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**MICHIGAN EMPLOYMENT RELATIONS COMMISSION**

**ACT 312 ARBITRATION**

City of Inkster and Command Officers  
Association of Michigan (COAM)

MERC Case No.: D92 G-1221

William Birdseye, Union Delegate and Advocate  
Margie Rose, Employer Delegate  
Milton Spokojny, Employer Advocate

Donald R. Burkholder, Ph.D.,  
Chairman and Arbitrator

January 17, 1996

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Inkster, City of

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This case, MERC case number D92 G-1221, was assigned by letter of March 25, 1993, by Harry W. Bishop, Commission Member. Hearing was held Monday, June 14, 1993 at the MERC offices in Detroit. The Union waived time limits in a letter to the Chairperson dated April 2, 1993; the Employer agreed to do so and signed an "Agreement to Extension" provided by the Chairperson on October 22, 1993. Items of procedure, schedule, comparables, etc. were discussed at the Pre-hearing, with an agreement that proposed comparables were to be mailed to the Chair by April 30th. There was also discussion of a timetable for Last Best Offers and Briefs.

The Inkster COAM unit consists of eleven employees, described on the Petition for Arbitration dated November 20, 1992 as "All supervisory personnel of the Inkster Police Department, including sergeants and lieutenants; but excluding Chief of Police, non-supervisory employees, and all other employees." The issues as described on the petition were as follows:

1. Duration
2. Wages
3. Pension-Multiplier
4. Pension-Final Average Compensation
5. Hospitalization Insurance for Future Retirees

The petition stated further that "All terms and conditions of employment to carry forward in full force and effect. All contract language and appendices from prior contract to continue in full force and effect." The petition indicated that one full day of mediation had taken place, i.e., September 22, 1992. During the hearings it became apparent that the unit had been reduced by at least two members.

There was agreement that all issues were economic. as well as clarification that there were two separate issues on pension, i.e., 1) multiplier and 2) final average compensation, particularly how it is to be computed and what factors are included in the computation.

The Delegates were Margie Rose, City Manager, Inkster, and William Birdseye, COAM representative. Milton Spokojny, City Attorney, was the Employer advocate. The conduct of the hearing was discussed, with the Chairman noting that he would interrupt from time to time for the sake of

clarity of understanding as well as clarity of the record; he also noted that he expected the hearing to be conducted with professionalism and civility.

It was noted that, in accordance with Michigan law, i.e., Compulsory Arbitration of Labor Disputes in Police and Fire Departments, Act 312 of 1969 as amended, the nine factors listed in Section 9 would be considered and would be specified in the decision. The eight Section 9 factors are as follows:

- (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 for goods and services, commonly known as the cost of living.
- (f) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
- (g) Changes in any of the foregoing circumstances 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.

Proceedings were had and testimony taken before the Arbitration Panel at the MERC offices in the State of Michigan Plaza Building, 1200 Sixth Avenue, 14th Floor, Detroit, on the following dates:

Monday, January 26, 1994; Friday, January 28, 1994;  
Wednesday, March 9, 1994; Monday, May 2, 1994; and  
Friday, December 16, 1994.

### **Comparability**

There was early and lengthy discussion of comparability, with an understanding that the formal determination of comparables would be delayed. The Union used the cities of Garden City, Westland, and Dearborn Heights, for illustrative purposes, in their argument that these three cities constituted a legitimate set of comparables. The Union testified that Inkster Command Officers "work closely with the similar employees, the command officers in the surrounding communities, that is, Dearborn Heights, Garden City, and Westland." (Tr. 1, pp. 10, 11 and 12 and Union Exhibits 1, 2 and 3). Considerable discussion took place about the similarity of services performed and roles played by sergeants, lieutenants and shift supervisors, what constituted a shift supervisor, etc.

The Inkster COAM unit conducted an extensive study of the elements of work performed by command officers in contiguous units, i.e., Dearborn Heights, Garden City and Westland. The study recognized that identical job titles do not determine identical job responsibilities. Quoting from the Union brief as follows:

... A shift supervisor in Inkster, titled sergeant, performs similar work to sergeants in Dearborn Heights and Westland, and similar work to captains in Garden City.

A detailed explanation of this study is contained in the testimony of Sergeant Joe Latarski on the record. (Tr. Vol. I, pp. 96-98).

The Employer advocate questioned Inkster Personnel Director Robert L. Gordon concerning a comparison of populations and households (City Exhibit 25) and 1993 State Equalized Valuation (SEV) for Inkster compared with Garden City, Southgate, Wyandotte and Allen Park (City Exhibit 26), cities which were chosen because of similar population (Tr. III, p. 12). The Employer advocate then noted "... it's the position of Inkster that the City is unique unto itself and is not comparable with any other municipality, and it's the position of the City that the relevant factor for comparability are internal comparables." (Tr. III, pp. 12-13). In a similar vein, Mr. Gordon reiterated the conclusion that Inkster is unique in that no external comparables would be appropriate (Tr. III, pp. 41-42).

In sum, there was a great deal of testimony and discussion concerning the appropriate comparables, with an understanding that the Arbitrator would identify the comparables in the award. The Arbitrator adopted the comparables proposed by the Union, i.e., Garden City, Westland, and Dearborn Heights, basing the decision upon the weight he felt should be given to Section 9 (d), subsection (i), which is quoted below, while recognizing the ongoing, serious financial problems experienced by the City, particularly its low State Equalized Valuation [SEV] and Undesignated Fund Balance (City Exs. 15 -17, 26 - 32). The City's insistence that there were no appropriate external comparables understandably reflects concern about the seriousness of Inkster's financial position, its relatively low SEV per capita, per household, or by any measure. However, the Arbitrator understands the major and substantive requirement of the Act, following (a) the lawful authority of the employer and b) stipulations of the parties, to be as follows:

(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 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.

Inasmuch as the Employer in effect offered no comparables, the only option was to accept the communities proposed by the Union, i.e., Garden City, Westland, and Dearborn Heights, with ample indication on the record that despite variation in supervisory titles, the duties of command officers in the three cities were similar.

The Arbitrator, in quoting Section 9 (c) in the paragraph above, notes the linkage of the interests and welfare of the public with the financial ability of the unit of government to meet the required costs. This is intended to emphasize that these two factors must be, and are here, considered together.

James Klobuchar, Treasurer Controller of the City of Inkster, and Kenneth J. Kunkel, a Certified Public Accountant with Plante and Moran, testified concerning the City's financial status, including the total cost of the unit's gross wages over the past four years (City Exhibit 22), the financial ability of the City to raise other forms of revenue at present, and the City's ability to pay future pay increases. An answer on the ability to pay future increases was in response to a question by Mr. Spokojny, and was given after the Arbitrator took note of Mr. Birdseye's objection to the question and allowed Mr. Klobuchar to answer (Tr. II, pp. 49 ff.). The major points of Mr. Klobuchar's responses were that there has been no budgeted capital outlay in Inkster for approximately five years except for emergencies, that the City is living payday to payday, and that property taxes cannot be raised.

Mr. Kunkel testified (Tr. II, pp. 61 ff) in response to questioning that Inkster's property tax is about 50 percent of the general fund revenue, while the State shared revenues constitute about 30 percent, and a reduction in shared revenues has been experienced because of a population decline of 5,000 to approximately 31,000 in the last census. He also noted a probable reduction in the amount the City receives as part of its one percent fee for school tax collection because of recent legislation reducing property tax. "The City's fund balance is now \$288,000, [referring to the 1993 audit] and that amount is being designated for chargebacks on their property tax," Mr. Kunkel noted. (Tr. II, p. 69) The CPA firm recommends ten percent, thus, with a \$10 million budget Inkster ideally would have a \$1 million balance, he added (Tr. II, p. 71). In a similar vein, the Plante-Moran CPA testified in response to questioning that Inkster faces a \$3.8 million lawsuit with only \$1 million covered by

insurance; that the City's tax rate is double the state average; and that it has as low an SEV per capita as any municipality he is aware of, noting its high degree of unemployment, etc. (Tr. II, pp. 72 ff).

Regarding taxing levels in city government in general, Mr. Kunkel agreed in response to a question that "most city governments' tax revenue from property taxes represent something a little above or a little below half its total revenue" (Tr. II, p. 122). Further, regarding contributions to the retirement plan, the City made no contributions to the retirement system for a full year at a time when Mr. Kunkel's figures indicate it was 114 percent funded, with discussion about assumptions of a five percent raise in calculating the Employer contribution to the retirement system (Tr. II, pp. 119 ff.). Further testimony by Mr. Klobuchar, in response to Mr. Birdseye's questioning, dealt with the matter of what is included in the police budget, i.e., animal control officers, dispatchers, police car repair, civil preparedness, gas, heat, light, etc. (Tr. II, p. 127).

Review of wages and pension contributions by the COAM unit relative to other units, along with the Consumer Price Index (CPI) led to a discussion of the appropriate base period in applying the cost of living standard. The Union's Exhibit 24, Chapter 18 of Elkhouri and Elkhouri's "How Arbitration Works," was cited and quoted as follows:

The base period that is selected determines the real wage that is to be maintained by the standard. Generally, the date of the last arbitration award or the parties' last wage offer negotiations is used as the base date.

Noting the objection of the Employer Advocate that the Elkhouri chapter was a hearsay document and the concerns expressed by Employer Delegate Rose, the Arbitrator admitted the document, commenting that "Elkhouri is the source when it comes to decisions in arbitration. It's respected in the field." (Tr. II, pp. 167).

Using the comparables noted above, i.e., Dearborn Heights, Garden City, and Westland, there was an increase of base wages of 15.5 percent from July 1, 1989 to July 1, 1992, while an Inkster shift supervisor, who holds the rank of Sergeant, received a salary increase of 6.09 percent, said Ms. Ann Maurer, witness and economist for the Union. In order to bring the Sergeant in this example up to par "in terms of a percentage



increase, ... we ...would have about a 9 percent increase to grant on the first day of the contract...," she added. There is ample evidence on the record that salaries of Inkster Sergeants and Lieutenants are, and have been remunerated at a lower rate than their counterparts in the comparables as defined above (Union Exs. 3-6); that comparison with the Consumer Price Index provides additional evidence that they are falling behind (Union Exs. 7 and 8); and that, in a certain sense, internal comparables would help to verify their need to "catch up" (Union Exs. 9 and 9R).

The Employer presented an exhibit to demonstrate that the Inkster command officers had received substantial increases, more than other Inkster supervisors over the years 1981-82 and 1991-92 (City Exhibit 19), indicating, for example, that a Police Lieutenant receiving a 45.89 percent increase while the City Treasurer received a 30.59 percent increase. City Exhibit 23 demonstrated that a Police Lieutenant's base salary increased slightly ahead of or in step with the Consumer Price Index for Detroit-Ann Arbor area.

### **Interest and Welfare of the Public & Ability to Pay**

The ability to pay consideration of Act 312, Section 9 (c) is crucial for a municipality which appears to be on the edge of viability as an incorporated public entity. This view is not intended to reflect on the performance of the City's management team, which appears to have worked valiantly and with some success to improve the City's finances, as summarized below.

The City's June 30, 1994 Fund Balance of \$635,136 (Joint Ex. 4, from Plante & Moran audit) is a significant improvement over the \$288,599 fund balance indicated in the June 30, 1993 audit (City Ex. 11, p. 4). A favorable variance of \$138,006 between the budgeted and actual expenditures for public safety for the year ending June 30, 1994 indicates lower-than-budgeted spending in that area (Joint Exhibit 4, p. 34 of audit). The City's Pension Benefit Obligation for June 30, 1994, was overfunded in the amount of \$3,198,475, or by 118 percent (Joint Exhibit 4, p. 31 of audit).

The "Excess of Revenue Over (Under) Expenditures" indicated a negative amount of \$101,563 for June 30, 1993, while this same category showed a positive position in the amount of \$346,537 on June 30, 1994.

Thus there are some positive indications in the City of Inkster's financial picture, but overall it can hardly be characterized as anything but weak.

Substantial testimony was presented concerning the City's financial obligation of approximately \$2.8 million due to a lawsuit; approximately one half million dollars for future Wayne County tax chargebacks (Tr. Vol. II, p. 22, and Employer Brief, p. 10); an increase in police expenditures derived from the two major revenue contributors of the General Fund. i.e., property taxes and shared federal and state revenue, from 32.33 percent in 1984-85 to 37.92 percent in 1992-93 (City Exhibit 16); the City's present maximum millage rate; an Environmental Protection Act-mandated retention basin; the Federal Drinking Water Act; mandated recycling; the loss of a portion of the property tax school collection fee; the loss of Tax Increment Finance Authority (TIFA) revenue; Americans With Disabilities Act mandates; and large Wayne County tax chargebacks which were increasing on a yearly basis (City Exhibit 17). Population loss and an abundance, or perhaps overabundance, of public housing, only add to the City's distress.

### **Classification and Pay Plan**

Although Inkster's financial hemorrhaging appears to have been stemmed for the present, it remains a financially distressed community, its future precarious yet hopeful. It is an urban city with definite need for professional public safety services; the morale and well-being of those who staff public safety, police sergeants and lieutenants in this case, is definitely a weighty concern, a matter of "the interests and welfare of the public," as characterized by Act 312, Section 9 (c). The unfortunate fact is that in view of the City's financial constraints it would be imprudent if not irresponsible to make the Inkster sergeants and lieutenants "whole" when compared with their counterparts in the comparables. However, it seems reasonable and prudent to provide increases which, at a minimim, substantially cover cost of living increases. Thus, determination of the classification and pay issue, in brief, is as follows:

#### **Classification and Pay Plan -Article LI:**

7-1-92, 3%

7-1-93, 2%

7-1-94, 2.5%

The Union Last Best Offer (LBO) of 3% is adopted for 7-1-92, primarily because it establishes an improved base. The City and the Union agreed on 2% for 7-1-93, while the City LBO was 2% and the Union LBO was 2.5% for 7-1-94. The Union LBO called for 2% on 1-1-94 and 2.5% on 1-1-95, for a total of 12%. The total City offer was 4%. The total in this determination is 7.5%. Employing the annual cost of a one percent pay increase based on the 1991-92 wage base as indicated on City Exhibit 21, i.e., \$3,800, the total cost of increased pay is approximately \$30,000, perhaps somewhat less because of testimony that the unit was reduced at the time of the hearing, and undoubtedly presently, by at least two members.

Act 312, Section 9, paragraphs (c), (d), (e), (f), (g), and (h) are applicable; paragraphs (a) and (b) are not applicable.

### **Pension - Final Average Compensation**

The Union Last Best Offer specified that "...final monthly compensation shall include annual sick leave payout AND [emphasis supplied] final sick leave buyout at retirement." Present language, i.e., the language on this issue in the last contract, was unclear and led to some degree of confusion. Furthermore, the language of the Employer LBO was defective in that was also unclear and would be conducive to additional confusion. The Arbitrator requested an Executive Committee meeting on this subject, which did not take place because the Employer declined. Subsequently, the Delegates were asked to inform the Arbitrator of current practice regarding sick leave during the last year of employment being figured as part of Final Average Compensation. It was determined or stipulated that sick leave during the final year of employment has not been figured into Final Average Compensation for this unit. Thus, clarifying language was devised which confirms or accepts the substance of the City LBO and denies the Union LBO, thus affirming current practice. There are no additional or new costs to the City.

Act 312, Section 9, paragraph (b), (c), (f), and (h) are applicable; paragraphs (a), (d), (e), and (g) are not applicable.

**Pension - Multiplier**

Both the Union and the City LBOs on this issue called for an increase in the Employer contribution from a multiplier of two-and-one quarter percent (2.25%) to two-and-one-half percent (2.5%). This will cost the City an estimated additional \$100 per year, and bring the City contribution for sergeants and lieutenants into line with the contribution for other public safety personnel.

Act 312, Section 9, paragraphs (b), (c), (d), (f), (g), and (h) are applicable; paragraphs (a) and (e) are not applicable.

**Pension - Unit Member Contributions**

The City LBO on contributions was adopted. Individual contributions shall be increased from six percent (6%) to seven percent (7%). Act 312, Section 9, paragraphs (c), (d), (e), (f), (g) and (h) are applicable; paragraphs (a) and (b) are not applicable.

**Hospitalization Insurance for Retirees**

The City LBO on Hospitalization Insurance, a continuation in current practice, was adopted. The Union LBO required the City to pay 100% of the premium cost for hospitalization insurance for future retirees, an unacceptable burden on a municipality experiencing such a dire financial picture. Thus there is no new or additional cost to the City.

Act 312, Section 9, paragraphs (c), (d), (f), and (h) are applicable; paragraphs (a), (b), (e), and (g) are not applicable.

**Duration**

The City LBO on duration was adopted, i.e., July 1, 1992 through June 30, 1995, the Union having submitted no LBO on this matter. Thus this item is considered as basically a stipulated item. However, a decision is provided here based on provisions of Act 312 in order to preclude any lack of clarity.

Act 312, Section 9, paragraph (b) is applicable; paragraphs (a), (c), (d), (e), (f), (g), and (h) are not applicable.

## **Employer's Petition to Disqualify the Arbitrator**

The record of this case and this award would not be complete without reference to the Employer's petition have the Commission disqualify this Arbitrator. The Employer Advocate, asserting bias on the part of this Arbitrator, expressed the desire to ask MERC to dismiss the Arbitrator during the hearing of December 16, 1994. The assertion of bias was apparently based on the admission into evidence of the City's 1994 audit, which had not been previously listed for submission as an exhibit but was crucial to a thorough examination of the issues at hand, especially as required by Act 312, Section 9 (c) concerning ability to pay. Based on Section 9 (g), changes during the pendency of the hearing, the Arbitrator considers the admission of such evidence proper; a decision not to admit such a crucial document would not only have been irresponsible but in flagrant disregard of the requirement as well as the intent of the Act.

The Arbitrator suggested a break in the hearing, noting that the Commission was meeting at MERC headquarters, near the hearing room, on this date, and that the Employer Advocate and Delegate could speak with the Director of the agency and possibly Commission members, if they were available and willing. The record of December 16th will reflect that such a break was taken, after which the arbitration hearing resumed. Shortly thereafter, the Employer Advocate and Delegate walked out of the hearing, apparently because the Arbitrator, not being able to locate a copy of Section 9 of Act 312 and seeing it on the table, asked the Union Delegate if he could borrow it. At this point, the walkout took place. The Arbitrator continued the hearing, during which material the City had intended to introduce as Exhibits were entered into the record at the suggestion of the Union Advocate. This material was admitted in the interest of having as complete a record as possible. The record on this case was concluded, with specific instructions concerning the submission of the LBO's and Briefs to be written and mailed by the Court Reporter. The Employer Advocate subsequently petitioned the Commission formally to disqualify the Arbitrator; the Commission by letter of January 20, 1995 denied the Employer petition.

This Arbitrator has chaired numerous 312 Arbitration proceedings, and he has generally succeeded in developing professional, cooperative, collegial, and somewhat informal relationships with the parties, particularly Delegates and Advocates. Such an atmosphere is conducive to establishing as complete a record as possible on which to base decisions under the requirements of the Act, and to working together in a positive, relatively harmonious atmosphere toward finality. In reviewing his actions in this case, the Arbitrator has concluded that he would do nothing differently given the same circumstances. When one of the parties walks out of an Act 312 hearing, such action cannot be rewarded with a suspension of the hearing or further delay. Cases would never be concluded if that were the situation; the integrity of the statutory process would become a farce. Act 312 arbitrators are, for purposes of conducting hearings, officers of the State, and should not allow the process to be demeaned.

## Numbering of Exhibits

Special note should be taken that Exhibit numbering is not consecutive. The Volume Numbers, dates, and Exhibits as marked and received are as follows:

Vol. No. 1, January 26, 1994 - Joint Exhibit 1; Union Exhibits 2 through 9R (revised).

Vol. No. 2, January 28, 1994 - City Exhibits 10 through 23; Union Exhibit 24.  
[City Exhibit 10 is the City of Inkster 1993-1994 Annual Budget; City Exhibit 11 is the City of Inkster Financial Report for June 30, 1993.]\*

Vol. No. 3, March 9, 1994 - City Exhibits 25 through 32; Union Exhibit 33; Union Exhibits 34 and 35 (marked only).

Vol. No. 4, May 2, 1994 - Union Exhibits 34 and 35 (received). Union 37 through 44.

Vol. No. 5, December 16, 1994 - Joint Exhibit 2 (Plante Moran City of Inkster Financial Audit of June 30, 1994). Joint 3, 4 and 5 (pages 31, 32, and 33 of the 1994 Audit, or Joint Exhibit 2, immediately above). City Exhibits 45 through 54 (a). City Exhibit 54 (a) was designated as (a) because the Union had made some changes on the original (Vol. V, p. 53). The City team had walked out of the hearing by this point. Union Exhibits 55 through 58.

The record above is drawn from the Index of each of the transcripts, condensed and presented here for the sake of clarity. It should be noted that the Employer had walked out of the December 16th hearing (see Tr. Vol. V, p. 25) prior to the introduction of any of that date's Exhibits. The City Exhibits of which the Union was aware were marked and received at the behest of the Union Advocate, with the concurrence of the Arbitrator, in the interest of establishing as complete a record as possible.

\* The Arbitrator admitted the June 30, 1994 City of Inkster Financial Audit, designating it as Joint Exhibit 2, at the December 16th hearing, noting the objection of the City Advocate. The 1994 audit was admitted because it represents changes during the pendency of the hearing [Act 312, Section 9 (g)] and it is crucial to the "ability to pay" consideration Section 9 (c).

### Article LII - Duration

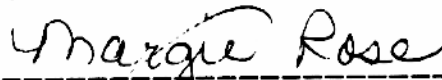
This Agreement shall become effective as of the first day of July, 1992, and the terms and provisions thereof shall remain in full force and effect until the thirtieth (30th) day of June, 1995, and from year to year thereafter unless either party hereto shall notify the other in writing by March 1st prior to the expiration date of this Agreement, or to the expiration of any subsequent automatic renewal period, of its intention to amend, modify, or terminate this agreement.

[The language above replaces the first sentence in Joint Exhibit 1 "Agreement Between the City of Inkster and Command Officers Association of Michigan for the Unit of Sergeants and Lieutenants, 7-1-89 to 6-30-92"]. The remaining language is unchanged.

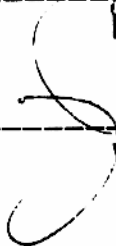


Donald R. Burkholder,  
312 Chairman and Arbitrator

Agree:



Margie Rose, City Delegate



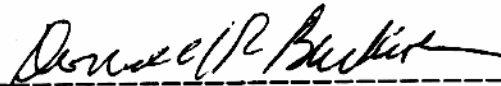
William Birdseye, Union Delegate



## ARTICLE LI - CLASSIFICATION AND PAY PLAN

## Pay Plan

|            | 7-1-92          | 7-1-93          | 7-1-94          |
|------------|-----------------|-----------------|-----------------|
| Sergeant   | 39,238<br>18.79 | 40,021<br>19.17 | 41,022<br>19.65 |
| Lieutenant | 41,901<br>20.07 | 42,739<br>20.47 | 43,807<br>20.98 |



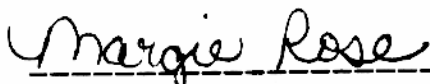
Donald R. Burkholder,  
312 Chairman and Arbitrator

Agree:



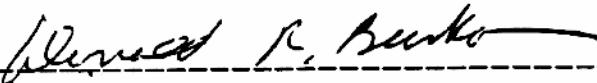
William Birdseye,  
Union Delegate

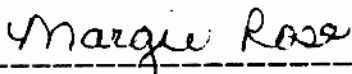
Disagree:



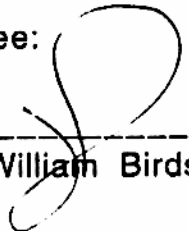
Margie Rose,  
Employer Delegate

(No change in the language of Article XXXIX of "Agreement  
Between the City of Inkster and Command Officers Association  
of Michigan for the Unit of Sergeants and Lieutenants,  
7-1-89 to 6-30-92)

  
-----  
Donald R. Burkholder,  
312 Chairman and Arbitrator

Agree:   
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Margie Rose, Employer Delegate

Disagree:

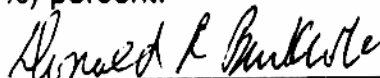
  
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William Birdseye, Union Delegate

## Article XLVI - PENSIONS

The present plan shall remain in effect with the following changes effective as of the first day of July, 1992 unless otherwise stipulated below.

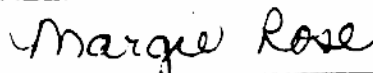
1. PENSION MULTIPLIER. Effective upon issuance of the arbitration award, the City of Inkster Policemen and Firemen Retirement System (hereinafter the Retirement System) shall be amended to provide that any C.O.A.M. member eligible for retirement under Section 18.3 of the Retirement System shall, upon his own application, be retired and shall receive a pension equal to his final average compensation multiplied by Two and One Half (.025) Percent, multiplied by his number of years and fraction of a year of service, by quarters, to age 55, plus his final average compensation multiplied by One Percent (.01), multiplied by his number of years and fraction of a year of service, by quarters, after age 55 to his date of retirement. This improvement shall cover all current employees and all future retirees.

3. EMPLOYEE PENSION CONTRIBUTION. Effective upon issuance of the arbitration award, all C.O.A.M. members shall increase their respective retirement system contribution from six (6%) to seven (7%) percent.



Donald R. Burkholder,  
312 Chairman and Arbitrator

AGREE:



Margie Rose, Employer Delegate

DISAGREE:

  
William Birdseye, Employer Delegate

## ARTICLE XLVI - PENSIONS

[This is language crafted by the Arbitrator to remedy a situation in which the Employer language was considered faulty and likely to produce confusion, grievances, etc. However, the Employer position as understood by the Arbitrator in discussions with the Executive Committee, is adopted.]

5. **Eliminate** last sentence of this paragraph from the 7-1-89 to 6-30-92 contract, , i.e., paragraph #5, i.e., "Effective July 1, 1990, final monthly compensation shall also include sick leave payout but excluding at retirement final sick leave buyout."

**Insert in place of the above sentence the following:**

Effective upon issuance of this arbitration award, final monthly compensation shall also include leave, including sick leave, which has been part of annual compensation, with the ~~provision~~ that final monthly compensation as computed for retirement purposes shall exclude the final sick leave payout.

*provision*  
*Arb*  
*R*  
*My*

Donald R. Burkholder  
Donald R. Burkholder,  
312 Chairman and Arbitrator

AGREE:

Margie Rose  
Margie Rose,  
Employer Delegate

DISAGREE:

William Birdseye, Union Delegate