

MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
MICHIGAN EMPLOYMENT RELATIONS COMMISSION
BUREAU OF EMPLOYMENT RELATIONS

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

TEAMSTERS LOCAL 214,
Union & Petitioning Party

vs.

CITY OF TRAVERSE CITY,
(Police Sergeants)
Public Employer & Responding Party

STATE OF MICHIGAN
EMPLOYMENT RELATIONS COM. L.
DETROIT OFFICE

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MERC CASE NO.: 19-C-0736-CB (Act 312)

COMPULSORY ARBITRATION

Pursuant to Public Act 312 of 1969, as amended
[MCL 423.231, et seq]

Arbitration Panel

Chair: Don R. Berschback
Employer Delegate: Michael R. Kluck
Union Delegate: Michael L. Fayette

Advocates

Employer Advocate: Michael R. Kluck
Union Co-Advocates: Michael L. Fayette
Robert V. Donick

PETITION FILED: September 4, 2019
PANEL CHAIR APPOINTED: September 16, 2019
SCHEDULING CONFERENCE By Telephone: November 6, 2019
HEARING DATE(S) HELD:
 • External Comparables November 20, 2019
 • Substantive Hearing March 5, 2020
HEARING CLOSED: March 5, 2020
BRIEFS FILED: April 17, 2020
AWARD ISSUED: May 21, 2020

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Witness for the Labor Organization

- A. Ryan Taylor, Sergeant

Witnesses for the Public Employer

- B. Kristine Bosley, HR Director
- C. Bill Twietmeyer, City Treasurer, Finance Director

Introduction and Background

This Act 312 Arbitration between the Sergeant's Bargaining Unit represented by Teamsters Local 214 and the City of Traverse City involves a Collective Bargaining Agreement that expired on June 30, 2019. The bargaining unit has five members, four shift Sergeants and one detective sergeant. The City of Traverse City has four (4) bargaining units represented by the same Labor Organization, Teamsters Local 214. Other than the petitioning unit in this 312 matter (Sergeants) the other units are the Command Officers of the Traverse City Police Department, the General Municipal Employees – general unit, and the General Municipal Employees - Clerical/Technical unit. All of the above mentioned bargaining units had Collective Bargaining Agreements which expired on June 30, 2019.

The Employer also has a Collective Bargaining Agreement with the Patrol Officers Association of Michigan (POAM). The CBA for the patrol officers covers the five year period from July 1, 2016 through June 30, 2021 and the Employer also has a CBA with the Traverse City Firefighters Association (AFL-CIO), likewise for the same time period. With the exception of the General Municipal Employees general unit and Clerical/Technical unit, all of the bargaining units are covered under Public Act 312 of 1969, as amended (MCL 423.231 et seq).

Retroactivity and wages are the two issues involved in this Act 312 case. As to the latter, the Employer essentially made three proposals. First, on March 26, 2019, it proposed a three year contract with increases. Then on April 22, 2019 it made two proposals for a five year contract with the last proposal having wage increases from existing wages of 2.75, 2.25, 2, 2 and 2%. Those wage proposals did not change from April 22, 2019 until the submission of its LBO on February 14, 2020 when the City reduced its proposal by reducing the first year increase from 2.75 to 2.5, increasing its second year percentage from 2.25 to

2.50%, retaining the 2.0% for the remaining three years of the CBA and, for the purposes of retroactivity, its LBO was to only retroactive the increase in the first year of the CBA from the date the ACT 312 award was issued.

The Employer entered into collective bargaining negotiations early with the units represented by Teamsters Local 214 for the purpose of negotiating successor contracts to all four (4) of the agreements that expired on June 30, 2019. With only one exception (the Sergeant's Unit) successor contracts were negotiated. Without exception, all of these ratified contracts covered a period of five years with the common expiration date of June 30, 2024. The Sergeant's Union was not able to successfully negotiate an agreement and a petition for compulsory interest arbitration under Act 312 was filed on September 4, 2019.

The Union had made an initial proposal of 4% annually for each year of a three year contract. During negotiations, its next proposal was for 3.5% each year for five years, for a total of 17.5%. The Union reduced its proposed increases over the course of bargaining several times. However, after the decision on the comparable external employers was made by the Arbitration Panel, the Union took a closer analysis of the relative changes over time between the comparable employers (it had been 17 years since the last Act 312 decision on comparable external public employers). Further, a Lieutenant who had been in the sergeant's bargaining unit and who had recently moved to the command bargaining unit received a substantial increase. The Union's position then changed. After the Lieutenant's raise on July 1, 2019, the Sergeants were 17.3% below the wages of the Lieutenant for the five year anticipated contractual period.

During the Act 312 proceedings and with discussions with the Panel Chairman, the number of open and unresolved issues had been narrowed from twelve (12) issues to four (4) issues. Left before the Panel's resolution just prior to either the submission of the LBO's

by the parties or the substantive hearing on the remaining issues on March 5, 2020, the issues before the Panel for resolution were (1) duration of the agreement, (2) wage rates, (3) retroactivity of wages, and (4) the post retirement cost of living provision. As will be noted in this Opinion, the parties agreed upon the duration being five years effective July 1, 2019 and ending June 30, 2024 and just prior to the hearing on the substantive issues, the Union withdrew their last LBO on the post-retirement cost of living provision which, in effect, adopted the Employer's position on that issue.

At the hearing convened on March 5, 2020 the parties did stipulate on the record to the resolution of the post-retirement cost of living provision and the duration of the Collective Bargaining Agreement (five years) leaving Wages, and Retroactivity as the only issues to be decided. Both issues were stipulated to be economic issues and that the Panel had jurisdiction over them.

The respective positions of the parties under their LBOs (Employer's Exhibit 17) are as follows:

EMPLOYER	UNION
No retroactivity in wages – wage increases will apply to the date of the issuance of the 312 Award.	Retroactivity on wages to July 1, 2019
2.5% increase in wages effective on the date of the Act 312 Award.	July 1, 2019 14% below Lieutenant.
2.5% increase in wages effective July 1, 2020.	July 1, 2020 13% below Lieutenant
2.0% increase in wages effective July 1, 2021.	July 1, 2021 12% below Lieutenant
2.0% increase in wages effective July 1, 2022.	July 1, 2022 11% below Lieutenant
2.0% increase in wages effective July 1, 2023.	July 1, 2023 10% below Lieutenant

Statutory Criteria

The findings, opinions, and orders of the Panel must be based upon the following factors:

MCL §423.239

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 order upon the following factors:
 - (a) 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 141.1575, that places limitations on a unit of government's expenditures or revenue collection.
 - (b) The lawful authority of the employer.
 - (c) Stipulations of the parties.
 - (d) Comparison of the wages, hours, and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours, and conditions of employment of other employees performing similar services and with other employees generally in both of the following:
 - (i) Public employment in comparable communities.
 - (ii) Private employment in comparable communities.

- (iii) 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.

Stipulations

The Employer's stipulated to the substitution of Michael L. Fayette as advocate and delegate for the Union in place of Robert V. Donick.

At the outset of proceedings the Union, through its representatives, removed the Union's LBO with respect to Retirement and Longevity Section 20.1 thereby leaving the LBO of the Employer for adoption by the Panel.

After an earlier hearing, the Panel Chairman made a ruling on external comparables on January 15, 2020. That ruling was incorporated by reference in the Employer's Post

Hearing Brief and agreed to by the Employer's delegate. That ruling established the following communities as appropriate external comparables to Traverse City:

- (1) Alpena
- (2) Cadillac
- (3) The Grand Traverse County Sheriff's Department
- (4) Marquette
- (5) Sault Ste. Marie

The parties have stipulated that the two remaining issues for resolution are economic and within the jurisdiction of the Panel. The LBO of the parties on duration were identical and so the Panel adopts the duration of the Collective Bargaining Agreement effective July 1, 2019 through June 30, 2024.

The parties have agreed that the economic advancements previously agreed to between the parties will be prospectively applied. Additionally, the language modifications to be inserted into the successor contract are contained in Exhibit 13 of the Employer (attached). By stipulation, the issues then before this Panel are wages and retroactivity.

Comparables

As noted above, after a review of the testimony of certain witnesses and the introduction and admission of exhibits in a hearing held on November 20, 2019, the external comparables required under MCL Sec. 423.239 Section 9(d) have been established as follows:

- (1) The Grand Traverse County Sheriff's Department
- (2) Alpena
- (3) Cadillac
- (4) Marquette
- (5) Sault Ste. Marie

Issues Before the Panel

FINDINGS / OPINIONS / ORDER

A. WAGES

The 312 Panel is required under Section 9(2) to “Base its findings, opinions, and order on listed factors, the first of which in Section 9(1)(a) is “financial ability of the government unit to pay”. Further under Section 9(2) the statutory task of the 312 Panel is clarified in that it “shall give financial ability to pay the most significance provided that the determination is supported by competent, material, and substantial evidence”. Section 9 also provides for several other factors to be considered in the Panel arriving at its final Opinion and Order. The Panel is to consider each of the Section 9 factors although it has substantial discretion in determining the weight to be accorded to them.

MCL §423.239

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 order upon the following factors:
 - (a) 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 141.1575, that places limitations on a unit of government's expenditures or revenue collection.
 - (b) The lawful authority of the employer.
 - (c) Stipulations of the parties.
 - (d) Comparison of the wages, hours, and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours, and conditions of employment of other employees performing similar services and with other employees generally in both of the following:
 - (i) Public employment in comparable communities.
 - (ii) Private employment in comparable communities.
 - (iii) 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.

The Panel had before it forty-four (44) exhibits which have multiple subparts and contain hundreds of pages. There was also ninety-nine (99) pages of testimony during the hearing on March 5, 2020. The Chair has reviewed all exhibits (focusing more on the relevant exhibits than the “background exhibits” and has also reviewed the entire transcript of the hearing. The Panel is required to consider each factor in Section 9 and will do so even if no evidence was introduced concerning that factor.

The financial ability of the Unit to government to pay was the first determination that the Chair examined. In this case, the Union’s basic position is that, when all of the external comparables have been reviewed, it is clear that not only does Traverse City have the ability to pay but “It’s time for Traverse City to take its rightful position as number one among the six (sic 5?) comparable Employers.” In support of the position as to comparables, the Union contends that the metrics that impact the day to day life of the Sergeants have increased over the past many years (and especially since the last 312 Arbitration for the City of Traverse City). In support of their position, the Union indicates that, among other metrics,:

- COLA is now higher than comparable Employers.
- The median income of residents in Traverse City is substantially higher than comparable employers.
- The tax value of Traverse City has increased when compared to comparable Employers.
- Various other factors as contained in the admitted exhibits.

The Union frequently referred to the hourly wages of Sergeants in the City of Sault Ste. Marie. The Union contends that the modest increases of the Employer as proposed would maintain Traverse City’s current and inappropriate position in the lower half on the list of comparable external Employers and put it an additional two (2%) percent behind Sault Ste. Marie, for a new

total deficit and wages of 3.75% at year four. The Union's proposal as shown on Employer Exhibit 17 would lift Traverse City to its rightful position as the highest paid among the comparable Employers. Based on the existing data, there was no information going out to the year 2023 for any external Employer. Again, under the Union's proposal, the Union's position would place this bargaining unit in the top position by 2022. The Union contends that the Employer's proposal by 2022 would provide for the further degradation of Traverse City's relative position by placing the wage rate at some 3.25% below that of Ste. Sault Marie.

The City provided comparable wage rates for Police Sergeants for the 2019 contractual year and the 2020 contractual years for the five comparable cities. Those wage rates are detailed below:

2019 Wage Rates - Top Base - Police Sergeants

Alpena	28.22	
Cadillac	27.09	
Marquette	30.22	
Grand Traverse Co.	30.65	
Sault Ste. Marie	30.70	
Average	29.54	
Traverse City (LBO)	29.43 *	Union LBO 31.40

2020 Wage Rates - Top Base - Police Sergeants

Alpena	TBD	
Cadillac	TBD	
Marquette	30.82	
Grand Traverse Co.	31.26	
Sault Ste. Marie	31.62	
Average	31.23	
Traverse City (LBO)	30.92 *	Union LBO 32.56

- * This hourly wage only applies to the four (4) shift Sergeants. The Detective Sergeant's extrapolated hourly rate is different – higher.

An analysis of the proposed wage rates for these two years provides a snapshot of the difference between the parties LBOs on their positions as to wages. The Union wishes Traverse City to pay the highest wage rates based on changing metrics as compared to the external comparables. The City contends that neither the statute nor the exhibits and testimony in this case require that the City be the highest paid Employer but rather that it be somewhat consistent with the average of the external Employers. Thus, the City contends that this is really not a financial ability to pay but rather an unwillingness to pay the top rate. While the Chair recognizes that the Union's approach as to financial ability to pay is a unique one, the Chair does not agree that the financial ability to pay concept requires that the City pay the highest wage rate possible. The history of Act 312 as to financial ability to pay generally revolved around a city's inability to pay even minimal increases based on their financial ability – especially during the “bankruptcy years” of various cities and the “emergency manager years” in times past.

As it relates to private employment and comparable communities, since there was no testimony, evidence, or exhibits regarding this criteria, it was deemed to be inapplicable.

Financial Ability to Pay

This case involves five (5) employees. In that context, there is no question that the City would have the ability to pay the LBO of either party. The Employer contends that this case is not an ability to pay case. Rather it is simply an unwillingness to pay. Surely with only five (5) employees that will be initially impacted by the Panel's decision, Traverse City could divert its resources to meet either of the LBOs proposed by the parties. However, in the normal course of pattern bargaining that the parties have followed over the past many years with all unions it is entirely conceivable that, if the Union's LBOs for the five years of the contract were adopted by the Panel, all the other Unions (both 312 and non-312 units) would seek to use any increases for the five employees of this unit to enhance and improve their own individual wage positions in

the future. This is simply a logical outcome based on human nature and it is simply what has happened over the years in Traverse City internally and what also happens in the external comparables – especially for 312 bargaining units. Therein lies the greater certainty that affects the financial impact on the community of any award made by the Panel (see Sec. 9(1)(a)(i) and (ii)).

As it relates to Sec. 9(a)(iii) the Chair has considered the arguments of both parties as it relates to the funding of the retirement systems for both these five Sergeants as well as all other employees in the City. There is merit to the Union's argument that the contributions to the retirement system (in the Employer's words a staggering 51.13% of its payroll) the fact that all of the pension contributions come from a previously accepted millage (T PP 95-96 – Testimony of City Treasurer Twietmeyer) mitigates the Employer's position in that regard. However, the Chair also notes that the City's contribution in excess of \$2 million dollars in 2019 to partially fund the retirement system was also considered in giving appropriate weight to this factor of Section 9.

As either has been noted or will be noted in the final Opinion, Section 9 as it relates to (b), (c), and all of the exhibits and testimony of the factors under (e)(j) have also been considered.

Internal Comparables

The Chair then directed its attention in the Opinion to Sec. 9 (1)(d)(iii) – the comparison of the wages, hours, and conditions of employment of the unit of government outside of the bargaining unit in question – the internal comparables. As mentioned previously, it is the Panel's discretion to provide the weight to be given to any of the factors. The Chair agrees with the Union's arguments on page 9 of their post hearing brief that the internal non-312 units should

be afforded much less weight than the 312 units in the City. However, for internal consistency, the 312 units and their pattern bargaining should be provided substantial weight.¹

The Union's LBO is focused entirely on one employee in the command unit – a 312 Unit represented by this Union. For internal comparison purposes, the Union's LBOs have indicated that rather than utilizing a percentage increase of existing wages (on an upwards scale) for the five years of the CBA, the Panel should basically use a descending percentage with the standard of the Lieutenant's pay from another bargaining unit. The Union proffers that the wage rate of the Sergeants should be premised on the wage rate of one person – the Lieutenant in the Command Officer's Unit. Rather than utilizing the prevailing methodology of a percent increase for each contractual year over and above the Sergeants existing wage rate, the Union seeks to utilize a descending wage rates scale using the Lieutenant's wage rate as a base.²

The testimony and exhibits during the proceedings establish that none of the comparable cities have ever utilized this descending approach. Further, none of the internal 312 units in Traverse City has ever used this "descending approach". Thus, it becomes a factor substantially outside the pattern bargaining of the parties.

The final two criteria under Section 9 (COLA) under Section (f) and the overall compensation previously received by the employees including vacations, holidays, etc. etc. under factor (g) have been considered. The testimony and exhibits in relationship to those two factors do not necessitate the acceptance for the Union's position as recited in its LBO.

¹ This same concept will be utilized by the Chair in considering the retroactivity argument of both parties at a later time in this Opinion.

² The Chair notes that based on a previously agreed upon CBA with the Command Officers between the City and this Union, the Lieutenant's wage rate (extrapolated from an annual amount to an hourly amount) is a known quantity.

The Chair has noted, in his Opinion, the uniqueness of the Union's approach to wage increases by using a descending scale from one specific Lieutenant's pay in another internal 312 bargaining unit. It is even more unusual that this Labor Organization represents the command unit and thus the Lieutenant involved as the "gold standard" for wage increases for the five (5) Sergeants affected here. The Chair does not agree that simply because one employee – in this case the Lieutenant in question – receives a substantial increase in pay that five (5) employees – in this case the five Sergeants in question – should automatically receive substantial increases in pay. This is especially true when the Union and Traverse City negotiated the salary and benefits of this Lieutenant in the command unit negotiations which were ratified in early August, 2019.

While the record is not totally complete as it relates to why the Lieutenant received a substantial pay increase, there was enough testimony to establish that both parties felt that he should receive the increase. This case is not about justifying the duties or wage rate of the Lieutenant in a different 312 unit – it is about whether the exhibits and testimony justify the LBOs presented by either party.

In attempting to analyze the Union's position of using a descending scale from the Lieutenant's hourly rate, the Chair was simply not certain whether a descending wage concept could be successfully determined by the Panel. The Employer's post hearing brief on page 13 recites four (4) different rates of pay for the position of Sergeant:

START³

One Year	12 Months
Two Years	24 Months

Detective Sergeant⁴

³ See attached sheet listed APPENDIX "A" reflecting the different pay scales of the Sergeants.

⁴ See single sheet labeled Appendix "A" previously received.

The Employer indicates that the Employer proffers that the Panel has no legal authority to modify the Union's LBO in that regard. The utilization of an increase of the existing wage rate of Sergeants does not present this problem.

As noted previously, the Panel has the sole determination of the weight to be given to each of the Section 9 factors. In this case, the Chair leans toward a greater weight to be given to the internal bargaining between the parties for other employees in 312 units and, to a lesser extent, non 312 units. The Chair does agree with the Union's argument that non 312 units are not to be given preferential or a higher or greater weight based on the arguments contained in Union's post hearing brief beginning on page 9 and continuing on page 10. The Chair agrees that what the Employer has "imposed" on its other non 312 bargaining unit should not be a significant factor in this 312 arbitration proceeding. However, the outcome of a negotiated settlement between the Employer and the Union in another 312 unit for the Employees affected in that unit is to be given greater weight. The Chair notes that the Employer's LBO for the five year contractual period somewhat mirrors what the Union has agreed upon for the other 312 units. Also, the city has reached agreement with its two other 312 units represented by other Unions – the POAM and AFL-CIO. Obviously those CBAs will only continue until June 30, 2021.

The Chair reviewed the relative positions of the parties as to whether either of them engaged in bargaining in bad faith during the negotiation and arbitration proceedings. Based on all the attendant circumstances, the Chair agrees with the Union that in the event that the Employer felt that the Union was bargaining in bad faith, they had the option of filing an unfair labor practice charge which they declined to do. The different approaches to the negotiations, especially in the submission of radically different LBOs was not a determining factor in the

ultimate decision of the Chair in either the determination of wages nor the determination of retroactivity.

FINAL SUMMATION

Based on a review of all of the exhibits, testimony, external and internal comparables, and all other Sec. 9 factors, the majority of the 312 Panel concludes that the Employer's Last Offer of Settlement as it relates to wages for the five (5) years of the contract more closely corresponds to the applicable Sec. 9 factors of Act 312 and will, therefore, be awarded.

Effective	7.1.2019	2.5% increase
Effective	7.1.2020	2.5% increase
Effective	7.1.2021	2.0% increase
Effective	7.1.2022	2.0% increase
Effective	7.1.2023	2.0% increase

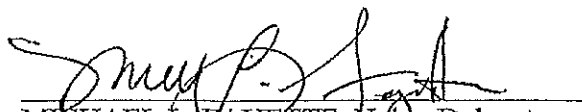
Dated: May 21, 2020


DON R. BERSCHBACK, Panel Chair

Dated: MAY 21, 2020

MICHAEL R. KLUCK, Employer Delegate
☐ Concur ☐ Dissent

Dated: May 21, 2020


MICHAEL L. FAYETTE, Union Delegate
☐ Concur ☒ Dissent

B. RETROACTIVITY

Retroactivity is the other issue before the Panel. The Employer is asking the Panel to not make any determination on wages retroactive. Rather, the Employer takes the position that any wage increase for the first year of the contract should begin on the date of the

ultimate decision of the Chair in either the determination of wages nor the determination of retroactivity.

FINAL SUMMATION

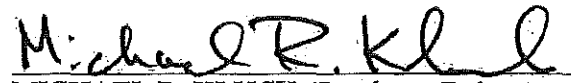
Based on a review of all of the exhibits, testimony, external and internal comparables, and all other Sec. 9 factors, the majority of the 312 Panel concludes that the Employer's Last Offer of Settlement as it relates to wages for the five (5) years of the contract more closely corresponds to the applicable Sec. 9 factors of Act 312 and will, therefore, be awarded.

Effective	7.1.2019	2.5% increase
Effective	7.1.2020	2.5% increase
Effective	7.1.2021	2.0% increase
Effective	7.1.2022	2.0% increase
Effective	7.1.2023	2.0% increase

Dated: May 21, 2020


DON R. BERSCHBACK, Panel Chair

Dated: May 21, 2020


MICHAEL R. KLUCK, Employer Delegate
☒ Concur ☐ Dissent

Dated: _____

MICHAEL L. FAYETTE, Union Delegate
☐ Concur ☐ Dissent

B. RETROACTIVITY

Retroactivity is the other issue before the Panel. The Employer is asking the Panel to not make any determination on wages retroactive. Rather, the Employer takes the position that any wage increase for the first year of the contract should begin on the date of the

issuance of the Act 312 Award. The Union is requesting that the wage increase for the first year be retroactive to July 1, 2019.

The Union points out that the history of legislative action on the issue of retroactivity is important and revealing. Soon after Act 312 was passed, the Court of Appeals ruled that the legislature did not intend for there to be retroactivity regarding non-economic issues. *Local 1917 AFSCME v Wayne County*, 86 Mich App 453, 463 (1978). While the Chair does not fully agree with the Union in its position that “the legislature endorsed retroactivity for bargaining units such as the one involved here”, the Chair agrees that the past experience and bargaining history of the parties is extremely important. One of these factors is, because in a 312 arbitration, in most instances the final opinion of the Arbitration Panel is well after the expiration of the CBA involved. Specifically in this case the issuance of any Award will be at least ten (10) months after July 1, 2019.⁵

A review of the transcript of the March 5, 2020 hearing as it relates to retroactivity was centered around the Employer’s witness Kristine Bosley (T P79 PP1-25 and P80 L1). When questioned by the Union’s advocate as to whether or not she was aware of any 312 police unit in Traverse City ever not getting retroactivity her response was, “I am not”.

The Union, in its post hearing brief, referenced that employees of the City not covered by PA 312 cannot get retroactive pay if they settle their contracts after the expiration date. PA 54, MCL 423.215(b). However, this is not determinative of Act 312 units. It is interesting to note that the Union utilized only two pages of its 28 post hearing brief on the issue of retroactivity and the Employer only utilized 2 ¼ pages of its 18 page

⁵ The Chair notes that this entire 312 process was delayed, in large part, to COVID-19, the virus that effectively shut down the State of Michigan for several weeks.

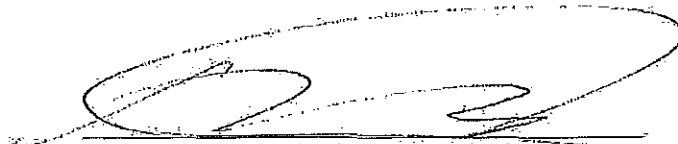
post hearing brief. The Panel Chair has spent an equal amount of time on the respective position of the parties regarding retroactivity.

Accordingly, on the issue of retroactivity, the majority of the 312 Panel concludes that the Union's last offer of settlement more closely corresponds to the applicable Section 9 factors of Act 312 and will, therefore, be awarded. In effect, the Collective Bargaining Agreement as to retroactivity of wages shall be effective on July 1, 2019.


SUMMATION

Wage increases for the first year of the Collective Bargaining Agreement shall be retroactive to July 1, 2019.

Dated: May 21, 2020


DON R. BERSCHBACK, Panel Chair

Dated: May 21, 2020


MICHAEL R. KLUCK, Employer Delegate
[] Concur [X] Dissent

Dated: _____

MICHAEL L. FAYETTE, Union Delegate
[] Concur [] Dissent

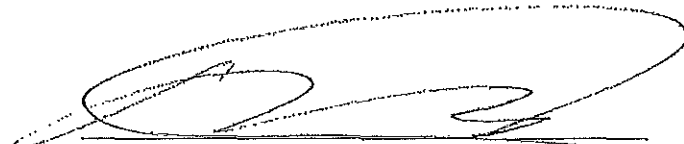
post hearing brief. The Panel Chair has spent an equal amount of time on the respective position of the parties regarding retroactivity.

Accordingly, on the issue of retroactivity, the majority of the 312 Panel concludes that the Union's last offer of settlement more closely corresponds to the applicable Section 9 factors of Act 312 and will, therefore, be awarded. In effect, the Collective Bargaining Agreement as to retroactivity of wages shall be effective on July 1, 2019.

SUMMATION

Wage increases for the first year of the Collective Bargaining Agreement shall be retroactive to July 1, 2019.

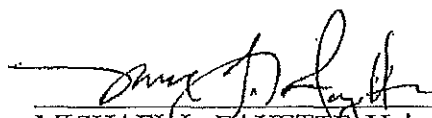
Dated: May 21, 2020


DON R. BERSCHBACK, Panel Chair

Dated: _____

MICHAEL R. KLUCK, Employer Delegate
☐ Concur ☐ Dissent

Dated: May 21, 2020


MICHAEL L. FAYETTE, Union Delegate
☒ Concur ☐ Dissent

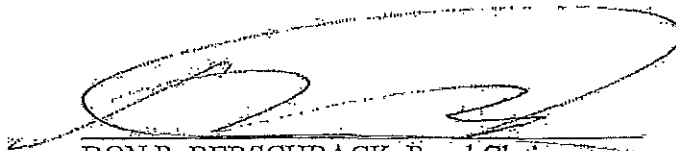
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MICHAEL R. KLUCK, Employer Delegate
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Dated: _____

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☐ Concur ☐ Dissent

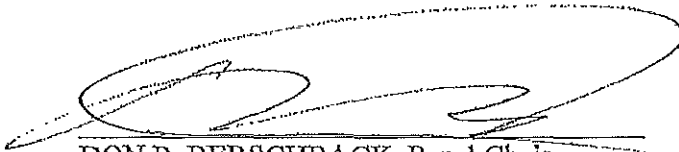
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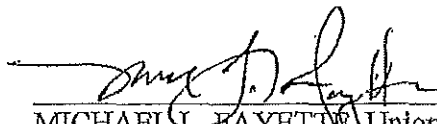
Dated: May 01, 2020


DON R. BERSCHBACK, Panel Chair

Dated: _____

MICHAEL R. KLUCK, Employer Delegate
[] Concur [] Dissent

Dated: July 21, 2020



MICHAEL L. FAYETTE, Union Delegate
[x] Concur [] Dissent

DURATION OF CONTRACT (BY STIPULATION)

Section 22.1

This Agreement shall be effective on the first (1st) day of July 1, 2019 and shall remain in full force and effect until the thirtieth (30th) day of June, 2024. It shall automatically be renewed from year to year thereafter, unless either party notifies the other in writing at least sixty (60) days prior to the anniversary date that said party desires to modify or renegotiate this Agreement.

Dated: May 21 2020


DON R. BERSCHBACK, Panel Chair

Dated: May 21 2020


MICHAEL R. KLUCK, Employer Delegate
☒ Concur [] Dissent

Dated: _____

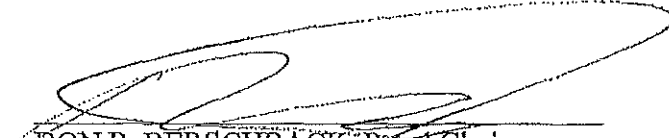
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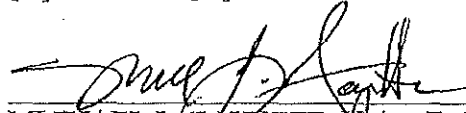
Dated: May 21 2020


DON R. BERSCHBACK, Panel Chair.

Dated: _____

MICHAEL R. KLUCK, Employer Delegate
☐ Concur ☐ Dissent

Dated: May 21, 2020


MICHAEL L. FAYETTE, Union Delegate
☒ Concur ☐ Dissent

06/12/2019 As Proposed Below

APPENDIX "A"
ANNUAL WAGE ATTACHMENT
POLICE SERGEANTS

~~Pay increase to commence on the first day of a pay period which falls closest in time to the date scheduled for the increase.~~

	1-Jul-18	1-Jul-19	1-Jul-20	1-Jul-21	1-Jul-22	1-Jul-23
Sergeant Base Pay Scale		2.75%	2.25%	2%	2%	2%
start	\$ 28.85	\$ 29.64	\$ 30.31	\$ 30.92	\$ 31.53	\$ 32.17
1 year (12 Months)	\$ 29.13	\$ 29.93	\$ 30.60	\$ 31.22	\$ 31.84	\$ 32.48
2 year (24 Months)	\$ 29.43	\$ 30.24	\$ 30.92	\$ 31.54	\$ 32.17	\$ 32.81
Note includes \$3000 Allowance, Detective Sergeant						
Detective Sergeant Base Pay Scale	\$ 30.63	\$ 31.68	\$ 32.36	\$ 32.98	\$ 33.61	\$ 34.25

06/12/2019 Employer Final Package 2:31 PM

MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
MICHIGAN EMPLOYMENT RELATIONS COMMISSION
BUREAU OF EMPLOYMENT RELATIONS

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

TEAMSTERS LOCAL 214,
Union & Petitioning Party

vs.

CITY OF TRAVERSE CITY,
(Police Sergeants)
Public Employer & Responding Party

MERC CASE NO.: 19-C-0736-CB (Act 312)

THE TENTATIVE AGREEMENTS BETWEEN THE PARTIES

(14 PAGES)

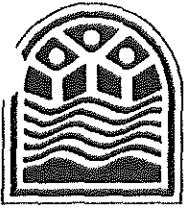


EXHIBIT 13

Tentative Agreements

Removal of Lieutenant (Administrative Sergeant) from the Sergeants Collective Bargaining Agreement

Section 2.1 Agency Shop.

~~Membership in the Union is not compulsory. Regular employees have the right to join, not join, maintain, or discontinue their membership in the Union, as they see fit. The Union further agrees not to solicit Union membership and not to conduct activities, except as otherwise provided for by the terms in this Agreement during working hours of the employees or in any manner that may interfere with employees engaged in work.~~

Membership in the Union is not compulsory. Employees covered under this agreement have the right to join, not join, maintain or drop their membership in the Union as they see fit. Neither party shall exert any pressure on or discriminate against an employee as regards such matters. Employees covered under this agreement shall be governed by State and Federal law.

The Union is required under this Agreement to represent all of the employees in the bargaining unit fairly and equally without regard to whether or not an employee is a member of the Union. The terms of this Agreement have been made for all employees in the bargaining unit and not only for members in the Union, and this Agreement has been executed by the Employer.

Section 2.2 Deduction of Dues.

~~During the period of time covered by this Agreement, the City agrees to deduct from the wages of any employee who is a member of the Union, all Union membership dues and initiation fees uniformly required; provided, however, that the Union presents to the City written authorization properly executed by each employee allowing such deductions and payments to the Union.~~

~~_____ Dues and initiation fees will be authorized, levied and certified in accordance with the Constitution and By Laws of the Union. Each employee Union member hereby authorizes the Union and the City, without recourse, to rely upon and honor as certified by the Secretary-Treasurer of the Local Union, regarding the amounts to be deducted and the legality of the adopting action specifying such amounts of the Union dues and/or initiation fees. The City agrees, during the period of this Agreement, to provide this check-off service without charge to the Union. In the event it is subsequently determined by the Michigan Employment Relations Commission or a court of competent jurisdiction that the Union dues or assessments have been improperly deducted and remitted to the Union, the Union shall return such amount to the affected employee.~~

~~_____ All employees in the bargaining unit shall, as a condition of continued employment, pay to the Union, the employee's exclusive collection bargaining representative, an amount of money equal to that paid by other employees in the bargaining unit who are members of the Union's regular and usual dues; provided, however, that non-members will not be subject to the customary initiation fee. For present regular employees, such payment shall commence thirty-one (31) days following the effective date of the Agreement.~~

~~_____ The Union agrees that in the event of litigation against the City of Traverse City, its agents or employees arising out of this provision, the Union will co-defend and indemnify and hold harmless the City, its agents or employees for any monetary award arising out of such litigation.~~

~~_____ Monthly agency fees shall be deducted by the City and transmitted to the Union as prescribed above for the deduction and transmission of Union dues.~~

During the period of time covered by this Agreement, the Employer agrees to deduct from the pay of any employee who chooses to become a member of the union, all dues and/or initiation fees of Local 214, provided, however, the Union presents to the Employer, authorizations signed by such employees, allowing such deductions and payments to the Local Union. This may be done through the Steward of the Union.

- A. Amount of initiation fee and dues will be certified to the Employer by the Secretary-Treasurer of the Union.
- B. Authorized monthly, Union dues and initiation fees will be deducted by the Employer and transmitted to the Union as prescribed above.
- C. Such payments shall commence thirty-one (31) calendar days following the effective date or on the date of execution of this Agreement, whichever is the later, and for new employees who choose to become members of the union, the payment shall start thirty-one (31) calendar days following the date of employment

The Union agrees that in the event of litigation against the City of Traverse City, its agents or employees arising out of this provision, the Union will co-defend and indemnify and hold harmless the City, its agents or employees for any monetary award arising out of such litigation.

Section 7.1 Just Cause.

(f) Any disciplinary action issued by the City may include a review and consideration of any previously issued disciplinary action(s) issued within the preceding thirty-six (36) months. Disciplinary action(s) issued prior to the preceding thirty-six (36) months may not be considered in subsequent disciplinary actions unless such prior disciplinary action(s) demonstrate(s) a pattern of behavior.

Section 11.6 Overtime Rotation (note: LOU 01/01/2017)

~~The appropriate command personnel will be the determining authority on the necessity of overtime. The appropriate command personnel shall be responsible for calling the necessary personnel and the City shall maintain a current list of employees by seniority for purposes of overtime assignments.~~

~~Overtime assignments shall be made among employees in the bargaining unit on a rotational system. Rotation of overtime as contained herein shall not include Cherry Festival functions and/or other events similar to the Cherry Festival. The initial rotation shall be by seniority. The appropriate command personnel will call the most senior employee presently able to do the work. Subsequent call-ins for overtime shall start with the most senior employee with less seniority than the employee who reported in for the previous overtime assignment.~~

~~If there is a refusal to accept overtime assignments, a notation shall be made next to the refusing employee's name indicating the hours refused and whether the employee was on vacation, sick leave or leave of a personal nature. The least senior employee in the unit presently able to do the work must report for work if ordered in to work by the appropriate command personnel.~~

~~No employee shall be subject to overtime assignments if off on vacation, sick leave, or leave of absence of a personal nature. No employee shall be required or permitted to work in excess of eighteen (18) hours in a twenty-four (24) hour period inclusive of overtime except in exigencies in law enforcement.~~

~~In the event there are no sergeants available to work the overtime, the City may assign the most senior patrol person under Section 9.8 of the Patrol contract.~~

~~For the normally scheduled pass days of a sergeant, a designated patrol person (called #2) shall be scheduled to fill the vacancy. If the designated patrol person (#2) does not report for work, other sergeants may be contacted to fill the vacancy. If no sergeants accept the overtime, it will be offered to patrol. If no patrol person accepts the overtime a sergeant will be ordered in to work.~~

The Shift Commander or designee will be the determining authority on the necessity of overtime. The Shift Commander shall be responsible for calling the necessary personnel and the City shall maintain a current list of employees by seniority for purposes of overtime assignments. Call-ins for overtime shall start with the most senior hourly employee, based on years served with the City, for every overtime event.

Officers will be offered either 6 hours or 12 hours of an available 12 hour shift. The Shift Commander or designee will use the seniority list for call in.

No employee shall be subject to overtime assignments if off on vacation, sick leave, or leave of absence of personal nature. No employee shall be required or permitted to work in excess of eighteen (18) hours in a twenty-four (24) hour period inclusive of overtime except in exigencies in law enforcement.

Rotation of overtime as contained herein shall not include court required functions, Cherry Festival functions, or O.U.I.L. Grant functions, downtown foot and motor patrol, and other events similar to the Cherry Festival. These exclusion are not to be used for computation for equalization of overtime assignments.

Section 12.5 Sickness & Accident Short-Term Disability Insurance.

All regular full-time employees shall, following completion of their probationary period if a new hire, receive Sickness & Accident Short-Term Disability Insurance Coverage which shall provide, at a minimum:

- (a) Up to twenty-six (26) weeks of coverage per occurrence.
- (b) Coverage which shall be effective upon the first (1st) day of an accident and the eighth (8th) day of illness.
- (c) Effective May 1, 2004, a-A weekly benefit shall be 66 2/3% of the employee's gross wage.

Section 12.6 Short-Term Leave Pay.

Effective December 1st of each year thereafter, each regular full-time employee shall receive fifty-six (56) seven-(7)-paid short term leave hours days. In pursuant to the Michigan's Paid Medical Leave Act, the short term leave hours includes the 40 hours required for compliance with the Paid Medical Leave Act of 2018 (PMLA). Short term leave may be taken in increments of one (1) hour or greater upon the approval of the Chief of Police. Short term leave may not be accumulated. New hires shall receive an initial prorated amount of short-term leave days hours based on their date of hire and a benefit period from December 1, to November 30. Following the first full pay period after December 1st of each year, each regular full time employee shall receive payment for all unused short term leave, not to exceed fifty-six (56) seven-(7)-hours days, at the employee's regular rate of pay. Such payment shall be made separate from the employee's regular payroll check.

Section 12.7 Sick Leave Bank.

~~Employees shall retain sick leave accumulated through November 30, 1991. Accumulated sick leave may be used by the employee for a bona fide illness or injury only as follows:~~

- ~~(a) In lieu of Sickness and Accident insurance where the employee would otherwise qualify for benefits under the terms of the policy.~~
- ~~(b) For all days not covered by the Sickness and Accident insurance, provided the length of time lost due to the illness or injury, would qualify the employee for benefits under the terms of the policy.~~
- ~~(c) In the event a member of the employee's immediate family living in the same household is ill and a doctor has recommended that the employee remain at home during this illness. The employee must provide the City with written verification of the doctor's recommendation to be eligible to use accumulated sick leave for this purpose.~~
- ~~(d) Where the illness or injury arises out of or in the course of employment with the City; to provide the difference between the employee's regular pay, based on their normal work week, and the weekly benefit provided through Worker's Compensation insurance; provided, however only the~~

amount of sick leave required to make up this difference shall be deducted from the employee's sick leave bank. Sick leave will not be deducted for the day of the injury.

(e) ~~To provide the difference between the employee's regular pay, based on their normal work week, and the weekly benefit provided through Sickness and Accident insurance; provided, however, only the amount of sick leave required to make up this difference shall be deducted from the employee's sick leave bank and shall not exceed a life-time benefit of sixty (60) days.~~

~~An employee receiving Sickness and Accident insurance benefits provided for in this section will be considered on paid leave for purposes of earning seniority, vacation, short-term leave and holiday benefits only. The City will continue to pay health, life and optical/dental insurance premiums for up to the first two (2) full months following the time an employee begins receiving Sickness and Accident insurance benefits provided for under this section. Effective~~

~~February 5, 1994, the City will comply with the terms of the Family Medical and Leave Act (FMLA) as it pertains to this section.~~

~~The City may require employees to submit verification of an illness by a physician if the absence due to illness exceeds three consecutive working days or where the employee establishes a pattern indicating a misuse of sick/short term leave.~~

~~Upon retirement or death of an employee, the employee shall be paid at regular rate of pay for fifty (50%) percent of all sick days to their credit up to a maximum of 120 days. The maximum pay shall be the equivalent of sixty (60) work days.~~

~~An employee shall notify the department of a request for sick leave as soon as possible, but not later than one hour prior to the beginning of the employee's shift.~~

Section 12.87 Long Term Disability Insurance.

Section 12.9 8 Maternity Leave.

~~Shall be treated as sick leave.~~

Leave will be granted in accordance with the Family Medical Leave Act (FMLA). Any accrued vacation, sick, short term leave (STL) compensatory, and personal leave time shall be used to cover the employee cost of premiums, 457 loans, and other payroll deductions. Total leave time, including FMLA and use of accrued banked time shall not exceed twelve (12) weeks.

Section 12.10-9 Snow Days.

12.10 Insurance Premiums.

The Employer shall pay its portion of the insurance premiums for life insurance, health/hospitalization insurance, and dental and vision insurance for up to six (6) months following the date that the employee takes an authorized leave of absence. The employee must continue to pay his/her portion of the insurance premiums for the same duration. If the employee's payment is more than thirty (30) days late, the employee's coverage may be dropped for the duration of the leave.

If the leave of absence is for a disability sustained while working for the Employer, the Employer shall pay its portion of the insurance premium for up to six (6) months or until the employee terminates employment with the Employer, whichever occurs first. Upon discontinuance of the Employer's payment of insurance premiums, an employee shall assume responsibility for the full cost of the required insurance premiums to maintain coverage. The Employer agrees to notify the employee one (1) calendar week before any Employer paid premiums would be terminated pursuant to this understanding.

Effective February 5, 1994, the Family Medical Leave Act (FMLA) provisions may apply to this Section. The Employer shall comply with the regulations thereof.

Section 15.1 Vacation Pay.

Full time employees of the City shall earn vacation leave with pay in accordance with the following schedule:

- (a) ~~—All employees shall be entitled to a vacation leave of forty (40) hours after the first year of continuous service.~~
- (b) ~~—This shall be increased to a vacation leave of eighty (80) hours after two (2) years' continuous service.~~
- (c) ~~—This shall be increased to a vacation leave of eighty-eight (88) hours after five years, ninety-six (96) hours after six years, one hundred four (104) hours after seven years, one hundred twelve (112) hours after eight years, one hundred twenty (120) hours after nine years, one hundred forty (140) hours after twelve years, and one hundred fifty (150) hours after fifteen years.~~
- (d) ~~—This shall be increased to a vacation leave of one hundred sixty (160) hours after 17 years' of continuous service.~~

Length of Service	# of Hours
After 1 Year	Forty(40) hours
After 2 Years	Eighty (80) hours
After 5 Years	Eighty-eight (88) hours
After 6 Years	Ninety-six (96) Hours
After 7 Years	One hundred four (104) hours
After 8 Years	One hundred twelve (112) hours
After 9 Years	One hundred twenty (120) hours
After 12 Years	One hundred forty (140) Hours
After 15 Years	One hundred fifty (150) Hours
After 17 Years	One hundred sixty (160) hours

- (e)(a) Service shall mean any period of time for which an employee received wages.
- (f)(b) Continuous service shall mean service, as defined in (e) above, uninterrupted by termination of employment.
- (g)(c) Annual vacation leave days may be accumulated by an employee not to exceed one hundred sixty (160) hours carried over into a new fiscal year. Upon separation of service, employees shall be entitled to compensation for any unused portion of their accumulated vacation leave.
- (h)(d) The Police Chief shall schedule vacation leaves for employees with particular regard to seniority to enable efficient and effective operation of the department. Eligible employees shall submit their vacation requests along with their shift bid every six (6) months for the periods from January 1 to June 30 and from July 1 to December. Any request submitted after the semi-annual bid is awarded and posted shall be considered on a first come basis regardless of seniority. Vacations scheduled and approved may be canceled in the event of an emergency requiring the services of those scheduled for leave.

Section 15.2 Disability Pay

If any employee is disabled in the course of and arising out of their employment and as such is eligible for work disability benefits under the Worker's Compensation Law of the State of Michigan, such employee shall be allowed salary payments which, with this compensation benefit, will equal their regular gross salary or wage.

The City shall pay the difference between the employee's regular gross wage and worker's compensation for the initial ~~30 working days~~ 3 months which the employee is actually receiving worker's compensation payments in the event the employee suffers a direct injury caused by another person. In all other cases salary payments that are in addition to worker's compensation benefits shall be deducted from the employee's accrued sick leave banks. Upon exhaustion of the sick leave bank, short-term leave bank, and compensatory bank, then accrued vacation bank hours may be used and deducted from appropriate banks in accordance with this section.

Section 15.3 Holiday Pay

Eligible employees shall be entitled to holiday leave with pay on the following recognized holidays:

New Year's Day	Labor Day
Easter Sunday	Thanksgiving Day
Memorial Day	Day after Thanksgiving Day
Independence Day	Christmas Day
Christmas Eve Day	Employee's Birthday (Floating Holiday)
Martin Luther King, Jr., Day	

Section 20.1 Retirement Plan.

The retirement provisions shall be governed by Public Act 345 of the Public Acts of 1937, as amended.

A) Pension Multiplier

Effective July 1, 2007, any member including future retirement credit of employees who are promoted into the bargaining unit, age fifty (50) with twenty-five (25) years of service or age sixty (60) regardless of service shall have a pension as authorized under Public Act 345, payable at the rate of two and eight-tenths percent (2.8%) of the average of the three (3) years of highest annual compensation received during the five (5) years of service immediately preceding retirement or leaving service, multiplied by the first twenty-five (25) years of service, and all other benefits and compensation as set forth in said Act. (Michigan Act 345 of 1937 provides for "1% of the member's average final compensation multiplied by the number of years, and fraction of a year, of service rendered by the member in excess of 25 years.")

Effective July 1, 2016, the pension multiplier shall be two percent (2.0%) for the first twenty-five (25) years of service for all new employees hired on or after July 1, 2016. The pension multiplier and years of service for those employees hired between July 1, 2009 and July 1, 2016 who are promoted to Sergeant after July 1, 2016 shall be frozen at the 2.0% multiplier for those years of service earned prior to the promotion. In addition, for those employees hired between July 1, 2009 and July 1, 2016 who are promoted to Sergeant after July 1, 2016, shall receive a pension multiplier of 2.8% for the years in which he/she are in that position. The employee shall make a retirement contribution of 2% of gross salary.

B) Employee Contributions

~~Effective July 1, 2014, each employee shall make a retirement contribution of 1.0% of gross salary.~~
~~Effective July 1, 2015, each employee shall make a retirement contribution of an additional 1.0% of gross salary~~
~~for a total employee contribution of 2.0% effective July 1, 2015.~~ Retirement contributions shall be by payroll deduction. The employee shall make a retirement contribution of 2% of gross salary.

C) Annual Post-Retirement Adjustment

An annual post-retirement adjustment will be made of up to two and one-half percent (2.5%) based upon the annual increase in CPI, of the annual pension amount. The non-compounded adjustment would begin one (1) year after retirement and would continue annually for twenty (20) years. The provision will apply to all current and future members of this bargaining unit.

Effective July 1, 2019, for any employee whose date of hire is after July 1, 2019, all wages and years of service earned shall not be subject to an annual post-retirement adjustment. Wages for "Final Average Compensation" shall be computed as described in the ACT 345 benefit plan summary.

Section 20.2 Longevity Payments.

In addition to the base as set forth in the attached salary schedule, employees who were hired by the City of Traverse City before January 1, 1999, shall receive longevity pay as follows:

After ten (10) years' continuous service.....	3% of base pay
After fifteen (15) years' continuous service	5% of base pay
After twenty-five (25) years' continuous service.....	7% of base pay

Employees who were hired after January 1, 1999, shall have the following longevity schedule:

After eight (8) years' continuous service:	\$0.10
After twelve (12) years' continuous service:	\$0.20
After sixteen (16) years' continuous service:	\$0.29
After twenty (20) years' continuous service:	\$0.39 \$0.45
After twenty-five (25) years' continuous service:	\$0.48

Section 21.18 Clothing Allowances for Detective and Administrative Sergeant.

~~Any sergeant designated by the City to perform the assignment of Detective, and upon the completion of two (2) years in such assignment, shall receive two thousand five hundred dollars (\$2,500.00) three thousand dollars (\$3,000) per year rolled in as part of their pay. Detective Sergeants who previously had been assigned as~~

~~Administrative Sergeants or Detectives or School Liaison Officers under the Patrol Agreement shall receive credit for time of service in those positions against the two (2) year waiting period for this benefit. If the Detective Sergeant is reassigned to the uniform division, the officer will pay back the unused portion on a biweekly basis.~~

~~Any sergeant designated by the City to perform the assignment of Administrative Sergeant shall upon receiving such assignment receive two thousand five hundred dollars (\$2,500.00) per year rolled in as part of their pay. If the Administrative Sergeant is reassigned to the uniform division, the officer will pay back the unused portion on a biweekly basis.~~

(Note, \$3,000 is part of the Appendix A Wage Schedule)

~~Any sergeant so assigned to Detective or Administrative Sergeant shall also receive an annual clothing allowance in the amount of one thousand dollars (\$1000.00) per year. If the Detective Sergeant is reassigned to the uniform division, the officer will pay back the unused portion on a biweekly basis. It shall be the responsibility of the City to dry clean the Detective or Administrative Sergeant clothing under this section.~~

Section 21.20 Educational Reimbursement.

~~The City will reimburse up to one hundred percent (100%) the cost of tuition for the attendance and education which is directly related to the employee's job upon representation of receipt of payment for such class and report indicating a minimum of 2.5 grade point average for the course. To qualify for reimbursement the employee must have authorization from the Chief of Police prior to the commencement of the course on the prescribed form. The Director of Human Resources shall be responsible for initiating the request for reimbursement upon the employee's submission of the prescribed form, receipt of payment, and grade.~~

Employees who receive a prior written approval for educational courses directly related to the employee's current job or deemed to improve job skills relative to potential advancement opportunities available within the City may receive tuition reimbursement for the Employer in accordance with City policies.

Section 21.22 Physical Maintenance Program

Participation in the Police Physical Maintenance Program is voluntary. The Program shall not be changed by the City except after notice to the Union and then subject to collective bargaining permitted by law regarding changes. The meaning, application and effect of the policy are not subject to the grievance procedure or other contract or labor remedies.

Beginning in July 2009 and annually thereafter, employees who attain a score of 75% or higher will receive a payment of \$0.48 per hour. Employees who attain a score of 60% 65% to 74% will receive a payment of \$0.32-\$0.36 per hour. ~~Payment will take effect January 1 through December 31 following the completion of the physical maintenance test, the rate of payment shall be updated within 14 calendar days of the scores being submitted to Human Resources, with a maximum of one update per calendar year.~~

A stipend shall be paid annually the first payroll date in July and/or a pro-rated amount when the sergeant first successful completion of the following:

1. \$1,000	School of Police Staff and Command
2. \$1,000	Law Enforcement Executive Leadership Institute (LEELI) or MCOLES certified Advance Police Supervision Course or Leadership in Police Organizations Course as determined by the Chief of Police (maximum of \$1000 annually)
3. \$1,000	Bachelor Degree from an accredited college or university with concentration area of Criminal Justice or related field
	OR
\$1,000 \$2,000	Master's degree from an accredited college or university with concentration area of Criminal Justice or related field.

Only the highest level degree achieved shall be paid out