

STATE OF MICHIGAN  
EMPLOYMENT RELATIONS COMMISSION

POLICE OFFICERS ASSOCIATION  
OF MICHIGAN,

Employee Representative  
and Petitioner,

and

REDFORD TOWNSHIP,

Employer.

MERC Arbitration Act 312

D82 L-5043

APPEARANCES

For the Employees:

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For the Employer:

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OPINION AND AWARD

Richard H. Senter, Esq., was appointed Chairman of the Arbitration Panel by letter dated March 8, 1983, from the Employment Relations Commission pursuant to its authority under Public Act 312 of 1969, as amended.

Thereafter, William Birdseye was designated as Delegate by the Employee Representative. Ethan Vinson, Esq., was designated

as Delegate by the Employer.

A pre-hearing conference was held on April 21, 1983. All unresolved issues were identified by the respective parties. Certain stipulations were made. The results of this pre-hearing conference were incorporated in a letter dated April 25, 1983, addressed jointly to the Advocates from the Chairman. It was accepted by the parties in toto and included the schedule of issues included in the subsequent hearing conducted on May 4, 5, 6, 19, June 27, 28, July 13 and 15, 1983.

The issue of retroactivity is specifically addressed in this letter of April 25, 1983. See page 2, paragraph 3, which provides, "Generally all terms of the new contract will be retroactive to April 1, 1983."

"Issues with individual elements of retroactivity will be determined at the time that the last best offer is made." And, lastly, "It is not the intention to require any employee to give up any benefits accorded during the arbitration."

This Opinion and incorporated Awards rely on that statement.

This letter is designated as Appendix A and is attached to this Opinion and Award.

The exhibits introduced during this hearing are listed chronologically and incorporated as Appendix B to the Opinion and Award.

Section 9 of the Statute sets forth factors to be utilized by the panel in findings, opinions and orders as applicable.

The factor of "the lawful authority of the Employer" is satisfied by the stipulation of the parties and jointly entering as exhibits the Collective Bargaining Agreements between the parties for the periods of 4/1/74 to 3/31/77, 4/1/77 to 3/31/80, and 4/1/80 to 3/31/83.

The second factor, "stipulation of the parties," will be recognized, where applicable, especially in reference to issues resolved by stipulations during the hearing.

The factor of "the interests and welfare of the public and the financial ability of the unit of government to meet those costs" will be considered in connection with individual issues.

The factor of "Comparison of wages, hours, and conditions of employment, et al.," is frequently referred to as comparability.

It was established by a Union witness that Redford Township is a community of 11.2 square miles, with approximately 58,000 population, 19,000 homes, and 1,389 businesses. There are no buildings taller than two stories, the businesses are small businesses in small buildings, and there is one shopping mall. An Employer witness later testified that this Township in Wayne County had declined in population between the Federal Censuses of 1970 and 1980 by approximately 13,000 persons.

The Union witness described the bargaining unit as composed of 46 uniformed patrolmen, of which 33 are assigned to road patrol. The remaining members of the bargaining unit function under the direction of sergeants, lieutenants, and captains, in a Crime Prevention Bureau, a Narcotics Bureau, an Identification Bureau, a Youth Bureau, a Traffic Division, and a traffic enforcement unit. Members of the bargaining unit also serve as court officers and perform desk functions. All dispatch duties and jailer functions are currently being performed by the unit. Testimony was adduced that during the extended period of available Federal funding of CETA programs, these latter two functions were handled by CETA employees. With the expiration of CETA programs, members of this bargaining unit performed as dispatchers and jailers. This bargaining unit seeks to retain these functions within its jurisdiction. Litigation in another forum is underway to resolve the matter. It is pertinent to this hearing to note that the bargaining unit claims these areas of employment are within the scope and jurisdiction of the unit.

The Union, by its Exhibit U2, listed 16 communities proposed as comparables, with accompanying population figures from the 1980 Federal Census. The size of the Police Departments in the 16 communities was not furnished. The basis for comparability was testified as:

1. Each of the 16 is a City or Township in the Tri-County area of Wayne, Oakland and Macomb Counties.

2. Each of the 16 communities has a population of 50,000 to 999,999, which compares with the Redford Township population of 58,441, and comports with the Michigan Municipal League Standard Geographic Wage Area #1.
3. The comparables are contiguous.
4. The comparables have geographic homogeneity.
5. The comparables have mutual aid packs, although not every one of the comparables has such a pack with every other of the comparables.
6. All comparable communities operate Police Departments.

The Union, by its Exhibit 6, set forth for each of its comparables the salary of the police officer at the top of the scale of the last contract and status of contract relations between the bargaining unit and the Employer. Of the 16 communities, 11 were operating with an expired contract. Of these 11, 9 were in arbitration or negotiation. The status of the two remaining was not set forth. Thus, it is found that these are not comparable for consideration in determining the future contract between this Employer and Employee group. The remaining comparable communities of the Union list are Sterling Heights, Pontiac, Southfield, Troy, and Farmington Hills. Troy is included because the Union, by Exhibit 23, entered the

arbitration award dated May 2, 1983.

In light of the description of the Township by the Union witness, Pontiac cannot be deemed comparable considering its industrial base. Southfield cannot be deemed comparable in light of its recognized large business area. Troy cannot be deemed comparable in light of its commercial development, especially along Big Beaver Road, on which front the International Headquarters of the K-mart Corporation, and Somerset Mall, among others. Sterling Heights and Farmington Hills are cities in Oakland County. The record is bare of further information concerning the size of the Police Departments or tax bases to assist the panel in understanding comparability. Redford Township has been identified by testimony as a Township in Wayne County with a limited authority to tax given to the Township Board by Wayne County. None of these five is a Township in Wayne County. No comparable was shown in which the police officer and no other performed dispatch and jail functions.

Via Exhibit E-14, the Employer submitted a list of nine proposed comparable communities. Population was one criterion, with the range being from 34,006 for Wyandotte, to 104,814 for Livonia. It is to be noted that the witness at a later time testified that the population of Wyandotte was 41,061. The population of each of the proposed comparables was not set forth in the exhibit, nor established on the record.

Another Employer criterion was that all communities were located in western Wayne County, thus enjoying a common

relationship to the Detroit Metropolitan area; and all of them having a common Wayne County tax base as it might affect each community.

The witness for the Employer also testified that some of the comparables had Blue Cross-Blue Shield health insurance coverage and some did not. Specific coverage of each of the communities was not furnished. The witness testified that some of the comparables were increasing in population and some were decreasing. While examples of each were made a matter of record, the growth pattern of each comparable was not furnished.

The Employer, by Exhibit 15, noted, among other information, that each of its proposed comparable communities was in either arbitration or negotiation for a new contract. Not a single proposed comparable community presently has a current labor contract.

It is pertinent to note that each party listed four (4) identical communities in their respective lists of proposed comparables. Each of the four, Livonia, Westland, Taylor and Dearborn Heights, are operating with expired contracts.

The factor of comparability is not established by the record for the assistance of the panel.

#### EMPLOYEE ISSUES

##### 1. DURATION:

This issue was resolved by the stipulation of the parties

to enter into a three-year contract.

2. RETROACTIVITY:

This issue was resolved by the stipulation of the parties that generally all terms of the new contract will be retroactive to April 1, 1983. It is further understood that if individual issues have within them an individual element of retroactivity, i.e., the off-duty gun allowance, that matter will be determined at the time the last offers are made. The employer states it is not the intention to require any employee to give up any benefits accorded during the arbitration proceedings.

3. WAGES:

The Union seeks to maintain the purchasing power of its salary scale and seeks a raise equalling a projected rise in the Cost of Living Index of a total of 15 percent over the three years subsequent to April 1, 1983. Testimony by Union witnesses did not touch upon any aspect of the increased costs incurred or to be incurred in connection with any fringe benefit enjoyed by the Employee.

The Employer seeks a two-year wage freeze and wage negotiations for the last of a three-year contract.

The Employer justifies its position in light of the increase in total personnel costs over the life of the April 1, 1980 through March 31, 1983 contract and throughout all other departments of the Township.



Employer witnesses testified in a convincing manner that the Employer did not seek to reduce monetary benefits in any area, but seeks relief from a "desperate" financial condition.

The panel finds that the testimony of Kenneth J. Kunkel, the independent auditor of the Township for 15 years, provided competent, material, and substantial evidence as to the desperate financial condition of the Township. He identified six other townships for which his firm does the auditing and stated that Redford Township is the only one which must borrow money to pay its bills between tax collections. It was brought out that Clinton Township, one of the comparables offered by the Union, is included in these six other townships serviced by Mr. Kunkel.

He testified that the Township prevailed upon its local State Representative to obtain a change in State Law to allow the Township to borrow more money than had been the previous law allowed. The upper limit of the previous legislation was not sufficient for the Township needs.

The increase in the Township expenditure for public safety (police and fire) from 1979 to 1983, was \$1,800,000.00; that is, from \$4,300,000.00 in 1979 to \$6,100,000.00 in 1983. This is in light of a current total budget of approximately \$12,000,000.00. Mr. Kunkel identified some of the problems causing the desperate financial

condition as a reduction in the State equalized valuation of Township property, reflecting a reduction in collected taxes; a decrease in Township population, which caused a decrease in State funds distributed on a population basis; and the inability of the Township, by law, to impose taxes on the initiative of the Township Board, as opposed to the greater authority of a City Council to impose taxes on its citizens.

The Fund balance as of September 30, 1982 was 3.6 million in deficit. Another amount of one and a half million dollars as of March of 1982 is not recorded on Township books as an obligation or a liability or a deficit item. This one and a half million dollars represents the amount of vested sick leave and vacation time earned by present employees. According to Mr. Kunkel, State Law does not require a recording of this item, although it must be recognized as a liability. He noted that in a community with a maturing work force, "some of these police and firemen get a payoff of sick and vacation pay of \$40,000 to \$50,000 apiece." (P. 38 of transcript of July 15, 1983.)

The panel found that the financial plight of the Township, as identified by the Auditor, was substantiated by the Chief of Police in his extensive testimony regarding the age and deteriorating condition of the fleet of both

marked and unmarked police cars in his department. The Chief, who has been a policeman since 1957 and has held the rank of Chief since 1979, furnished no testimony that his department had been discriminated against in any manner by the Township Board in the allocating of available resources. The Chief testified that, to his personal recollection and knowledge, the Department, at least from 1968 to 1979, annually purchased new vehicles for the Patrol Division, and some new cars for the Unmarked Division, and that all replaced cars were sold. In 1979, for the first time, four used vehicles were purchased from another Police Department in order to provide some upgrading of the police fleet. Some new cars were purchased in 1980 and some new cars in 1981, and fewer new cars in 1982. No new cars have been purchased to date in 1983. The Chief testified that currently the newest vehicle in the unmarked fleet is a 1978 model. The newest vehicle in the marked fleet is one of six 1982 models. The Chief stated that the deteriorating condition of the fleet is constituting a threatening situation.

The Township Supervisor, who identified himself as the Chief Administrative Officer of the Township, furnished competent, material, and substantial testimony in support of the testimony of the Auditor and the Chief of Police.

The Supervisor testified that the deteriorating condition of the Township is due to many conditions, among which is a decrease in population. The population decreased 13,000 between 1970 and 1980. This Supervisor, who initially took office in 1978, testified that the Township has experienced a loss of a half a million dollars per year from State revenues during his tenure of office. The current budget is just under \$12,000,000.00 and for the fiscal year ending March 31, 1983, the figure is expected to be "\$300,000.00 in the red."

The Supervisor testified that the last bill for Blue Cross-Blue Shield for the entire Township was \$1,002,000.00, and that the current budget provides only \$800,000.00, causing an expected deficit of \$200,000.00 in this single item.

He testified that cost-cutting has been effected in the Department and throughout the Township. The Supervisor testified that while the Township Board attempted to staff the police and fire dispatch function with civilians at a substantial savings, the police bargaining unit successfully resisted. Civilian dispatchers have been established in the Fire Department. The substitution of five civilian dispatchers at a total cost of approximately \$15,000.00 per employee, as against the approximate \$42,000.00 annual cost of a police officer, would tentatively result in a savings

of \$135,000.00. He testified that the Board does not want to lay off individuals, but wishes to "keep the bodies as long as we can." (P. 84 of T. of 5/6/83.)

The panel found that Exhibit E-20, the Report and Recommendations of the Citizens Advisory Committee on Finance and Operations, was competent, material, and substantial evidence of the financial condition of the Township and constituted a valid expression of the community's recommendations in many areas of fiscal management. Specifically, the report recommended a reduction of 2.5 percent from the 1982/83 budget in employees' salaries and wages. The record is bare of any testimony that the Employer seeks to reduce wages and benefits in any area except leave days of several classifications.

Pertinent to an understanding of current financial conditions of the Township is Exhibit E-16 and 17, reflecting the increase in the cost to the Employer of wages and benefits furnished to the Employee during the contract years of 1980/81, 1981/82, and 1982/83. The Employer contracted to furnish these fringes, which must be recognized by the Employee as benefits, although they are not all received in cash in their regular paycheck. During the life of the contract, the base salary advanced from \$21,850.00 per year to \$25,350.00 per year, for a total of \$3,700.00. During the same period, the cost of fringe

benefits rose from \$13,930.00 to \$17,538.00, for a total rise of \$3,608.00.

The witness for the Employer stated that the Employees' costs rose 27.83 percent over the life of the contract, with a rise in 1982/83 in the cost of retirement insurance, Workers' Compensation and Social Security of 26 percent. These increased costs in fringe benefits, together with the loss of revenue to the Township, have been attributed by several witnesses for the Employer to the cause of the financial plight of the Township.

No comparables for employers in the private sector were offered by either the Employees or the Employer in this matter.

The 27.83 percent increased cost over the three-year period for salaries and fringe benefits very substantially exceeds the rise in the Cost of Living Index over the same period. Thus, the value of the position in terms of salary plus benefits has increased substantially faster than the CPI. No testimony regarding this percentage difference was adduced on the record.

Criterion (f) of Section 9 of the Statute is found by the panel to be satisfied.

Prior to the decision of the panel, the Union, as provided in criterion (g) of Section 9 of the Statute,

distributed to the panel members a letter dated October 17, 1983, enclosing a copy of the minutes of the Redford Township Board of 9/19/83, reflecting the adoption of a resolution attached to the minutes. The minutes reflect adoption under agenda item 83:219 of a tax of 10.7363 mils on State Equalized Value - - - amounting to \$6,715,964.00.

The cover letter interprets this action as "willfully and deliberately" reducing the millage rate from an "estimated 10.91 mils."

The minutes are accepted. The interpretation cannot be accepted absent an opportunity for the Employer to comment. This is not contemplated by the Statute.

The cover letter and all enclosures are incorporated as Appendix C in the Award.

The overall record supports by competent, material, and substantial evidence that the interest and welfare of the public and the financial ability of the unit of government to continue to meet the costs of providing these mandated services dictate the adoption of the Last Best Offer of the Employer, i.e., "a wage freeze for two years with a reopener for the third year."

Although no communities were identified as acceptable comparables for a future contract, both Employer and

Employees included Livonia, Westland, Taylor, Dearborn Heights and Redford. A review of the last expired contract between the parties in these communities reveals that the current base salary of Redford Township compares very favorably with those communities. Redford Township exceeds three out of four communities listed in the matter of base salary in the expired contracts.

4. VACATIONS:

This issue was withdrawn by the Union on June 27, 1983.  
(P. 67 of T. of 6/27/83.)

5. RETIREMENT - 25 AND OUT:

Employees request full retirement beginning on April 1, 1985, with completion of 25 years of service, regardless of age. This is different from the present provision of full retirement with 25 years of service and a minimum age 50. The record does not reveal the source of authority for the present understanding of full retirement at age 50 with 25 years of service, but the parties are in agreement as to the authority.

Regarding costs of the requested improvement, the Union witness testified that with an effective date of April 1, 1985, there would be no cost during the existence of the life of the contract being arbitrated, because the actuarial study would not study the increased costs until



after the effective date. This witness admits that there will be a future cost, but did not estimate the dollar amount.

The Employer advises that no member of the bargaining unit can retire under the present plan or the requested improved plan until 1990, and called the attention to the fact that retirees also continue to receive an insurance package currently costing approximately \$4,000.00 annually per retiree. The Employer's witness testified that pension improvements to one group generally is extended to other groups, so that all employees would be eligible by the effective date, if the Union demand is granted. The Employer's witness testified that between 25 and 30 percent of both the Police and Fire Departments could retire.

The witness for the Employer testified that the actuary would begin to determine future costs of any pension change incorporated into a contract, regardless of the future effective date of the change. The Employer's witness could not furnish any figures regarding potential costs of the requested change.

A rebuttal witness for the Union, in the person of the actuary for Redford Township, advised that the Employer had an option as to funding when the provision was adopted, or delay funding until the fiscal year of the effective date of the change in provision. She testified that she would

ordinarily wait until the effective date of the change. If adopted, the increased costs, according to the actuary, would be 2.6 percent of the payroll of the entire Police Department (not just the bargaining unit).

There is a very substantial problem regarding this demand, which is entirely outside of the domain of the panel. The parties stipulated (P. 106, T. of 7/13/83) that the method of determining the amount of pension with regard to the elements included in the final average compensation figure is being litigated in another forum. Upon the resolution of that dispute, the amount of a member's pension money may vary a sizeable amount, and the Employer's contribution to the Pension Fund may change. Specifically, in past years, the Township included in the computation of final average compensation the payments to the retiree of accumulated, unused sick and vacation time. The Township, in preparation for the actuarial report of March 31, 1983, directed that these payments no longer be included in the computation of final average compensation. Litigation between the Employees and the Employer ensued.

The actuary concluded her testimony by saying that with the possible exception of the Legislature's and Judges' retirement systems, the "2.5 plus Social Security" of Redford Township is the best in the State. Again with reference to the communities included in the proposed list

of comparables of both the Employer and Employee, i.e., Livonia, Westland, Taylor and Dearborn Heights, the Redford Township plan is best.

Therefore, the last best offer of the Employer, i.e., retain current contractual language, is adopted. Inasmuch as no member of the unit could retire before 1990 if the Union demand was adopted, there will be no diminution in the overall compensation presently received by the Employees, while at the same time the interest and welfare of the public and the financial ability of the unit of government to meet pension costs will not be adversely affected.

6. PENSION - FINAL AVERAGE COMPENSATION:

The issue of Final Average Compensation wherein the Union seeks to reduce the number of years utilized in determining the average pension from five to three effective March 31, 1986, is very closely allied with the previous demands, in that the witness for the Employees testified that while there would be additional costs to the Employer, no specific costs were spelled out.

It appears that until the litigation concerning the method of determining final average compensation is concluded, the annual pension costs to the Employer cannot be determined. This constitutes no present detriment to the

Employee for the life of the contract being arbitrated. The effective date in the Union's last best offer is 3/31/86.

The last best offer of the Employer, i.e., "to retain present contract language," is adopted for all of the reasons established for the adoption of the Employer's last best offer, regarding request of retiring upon 25 years' seniority, regardless of age.

It is to be noted that among the four communities included by both the Employee and the Employer in comparables, only Taylor provides the benefit of retirement after 25 years of service, but this community does not provide Social Security benefits, as does Redford Township.

7. PROMOTIONS:

The Union seeks to eliminate the oral portion of promotional exams within the Department and to have the score weight of the present oral exam allocated to the written portion of the exam.

The witness for the Employees is a member of the Police Department and an officer of the bargaining unit. He related his personal experiences with oral exams for promotions. The witness could not identify any other department which has eliminated the oral portion of the promotional exam.

The witness for the Employer testified in opposition to the Union's proposal, saying, "The oral examination is able to evaluate the person or the attributes of a person in many, many ways a written exam cannot." (P. 70 of T. of 6/27/83.)

The Union's request has very broad and substantial implications which have not been addressed. The subject is one within the knowledge of police management experts, either within the ranks of employers or police associations. It is the panel's decision that insufficient and inadequate evidence of the required level of competence, materiality and relevance has been introduced to enable an affirmative change to be made.

Therefore, no award is being drafted and the status quo will be maintained.

8. HOLIDAYS:

The Union seeks to increase the number of holidays in the contract from 11 to 12 per year, with the 12th day being the day after Thanksgiving. The witness for the Union introduced Exhibit 41, reflecting the present contract language and the proposed contract language. This witness also introduced Exhibit 42, which sets forth the number of holidays in each of the 16 Union asserted comparable communities. This is the extent of the record of affirmative testimony regarding this issue. During

cross-examination, the witness responded that she enjoyed her holidays because she has the day off. It appeared to the panel, and substantiated by later testimony in the record, that members of this bargaining unit do not enjoy the holidays as non-workdays unless the holidays fall on one of the regularly scheduled leave days of the shift that the member of the bargaining unit is on at that time. Thus, the thrust of the demand, in reality, would be to increase the dollar value of the amount paid under the contract for holidays.

The status of Union asserted comparables has been established and discussed earlier in this Opinion. Thus, this record is bare of competent, material and substantial evidence concerning pertinent criteria as required in Section 9 of the Statute. The panel is unable to make an award and the status quo will be continued in the matter.

9. PERMANENT SHIFTS:

In the issue of Permanent Shifts, a Union witness testified as to the history of permanent shifts in Redford Township: For many years, rotating shifts were utilized. Prior to March, 1976, the Department was on a 28-day rotating shift basis. At that time, the then Chief agreed to a system of permanent shifts, "as an experiment." No provision for regular new selection was made. Trades could be effected if two officers agreed and the Chief approved.

Again, the trade was permanent for the life of the experiment. The Chief ordered a return to rotating shifts of 28 days' duration effective in January, 1978. The matter was opposed by the bargaining unit. A grievance was filed by the bargaining unit and litigated to conclusion.

Joint Exhibit 21 is the report of the Arbitrator, dated June 3, 1981, in which is set forth a very detailed recitation of the experiment, the problems encountered, and the return to rotating shifts. The Arbitrator held for the Employer. Of particular relevance to this issue in this arbitration is the discussion beginning on page 29 of that exhibit. Therein, that Arbitrator frames the issue as, "The association indicated that the interest and welfare of the employees dictates that permanent shifts be implemented and, further, that rotating shifts are not "reasonable schedules of work." The Township indicated that the use of rotating shifts is reasonable in light of a number of stated considerations. Especially pertinent to the current consideration of the matter is the Arbitrator's comments set forth on pages 46 and 47 of the exhibit.

The record of the current arbitration is bare of outside, current professional testimony regarding the physical, physiological, and psychological aspects of various parts of police employment which would be pertinent under Criteria c and h of Chapter 9 of the Statute.

It should be noted that this exhibit appears to be incorrectly copied or collated from the original with respect to pages 4 and 5. These pages, however, do not adversely affect the use of the exhibit inasmuch as they concern an aspect of that grievance that is not primarily connected to our interest in the problem.

Another Union witness, in offering Exhibit U-24, which was not admitted and not read by the Chairman, did testify that there was currently in existence "a major project" between the City of Detroit Police Department and the Detroit Police Officers Association in connection with an experimental permanent shift project. The witness advised that she, together with others, including a Chairman of a department at Wayne State University, were on the Study Committee, which has had "regular meetings over the period of the last probably 16 to 18 months." The conclusion of the study has not been issued by the City of Detroit.

It is the finding of the panel that this record has defined the issues and has introduced aspects and nuances of operating permanent shifts, but has not produced sufficient, competent, or material evidence upon which to base an award instituting permanent shifts. The record fails to satisfy criterion h of Section 9 of the Statute, which in this instance the Chairman finds would include testimony from outside sources similar to those utilized in Exhibit Joint 21 and including details, results, and



conclusions of the project between the City of Detroit and the Police Officers Association referred to above.

No award is made, and the status quo in this issue is maintained.

The first unnumbered employee demand was not addressed directly during the hearing. The concern expressed in the letter of April 25, 1983 related to the Employer's announced interest in seeking a change in the provider of health care benefits. This matter has been resolved in the section on the Employer's Issue Number 5.

The second unnumbered Employee issue likewise was not separately addressed during the hearing, and likewise has been resolved by the Award in Employer's Issue Number 5.

#### EMPLOYER ISSUES

1. THREE-YEAR WAGE FREEZE:

This has been addressed and resolved in the section regarding Employees' Issue Number 3.

2. ELIMINATE OFF-DUTY GUN ALLOWANCE:

The Employer, by cover letter of July 22, 1983, submitting last best offers, withdrew this issue. Thus, the status quo is retained under the old language of Article XXV.

3. PERSONAL LEAVE DAYS:

The expired contract entitled each employee to four days off per year "for personal business." (Section 20.1 of Article XX of Contract.)

The last best offer of the Employer seeks to grant two days per year instead of four. The remaining language of the section is identical. The bargaining unit requests a continuance of four days or the status quo.

One witness for the Employer testified that a reduction is sought because of the cost factor. The witness advised that with the "many days off already," it is necessary to incur overtime to replace personnel on various types of leaves, with the replacing personnel receiving overtime rates. The financial condition of the Township has been recognized in this Opinion in connection with the issue on wages.

The Chief of Police testified that, "In the last several years, because there is no actual description other than the words 'personal leave days,' they have been used basically as leave days or vacation days." (P. 58 of T. of 7/13/83.)

The resulting problem has been the incurring of overtime. The witness continued, "So their personal leave days have to be a consideration in the total picture as it relates

to manpower and the cost to operate the Department."

The use of personal leave days as vacation days was not controverted by the Union.

The last best offer of the Employer is adopted.

It is found that the record supports the award in accordance with criterion C of Section 9 of the Statute. The status of comparables in this matter has been previously reported. If the jointly proposed comparable communities of Livonia, Westland, Taylor and Dearborn Heights are considered for the purpose of determining what these communities provided in these areas in past contracts, it would appear that Redford Township leads all communities. Reducing the benefit to two days will equal what Livonia provided and will exceed what Taylor provided. Westland and Dearborn Heights each provided three days of personal leave per year.

4. SICK LEAVE:

The last best offer of the Employer in this Employer issue would reduce the leave benefit from one and one-half (1½) days per month in each year to one (1) day per month, and also would eliminate all future carryover of unused sick days from one year to the next. The last best offer provides that as of April, 1983, the accumulated sick leave up to a limit of 300 days would be retained. Thus, no

present employee would suffer a reduction in accumulated sick leave. The expired contract allowed an accumulation of 300 days. However, no future accumulation by present employees is allowed.

The last best offer of the Union is to retain the status quo.

The Chief of Police under cross-examination testified that the sick leave "used by this bargaining unit for the last year was seven days a man, average." (P. 82, T. of 7/13/83.) Later testimony amplified this matter that there were certain illnesses among the officers which took far more than seven days, and a number of those officers "took none." There was also substantial and material testimony that "most" sick leave is work-related and covered by Workers' Compensation, wherein the employee is paid from multiple resources the full salary for two full years. Also during any time an employee is off duty and covered by Workers' Compensation, all fringe benefits continue to accrue, including the accumulation of sick leave."

The conclusion of the panel from all of the testimony in the record on this issue is that while the present allowance exceeds the need to assure the employees of a regular paycheck in the event of illnesses, the elimination of the right to accumulate leave against future illness is not in keeping with sound personnel practices. The panel

understands from its experience outside of the boundaries of the testimony in this matter that this is the goal of this benefit.

The Union did not introduce any witnesses controverting the Employer's evidence.

The Employees' last best offer is adopted, in accordance with the criteria as appropriate and set out in Section 9 of the Statute.

The status of comparables for purposes of determining future benefits of this bargaining unit has been set out elsewhere. If we examine the expired contracts of the four communities included in the proposed comparables of both Employer and Employees, the benefit of the last best offer adopted by this panel in the matter of the number of sick days granted per year equals three of the communities'.

There is wider variation in the matter of the number of allowable accumulated days. Certain of those communities have provisions whereby the employees "sell back" unused sick leave. Redford Township has a provision to grant additional vacation days if no sick days are taken. It is not possible to determine the comparability of these multiple arrangements.

Further, the last best offer adopted will not substantially increase the overall compensation on an annual

basis.

During the life of this new contract, the matter of accumulated sick leave as an element of the final average compensation for pension purposes is being litigated in another forum. That decision will be known before any member of this bargaining unit can retire.

5. HEALTH INSURANCE CARRIER:

In this Employer issue, the Employer seeks to be released from contract language binding the Employer to the Blue Cross-Blue Shield organization.

Very extensive testimony on this issue demonstrates both the dollar increase and the percentage of premium increase experienced by the Employer in providing the package of health care benefits to all employees and retirees. It is to be noted that while all employees have Blue Cross-Blue Shield coverage, the benefits differ between groups of employees.

Exhibit E-17 demonstrates the rise in cost over the life of the expired contract per family for the monthly health care benefits (not including dental and optical benefits). The 1980-81 cost per officer was \$2,161.92. The third year of the contract (1982-83) incurred costs of \$3,755.04 per officer for a rise of 71 percent.

The package of health, dental and optical benefits provided this group of employees was described by an Employer witness as "finest in existence" and surpasses the benefits of the auto industry, "considered to be the Cadillac of the industry."

According to Employer testimony, the Township does not seek to reduce any benefit now being provided, nor is the Employer seeking any concessions by way of cost-sharing in the insurance program.

It is noted and deemed pertinent by this panel that the health care benefits are the only types of insurance provided by the Employer wherein the Employer has no choice as to the provider. All other types of insurance benefits are provided by carriers selected by the Employer. The Employer seeks to gain the flexibility to "shop the market" in the area of health care costs.

At the time of the hearing, and according to E-47, the current Blue Cross-Blue Shield bill for 1982-83 was \$1,001,814.00, as opposed to \$864,299.00 for the preceding year (1981-82) and \$761,914.00 for the year preceding (1980-81).

Witnesses for the employer testified as to the extended and extensive efforts by the Township:

1. To reduce costs with Blue Cross-Blue Shield personnel.

2. To explore other sources of comparable coverages.
3. To seek a community of other townships or comparable public employers to engage in obtaining comparable coverages at a reduced cost.
4. To explore the possibility and ramifications of becoming a self insurer.

The amount of the current Blue Cross-Blue Shield premium was identified as now equal to 1/12 of the total Township budget of \$12,000,000.00. The witness for the Employer advised that in light of the bill in 1981-82 of \$761,914.00, the Township currently budgeted \$800,000.00 for the 1982-83 year, expecting some rise in this item. The bill of \$1,001,814.00 has created an uncompensated deficit of approximately \$200,000.00.

The Supervisor of the Township, as the Chief Administrative Officer of the Employer, testified that of the total budget, only ten to fifteen percent of the funds are discretionary. The balance is mandated for labor costs, and supplies and equipment for personnel. Thus, the dollars remaining which may be expended within the discretion of the Township Board are very limited.



It would appear to the panel that the fact of being a captive customer of Blue Cross-Blue Shield impairs the management flexibility of the Employer. The opinion of the panel regarding the financial condition of the Township expressed previously regarding the issue of wages is reasserted in this issue.

The last best offer of the Employer is adopted, that is to continue the language of Sections 28.2, 28.3 and 28.4 of Article XXVIII and to add to each section, "or equivalent."

The last best offer of the Employees is to retain the present language.

Prior to the decision of the panel, the Union, as provided in criterion (g) of Section 9 of the Statute, distributed to the panel members under cover letter dated 10/17/83, a letter dated October 4, 1983, from Blue Cross-Blue Shield, setting forth a renewal rate incorporating a 15.49 percent reduction from the "current figure of \$1,015,585.00" This letter and all attachments are incorporated as Appendix C of this Opinion.

It appears to the panel that this action supports the position of the Employer. The very extensive efforts by the Employer to reduce the costs and to gain flexibility appear to have moved the current provider to make a new offer.

This award is supported by the required competent, material, and substantial evidence of the whole record. Criterion c is satisfied. Criterion d, the matter of comparability, has been set out in detail elsewhere. However, a review of the matter and the expired contracts of the four communities jointly asserted as comparables, the three communities of Livonia, Westland and Taylor, do not give the Employer the right to designate the provider of health care benefits. The fourth community of Dearborn Heights does give the Employer that right. Thus, Redford Township will not be totally unique, in light of past practices, and will not, therefore, be so substantially different as to invalidate the award.

6. RESIDENCY:

The Employer, by cover letter of July 22, 1983, submitting last best offers, withdrew this issue. Thus, the status quo is retained under the old language of Article IX.

7. USE OF RESERVES:

The last best offer of this Employer demand is materially different from the demand as developed in the record. By Exhibit E-54, the Employer demand was to replace Section 38.1 of the last contract with totally new language, i.e., "Reserve Officers will be used at the

discretion of the Township." Under cross-examination regarding the effect of this demand on compelling a regular officer to ride with a reserve officer, a witness for the Employer testified and admitted that while the language of the Employer's demand would give the Employer discretion to place a reserve in a patrol car with a regular officer, "this was not our intent." (P. 50 of T. of 7/13/83.)

The last best offer submitted by the Employer continues the previous language of 39.1, which reads: "Reserve officers will no longer be assigned regularly scheduled patrol car duty with a regular officer unless the regular officer volunteers for the assignment," and adds one sentence: "However, any refusal by an officer must be reasonable."

The panel is confused. The first sentence of the last best offer requires a regular officer to initiate the action which would lead to having a reserve officer ride with him on regularly scheduled patrol duty. The first sentence conditions the placing of a reserve with a regular patrolman in a patrol car on the regular police officer "volunteering" for the assignment. The second sentence mandates that any refusal must be reasonable.

The present meaning of the first sentence, in light of the second, is not known to the panel. Nothing in the record

of the transcript and exhibits gives guidance.

Therefore, it is the finding of the panel that the whole record does not support by competent, material, or substantial evidence the demand of the Employer, thus no award is made and the status quo is retained under the old language of Section 39.1 of Article XXXIX.

EMPLOYEES' DELEGATE:

CHAIRMAN:

EMPLOYER'S DELEGATE:

William Birdseye  
24133 Southfield Rd.  
Southfield, MI 48075

Richard H. Senter  
543 N. Rosedale Ct.  
Grosse Pointe Woods  
MI 48236

Ethan Vinson  
33900 Schoolcraft  
Suite G-1  
Livonia, MI 48150

DATE:

DATE:

7/24/93

DATE:

11/22/83

APPENDIX A

**RICHARD H. SENTER**

COUNSELLOR AT LAW

543 N. ROSEDALE CT.  
GROSSE POINTE WOODS, MI 48236  
(313) 884-4173

April 25, 1983

Mr. William Birdseye  
Police Officers Association of Michigan  
24133 Southfield Road  
Southfield, Michigan 48075

Ronald G. Acho, Esq.  
Cummings, McClorey, Davis & Acho, P.C.  
33900 Schoolcraft  
Livonia, Michigan 48150

Re: Redford Township -and- Police Officers Association  
of Michigan/MERC Case No. D82 L-5043.

Gentlemen:

The purpose of this letter is to set forth the accomplishments, by way of stipulations or otherwise, and results of the pre-hearing conference held in the above-captioned matter on the premises of the Employment Relations Commission at Detroit on April 21, 1983.

By a copy of this letter designated for Mr. Shlomo Sperka, Acting Director, MERC, and a separate copy designated for Raymond J. Marcoux, Supervisor, Court Reporting System at MERC, they will be advised of the request for space and stenographic service on the dates set forth below, in accordance with the agreement of all parties.

All scheduled hearings will begin at 9:00 a.m. and will continue for the full day. The hearings will be conducted on May 4, 5, 6 and 19, June 27, 28, 29, 30, and July 11, 13, 14 and 15, 1983.

It is recognized that the schedule of hearings was not determined until much later in the agenda of the meeting. However, it is set forth at this point for the easy access of Mr. Sperka and Mr. Marcoux, and for early recognition by these gentlemen as to the purpose of designating a copy of the letter for them.

At the pre-hearing conference, the Petitioner was represented by Mr. William Birdseye as Business Agent of the

Police Officers Association of Michigan, and Ms. Ann Maurer,  
Labor Economist of the Police Officers Association of Michigan.

The employer was represented by Ronald Acho, Esq., and  
Ethan Vinson. The bargaining unit presented a statement  
listing nine numbered issues and two additional unnumbered  
issues. Number one, Duration, was resolved by stipulation. Both  
sides agree to enter into a three-year contract.

Issue number two, Retroactivity, was resolved by stipulation  
between the parties that generally all terms of the new contract  
will be retroactive to April 1, 1983. It is further understood  
that if individual issues have within them an individual element  
of retroactivity, i.e., the off-duty gun allowance, that matter  
will be determined at the time the last offers are made. The  
employer states it is not the intention to require any employee to  
give up any benefits accorded during the arbitration proceedings.

Issue number three, Wages, is not resolved by stipulation.

Issue number four, Vacations, is confined to the matter of  
the number of employees to be allowed off at any one time. Both  
sides agree to the limits of the issue. There is no stipulation  
as to its resolution.

Issue number five concerns changing the present provisions  
to allow for full retirement after full service of 25 years,  
regardless of age. There is no stipulation between the parties as  
to the resolution of the matter. Both sides advise that they  
clearly understand the extent of the issue.

Issue number six, Pensions, is limited to the manner in which  
the final average compensation is determined. The present formula  
provides for five out of the last ten years. The bargaining unit  
seeks a change to three out of the last ten years. There is no  
stipulation as to agreement, but the parties advise they understand  
the nature of the issue.

Issue number seven, Promotions, was not further defined, but  
both parties agreed that they understand the limits of the issue.

Issue number eight, Holidays, is restricted to the bargaining  
unit's issue requesting one more holiday, in addition to the  
present eleven holidays in the contract. While there is no  
stipulation as to an agreement, both parties are in agreement as  
to the limits of the issue.

Issue number nine, Permanent Shifts, is further defined and  
limited to the bargaining unit seeking the elimination of rotating

shifts in the Department, not further clearly defined, but possibly limited to patrol activities. This statement should not be interpreted as a restriction of the issue.

The first additional unnumbered issue is entitled, "All terms and conditions of employment to carry forward in full force and effect." There is not an agreement between the parties as to the meaning of this matter. Employer's representatives advise that the employer seeks no change whatsoever in health care benefits, but is contemplating a change of carrier.

The second unnumbered issue states, "All contract language from prior contract to continue in full force and effect." The parties are in agreement in this matter, with the exception of the above-identified matter of the carrier of the medical benefits for the bargaining unit.

This concludes the identification and status of issues presented by the Petitioner. The employer's list of seven issues was next discussed. The first issue, Three Year Wage Freeze, while identical to the bargaining unit's issue number three, is unresolved. There are no stipulations.

Issue number two, Eliminate Off Duty Gun Allowance, concerns the elimination of this benefit because the Township within its authority is changing its requirements of police officers and will no longer require the officers to be armed while off duty. There is no stipulation, but both parties advised they understand the limits of the issue.

Issue number three, Personal Leave Days limited to one, continues to be an issue without stipulation as to agreement. There are now four days provided. Employer seeks to reduce that allowance to one day.

Issue number four, Sick Leave--No accumulation--Four sick days per year, is reported to be fully understood by the parties. Employer seeks to freeze the accumulation and not to provide additional accumulation, but to continue the allowance of four sick days per year.

Issue number five, Township to be able to select insurance carrier, while not resolved by stipulation to date, is limited to the matter of the Township seeking to have the right to select the insurance carrier for health benefits for the Department.

Issue number six, Amend residency rules, continues to be an unresolved issue, limits of which are understood by the parties.

✓ Issue number seven, No restrictions on the use of reserves, continues to be an unresolved issue, but the parties advise that the limits of the issue are understood.

By joint and mutual stipulation, both parties agreed that the above list constitutes all issues remaining unresolved and all other elements of the contract will be incorporated in the new three-year term retroactive to April 1, 1983.

In the matter of delegates serving on the arbitration panel, Mr. Birdseye advises that he proposes to act as delegate and as advocate and will not be a witness and would not ask questions in the capacity as a delegate.

Mr. Acho was agreeable to this procedure on the condition suggested by the Chairman that any executive sessions to be held include both the delegate and advocate for both sides. Mr. Birdseye reserved the right to further consider the matter. Accordingly, the identity of the advocate for the Petitioner is unknown. The parties and the Chairman agree that the Chairman will draft an opinion incorporating awards and finding of fact and make it available for discussion only to the delegates on the occasion of the final executive session of the panel prior to the issuance of the final opinion, award and order. This presentation of the proposed writing will not constitute a dissemination to the parties.

The hearing will proceed with the Petitioner offering evidence, issue by issue, in accordance with his list. The representative for the employer will respond. It is hoped that all evidence regarding an individual issue can be presented at that time. There will be no restrictions imposed by the Chairman in allowing either side to revisit an issue.

In the matter of exhibits, the parties will agree between themselves to exchange proposed exhibits prior to the beginning of the hearing. The chairman will not be present. It is hoped by the Chairman that all exhibits will be stipulated for admission.

The parties stipulated and mutually agreed as to the timeliness and jurisdiction of the Chairman in the matter. An effort was made to determine the nature of each unresolved issue, i.e., economic or noneconomic. Bargaining unit issue three, Wages, is agreed between the parties to be economic. Issue number four, Vacations, is not yet identified by stipulation. Issues five and six by stipulation are economic. Issue number seven, Promotions, by stipulation is noneconomic. Issue number eight,



Holidays, by stipulation is economic. Issue number nine, Permanent Shifts, is not determined by stipulation.

Employer's issues one, two, three and four by stipulation are all economic. Issue number five is not yet stipulated as to identity. Issue number six, residency, by stipulation is noneconomic. Issue number seven concerning the use of reserves is not identified by stipulation.

No agreement was made as to a stipulated time for making last offers of settlement.

In the matter of briefs, by stipulation there will be no pre-hearing briefs. In the matter of post-hearing briefs, there is no stipulation. Employer's representative advises he intends to submit a post-hearing brief. Bargaining unit representative advises he will defer this matter until the end of hearing.

The matter of closing arguments was not resolved by stipulation.


In the matter of mediation and bargaining during the continuation of the hearings, the Chairman advised the parties that it is his goal to assist in the resolution of this matter and will not oppose mediation and bargaining between the parties. It is not the intention of the Chairman to initiate mediation efforts on his own.

The matter of the place of hearings and the beginning time and the dates of hearings were next discussed during the pre-hearing conference, but have been reported at the outset of this letter for reasons stated at that time.

The parties agreed between themselves to exchange exhibits on May 2, 1983.

The above recitation covers the accomplishments of the hearing. I appreciate the degree of courtesy and cooperation exhibited individually by all of the parties, resulting in the excellent progress made to date.

Very truly yours,

  
Richard H. Senter

RHS/af

cc: Mr. Shlomo Sperka  
Mr. Raymond J. Marcoux

APPENDIX B

<u>Number</u>	<u>Type</u>	<u>Item</u>
1	Joint	Agreement between Redford Township and Police Officers Association of Michigan - April 1, 1980 to March 31, 1983.
2	Union	Definition of comparable communities.
3	Union	Map of comparable communities.
4	Union	Proposal on wage and retroactivity.
5	Union	Graph comparison of Consumer Price Index and Redford Township Patrol Officer at top step.
6	Union	Police Officer at top of scale in comparables.
7	Union	Proposal re Pensions - 25 and Out.
8	Union	Proposal - Final Average Compensation.
9	Union	Comparison of Police Pension Plans - Normal Retirement of Union Comparables.
10	Employer	Joint Collective Bargaining Agreement between Employer and Employee - April 1, 1974 - March 31, 1977.
11	Joint	Joint Collective Bargaining Agreement between Employer and Employee - April 1, 1977 to March 31, 1980.
12	Joint	Redford Township Budget - 83/83 - approved March 7, 1983.
13	Employer	One page of Township Minutes of meeting of January 3, 1983.
14	Employer	List of Employer comparables.
15	Employer	Schedule of Compensation for Redford Township and other communities.

<u>Number</u>	<u>Type</u>	<u>Item</u>
16	Employer	Detailed breakdown of Senior Patrolmen salary and benefits.
17	Employer	One sheet depicting Township labor cost changes 1980/83.
18	Employer	Replacement of 15-E.
19	Employer	Photocopy of three pages from MCL 41.877.
20	Employer	Report and Recommendations of Citizens Advisory Committee on Finance and Operations.
21	Joint	Opinion and Award by Mr. Mario Chiesa.
22	Union	Union Proposal re Permanent Shifts.
23	Union	Report of Arbitration to Panel dated May 2, 1983, concerning Troy and its Police Officers.
24 (Not Admitted)	Union	Shift Procedures of Union Asserted Comparables - Not Received.
25	Employer	Cover letter of June 23, 1983 and report of Employer inquiries re shifts.
26	Union	Labor Contract between Warren and its Police Officers, 1980-1982.
27	Union	Labor Contract between City of Sterling Heights and its Police Officers - July 1, 1982 to June 30, 1985.
28	Union	Labor Contract between City of Livonia and its Police Officers - December 1, 1979 to November 30, 1982.

<u>Number</u>	<u>Type</u>	<u>Item</u>
29	Union	Labor Contract between City of Dearborn and its Police Officers - July 1, 1980 to June 30, 1982.
30	Union	Labor Contract between City of Westland and its Police Officers - July 1, 1979 to June 30, 1982.
31	Union	Labor Contract between the City of Taylor and its Police Officers - 1981/82.
32	Union	Labor Contract between the City of Pontiac and its Police Officers - July 1, 1982 to December 31, 1984.
33	Union	Labor Contract between City of St. Clair Shores and its Police Officers - 1980/82.
34	Union	Labor Contract between City of Southfield and its Police Officers - 7/1/82 - 6/30/84.
35	Union	Labor Contract between Clinton Township and its Police Officers - April 1, 1981 to March 31, 1982.
36	Union	Labor Contract between the City of Royal Oak and its Police Department - 1980/82.
37	Union	Labor Contract between the City of Dearborn Heights and its Police Officers - 1980/83.
38	Union	Labor Contract between Waterford Township and its Police Officers - January 1, 1979 - December 31, 1981.
39	Union	Labor Contract between Farmington Hills and its Police Officers - July 1, 1981 to June 30, 1984.

<u>Number</u>	<u>Type</u>	<u>Item</u>
40	Union	Labor Contract between City of Roseville and its Police Officers - July 1, 1981 to June 30, 1983.
41	Union	Union Proposal re Holidays.
42	Union	Number of holidays in Union asserted comparables.
43	Union	Labor Contract between City of Troy and its Police Officers, dated July 1, 1980 to June 30, 1982.
44	Union	Union Proposal re Promotions.
45	Employer	Single sheet re Research by Employer re Oral Exams for Promotions.
46	Employer	Single sheet re Monthly Medical Cost Changes experienced by Employer.
47	Employer	Single sheet re Blue Cross - Blue Shield expense - 1981/83.
48	Employer	Single sheet re Tabulation of Health Insurance Carriers of Employer asserted comparables.
49	Employer	Single sheet re Gun Allowance Provisions in Comparables.
50	Employer	Accumulation Sick Leave as of June 26, 1983.
51	Employer	1982 Annual Earnings of Departmental Members.
52	Employer	Single sheet re listing of full-time Township employees.
53	Employer	Township Health Insurance proposed possible package.
54	Employer	Employer Proposal on Off-Duty Gun Allowance, and other issues.

<u>Number</u>	<u>Type</u>	<u>Item</u>
55	Employer	Offered and withdrawn.
56	Union	Actuarial Report of Township Police and Firemen Retirement System, dated 3/31/83.
57	Union	Single sheet re Projection of Costs of Union Demands re Pension Improvements.
58	Employer	Financial Exhibits - Redford Township - July, 1983 from Plant and Moran.
59	Joint	Copy of Instructions to Absentee Voters of Election of May 20, 1980.
60	Union	General Order re Shift Assignments.

APPENDIX C

**POLICE OFFICERS ASSOCIATION OF MICHIGAN**



24133 Southfield Road • Southfield, Michigan 48075 • (313) 569-8075

President  
Gerald E. Keller  
St. Clair Shores POA

Vice President  
William Powell  
Roseville POA

Secretary  
Fred Timpner

Treasurer  
William Birdseye

Executive Director  
Carl Parsell

October 17, 1983

Richard H. Senter, Esq.  
543 N. Rosedale Court  
Grosse Pointe Woods, Michigan 48236

Re: Act 312 Arbitration  
MERC Case D82 L-5043  
Township of Redford  
- and -  
Police Officers Association of Michigan

Dear Mr. Senter:

In recent days, important events have transpired which directly impact upon the issues to be decided in the above captioned matter. Documents illuminating these events are enclosed and are submitted to you under the following authority:

Section 9(g) -  
Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.

The changes being those impacting upon Section 9(c) -  
The interests and welfare of the public and the financial ability of the unit of government to meet those costs.

Enclosed please find:

1. Letter of October 4, 1983 to Gerald Radovic, POAM from Clayton Bolduc, Account Executive, Blue Cross/Blue Shield.

In reference to the Employer's demand to change health insurance carriers as a cost-reduction effort, Blue Cross has announced a 15.49% reduction in rates to Redford Township with the net effect of \$206,036 savings beginning December 20, 1983.

Richard H. Senter, Esq.

October 17, 1983

Page Two

2. Minutes of the Redford Township Board,  
September 19, 1983.

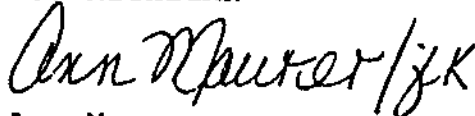
In reference to the Employer's allegation of inability to pay for reasonable salaries and benefits for police officers, the Township Board, in spite of statements by its counsel and its C.P.A. that additional revenue is needed, did willfully and deliberately reduce the millage rate from an estimated 10.91 mils as shown in Employer Exhibit 58C to 10.7363 on September 19, 1983 for the tax year 1983. This is a resulting loss of \$108,655.95 in revenue which would otherwise have been captured.

The Union believes that the Act specifically mandates the Panel to take these facts into consideration as they impact with great measure upon the evidence which has been presented to date.

Thank you.

Sincerely,

POLICE OFFICERS ASSOCIATION  
OF MICHIGAN



Ann Maurer  
Labor Economist

for William Birdseye  
Advocate

AM/WB/jlk  
Enclosures

cc: Donald Moore  
Gerald Radovic  
Carl Parsell  
Ronald Acho, Esq.  
Ethan Vinson, Esq.



Blue Cross  
Blue Shield  
of Michigan



600 Lafayette East  
Detroit, Michigan 48226

Please Reply To:  
WEST METRO DISTRICT OFFICE  
13530 MICHIGAN AVENUE  
DEARBORN, MICHIGAN 48128

October 4, 1983

Mr. Gerald R. Radovic  
Business Agent  
Police Officers Association of Michigan  
24133 Southfield Road  
Southfield, Michigan 48075

Dear Mr. Radovic:

Enclosed are the rate renewal exhibits for the Township of Redford that you requested.

Their normal rate renewal is December 20, 1983 and the rates are guaranteed for a twelve month period ending December 19, 1984.

Because of the favorable experience there will be a 15.49% reduction in rates. This means the new projected expense figure will be \$858,288 compared to the current figure of \$1,015,585.

Along with the rate reduction there is an underwriting gain of \$232,235 of which \$208,338 will be returned to the Township in the form of a credit.

Of the \$208,338 that is being refunded to the group \$110,860 will be used to offset prior underwriting losses leaving a positive balance of \$97,478 in the Rate Stabilization Reserve Account.

It is Blue Cross and Blue Shield's policy to wait for 120 days after the rate renewal to see if any unexpected large claims are filed. It is then BCBSM policy to refund 50% of the balance in the Stabilization Account which would be \$48,739 based on our present projected settlement. The following year 50% of the balance, if it remained positive, would be refunded to the group.

The net effect is a projected cost to the Township of \$809,549 for the new rating year beginning December 20, 1983.

If the Township of Redford decides to cancel Blue Cross and Blue Shield coverage prior to April 20, 1984, they would forfeit the balance in the Rate Stabilization Reserve Account.

I trust that this information meets with your needs. If you have any questions, do not hesitate to contact me and I will be glad to answer them for you.

Sincerely,

*Clayton Bolduc*  
Clayton Bolduc  
Account Executive

CB/lag

Enclosure

BLUE CROSS AND BLUE SHIELD OF MICHIGAN

12/83 - 11/84 RATE RENEWAL

GROUP 63739 - TOWNSHIP OF REDFORD

08/25/83

---

BLUE CROSS AND BLUE SHIELD OF MICHIGAN

RATE CHANGE DEVELOPMENT FOR THE PERIOD 12/83 - 11/84

GROUP 63739 - TOWNSHIP OF REDFORD

AVERAGE NUMBER OF CONTRACTS (EMPLOYEES) COVERED FOR YOUR GROUP IN THE EXPERIENCE PERIOD OF 06/82 - 05/83	293
BENEFITS PAID BY BCBSM FOR YOUR MEMBERS THROUGH 07/83 WITH DATES OF SERVICES IN THE PERIOD 06/82 - 05/83	\$652,743
PLUS: ESTIMATED UNREPORTED OR UNPAID BENEFITS AT 07/83	35,833
-----	-----
ESTIMATED FULLY INCURRED BENEFITS, 06/82 - 05/83	\$688,576
PROJECTED FULLY INCURRED BENEFITS, 12/83 - 11/84	\$828,317
LESS: HOSPITAL DIFFERENTIAL SAVINGS	68,106
-----	-----
ESTIMATED FULLY INCURRED BENEFIT COSTS, 12/83 - 11/84	\$760,211
PROJECTED RETENTION EXPENSES ( 9.89% OF PROJECTED PREMIUM)	\$84,893
CHARGE FOR STOP-LOSS POOLING PROTECTION	\$13,184
PROJECTED TOTAL EXPENSES FOR THE NEW RATING PERIOD	\$858,288
PROJECTED INCOME FOR THE NEW RATING PERIOD IF RATES WERE KEPT AT THEIR CURRENT LEVEL	\$1,015,585
THE CHANGE IN RATES FOR THE NEW RATING PERIOD EXPRESSED AS A PERCENTAGE CHANGE FROM YOUR CURRENT RATES	-15.49

08/25/83

BLUE CROSS AND BLUE SHIELD OF MICHIGAN

PROJECTED SETTLEMENT ACCOUNTING FOR 12/82 - 11/83

GROUP 63739 - TOWNSHIP OF REDFORD

PROJECTED INCOME AT CURRENT RATES, INCLUDING RATE CREDITS OR RECOUPMENTS	\$1,015,585
REFUND PAID AS RATE CREDIT	0
-----	-----
PROJECTED NET INCOME FOR THE PERIOD 12/82 - 11/83	\$1,015,585
BENEFITS PAID BY BCBSM FOR YOUR MEMBERS THROUGH 07/83 WITH DATES OF SERVICES IN THE PERIOD 06/82 - 05/83	\$652,743
PLUS: UNREPORTED OR UNPAID BENEFITS AT 07/83	35,833
-----	-----
FULLY INCURRED BENEFITS, 06/82 - 05/83	\$688,576
PROJECTED FULLY INCURRED BENEFITS, 12/82 - 11/83	\$729,611
LESS: HOSPITAL DIFFERENTIAL SAVINGS	55,143-
-----	-----
FULLY INCURRED BENEFIT COSTS, 12/82 - 11/83	\$674,468
RETENTION EXPENSES	\$95,093
CHARGE FOR STOP-LOSS POOLING PROTECTION	\$13,789
TOTAL EXPENSES	\$783,350
UNDERWRITING GAIN	\$232,225
CREDIBLE GAIN CARRIED TO YOUR RATE STABILIZATION ACCOUNT	\$208,338
-----	-----
RATE STABILIZATION RESERVE ACCOUNT:	
-----	-----
RATE STABILIZATION RESERVE AT 12/82	\$110,860-
PLUS: CREDIBLE GAIN	208,338
LESS: REFUND PAID	0
-----	-----
PROJECTED RATE STABILIZATION RESERVE AT 11/83	\$97,478

08/25/83

RECEIVED  
OCT 14 1983

P.O.A.M.

REGULAR MEETING

REDFORD TOWNSHIP BOARD

SEPTEMBER 19, 1983

A Regular Meeting of the Redford Township Board was held on September 19, 1983, in the Board Room of the Redford Township Hall, 15145 Beech Daly Road. This meeting was called to order by Supervisor James P. Kelly at 8:00 P. M.

PRESENT: JAMES P. KELLY  
RUTH SULLIVAN

DON CHRISTIE  
ROBERT BRANG  
ROGER HANDY  
MARILYN HELDENBRAND

ABSENT: EDWARD T. KENNEDY

Mrs. Sullivan gave the Invocation

83:211 BY HELDENBRAND, SUPPORTED BY BRANG

That we approve the minutes of the Regular Meeting held on August 15, 1983.

Motion carried unanimously.

83:212 BY HELDENBRAND, SUPPORTED BY HANDY

That we approve rezoning Map #1-83 to rezone the north 10 feet of Lot 5, all of Lots 6, 7, 8, 9, 10 and the south 27 feet of Lot 11 of Frischkorn's Glenview Subdivision, being part of the southwest 1/4 of Section 8, Town 1 South, Range 10 east, Redford Township, Wayne County, Michigan, as recorded in Liber 74, Page 40 from PS (Professional Service) to R-1 (One-Family Residential) zoning designation. Property is located on the east side of Beech Daly Road between Bennett and Santa Maria Avenues.

AYES: Kelly, Sullivan, Christie, Brang, Handy, Heldenbrand  
NAYS: None  
ABSENT: Kennedy

Motion carried: 6-0

83:213 BY HANDY, SUPPORTED BY HELDENBRAND

That we approve the second reading and adopt Ordinance #26, "An ordinance to regulate the use, design, and construction of sewers and to regulate the discharge of industrial or commercial waste into the waste water delivery and treatment system.

AYES: Kelly, Sullivan, Christie, Brang, Handy, Heldenbrand  
NAYS: None  
ABSENT: Kennedy

Motion carried: 6-0

83:214 BY BRANG, SUPPORTED BY CHRISTIE

That we approve the Traffic & Safety Recommendation from Township Attorney Owen Cummings to paint "No Parking" at the curb, three feet on both sides of the driveways at 9727 Lenore and 9734 Lenore.

Motion carried unanimously.

83:215 BY HANDY, SUPPORTED BY BRANG

That we approve Traffic & Safety Recommendation #15-83 to install a sign to read, "No Parking This Side of Sign" to be placed on Glendale on the east side of the Langlois Corporation property line. Also request the Traffic & Safety Commission to conduct a study for uniformity of parking on Glendale in this area.

Motion carried unanimously.

83:216 BY BRANG, SUPPORTED BY HELDENBRAND

That we approve the Drain Maintenance Agreement between Redford Township and the Lola Valley Masonic Temple Association regarding the construction of a 4" storm sewer connection within the right-of-way of Five Mile Road. This Agreement to be recorded with the Wayne County Register of Deeds. Also that we approve of a Drain Maintenance Agreement between Redford Township and the Board of Wayne County Road Commissioners requesting the Board of Wayne County Road Commissioners to permit the construction of this 4" storm sewer connection to service the Lola Valley Masonic Temple with Redford Township assuming the responsibility for the maintenance of said drain.

AYES: Kelly, Sullivan, Handy, Christie, Brang, Heldenbrand

NAYS: None

ABSENT: Kennedy

Motion carried: 6-0

83:217 BY HANDY, SUPPORTED BY BRANG

That we set a public hearing regarding the Downtown Development Authority Five Mile Corridor Project for 7:30 P. M. on October 17, 1983. (DESCRIPTION ATTACHED).

Motion carried unanimously.

83:218 BY SULLIVAN, SUPPORTED BY HELDENBRAND

That we table the request for a community nature preserve and refer the proposed agreement for this nature preserve to Township Attorney Owen Cummings for a recommendation. (DESCRIPTION ATTACHED).

Motion carried unanimously.

83:219 BY HELDENBRAND, SUPPORTED BY HANDY

That we approve the following prepared tax levy resolution: ---

RESOLVED, By the Township Board of the Township of Redford, that there be levied on the taxable property of said Township for the year 1983, for all purposes, a tax of 10.7363 mills on the State Equalized Value thereof, said value being \$625,538,000. and the tax amounting to \$6,715.964. pursuant to the Resolution of the Redford Township Board of March 7, 1983, wherein said millage was approved in the adoption of the 83-84 budget. (SEE ATTACHED).

AYES: Kelly, Sullivan, Handy, Christie, Brang, Heldenbrand

NAYS: None

ABSENT: Kennedy

Motion carried: 6-0

83:220 BY HANDY, SUPPORTED BY BRANG

That we table the health insurance proposal until a Study Session to be held on October 3, 1983, at 6:30 P. M.

Motion carried unanimously.

83:221 BY HELDENBRAND, SUPPORTED BY BRANG

That we approve the following warrant lists of bills:

Date: August 30, 1983-\$448,979.78 which includes the Detroit Water Bill of \$88,125.94 and the Wayne County D.P.W. Bill of \$150,199.77.

DATE: September 13, 1983-\$265,920.71.

AYES: Kelly, Sullivan, Handy, Christie, Brang, Heldenbrand

NAYS: None

ABSENT: Kennedy

Motion carried: 6-0

83:222 BY HELDENBRAND, SUPPORTED BY BRANG

That we approve the Girl Scout Calendar Sale on October 7-16, 1983, and Cookie Sale on January 20-29 and March 2-11, 1984.

Motion carried unanimously.

83:223 BY HELDENBRAND, SUPPORTED BY HANDY

That we appoint the following to the Traffic & Safety Commission for terms until August 31, 1986:

Walter Carrothers, 10040 Marion  
Robert Bannester, 9573 Fenton

Motion carried unanimously.


83:224 BY CHRISTIE, SUPPORTED BY HELDENBRAND

That we appoint the following to the Beautification Commission:

Betty, Shaw, 26129 Ross Drive; Sarah Enright Jesuale, 13522 Lenore;  
Franklin Wert, 20551 Glenmore; Betty Kastle, 18703 Lennane;  
Larry Chapman, 20477 Olympia; Daniel Minahan, 19956 Woodworth;  
Vicki Rodriquez, 11395 Virgil; Irene O'Neil, 25301 Five Mile;  
Dorislee Doyle, 17193 Kinloch; Douglas Burton, 13930 Royal Grand;  
Opal Dryden, 17690 Kinloch; and Lynda Kastle, 18703 Lennane.

Motion carried unanimously.

Motioned by Brang, supported by Heldenbrand, to adjourn this meeting.  
Motion carried. This meeting adjourned at 9:45 P. M.

  
RUTH SULLIVAN  
CLERK  
TOWNSHIP OF REDFORD



R E S O L U T I O N

RESOLVED, By the Township Board of the Township of Redford, that there be levied on the taxable property of said Township for the year 1983, for all purposes, a tax of 10.7363 mills on the State Equalized Value thereof, said value being \$625,538,000. and the tax amounting to \$6,715.964 pursuant to the Resolution of the Redford Township Board of March 7, 1983, wherein said millage was approved in the adoption of the 83-84 Budget.

APPROVED:

Certified a true copy:

\_\_\_\_\_  
RUTH SULLIVAN  
CLERK  
TOWNSHIP OF REDFORD

REDFORD TOWNSHIP

MILLAGE RATES

	<u>Maximum Allowable Millage Levy</u>	<u>Millage to be Levied</u>	<u>Amount of Tax</u>
Allocated	2.0000	1.8810	\$1,176,637
Voted Police & Fire Operation 11/65	1.5000	1.4109	882,572
8/73	2.0000	<u>1.8810</u>	<u>1,176,637</u>
		5.1729	\$3,235,846
Special Assessment Districts			
Police & Fire Pension		1.2233	765,221
Street Lighting		.8401	525,514
Police Operation		3.0000	1,876,614
Rubbish Collection & Disposal		<u>.5000</u>	<u>312,769</u>
TOTAL		10.7363	\$ 6,715,964