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

In the Matter of the Arbitration Between:

CITY OF FARMINGTON, Public Employer

-and- MERC ACT 312 CASE NO. 22-A-0071-CB

POLICE OFFICERS ASSOCIATION OF MICHIGAN

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COMPULSORY ARBITRATION PURSUANT TO
PUBLIC ACT 312 OF 1969, AS AMENDED (MCL 423.231,et seq.)

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ARBITRATION PANEL:
CHAIRPERSON:
Allen J. Kovinsky, Esq.
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Farmington Hills, MI 48334

DELEGATES:
CITY OF FARMINGTON DELEGATE:
Steven Schwartz, Esq.
26555 Evergreen Road, Suite 1240
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UNION DELEGATE:
Kevin Loftis
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ADVOCATES:
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26555 Evergreen Road, Suite 1240
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UNION ADVOCATE:
Kevin Loftis
27056 Joy Road
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Petition filed: July 7, 2022
Panel Chair appointed: July 26, 2022
Scheduling Conference held: August 1, 2022
Hearing dates held: October 25, 2022; October 28, 2022; and November 4, 2022
Award issued: January 19, 2023

WITNESSES:

City of Farmington:

Name	Position
Steven Schwartz	City Labor Attorney
Chris Weber	Director of Finance and Administration
David Murphy	City Manager
Ted Warthman	Public Safety Director
David Helisek	Auditor-Plante Moran
Bog Houhanisin	Deputy Director

Police Officers Association of Michigan:

Name	Position
Kevin Loftis	POAM Advocate
Alan Brzys	POAM Witness
Scott Brown	Farmington Public Safety Officer
Sgt. Jeff Brow	FPOA Treasurer/Witness
Sgt. James Wren	FPOA President/Witness
Thomas K. Funke	POAM Business Agent

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I. INTRODUCTION AND BACKGROUND.

This interest arbitration case arises pursuant to Petition filed by the Police Officers Association of Michigan (POAM) on July 7, 2022, with the Michigan Employment Relations Commission, pursuant to Act 312, Public Acts of 1969, as amended, being MCL 423.231, et seq. The Chairman of the Arbitration Panel was appointed on July 26, 2022 by MERC. The City of Farmington is represented by Mr. Steven Schwartz, who will also function as its advocate and panel delegate. The Union is represented by Mr. Kevin Loftis, who will also function as the Union's advocate and panel delegate.

The Pre-Hearing Status Conference was conducted on August 1, 2022 in accordance with the provisions of Act 312 and it was within the statutory 15 day requirement.

Participants during that discussion were, on behalf of the POAM: Messrs. Kevin Loftis, Scott Brant, Thomas Funke, and Alan Brzys. The City of Farmington was represented by Mr. Steven Schwartz. It was determined at that time that the advocates would be Mr. Loftis for the POAM and Mr. Schwartz for the City of Farmington. They will also act as panel members on behalf of their respective organizations. The hearing dates were established at that time for October 25, 28 and November 4, 2022. Location was determined to be the Farmington City Hall, with the hearings to commence at 10:00 a.m. each of those dates.

All Union issues and the one City issue were stipulated as being economic. Furthermore, it was stipulated that the new collective bargaining agreement would be for a period of three years from July 1, 2022 to June 30, 2025.

It was further stipulated that all wage issues would be decided individually for each contractual year. At that time, the Union sought a 3.5% increase each year commencing on July 1, 2022, with the first year's commencement date to be determined and the Union indicated it would seek an annual bonus of $2,500 each year for all Union members. The City, at that time, was offering a 3% annual increase with no bonus. Those positions were, of course, subject to change with the last offers of settlement by the parties.

The next issue was a sick time pay out issue regarding the amount of time that would be compensated versus the amount of time that would be banked. The Union was seeking substantially different percentages than those which were in the collective bargaining agreement. The City indicated that it was agreeable to a 60% pay out and 40% bank of time provided that the Union dropped certain of its other demands with respect to this or a similar issue. The Union indicated that it wanted the same provisions as the Command for scheduling leave and canceling, which require a 48 hour notice. The City responded by indicating it wished to retain the status quo.

The Union also had an issue with respect to personal leave, bereavement and union leave. The Union wanted those leaves to reflect a 12 hour schedule rather than the current compensation of eight hours. The City wished to retain the status quo.

The Union, in addition, had an issue with regard to shift assignments in which it wanted the officers to have the right to maintain their shift by seniority. The City's position was to retain the status quo.

The City had an issue with regard to employee pension contribution. The current contribution was 4.5% per employee and the City wished to increase it to 5%. The Union's initial position was it would wait to see what happens with the Command, which was also currently 4.5%. However, it should be noted that the Command did not complete negotiations for their contract and apparently is waiting to find out what happens with respect to this arbitration award.

All other City issues which had been set forth elsewhere had been resolved by tentative agreements which the parties agreed may be stipulated to as part of the final award.

With respect to the City's ability to pay, the City indicated it was not pleading poverty nor an inability to meet reasonable monetary demands. However, the City retained the right to argue for fiscal responsibility pursuant to the applicable Section 9 factors. The Union indicated that subject to review, it did not take issue with the City's position subject to a financial review and asserts its belief that the City is financially sound and was able to meet the Union demands.

With respect to witnesses, the Union indicated that it did not plan on calling any outside experts, but reserved the right to have various witnesses, including Mr. Loftis, Mr. Funke, Mr Brzys, and possible association members as witnesses. The City indicated that it would have the City Manager, the Finance Director, the Public Safety Director and the Deputy Public Safety Director as potential lay witnesses as well as one or more experts from Plante Moran.

The parties agreed on the dates for exchange of exhibits, rebuttal exhibits and the method of exchange. The exchange of exhibits was to occur 30 days before the first hearing date, with rebuttals if any, 14 days before the first hearing date, with the exchange to be in person by the parties on the relevant dates.

With respect to the method and exchange of last best offers or last offers of settlement, the exchange was to be within seven days before the first hearing date, subject to any statutory provisions to the contrary. The parties agreed that they would either do it in person or by e-mail.

With respect to pre and post hearing briefs, the parties indicated that there would be no pre hearing briefs. Post hearing briefs would be exchanged within 30 days after receipt of transcripts and the arbitrator's award would be due within

30 days after receipt of briefs. The panel meeting with respect to date, place and time would be determined after completion of the award.

With respect to internal and external comparables, the parties agreed that the external comparables would be public safety, collective bargaining agreements with respect to the following communities: Berkley, Beverly Hills, Center Line, Fraser, Grosse Pointe Farms, Grosse Pointe Park, Huntington Woods and Bloomfield Hills. The Union wished to include the City of Oak Park, but the City disagreed and maintained that Oak Park was not a comparable community. The parties indicated that they did not want a bifurcated hearing on the issue of whether or not Oak Park was comparable. They further indicated that they would not submit prehearing briefs on that issue. They agreed that they would present any testimony and/or exhibits on the issue of the comparability of Oak Park at the time of the hearings, with the arbitrator to make that determination in his award. The parties further agreed that with respect to internal comparables, either party could use references to the Command Unit collective bargaining agreement and the DPW collective bargaining agreement, as well as possible non-union employee wages, benefits and contract language.

The parties further agreed that they would stipulate to the jurisdiction of the Michigan Employment Relations Commission and the duly appointed Arbitrator, that the petition was timely, the number of employees in the bargaining unit and all tentative agreements, as well as any other items that may be agreed upon before or during the course of proceedings.

With respect to the order of presentation, it was agreed upon that the Union would present each of its issues and then the City would respond on an issue-by-issue basis. With respect to the City issue, the procedure would be reversed. Presentations could include on an issue-by-issue basis, each parties' exhibits and witnesses. There might be, at the time of the hearing, an exception with respect to the order of presentation, depending upon the availability of the Plante Moran witnesses.

Each party would be allowed to make a brief opening statement upon the commencement of the hearings. None will be necessary for closing statements since the parties will be presenting their briefs within 30 days after the receipt of the transcripts.

It should be noted that the parties did meet each of the time limits within the above agreed-upon issues.

II. STATUTORY CRITERIA

A. Act 312 of the Public Acts of 1969. 423.238, Sec. 8. The arbitration panel shall identify the economic issues in dispute and direct each of the parties to submit to the arbitration panel and to each other its last offer of settlement on each economic issue before the beginning of the hearing. The determination of the arbitration panel as to the issues in dispute and as to which of these issues are economic is conclusive. The arbitration panel, within 30 days after the conclusion of the hearing, or within up to 60 additional days at the discretion of the chair, shall make written findings of fact and promulgate a written opinion and order. As to each economic issue, the arbitration panel shall adopt the last offer of settlement which, in the opinion of the arbitration panel, more nearly complies with the applicable factors prescribed in section 9. The findings, opinions and order as to all other issues shall be based upon the applicable factors prescribed in section 9. Act 312 of the Public Acts of 1969. 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.

(e) Comparison of the wages, hours, and conditions of employment of other employees of the unit of government outside of the bargaining unit in question.

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

(g) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays, and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.

(h) Changes in any of the foregoing circumstances while the arbitration proceedings are pending.

(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.

(j) 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.

B. Act 152 Public Acts of 2011, Enrolled Senate Bill No. 7. Sec. 3.

Except as otherwise provided in this act, a public employer that offers or contributes to a medical benefit plan for its employees or elected public officials shall pay no more of the annual costs or illustrative rate and any payments for reimbursement of co-pays, deductibles, or payments into health savings accounts, flexible spending accounts, or similar accounts used for health care costs, than a total amount equal to $5,500.00 times the number of employees with single person coverage, $11,000.00 times the number of employees with individual and spouse coverage, plus $15,000.00 times the number of employees with family coverage, for a medical benefit plan coverage year beginning on or after January 1, 2012. A public employer may allocate its payments for medical benefit plan costs among its employees and elected public officials as it sees fit. By October 1 of each year after 2011, the state treasurer shall adjust the maximum payment permitted under this section for each coverage category for medical benefit plan coverage years beginning the succeeding calendar year, based on the change in the medical care component of the United States consumer price index for the most recent 12-month period for which data are available from the United States department of labor, bureau of labor statistics.

C. RELEVANT MICHIGAN EMPLOYMENT RELATIONS COMMISSION RULES.

S Administration of Compulsory Arbitration Act for Labor Disputes in Municipal Police and Fire Departments; Section 423.509 Rule 9

(a) Obtain a full and complete record.

(f) Hold conferences during the course of the hearing for the settlement, simplification, or adjustment of the issues by consent of the parties.

I wish to note at this time that with respect to the Statutory Criteria, I have given careful consideration of each applicable clause set forth in Section 9 where applicable, but I do wish to note that in particular, I have given great weight to Sections 1(a) the financial ability of the unit of government to pay all of the following which is required to 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.

(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.

(e) Comparison of the wages, hours, and conditions of employment of other employees of the unit of government outside of the bargaining unit in question.

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

(g) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays, and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.

(2) The arbitration panel requirement that it give the financial ability of the unit of government to pay the most significance, if the determination is supported by competence, material and substantial evidence.

Furthermore, I am aware that the Panel must consider each criteria and adopt a last offer which "more nearly complies with the applicable factors prescribed in Section 9."

I further wish to note that I am aware of the fact that the Courts have routinely ruled that with respect to the criteria, it is up to the Panel to determine

which, if any, should be given greater weight. That of course does not apply to (2), which requires the Panel to give the financial ability of the unit of government to pay the most significance if it is determined to be supported by competent, material and substantial evidence.

III. STIPULATIONS and PRELIMARY RULINGS.

I have previously indicated a number of stipulations which were agreed to by the parties in the Pre-Hearing Conference. Those stipulations were carried over at the time of the hearings and obviously form a portion of the basis of this Award. With respect to the issues, it will be noted that the parties did in fact issue last offers of settlement, which in one or more cases, were substantially different than the positions of the parties at the time of the Pre-Hearing Status Conference.

IV. COMPARABLES

As previously noted, the parties agreed on the Cities of Berkley, Beverly Hills, Center Line, Fraser, Grosse Pointe Farms, Grosse Pointe Park, Huntington Woods, and Bloomfield Hills, all of which are the eight agreed-upon comparable communities, all are consolidated police and fire departments operating as a single Public Safety Department. The officers are commonly referred to as PSO's or Public Safety Officers. They are all cross-trained and licensed to perform both police and fire fighter duties and responsibilities. Those attributes are true of the City of Farmington as well, and the Farmington PSO's are also trained to respond to all medical calls for services.

Both parties submitted a number of arbitration cases in support of their respective positions with regard to whether or not the City of Oak Park should be considered a comparable community.

The Union maintained in its post-hearing brief that awards in a number of cases indicated that Oak Park was comparable to the City of Farmington either by virtue of the arbitrator's ruling or a mutual agreement of the parties involved in those cases.

I have reviewed the cases submitted by the Union and find that in a case involving the City of Farmington and the Command Officers Association, MERC Case No. D-99-D-0770, arbitrator Long granted the inclusion of Oak Park as a comparable community. In MERC Case No. D-93-F-0918, involving the City of Oak Park and the POAM, the parties stipulated that the City of Farmington would be utilized as a comparable. Another case cited by the Union is the City of Oak Park and the POAM, MERC Case No. D-08-F-1001. Clearly, the City of Farmington was deemed to be a comparable community with the City of Oak Park. An additional City of Oak Park case with the POAM was MERC Case No. D-10-I-1025. That case also apparently allowed the City of Farmington to be utilized as a comparable community. However, it is difficult to determine from that award whether it was determined to be comparable by virtue of an arbitral award or by agreement of the parties. The Union also quoted a City of Oak Park POAM case being MERC Case No. D-94-I-1872 in which the parties stipulated that Farmington would be one of the comparable communities. The final case provided by the Union again involved the City of Oak Park and the POAM and the Union had offered the City of Farmington as a comparable. There is a second page which lists "proposed comparable communities for Act 312" in that case which was D-01-D-0557, and it lists the City of Farmington. There is no indication that that it is a determination by the arbitrator in that case or a stipulation of the parties or that it never was determined to be comparable. The Union has proposed that case and I would assume that the City of Farmington was in fact included as it had been with a number of other City of Oak Park cases hereinabove set forth.

The City, in support of its opposition to the inclusion of the City of Oak Park as a comparable, offered a number of cases as well. In MERC Case No.

20-A-0237-CB, between the POAM and the City of Fraser, the panel approved Farmington as a comparable, but denied Oak Park as a comparable. In the MERC Case No. D-08-F-1001 involving the City of Oak Park, the parties agreed that the City of Farmington would be a comparable. In the case of the City of Oak Park and the POAM, MERC Case No. D-94-I-1872, the parties stipulated that the City of Farmington would be a comparable. In case No. D-99-D0770, the City of Farmington proposed that Oak Park be a comparable, but the City did not. I could not determine, based upon a review of the materials submitted with respect to that case, whether or not the City of Oak Park was included or excluded from the determination. In another case in which I cannot find the Michigan Employment Relations Commission case number involving the City of Bloomfield Hills, the parties apparently stipulated that the City of Farmington would be includable as a comparable community, but the City of Oak Park was not included. The City also included a case involving the City of Huntington Woods, MERC Case No. D-96-D-1954, where it was determined that there was no comparability for the City of Oak Park, but Farmington was comparable. Another case cited by the City of Farmington involved the City of Huntington Woods being MERC Case No. D-96-D-1954, the Panel in that case determined that Farmington was a comparable community, but excluded Oak Park as a comparable community. The City also submitted a case involving the Village of Beverly Hills and the Beverly Hills Safety Officers Association of Michigan being MERC Case No. D-10-A-0090, which included the City of Farmington as a comparable, but excluded the City of Oak Park. Finally, in the case of the POAM and the City of Fraser, MERC Case No. 20-A-0237-CB, the panel included the City of Farmington as a comparable, but did not include the City of Oak Park. Finally, there is a case cited by the City involving the POAM and the City of Fraser in which the City of Farmington was included as a comparable community, but the City of Oak Park was excluded.

The Union in support of its position indicates that all of the comparable communities including its proposal of Oak Park are consolidated police and fire departments operating as a single public safety department. The members of all of the departments in the referenced communities are cross-trained and licensed to perform both police and fire fighting duties and responsibilities as are the officers in the City of Farmington who, as previously indicated, are also trained to respond to all medical calls for services. The Union further notes that arbitrator Michael P. Long ruled that Oak Park was comparable to Farmington in MERC Case No. D-99-D-0770. In addition to which as previously indicated, the City of Farmington has been used as a comparable to the City of Oak Park in numerous Oak Park Act 312 arbitration hearings dating back to 1993. The Union further indicates that City Exhibits 7, 8 and 9 demonstrates that Oak Park is actually more comparable to Farmington than six of the eight agreed upon external comparables. For example, City Exhibit 7 regarding taxable value in 2022 shows that Oak Park has a taxable value 45.65% higher than Farmington. The City's Exhibit indicated that Berkley, Beverly Hills, Bloomfield Hills, Center Line, Grosse Pointe Farms and Grosse Pointe Park all have a larger variance from Farmington in taxable value than Oak Park's.

In addition, City Exhibit 8 regarding per capita income shows that Oak Park again is actually more favorable to Farmington than six of the eight agreed-upon external comparables. The Cities of Beverly Hills, Bloomfield Hills, Center Line, Grosse Pointe Farms, Grosse Pointe Park and Huntington Woods all have a larger variance from Farmington in per capita income than Oak Park's which is $16,692.00.

City Exhibit 9 regarding median household income again shows that Oak Park is more favorable to the City of Farmington than six of the eight agreed-upon comparables. The Cities of Beverly Hills, Bloomfield Hills, Center Line, Grosse Pointe Farms, Grosse Pointe Park and Huntington Woods all have a larger variance from Farmington in per capita income than Oak Park's of $24,673.00.

Finally, in support of its position, the Union indicates that Farmington has often been utilized as a comparable community in cases involving the City of Oak Park. Accordingly, the Union concludes that if Farmington is comparable to Oak Park in numerous Oak Park Act 312 Hearings, there should be no dispute that Oak Park is an acceptable comparable to Farmington in the instant matter.

The City, in support of its position, argues that Oak Park should not be included as a comparable community based upon differences in population, crime, demographics, solely for the purpose of raising the average for base wages. The City argues that there is no more justification for including Oak Park than there is for including smaller tri-county communities that have public safety departments such as the various Grosse Pointes. The City further notes that in a 2016 Act 312 Arbitration between the instant parties, there was agreement that eight small, tri-county municipalities with public safety departments were comparable communities. The City has agreed to those same eight communities as being comparable in this case. The City further notes that in 2016, the Union proposed Oak Park as a comparable community and the City rejected that proposal. The parties in that case reached a stipulated award which obviated the necessity of the arbitrator determining whether or not Oak Park was a comparable community. The City alleges that Oak Park is not appropriate as it has substantially more crime than Farmington and the other comparable communities, particularly violent crimes such as murder, rape, robbery, aggravated assault, property crime, burglary, larceny-theft motor vehicles and arson. The average number of those crimes in the agreed-upon communities is 215, with the City of Farmington experiencing 176 annually. The City of Oak Park had 1,070 of those crimes. The City further notes that Oak Park is demonstrably different from Farmington in the eight agreed-upon communities with respect to demographics. Oak Park's population is far larger than the eight agreed upon comparable communities and has over two and a half times the population of Farmington. Moreover, Oak Park residents have significantly lower incomes than Farmington and the comparable communities. For example, the per capita average income without Oak Park and Farmington of the comparable communities is $60,201.00. The City of Oak Park's per capita income is $23,993.00, which is far less than a number of the communities agreed upon

such as Bloomfield Hills, Grosse Pointe Farms, Beverly Hills, Huntington Woods, Grosse Pointe Park and Berkley. The only comparable community with a lower per capita income is Center Line. The same is true with respect to median household income. Although it should be noted that with respect to median household income, the differences between Bloomfield Hills, Grosse Pointe Farms, Beverly Hills, Huntington Woods and Grosse Pointe Park are far more than the difference between Farmington and Oak Park.

The City further argues that in three of the cases which used Oak Park as a comparable to Farmington, two of them were stipulated and in the third one, the arbitrator, according to the City's argument, did not make a reasoned analysis of why Oak Park should be determined to be comparable other than it was in Oakland County and was a public safety department. Moreover, in that case, the arbitrator did not accept the Cities of Center Line, Fraser, Grosse Pointe Farms or Grosse Pointe Park as being comparable, even though in both 2016 and in the instant case, they have been considered to be comparable by the parties.

The City further argues that arbitrators, as evidenced by the summary hereinabove set forth, have arrived at different conclusions. Arbitrator Kenneth Zatkoff ruled Oak Park was not comparable to Bloomfield Hills. Arbitrator Ann Patton ruled that Oak Park was not comparable to Huntington Woods even though they border each other due to their widely divergent demographics and because Oak Park had 67 officers, while Huntington Woods had 14. Arbitrator Barry Ott ruled that Oak Park was not comparable to Beverly Hills due to its significantly larger population and the fact that its work force was three times larger than the Beverly Hills safety department.

Based upon a thorough analysis of the multitude of arbitration decisions and the Exhibits of the parties, it is my belief that the City of Oak Park clearly should not be determined to be a comparable community. The variation in the rates of crime, population, taxable value, per capita income, median household, the area in square miles is beyond what could be considered a reasonable level of comparability. Oak Park's population is more than two and one-half times the population of the City of Farmington. Oak Park's taxable value is $188 million more than the City of Farmington. Oak Park's per capita income is approximately $17,000.00 less than the City of Farmington, and its median household income is $24,000.00 less than the City of Farmington. It should be noted, however, that with respect to population, Oak Park's differential is 254.89% of that of the City of Farmington. No other comparable community has that level of differential. On the other hand with respect to taxable value, Oak Park's percentage of taxable value is 45% greater than the City of Farmington. It would appear that all of the communities that are comparables have a much greater taxable value than the City of Farmington with the City of Bloomfield Hills being the greatest at 239.47%. The City of Center Line does in fact have a lower taxable value of approximately 42% of the City of Farmington's. With respect to per capita income, the City of Oak Park has a differential of approximately $17,000 per capita. Five of the communities, which are considered to be

comparable, do have a greater per capita income differential than the City of Oak Park. In terms of median household income, there is a differential between the City of Oak Park and the City of Farmington of approximately $24,600.00. The differential with respect to median household income is even greater with respect to the Cities of Beverly Hills, Bloomfield Hills, Grosse Pointe Farms, Grosse Pointe Park and Huntington Woods.

There are of course other factors which have led me to conclude that it is not appropriate to include the City of Oak Park as a comparable in these proceedings. A major concern would be the great disparity between the size of the Oak Park Public Safety Department and the City of Farmington Public Safety Department. In addition, the great variance in the number of major crimes committed in the City of Oak Park versus the City of Farmington. In addition, the overall size of the communities represents a disparity in terms of land area.

Accordingly, for purposes of this arbitration proceeding, the City of Oak Park has not been included in my determinations with respect to the individual issues hereinafter set forth. As an aside, I would suggest to the parties that in the future with respect to any disagreements on comparable communities, it would be better served to have those issues determined prior to the Hearing, rather than subsequent to the Hearing.

V. ABILITY TO PAY

As previously hereinabove set forth, the City does not plead poverty nor an inability to pay the demands of the Union as long as those demands and/or the awards represent fiscal responsibility with respect to the monies needed to reach those awards. The City argues that the Union has overreached on the most critical monetary issues without justification from either internal or external comparables. The City asserts that its last best offers provide the officers with meaningful economic improvements within its ability to pay. On the other hand, the City alleges that the Union's last best offers threaten the City's capacity to sustain those compensation levels over the long term and further would hinder its ability to provide other vital services and rebuild its infrastructure. It believes that the City's financial position will remain stable if, and only if it manages its resources appropriately and balances its priorities. Thus, the City indicates that its offers of economic settlement is within its means and keeps it competitive with comparable communities. On the other hand, the Union's proposal, according to the City, would disrupt the delicate balance, which would unilaterally lead to the detriment of City employees, not just those in the Public Safety Department. The City further has argued that the arbitration determination will have ramifications beyond the term of the three year contract. It believes the Union engaged in regressive bargaining on the critical issue of wages and shift assignments and worse, on sick leave pay out where it demanded a 50% pay out upon separation of employment, an issue that it never raised at the bargaining table.

The City asserts that its current adopted budget waives a red flag due to the fact that the planned expenditures exceed the anticipated revenues which would necessitate the use of a fund balance to make up the structural deficit. The City believes that while it could use a small amount of fund balance for one year, it cannot continue to do so on an indefinite basis. The City asserts that currently there is less than 18.9% of the unassigned monies in fund balance which is well below the policy set by the City Council that the unassigned fund balance should be at least 25%.

The City acknowledges that the Union would assert and did in fact assert in its brief that the general fund balance is 32.44%, however, according to the City, that statistic is misleading. That is due to the fact that the percentage of fund balance includes non-spendable assets such as equipment and materials. It also includes approximately $1.1 Million for the purpose of the Maxfield Training Center, and at this time it's unknown whether the City will recoup all of its investment in that project. Moreover, the City asserts that when it pays off the cost of the purchase, that payment will reduce the overall amount of fund balance. However, certainly some monies from that sale would be available to be placed in the fund balance as far as I can determine.

The City further asserts that the fund balance has been temporarily increased by approximately $500,000.00 in federal grant funding to offset costs due to the Covid-19 pandemic, which is a source that will not be renewed.

The City also asserts that it has relatively little control over their revenue it receives to fund its ongoing operations. The largest source of revenue, property taxes, is limited by the intertwined restrictions of the Headlee Amendment and Proposal A. Since it is almost completely developed with virtually no vacant land, there is relatively little possibility of expanding the property tax base through new developments such as a new subdivision.

The voters did approve a tax increase for additional millage for roads in 2014 and funding for operations and capital improvements in 2018. These millages will expire in 2024 and 2029 respectively. The City notes that approval of tax millage request is not automatic, and in fact in 2013, the Farmington voters rejected two millage requests by the Farmington School District. Moreover, until additional millage was approved in 2018, the City's revenue in the general fund lagged behind inflation. The City further asserts that despite additional funding from the 2014 and 2018 millages, there are inadequate revenues to meet all of the City's capital improvement projects.

Moreover, the City has the second smallest taxable value of any of the agreed-upon comparable communities and its residents make considerably less income than seven of the comparable communities. It is unlikely that voters who have already approved two millages will expand their tax burden with additional supplemental millage beyond renewing the existing levels.

Public Safety is by far the largest expense of the City dwarfing every other governmental function. In addition to funding Public Safety, the City is faced with replacing an aging infrastructure with limited resources. It spends virtually all the tax revenue that is allocated for infrastructure on repairs to roads, sewers, water lines, and capital improvements.

Property taxes from commercial properties within the downtown development authority and the Grand River Avenue corridor are captured by special tax increment financing authorities. While these authorities perform some of the revitalization activities that the City might otherwise have to perform, they also capture the tax revenue that would have been received by other local units of government such as Oakland County. Therefore, the tax increment finance districts can accomplish more comprehensive infrastructure projects than if the City attempted these projects without tax increment financing. In addition, the property tax revenue for the general fund generated from commercial property values within these tax increment finance districts is frozen at the level at the time that the district was created, such as 1987 for the downtown development authority. These tax increment financing districts will remain in effect for a long period of time. For example, the DDA will run until at least 2038.

With respect to its long-term debt, the City has approximately $7.75 Million in debt for bonds issues in 2013 to prefund its retiree health insurance liability. However, the monies generated by the bonds do not fully fund the retiree health insurance liability. As a result, the City must supplement the bonds by paying

approximately $152,000.00 annually for the next 18 years to fund these long-term obligations. The City also owes $621,000.00 for an installment purchase agreement that it used to purchase the vacant Maxfield Training Center, and it has no guarantee that the development of that property will completely cover that debt.

The City sets forth that there is no certainty that the Maxfield site will be redeveloped, but if it is, the new townhouses will not produce additional tax revenue for the City's general fund for the foreseeable future. Whether the City recovers all of its $1 Million investment to purchase the property depends on the amenities the City requires of the developer which the City would otherwise have to directly provide. Incidentally, the reference to OPE Bonds refers to an acronym which stands for "Other Post-Employment Benefits." The City further sets forth that the new property growth for the construction of 14 new homes on 10 Mile Road should take into account the fact that the land for those homes was already being accounted for in the City's tax base. However, it would be my understanding that upon completion of the 14 new homes, the taxable value will greatly increase over the above the land value which was previously taxed. The City further states that there is no testimony in the record with regard to the construction of the 14 new homes insofar as it having a dramatic impact on the tax base which currently has a taxable value of $411 Million. Obviously, the tax base for those homes will be based upon the selling price presumably of the homes and that selling price would increase the taxable revenue to the City based upon the value of the sale of the home, less the value of the lot that was being previously taxed.

The Union in its brief asserts that the issue of ability to pay as raised by the City is a misnomer. The City claims, according to the Union, that while it has the ability to pay it claims to choose to be fiscally responsible in responding to the Union's proposals. The Union maintains that the appropriate title of the City's position should be an "unwillingness to pay."

The City has exaggerated its situation in an attempt to portray its economic condition is worse than reality shows as evidenced by its 2021 audited financial report.

The Union notes that David Helisek from Plante Moran discussed the City's finances and with respect to that discussion, referred to City Exhibit 16 dealing with the City's ability to pay. He acknowledged that his testimony regarding Exhibit 16 referred to the economy going back to 2001 and also included the recession in 2008-2009. The Union notes that Mr. Helisek could not provide answers as to why his Exhibit did not contain up-to-date financial data which was readily available, but instead relied upon information which was several years old.

Mr. Helisek agreed that the loss of State revenue sharing along with reduction in property values caused by the recession in the City of Farmington was experienced throughout the State by virtually every local unit of government.

The Union further notes that Mr. Helisek agreed that the City's financial situation, as it may have been 15 or 20 years ago, does not determine the current state of the finances in the City and has no direct impact on the City's current ability to pay. The Union notes that the City has maintained a positive fund balance and continues to provide the necessary services to its citizens.

Messrs. Weber and Murphy both testified regarding the state of the City's financial condition. They both testified that the City purchased property for approximately $1.2 Million with the intent to sell the property to a developer. The property has been vacant for 20 years. Even though there has been a marked increase in property values throughout the State, especially during the last two years, the witnesses testified that they were anticipating selling the property for less than $1.2 Million, which was the original cost to the City. The two witnesses further testified that it would be up to the City, through its Brownfield Redevelopment Funds, to pay for remediation of the site and that the taxes assessed for that property will be turned over to the Downtown Development Authority. According to the Union, that testimony contravenes information on page 6 of the 2021 audited financial report (Union Exhibit 35), which states "the unassigned fund balance is less than target because the City purchased land for development purposes, creating a deposit in a non-spendable fund balance totaling $1,166,000.00. The land is intended to be resold to developers, and the deposit and assignment will be returned to the unassigned fund balance. When these two items are returned to the unassigned fund balance, the unassigned fund balance would be 32.44%."

Messrs. Weber and Murphy testified they worked together to write the management's discussion and analysis for the 2021 financial report. The Union notes that nowhere in their writings did they claim that the City would receive no tax revenue for the developed properties. Nowhere in their writings did they claim that the City may suffer a loss of income with this real estate development.

The Union believes that the testimony of Messrs. Weber and Murphy, regarding the real estate deal, is at best purely speculative. There is no evidence, according to the Union, as to how much any profit or loss might be. Nevertheless, the Union asserts that the writings clearly indicate that the City anticipates making a profit from the real estate deals. If the City was truly anticipating losing money on this venture, then according to the Union, their writings would be misleading to the citizens of Farmington, the State of Michigan Department of Treasury and the bonding agencies. The Union asserts that if the City was really anticipating actually losing money on the various real estate ventures, it would be legally required to make the auditors aware of those losses. Mr. Helisek did not provide any testimony regarding a claim of lost revenue on the real estate venture.

With respect to the real estate ventures, the Union believes that if the City, in fact, engaged in actions involving the purchase of a property which had been vacant for 20 years and agreed to the City funding remediation of the property

out of its Brownfield Redevelopment Funds and that the City would lose money on the real estate venture and had knowledge that the property would not currently generate property taxes for the City, would result in misleading the public, the state and the bonding agencies and therefore the transactions would be contrary to their claims of being "fiscally responsible" and could be considered mismanagement.

The Union further notes that Mr. Helisek testified that the City was in compliance with Public Act 202 due to having higher funded levels for its pension and OPEB Liabilities (retiree health care) then recommended by Public Act 202. P.A. 202 was passed by the legislature in December 2017. Mr. Helisek also acknowledged that there are many communities throughout the State which are not in compliance with Public Act 202.

The Michigan Department of Treasury, in Public Act 202, seeks to have retirement pension systems up to at least a 60% funded level within 20 years and also seeks to have the OPEB liabilities up to at least a 40% funded level within 30 years. The Union notes that its retirement system is 76% funded which obviously exceeds the 60% funded mandate of the State for its retirement system, and the OPEB is funded at 110.6% which is 70% greater than the minimum requirement of the State with respect to the OPEB.

The Union asserts that the City intentionally omitted the most recent financial report from its Exhibits even though Mr. Helisek relied upon information from the 2021 financial report for portions of City Exhibit 16. Moreover, the City witnesses agreed that budgets are simply speculative and are subject to change multiple times during the fiscal year. Conversely, audited financial statements are required by law to be prepared each fiscal year. The audit shows the true numbers with respect to income and expenses as opposed to the speculative numbers contained in a budget.

The Union notes that it presented the 2021 audited financial report as Union Exhibit 35. The report indicates that revenue exceeded expenditures by $1,184,061.00. The general fund balance increased by $397,145.00 to $3,666,037.00 after transferring out $786,916.00. Even after transferring out that amount of money from the general fund, the City had a general fund balance of 24.1%. The Union further asserts that Mr. Helisek actually testified that the current fund balance is 37%. The financial statement also indicated that property taxes had increased by $137,000.00 due to a 4.5% increase in taxable value. Non-current liabilities decreased by $2,493,000.00 due to a decrease in the net OPEB liability of $1,175,000.00. The Public Safety expenses decreased by approximately $885,000.00 primarily due to a decrease in wages and benefits resulting from open Public Safety positions. The City received an AA Bond rating.

The City also received an additional $1,098,000.00 in American Rescue Plan Act (ARPA) funds from the federal government as a result of the Covid-19 pandemic. Those monies can be used to provide premium pay for essential

workers, there can be no dispute that these Public Safety Officers are essential workers.

Finally, the Union concludes that the City's claims regarding ability to pay must be rejected is without merit, considering its audited financial report and increases in its general fund balance.

I believe, based upon the testimony and Exhibits presented to me, that the City is extremely well-run by the elected officials and the City employees charged with the responsibility of running the various departments of the City. I have concluded, based upon all of the relevant Exhibits and testimony, that the City clearly has the ability to pay reasonable increases in economic benefits under the collective bargaining agreement. Of course one man's reasonable is another man's unreasonable. Based upon the testimony and financial documents there can be no question that the City has adequate funds to provide a reasonable wage increase as well as perhaps some of the other fringe benefits, which are subjects of this proceeding. Its general fund balance is one of the highest that I have ever seen in an Act 312 case. I have acted as an advocate, a panel member, and an arbitrator in 312 cases from the very beginning, and I do not recall a single case in which a community had a fund balance of 37% or, for that matter, 34%. I realize that the witness from Plante Moran, in response to one of my questions indicated that 37% or 34% was not unusual, but I simply have never encountered that high a fund balance in my experience. Moreover, it seems that the City has, in fact, exceeded its expenditures with a revenue which it has generated. As a result of inflation, the City, under the Headlee Act, should have and probably has been able to increase its property taxes by at least 4% and perhaps as high as 5% in the last two years. It should be noted that insofar as social security is concerned, which is based on increases in the cost of living, the increase for 2022 was approximately 5.59% for each recipient and in 2023, as of January, 2023, each recipient received an increase of approximately 8.7%. Those two percentages equate to roughly 14.3%.

Thus, I have concluded, as hereinabove set forth, that the City can remain fiscally responsible and yet has the ability to pay reasonable increases in wages and fringe benefits as will be hereinafter set forth.

VI. WAGES

The wages for the three years commencing on July 1, 2022 are considered to be determined with respect to each individual year. The parties stipulated to that during the Pre-Hearing Status Conference. In addition, the wages for the fiscal year commencing on July 1, 2022 and ending on June 30, 2023 are retroactive to July 1, 2022 by way of stipulation of the parties. With respect to the issue of wages, the Union notes that the City's Public Safety Director, Mr. Warthman, testified that the bargaining unit has had at least one vacant Public Safety Officer position for the past several years. Thus, the City has been able to save a substantial portion of one Public Safety Officer's wages and fringe benefits, although, there probably has been an increase in overtime payments as a result of the vacancy.

During the pandemic, the non-public safety employees worked remotely while members of this bargaining unity continued to show up for work at the department and perform their normal police, fire and medical response duties. The Union notes that many of their members contracted Covid during this time frame.

The Union further notes that it has been well documented that the rate of inflation is at a 40-year record high. The latest consumer price index figures show the rate of inflation increased 8.2% from September of 2021 to September of 2022. The CPI increased 8.3% for the first half of 2022, compared to the first half of 2021. As previously noted the federal government has increased social security payments for recipients by 5.39% for 2022 and an additional 8.7% for 2023 for a total in the two years of 14.3%.

The Union further argues that after the Union and the Command Officers Union ratified their respective collective bargaining agreements for a 2.75% wage increase for 2021, the administrative employees and non-union employees received a 3.25% wage increase.

Non-Act 312 employees, pursuant to Public Act 54, are not entitled to receive retroactivity. In addition, the Act freezes any step increases which would have occurred if not for the expiration of the collective bargaining agreement. The Act further requires that non-Act 312 eligible employees are responsible for any health care premium increases after the expiration of their collective bargaining agreement. The Union asserts that as a result, the City has great leverage over non-Act 312 eligible employees, and it is no surprise that they frequently accept agreements which would not have been accepted but for the imposition of Public Act 54.

With respect to the first year of the collective bargaining agreement, the Union's final offer of settlement is a 4% wage increase for all steps contained in the collective bargaining agreement. The wage increase would be retroactive to July 1, 2022 for all hours compensated. The City's last best offer is a 3% across-

the-board wage increase. There is no dispute that the wage established for the fiscal year commencing July 1, 2022 should be retroactive.

The Union refers to Exhibit 33, which showed that the State of Michigan inflation rate multiplier for 2022 was 3.3%. The inflation rate multiplier is the amount that local units of government are allowed to increase the taxable valuations in those communities. Property taxes are the largest source of revenue for the City. The City's 2021 audited financial report indicates that there was a 4.5% increase in taxable value, which generated an increase of $137,000.00 in property taxes. The Union further notes that values are uncapped when the property is sold. The increases referred to hereinabove were verified by Mr. Helisek.

The Union notes that its request to 4% is still less than the 4.5% increase in taxable value which the City assessed on its property tax revenue.

The Union further indicates that officers in comparable communities of Berkley, Fraser, and Grosse Pointe Farms negotiated and received lump sum payments in addition to the contractual wages listed in the Exhibit. The Union asserts that members of this bargaining unit did not receive any additional negotiated lump sum payments.

I have determined that it will make more sense to set forth the positions of the parties with respect to each year before rendering a determination, even though the determination will in fact be on a year-by-year basis. Accordingly, the Union's final offer of settlement for year two of the collective bargaining agreement commencing on July 1, 2024 is for a 5% wage increase for all steps contained in the collective bargaining agreement, which represents a 2% difference from the offer of the City.

The Union notes, through the testimony of Mr. Brzys, that even though the State had yet to publish its inflation rate multiplier for 2023, the U.S. Bureau of Labor Statistics had already published the rates of inflation from October 2021 through September 2022. Mr Brzys performed calculations using the methodology identified in Union Exhibit 33 and determined that the State's inflation rate multiplier for 2023 would be 7.29%. However, due to Proposal A requirements, there are caps on annual taxable value increases to the lesser of inflation or 5%, whichever is less. Thus, he concluded that the inflation rate for 2023 would be capped at 5% for local units of government. It is further noted that taxable values on properties which are sold, or a new building occurs, are uncapped, and the taxable value can increase above the State's IRM.

Since the City, according to the Union, is permitted to increase property taxes at least an additional 5% in 2023 on existing property and perhaps even higher on new property, the Union believes it should also receive the same 5% wage increase.

The Union believes that even if it were awarded the 5% wage increase, it would still be 2.92% less than the rate of inflation, which would in turn represent a 2.92% loss of purchasing power. On the other hand, if the panel were to award the City's final offer of 3%, that would result in a permanent reduction of 4.92% due to the rate of inflation being 7.92%.

The Union acknowledges the City in its Exhibit 39 presented information that in August of 2020, the members received a $1,000.00 public safety hazard pay bonus. The Union claims it was unaware of the bonus until the weeks immediately preceding the start of the hearings in this matter. Mr. Weber testified on behalf of the City that the City had received funding from the State of Michigan to reimburse new hazard pay bonuses for up to $1,000 for first responders. This bonus was not a negotiated issue. Mr. Weber acknowledged that the bonuses for the public safety personnel were "pass-through" reimbursement funds from the State and did not come out of the general fund. He further testified that the $1,000.00 bonus was given to all full-time employees of the City and not just the members of the 312 bargaining units. However, the bonuses paid to non-public safety employees were paid from the general fund.

With respect to the third year of the collective bargaining agreement, the Union is seeking a 4.5% wage increase for all steps contained in the collective bargaining agreement, which represents a 1.5% differential with the amount being offered by the City of 3%.

Only four of the nine external comparables have settled collective bargaining agreements for wage increases on July 1, 2024. The Union believes that those four comparables had settled their agreements several years ago, and therefore, the amounts do not reflect the record rates of inflation which began to occur in early 2022 and are projected to have negative effects on the economy well into 2023. The Union thus concludes that while those wages may have been appropriate at the time they were negotiated, those previously negotiated wage increases do not keep pace with inflation due to the recent increases in the CPI.

The Union further asserts that even if their final offers of settlement were awarded by the panel for July 1, 2022 and July 1, 2023, the Union would still be lagging behind the City's increase in taxable value and the rate of inflation. The Union notes that the City's taxable value increased by 4.5% in 2022 and the Union is only requesting 4% for that year. The rate of inflation using the State's IRM is 7.92%, however, the Union's final offer of settlement is only 5%. Union members would lag behind 3.42% before the rate of inflation for 2024 is even figured in.

In support of its offers of settlement for the three years of 3% in each year, the City states that it is undisputed that none of the comparable communities provided a percentage wage increase as high for any of the three years demanded in the Union's last offer of settlement. Only Huntington Woods provided a higher percentage wage than the City's last offer of 3% for the fiscal

year beginning July 1, 2022. The City claims that it is undisputed that the City's offer for wages in the first year would put it above the average for the comparable communities. The City's last best offer would keep the City in the middle of comparable communities for wages for all three years despite its small tax base.

The City further notes that the Union wage exhibits did not reflect that the City provided a $1,000.00 bonus from Federal Cares Act Funding to all bargaining unit employees, even though it had no duty to bargain the contract.

The City also argues that the Union's wage exhibits do not reflect that the City's officers work less hours than some of the comparable communities, because the City and the Union have negotiated that four hours of every pay period shall be compensated as paid time off instead of being paid overtime ("Kelly Day"). The City states that it pays public safety officers a higher base hourly wage than all agreed upon comparable communities except for Beverly Hills. The Union, according to the City, has not offered to work more hours by substituting the Kelly Day for overtime pay. This, the City states, represents double counting since if the officer works on Monday and calls in sick on Tuesday, he will receive the same paycheck as if he had worked both days. The City also believes that the Union has inappropriately inflated total compensation of Grosse Pointe Farms and Grosse Pointe Park by including those cities' matched deferred compensation, when that is more appropriately designated as a retirement benefit. The City believes that its retirement package is superior to either of those Grosse Pointe communities. The City further believes that the Union has assigned a cost of longevity and vacation paid over the course of a 25 year career with the false assumption that there will be no increases or decreases in the longevity or vacation benefits paid by the City or any of the other nine communities over the next 20 years. The City further notes that the Union has failed to give the City credit for its system of income protection during a medical leave which is different in structure than the communities which do not provide long term or short term disability.

The City's offer on wages for the first year of 3% lines up almost evenly with its increase in taxable value of 3.3%. The City further notes that internally, it settled a three-year contract with the TPOAM, which is an affiliate of the POAM for non-Act 312 employees for wage increases of 3%, 3% and 3%. Similarly, non-union employees were given a 3% increase for fiscal year 2022 to 2023. The Command bargaining unit is waiting for the outcome of this arbitration and will undoubtedly, according to the City, receive the same percentage increase as ordered by the arbitration panel. It is undisputed that the City's wage offer for the first year would put it above the average salary of the comparable cities. Thus, the City concludes there is no justification to exceed the 3% increase granted to the internal comparables in the first year of the contract.

With respect to the second year and the Union's demand of a 5% wage increase, the City indicates that it is excessive and that none of the comparable communities provided a wage increase of 5% in the second year. The City of Berkley provided a 3% wage increase, which is the same as the City's last best

offer. Oak Park increased by 2%, Fraser was awarded 2.5% in an Act 312 arbitration, Grosse Pointe Park increased by 3.1%, Grosse Pointe Farms increased by 3.5%, and Bloomfield Hills increased by 3.5%, all of which were only slightly higher than the City's last best offer. Center Line had the highest wage increase of 4%. The only resolved internal comparable, the TPOAM, will receive a 3% wage increase. The City's taxable value on existing properties will only increase 5%. Spending this entire increase on a wage increase for this bargaining unit would leave the City no room in its budget to address other needs or to eliminate the current structural deficit for future years. While the Union centers much of its argument around inflation, it ignores that the City has historically given larger raises than the Consumer Price Index, even when that Index limited the growth of the City's tax base. In addition, it is unknown whether inflation will continue to plateau or be reduced or whether a recession in 2023 or 2024 will lower residential property values, thus reducing the City's tax base.

The City further asserts that the Union's demand for a 4.5% wage increase in the third year of the contract is also unwarranted. As stated above, the only internal comparable, the TPOAM, will receive a 3% increase. None of the agreed upon comparables which have wage increases scheduled for the third year will receive a 4.5% increase. Of the agreed-upon comparables, only Center Line, which has the lowest wages to begin with, will provide a 4% raise. Berkley would be 3%, Fraser would be 2.5%, and they are at the same or lower percentage as the City's offer for the third year. The City believes that the average of the nine communities which have in fact negotiated a pay increase for the third year would be 3.1% which is virtually identical to the City's offer.

Finally, in support of its position, the City asserts that the Union's last best offer on wages should be rejected because it committed regressive bargaining. The City notes that at the time of the Pre-Hearing Conferenced, the Union's wage demands were 3.5% for all three years and $1,500.00 lump sum bonuses paid out of federal ARPA grant for all three years, not rolled into base pay. The City further asserts that it was only after the Union saw that no comparable community was giving a lump sum bonus out of the ARPA grant, did the Union increase its wage offer in its last best offer to 4%, 5%, and 4.5% for the three years. Those numbers, according to the City, represent an offer higher than its position during the Pre-Hearing Conference and negotiations. This, according to the City, constitutes regressive bargaining contrary to the goal of mediation and Act 312 arbitration which is designed to bring parties closer to a settlement.

I have carefully considered the arguments of both the Union and the City. As previously noted, I believe that all of the evidence presented by the parties demonstrates the City has the ability to pay a reasonable amount with respect to the demands of the Union. I believe that insofar as the factors of Act 312 are concerned, it is fair to place a substantial degree of emphasis on the average consumer prices for goods and services commonly known as the cost of living, and the directive that the 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. Clearly, there is more than

competent, material and substantial evidence in support of the determination that the City has the ability to pay as demonstrated in the ability to pay provision of this award. There can be no question that with respect to the average consumer prices for goods and services commonly known as the cost of living, the last two years have been historic. COLA increases for social security recipients as previously stated, equated to 5.59% and 8.7% in the last two yearly increases. Nothing like those numbers have been seen in the last four decades. The price of a gallon of gas exceeded $5.00 a gallon at one point in the past year. The prices of every-day food requirements, such as eggs, bread, milk, meat, chicken, and canned goods have increased by double digits in many cases. The buying power of all of our citizens, including the members of this bargaining unit, have been reduced by far more than any wage increases that they have received over the past three years and are of such magnitude that they cannot be made up with ordinary wage increases for future years. I do believe that the City, regardless of the source of the funds, should be given credit for the $1,000.00 bonuses which were given to members of this bargaining unit as well as all the rest of the City employees. I do not believe that this was taken into consideration by the Union with respect to its first year of wage demands. Accordingly, having taken into consideration all of the testimony and exhibits relevant to the wage issues and the arguments of the respective parties, I hereby award the following wage increases for each of the three contractual years:

Year one, an across the board wage increase of 3%
Year two, an across the board wage increase of 5%
Year three, an across the board wage increase of 3%

As previously indicated, the wage increase for July 1, 2022 is retroactive to that date.

Allen J. Kovinsky 1/19/23
Allen J. Kovinsky

Steven Schwartz

Year one: Agree ✓ Disagree ____
Year two: Agree ____ Disagree ✓
Year three: Agree ✓ Disagree ____

Kevin Loftis

Year one: Agree ____ Disagree ✓
Year two: Agree ✓ Disagree ____
Year three: Agree ____ Disagree ✓

VII. Sick Time Pay Out

The Union's final offer of settlement would have employees compensated for 40% of their unused sick leave annually. The remaining 60% of accrued sick leave would be transferred into their gap bank. In addition, the Union seeks to have pension-eligible employees paid 50% for their accrued sick leave and gap bank hours upon separation from employment. The Union asserts that the City's final offer of settlement is to maintain the status quo of 25% annual pay out of unused sick leave, with the remaining 75% transferred to the employee's gap bank.

Union Exhibit 11 shows that every external comparable compensates their public safety employees at least 50% of unused sick leave upon reaching a negotiated amount of hours. Berkley and Center Line compensate their officers at 100% upon reaching a designated amount of sick leave hours. Grosse Pointe Park compensates their officers 75%. There are restrictions in the collective bargaining agreement when members of the bargaining unit are even allowed to utilize their accrued sick leave hours in the gap bank. Moreover, the collective bargaining agreement provides that all annual leave shall be used prior to utilizing accrued gap bank hours. In addition, employees do not receive a payout upon separation of their gap bank hours.

Union Exhibit 11 further demonstrates that every external comparable compensates their officers at least 50% of unused sick leave at the time of retirement. Berkley compensates their officers at 75%, while Center Line and Huntington Woods compensate their officers at 100%. Not a single external comparable requires their employees to forfeit their accrued sick leave hours upon separation from employment as the members of this bargaining unit must currently do. The Union further asserts that while the City's last offer of settlement is to maintain the status quo, their own Exhibit 28 demonstrates that non-union, department head and COAM employees all receive a 40% payout with 60% being transferred to the gap bank as contained in the Union's proposal. City Exhibit 30 also shows that all of the external comparables pay out their officers at least 50% for their unused sick leave at time of retirement. Berkley pays 75%. Center Line and Huntington Woods pay 100%.

The Union further notes that Mr. Weber claimed that the City did not enforce a requirement that an officer was required to use all annual leave prior to utilizing their gap bank. He further indicated that officers were allowed to supplement their short-term disability payment with their gap bank without being required to use all of their annual leave prior to using their gap bank. The Union further notes that Mr. Weber was unable to provide the panel with any language contained in the collective bargaining agreement or documentation to support his claim that officers are allowed to utilize their gap bank prior to exhausting their annual leave when utilizing the short-term disability provisions. Mr. Weber further was unable to direct the panel to any language supporting his position in the collective bargaining agreement. Moreover, he agreed that Section 5 entitled "Disability Supplemental Compensation" stated,

"Employee shall first utilize the remaining balance in their annual leave bank."

The Public Safety Director Warthman testified that there was no policy allowing the use of the gap bank prior to an officer exhausting his annual leave. He further testified he could not agree that during his tenure as the deputy director and now as the Director of Public Safety from 2015 through 2022, that every officer on an extended leave was allowed to utilize their gap bank prior to exhausting their annual leave. He stated that he had to go across the hall to seek permission from Mr. Weber prior to making a decision on gap bank utilization. Thus, he concluded that there was no uniform policy in place.

The Union further disputes the testimony of Director Warthman with respect to the City's attempt to mitigate its deficiencies in its payout of sick leave in the gap bank by claiming that the City has a short-term disability policy. Short-term disability is not an issue in these hearings, and the parties did not have an accurate representation of how many of the comparables provided a short-term disability policy according to the Union. During a conference between the Union and the City, who has agreed that seven of the nine external comparables provide short-term disability policies. Thus, the Union had concluded that Farmington is not providing any short-term disability benefits above those provided by the majority of the external comparables.

In support of its contention with regard to the utilization of sick leave before gap bank hours could be used, Officer Scott Brown testified that in 2020 while on a family medical leave due to illness of a family member, even though he had accrued sick leave hours in his gap bank, he was required to exhaust all of his sick leave, which had been accrued during the year prior to the use of any gap bank time.

The Union admitted that the City complained that it did not anticipate that the Union would propose pay out of the gap bank for pension-eligible employees upon the employee's separation from employment in its final offer of settlement. The Union asserts that its final offer of settlement is in complete compliance with Act 312 and Michigan Employment Relations Commission rules. The Union sets forth the fact that its Act 312 petition clearly shows in its issue number 3 "Sick Time Payout." In addition, the City's final offer of settlement on page 3 lists the Union issue as sick time payout. Thus, there can be no dispute according to the Union that its final offer of settlement includes sick time payout at time of separation. In addition, the Union, in preparing its Exhibits for the hearings noted that all of the external comparables receive a payout for accrued sick time. Thus, the Union concludes that it had put the City on notice that it expected it to litigate the issue of payout for accrued sick time.

The Union further indicates that its intent for the sick time payout would apply to pension-eligible employees, which would further be defined as members who are eligible to receive a pension disbursement immediately upon their date

of separation. With respect to the City's position, while officially it is one of retention of the status quo contractual language. It should be noted that during the course of the hearings, the City indicated it would have no objection to the initial portion of the Union request that the percentages should be changed to 40% being paid out and 60% being placed in a bank. When questioned by the arbitrator, Mr. Murphy indicated that if the Union were to drop its second prong as a demand, the City would be amenable at that point to the 40/60 request for the bargaining unit. However, that was firmly based upon the fact that the Union's proposal with regard to a sick leave payout should not be adopted.

In support of its position with regard to the sick leave payout, the City believes the Union position should be rejected because it is not warranted by internal comparables and in addition, the City maintains that the Union never bargained for the demand. The City maintains that it was only at the time of its submission of its last best offer did it become apparent that the Union was demanding a 50% payout of the employees' accrued sick leave and gap bank upon separation of employment regardless of the reason for the separation. The City maintains that it is unrefuted that the Union never made this proposal either in negotiations or mediation. The City believes this constitutes bad faith bargaining and should not be tolerated nor encouraged by the arbitrator. The City believes that had the Union made this demand in bargaining, the City would have been able to make a counter-proposal with regard to short-term or long term disability benefits being eliminated or reduced. The City spends approximately $3,117.00 annually on long-term disability benefits for the Public Safety Department, and since it is self-insured, it spends up to approximately $25,000.00 annually on short-term disability benefits.

The City acknowledges that most of the comparable communities provide for payout of accumulated sick leave upon retirement. However, the City believes that it provides a better income protection benefit than virtually all of the comparable communities. In addition to receiving 66% of an employee's income from short-term or long-term disability, the City may employ his gap bank to supplement that disability benefit so that he receives 100% of his regular pay. The City notes that Grosse Pointe Farms, Grosse Pointe Woods and Center Line do not provide either short-term or long-term disability. Huntington Woods and Bloomfield Hills do not provide short-term disability. Berkley provides short-term disability, but not long-term disability. Therefore, the City concludes that over the course of a 25-year career, most of the officers from comparable communities will be completely reliant on their sick leave banks to maintain their normal income level.

Moreover, the City asserts that the Union misses the purpose of sick leave. The sick leave benefit is to provide income protection to the employee in the event of illness or injury. It is not intended to be a lump-sum severance payment upon separation of employment.

The City further notes that no members of the COAM, TPOAM or non-union employees have a 50% payout of the sick leave bank upon separation for

any reason. The City further opines that if the Union demand is granted with regard to the sick leave payout, the Command Unit will almost certainly receive the benefit and the TPOAM Unit will also insist on it at the next contract negotiations. The City further indicates that if it had confined its last best offer to merely increasing the annual payment from 25% to 40% to mirror what the Command Officers and some other city employees have, that cost alone would have been $8,182.00. The City further indicates that the second prong of the Union's last best offer on this issue, the 50% payment upon separation of employment for any reason would add an additional liability of approximately $59,940.00 for the POAM bargaining unit. Moreover, if that benefit was granted to the POAM bargaining unit, the City believes it would also add an additional liability of approximately $72,000.00 to the COAM if the same benefit were to be granted. The City further predicts that there would be pressure in the future to expand the benefit to TPOAM and non-union employees.

The City claims it implemented the gap bank and short-term disability insurance while it paid down sick leave liability at a significant cost in order to soften the impact of other economic concessions in 2010. Thus, it reasons there is no compelling reason to return to the former system of paying down sick leave while leaving the current level of short-term, long-term disability and gap bank system in place. The City asserts that the panel does not have jurisdiction to determine the practice of how the gap bank system should be used in conjunction with vacations and the conflict in language between Sections 46.4 and 46.5 in Appendix A. Those issues are not part of either party's last best offers. The City believes it would be best that any such conflict could either be resolved by the parties in special conference or through the grievance procedure.

Based upon the external comparables and the City's stated offer during the hearing, I believe that the Union's final offer of settlement for employees to be compensated 40% of their unused sick leave annually, with the remaining 60% accrued leave transferred to their gap bank, should be awarded and is so awarded.

However, with regard to the issue of pension-eligible employees to be paid at 50% of their accrued sick leave and gap bank hours upon separation from employment, I am not persuaded that the evidence warrants a finding in favor of the Union. I believe that the City's position with respect to the status quo should be and is hereby awarded. The internal comparables do not support an award in favor of the Union on that issue. Moreover, I do not believe that that issue was appropriately raised during the course of negotiations. It is my belief that while an issue may be modified in a last offer of settlement, upward or downward, if it hasn't been bargained for and mediated or even raised during the course of a status conference pre-hearing, it has not been properly raised for determination in an Act 312 proceeding before an arbitrator. Accordingly, the Union has prevailed on its request for a payment of 40% annually of their unused sick leave with 60% being transferred into their gap bank. The issue with respect to a 50% payout of accrued sick leave and gap bank hours upon separation of employment is hereby denied.

With respect to granting the 40% payment of unused sick leave annually and remaining 60% transferred to the gap bank.

Allen J. Kovinsky 11/19/23
Allen J. Kovinsky

Steven Schwartz — Agree_____ Disagree✓

Kevin Loftis — Agree✓ Disagree_____

With respect to the denial of a 50% payout of accrued sick leave and gap bank hours upon separation of employment.

Allen J. Kovinsky 11/19/23
Allen J. Kovinsky

Steven Schwartz — Agree✓ Disagree[redacted] SHS

Kevin Loftis — Agree_____ Disagree✓

VIII. LEAVE DAYS SCHEDULING AND CANCELLATION.

The Union's offer of settlement is to add language to the collective bargaining unit which would provide: "Any leave time (Kelly, personal leave, compensatory days, single leave day) submitted outside of 24 hours of the desired day off shall be guaranteed." If a leave slip is submitted within 24 hours of the desired day off, the officer must still call in prior to the beginning of the shift to insure that the shift is still full shifted. It is the intent of the Union to add that language as the last paragraph in Article L entitled Vacation/Leave Bank Use.

The City's final offer is to maintain the status quo as listed in Article 24.1.

In support of its position, the Union notes that the proposed language is identical to language in the Command Officers collective bargaining agreement (Article 51.17).

The Union, pursuant to City Exhibit 31, indicates that the current work schedule is divided into 12 hour shifts, with the day shift working 6:00 a.m. to 6:00 p.m. and the night shift working from 6:00 p.m. to 6:00 a.m. There are four platoons assigned to the road patrol, with two platoons (A and B) for the day shift and two platoons (A and B) for the night shift. When A platoon is working then B platoon would be on a scheduled day off and vice versa. The members are routinely assigned to work seven, 12-hour shifts in a 14 day work cycle for a total of 84 hours worked each two week cycle. The members in Farmington receive 80 hours of pay each two week work cycle and four hours of accrued time off, which the department refers to as "Kelly Days." There are 26 work cycles per year which provides each member assigned to the 12 hour work cycle, 104 hours of accrued time off (Kelly time) per year. There is no employee option for any of the 104 hours to be paid as wages.

The Union asserts that this issue, insofar as the Union is concerned, deals with a difficulty in members utilizing their accrued time off, including Kelly Days, which are earned for working an extra four hours in every two-week work cycle. The other Union issue of shift reassignments deals with members having their seniority-selected work shifts reassigned with little notice. While both of these issues deal with cancellation of time off, they are separate and distinct issues, which will be dealt with insofar as the Union is concerned, separately.

Sgt. James Wren, an 11-year member of the department and currently the elected president of the Association, testified that members select their "Kelly Days" five to six months in advance, immediately after they make their shift and vacation selections by seniority. Under the current practice, the department can cancel the member's accrued time off with 48 hours' notice. Cancelling a member's time off has become a common management action within the department as testified to by Sgt. Wren, which in turn causes undue hardships to the member's personal lives and also unreasonably impacts the lives of the members' families. He testified that he has personally had his Kelly Days canceled with 48 hours' notice. The cancellation of his accrued Kelly Days has

caused him to scramble to make day-care arrangements for his young children, making short-notice day-care arrangements has required that he paid increased fees for day-care services. He has submitted his use of Kelly Days between normally scheduled days off in which he would be scheduled off for an entire week when his Kelly Days are canceled with minimal notice, this has prevented him from having the whole week off. It also interferes with plans for out of town trips, various activities and social events. These cancellations of accrued time have caused him and his family undue hardship. In his position as a local president, he has been advised by fellow union members of their hardships when their accrued time off is canceled with minimal notice.

The Union believes that the department cancels member's accrued time off simply to avoid paying overtime. Testimony revealed that the department has been operating with at least one less budgeted Public Safety Officer for an extended period of time.

Director Warthman testified that the department has a practice of not allowing Command Officers the ability to request time off more than 14 days in advance. The Union believes that the claims of Director Warthman are contrary to Article 51.17 of the Command Officers collective bargaining agreement. Under cross examination, he stated that the 14 day requirement he spoke of is not contained anywhere in the Command Officers collective bargaining agreement. He further agreed that this practice is not written in any department policy, rule or regulation. He further agreed that he cannot make a policy that is contrary to the collective bargaining agreement and then testified that the department can afford to negotiate the current issue on the table.

The Director also admitted that during the negotiations and mediation, the City never offered any changes or provided a written proposal to the current POAM collective bargaining agreement language on this issue. Subsequently, on redirect examination, the Director recalled that the City did in fact make an offer during negotiations regarding this issue. He testified that the City offered to change the 48 hour notice to cancellation of leave days/Kelly Days to 96 hours. The City's offered was conditional on the Union dropping its issue of shift reassignments. He could provide no reason why the City would only offer the POAM members a 96 hour window when the Director claims that the Command Officers have an unwritten 14-day cancellation policy. The Union alleges that any claims that the department has been willing to negotiate on this issue are not supported by any actions taken by the City and/or the department to resolve these issues. Moreover, the department has never engaged in any meaningful negotiations to provide the same time off language to this bargaining unit as it has agreed to with the Command Officers bargaining unit during the entire negotiation, mediation and Act 312 processes. The Union notes that despite the Director's testimony of the department being willing to negotiate this issue, the City's final offer of settlement is to maintain the status quo with no compromises. The Union cannot rely upon any promise that the City will bargain in good faith on this issue in the future.

The request of the Union, which coincides with the current language in the Command Officers' contract, has been in effect since July 1 of 2016. The Union notes that language prevents the cancellation of any leave time submitted outside of 24 hours of the desired day off. Obviously, the language that the Director referred to does not apply to the Command Officer members and has not for the past six years since the language was negotiated.

The City argues that if the Union's proposed final offer of settlement is granted by the panel, this would cause problems with the department scheduling training time. The Union asserts that every other external comparable provides its members with the necessary training without canceling their days off and every other external comparable compensates its members with either cash compensation or compensatory time when its members are directed to attend training on their days off without canceling the members' days off. The department controls when and who they schedule to attend training. The department has the ability to send officers to training without canceling their days off, but they simply choose not to. The Union believes that its testimony in Union Exhibit 9, clearly showed that the City is the only comparable that provides time off (Kelly Days) instead of providing cash compensation for the extra four hours per pay period. The Union alleges it was the City which chose to negotiate providing the members 104 hours of "Kelly Days" annually, instead of paid compensation when the 12 hour shift was negotiated in 2014. Unfortunately, the City has decided to frequently deny the members' time off with minimal amount of notice instead of paying another officer overtime to work that shift. In essence, the City is promising to provide an annual allocation of 104 hours of Kelly Days, however the members have no certainty as to whether they will be able to use their accrued time, despite the Kelly Days and selecting time off is a specifically negotiated benefit. The Union maintains it bargained a 12 hour shift in good faith and that the City should be held to the standard that they negotiated of actually providing time off instead of pay. As far as the Union is concerned, it did not negotiate time off in lieu of 104 hours extra wages only to be put in the position that there is no certainty of the members actually being able to utilize their time off on their selected days. Further, the Union believes that the testimony from Mr. Brzys indicated that none of the external comparables cancel a member's accrued time off in order to avoid paying overtime.

The Union believes and asserts that the Command Officers' contract language only allows cancellation of accrued time off if the leave slip was submitted within 24 hours of the time off requested. An illustration of the difference on how time off is canceled between the two units is that when a Command Officer selects a Kelly Day five or six months in advance, that time off is guaranteed. Conversely, the members of this bargaining unit when they select their Kelly Days five or six months in advance are subject to cancellation of that accrued time with as little as 48 hours' notice.

The Union further asserts that the City believes that the issue is not the same or comparable to the Command Officers.

Director Warthman indicated that the canceling of the member's accrued time off has been the practice for his entire tenure with the department. The Union believes this to be a mischaracterization of the past cancellations. The Union asserts that prior to the 12 hour work schedule being implemented in 2014, the members did not receive the 104 hours of accrued time off for working an extra four hours per two week pay period. When the department was on an eight hour work schedule, they worked on an 80 hour work cycle for every two week pay period. Obviously, if the department did not have to provide each member assigned to the road patrol an extra 104 hours of accrued time off instead of pay for year for their accrued time off, it would not have as many opportunities to cancel the officer's time off.

The City has proposed the status quo in its last offer of settlement. However, this is not an issue which the City regards with intransigence. During the hearing, the City proposed a reasonable compromise for this issue along with a second union issue involving personal leave, funeral leave and union leave days to reflect the 12 hour work schedule. The compromise offered by the City through Director Warthman was that the City would be willing to accept the Union's last best offer on leave days scheduling and cancellation, but not the Union's last best offer on shift reassignments.

Based upon the testimony of Director Warthman and the lack of any other City problems with this Union proposal, I see no reason why, based upon the internal comparable of the Command Officers contract, which is identical to the language being requested by the Union, the issue of leave days scheduling and cancellation should not be awarded based upon the Union's last offer of settlement. Accordingly, it is so ordered.

1/19/23

Allen J. Kovinsky

Agree ✓ Disagree ____

Steven Schwartz

Agree ✓ Disagree ~~✓~~

Kevin Loftis

IX. PERSONAL LEAVE, FUNERAL LEAVE AND UNION LEAVE DAYS TO REFLECT THE 12-HOUR WORK SCHEDULE

The Union's final offer with respect to the various personal leaves is to have the same number of days referred to in the collective bargaining unit as a day for a day, so if the members are assigned to a 12 hour work schedule, the Union proposes that each day, for the individual leaves, should be referred to in the collective bargaining agreement as days, but it would not apply to other accrued time such as vacation, sick leave, etc.

In essence, it is the Union's position that these types of leave necessitate having whole days off to allow the members to take care of their responsibilities on the leave days as opposed to the current practice of having a lesser amount of a whole work day off. In essence, the Union currently receives eight hours per day for each of the items designated as personal and funeral leaves and union leave days. The Union wants a day to be defined as a 12 hour day as opposed to the current eight hour day. The Union notes that all other employees in the City have a work schedule of eight hours per day and receive eight hours per day for their various personal leaves, funeral leaves and/or union leave days. The Union does not believe that Public Safety should have their total number of days reduced simply because they work on a 12 hour shift schedule.

Therefore, the Union's final offer of settlement is to define a work day as a whole day depending on an eight hour or 12 hour work schedule. The City's last best offer is to maintain the status quo that those employees who work a 12 hour schedule only receive eight hours per day for each of the leaves hereinabove set forth.

In reality, members of this bargaining unit do not receive personal leave hours from a personal account or bank. On the other hand, eight of the nine external comparables provide their officers with personal leave with a minimum of 24 hours to maximum of 48 hours. Farmington allows the members to convert two days from their accrued sick leave "gap bank" to personal leave. The members accrue their sick leave, which can be converted to personal leave, but additional hours are not provided by the City.

The Union's proposal is not to have the City provide a personal leave bank as eight of the nine external comparables do. Rather, the Union seeks to have its members assigned to the 12 hour shift schedule to convert two-12 hour days from their gap bank so that members can actually have two whole days off. Currently, the days referred to in the collective bargaining agreement and the 12 hour shift are for eight hours which equates to 16 hours for every two days. The Union believes that there is no financial detriment to the City if the Union's final offer of settlement is granted with respect to personal leave days since the time used comes from the officer's accrued sick leave - gap bank hours.

With respect to funeral leave, the issue is identical in terms of converting the 12 hour days on the work schedule to the same amount of hours for a funeral

leave so that if a funeral leave were to have two days, it would amount of 24 hours rather than 16 hours. The City's last best offer is to maintain the status quo.

In support of this issue, the Union Exhibit 15 indicates that all of the external comparables provide at least three work days or five calendar days off for funeral leave. The current Farmington collective bargaining agreement allows 24 hours for immediate family, which equates to two – 12 hour work days. After immediate family, the collective bargaining agreement allows 32 hours for close immediate family, which equates to 2.66 – 12 hour work-days, but in essence is the equivalent of four – eight hour days.

Other City employees receive either four or five days dependent on their collective bargaining agreement or city policy. Again, this bargaining unit's members should not have their number of days for funeral leave diminished due to working a 12 hour shift schedule according to the Union.

Association Leave Days – The Union's final offer of settlement is to define a work day as a whole day depending on the eight hour or 12 hour work shift. The City's last best offer is to maintain the status quo. The Union maintains that the same arguments listed for personal leave and funeral leave would also apply to association leave days. Accordingly, the Union respectfully requests that its final offer of settlement as to the issue of personal leave, funeral leave and union leave days reflect the 12 hour work schedule be granted.

In support of its position to maintain the status quo with respect to each of these types of leave days, the City indicates that it is undisputed that the Union demanded to convert from the eight hour to the 12 hour shifts in 2014. Moreover, in the give and take of negotiating a 12 hour arrangement, the parties agreed that with respect to personal leave, bereavement leave and union leave, they would continue to be credited with eight hour days, not 12 hour days. This compromise was reflected in a two week work cycle in which bargaining unit employees would work five shifts in one week and only two shifts in the other week.

The City further states that employees do not lose any pay given this provision. For a 12 hour shift, they can use either 12 hours from their personal leave bank or take eight hours from the personal leave bank and charge the remaining four hours to accrued comp time or Kelly Days. For bereavement leave, the use of eight hours per work day depends on which week the bereavement week falls. In the work week that an employee is scheduled to work only two shifts, the employee would be off five days in a row, but would only take 24 hours of bereavement leave to cover the two days he was scheduled to work. As the Union pointed out, since bereavement leave happens very infrequently to very few employees per year, this provision has little impact on the bargaining unit.

The City further states that with respect to Union leave, the provision has no impact on the rest of the bargaining unit and only effects union officers. Further, because 12 hours is almost never necessary to attend a hearing or prepare for negotiations, the employee could work the balance of his shift if he did not want to use comp time or Kelly Days to receive 12 hours of pay for the entire day. The Union's last best offer on hours credited for personal leave, bereavement leave and union leave is not warranted according to the City.

I have not been provided with any external comparables on these three types of leave with respect to how 12 hour days are treated in the comparable agreed-upon cities, nor is there any internal comparable to rely upon. As pointed out by the City, if the employees want to use an equivalent number of hours to those employees who have eight hour work days, they can do so by relying upon a utilization of an extra four hours per day from their personal leave bank or take eight hours from the personal leave bank and charge the remaining four hours either to accrued comp time or Kelly Days. Based upon those assertions, the Union's last offer of settlement is hereby rejected, and the City's offer of status quo is hereby accepted. The rejection of the Union proposal is applicable to personal leave, funeral leave and union leave days.

Allen J. Kovinsky 11/19/25

Steven Schwartz Agree ✓ Disagree_____

Kevin Loftis Agree_____ Disagree ✓

X. SHIFT REASSIGNMENTS

The Union's final offer with respect to shift reassignments is to remove Articles 23.a, 23.b and 23.e from the current collective bargaining agreement, which grants justification for the department reassigning bargaining unit members from their seniority-based shift selections. The Union notes that if a shift reassignment is permitted under the proposed Union language in Article 23, the Union's final offer of settlement also proposes to increase the current notification time from 48 hours to 14 calendar days.

The City's last best offer is to maintain the status quo under the current collective bargaining agreement contained in the Articles hereinabove set forth. The Union indicated, during the course of the proceedings through the testimony of Sgt. Brow, that members select their work shifts by seniority for a 26 week duration, two times per year. When members select their work shifts by seniority, they know whether they will be working the day shift or the night shift, which days they are scheduling to work and which days they are scheduled off for the entire 26 week cycle.

However, the Union asserts that management routinely reassigns members from their selected work shift and forces them to work on their scheduled days off. The members being forced to work on their scheduled days off are not given overtime pay, but instead the department then reassigns them another day that the member will be assigned as a day off. Sgt. Brow, over a 56 week work period, determined that members of the bargaining unit have had their selected work shifts reassigned by the department on 92 occasions. 59 of the occasions were the result of members being sent to training and then being reassigned to work on a scheduled day off. The other 33 occasions occurred when a member was reassigned to work on a scheduled day off to cover a shift vacancy. Even though the Public Safety Department was down the hall from the hearing room with the work schedules readily available, the City did not provide any information to refute Sgt. Brow's findings.

The primary goal of the Union, according to Sgt. Brow with regard to this issue, is for members to have their days off that were chosen in advance by the members by a specifically negotiated method. The secondary goal is to be paid overtime when assigned to work on scheduled days off. He also indicated that his research determined that in 14 of the 15 shifts when Commanders worked on their scheduled days off, they received overtime pay. The Union believes that the department decides whether or not to schedule a shift on a member's scheduled day off. If a member is required to work on a scheduled day off, they should be compensated at their overtime rate of pay instead of the department scheduling an officer another day off. The member has been inconvenienced by being forced to work on their scheduled day off. The appropriate remedy for this inconvenience is overtime pay according to the Union.

The Union believes that its proposal is the contractual obligation for every external comparable. Not one external comparable reassigns its officers to work

on a scheduled day off on a single shift basis in order to avoid paying overtime. Not one external comparable requires officers to work on a scheduled day off without paying overtime. The Union is seeking parity with all of the external comparables.

The members of this bargaining unit are well aware that they are required to work night shifts, weekends, holidays, during a pandemic, and they provide those services without complaint. However, according to the Union, the members have never agreed to and do not accept the frequent denials of their accrued time off along with frequent shift reassignments simply so the department can avoid paying overtime. The Union further asserts that its members, while working in high stress occupation, have to live their lives in limbo never knowing if their scheduled days off are going to be canceled with short notice. It makes it difficult, if not impossible, for the members to plan a trip, any social activity, family functions, children's activities, social gatherings, etc. The rescheduling of the members' days off not only negatively affects the members, but their entire families.

The Union believes that a predictive work schedule is vital to the bargaining unit. It further asserts there is simply no justification for the frequent actions of the City with the exception of saving money at the expense of its employees. The Union asserts that the department has manipulated how officers are able to take part in family functions, enjoyment activities and specific responsibilities they have while away from work by canceling their days off with minimal notice. The Union further asserts that no other city employees are subject to frequent cancellation of their accrued time and/or shift reassignments. This includes the Public Safety Director, the Deputy Director, department heads and non-union employees.

The Union believes that there is adequate money available to fund this request. The testimony of Mr. Weber indicated that the Public Safety Department was $147,000.00 under budget, primarily due to open staff positions. Mathematical calculations showed that with $147,000.00 in savings, the department could have paid overtime rate for 224/12 hour work shifts in that fiscal year. According to Sgt. Brow, the department reassigned members to work on their scheduled days off on 92 occasions and if the department paid overtime for those 92 work shifts, they still would have only utilized 41% of the amount of the budget surplus of $147,000.00. Further the Union notes that Mr. Weber agreed that there was no prohibition for the department to fill the shift vacancies on an overtime basis. The department could have paid overtime instead of reassigning the scheduled days off and causing hardships to members of the bargaining unit, but simply chose not to.

The Union further states that the parties have agreed on which scheduled days off the members will receive when they select their work shifts/cycles two times per year. However, the City's decision to ignore the selected work cycle and instead provide the same number of days off, only results in the members

being uncertain as to when they will actually receive those days off due to the shift reassignments.

There is a process for filling a vacancy if officers off duty cannot be located. There is a provision that the on-call detective would be contacted to work; and if he was not available, the deputy director and then the director himself would be required to work. Obviously, according to the Union, if the director is able to work on an unscheduled vacancy, he could surely work when the department claims that there is a need for an officer having his shift reassigned.

The Union believes that shift reassignments are known at least 48 hours in advance and there is no last minute rush to fill the vacancy, except for the last minute sick calls. The director's claims that shift reassignments are done to avoid fatigue and burnout is simply misleading. Further, the Union asserts that under current contractual language, Union members can be reassigned and still eliminate a total of 40 hours of overtime. Nowhere in the exhibit is there any indication of avoiding fatigue and burnout, which was given as a reason for the current practice by the director. The Union does not believe that it is preferable for an officer to change his work schedule by canceling a day off and making the officer assigned to the day shift work on a night shift 92 times a year, rather than paying overtime on those occasions. The Union believes its members would prefer to receive their scheduled days off, and if they are to be inconvenienced, they should be paid for doing so. Deputy Director Houhanisin testified with regard to City Exhibits 33 and 34 which were headlined "no shift reassignments on the officers three day weekend." The Deputy Director indicated that by reassigning the officers' work schedules, the department eliminated 90 hours of overtime. There is no mention of the need to reassign shifts to avoid fatigue and burnout. He agreed that contrary to the heading of the no shift reassignments on the officers three day weekend, in fact, members have had their shifts reassigned on their scheduled three day weekend and the Exhibit is inaccurate. The Union also noted that the Exhibits purport to deal with only the three day weekends, but the City did not present any evidence on how many shifts, other than a three day weekend, were reassigned.

The Deputy Director, with respect to City Exhibit 3, testified that during a six month period from March 28, 2022 through September 11, 2022, there was only a total of seven reassignments of the shifts of members of this bargaining unit. While the Union disagrees with those numbers, since the Union research indicated far more reassignments, for the purpose of assuming that the Deputy Director's numbers were accurate, the City should, according to the Union, have no objection to the panel awarding the Union's final offer since the department would only have to pay overtime an average of 14 times per year. The 14 overtime shifts would account for only 6% of the 224 shifts that the City could have paid with the $147,000.00 savings it has saved by failing to fill a vacant position within the department.

The Union believes that the testimony of Director Warthman, Mr. Murphy and Mr. Weber indicated the City has no intention of filling the budgeted long-term vacant Public Safety Officer position in the near future. While this results in additional savings for the City, especially when they choose not to pay overtime for shift vacancies, it also increases the likelihood of numerous additional shift reassignments for bargaining unit members. It must be remembered that this is a relatively small bargaining unit of 10 or 11 Public Safety Officers and five Command officers.

The City, with respect to this issue seeks to retain the status quo. The City believes that the Union proposal would further restrict the department in the way it adjusts other days bargaining unit employees are scheduled to work regardless of the department's legitimate operational needs.

The City believes that the Union's last best offer would eliminate the City's right under Article XXIII to reschedule a work day or move a non-guaranteed for these reasons:

> (a) where a change is necessary due to a shift change or assignment;
>
> (b) where the change is to provide another shift with a specialized officer, such as a breathalyzer operator, photographer, etc., and
>
> (e) where the change is necessary due to school or training requirement.

The City further states that once scheduled work days and designated days off were posted on the original six-month work schedule, they would be "guaranteed," meaning that they could not be changed without the employee's consent.

The City further states that the Union offered no practical reason why moving days off provides a practical hardship. The City does not believe that the Union indicated any legitimate examples of hardship that would justify a practice of prohibiting moving days off. The City believes that officers who want to go on a vacation, such as a camping trip, can do that during scheduled vacation or under the City's compromised offer above, on a "Kelly Day," comp time day or single leave day since it is undisputed that the vacations are not changed except on an extreme emergency. The City further states that if a situation arose requiring the cancellation of a camping trip or other out-of-area activity, the department would accommodate that activity by assigning another officer to the work.

The City further states that with only 16 officers (this would include Command officers) assigned to patrol, invariably, officers will be absent due to illness, military leave, vacation or training, thus requiring someone else to cover the shift. Further, with the need to provide patrol services on a 24/7, 365 day basis, the department needs the flexibility to reassign days off and reschedule

shift assignments. The City further states that the Union demand will not stop officers from having to work occasionally when they thought they would have a day off, but is a disguised way to create overtime.

Under normal circumstances, the road patrol has an "A" and "B" platoon for both the day and the night shifts. When the department is fully staffed, each platoon has one commander, one sergeant, and three Public Safety Officers According to the City, three law enforcement officers must work the road, allowing only one member of the platoon to be off for any given 12 hour shift. In order to avoid fatigue and reduce potential liability, law enforcement officers may only work 16 consecutive hours. If no bargaining unit employee were eligible to work accepts an overtime assignment, then the overtime is offered to the Commanders. By definition, only two Commanders, those who are on the opposite platoon and thus on a day off would be eligible to work the overtime. If this voluntary process does not fill the open slot, then the on-call detective is required to work the shift.

Deputy Director Houhanisin testified that he does his best not to move a Public Safety Officer from a day to a night shift. With respect to guidelines that he utilizes for making reassignments, he indicated that there were some unwritten rules that he tries to follow. He tries to be as amicable as possible and if he knows a shift change is coming up, he will approach those officers and talk about it with them and tell them why he is changing their day. Then he is willing to sit down and look at the schedule together with the officer and pick which day they want to have off out of the available days. He also indicated that when it comes to vacations, he will not ask them to work on a Monday, Tuesday or Wednesday or Thursday preceding the vacation. It kind of becomes those days surrounding their vacation or part of their vacation, and he will ask them if they have something going on, but it's an ask, not a demand.

In response to the Union's belief that there were 92 shifts that were reassigned in a 56 week period of time, the City indicates that the department was shorthanded in 2020 and 2021 due to several retirements, a military leave and a newly hired officer who failed to successfully complete the 12 to 16 week field training officer program. Vacancies due to retirements, lengthy medical leaves and military leaves of absence are unavoidable according to the City and the department must be able to modify a schedule made up six months in advance to accommodate these vacancies.

In addition, the department must have some flexibility to modify shift assignments in order to allow officers to attend training. Training according to the City provides a better-rounded officer and reduces potential liability to the City and the officer. Many of the training opportunities are not known six months in advance and therefore, again, the department needs flexibility to reschedule officers so that they may attend training.

I have carefully considered the positions and arguments of each party with respect to the issue of shift reassignments. It seems obvious to me that the City

must have flexibility in order to be able to fill an unexpected vacancy. Moreover, those types of vacancies will undoubtedly reoccur from time to time. The City certainly will require a certain amount of flexibility in order to fill those vacancies. Occasionally, they will have to be filled by an officer within this bargaining unit who may have planned an activity for the day on which they are required to work and then select another day for their normal day off. This is unavoidable, occasionally, but I believe the City and its witnesses' testimony that if the officer does indeed have a preplanned event, the City will do whatever it can to obtain another officer to fill the vacancy. Unfortunately, the choices available to the City are relatively few based upon the size of the department and the fact that there are only three officers assigned to work per platoon. I do not believe that there are any external comparables which would help arrive at a decision other than the status quo.

In addition, there are no internal comparables which provide any help in any of the other bargaining units, including the Command officers since they can have a vacancy filled in an entirely different set of possibilities which would not normally require one of the Command officers to give up a planned event.

Accordingly, having considered all of the arguments of the respective parties, it is my decision that the last best offer of the City retaining the status quo should be and is hereby awarded.

Allen J. Kovinsky 11/19/23

Steven Schwartz Agree ✓ Disagree_____

Kevin Loftis Agree_____ Disagree ✓

XI. INCREASE EMPLOYEE PENSION CONTRIBUTION.

The City wishes to increase the employee pension contribution from its current 4.5% contribution to 5.0%, effective July 1, 2024.

The Union's position is to retain the status quo of a 4.5% contribution.

In support of its position, the City indicates that it has not adopted a two-tiered defined benefit program, nor has it negotiated that newer employees will be subject to the defined contribution plan. Thus, all bargaining unit employees receive a higher pension multiplier than comparable communities, according to the City, and those employees should be paying the same amount as most of their counterparts in those communities. The City further indicates its belief that it has one of the highest pension benefits of any of the comparable communities, but unlike the other communities, it did not adopt a lower pension multiplier for new hires.

A comparison of the external comparables indicates that the City of Center Line has a 2.8% multiplier and the City of Berkley has a 2.5% multiplier, which is the same as the City of Farmington. Grosse Pointe Farms and Grosse Pointe Park have a 2.25% and 2.0% multiplier, respectively, and the City of Fraser has a 1.5% multiplier for the first 10 years of employment and a 2% multiplier for the years afterward. The other three comparable communities (Beverly Hills, Bloomfield Hills and Huntington Woods) have a defined contribution plan.

The City further points out that the pension contributions of the external comparables and the actual dollar amounts associated with those pension contributions are as follows:

CITY	PENSION CONTRIBUTION (percentage)	ANNUAL DEDUCTIONS ($)
Grosse Pointe Farms	7.02	5,326
Fraser	7.00	5,203
Center Line	7.50	5,027
Grosse Pointe Park	5.50	4,362
Beverly Hills	5.0	4,014
Bloomfield Hills	5.0	3,863
Huntington Woods	5.0	3,547
Farmington	4.5	3,414
Berkley	0	0

The average would be 5.22% with an average dollar amount of $3,918.00.

The City further notes that its pension fund has approximately $7.67 Million in unfunded liabilities and is 76% funded. The City believes that the Union inappropriately argued that the City pension fund is adequately funded because it

does not have to file a corrective action plan. The City notes that Public Act 202 was watered down due to political pressure on the legislature and merely requires municipalities to submit a corrective action plan if its pension amount is less than 60% funded. This, according to the City, is in contrast to ERISA in which a plan is designated to be endangered if it is less than 80% funded, which would require the City to implement a funding improvement plan. However, it should be noted that the City's pension plan is not subject to ERISA. The City believes that if the actuarial assumptions are correct, the assets of the City in the pension plan will not equal its liabilities until 2038.

The City further notes that its pension fund has lost approximately $3.25 Million in assets since January 1, 2022, and that does not include reported losses in value that occurred when the stock market "nose-dived" after the federal reserve raised interest rates 0.75% on November 17, 2022. The City further notes that back in 2011, its pension fund was 95% funded, but has been reduced to 76% currently, even though the City has made all of its actuarially determined contributions. The City also notes that even when the stock market was strong in 2021, its total pension liability increased from $29.2 Million to $31.1 Million. The City acknowledges that its stock market losses in 2022 will be stretched over a period of five years due to "smoothing," but those losses will negatively impact the fund for five years. The City disputes the Union contention that if the employee's pension contribution is increased, the Michigan Employee Retirement System will automatically reduce the City's contribution. Even without any increase in benefit, the City's actuarially determined contribution will increase next year because of the stock market losses in 2022. Moreover, even if that were not the case according to the City, if the employee's pension contribution is increased, the City can maintain its current percentage of funding to lower the underfunding in the pension fund.

The City further argues that if the Union bases its request for status quo on the internal comparables, all of which make a lower contribution to the pension plan, then the request of the City in this issue, that in and of itself does not justify the status quo for the officers. The City notes that the Command Unit, which is represented by the POAM, has not started negotiations and will undoubtedly pay the same percentage as is decided in this arbitration. The City further notes that some department heads and the City Manager are in a defined contribution plan. Moreover, all but five employees in the DPW, who are represented by the POAM, are also in a defined contribution plan. Furthermore, the City indicates that the five senior DPW employees, who are in a closed defined benefit plan, only receive a pension multiplier of 2.25% and must work until age 60 to receive a normal retirement benefit. The same is true with respect to non-union clerical employees with respect to the pension multiplier and having to work until age 60. However, those employees only contribute 1.5% of their pay because at least it is implied by the City that they have significantly lower wages than the Public Safety Officers and their pension multiplier is 2.25%, which results in a significantly lower pension. The City indicates further that two department heads have a 2.5% pension multiplier with normal retirement at age 58, and they currently contribute 4.5% toward their pension. To offset that fact,

the City indicates that it would be free to unilaterally require those two department heads to increase their contribution as it has done in the past to the 5% requested by the City of the PSO Unit.

The Union, in support of its position to retain the status quo of a 4.5% contribution, indicates that every one of the nine external comparables has at least a 2.5% pension multiplier for members hired prior to July 1, 2013. In addition, four of the comparables (Bloomfield Hills, Center Line, Grosse Pointe Farms and Grosse Pointe Park) have a higher multiplier than the 2.5% that Farmington currently receives. Five of the comparables receive post-retirement COLA increases to their pension amounts. Farmington does not receive any post-retirement increases to their pensions. Moreover, according to the Union, a review of employee contribution rates shows that while Farmington has a lower contribution rate than the other comparables, Farmington does not enjoy the increased benefits of a higher multiplier, lower retirement age, lower FAC years or post-retirement adjustments than at least seven of the comparables have. The Union notes that there is a cost attached to every pension benefit which then could result in the members paying a higher contribution to the pension fund. Therefore, Farmington has a lower contribution rate, but does not receive the more generous lifetime benefits that the majority of the other comparables enjoy.

The Union further notes that in the last collective bargaining agreement, the members of this bargaining unit agreed to pension concessions for new employees. Thus, when and if the City hires new employees, the pension contributions for those employees will be less than the current employees.

The Union notes that the City's pension plan is 76% funded. The Exhibit further indicates that the Public Safety Division contributes a higher percentage of their income than other city employees, based upon their higher income. Obviously, if an employee earns, for example, $70,000.00 per year and contributes 4.5%, versus a non-bargaining unit employee making $40,000.00 per year and contributing 4.5%, the dollar contribution is significantly different between the two employees.

The Union further notes that the Public Safety Divisions also have a higher funded ratio than all of the other divisions.

The Union agrees with the City that the annual pension evaluation indicates that the system will be 100% funded in 2038, even if no other pension changes are made.

The Union observes that if the City's final offer of settlement for one-half percent pension contribution increase were to be granted, the net result for the employees in this bargaining unit would be a one-half percent decrease in their net income.

As observed by the City in its presentation, the Union has indicated in its presentation that the internal comparables for non-union employees indicate that no one is currently paying the 5% contribution sought by the City.

According to the Union, the City's last best offer is clearly not supported by internal comparables nor is it supported by external comparables who have superior benefits than Farmington and pay a higher percentage for those increased benefits. Thus, the Union concludes that the panel should reject the employer's proposal on this issue and adopt the Union's proposal to maintain the status quo.

As previously noted, the City, in reflecting upon the internal comparables making a lower contribution to the pension argument of the Union, is inadequate according to the City "because it is like comparing a large bucket of apples to a small group of oranges." The same argument could be made with respect to the comparison by the City of the percentages of pension contributions made in each of the comparable cities versus the percentage of pension contribution made by the members of this bargaining unit. I make this comment based upon the fact that there is no cost comparison with regard to each external city's actual pension benefits. For example, if those cities include a cost of living annual increase, or earlier retirement, or a different FAC, or any number of other factors which are different and more beneficial than the members of the City's PSO Unit, there would necessarily be a higher cost associated with each one of those benefits which would be reflected in their pension contributions. Accordingly, unlike many issues such as direct wage comparison, it is impossible, based upon the information presented during the course of the hearing and the exhibits and testimony of the witnesses on this issue to make a valid comparison with respect to whether or not the percentages paid by the external comparable cities are based on the same pension benefits as the pension contributions of the PSO Unit.

Insofar as internal comparables are concerned, there is no question that currently, no one in the City is paying a 5% pension contribution. While it is true that an increase in the pension contributions with respect to the Command Unit and the DPW would have to be arbitrated in the case of the Command Unit and perhaps subject to fact finding in the case of the DPW Unit, there is no reason nor restraint as to the non-represented rank and file employees as well as the employees performing functions as department heads.

The City has chosen to place the burden of an increase in the pension on this bargaining unit before moving forward on either of the two represented bargaining units or the non-represented employees.

As previously noted, the City undoubtedly had the ability and has the ability to pay for whatever increases over and above its offers have been awarded in the prior issues. The City makes light of its funded percentage of 76%, but that is extremely good in the context of other communities and it does not appear that the City will be required to increase its annual contributions as a

result of the awards in this case in terms of a percentage increase. Undoubtedly, the dollar amounts will be increased at some point in time based upon the fact that the employees will be receiving a higher wage.

As previously noted with respect to other issues, all of the City employees will have experienced a loss in purchasing power based upon the increases in the cost of living.

I cannot agree with the City that on the one hand they want to reduce the wage increases from the demands of the Union to their own set of 3% annual increases, but on the other hand, require the employees to contribute an additional amount toward their pensions, which would further reduce their purchasing power.

Accordingly, based upon the lack of internal comparables with respect to an increase in the pension contribution and the lack of adequate evidence to determine whether or not the external comparables are actually comparable with respect to their pension contributions, the award on this issue is to retain the status quo.

Allen J. Kovinsky 11/19/23
Allen J. Kovinsky

Agree_____ Disagree✓

Steven Schwartz

Agree✓ Disagree_____

Kevin Loftis

XII. **SUMMARY OF AWARD**

A. Wages.

1. Year one, last best offer of the City is 3% retroactive to July 1, 2022.

Allen J. Kovinsky

Steven Schwartz Agree ✓ Disagree_____

Kevin Loftis Agree_____ Disagree ✓

2. Year two, the last best offer of the Union for a 5% wage increase effective July 1, 2023.

Allen J. Kovinsky

Steven Schwartz Agree_____ Disagree ✓

Kevin Loftis Agree ✓ Disagree_____

3. Year three, the last best offer of the City is 3% effective July 1, 2024.

Allen J. Kovinsky

Steven Schwartz Agree ✓ Disagree_____

Kevin Loftis Agree_____ Disagree ✓

B. Sick Time Payout.

1. The last best offer of the Union is awarded for a 40% annual payout of their unused sick leave and the remaining 60% to be transferred to the gap bank.

Allen J. Kovinsky

Steven Schwartz Agree Disagree

Kevin Loftis Agree Disagree

2. Employees to be paid 50% of their accrued sick leave and bank hours upon separation. The award is for the status quo as presented by the City.

Allen J. Kovinsky

Steven Schwartz Agree Disagree

Kevin Loftis Agree Disagree

C. Leave Day Scheduling and Cancellation.

1. The award is for the Union's last best offer.

Allen J. Kovinsky

Steven Schwartz Agree Disagree

Kevin Loftis Agree Disagree

D. Personal Leave Days, Funeral and Union Leave Days to reflect the 12 Hour Work Schedule.

1. The award is the City's last best offer to retain the status quo.

Allen J. Kovinsky

Steven Schwartz Agree ✓ Disagree _____

Kevin Loftis Agree _____ Disagree ✓

E. Shift Reassignments.

1. The award is the City's last best offer to retain the status quo.

Allen J. Kovinsky

Steven Schwartz Agree ✓ Disagree _____

Kevin Loftis Agree _____ Disagree ✓

F. Increase Employee Contributions to Pension Plan.

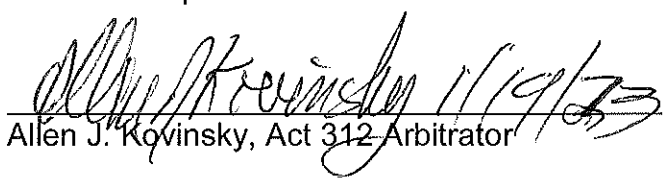
1. The award is the last best offer of the Union to maintain the status quo of a 4.5% pension contribution by each member of the bargaining unit.

Allen J. Kovinsky

Steven Schwartz Agree _____ Disagree ✓

Kevin Loftis Agree ✓ Disagree _____

I wish to thank the parties for their selection of me as arbitrator and for their respective presentations. The entire procedure was conducted in an extremely professional manner.



Allen J. Kovinsky, Act 312 Arbitrator

Dated: January 19, 2023.