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MICHIGAN DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION
LABOR RELATIONS DIVISION

In the matter of:

MERC Act 312
Case No. L95 H-1005

The Act 312 Arbitration Between

POLICE OFFICERS LABOR COUNCIL,

Union

and

TOWNSHIP OF GRAND BLANC,

Employer,

ARBITRATION PANEL

Teddy J. Baird, Chairperson

Kenneth W. Zatkoff, Employer Delegate

Jerry Caster, Union Delegate

PARTY ADVOCATES

Kenneth W. Zatkoff, Employer Advocate

Barton J. Vincent, Union Advocate

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EMPLOYMENT RELATIONS COMMISSION
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BACKGROUND:

The petition for Act 312 arbitration was filed by the union on April 26, 1996. In that petition the following issues were identified as being in dispute:

1. Probation Period (Section 15.01)
2. Promotions (Section 21.07)
3. Hours of Work (Section 22.03)
4. Retirement (Section 29.01-1 & 9)
5. Medical on Retirement (Section 29.03)
6. Optical Plan (Section 32.01)
7. Wages (Schedule A-Wage Increase, Detective Differential and Extended Service Compensation)
8. Life Insurance (Section 32.03)
9. Sick and Accident Policy (Section 32.04)
10. Physical fitness Program (Section 32.08)
11. Physical Examination (Section 32.09)
12. Tuition Refund/Overtime (Section 44.01)
13. Duration and Termination (Section 48.01)

Subsequently, a pre-hearing conference was held on November 22, 1996. At that hearing, the union asserted that the above issues were the only issues in dispute between the parties. The employer reserved the right to review the list and to provide additional items (if any) by November 25, 1996. No such items were presented by the employer, and the above list was the complete list of disputed items as of November 25, 1996. It was estimated by the parties that the arbitration would require approximately three (3) days of hearing. The dates scheduled for such hearing were March 31, 1997, April 4, 1997 and April 11, 1997.

The hearing was held on March 31, 1997. During that day, the parties attempted to negotiate a settlement, resulting in the following issues being withdrawn by the union, with the parties agreeing that the status quo would be maintained for each of these issues. The parties also agreed that the issue of a Field Training Program would be added to the issues still in dispute.

Promotions (Section 21.07)
Hours of Work (Section 22.03)
Optical Coverage (Section 22.03)
Wage Differential, Detective (Schedule A)
Extended Service Compensation (Schedule A)
Life Insurance (Section 32.03)
Sick and Accident Insurance (Section 32.04)
Physical fitness Program (Section 32.08)
Physical Examination (Section 32.09)
Tuition Refund (Section 44.01)

THE PARTIES AGREE THAT THE ABOVE ISSUES ARE TO BE WITHDRAWN FROM THIS ACT 312 ARBITRATION, AND THAT THE STATUS QUO IS TO BE MAINTAINED RELATIVE TO THOSE ISSUES.

UNION'S LAST BEST OFFER:

1. Probationary Employees, Section 15.01

All full-time employees shall serve a probationary period of twelve (12) months in the capacity they are hired for. Only "on the job time" will be counted. Contingent employees hired to full-time positions shall receive hour-for-hour credit, up to one (1) year for all contingent hours worked towards their probationary period. In no event will any employee serve less than one (1) year as a probationary employee. This provision shall apply to current probationary employees.

2. Pension Multiplier, Section 29.02(1)

Benefit Program: B-4

3. Defined Contribution Plan, Section 29.02(9)

All First Trust Corporation Pension Funds that have been set aside on behalf of the members in the Police Officers Labor Council Bargaining Group will not be transferred to MERS, unless so requested by the employee before December 31, 1997. Employees who do not wish to have their first trust Corporation funds transferred to MERS may request that the funds be deposited into an IRS qualified plan of their choice before December 31, 1997.

4. Medical on Retirement, Section 29.03

The employer shall continue to provide, in full, the then-current health care program for employees retiring with at least twenty (20) years of service. This coverage shall include the employee's spouse and/or dependents.

5. Wages (Schedule A)

The union is requesting the following across-the-board increases for all Classifications (Patrol and Dispatch):

Effective 1/1/96	3% increase across-the-board
Effective 1/1/97	3% increase across-the-board
Effective 1/1/98	3% increase across-the-board
Effective 1/1/99	5% increase across-the-board

6. Contract Duration and Termination, Section 48.01

This Agreement shall become effective on the first day of January 1996, and shall remain in full force and effect to and including the 31st day of December 1999, and shall continue in full force and effect from year to year thereafter unless either party desires to change or modify any of the terms or provisions of the Agreement. The party desiring the change or modification must notify the other party in writing, not less than ninety (90) days prior to termination. However, negotiations shall commence not less than sixty (60) days prior to termination.

This Agreement shall become effective on the first day of January, 1996, A.D., and shall continue in full force and effect until 12:01 a.m., December 31, 1999, inclusive.

7. Field Training Program (new section)

The union requests that the status quo be maintained.

EMPLOYER'S LAST BEST OFFER:

1. Probationary Employees, Section 15.01

All full-time employees shall serve a probationary period of Twelve (12) months in the capacity they are hired for commencing upon the completion of the Departmental Field Training Program. Only "on the job time" will be counted. Contingent employees hired to full-time positions shall receive hour-for-hour credit, up to one (1) year for all contingent hours worked, towards their probationary period. In no event will any employee serve less than one (1) year as a probationary employee. Employees assigned to the Departmental Field Training Program shall not be considered as part of the Patrol Officers Bargaining Unit and shall not be entitled to any benefits except for PPO hospitalization insurance. This provision shall apply to current probationary employees.

2. Retirement Benefits, Article 29

Section 29.01. The employees shall be governed by the established plan adopted by the Grand Blanc Township Board. Effective 1/1/97 the employer's contribution is limited to fourteen percent (14%). The employer's sole cost to the MERS Retirement Plan will be fourteen percent (14%) of base wage, overtime and longevity. Employee will be held responsible for any additional financial liability above the employer contribution rate of fourteen percent (14%).

Section 29.02. The Union agrees that the retirement plan may be changed to improve the existing system benefits granted, or provide existing benefits with a lesser premium. The employer has adopted the Municipal Employees Retirement system (MERS) B-2 Plan, FAC 5, 25 years retirement, 2.5 COLA (E-2), two (2) years generic time, and more specific as follows:

(1) Benefit Program: B-2.

Effective 1/1/98, employees hired after 1/1/95 shall receive Benefit Program B-4.

Employees hired before 1/1/95 shall remain at Benefit Program B-2 provided, however, that employees hired prior to 1/1/95 may improve their benefits from B-2 to B-4 upon compliance with Section 32.02(9).

(2) Retiree Cost of Living Program: E-2.

(3) Additional Retirement Options:

- (a) FAC-5
- (b) Minimum of 25 years of service with no age restriction.

(4) Additional Service Credit Purchases:

- (a) Ability to purchase other governmental service.
- (b) Ability to purchase up to two (2) years generic time.
- (c) Ability to purchase military service. (The total actuary determined costs for (a), (b) & (c) above are to be assessed to the employee.)

- (5) The employer's contribution rate will be limited to a maximum of fourteen percent (14%) of wages; normal pay, overtime and longevity.
- (6) The employee's contribution rate will be actuarially redetermined on an on an annual basis and will assume all financial costs above the employer's contribution rate.
- (7) If and when the employee's contribution is actuarially reduced to zero percent (0%), then the employer's contribution responsibility will be as determined by the actuary up to fourteen percent (14%).
- (8) Initially upon joining MERS, all current employees (list attached) will be vested. All new hires after 7/1/93 will be required to have ten (10) years of service to be vested.
- (9) All First Trust Corporation Pension Funds that have been set aside on behalf of the members in the Police Officers Labor Council Bargaining Group will not be

transferred to MERS unless so requested by the employee before December 31, 1997. Employees who do not wish to have their First Trust Corporation Pension Funds transferred to MERS may request that the funds be deposited into an IRS qualified plan of their choice before December 31, 1997, provided that the employer will not suffer a tax or any other liability due to said transfer. Employees who elect to have their first Trust Corporation Pension Funds transferred to MERS shall have their benefit program: B-2 improved to benefit program: B-4. Employees who do not wish to have their First Trust Corporation Pension Funds transferred to MERS shall remain at benefit program: B-2. Employees must make their election prior to December 31, 1997. No transfers will be allowed after expiration of the election period.

3. Retirement Benefits, Defined Contribution Plan, Section 29.02(9)

All First Trust Corporation Pension Funds that have been set aside on behalf of the members in the Police Officers Labor Council Bargaining Group will not be transferred to MERS unless so requested by the employee before December 31, 1997. Employees who do not wish to have their First Trust Corporation Pension Funds transferred to MERS may request that the funds be deposited into an IRS qualified plan of their choice before December 31, 1997, provided that the employer will not suffer a tax or any other liability due to said transfer. Employees who elect to have their First Trust Corporation Pension funds transferred to MERS shall have their benefit program: B-2 improved to benefit program: B-4. Employees who do not wish to have their First Trust Corporation Pension Funds transferred to MERS shall remain at benefit program: B-2. Employees must make their election prior to December 31, 1997. No transfers will be allowed after expiration of the election period.

4. Medical on Retirement, Section 29.03

The employer shall continue to provide, in full, the then-current health care program for any employee retiring with at least twenty-five (25) years of actual service. This coverage shall include the employee's spouse and/or dependents. For employees hired on or after 11-1-97, coverage shall include the employee and his/her spouse.

5. Wages (Schedule A)

The Township proposes the following across-the-board increases for all classifications (Patrolmen, Dispatchers):

Effective 1/1/96	1.5% increase across-the-board
Effective 1/1/97	1.5% increase across-the-board
Effective 1/1/98	1.5% increase across-the-board

Effective 1/1/99

3% increase across-the-board

6. Contract Duration and Termination, Section 48.01

This Agreement shall become effective on the first day of January 1996, and shall remain in full force and effect to and including the 31st day of December 1999, and shall continue in full force and effect from year to year thereafter unless either party desires to change or modify any of the terms or provisions of the Agreement. The party desiring the change or modification must notify the other party in writing, not less than ninety (90) days prior to termination. However, negotiations shall commence not less than sixty (60) days prior to termination.

This Agreement shall become effective on the first day of January, 1996, A.D., and shall continue in full force and effect until 12:01 a.m., December 31, 1999, inclusive.

7. Field Training Program (new section)

Schedule A. Employees shall be paid the following hourly rate while attending the Departmental Field Training Program:

Effective 1/1/96	\$10.00 per hour
Effective 1/1/97	\$10.30 per hour
Effective 1/1/98	\$10.6090 per hour
Effective 1/1/99	\$10.9272 per hour

Upon completion of the Departmental Field Training Program, the employee's hourly rate shall be increased to the hourly start rate.

AWARD:

Both parties submitted evidence to the Panel concerning the Township of Grand Blanc and the wages and benefits of its employees. Evidence was also provided by both parties concerning comparable communities. The Panel has reviewed all of the material as it relates to the following factors contained in Section 9 of Act 312.

- (a) The lawful authority of the employer.
- (b) Stipulations of the parties.
- (c) The interests and welfare of the public and the financial ability of the unit of government to meet those costs.
- (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:

- (i) In public employment in comparable communities.
- (ii) In private employment in comparable communities.
- (e) The average consumer prices of goods and services, commonly known as the cost of living.
- (f) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
- (g) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- (h) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

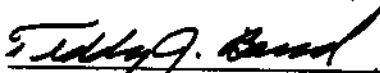
Based upon that review and upon the requirements of Act 312, the award of this Act 312 Arbitration Panel is that the issues in dispute shall be resolved by having the relevant contract sections read as follows:

1. Probationary Employees, Section 15.01

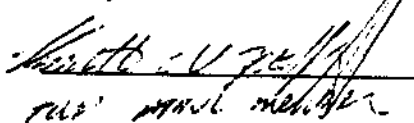
The employer's last, best offer is awarded.

All full-time employees shall serve a probationary period of twelve (12) months in the capacity they are hired for commencing upon the completion of the Departmental Field Training Program. Only "on the job time" will be counted. Contingent employees hired to full-time positions shall receive hour-for-hour credit, up to one (1) year for all contingent hours worked, towards their probationary period. In no event will any employee serve less than one (1) year as a probationary employee. Employees assigned to the Departmental Field Training Program shall not be considered as part of the Patrol Officers Bargaining unit and shall not be entitled to any benefits except for PPO hospitalization insurance. This provision shall apply to current probationary employees.

Accepted:



Teddy J. Baird



Rejected:



2. Retirement Benefits, Article 29 [except Sections 29.02(9) and 29.03]

The employer's last, best offer is awarded.

Section 29.01. The employees shall be governed by the established plan adopted by the Grand Blanc Township Board. Effective 1/1/97 the employer's contribution is limited to fourteen percent (14%). The employer's sole cost to the MERS Retirement Plan will be fourteen percent (14%) of base wage, overtime and longevity. Employee will be held responsible for any additional financial liability above the employer contribution rate of fourteen percent (14%).

Section 29.02. The Union agrees that the retirement plan may be changed to improve the existing system benefits granted, or provide existing benefits with a lesser premium. The employer has adopted the Municipal Employees Retirement System (MERS) B-2 Plan. FAC 5, 25 years retirement, 2.5 COLA (E-2), two (2) years generic time, and more specific as follows:

- (1) Benefit Program: B-2.

Effective 1/1/98, employees hired after 1/1/95 shall receive Benefit Program B-4.

Employees hired before 1/1/95 shall remain at Benefit Program B-2 provided, however, that employees hired prior to 1/1/95 may improve their benefits from B-2 to B-4 upon compliance with Section 32.02(9).

- (2) Retiree Cost of Living Program: E-2.

- (3) Additional Retirement Options:

(a) FAC-5

(b) Minimum of 25 years of service with no age restriction.

- (4) Additional Service Credit Purchases:

(a) Ability to purchase other governmental service.

(b) Ability to purchase up to two (2) years generic time.

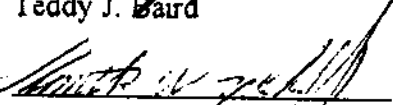
(c) Ability to purchase military service. (The total actuary Determined costs for (a), (b) & (c) above are to be assessed To the employee.)

- (5) The employer's contribution rate will be limited to a maximum of fourteen percent (14%) of wages; normal pay, overtime and longevity.

- (6) The employee's contribution rate will be actuarially redetermined on an annual basis and will assume all financial costs above the employer's contribution rate.
- (7) If and when the employee's contribution is actuarially reduced to zero percent (0%), then the employer's contribution responsibility will be as determined by the actuary up to fourteen percent (14%).
- (8) Initially upon joining MERS, all current employees (list attached) will be vested. All new hires after 7/1/93 will be required to have ten (10) years of service to be vested.

Accepted:


Teddy J. Baird


Robert W. Baird

Rejected:


Police Officers Labor Council

3. Retirement Benefits, Defined Contribution Plan, Section 29.02(9)

The employer's last, best offer is awarded.

All First Trust Corporation Pension Funds that have been set aside on behalf of the members in the Police Officers Labor Council Bargaining Group will not be transferred to MERS unless so requested by the employee before December 31, 1997. Employees who do not wish to have their First Trust Corporation Pension Funds transferred to MERS may request that the funds be deposited into an IRS qualified plan of their choice before December 31, 1997, provided that the employer will not suffer a tax or any other liability due to said transfer. Employees who elect to have their First Trust Corporation Pension Funds transferred to MERS shall have their benefit program: B-2 improved to benefit program: B-4. Employees who do not wish to have their First Trust Corporation Pension funds transferred to MERS shall remain at benefit program: B-2. Employees must make their election prior to December 31, 1997. No transfers will be allowed after expiration of the election period.

Accepted:

Teddy J. Baird
Teddy J. Baird

Paul C. Powell
Paul C. Powell
Member

Rejected:

Paul C. Powell
Paul C. Powell

4. Medical on Retirement, Section 29.03

The employer's last, best offer is awarded.

The employer shall continue to provide, in full, the then-current health care program for any employee retiring with at least twenty-five (25) years of actual service. This coverage shall include the employee's spouse and/or dependents. For Employees hired on or after 1/1/97, coverage shall include the employee and his/her spouse.

Accepted:

Teddy J. Baird
Teddy J. Baird

Paul C. Powell
Paul C. Powell
Member

Rejected:

Paul C. Powell
Paul C. Powell

5. Wages (Schedule A)

The union's last, best offer is awarded for the years beginning 1/1/96, 1/1/97 and 1/1/98.

Across-the-board increases for all classifications (Patrol and Dispatch):

Effective 1/1/96	3% increase across-the-board
Effective 1/1/97	3% increase across-the-board
Effective 1/1/98	3% increase across-the-board

The employer's last best offer is awarded for the year beginning 1/1/99.

Across-the-board increases for all classifications (Patrol and Dispatch):

Effective 1/1/99

3% increase across-the-board

Accepted:

Rejected:

Teddy J. Baird
Teddy J. Baird

accepted as to 1-1-99, REJECTED as to 1-1-96, 1-1-97 and 1-1-98 *Mark H. CV-1001*
two police members

ACCEPT YEARS 1-1-96, 1-1-97, 1-1-98 *POCC Panel Member*
POCC Panel Member

6. Contract Duration and Termination, Section 48.01

The union and the employer stipulated to the following language for this section of the contract.

This Agreement shall become effective on the first day of January 1996, and shall remain in full force and effect to and including the 31st day of December 1999, and shall continue in full force and effect from year to year thereafter unless either party desires to change or modify any of the terms or provisions of the Agreement. The party desiring the change or modification must notify the other party in writing, not less than ninety (90) days prior to termination. However, negotiations shall commence not less than sixty (60) days prior to termination.

This Agreement shall become effective on the first day of January, 1996, A.D., and shall continue in full force and effect until 12:01 a.m., December 31, 1999, inclusive.

Accepted:

~~Rejected:~~ *Accepted*

Teddy J. Baird
Teddy J. Baird

Mark H. CV-1001
two police members

POCC Panel Member

7. Field Training Program (new section)

The employer's last, best offer is awarded.

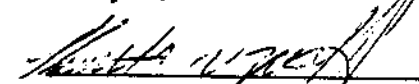
Schedule A. Employees shall be paid the following hourly rate while attending the Departmental Field Training Program:

Effective 1/1/96	\$10.00 per hour
Effective 1/1/97	\$10.30 per hour
Effective 1/1/98	\$10.6090 per hour
Effective 1/1/99	\$10.9272 per hour

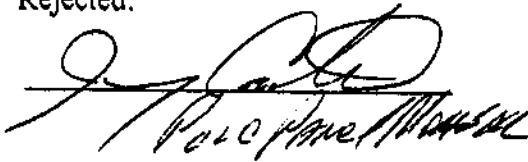
Upon completion of the Departmental Field Training Program, the employee's hourly rate shall be increased to the hourly start rate.

Accepted:


Teddy J. Baird


Paul W. Morrison

Rejected:


Paul W. Morrison

This Award is dated June 2, 1997.