve hour work day schedule.

M. All Firefighters and Fire Officers shall be allowed time for the conducting of personal business without loss of pay or deduction from their sick bank. Commencing January 1, 1998, such time cannot exceed forty-eight (48) hours per calendar year for employees working a 24 hour work day schedule and twenty-four (24) hours per calendar year for employees working a 12 hour work day schedule.\* Requests and approval for personal business time shall not be for less than four (4) hours. . .

[\*Should Township proposal to reduce personal time for all employees from 48 hours to 24 hours annually in Issue 6.c be awarded, that change would also be incorporated into this contract language.]

N. Evening Leave. A Firefighter or Fire Officer working a 24 hour work day schedule may be excused with pay from performing evening duty (after 1700 hours) under the following circumstances:

1. The individual has been away from the Township on business, or jury duty, for two or more consecutive days; and
2. The individual is returning to duty on a scheduled work day after 1700 hours; and
3. His excused absence will not adversely impact the operational efficiency of the Department; and
4. The Fire Chief has approved the evening leave.

**5. Holidays – reduce number of paid holidays**

- o Eliminate Easter Sunday as a paid holiday and replace it with a half day holiday on Good Friday.

CONTRACT LANGUAGE

Article 8, Holidays – Modify Section A as follows:

A. The following calendar days, or calendar day customarily celebrated in lieu thereof, shall be holidays for the purpose of this Collective Bargaining Agreement.

- (1) New Year's Day
- (2) Washington's Birthday (President's Day)
- (3) ~~Easter Sunday~~ Good Friday (1/2 day)
- (4) Memorial Day
- (5) Independence Day
- (6) Labor Day

\* \* \*

- (13) Martin Luther King Holiday

**6. Vacation and Personal Time**

**a. Modify accrual of vacation rates**

- o Reduce accrual of vacation time for all employees

CONTRACT LANGUAGE:

Article 9, Vacation Time/Personal Time – Modify Section A as follows:

A. As of December 31<sup>st</sup> of the preceding year, each Firefighter or Fire Officer shall earn credit toward a vacation with pay in accordance with the following schedule:

Less than one year	3 days
1-4 years	6 days
5-9 years	8 days
10-12years	10 days
13-15 years	12 days
Greater than 15 years	13 days

Effective January 1, 2013 the following schedule shall apply:

<u>Less than one year</u>	<u>3 days</u>
<u>1-4 years</u>	<u>6 days</u>
<u>5-9 years</u>	<u>8 days</u>
<u>10-15 years</u>	<u>9 days</u>
<u>Greater than 15 years</u>	<u>11 days</u>

- b. Delete reference to number of employees from the same platoon who can be on vacation at the same time

- o Delete reference to limitation on number of employees from the same platoon who can be on vacation at same time

CONTRACT LANGUAGE:

Article 9, Vacation Time/Personal Time – Modify Section G as follows:

G. Each platoon shall select their vacation period independently of the others and by seniority in that platoon. Two or more employees of the same platoon cannot be on vacation at the same time. ~~Effective January 1, 2005, two employees from the same platoon (provided both may not be Fire officers) may be on vacation at the same time, subject to Article 9, paragraph M.~~

**c. Reduction of personal time**

- o Reduce annual personal time from 48 hours to 24 hours

Article 9, Vacation Time/Personal Time – Modify Section M as follows

M. All Firefighters and Fire Officers shall be allowed time for the conducting of personal business without loss of pay or deduction from their sick bank. Commencing January 1, 1998, such time cannot exceed forty-eight (48) hours per calendar year. Effective January 1, 2013, such time cannot exceed twenty-four (24) hours per calendar year. Requests and approval for personal business time shall not be for less than four (4) hours. Such time can be taken at any time subject to the operational needs of the Department, however only one employee will be allowed off on personal leave at a time except in an emergency situation. .

**7. Sick Leave and Disability**

**a. Modify payout of sick leave**

- o Eliminate provision which provides for annual payout and replace with provision that provides for annual payout of 50% of unused sick time and 50% to supplemental bank
- o Cap maximum payout at termination

CONTRACT LANGUAGE:

Article 12, Sick Leave and Disability Program – Modify Section B as follows:

B. All hours in excess of 540 on January 1<sup>st</sup> of each year shall be paid off according to the following formula: ~~at the then prevailing hourly rate on the second employee payday of January.~~

- i. One-half (1/2) of each excess sick day will be paid for at the daily rate, as of December 31<sup>st</sup> of the preceding year.
- ii. The other one-half (1/2) of each excess sick day will be credited to the individual employee's Sick Leave Supplemental Bank (see Section 12.I).
- iii. Upon termination of employment, employees with at least one (1) year departmental seniority shall be entitled to receive compensation equal to the number of unused sick leave hours in the employee's sick time accumulation bank up to a maximum of 540 hours at the then prevailing hourly rate of pay.

- b. **Include provision which requires employee to be off work for 2 or more weeks before reaching eligibility for short term disability.**
  - o Include provision which requires employee to be off work for 2 or more weeks before reaching eligibility for supplemental sick leave bank

CONTRACT LANGUAGE:

Article 12, Sick Leave and Disability Program – Add new subsection 1.b to section I (and renumber current subsection 1.b to 1.c) to read as follows:

b. The employee suffers an illness or injury that causes the employee to be absent from work for at least two (2) weeks; and

**8. Insurance**

**a. Modify health insurance plan**

- o Change base plan from BCN Plan 5 to BCN Plan 10 effective as soon as administratively possible following the date of award which shall include deductibles of \$3000 (single)/\$6000 (two-person/family)

NOTE: Contract language for issue 8.a is combined with contact language for issue 8.b below.

**b. Increase prescription, emergency room, urgent care and office visit co-pays**

- o Increase prescription co-pays to \$10 generic, \$20 for preferred brand name and \$40 for non-preferred brand name effective as soon as administratively possible following the date of award
- o Increase emergency room co-pay to \$100 on all plans effective as soon as administratively possible following the date of award.

- o Increase urgent care co-pays to \$35 on all plans effective as soon as administratively possible following the date of award
- o Increase office visit co-pays to \$30 on all plans effective as administratively possible following the date of award.

CONTRACT LANGUAGE FOR TOWNSHIP ISSUES 8.a and 8.b:

Article 14, Insurance – Modify Sections B and C.1 and 2 as follows:

B. The Employer shall maintain health, dental, and optical insurance for Fire Department employees. The Employer will provide ~~at the Employer's expense, subject to the provisions of Paragraph C (below), M Care PPO Plan 1 and M Care HMO.~~ Pursuant to the dissolution of M-Care as a health care provider and the subsequent acquisition of M-Care PPO by Blue Cross and Blue Shield (BC/BS) and M-Care by the Blue Care Network (BCN), the policies were transferred to BC/BS and BCN with the most closely corresponding coverage and benefits effective ~~January 2008.~~ BCN 10 HMO as detailed in Exhibit – Active and Exhibit - Retiree, less any employee premium sharing required by Article 14.C.3, below. Payments shall be made by means of payroll deduction spread evenly over each payroll period.

C. Employee health insurance programs are subject to the following:

1. Prescription co-pay (all programs) shall be \$10.00 generic pharmaceutical, \$20.00 brand name preferred and \$30.00 brand name non preferred. In those cases where a generic equivalent is available, but an insured or his or her physician insists on a brand name in lieu of the available generic equivalent, the employee shall be responsible for any additional cost of the brand name in excess of the generic equivalent to the extent not paid by the carrier of HMO, over and above the applicable \$20.00 co-pay. Effective as soon as administratively possible following [DATE OF AWARD], the prescription coverage shall be an open formulary plan with a co-pay of \$10.00 for generic pharmaceuticals, \$20.00 for preferred brand name pharmaceuticals, and \$40.00 for non-preferred brand name pharmaceuticals. Employees will continue to pay the additional costs as described above when the insured or his or her physician insists on a brand name drug when a generic equivalent is available.

2. Office visit co-pay: (HMO: \$10.00) (PPO: \$15.00). (ER Co-pay HMO: \$25.00; PPO \$50.00). (UC Co-pay: HMO: \$10.00; PPO \$15.00). Effective as soon as administratively possible following [DATE OF AWARD] the HMO shall include the following co-pays: The Office visit co-pay shall be \$30.00, the Urgent Care Co-pay shall be \$35.00 and the Emergency Room Co-pay shall be \$100.00.



c. **Cap Township's maximum annual contribution to health insurance for active and retirees**

- o Employee to contribute 20% of the cost of the employee's health insurance pursuant to Public Act 152 of 2011
- o Employees who retire after the date of award shall contribute 20% of the cost of the retiree's health insurance

CONTRACT LANGUAGE:

Article 14, Insurance – Modify Sections C.3 and G as follows:

C. Employee health insurance programs are subject to the following:

\* \* \*

3. Insurance Premium Sharing as follows: During any rating year in which the premium for the insurance plan selected by the employee increases by greater than then (10%) percent over the previous year's premium, the employee shall pay fifty (50%) percent of the amount of the premium increase in excess of ten (10%) percent by means of a payroll deduction. . . . The maximum an employee shall have to pay towards the premium in any year shall be one (1%) percent of the amount of his annual base salary as of January 1<sup>st</sup> of that year. Effective on the date required by Public Act 152 of 2011, and in lieu of any premium sharing referenced above, employees shall contribute 20% of the costs of Township-provided health insurance by way of payroll deduction spread evenly over each payroll period.

\* \* \*

G. The Employer will provide retirees who leave the Fire Department after twenty-five (25) years of service, and their spouses, with health insurance comparable to that provided full-time employees, including dental, optical and prescription drug riders, provided that benefits are coordinated with Medicare, Medicaid, and other benefits provided by subsequent employers or spousal employers. Employees who retire after [Date of Award] shall contribute 20% of any health care cost paid by the Township for retiree coverage for that employee in each year of retirement. The retiree contribution shall be paid directly to the Township prior to the start of the benefit plan year each year of retirement. Retirees shall be provided the opportunity to pay the cost for coverage of dependents at the Township's group rate, including premium increases and a charge for administrative costs in the amount of two percent (2%) of the retiree's premium payment for such additional coverage. . .

- d. **Medicare eligible retirees/spouses to receive payment in lieu of health insurance and are responsible to purchase supplemental insurance**
  - o Medicare eligible retirees/spouses to receive payment in lieu of health insurance and are responsible to purchase supplemental insurance. Payments will be in the annual amount of \$1,500 for single coverage and \$3,000 for two-person coverage, increased annually based on SS CPI

CONTRACT LANGUAGE

Article 14, Insurance – New Section H to read (re-letter current provisions accordingly):

H. Coverage upon eligibility for Medicare

a. Retired Employee Becomes Medicare Eligible.

When a retiree and his/her spouse becomes Medicare-eligible or when a retiree without a spouse becomes Medicare-eligible, in lieu of retiree health insurance the Township will provide an annual reimbursable amount not to be rolled over from year to year of \$1,500.00 for single and \$3,000.00 for a couple into a health reimbursable account which may be used for all medical expenses allowed under law. This payment shall be pro-rated in the calendar year when the payment first begins with the \$1,500.00/\$3,000.00 payment being based on a full calendar year.

b. Spouse of Retired Employee Becomes Medicare Eligible.

When the spouse of a retiree becomes Medicare-eligible prior to the retired employee becoming Medicare-eligible, the \$1,500.00 annual payment into the health reimbursable account will be made on behalf of the spouse in lieu of health insurance for the spouse. The retired employee will continue to receive Township provided health insurance until such time as he/she becomes Medicare-eligible.

c. It shall be the responsibility of the retired employee and/or spouse to secure supplemental insurance.

d. On January 1, 2013, and each year thereafter, the amounts provided in this section shall be increased by the then most recent Social Security Consumer Price Index increase, if any increase is provided.

e. **Add retiree health care opt out**

- o Retirees who opt out of health insurance shall receive \$3,900 per year.

CONTRACT LANGUAGE

Article 14, Insurance – New Section I to read (re-letter current provisions accordingly):

I. Retiree Opt-Out

- a. Retirees who elect to waive medical benefits will be entitled to an annual taxable cash benefit in the amount of \$3,900. Retirees wishing to waive medical benefits must complete a Waiver of Medical Benefits form and submit it to Human Resources. Waiver of medical benefits shall remain in effect from coverage year to coverage year unless revoked by the retiree, in writing, during a subsequent open enrollment period or as otherwise provided in this Agreement. As a condition of waiver of medical benefits, the retiree must submit a letter to Human Resources certifying that the retiree and the retiree's dependents will be covered under a health insurance plan, as well as any other documentation required by state and/or federal law. Said certification must be provided to Human Resources each year in order to maintain waiver of benefits.
- b. In the event a retiree's outside insurance coverage is terminated for a reason that would permit reentry into the Township's health insurance plan, the Township will endeavor to enroll the retiree and the retiree's eligible spouse, if one exists, in a Township sponsored medical benefits plan at the earliest possible date allowed by the chosen insurance carrier.
- c. In the event of any conflict between the payment-in-lieu policy and the terms of any applicable health, dental or optical insurance plan or policy, the terms of the insurance plan or policy shall be controlling.
- d. Employees must notify the Township within thirty (30) days of a status change which would effect a retiree's eligibility or benefit under this section.

**f. New hires to receive HRA contribution rather than retiree health care**

- o Employees hired on or after the date of award shall receive a Township contribution of \$50 per pay period in lieu of retiree health insurance. Employees shall vest 50% after ten years of employment, 75% after fifteen years of employment and 100% after twenty years of employment.

CONTRACT LANGUAGE

Article 14, Insurance – New Section J to read:

J. EMPLOYEES HIRED ON OR AFTER [DATE OF AWARD]

Employees hired on or after [DATE OF AWARD], in lieu of retiree health insurance, will be eligible to participate in a Health Reimbursable Account under the following terms: Township to contribute \$50 per pay. Employees shall vest 50% after 10 years of employment, 75% after 15 years of employment and 100% after 20 years of employment.

**g. Retiree healthcare provided only to spouse at time of retirement**

- o Retiree health care provided only to the spouse at the time of retirement

CONTRACT LANGUAGE

Article 14, Insurance – New Section K to read (re-letter current provisions accordingly):

K. SPOUSE DEFINED

Effective [DATE OF AWARD], any retirement benefits in this provision provided to the spouse of the employee, shall be limited solely to the employee's spouse at the time of retirement.

**9. Pension**

**a. Defined Contribution for new employees**

- o Employees hired after the date of award shall participate in a defined contribution pension plan with the Township to contribute 15% of the employee's base wage and the employee to contribute 5% of base wages.

CONTRACT LANGUAGE:

Article 23, Pension – New Section D to read:

D. Employees hired on or after [DATE OF AWARD] shall participate in a defined contribution plan with John Hancock Life Insurance Company. The terms of the Plan Document for this pension plan and any Adoption Agreements adopted by the Township shall be controlling as to all matters concerning contributions, eligibility and other required matters. The Township shall contribute the following amounts each year to the pension plan: fifteen (15%) percent of the employee's base wages. The employee shall make retirement contributions of five (5%) percent of his/her base wages (pre-tax) to the pension plan. The employee may contribute up to an additional ten (10%) percent of the employee's base wages (after-tax) each year to the pension plan on a voluntary basis. The following schedule shall apply:

1. Personal/Individual Contributions: Employees will be immediately vested for all individual contributions (100% vesting).

2. Employer/Township Contributions:

20% vested after completion of one (1) year of plan participation  
40% vested after completion of two (2) years of plan participation  
60% vested after completion of three (3) years of plan participation  
80% vested after completion of four (4) years of plan participation  
100% vested after completion of five (5) years of plan participation

**b. Limit Township contribution rate to MERS pension for current employees**

- o Effective following the date of award the Township's maximum contribution rate shall be 13.5% of MERS payroll

CONTRACT LANGUAGE:

Article 23, Pension – Modify Article to read:

~~A. — The Employer shall maintain the existing Michigan Township Association Pension Plan for Township bargaining unit members. Effective soon as possible, the parties agree to establish a MERS defined benefit pension plan for Township employees (in contrast to former City of Plymouth employees), conditional upon all members of the unit agreeing to irrevocably transfer all funds in the Township's current DC plan attributable to the unit, whether through Township contributions on their behalf or voluntary employee contributions pursuant to Article 23(C) of the expired Collective Bargaining Agreement, (which the parties agree as of 4/04 was \$4,220,261) into MERS for purposes of partially funding the defined benefit plan.~~

AB. Employees\* shall be members of The MERS Defined Benefit Plan to be established which shall include a 2.8% multiplier, Vest 10, FAC3, 80% max. New employees will become participants under the Pension Plan on the date of hire. Unit members shall be the initial 2.0% of salary contributions necessary to fund the Plan. The Employer shall then be responsible for future contributions to the Plan (subject to above) up to 13.5% of payroll as defined by MERS (excludes food and clothing, ALS & EMT bonuses, sick time payouts and benefit opt outs). Should the actuarially determined cost of the Plan exceed 15.5% 13.5%, members of the unit will be responsible for all additional contributions. up to a total of 7.0% Employee Employer contributions shall not exceed 13.5% 7.0% of MERS payroll, the Employer employee remaining responsible for funding any actuarially determined costs which exceed 20.5% 13.5% of payroll.

~~The parties agree that there shall be no duty to bargain any improvements to the MERS defined benefit plan and that negotiations to such an extent shall be deemed a permissive subject of bargaining from the date of this Agreement through the contract year expiring March 31, 2009.~~

~~BE.~~ Members of the Unit who were formerly employees of the City of Plymouth will not be covered under the provisions of Paragraph ~~BA~~ above but are subject to Paragraph ~~BC~~ below.

~~D.C.~~ ...

[\*Should Township proposal to provide future employees with a Defined Contribution pension be awarded, this contract language should be modified to reflect that only employees hired prior to the date of the Award are eligible for the MERS Pension plan]

#### 10. Extension

- o Clarify language to make clear that it only applies to mandatory subjects following expiration

#### CONTRACT LANGUAGE:

Article 25, Extension:

In the event that negotiations for any modifications or termination extend beyond the termination date of the Collective Bargaining Agreement, the mandatory terms and conditions of employment contained in this Collective Bargaining Agreement shall remain in full force and effect pending a new Collective Bargaining Agreement between the parties. Consistent with Michigan law, permissive bargaining subjects may be discontinued or modified unilaterally by the Township after contract expiration.

#### 11. Staffing – Saturday and Sunday to be regular work days

- o Include contract language which provides that Saturday and Sunday are regular work days

#### CONTRACT LANGUAGE:

Article 35, Staffing – Modify Section D to read:

~~D. — The Saturday work schedule shall be modified so as to be considered a non-duty day except that truck and generator maintenance checks shall be performed and special duties and assignments may still be required.~~ Saturday and Sundays shall be regular work days.

**UNION ISSUES**

**1. Wages Year 1 (April 1, 2010 to March 31, 2011)**

Township's Position: Status Quo (SEE TOWNSHIP ISSUE 3.a)

**CONTRACT LANGUAGE:**

See Township Issue 3.a

**2. Wages Year 2 (April 1, 2011 to March 31, 2012)**

Township's Position: Status Quo (SEE TOWNSHIP ISSUE 3.a)

**CONTRACT LANGUAGE:**

See Township Issue 3.a

**3. Wages Year 3 [April 1, 2011 to (date to be determined)]**

Township's Position: Temporary 7% wage reduction effective on the date of the 312 Award (SEE TOWNSHIP ISSUE 3.a)

**CONTRACT LANGUAGE:**

See Township Issue 3.a

**4. Shift Premium**

Township's Position: Status Quo – Township objects to inclusion of this issue as it was never raised during bargaining. Furthermore, because it was never discussed between the parties, the Township has no knowledge as to any specifics of the Union's proposal.

**CONTRACT LANGUAGE:**

No change in contract language

**5. Shift Bid**

Township's Position: Status Quo – Township objects to inclusion of this issue as it was never raised during bargaining. Furthermore, because it was never discussed between the parties, the Township has no knowledge as to any specifics of the Union's proposal.

CONTRACT LANGUAGE:

No change in contract language

**6. Promotions**

Township's Position: Status Quo – Township objects to inclusion of this issue as it was never raised during bargaining. Furthermore, because it was never discussed between the parties, the Township has no knowledge as to any specifics of the Union's proposal.

CONTRACT LANGUAGE:

No change in contract language

**7. Overtime Pay – Retain 604 pay**

Township's Position: Status Quo

CONTRACT LANGUAGE:

No change in contract language

**8. Overtime – Eliminate 604 forfeiture**

Township's Position: Status Quo – Township objects to inclusion of this issue as it was never raised during bargaining. Furthermore, because it was never discussed between the parties, the Township has no knowledge as to any specifics of the Union's proposal.

CONTRACT LANGUAGE:

No change in contract language

**9. Bonus Pay - Reclassification**

Township's Position: Status Quo – Township objects to inclusion of this issue as it was never raised during bargaining. Furthermore, because it was never discussed between the parties, the Township has no knowledge as to any specifics of the Union's proposal.

CONTRACT LANGUAGE:

No change in contract language

**10. Long Term Disability - Triggering**



Township's Position: Status Quo – Township objects to inclusion of this issue as it was never raised during bargaining. Furthermore, because it was never discussed between the parties, the Township has no knowledge as to any specifics of the Union's proposal.

CONTRACT LANGUAGE:

No change in contract language

**11. Light Duty**

Township's Position: Status Quo – Township objects to inclusion of this issue as it was never raised during bargaining. Furthermore, because it was never discussed between the parties, the Township has no knowledge as to any specifics of the Union's proposal.

CONTRACT LANGUAGE:

No change in contract language

**12. Trading Days**

Township's Position: Status Quo

CONTRACT LANGUAGE:

No change in contract language

**13. Bereavement Leave**

Township's Position: Status Quo

CONTRACT LANGUAGE:

No change in contract language

**14. Vacation - Scheduling**

Township's Position: Status Quo – Township objects to inclusion of this issue as it was never raised during bargaining. Furthermore, because it was never discussed between the parties, the Township has no knowledge as to any specifics of the Union's proposal.

CONTRACT LANGUAGE:

No change in contract language

**15. Personal Leave Time - Payout**

Township's Position: Status Quo – Township objects to inclusion of this issue as it was never raised during bargaining. Furthermore, because it was never discussed between the parties, the Township has no knowledge as to any specifics of the Union's proposal.

CONTRACT LANGUAGE:

No change in contract language

**16. Pension – D2**

Township's Position: Status Quo – Township objects to inclusion of this issue as it was never raised during bargaining. Furthermore, because it was never discussed between the parties, the Township has no knowledge as to any specifics of the Union's proposal.

CONTRACT LANGUAGE:

No change in contract language

**17. Retiree Health Care – Benefit Level**

Township's Position: Status Quo

CONTRACT LANGUAGE:

No change in contract language

**18. Indemnification**

Township's Position: Status Quo

CONTRACT LANGUAGE:

No change in contract language

**19. Tuition Reimbursement**

Township's Position: Status Quo – Township objects to inclusion of this issue as it was never raised during bargaining.

CONTRACT LANGUAGE:

E. Continuing Education.

The Employer will cover the expense of registration for educational classes if, in the opinion of the Fire Chief, a course would be of benefit to the Employer with regard to the performance of an employee's job, and provided a "C" average is maintained. Payment for the class is to be made by the employee, and will be reimbursed by the Employer at the end of the semester upon presentation of a payment receipt and evidence of having received at least a "C" average. Courses must be scheduled during other than normal work hours. Trading of time may be utilized for this purpose, providing such trading does not cost the Employer any additional overtime. The denial of a course approval may be appealed through the grievance process. Payments under this Paragraph shall be limited to ~~\$1,200.00~~ \$3,000.00 annually. An employee who is terminated for cause or quits/resigns from Township employment within three (3) years of receipt of reimbursement under this Article must repay the Township all funds received under this program for the employee's education benefit. The Township may deduct the amount of any such refund from any wages or termination payments due to the employee from the Township.

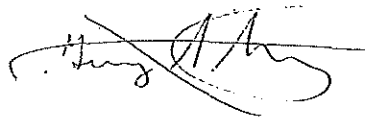
## 20. Extension Clause

Township's Position: See Township Issue 10

### CONTRACT LANGUAGE:

See Township Issue 10

Respectfully submitted,



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Gregory T. Schultz  
SCHULTZ AND YOUNG P.C.  
Attorneys for Charter Township of Plymouth  
615 Griswold St., 6<sup>th</sup> Floor  
Detroit, MI 48226  
(313) 962-8255