

THE STATE OF MICHIGAN
MICHIGAN EMPLOYMENT RELATIONS COMMISSION

IN THE MATTER OF ACT 312 ARBITRATION BETWEEN

Brownstown Township

And

The Police Officers Labor Council /

MERC Case # D14 K – 0931

COMPULSORY ARBITRATION

Pursuant to Act #312

Michigan Public Act of 1969 as Amended

OPINION AND ORDER

Arbitration Panel

Arbitrator/Chair
James C. Amar

Employer Delegate: Kevin J. Foley, Attorney

Union Delegate: Thomas R. Zulch, Attorney

Appearances

Kevin J. Foley, Attorney
Brownstown Township

Thomas R. Zulch, Attorney
Police Officers Labor Council

Date of Award: October 20, 2015

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CHRONOLOGY

DATE OF ACT #312 PETITION:	January 26, 2015
DATE PANEL CHAIR APPOINTED:	February 9, 2015
EMPLOYER'S ANSWER TO PETITION:	February 19, 2015
SCHEDULING CONFERENCE:	February 19, 2015
PROCEDURAL HEARING:	February 26, 2015
LAST BEST OFFERS RECEIVED:	May 12, 2015
DATE OF ACT 312 HEARING:	June 17, 2015
POST HEARING BRIEFS RECEIVED:	July 20, 2015

BACKGROUND

On January 26, 2015 the Michigan Employment Relations Commission received a petition for Act #312 Arbitration filed by the Police Officers Labor Council for a bargaining unit comprised Of Patrol Officers and Police Dispatchers in the matter with the employer,

Brownstown Township, MERC CASE # D14 K – 0931. The petition listed the following issues

The Police Officers Labor Council wished to Arbitrate:

1. Contract Duration
2. Wages
3. Retiree Health Care
4. Vacations
5. Personal Business Day (used without denial)
6. Add 12 hours of vacation at the 15 year mark (216 hours) and add 8 hours of vacation at the 20 year mark (228 hours)

The Employer's answer to the Act #312 petition was received by the Panel Chair on February 19, 2015 and it submitted the following issues for Act #312 Arbitration:

1. Holiday Premium
2. Vacation, a) Vacation Schedule b) Twelve months of service for twelve months of vacation earned.
3. Hospitalization a) Employees choosing to opt out to receive ½ of single subscriber rate, b) Employees choosing to opt out shall not receive vision or dental paid by the Township, c) New employees to pay 10% of premiums rather than 5%
4. Sick Leave....Proposal to rewrite current contract language
5. Retiree Health Committee
6. Bullet Resistant Vests
7. Uniforms and EquipmentReturn to a Quarter Master System
8. Wages

The position of each party will be addressed more specifically in the award.

A telephone scheduling conference was conducted by the Panel chair with representatives of the Parties on February 19, 2015 and a procedural hearing was held at the Brownstown Township Municipal Building on February 26, 2015. At the procedural hearing the Police Officers Labor Council and Brownstown Township named and identified their panel delegates and Representatives who would be making appearances. It was mutually agreed that all of the Unresolved issues were economic and the parties agreed on the date for the exchange of last best offers and exhibits. Also, the parties agreed that wages would be regarded as one issue but the panel will issue an individual award for each year of the contract. The Township requested that its issue on Hospitalization be addressed in the same fashion as wages and there was no objection by the Police Officers Labor Council.

The evidentiary hearing was held on June 17, 2015 at the Township Hall and at the conclusion of the hearing it was agreed that Post Hearing Briefs would be filed on or about July 20, 2015.

Brownstown Township and the Police Officers Labor Council did not argue all of their last best offers at the hearing. Brownstown Township stated that it would rely on its exhibits and post hearing brief to support its last best offers on hospitalization, co pay, vision and dental, medical opt out, and

wages. The Police Officers Labor Council stated that it would rely on its exhibits and post hearing brief to support its last best offers on retiree health insurance, vacation accumulation, personal business leave and wages.

The Petitioner, Police Officers Labor Council, hereinafter referred to as the union/labor organization and the employer, Brownstown Township, hereinafter referred to as the employer, are parties to a collective bargaining agreement that was effective January 1, 2012 and expired on December 31, 2014. The Police Officers Labor Council stated in its petition that it represents all full time patrol officers and police dispatchers who work for Brownstown Township. Brownstown Charter Township is a community located in South Western or Down River Wayne County. In addition to the Police Officers Labor Council, the employer negotiates collective bargaining agreements with the Command Officers Association of Michigan, The International Brotherhood of Teamsters Local #214, The American Federation of State County and Municipal Employees, The Brownstown Township Professional Fire Fighters Union Local #4112 IAFF and the Michigan Association of Police Support Specialists.

STATUTORY CRITERIA

Michigan Public Act #312 of 1969 as amended requires that the Act #312 Arbitration Panel issues its award and base its findings, opinions, and orders on the following factors contained in section nine of the act:

Sec. 9. (1) If the parties have no collective bargaining agreement or the parties have an agreement and have begun negotiations or discussions looking to a new agreement or amendment of the existing agreement and wage rates or other conditions of employment under the proposed new or amended agreement are in dispute, the arbitration panel shall base its findings, opinions, and orders upon the following factors:

The financial ability of the unit of government to pay. All of the following shall apply to the arbitration panel's determination of the ability of the unit of government to pay:

- (i) The Financial impact on the community of any award made by the arbitration panel.
 - (ii) The interests and welfare of the public
 - (iii) All liabilities, whether or not they appear on the balance sheet of the unit of government.
 - (iv) Any law of this state or any directive issued under the local financial stability and choice act, 2012 PA 436, MCL 141.1541 to 141.1571 that places limitations on a unit of government's expenditures or revenue collection.
 - (a) The lawful authority of the employer.
 - (b) Stipulations of the parties
 - (c) 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 both of the following:
 - (i) Public employment in comparable communities.
 - (ii) Private employment in comparable communities.
 - (d) Comparison of the wages, hours, and conditions of employment of other employees of the unit of government outside of the bargaining unit in question.
 - (e) The average consumer prices for goods and services, commonly known as the cost of living.
 - (f) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays, and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
 - (g) Changes in any of the foregoing circumstances while the arbitration proceedings are pending.
 - (h) Other factors that are normally or traditionally taken into consideration in the determination of wages, hours, and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration, or otherwise between the parties, in the public service, or in private employment.
 - (i) If applicable, a written document with supplementary information relating to the financial position of the local unit of government that is filed with the arbitration panel by a financial review commission as authorized under the Michigan financial review commission act.
- (2). 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.

COMPARABLE COMMUNITIES

During the course of the Procedural Hearing the representatives of the Labor Organization and the Employer, Mr. Thomas Zulch for the union and Mr. Kevin Foley for the employer, advised the panel chair they would attempt to agree on a list of comparable communities to meet the requirements of comparability as stated in Section 9 of Act#312. In a letter to the Panel Chair Dated May 12, 2105 Mr. Foley indicated that the parties agreed to the following cities as comparable communities:

1. Garden City
2. Huron Township
3. Lincoln Park
4. Romulus
5. Southgate
6. Trenton
7. Van Buren Township
8. Wyandotte

However, Ms. Nancy Ciccone, Research Analyst for the Union contacted the panel chair and the employer representative and advised that the Police Officers Labor Council did not agree with the employer that Lincoln Park should be considered a comparable community because the city is under state control with an Emergency Financial Manager who has the authority to impose wages, hours and conditions of employment on employees as an avenue to bring financial stability to the community. It was argued by the union that any action taken by the Emergency Financial Manager in Lincoln Park that affected wages and conditions of employment could have an adverse impact on comparability and skew the data when comparisons were made on Economic issues. The Union reiterated its position at the arbitration hearing and in its post hearing brief. The union was in agreement on the remaining cities as being comparable communities. At the arbitration hearing the Panel Chair stated he would make a decision and render a decision of whether to include the City of Lincoln Park as a comparable

community. Accordingly the matter will be addressed at this point in this segment of the Arbitration Award:

Position of the Police Officers Labor Council on Comparable Communities:

Mr. Zulch in his post hearing brief filed on behalf of the Union contends that the City of Lincoln Park should not be considered as a comparable community because it is under the control of an Emergency Financial Manager who "Can impose at will contracts on the bargaining units" and thereby nullify existing conditions of employment and protections afforded by Act #312 Arbitration. Furthermore, Mr. Zulch asserts that Brownstown Township has a 33% fund balance compared to the City of Lincoln Park which is essentially lacking an unrestricted fund balance. The Union disputes that consideration of Lincoln Park would be a distortion of the comparables that would support the Employer's Position on its Last Best Offers.

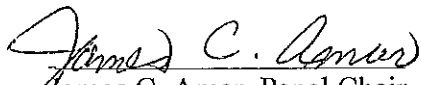
Position of Brownstown Township on Comparable Communities:


Mr. Kevin Foley argues in his post hearing brief on behalf of the employer that The City of Lincoln Park should be among the comparable communities based on State Equalized Evaluation, Population, and because it is located in Wayne County. Moreover, the employer representative offers that even though the City of Lincoln Park is "Under the control of an Emergency Financial Manager this has not impaired a number of contractual provisions". Mr. Foley points out that Brownstown like Lincoln Park and other municipalities has faced a reduction in millage and experienced an increase in the cost of labor especially in health care and prescription drugs. Mr. Foley states that Lincoln Park merits inclusion as a comparable community for all wages and benefits provided under contract but may be discounted for those benefits removed or cancelled by the Emergency Financial Manager.

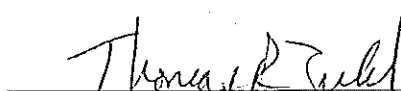
Discussion:

The employer offers some valid reasons for including Lincoln Park as a Comparable Community. However, Public Act 436 of the Public Acts of 2012 that became effective on March 28, 2013 does provide a framework that confers power and authority on an Emergency Financial Manager to reject, modify, or terminate one or more terms and conditions of an existing collective bargaining agreement and this authorization is considered an exercise of the state's sovereign powers. See PA #436 Section 12 (k), (i) – (iv) (l). The Employer's representative, Mr. Foley writes in his post hearing brief that benefits removed or cancelled by an Emergency Financial Manager can be discounted when comparability is considered. The Panel chair believes this makes the process somewhat nebulous. Comparability should be made with other employees who have unfettered collective bargaining rights and negotiated working conditions (or those determined by an interest arbitrator) that will not be modified by an external entity. The majority of the Act #312 Arbitration Panel agrees with the Police Officers Labor Council and rejects the inclusion of The City of Lincoln Park as a comparable community. The Act #312 panel adopts the remaining comparable communities which the Labor Union and Employer agree upon:

Garden City	Southgate
Huron Township	Trenton
Romulus	Van Buren Township
	Wyandotte


James C. Amar, Panel Chair


Mr. Kevin J. Foley, Employer Delegate
Concur _____ Dissent X


Mr. Thomas R. Zulch, Union Delegate
Concur ✓ Dissent _____

ISSUES WITHDRAWN

The Employer withdrew its following issues:

Vacation Scheduling
Quartermaster
Retiree Health Committee
Bullet Proof Vests

ISSUES AGREED UPON

Contract Duration:

The Employer and the Labor Union agreed to a three year labor contract
Effective dates: January 1, 2015 through December 31, 2017.

ABILITY TO PAY

In his post hearing brief the union delegate and representative, Mr. Zulch argues that the employer has the ability to pay any issue presented for decision in favor of the union. Mr. Zulch challenges the employer's five year forecast, Employer Exhibit 4 Tab N, and cites the following comments made in the Accountant's Compilation Report made by Darnell & Myering:

'Management has elected to omit the balance sheets and summary of significant accounting policies required by the guidelines or presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted statements and disclosures were included in the forecast, they might influence the user's conclusions about the Township's financial position and results of operations for the forecast period. Accordingly, this forecast is not designed for those who are not informed about such matters'

Mr. Zulch stresses that the five year forecast contains projections of increasing property tax revenues, ER Exhibit 4 Tab N page.4 (Employer Exhibit) and that the Township has been achieving a growing unrestricted fund balance in the General, Police and Fire Operation Funds culminating in an approximately 33% fund balance as of 2013, Union Exhibit 3 Tab 18.

The Employer's representative and panel delegate, Mr. Kevin Foley, admits in his post hearing brief that the Employer is not "pleading poverty" and this is because of "wise decisions by the current and predecessor Township Boards" that has enabled Brownstown Township to enjoy a fund balance and fiscal stability. However, he does write that while the Police Operation Fund is intended to be self-supporting, the fund has relied upon other funds to balance its budget. Mr. Foley adds that the Police Operations fund has historically received annual support in the amount of \$380, 000 from the Downtown Development Authority but the ability of receiving these funds in the future is uncertain because Wayne County has questioned the propriety of these payments for services.

OVERVIEW OF THE TOWNSHIP'S FINANCIAL CONDITION

The Following Information is contained in Employer Exhibit 4 Tab N

Total Property Tax Revenue

2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
\$13,549,773	\$13,186,412	\$13,554,549	\$13,837,441	\$13,975,815	\$14,115,573

General Fund Revenue (Includes State Revenue Sharing)

The General Fund derives its revenue from a variety of sources and the Employer's Exhibit lists

Historical, Budgeted, and Forecasted Revenues.

Historical 2012	Budgeted 2013	Budgeted 2014	Forecasted 2015	Forecasted 2016	Forecasted 2017	Forecasted 2018
\$7,583,327	\$7,551,606	\$7,531,845	\$7,627,800	\$7,763,700	\$7,891,900	\$8,022,600

Total General Fund Expenditures

Historical 2012	Budgeted 2013	Budgeted 2014	Forecasted 2015	Forecasted 2016	Forecasted 2017	Forecasted 2018
\$6,338,771	\$6,281,727	\$6,605,117	\$6,639,700	\$6,727,100	\$6,793,400	\$6,881,800

Fund Balance

Historical 2102	Budgeted 2013	Budgeted 2014	Forecasted 2015	Forecasted 2016	Forecasted 2017	Forecasted 2018
\$4,089,992	\$4,885,902	\$5,229,017	\$5,064,317	\$4,872,917	\$4,573,417	\$4,146,917

Police Operation Fund Revenue

Historical 2012	Budgeted 2013	Budgeted 2014	Forecasted 2015	Forecasted 2016	Forecasted 2017	Forecasted 2018
\$5,126,571	\$5,189,414	\$5,058,752	\$5,180,200	\$5,269,800	\$5,315,500	\$5,361,600

Total Police Fund Expenditures

Historical 2012	Budgeted 2013	Budgeted 2014	Forecasted 2015	Forecasted 2016	Forecasted 2017	Forecasted 2018
\$5,625,090	\$5,725,460	\$5,880,635	\$5,865,200	\$5,989,700	\$6,015,500	\$6,041,700

Fund Balance

Historical 2012	Budgeted 2013	Budgeted 2014	Forecasted 2015	Forecasted 2016	Forecasted 2017	Forecasted 2018
\$172,172	\$47,616	\$18,815	\$37,715	\$41,715	\$45,615	\$45,515

The Labor union submits that at the end of 2013 (12/31/2013) the employer had an Unreserved/Undesignated Fund Balance (General Fund/Police Operation/Fire Protection) of \$5,504,000 UE3 page 8 (Union Exhibit). Additionally, the Township has seen a significant decline in property taxes since 2008 due to decreases in taxable value according to an audit finding that was included in a letter to the Board of Trustees UE3 page 8 of the report. Taxable value dropped 7.9% in 2009, 7.7% in 2010, 8.8% in 2011, 5.5% in 2012 and 2.6% in 2013.

LAST BEST OFFERS

Union Issue: Personal Business Leave Article 28.1 D (1)

The Union is proposing language that the employee may designate one of two annual personal business days as an emergency. An emergency personal business day with at least two hours' notice shall be granted

Employer Position:

The Employer rejects adding the language to Article 28.1 D (1) of the contract proposed by the Union and for maintaining the status quo.

Discussion:

The arbitration panel is directed to base its decision on the standards set forth in Section 9 of Act #312. Among the applicable factors in Section 9 are: 9 (1) (d) (i), 9 (1) (e). These components of Act #312 address the comparison of wages, hours, and conditions of employment with other employees performing similar services in the Public and Private Sector and the comparison of wages, hours, and conditions of employment of other employees of the unit of government outside of the bargaining unit in question. At the hearing, Robert Matthews the Deputy Chief since 2009, was called as an employer witness and under direct examination by Mr. Foley, he testified that he had not heard that many personal business leave days were being denied under the current contract language, transcript page 36. The current contract language Article 28.1 D (1) reads in part:

Personal business leave shall be requested at least 24 hours in advance. Personal business leave may also be approved in exigent circumstances upon less than 24 hours' notice by the Chief of Police or his designee.

Mr. Zulch states in his post hearing brief that this last best offer is defensible because it addresses situations where a 24 hour notice is not possible.

The Union Exhibit 1 Tab 11 cites the personal business leave provisions in the labor agreements of the comparable communities. Joint Exhibit 5 is a compilation of the collective bargaining agreements of the comparable communities that have articles on usage of personal business leave for Patrol units and Dispatchers:

- Huron Township Patrol & Dispatch.....Requires 72 hrs. notice except in an emergency situation
- Romulus Patrol & Dispatch.....Requires advance notice of 24 hours unless there is an emergency
- Southgate.....One personal business day per year that cannot be denied
- Trenton..... May be used at employee’s discretion subject to minimum staff compliment (JE5 Tab 8 pg.9) silent on emergency
- Van Buren Township Patrol & Dispatch.....First person that requests cannot be denied. Personal Leave cannot be taken on holidays or restricted days blocked out by the Employer; silent on emergency
- Wyandotte Patrol.....One personal leave day shall be granted regardless if it creates overtime
- Wyandotte Dispatch.....Personal leave time shall be granted provided that it does not result in overtime; silent on emergency situation

The labor agreements the employer has with the unions who represent the other unionized Township employees were read to ascertain if those contracts had language similar to the last best offer made by the Police Officers Labor Council regarding Personal Business Leave JE5 Tabs 12, 13, 14, 15, 16.

COAM – No similar language but leave can be requested with less than 24hrs. notice if approved

Fire Fighters – No similar language but leave can be requested with less than 24hrs. notice if approved

Teamsters Union – No Personal Business Leave Language in Contract

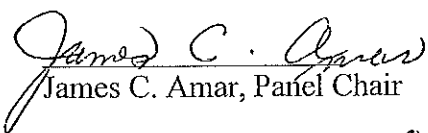
AFSCME - Employee may use one Sick Leave Day per year for Personal Business upon approval of the supervisor

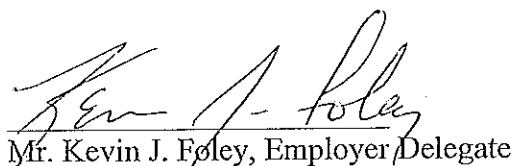
MAP – Employee may use 5 Sick days per year for personal business with approval of the supervisor

An employee in the MAP bargaining unit must call in no less than 1 ½ hrs. before their start time.

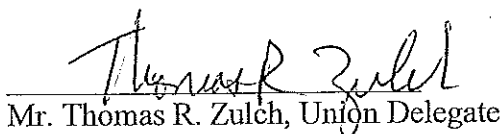
The union offered no testimony or witnesses at the hearing supporting its last best offer on Personal Business Leave. It was not demonstrated that an ongoing problem of any severity has existed over the life of the expired labor agreement and no discussion or any of the exhibits portrayed an historical enigma that went back years beyond the expired labor contract. Comparison with personal leave articles contained in the contracts of the comparable communities discloses that some of the communities automatically grant personal business leave and some have qualifiers that must be met before Personal Leave can be granted and some of the contracts in the comparable communities are silent on the use of emergency Personal Business Leave. The internal comparables reflect that labor contracts the employer has with the unions who represent other Township employees do not have language similar to what the Police Officers Labor Council is seeking in its last best offer.

The Arbitration Panel adopts the Employer's last best offer which is to maintain the status quo and keep the existing language on Personal Business Leave in Article 28.1 D (1)


James C. Amar, Panel Chair


Mr. Kevin J. Foley, Employer Delegate

Concur X Dissent _____


Mr. Thomas R. Zulch, Union Delegate

Concur _____ Dissent ✓

Union Issue: Vacation Accumulation - Article 20.1 Vacation Schedule

The Union is proposing to create a 15th anniversary of 215 hours and add 8 hours at the 20th anniversary.

Current Schedule;			Proposed	
First year anniversary	80hrs.		No change	
2nd	"	120hrs.	"	
5 th	"	160hrs.	"	
10 th	"	204hrs.	"	
20 th	"	220hrs.	15 th Anniversary	216hrs.
			20 th "	228 hrs.

Employer Position:

The Township is opposed to adding additional hours on the vacation accumulation schedule and seeks to maintain the status quo.

Discussion:

At the hearing no testimony was offered by the labor organization concerning its proposal to add an additional anniversary step of vacation time and add another 8 hours to the current 220hrs. an employee receives after the 20th anniversary of service. The employer witness, Deputy Chief Robert Matthews, under direct examination by Mr. Foley, stated that the total accumulated vacation hours for the entire union is roughly \$133,000 and to increase the number of hours an employee could accumulate would result in a higher cost to the employer since the union proposal would add an additional 100 hours per year, transcript page 26 and 27. The union's exhibit on its last best offer illustrates that the Brownstown Township employees are two hours below the average of comparable communities even though Brownstown Township Patrol and Police Dispatch do not have a 15th anniversary. After the 20th anniversary the union is three hours below the average in vacation accumulation UE1 Tab 9.

	5Yrs.	10Yrs.	15Yrs.	20 Yrs.	25Yrs.	30Yrs.
Garden City	144hrs	192hrs.	200hrs.	216hrs.	216hrs.	216hrs.
Huron Tnshp.	128	200	200	200	200	200
Romulus	160	200	200	200	200	200
Southgate 1/	168	192	216	264	264	264
Trenton	120	160	216	240	240	240
Van Buren Tnshp	168	216	216	216	216	216
Wyandotte 2/	160	192	208	204	224	224
Average	150	193	206	223	223	223
Brownstown (current)	160	204	204	220	220	220

1/ If hired after 7/1/08, 1-10 yrs. 132hrs. 10yrs. 156hrs. 15yrs. -180hrs. 20yrs.

2/ If hired after 2/1/99, start – 4yrs. 96 hrs. 4-10 yrs. 160 hrs. 10-15 yrs. 192 hrs. 15-20 yrs. 208 hrs.
20 yrs. + 224 hrs.

Also, bonus vacation hours available: 0 hrs. used 48 bonus vacation hrs. 8hrs. 40 bonus vacation hrs.
16hrs. 32 vacation hrs. 24hrs. 24vacation 32
hrs. 16 vacation hrs. 40rs. 8 vacation hrs.

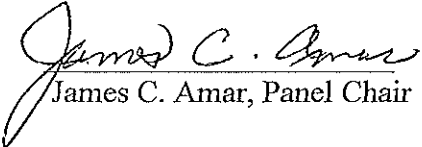
Employer Exhibit 4 Tab D and Tab I (dispatcher comparable) is basically in agreement with the Union's exhibit.

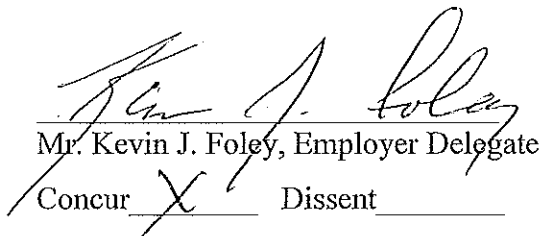
The other internal comparable units that perform public safety services for the employer are the Command Officers and the Fire Fighters. The Command unit has the same vacation accumulation schedule as the Patrol and Police Dispatch employees. However, the Fire Fighters' contract with the Township discloses that 24 hour shift employees hired after January 1, 2008 are entitled to fewer vacation hours than those on the payroll before that date. A Fire Fighter on the job before January 2008 who has between 10-15 years of service receives 312 hours of vacation time. Fire Fighters hired after January 1, 2008 who have 6-7 years of service receive 216 hours of service, JE5 Tab13.

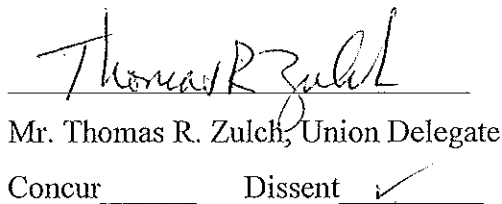
In arriving at a decision on this issue the Act #312 Arbitration Panel based its determination on the factors in Section 9 (1) (d), 9 (1) (e). It considered the vacation benefits received by other employees in the comparable communities and the vacation accumulation schedules of the Brownstown Command

Offices and the Brownstown Fire Fighters. Based on the exhibits submitted, the Brownstown Patrol and Dispatch employees have vacation accumulation schedules that are not substantially less than employees performing similar work in the comparable communities since they are only two hours below the average at the ten year mark and only three hours below the average at the 20 year mark, UE1 Tab 9. The panel considered the additional cost of this benefit when it reviewed the Union's current level of vacation hours and compared it with vacation hours earned at various anniversaries among the employees performing similar service in the comparable communities.

Lastly, the Employer Delegate, Mr. Kevin Foley points out in his post hearing brief that no testimony was given to demonstrate that the number of hours contractually provided were inadequate or too few. Accordingly, the Arbitration Panel adopts the Employer's Last best offer which is to maintain the status quo of Article 20.1 and keep the existing vacation accumulation schedule.


James C. Amar, Panel Chair


Mr. Kevin J. Foley, Employer Delegate
Concur X Dissent _____


Mr. Thomas R. Zulch, Union Delegate
Concur _____ Dissent ✓

Union Issue: Listing Of Vacation Schedules – Article 20.8

The Union is proposing a new paragraph at the end of Section 20.8:

All vacations granted before January 31 of each year shall not be subject to cancellation except for a Township wide emergency.

Employer Position:

The employer position is maintain the status quo and continue the current contract language.

Discussion:

The Union's Last Best Offer on this issue is related to a difficulty that some members of the unit have encountered when vacation time the members had chosen was cancelled by the department. At the hearing Union Witness Bryan Wheeler an eleven year veteran of the police department and Vice President of the union testified on the background of the dispute over vacation scheduling. According to Vice President Wheeler vacation is requested or put in for by the last day of January and any vacation that is requested by that last day is granted by Seniority and any other vacation throughout the year is granted on a first – come first – serve basis as long as it does not create overtime, transcript page 13. Road patrol staffing is set at three persons per shift. Apparently, in 2014 a patrol officer put in for vacation by the end of January and it was granted. At the time the request was made the projected staffing level allowed for the employee to be off. However, another co – worker that was on the same shift as the officer who made the request left the employment of the Brownstown Township Police Department. When it came time for the employee to take the granted vacation day, the employee's vacation day was cancelled because it would have dropped the staffing level below three patrol officers and another officer on the same shift was allowed to take his vacation because that employee had more seniority and his request for vacation had been made prior to January 31 as well, transcript page 15. Mr. Wheeler further testified under the direct examination by Mr. Zulch, that a dispatcher quit because he had a vacation planned and he was going to be forced to work a weekend that he was originally

scheduled to be off, transcript page 16. Vice President Wheeler stated when requesting vacation, a dispatcher must receive approval and then have another dispatcher fill their shift. Vice President Wheeler expressed a concern that the situation (vacation cancellations) may become more problematic because of other employees in the patrol division who are eligible for retirement. The Vice President answered affirmatively to a question under cross examination by Mr. Foley that at the time one of the dispatchers had their vacation cancelled there were two other dispatchers on disability leave. Vice President Wheeler, responding to another question by Mr. Foley, stated that to the best of his knowledge two employees experienced cancellation of vacation time over the life of the contract. In compliance with Section 9. (1) (d) of Act #312 the panel reviewed the vacation language in the labor agreements of the comparable communities and the internal comparables of employees performing similar services. Upon reading the appropriate articles of the comparable labor agreements it was discovered that none of those contracts, with possibly the exception of Van Buren Township, had language guaranteeing an employee that selection of vacation time would not be cancelled, JE5.

Garden City:

No guaranteed language and only one officer per platoon may be off on vacation at a given time;

Huron Township:

No guaranteed language for either patrol officers or dispatchers and time off is subject to scheduling requirements. Seniority governs the choice of vacation period. The employer has the right to reschedule vacation time chosen by dispatchers.

Romulus:

Seniority governs if two employees request the same vacation period. The contract allows two employees to be off on any one shift but the contract is silent on the right to cancel scheduled vacations.

Southgate:

No guaranteed language that a vacation cannot be cancelled. Seniority governs the selection of vacation time.

Trenton:

No guaranteed language and only one Road Patrol Officer, including a Lieutenant in the Command unit, per shift shall be allowed on a scheduled week off of vacation this is subject to approval by the Chief.

Van Buren Township:

When the employer posts a calendar for vacations it can set limitations or restrictions. Except in cases of an emergency the employer cannot unilaterally alter the vacation schedule of an employee at a later date.

Wyandotte:

More than one person at a time can be off on vacation as long as it does not create overtime. The requested vacation must be approved by the Police Chief or the Chief's designee. No language that guarantees vacation cannot be cancelled. The dispatcher's request for vacation is subject to approval by the appointing authority as long as it does not create overtime.

Brownstown Command Union and the Firefighters Union:

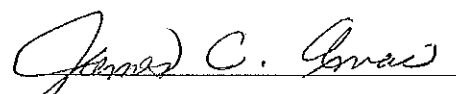
The labor agreements the employer has with the other two unions that provide public safety services do not have language in their contracts that resemble or is identical to the Last Best Offer made by the Brownstown Township Patrol and Police Dispatch Union.

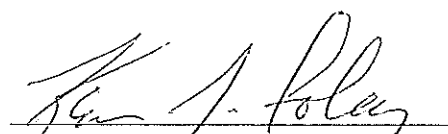
The Union's issue of vacation cancellations can be remedied if the employer covers any staffing shortages by having other employees work overtime; witness testimony, transcript page 21.

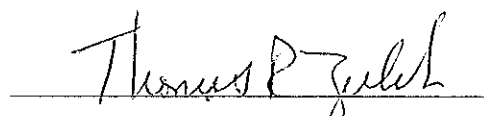
While the Union witness testified about several instances of vacations being cancelled during the life of the expired contract it was not substantiated that vacation cancellations have been an ongoing or frequent issue that has been present in the history of the long labor – management relationship the parties have shared. Moreover, it was presented at the hearing that the vacation denials were the result of two dispatchers being on duty disability and a patrol officer leaving employment with the Brownstown Township Police Department. Furthermore, the employer witness, Deputy Chief Matthews, stated under direct examination by Mr. Foley, that Patrol Officers and Police Dispatchers can trade time or work shifts.

Since vacation cancellations have not been long – standing, the number of cancelled vacations over the three year period of the expired contract was not significantly high to grant the Union's Last Best Offer.

The Arbitration Panel Adopts the Employer's Last Best Offer which is to maintain the status quo of the language in Article 20.8 - Listing of Vacation Schedules.


James C. Amar, Panel Chair


Mr. Kevin J. Foley, Employer Delegate
Concur X Dissent _____


Mr. Thomas R. Zulch, Union Delegate
Concur _____ Dissent ✓

Union Issue: Insurance Benefits for Retired Employees – Article 27.4

The Union's Last Best Offer is to have Retiree Health Care mirror the provision in the Command Union's contract and allow for an additional rider for dependent children at no cost to the employer.

Employer Position:

The employer's position is to maintain the status quo.

DISCUSSION:

Article 27.4 reads in part:

"Township shall pay the monthly medical cost of medical coverage premiums, for each employee and his/her spouse until he reaches the age of 65. Thereafter, the Township shall contribute to the monthly premium for Medicare cost. Retirees will pay all of the concessions that the active employee must pay as listed in Section 27.1 and any future agreed upon concessions".

The Union's Last Best Offer strikes the language that reads:

The Township shall contribute to the monthly premium for Medicare Cost. Retirees will pay all of the concessions that the active employee must pay as listed in Section 27.1 and any future concessions

The Union's Last Best Offer replaces the stricken language with the following new language and new language in a concluding sentence that requests the employer to make available the opportunity to add a rider for the retiree's dependent children.

Thereafter, the Township shall pay for the supplemental medical coverage to Medicare. It is the responsibility of the employee to pay for his/her monthly Medicare Premiums. If the retiree has medical coverage from his or her spouse, and does not take the Township's medical, the Township shall pay the employee's monthly Medicare premium cost. If for any reason the retiree stops receiving medical benefits through his or her spouse, the Township shall provide medical coverage or supplemental medical coverage to Medicare at no cost to the employee and will discontinue payment for the monthly Medicare premiums. Should providers change, the retired employees will accept the health care providers that are in place for active members at no cost to the retirees.

The employer shall make available a rider for retiree's dependent children. A retiree choosing to use the dependent children rider shall pay all of the cost.

Neither the Union nor the employer provided witnesses with testimony on this issue at the hearing but the representative of each party stated they would rely on their exhibits and arguments in their post

hearing briefs. In his post hearing brief, Mr. Zulch argues it is irrational for the employer to allow a contractual retiree insurance benefit for one group of police officers (the Command Officers unit) and not provide equal coverage to the Patrol unit since both groups perform police duties.

In reviewing the exhibits on this issue submitted by the Employer and Labor Organization, the majority of the comparable communities with employees who perform similar services required some form of cost sharing in retirement. Some of the comparable communities do not provide their retirees with health insurance, ER E4 Tab B, and UE1 Tab 8.

Garden City – Employees Hired after 7/1/2009 no health insurance coverage; Health savings Plan only. Employees hired before 7/1/2009 receive full coverage along with their spouse and dependents

Huron Township – Patrol and Dispatch retirees and their spouse receive full coverage

Romulus - Employees hired after 7/1/211 receive no health insurance; Health Savings Plan Only
Employees hired before 7/1/211 who retire at age 55 or with 25 years of service, the city
Furnishes hospitalization and medical coverage to the retiree, their spouse and dependents through Blue Cross Blue Shield of Michigan

Southgate - Retirees are not required to contribute to the monthly health care premium.
At age 65, retiree must apply for Medicare; Employer pays Supplemental coverage
Retiree can purchase dependent coverage at the time of retirement.

Trenton - Retiree and children covered but benefits mirror those received by active employees.
After the retiree is Medicare eligible the retiree is responsible for the full cost of any coverage through Medicare.

Van Buren Township – Retiree must pay monthly co/pay for retiree and spouse

- a) Both under age 65.....\$250 per month
- b) If both over age 65....\$100 per month

Wyandotte - No coverage for anyone hired after 1/31/2009
Employees hired after 3/1/2005 with 10-19yrs. Of service, employer pays 50%
and 20 + years the employer pays 100%

Among the internal comparables, the Fire Fighters Union, and Teamsters have language similar to the current language in the Patrol and Dispatch Contract. In the AFSCME contract with the employer,

2007-2013, for retirees age 65 or older, the coverage provided shall be comparable to that in effect for active employees with like cost sharing, JE5 TAB15. In the labor contract the employer has with the MAP Support Specialists, retirees under age 65 receive the coverage in effect for active employees which is the Blue Cross Community Blue Plan with a \$10.00/\$20.00 prescription co/pay and they pay 3% of the monthly medical and prescription premium. For retirees age 65 or older, The Township will only pay 75% of the premium for supplemental coverage (Medicare) and the coverage provided shall be the Traditional Blue Cross with a \$10/\$20 prescription co-pay and the employer has the right to change the insurance for the retirees over the age of 65 to the Community Blue Plan if that plan is made available and is comparable to that provided to active employees.

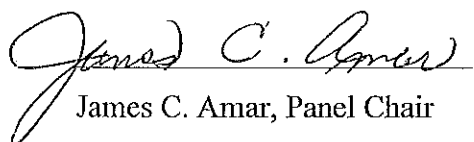
Employer Exhibit 4 TAB L presents that the cost of Health Care Cost for retirees increased 17% effective January 15, 2015. Adding the language in the Union's Last Best Offer to the contract will add an additional cost to the employer to provide the benefit it is requesting. A review of the Retiree Health Insurance of the comparable communities reveals that retirees who worked for some those communities do not receive employer provided retiree health insurance and retirees that worked for the other communities, who provide retiree health insurance, experience some measure of sharing in the cost of the benefit.

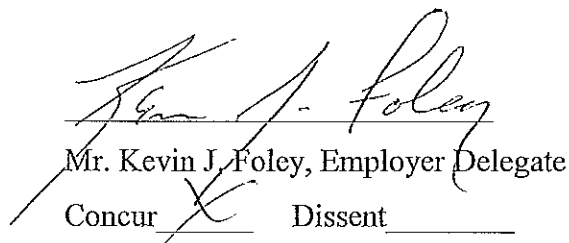
Mr. Foley notes in his brief, the Command Officers Association is the only group the employer has a contract with that provides retiree health insurance without cost sharing. As mentioned in this discussion citing Joint Exhibit 5, the labor contracts the employer has with the other labor organizations contain language with retiree health care cost sharing.

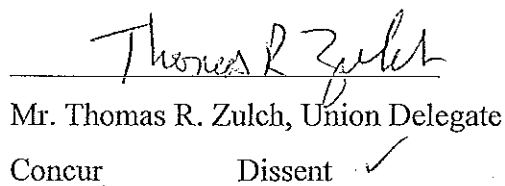
The Union stipulates in its post hearing brief that allowing a retiree to pay for a dependent rider will not impose a cost on the employer but Mr. Foley, rebuffs that assertion claiming that insurance rates are based upon the number of participants, age, and use of benefits. Neither party offered definitive cost or

non – cost data which makes it difficult to determine the financial impact that allowing a retiree to purchase a dependent rider would have on the employer. However, a majority of the contracts of the comparable communities and none of the labor unions the employer has collective bargaining agreements with allow a retiree to purchase a dependent rider.

Based upon the evidence submitted and the criteria in Section 9 (1) (d) (i), and 9 (1) (e) of Act #312 the Arbitration Panel adopts the employer's Last Best Offer which is to maintain the status quo and retain the existing language in Article 27.4


James C. Amar, Panel Chair


Mr. Kevin J. Foley, Employer Delegate
Concur X Dissent _____


Mr. Thomas R. Zulch, Union Delegate
Concur _____ Dissent ✓

Employer Issue: Holiday Premium – Article 19.2

The Employer has submitted a Last Best Offer that adds a new additional section, E to Article 19.2 that reads:

Contractual leave, sick, personal, business, etc., shall not be used on a holiday to effectuate the The Receipt of Holiday Pay.

Union Position:

The Union's Position is rejection of the Employer's Last Best Offer and keep the status quo.

DISCUSSION:

The employer expounds in its Last Best Offer, it is seeking the new language because the current practice is creating an unnecessary cost. In his Post Hearing Brief on behalf of the Employer, Mr. Foley states that this premium "Was intended for officers that actually work on the Holiday". According to the Employer's Representative, employees are taking time off on the holiday they are scheduled to work by using contractually permissible vacation, sick, or personal business time. When employees use this other leave time they still receive holiday pay since the time counts as work on the holiday and when someone has called in to use the other leave time instead of working the scheduled holiday, it has required the employer to call in other personnel to work overtime to maintain necessary staffing. The Employer's witness, Deputy Chief Robert Matthews, under Direct Examination by Mr. Foley, testified that officers are using vacation time and personal business time to take off the scheduled holiday they are supposed to work, Transcript page 40. The Deputy Chief gave testimony that in December of 2014, 14 vacation or personal business days were used to take time off on Christmas, Christmas Eve, and New Year's. According to the Chief this cost the employer \$5,181.00 and 44 hours of double time was paid at a cost of \$2, 713.00 to backfill for the employees who took the time off. Under Cross Examination by the Union Representative and Delegate Mr. Zulch, the Deputy Chief confirmed that vacation and personal business days were used to take time off.

In conformance with the Factors of Section 9 of Act #312, a review of the labor agreements of the comparable communities reveals that the municipalities of Southgate, Trenton, Van Buren Township and Wyandotte, do not have language whereby an employee forfeits holiday pay if he/ she chooses to take the holiday off using other leave time, JE5 Tabs 8-12 and UE2 TAB 12. In the contract of Garden City, the employee must have worked all scheduled hours scheduled to work the last day before the holiday and the next day following, except in cases where the employee is on excused leave of absence. Huron Township employees must work their scheduled day before and their scheduled day after a holiday or be on authorized leave pay in order to be paid for the holiday. The labor agreement between the city of Romulus and the Police Officers Association of Michigan which covers Patrol Officers and Dispatchers has a provision that an employee taking sick leave on a holiday shall not receive holiday pay, UE1 Tab 12.

Among the internal comparable labor contracts that Brownstown Township has with the other labor unions the Fire Fighters labor agreement, reads that an employee will not receive holiday pay if the employee calls in sick on either the shift before or after the holiday. Also, the employee will not receive holiday pay if the fire fighter is granted permission by the Chief to take off the holiday the fire fighters is scheduled to work. In the labor agreement the Employer has with AFSCME the employee must work the day before and the day after the holiday to receive holiday pay. Furthermore the employee may receive permission to be off work by his /her immediate supervisor but the request requires a one day notice to supervision and if the employee is off on sick leave the day before or day after the holiday the employer may request the employee to furnish a doctor's certificate. The Employer's contract with the Michigan Association Of Police Support Specialists has language regarding holiday pay which is similar to the

article in the AFSCME contract. The labor agreement the Employer has with Teamster's Union Local #214 is silent on the subject, JE5 Tabs 12-16.

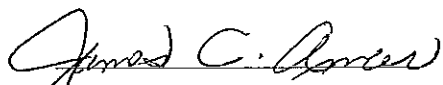
It is not unreasonable for either a public employer or a private employer to minimize the labor cost associated with premium pay for holidays. In today's collective bargaining environment, it is not unusual that labor contracts between unions and employers have qualifications for workers to meet that will enable them to receive holiday pay.

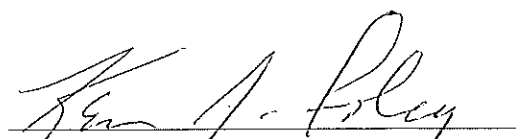
In arriving at a determination on the Employer's Last Best Offer concerning Holiday Premium, the evidence in the exhibits and witness testimony were evaluated as required by Section 9 of Act #312 and it is concluded the employer has established the rationale to grant the additional language it desires.


The Arbitration Panel Adopts the Employer's Last Best Offer which is to add an additional section E to current contract Article 19.2 to read as follows:

19.2

E. CONTRACTUAL LEAVE, SICK, PERSONAL, BUSINESS, ETC., SHALL NOT BE USED ON A HOLIDAY OR TO EFFECTUATE THE RECEIPT OF HOLIDAY PAY


James C. Amar, Panel Chair


Mr. Kevin J. Foley, Employer Delegate
Concur ☒ Dissent ☐


Mr. Thomas R. Zulch, Union Delegate
Concur ☐ Dissent ☒

Employer Issue: Article 20 Annual Vacation – Section 20. 8 Listing of Vacation Schedules

The Current language of Section 20. 8 reads in part:

Said list is to make allowances for extended leaves of absence for whatever cause except duty incurred disability by deduction of one (1) days' vacation credit for each full month of leave;
Provided also, that ten (10) months of service shall constitute full service for the purpose of this Article.

The Employer's Last Best Offer Strikes the following language and adds new language (in bold).

Said list is to make allowances for extended leaves of absence for whatever cause except duty incurred disability by deduction of **EARNED VACATION TIME BY THE FORMULA OF ANNUAL EARNED TIME DIVIDED BY 12.** ~~one (1) day's vacation credit for each full month of leave~~ **provided also that ten (10) months of service shall constitute full service for the purpose of this Article**

The language in the first and last sentence of 20.8 not cited remains unchanged.

Union Position:

The Labor Union's position is to maintain the status quo in Section 20. 8 Of Article 20.

DISCUSSION:

In his post hearing Brief on behalf of the Employer, Mr. Foley explains that under the existing language an employee could take off two full months and still acquire a full year of vacation time. Employer

Witness, Deputy Chief Matthews, testified under direct examination to a question by Mr. Foley that someone had been on disability and received a full year's worth of disability, Transcript page 44.

In scrutinizing the labor contracts of the comparable communities no consistently similar format of how vacation is credited was clearly discernable, JE5 Tab 2-11 (but excluding the City of Lincoln Park).

Section 9 of Act #312 requires that internal comparable labor agreements that cover the other employees of the unit of government outside of the bargaining must be taken into consideration.

Another factor required by Section 9 of #Act 312 is Section 9 (1) (i):

Other factors that are normally or traditionally taken into consideration in the determination of wages, hours, and conditions of employment through **voluntary collective bargaining**, mediation, fact finding, arbitration, or otherwise between the parties, in the public, service or in private employment.

While under Cross Examination by the Union Representative Mr. Zulch, the Deputy Chief stated that he has been in the employ of the Brownstown Township Police Department since 1987, Transcript page 45.

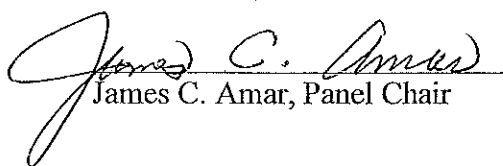
However, he mentioned there were two occasions where the current contract language created the problem the employer is trying to resolve through its Last Best Offer. No other testimony was presented whether this dilemma for the employer has been a matter of any frequency over the lengthy labor – management relationship that has existed between the parties.

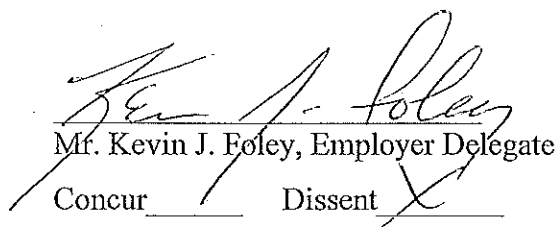
Mr. Foley stated in his post hearing brief that no similar language is in any of the internal comparable agreements, and the Deputy Chief responding to his Direct Examination stated he had no idea where the language came from and testified, **“There’s nothing I’ve ever worked with with any of the contracts in the Township that has ever had that”**, Transcript page 47. Yet, the same language in 20. 8 of the Police Officers Labor Agreement, which the Employer wishes to remove, exists in the Labor Agreements the Employer has with the Command Officers Association of Michigan, AFSCME, and the Michigan Association Of Police Support Specialists, JE5 TABS 12, 15, 16.

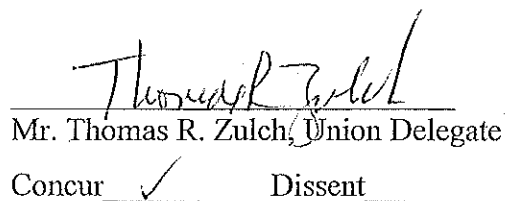
A factor normally and traditionally taken into consideration is the historical relationship and trends that evolve between management and labor who are parties to a collective bargaining agreement. The Deputy Chief acknowledged he was unaware of when the language in Article 20, Section 20.8 came into existence and no other testimony was given by either the employer or the union to identify when it was negotiated and agreed to. According to the Deputy Chief there were only two instances he could cite where the current language created problems over a twenty eight year period. Nothing in the long history of the collective bargaining relationship between the parties disclosed any major problems with

the current language that was supported by testimony or exhibits. In reviewing the internal labor agreements the Employer has with the other labor organizations, and examining the labor contracts of comparable communities, the employer has not provided substantial arguments why its Last Best Offer should be granted.

The Arbitration Panel adopts the Union's Last Best Offer which is to maintain the status quo and retain the existing language in Article 20 – Annual Vacation Section 20.8 Listing Of Vacation Schedules.


James C. Amar, Panel Chair


Mr. Kevin J. Foley, Employer Delegate
Concur _____ Dissent X


Mr. Thomas R. Zulch, Union Delegate
Concur ✓ Dissent _____

Employer Issue: Article 27 Hospitalization and Sick Benefits
Section 27.3 Medical/ Hospital Insurance Opt Out

The current contract language reads:

Employees who choose not to be covered by the medical/hospital insurance and who do not take out such insurance, shall be paid on a monthly basis fifty (50%) percent of the employer's net savings for each full insurance plan year for which they are not insured on a pro rata (per month) portion thereof for the balance of the insurance plan year which is being discontinued. (The present insurance plan year is from July 1 to June 30). The employer's net savings is based upon the lowest cost plan available to bargaining unit employees at the coverage the employee is eligible to receive. The employee shall be paid at the time of discontinuing the plan for the months which the insurance is discontinued for the employee.

The Employer seeks to amend the above current language from Section 27.3, with new language in Italics and other language stricken to read as follows:

Employees who choose not to be covered by the medical/hospital insurance and who do not take out such insurance, shall be paid on a monthly basis fifty (50%) of the employer's net savings ***BASED UPON THE LOWEST COST SINGLE SUBSCRIBER PLAN*** for each full insurance plan year for which they are not insured on a pro rata (per month) portion thereof for the balance of the insurance plan year which is being discontinued. (The present insurance plan year is from July 1 to June 30). The employer's net savings is based upon the lowest cost plan available to bargaining unit employees at the ***SINGLE SUBSCRIBER LEVEL*** coverage ~~the employee is eligible to receive~~. The employee shall be paid at the time of discontinuing the plan for the months which the insurance is discontinued for the employee.

Union Position:

The Union's position is to maintain the status quo and keep the present language of Section 27.3

DISCUSSION:

The Employer did not present any witnesses to testify at the hearing on its Last Best Offer and but relies on exhibits and arguments in its Post Hearing Brief to convince the panel that its offer to amend Article 27 Section 27.3 should prevail. The employer's brief states its Last Best Offer would be in line with compensation the comparable communities pay to their employees who choose not to take their employer's health plan. Based upon the information contained in the Union exhibit and the Employer exhibit the average amount of money paid out by employers in the comparable communities to

employees who opt out of receiving medical/hospital insurance is \$3,300.00, ERE2 UE3. The language the Employer is striving to achieve in its Last Best Offer is contained to some extent in the labor contracts it has with the Teamsters, AFSCME, and the Michigan Association of Police Support Specialists. In its Last Best Offer the employer is proposing language, *SINGLE SUBSCRIBER LEVEL* that is not found in the contracts it has with the non – public safety unions. Yet no reason was given for this aspect of its Last Best Offer and nothing was offered to rebut its inclusion. The Fire Fighters Union and the Command Officers Union have the same language in their labor agreements with the Employer that currently exists in the contract between the Employer and the Patrol and Dispatch unit. However, the Command Unit contract expires on December 31, 2015 and the Fire Fighters Contract with the Employer expires on December 31, 2016, JE5.

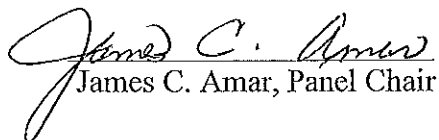
Mr. Zulch, in his Post Hearing Brief stresses that the employer has the ability to continue paying members of the bargaining unit the current sum of money in accordance with the present contract language.

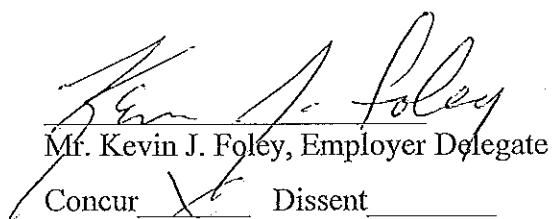
In its Last Best Offer the employer desires to manage the escalating cost of health care insurance it provides to all of the Township Employees and its exhibit highlights that the cost of insurance for active employees has increased by 16. 44%, ER Exhibit 4 Tab L page 2.

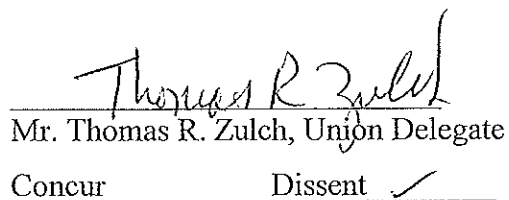
After applying the factors in Section 9 of Act #312, appraising the average amount of money for medical/hospital insurance opt out paid to employees in the comparable communities and analyzing the medical/hospital insurance opt out language Brownstown Township has with other labor unions it has

collective bargaining agreements with, the Arbitration Panel adopts the Employer's Last Best Offer that reads:

EMPLOYEES WHO CHOOSE NOT TO BE COVERED BY THE MEDICAL/HOSPITAL INSURANCE AND WHO DO NOT TAKE OUT SUCH INSURANCE, SHALL BE PAID ON A MONTHLY BASIS FIFTY (50%) OF THE EMPLOYER'S NET SAVINGS **BASED UPON THE LOWEST COST SINGLE SUBSCRIBER PLAN** FOR EACH FULL INSURANCE PLAN YEAR FOR WHICH THEY ARE NOT INSURED ON A PRO RATA (PER MONTH) PORTION THEREOF FOR THE BALANCE OF THE INSURANCE PLAN YEAR WHICH IS BEING DISCONTINUED. (THE PRESENT INSURANCE PLAN YEAR IS FROM JULY 1 TO JUNE 30). THE EMPLOYER'S NET SAVINGS IS BASED UPON THE LOWEST COST PLAN AVAILABLE TO BARGAINING UNIT EMPLOYEES AT THE **SINGLE SUBSCRIBER LEVEL** COVERAGE. THE EMPLOYEE SHALL BE PAID AT THE TIME OF DISCONTINUING THE PLAN FOR THE MONTHS WHICH THE INSURANCE IS DISCONTINUED FOR THE EMPLOYEE.


James C. Amar, Panel Chair


Mr. Kevin J. Foley, Employer Delegate
Concur X Dissent _____


Mr. Thomas R. Zulch, Union Delegate
Concur _____ Dissent ✓

Employer Issue: Article 27 - Hospitalization and Sick Benefits
Section 27.3 -- Medical /Hospital Insurance Opt Out

The Employer aspires to add an additional sentence to Section 27. 3 that reads:

EMPLOYEES WHO "OPT OUT" SHALL NOT RECEIVE VISION OR DENTAL PAID BY THE EMPLOYER.

Union Position:

The Union's position is to reject the additional language in the Employers Last Best Offer and maintain the status quo.

DISCUSSION:

This is the second of the Employer's three Last Best Offers on Hospitalization and Sick Benefits.

At the procedural hearing the Employer requested that Hospitalization and Sick Benefits should be considered as one issue but it wanted the Arbitration Panel to treat each of its Last Best Offers on this Article separately and issue three individual awards. The Union did not object to this approach.

This issue was another Last Best Offer whereby neither the Employer nor the Union presented witnesses or offered testimony at the arbitration hearing.

Mr. Foley declares in his post hearing brief that there is nothing in the expired labor contract with the union that allows or provides for the vision or dental benefit and when Blue Cross/Blue Shield became the provider of choice, vision and dental were complimentary; there was no separate premium charged. When the employees failed to take the medical and hospitalization, they continued to receive dental and vision at no cost to the Employer but now those complimentary benefits cost the Township between \$1,200 and \$1,565 per employee per year.

In opposition to the Employer's Last Best Offer, Mr. Zulch remarks in his post hearing brief that the dental and optical are separate companies and benefits outside of health care. Furthermore, UE1 and JE5

reveal that among the comparable communities there is no language that takes vision and dental insurance away from employees who opt out of the health care plan with the possible exception of Wyandotte. Union Exhibit 3 Tab 15 notes that in the City of Wyandotte, Michigan if an employee opts out of health insurance, the cost for dental/vision is deducted from the opt out payment. With the exception of AFSCME, the Employer's labor contracts with unions who represent the other unionized Township workers do not have language that employees lose their vision and dental benefits if they opt out of the health insurance plan, JE5. The Employer's Representative pleads in his brief for economic relief on this benefit because of the per year cost to the Township to provide dental and vision benefits. However actual employee costs, ERE 5 Tab K discloses that only three people opted out of the health insurance plan. The Employer's brief contests there is nothing in the contract allowing or providing this benefit. The panel does not share that view. **Section 27. 8 Dental**, of the labor contract reads in part:

The Employer shall provide to each full time employee the existing or comparable Dental Plan Coverage.....

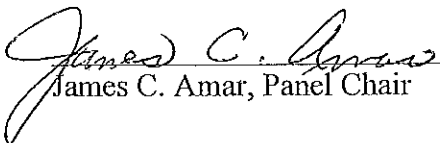
Section 27.9 Optical reads:

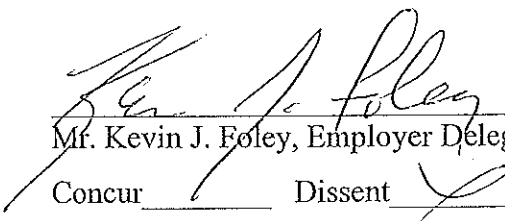
The Employer will provide each full-time employee with the Family Optical Plan currently in effect or a comparable plan.


Moreover it is difficult to find a suggestion via contract language that dental and optical benefits are not contractually retained if the employee chooses to opt out of the health insurance and hospitalization plan. In reaching an outcome on the Employer's Last Best Offer, the Factors in Section 9 of ACT #312 were given the appropriate weight necessary including emphasis on the significance of the employers financial ability to continue providing the Dental and Optical benefit even if an employee opts out of the medical and hospital insurance plan.

Recognizing the concern raised by Mr. Foley in his post hearing brief about the cost to the Employer for providing Dental and Optical coverage, the panel is not convinced that continuation of these benefits for employees who opt out of the medical and hospital insurance plan is significantly detrimental to the financial health of the Township since some of the costs experienced by the Employer from providing these benefits have been minimized in other economic issues the employer has been awarded.

The Arbitration Panel Adopts the Last Best Offer of the Union which is to maintain the status quo and reject the Employer's last Best offer to add a final sentence to Article 27 Section 27.3 that denies an employee from receiving Dental and Optical Benefits if the employee opts out of receiving Medical and Hospitalization Insurance.


James C. Amar, Panel Chair


Mr. Kevin J. Foley, Employer Delegate
Concur _____ Dissent ✓


Mr. Thomas R. Zulch, Union Delegate
Concur ✓ Dissent _____

Employer Issue: Article 27 Hospitalization and Sick Benefits
Section 27.1 Hospitalization

The Employer's Last Best Offer is to increase the percentage that new employees will pay toward the cost of the annual premium for medical and prescription coverage by adding new language (in italic) to read:

Effective January 1, 2010 the employee contribution will be increased to five percent (5%).

EMPLOYEES HIRED AFTER THE DATE THAT THIS CONTRACT BECOMES EFFECTIVE SHALL PAY TEN PERCENT (10%) OF THE ANNUAL PREMIUM FOR MEDICAL AND PRESCRIPTION COVERAGE.

The rest of the language in Section 27.1 remains unchanged.

Union Position:

The Union's position is to maintain the status quo and it rejects the Employer's Last Best Offer to add the new language.

DISCUSSION:

As noted above the Employer is proposing that new hires who become employed with the Brownstown Township Police Department after the date that this contract becomes effective pay Ten Percent (10%) of the annual premium for medical and prescription coverage. The Employer did not present witnesses or offer other testimony to support its Last Best Offer on this issue. Like some of the other issues that were not discussed at the hearing the Employer relies on its exhibits and the reasoning in its Post Hearing Brief to bolster the merits of its position. Also, the Union did not present witnesses or testimony at the hearing to rebut the employer's Last Best Offer.

In his Post Hearing on behalf of the Union, Mr. Zulch confronts the necessity of the Employer's request by citing that the Command unit pays also pays the current 5% the Patrol and dispatch personnel are paying and since January 1, 2015 the Patrol and dispatch employees have been paying above the current

contract requirement as required by MCL. 423.215b. The Union Representative argues that all employees should be treated the same on the health care benefit.

A comparison of the comparable communities reveals that employees who work for the City of Romulus pay 20% of their health care premium if they were hired after July 1, 2011. Trenton Patrol Officers pay a 20% annual premium and those who work for Van Buren Township pay 10%. In Huron Township, employees pay nothing towards the health care premium and in the City of Wyandotte employees have to pay various amounts in accordance with Public Act 152, ERE4 and UE1. The labor agreements the Employer has with the other union's it bargains with do not manifest a consistent application towards the payment of the health care premium.

It was previously mentioned that the Command Unit pays the same premium as the Patrol and Dispatch Union and that labor contract expires at the end of 2015. The similar article in the contract the Employer has with the Teamsters Union does not have language the employer is seeking to get in this Act #312 Arbitration that will apply to the Police Officers Labor Council's Contract. The Labor Contract between the Fire Fighters Union and the Employer requires that Fire Fighters and other members of their bargaining unit pay a yearly premium of 3%. The employer determines the average monthly cost of the health care package and in the event the average cost rises in excess of 8% in any one year the employer can request to reopen the health care package article of the contract and initiate bargaining for the purpose of reducing the premiums for active and retired employees to bring the cost below the 8% ceiling (the average monthly cost of the package, medical/dental/optical/hearing aids is based upon the revised coverage premium for the 2008/2009 plan year, June 2008). The contract the Employer has with the Michigan Association of Police requires employees of that organization to pay 3% of the premium and that labor agreement has language similar to the language that is present in the Fire Fighters' Contract.

A reopener in the contract with the Michigan Association of Police Support Specialists is triggered whenever the average cost in any one year exceeds 6%.

In the contract Brownstown Township has with AFSCME, employees pay 5% for single coverage but employees hired after January 19, 2015 pay 10% for two persons, JE5.

According to the information in the employer's exhibit, the cost of the medical benefit provided to employees in the Patrol and Dispatch unit is about 20% of the fringe benefits paid to Patrol Officers and Dispatchers, Employer Exhibit 4 Tab K, Tab N page 22.

The Employer has provided information to the panel that medical/dental/ and prescription benefits have risen by 16.44% and this increase was observed in the prior discussion over the Employer's Last Best Offer dealing with hospitalization and sick benefits.

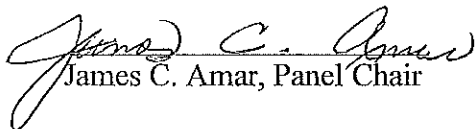
After examining the exhibits and reading the Post Hearing Briefs it is apparent that employers in the comparable communities have addressed the accelerating cost of providing hospitalization and medical insurance to its employees.

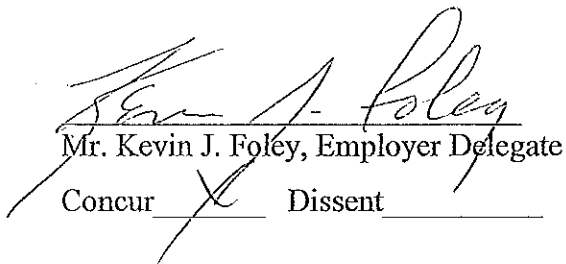
The factors in Section 9 support Brownstown Township's obligation to minimize the cost of providing hospitalization/sick benefits and the evidence gives strength to its Last Best Offer.

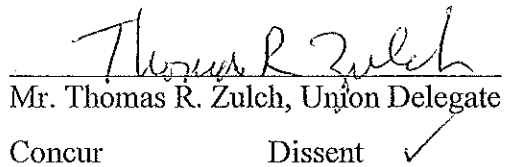
The Arbitration Panel Adopts the Employer' Last Best Offer that requires new employees to pay Ten Percent of the annual medical and prescription coverage with the following new language added to Article 27 – Hospitalization and Sick Benefits, Section 27.1 Hospitalization:

EMPLOYEES HIRED AFTER THE DATE THAT THIS CONTRACT BECOMES EFFECTIVE SHALL PAY TEN PERCENT (10%) OF THE ANNUAL PREMIUM FOR MEDICAL AND PRESCRIPTION COVERAGE.

The rest of the language in Article 27 and Section 27.1 shall remain unchanged.


James C. Amar, Panel Chair


Mr. Kevin J. Foley, Employer Delegate
Concur ☒ Dissent ☐


Mr. Thomas R. Zulch, Union Delegate
Concur ☐ Dissent ☒

Employer Issue: Article 28 – Sick Leave and Personal Leave Section 28.1 – Sick Leave Use Defined

The Employer desires to make significant changes to Section 28.1 B and 28.1 C

In Article 28, The Employer maintains that in its current form it is cost prohibitive and creates issues with regards to staffing. The Employer proposes to address the difficulty by requiring employees to use their 60 hours of short term leave and once this time is expended they would have to use 24 hours of any other available time. Second, the employee would have to use 66 2/3 of their pay in the long term leave bank after the employee has used the 84 hours of combined time.

Union Position:

The Union's Position is to maintain the status quo.

The Employer's Last Best Offer contains current language that has been crossed out and new language in bold it seeks to have placed in the contract.

DISCUSSION:

For purposes of brevity, the entire section will not be re written but the subdivisions of the contract the employer wishes to amend will be highlighted. The Section will be reproduced in its present form with language stricken in accordance with the Employer's Offer and new language in Bold Type the Employer aspires to have written into the labor agreement.

Section A. The Employer proposes no change to the existing language.

Section B.

The current language in Section B reads as follows with the Employer modifications as mentioned above:

B. ~~Long-Term~~ Sick Leave

The Employer shall continue the Sickness and Accident Insurance coverage as provided in Article 27, Section 27.1. In addition, that coverage shall be supplemented so that, including the payments for

sickness and accident insurance coverage, an employee shall receive ~~full pay for time off work due to~~ verifiable personal sickness or accident equal to **336 HOURS** ~~a period of two months for each~~ completed year of service with the Township to a maximum of **3276 HOURS** ~~eighteen (18) months of~~ coverage. **EMPLOYEES SHALL COMPLETE 2184 HOURS OF WORK TO EARN A YEAR OF SERVICE CREDIT (336 HOURS) AND THIS TIME SHALL NOT BE PRORATED.** ~~Employees with less than one (1) year of service shall receive a prorated share of sick leave.~~

The rest of the language in 28.1 B remains as it currently reads.

~~C. Short-Term Sick Leave.~~

Each employee shall **BE ABLE TO USE** ~~receive~~ a total of sixty (60) hours each year to allocate toward ~~short-term illness or injury.~~ All ~~short-term~~ sick leave time which has not been used at the end of the calendar year shall be paid at the regular hourly rate. In order to equalize the time allotment between those employees working a 12 hour- shift and those working an 8-hour shift, all short term sick leave shall be charged or paid as if the employee is working a 12 hour shift, e.g., an employee working an 8-hour shift who uses one short term day shall have 12 hours charged against his bank; conversely, an 8 hour shift employee who has one unused 8-hour short term sick day remaining at the end of the calendar year shall be paid 12 hours straight time. ~~An employee who uses 200 hours or more total sick time in any calendar year shall not be paid for any unused "short term" time at the end of the calendar year.~~

EACH EMPLOYEE SHALL FIRST USE EIGHTY FOUR HOURS OF A COMBINATION OF THE 60 HOURS SICK LEAVE, COMPENSATORY, VACATION AND OR PERSONAL TIME BEFORE USING SICK LEAVE TIME. (EMPLOYEE USES ENTIRE 60 HOURS AND 24 VACATION HOURS BEFORE THEY CAN USE THE SICK LEAVE BANKED TIME AND WILL NOT RECEIVE ANY END OF YEAR PAY OUT). SECOND OCCURRENCE REQUIRED TO USE 84 HOURS OF LEAVE TIME UNTIL ALL BANKS EXHAUSTED. SICK

LEAVE BANKED TIME SHALL BE PAID OUT AT 66 2/3 OF THE EMPLOYEE'S REGULAR HOURLY RATE.

TO UTILIZE TOWNSHIP ACCIDENT AND INSURANCE COVERAGE THE EMPLOYEE AGREES TO AN INDEPENDENT EXAMINATION BY A DOCTOR OF THE EMPLOYER'S CHOOSING TO VERIFY CLAIM. THE EMPLOYEE MUST BE EXAMINED BY THE EMPLOYER'S DOCTOR EVERY 30 CALENDAR DAYS DURING SAID CLAIM UNLESS WAIVED BY THE EMPLOYER.

F. Use of Time and Method of Reporting.

F 1) No change

F 2) No change

F 3) Sick Leave taken shall first be charged against the 60- hour allotment of "short term" sick leave

~~time. For the first use or occurrence of sick leave during the calendar year, a maximum of one day of "short term" sick leave shall be charged. For each use or occurrence of sick leave time after this first incident, the first two days of sick leave utilized shall be charged against the "short term" bank.~~

The remaining sentence in F 3) remains unchanged

There are no other changes to the subdivisions of this section.

In his Post Hearing Brief, Mr. Foley maintains that the sick leave provision in the expired contract is unsustainable and calls attention to the testimony given by the Public Safety Director, James Sclater, who began his employment with the Township as a patrolman in 1982. Under Direct Examination by Mr. Foley, the Public Safety Director spoke of a situation whereby a dispatcher was on long-term disability for over a year and another dispatcher went on long-term disability and several other dispatchers resigned from the Department which left the Employer with one dispatcher, Transcript pp. 48-49. Mr. Sclater stated he undertook a review going back to 2001 to analyze the cost to the Township

by applying the labor costs of two patrol officers and two dispatchers. The Public Safety Director reviewed the time taken off by one dispatcher from 2012-2014 and he stated the dispatcher used 1470 hours. Since the employees are on a 12 hour shift and work 2184 hours Director Sclater responded that amounted to 0.67 hours of time of the year and the cost is higher when you multiply that time by the pension multiplier of 2.5%, Transcript, page 50. After further calculating the cost Mr. Sclater concluded that the expense to the Employer was \$31, 605.00, and he stated there was a requirement to backfill the absence of the dispatcher either at time-and-a-half with another dispatcher or a patrol officer or a patrol officer at time – and – a – half noting that a patrol officer earns thirty dollars and eighty-four cents at straight time pay, Transcript page 51. The Public Safety Director testified he studied the time period from 2001 to 2015 of another dispatcher who took disability leave and commented that the dispatcher was off 5,376 hours or 2.46 years at a cost to the employer of \$115, 584.00. Under further Direct Examination by Mr. Foley, Director Sclater cited examples of patrolmen who were off and what it cost the employer for the years 2003 and 2004. Applying the same methodology that was used to arrive at what the dispatcher's time off cost the Township, Mr. Sclater stated that the Township experienced an expense of \$44, 779. 68, Transcript page 53. According to the Public Safety Director another Patrol Officer received \$183, 729.30 between 2001 and 2014.

Currently, the employee receives $66 \frac{2}{3}$ of their wage and the remaining $\frac{1}{3}$ is paid by the employer enabling the employee to draw full pay. Mr. Foley argues in his brief that employees are free to purchase third-party plans to augment their pay.

In his testimony, the Public Safety Director said the Employer desires to change the language regarding time. The employer seeks to reference time off by having language that addresses hours instead of days and months because the employees are on an 84 hour schedule.

Instead of the contract reading time in months, for a two month period that would be re-written as 336 hours since there are four (4) eighty four (84) hour pay periods. One of the changes being sought by the Employer is a requirement that employees first use 60 hours of their short term leave before utilizing the bigger bank of disability leave. Once the employee exhausts the 60 hours of short term leave the employee could then use 24 hours of what other time he/she has available and after that has been used the patrol officer or dispatcher would be able to go into the long term bank. Another alteration to Section 28.1 sought by the Employer is to reduce the pay of an employee once the employee is drawing compensation from the long-term bank.

The comparable communities address this issue in a varied fashion.

How sick leave is covered financially among the comparable communities reveals different approaches with some communities paying benefits at levels higher than what the Employer is offering to the Union in this dispute. Sick and accident insurance plans among the comparable cities disclose programs that provide benefits after an employee has used up their sick leave or other available time. Generally, employees can use sick time to supplement their sick and accident insurance that will enable the employee to receive 100% of their pay and this is noticeable when an employee receives Workers' Compensation.

Garden City:

The City of Garden City does not have language in its contract with its Police Union that mirrors what Brownstown Township is seeking in its Last Best Offer.

Huron Township:

- The Employer provides short term and long term disability insurance that compensate the employee 66 2/3 of their pay. The contract is silent on how the remainder of compensation is made up.
- Huron Township pays the difference between Worker's Compensation and the employee's net weekly pay for a period not to exceed 18 months if the employee is injured in the performance of their job.

Romulus:

- Non-Duty Disability – after 30 days of an illness or injury a qualified employee shall receive benefits equal to 85% of their hourly rate for the first 24 months
- 67% thereafter up to a maximum of \$3,000 per month – after ten (10) consecutive work days of sick leave use an employee may elect to use their sick leave in their reserve sick leave bank to qualify for this credit
- For eligible employees, payments from the City for the differential between 85% of pay and the amount covered by the disability insurance carrier begin at the next full pay period after 31 calendar days from the disability.
- Employer pays the difference between Workers' Compensation Benefits and full pay for one (1) year. The worker will continue to be paid the difference between workers' compensation benefits and 85% of full pay for the next year.

Southgate:

- Sick and Accident Insurance - \$250 per week for 30 weeks
- Accumulated sick time may be used to supplement the benefit equal to 100% of the employee's regular gross pay.

Trenton:

- Long Term Disability provided by the employer pays 60% of earnings to a maximum of \$5,000 per month.
- Non-Occupational injury, illness or pregnancy – the employee uses accrued personal days, earned vacation days and sick leave

Van Buren Township:

- Employees must use sick time for personal illness or disability due to an off the job injury
- Employer provides Sickness and Accident Benefits which provide eligible employees 70% of their base pay to a maximum of \$800.00 per week not to exceed thirteen weeks
- Upon determination of long term illness, eligible employees will be compensated with a monthly benefit equal to sixty (60%) of their monthly covered earnings up to a maximum monthly benefit of \$5,000.00

Wyandotte:

- An employee on duty sick leave receives full wages and benefits from the city including Workers' Compensation benefits.
- The city pays the difference, if any, between the Workers' Compensation and the employee's base wage not to exceed 800 hours from the date of injury.
- The City pays the cost for Long Term Disability Insurance for regular classified employees.
- Benefit amount – 50% of base salary to age 65; \$70,000.00 maximum annual salary

The contract the Employer has with the Command Officers has the same language that is currently in Article 28 Section 28.1 of the contract it has with the Patrol and Dispatch Unit. The labor agreement the employer has with the Teamsters does not have an article on sick and accident insurance. The Contract Brownstown has with AFSCME has a provision that the Township provides a disability policy that pays the employee $66 \frac{2}{3}$ of their base pay up to a maximum of \$500.00 for twenty-six weeks for disability due to a non-employment injury or illness. Beginning six (6) months after disability employees are eligible for payment of 60% of salary up to a maximum of Four Thousand (\$4,000) per month payable to age 65. The Maximum would be offset by any other disability payment. The contract with the Michigan Association of Police Support Specialists apparently does not have a provision that provides sick and accident disability insurance. However, the MAP contract entitles an employee who is injured on the job to use sick time for all time not covered by Workers' Compensation.

In his Brief, Mr. Zulch challenges the practicality of the Township needing language that to utilize Township Accident and Insurance coverage the employee must agree to an examination by a doctor of the Employer's choosing since the employer has that right in the expired contract, Union Exhibit 1 Tab 4 Section 28.1 F 6). In addition, the Union representative disagrees with the Director's methodology of converting time from months to hours, Transcript page 55 line 17. Mr. Zulch suggests this conversion would cause the employee to experience a reduction of sick leave.

Under Cross Examination by Mr. Zulch, the Public Safety Director was unable to answer what the dollar for dollar cost was for the Police Department Budget when the department experienced the cost of personnel who were off on duty disability. Furthermore, in response to a question by Mr. Zulch, Public Safety Director Sclater answered that the costs he calculated which the Employer incurred resulted from the employees who were off on disability and they were based on current pay rates in the expired contract and not on what the employees actually earned in the time period he surveyed when replying to

questions under Direct Examination by Mr. Foley. This revelation would make the costs higher since some of the time studied was in years prior to the expired contract.

Director Sclater could not answer Mr. Zulch's question about the amount of money the insurance provided to cover the cost of the absent employees who were on disability because he did not have the figures. Transcript page 63. In another series of questions by Mr. Zulch, the Public Safety Director could not answer how much of the wage the insurance company was paying for someone on disability leave and he stated that someone from the Human Resources Department would be able to answer how much the Insurance Company is paying, Transcript page 68. In earlier testimony the Public Safety Director testified that he successfully negotiated similar language on this issue with the Fire Fighters and that has produced a significant decrease in the use of disability leave by Fire Department Employees. However, the Director testified that without a historical record to work from he could not confirm that the Employer's Last Best Offer would fix the problem with the Patrol Unit, Transcript page 59. In reading the Fire Fighter Contract Joint Exhibit 5 Tab 16 there is similar language but there is also a difference. The Fire Fighters Contract allows new employees with less than a year of service to receive a prorated share of sick leave. The Last Best Offer made by the Employer to the Patrol and Dispatch Employees does not allow for proration of sick time.

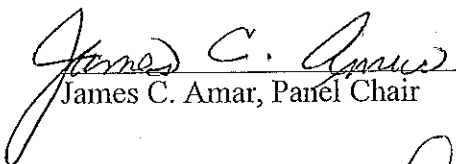
The employer was prompted to address the issue because of circumstances that created a perfect storm for the employer to have adequate staffing. The Employer is seeking a major revision of Section 28.1 in Article 28 as a tool to reduce the use of disability leave. Other than the occurrences mentioned by the Public Safety Director under Direct Examination there was no other evidence or testimony that the current sick leave usage program has been a historically and lengthy problem over the last 12 plus years. Moreover, in his Post Hearing Brief Mr. Foley acknowledges the Public Safety Director's testimony that only a few of the employees utilize the benefit to make it unworkable. No testimony was

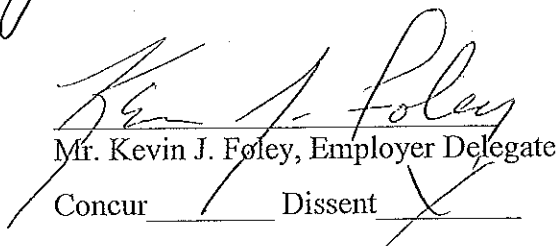
given or evidence submitted that the Employer used its right in the contract to challenge the medical evaluation of an employee's Doctor by sending the employee to a Doctor of its own choosing. Any employer has the responsibility to monitor how its employees use sick time. In this matter, the Employer is attempting to introduce a major change to a benefit and condition of employment that has been extensively present in the contractual relationship between the parties and the modification it seeks could have a financially significant impact on the employees.

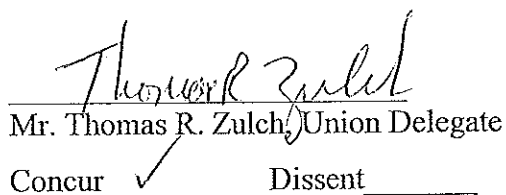
In Act #312 Arbitration, when a party makes a Last Best Offer on an issue, it has the burden of establishing a foundation to prove that its submission should be awarded by the Arbitration Panel.

Based on the Factors in Section 9 of Act #312, the testimony given, and the exhibits submitted, the arbitration panel is not of the opinion the Township made a substantial case to grant its Last Best Offer to modify Article 28, Section 28.1 Sick Leave Use Defined.

The Arbitration Panel adopts the Union's Last Best Offer to maintain the status quo and retain Article 28 Section 28.1 in its entirety with no amendments to the current language.


James C. Amar, Panel Chair


Mr. Kevin J. Foley, Employer Delegate
Concur _____ Dissent X


Mr. Thomas R. Zulch, Union Delegate
Concur ✓ Dissent _____

Joint Issue: Wages year 1

Employer Last Best Offer

Police Officers	2015 - 1% retroactive to January 1, 2015 –or–
&	1.5% effective September 5, 2015
Dispatchers	Union to select one

Union Last Best Offer

Police Officers	Effective January 1, 2015 - 2% Across the Board with full retroactivity
&	
Dispatchers	

DISCUSSION:

No testimony was given by either party at the hearing to support the Last Best Offers on Wages. The Representatives of the Union and the Employer stated they will rely on their exhibits and debate the merits of their Last Best Offers on wages in their post hearing briefs.

The Union's brief argues that its Last Best Offer should be awarded to keep pace with the Consumer Price Index since the raises it has received between 2005 and 2015 have been below the CPI and the Union's wage proposal is supported by the Consumer Price Index, UE1 Tab7, page 2. In his brief Mr. Zulch maintains the union offer is not unreasonable because the Township enjoys an unrestricted fund balance of 33% UE2 and the Employer is projecting increased revenues.

As of July 1, 2014 the average base wage of patrol officers in the comparable communities is \$60,433.00. Patrol Officers working for Brownstown Township have the highest base wage and they earn \$64,148 but they rank second to Garden City, Michigan in total compensation. The total compensation of Garden City Patrol Officers at \$66,445.00 make it the highest paid department among the comparable communities, Union Exhibit Tab 7 page 5. Employees in Garden City and other

communities receive cash benefits for other items such as gun allowance, uniform cleaning, longevity and shift premium whereas The Brownstown Patrol Officers only receive cash in the sum of \$1,150.00 for uniform cleaning. As of Jul 1, 2014 Dispatchers share the same position as the Patrol Officers among the comparable communities with Romulus, Michigan Employees receiving \$47,265.00 in base wages for an eleven year employee. Brownstown Dispatchers receive \$44,739 which is above the average base wage of \$44,439. Total Compensation for an eleven year dispatcher working in Brownstown is \$44,839.00 and the average among the comparable communities is \$44,717.00 with Huron Township receiving the highest total compensation at \$48,705.00 Union Exhibit Tab 7 page 17. Mr. Foley maintains that the Township Patrol officers receive the highest base wage of any employees in the comparable communities and the Dispatchers receive the second highest base wage and should its last Best Offer be awarded, the Patrol Officers and Dispatchers will maintain that status. Among the internal comparable unions the Employer has contracts with, Mr. Foley argues the Township Offer is equal to or better than all the other employee labor organizations.

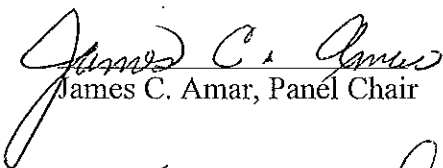
The Projected Revenue for the Police Operation Fund in 2015 is \$5,180,200 which is about 2% above the previous year and (note table at beginning of the award) Employer Exhibit 4 Tab N, page 22 and projected expenditures of \$5,865,200 are about one-quarter of one percent lower. In reviewing the other documents and financial data contained in the Employer exhibit the information demonstrates that the Township has based its budgeting on setting aside about 1% for wage increases for most if not all of the Township Employees.

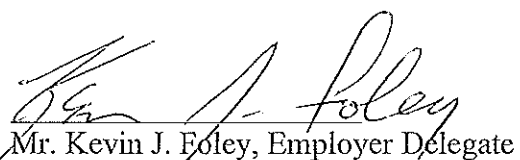
The Employer extended the option of two Last Best Offers in the first year of the contract. Even though the Union did not change its Last Best Offer on Wages for year one of the contract it prepared its exhibit to illustrate the Employer's Offer of 1.5% for the employees in the bargaining unit. While much of the information on the Township budget suggests the employer is in a financially sound condition, it is only

projecting an increase of just over 2% in the Police Operation fund in 2015. Also, it cannot be ignored that Patrol Officers and Dispatchers maintain a high rank in base pay among comparable communities and their position relative to total compensation is not diminished measurably by the Employer's Last Best Offer. If the Union's Last Best Offer were awarded it could erode the projected revenue the Employer has determined for 2015. Moreover, in reviewing the other pay raises negotiated with the other labor organizations it is clear that none of the other employees received more than a 1% pay raise with the exception of the Fire Fighters and their pay raise was not retroactive to the beginning of the contract. The applicable Factors in Section 9 of Act #312 require the panel to base its opinion and order on the financial ability of the unit of government to pay, a comparison of the wages, hours and conditions of employment with other employees performing similar services in the public and private sector, and with employees of the unit of government outside of the bargaining unit in question.

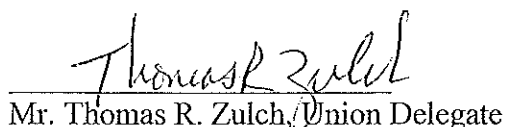
The panel concludes that based on the factors in Section 9 of Act #312 the Employer's Offer of 1.5% in year one is the most compatible with the criteria of Section 9.

The Arbitration Panel Awards the Employer its Last Best Offer of a wage increase of 1.5% effective September 5, 2015


James C. Amar, Panel Chair


Mr. Kevin J. Foley, Employer Delegate

Concur ☒ Dissent ☐


Mr. Thomas R. Zulch, Union Delegate

Concur ☐ Dissent ☒

Joint Issue: Wages Year 2

Employer's Last Best Offer

Police Officers 2016 – 1%
 &
Dispatchers

Union's Last Best Offer

Police Officers Effective January 1, 2016 1.5% across the board
 &
Dispatchers

DISCUSSION;

The arguments made by the parties on wages in their briefs address the remaining two years of the contract. The Union employees will continue to be paid competitively regardless of which offer is adopted by the panel and the applicable criteria in Section 9 that were cited in the award on wages for year one mandate the panel to arrive at an award that comply with those factors.

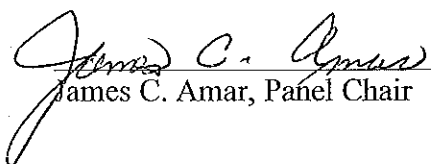
The Union Proposal of 1.5% for year two of the contract would increase the base wage to \$65, 430.00. Under its proposal the Union would still have the highest base wage among the comparable communities and it would exceed the average of \$61,286.00 by \$4,145.00. The Employer's Last Best Offer would continue keeping the Brownstown employees with the highest base wage among Patrol Officers in the comparable Communities and the Dispatchers would remain the second highest in base wages, Union Exhibit 1 Tab 7.

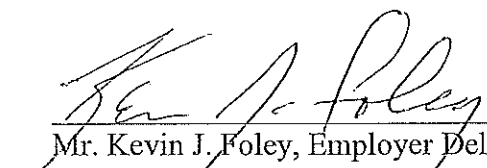
The Employer's projected revenue for the Police Operation fund in 2016 is \$5,269,800 and this amount is about 1.7% higher than the projection made for 2015... The projected expenditures are figured to be 2% higher at \$5,989,700.00 for 2016. The Forecasted total expenditures for all township funds for 2016 is approximately 1% higher than 2015. Total Forecasted Expenditures for all Township Funds in 2016 are projected to be \$34, 865,700 and the Forecasted Expenditures for 2015 are \$34,482,500.00.

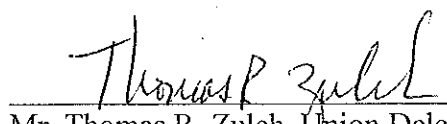
A review of the budget information in Employer Exhibit 4 Tab N and Joint Exhibit 5 verify that all of the other labor unions in the Township negotiated a 1% pay increase in the second year of their collective bargaining agreements with the Employer. Upon examination of the budgets of the other units of the Township Government it is apparent that raises for Most of the Township Employees were budgeted for an increase of 1% in 2016. The parties were only one – and – half percent apart in their Last Best Offers in year two of the contract but the arbitration panel concludes that the Employer's Last Best Offer meets the criteria required in Section 9 of Act #312.

The Arbitration Panel Awards the Employer its Last Best Offer of a 1% wage increase effective

January 1, 2016


James C. Amar, Panel Chair


Mr. Kevin J. Foley, Employer Delegate
Concur ☒ Dissent ☐


Mr. Thomas R. Zulch, Union Delegate
Concur ☐ Dissent ☒

Joint Issue: Wages Year 3

Employer's Last Best Offer: 2017 – 1%

Police Officers
&
Dispatchers

Union's Last Best Offer Effective January 1, 2017 1.5% across the board

Police Officers
&
Dispatchers

DISCUSSION:

In a report provided to the Supervisor and Township Board of Supervisors, dated May 24, 2014 the Accounting Firm, Darnell & Meyering, P.C. Certified Public Accountants, the accounting firm compiled a report of forecasted statements and revenues and expenditures and changes in fund balances for Brownstown Township, Employer Exhibit 4 Tab N page 4. Among its statements the report discloses an assumption that the Township will experience moderate increases in taxable value through 2018. One Chart illustrates that the Township has received moderate increases in State Shared Revenue over a period spanning the years 1994 - 1998 Employer Exhibit 4 Tab N page 12. The Forecasted revenue for the Police Operation Fund for 2017 is \$5,315,500.00 which is about 1% higher than the Forecasted sum in the prior year of 2016 at \$5, 269,800.00. Forecasted expenditures at \$6,015,500.00 are higher than the Forecasted expenditures for 2016 by \$25,800.00. Also the Police Operation Fund is expected to have a fund balance of \$45,615.00. In Union Exhibit 2 an analysis on the Financial Condition of the Township

shows that the Township had a fund balance of 32.76% in 2013. In the same report for the Township Board that was done by Plante and Moran in June of 2014 the authors of the report noted the following: That even though taxable value has dropped, state shared revenue has increased as a result of an increase in the Population growth of the Township. The Township received revenue from the state that totaled \$2,550,135.00 in 2013 compared to \$1,880,313.00 which is an increase of approximately 36%. The report added that modest increases are projected by the State for 2014.

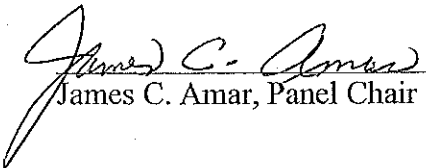
Section 9 of Act #312 requires an Arbitration Panel to base its findings, opinion and order on various criteria with significant emphasis on Section 9 (1) (a) The Financial ability of the unit of government to pay and Section 9 (2) giving the financial ability of the local unit of government to pay the most significance. (Note the Criteria were listed at the beginning of the award)

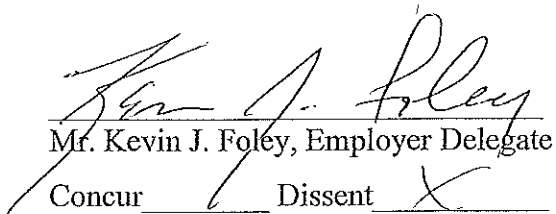
In one of its Last Best Offers the Employer was willing to pay the Union employees a 1% raise each year of the contract. Its optional offer that was adopted by the panel in year one added 1.5% to the base but cost the employer about on quarter of one percent (.0025) since it takes effect on September 5, 2015. In addressing the wage award in year three of the contract the Union's Last Best Offer has merit and it appears it would not be financially onerous to the Employer. The Union's Last Best Offer on wages in year three would fall within the affordability parameters of the Employer's Budget. The Union's offer on Wages coupled with the award on wages made in the first two years would see the employer pay the employees on average less than 1% each year of the contract which is less than the Employer budgeted for employee compensation.

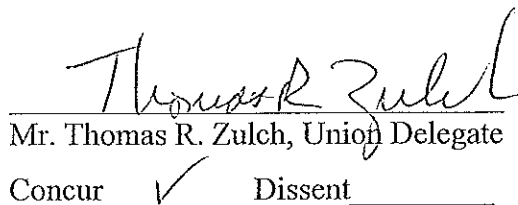
Also, the employer should achieve additional cost savings resulting from other issues it prevailed on in this arbitration.

Based upon the criteria contained in Section 9 of Act #312, considering the substantial evidence and awards to the employer on previous issues along with giving the Employer's ability to pay the most significance, the Arbitration Panel decides the Union's Last Best Offer on wages in year three will not be detrimental to the Township's financial stability.

The Arbitration Panel Awards to the Union its Last Best Offer of 1.5% on Wages in year three of the contract effective January 1, 2017.

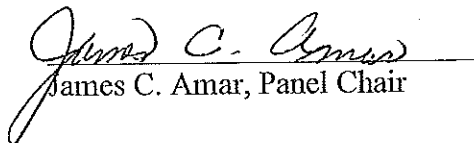

James C. Amar, Panel Chair

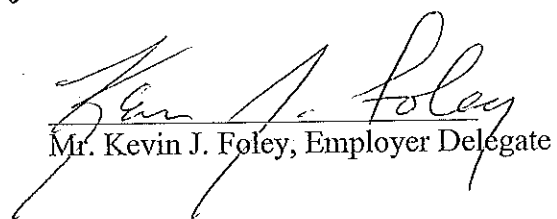

Mr. Kevin J. Foley, Employer Delegate
Concur _____ Dissent X

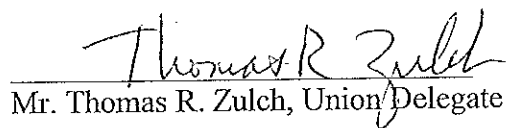

Mr. Thomas R. Zulch, Union Delegate
Concur ✓ Dissent _____

Mr. Zulch argued in his post hearing brief, that since January 1, 2015 Patrol and Dispatch employees have been paying more for the Township-wide health care as required by Michigan Law MCL. 423.215b, and this has placed a financial burden on the employee. The employer is agreeable to the following Stipulation to address this issue:

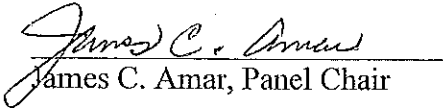
The Employer and Union Delegates Stipulate that the Employer will reimburse additional monies paid by POLC Members due to the increase in medical/prescription drug expenses as required by Section 215b of MCL.423.215b from September 5, 2015 until cessation by the Township.

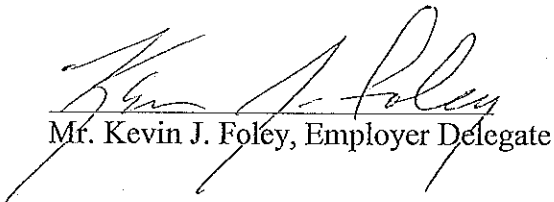

James C. Amar, Panel Chair

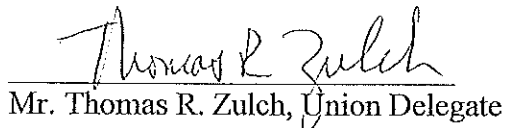

Mr. Kevin J. Foley, Employer Delegate


Mr. Thomas R. Zulch, Union Delegate

It is understood that all other issues not presented to the panel are waived and that all uncontested articles and practices of the prior (expired) agreement and any tentative agreements that were reached in negotiations or mediation are incorporated into the new agreement.


James C. Amar, Panel Chair


Mr. Kevin J. Foley, Employer Delegate


Mr. Thomas R. Zulch, Union Delegate