

STATE OF MICHIGAN
MICHIGAN EMPLOYMENT RELATIONS COMMISSION

BEFORE
A COMPULSORY ARBITRATION BOARD

THE CITY OF TROY,

Employer,

and

MERC CASE NO. D82 E 2652

TROY SERGEANTS AND LIEUTENANTS
ASSOCIATION,

Union.

DECISION AND AWARD

These proceedings were commenced pursuant to the provisions of the Act entitled "Compulsory Arbitration of Labor Disputes, Policemen and Firemen," being Act 312 of the Public Acts of 1969, as amended, of the State of Michigan. This decision and award are made and entered pursuant to the provisions of said Act 312, as amended.

This decision and award is adopted as the decision and award of the arbitration panel hearing this matter by those members who signed this decision and award.

PRELIMINARY STATEMENT

It appears from the record and the Petition for Arbitration filed by the Troy Police Sergeants and Lieutenants Association that the parties had been carrying on good faith bargaining and mediation relative to the issues before this Arbitration Panel, but with little success in the resolution of their dispute.

After various telephonic communications, it was agreed that a pre-arbitration meeting be held at the Detroit office of the Michigan Employment Relations Commission. This meeting was set for August 25, 1983, and the meeting was held and it had been hoped that more of the issues would be resolved at that time; there were many which were not and therefore, a formal arbitration proceeding was set to commence on October 18, 1983, at M.E.R.C. However, an issue arose as to whether or not the attorney for one of the parties could also act as a panel member and the Chairperson stated that his inquiries had indicated that there was no objection to this by M.E.R.C., but the parties continued in contrary positions on that issue, which, as the Chairperson understands it, was finally resolved and the attorney for the Union would also act as the panel member.

On October 18, 1983, the formal proceedings in this matter were commenced. At the initial hearing, John A. Lyons, Esq. represented the Union along with Mr. Whitefield, with Mr. Lyons acting as the Chief Counsel in this hearing, and Mr. Whitefield acting as the panel member. This representation continued through October 19, and thereafter, Mr. Whitefield assumed the duties of the attorney for the Union. On October 19, the proceedings were adjourned to recommence on October 26, 1983. On October 26, 1983, the hearing was reconvened and continued through October 27, 1983. An adjourned date for November 14, 1983, was agreed upon and on that date, the formal proceedings continued and as of the closing of the hearing that day, the City indicated that it may wish additional time for rebuttal. After further communication between the parties and the panel, the date of December 22, 1983, was set for the rebuttal testimony by the City and the closing of the record. However, the Chairperson kept the proceeding open and the parties again met at the City offices of the City of Troy on January 10, 1984, in

a further attempt to resolve the differences and this meeting concluded with the understanding that the parties would submit their Last Best Offers to the Panel and this would be followed by a meeting of the panel members for decision making purposes. The panel members did meet and the Chairperson was charged with the preparation of the decision of the Panel.

ISSUES

On the subject of Issues, the record will reflect that considerable testimony was presented by the parties relating to the following issues:

- 1) Wages
- 2) Pension Items
 - a) Annuity factor
 - b) Averaging factor on final average compensation
 - c) Medical and hospitalization insurance for retirees/spouses
 - d) Duty death benefit
 - e) Elimination of age 62 City pension reduction
- 3) Longevity
- 4) Promotions

The panel had identified the above issues re wages, pension items, and longevity as economic issues and the fourth issue, promotions, as non-economic.

While numerous other issues were set forth in the petition for arbitration and defined at the opening of proceedings, it is to the credit of the able counsel representing the parties, and the parties proper, that so many troublesome

differences were resolved amicably during the proceedings, and even prior to the opening of the formal hearing. The said counsel, Mark G. Whitefield for the Association, and Frederick M. Cross for the City, are to be highly commended for their professional presentations, courteous, but highly effective cross-examination and their zealous, effective advocacy and protection of their clients' positions and interests.

STATUTORY MANDATE

In accordance with the mandate of section eight of Act 312, Public Acts of 1969, as amended, the arbitration panel identifies the issues of Wages, Pension Items and Longevity as the economic issues in dispute, and the parties, during the proceedings, did each submit its Last Best Offer of Settlement on said economic issues.

The statute mandates that the arbitration panel shall adopt the Last Best Offer of Settlement re each issue which, in the opinion of the Panel, most closely complies with the applicable factors prescribed in Section Nine (the mandate is set forth below).

In accordance with this section, the Panel must adopt either the Last Best Offer of the Association, or the Last Best Offer of the City and is not permitted to engage in any further mediation or negotiations.

The mandate is contained in Michigan Statute Act 312, Public Acts of 1969 as amended, Paragraph 423.239, Section 9, and it was upon this mandate and following these directives, that the Arbitration Panel must make its findings, opinions and order. Those factors are the following:

- (a) The lawful authority of the employer.
- (b) Stipulation 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 proceedings with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally.
 - (1) 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 pension, 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.

We will now proceed to the issues and our decision.

PARTIES' LAST OFFER POSITIONS AND ARBITRATION

PANEL AWARD

The Panel will now present the positions of the parties and the Panel's Award on each issue respectively.

ISSUE # 1 - WAGES AND COLA

City's Last Best Offer:

Article 40 to be changed to read as follows:

A. For current officers (effective 7/1/82):

	<u>Beginning Step</u>	<u>Six Months</u>	<u>Salary</u>
Sergeant	\$29.197	\$31.197	\$31,197
Lieutenant			\$33,972

Effective 8/1/83:

	<u>Beginning Step</u>	<u>Six Months</u>	<u>Salary</u>
Sergeant	\$30.497	\$32,497	\$32,497
Lieutenant			\$35,272

B. The above salaries shall be paid retroactively to all officers on the payroll as of the date of this agreement.

Article 39 shall be changed to provide for new dates to continue the cost of living payments during the life of this contract.

Association's Last Best Offer:

a. Effective July 1, 1982 to June 30, 1983; fully retroactive with full COLA roll-in first; six (6%) percent increase for all classifications.

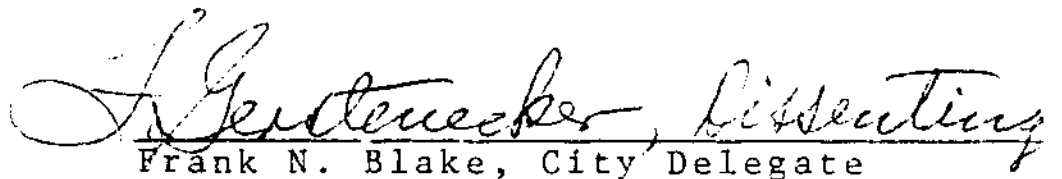
b. Effective July 1, 1983 to June 30, 1984; fully retroactive with full COLA roll-in first; two (2%) percent increase for all classifications.

THE PANEL'S AWARD:

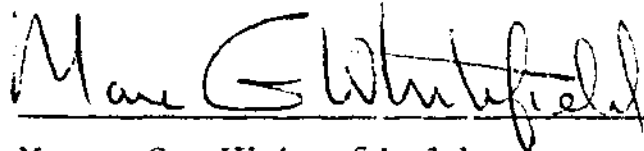
The Panel adopts the Association's position as its Award.



William H. Dance, Panel Chairperson



Frank N. Blake, City Delegate



Marc G. Whitefield,
Association Delegate

ISSUE # 2 - PENSION ITEMS

a) Annuity Factor

City's Last Best Offer:

Article 38 shall be changed to read:

A. All officers shall participate in the Retirement System Pension Program, as explained in Chapter 10 of the Troy City Code. The Straight Life Pension and the age and service requirement shall continue as provided in Sections 6.1(A) and 6.1(B) except that the benefit computation shall be 2.0% for life.

Association's Last Best Offer:

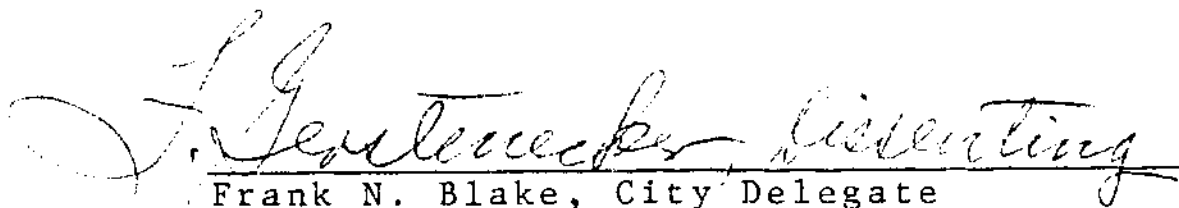
Effective for employees retiring after July 1, 1982, (first year); pension annuity factor increased from two (2%) percent per year to 2.25% per year. (Appropriate changes in Article 38 of the parties' Collective Bargaining Agreement and Retirement Ordinance where applicable.)

THE PANEL'S AWARD:

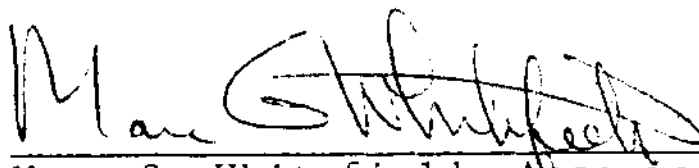
The Panel adopts the Association's position as its Award.



William H. Dance, Panel Chairperson



Frank N. Blake, City Delegate



Marc G. Whitefield, Association Delegate

ISSUE # 2 (continued)

b) Averaging factor on final average compensation

City's Last Best Offer:

Article 38 shall be changed to read:

The Retirement System Pension Program, as explained in Chapter 10 of the Troy City Code, shall be changed to provide the final average compensation being computed by using the best three (3) years out of the last ten (10) years of the employee's service.

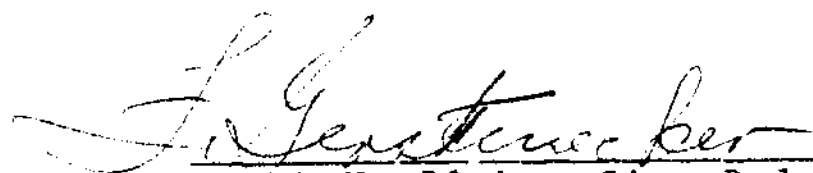
Association's Last Best Offer:


Effective for employees retiring after July 1, 1982 (first year) alter pension formula to provide for determining average final compensation by utlizing three (3) best years of service of the last ten (10) years of service.

THE PANEL'S AWARD:

The Panel adopts the Association's position as its Award.


William H. Dance, Panel Chairperson


Frank N. Blake, City Delegate


Marc G. Whitefield, Association Delegate

ISSUE # 2 (continued)

c) Medical and Hospitalization Insurance for Retirees/Spouses

City's Last Best Offer:

Article 32-C.) For those employees from the Troy Sergeants and Lieutenants Association, the insurance described in A.1 above (less optical) will be provided for retiree and spouse, provided also these retirees will apply for medicare or its equivalent when eligible and the City will then provide supplemental insurance benefits to equal the above level of insurance benefits. However, in any event, the total cost to the City for all of the above insurance for a retiree and spouse is not to exceed one hundred ten dollars (\$110.00) per month.

Association's Last Best Offer:

Effective for employees retiring after January 1, 1983 (second half of second year); retirees and spouses to receive same level of medical/hospitalization insurance (Blue Cross Blue Shield) as that provided to active employees at time of retirement. Except as provided herein premium costs to be paid by City; retiree shall contribute Ten (\$10.00) Dollars per month toward premium costs. Coverage shall continue for retiree's spouse if retiree is deceased provided it is the spouse at the time of retirement and said spouse does not remarry. Retiree's dependents shall receive same coverage under current medical/hospitalization plan. There shall be mandatory coordination with Medicare.

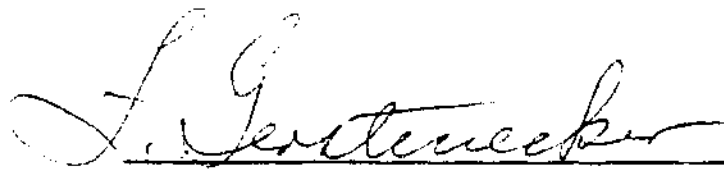
ISSUE # 2 (c) continued

THE PANEL'S AWARD:

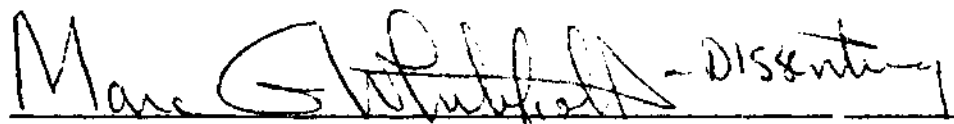
The Panel adopts the City's position as its Award.



William H. Dance, Panel Chairperson



Frank N. Blake, City Delegate



Marc G. Whitefield, Association Delegate

ISSUE # 2 (continued)

d) Duty Death Benefit

City's Last Best Offer:

Article 38 shall be changed to add the following:

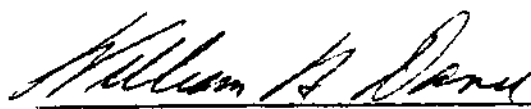
C. Paragraph 8 of Chapter 10, the Troy City Code, shall be changed to provide a minimum 50% duty death benefit to a surviving spouse, based upon a member's final average compensation.

Association's Last Best Offer:

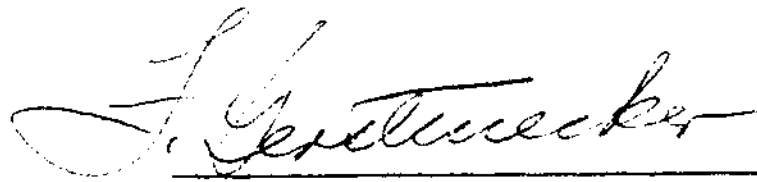
Minimum fifty (50%) percent duty death benefit to surviving spouse.

THE PANEL'S AWARD:

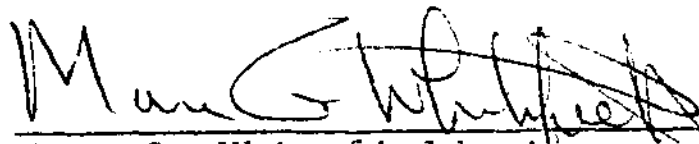
The Panel adopts the City's position as its Award.



William H. Dance, Panel Chairperson



Frank N. Blake, City Delegate



Marc G. Whitefield, Association Delegate

ISSUE # 2 (continued)

e) Elimination of Age 62 City Pension Reduction

City's Last Best Offer:

The City's position is reflected in Issue # 2 (a):
Article 38 shall be changed to read: A. All officers shall participate in the Retirement System Pension Program, as explained in Chapter 10 of the Troy City Code. The Straight Life Pension and the age and service requirement shall continue as provided in Sections 6.1(A) and 6.1(B) except that the benefit computation shall be 2.0% for life.


Association's Last Best Offer:

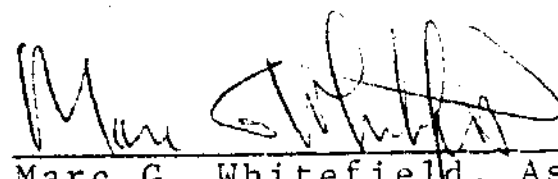
Effective for employees retiring after July 1, 1982 (first year) eliminate annuity factor rollback to 1.7% at age 62 and maintain a minimum pension of 2% for life. (Make appropriate changes in Article 38 and Retirement Ordinance where applicable).

THE PANEL'S AWARD:

The Panel adopts the Association's position as its Award.


William H. Dance, Panel Chairperson

 *Dissenting*
Frank N. Blake, City Delegate


Marc G. Whitefield, Association Delegate

ISSUE # 3 - LONGEVITY

City's Last Best Offer:

Article 37 shall be changed as follows:

<u>7/83</u>		<u>S/1</u>	<u>S/2</u>	<u>Lt.</u>
4-8 years	2%, but not more than	\$ 613	\$ 656	\$ 716
9-13 years	4%, but not more than	1225	1312	1432
14-18 yrs.	6%, but not more than	1838	1968	2148
19 or over	8%, but not more than	2451	2624	2864

Association's Last Best Offer:

Effective July 1, 1982 (first year) provide for ten (10%) percent payment of base pay after twenty-five (25) years of service. No freezing of base upon which longevity would be paid.

THE PANEL'S AWARD:

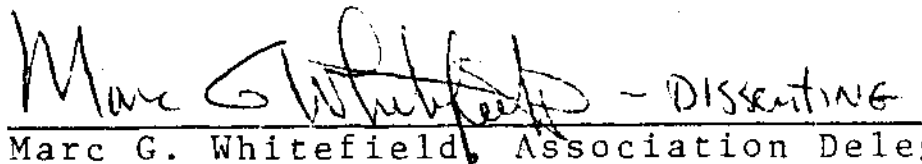
The Panel adopts the City's position as its Award.



William H. Dance, Panel Chairperson



Frank N. Blake, City Delegate

 - Dissenting

Marc G. Whitefield, Association Delegate

ISSUE # 4 - PROMOTIONS

City's Last Best Offer:

Add the following language to the contract:

Promotions to Lieutenant and Captains.

Promotional eligibility lists shall be created in accordance with Public Act 78 and said commission's rules and regulations; but with the following exceptions:

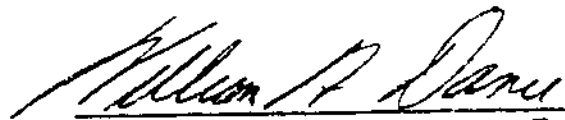
- A. The appointing authority, the City Manager may appoint any one of the top three (3) eligibles for each vacancy, after reviewing recommendations of the Chief of Police and Unit Commanders Superior to the position vacancy which is being filled.

Association's Last Best Offer:

No changes in the State statute, Act 78 of the Public Acts of 1935, that governs promotions in the Troy Police Department. The Department shall continue to abide by the law.

THE PANEL'S AWARD:

The Panel adopts the City's position as its Award.



William H. Dance, Panel Chairperson



Frank N. Blake, City Delegate



Marc G. Whitefield, Association Delegate

-DISSENTING

RESOLVED ISSUE RE TUITION BENEFITS

The parties have stated as follows in their Last Best Offers:

City's Last Best Offer:

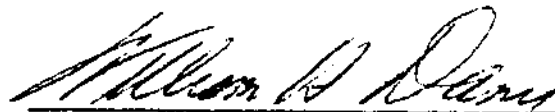
Article 35 shall be dropped from the contract but a letter of understanding shall be signed by the parties, grandfathering present employees with a cap of \$500.00 per year. See the attached proposed letter of understanding.

Association's Last Best Offer:

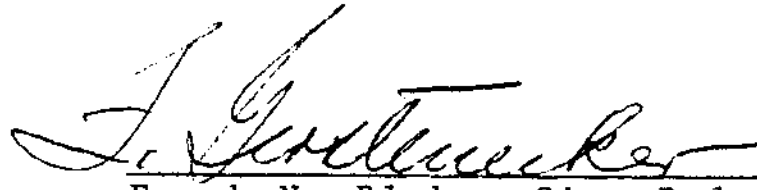
The Association has agreed to resolve this issue by entering into a Letter of Understanding similar to that reached between the City and the Troy Police Officers Association on May 5, 1983.

THE PANEL'S AWARD:

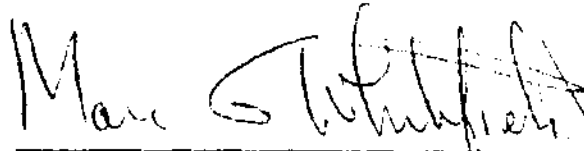
The resolution of this issue, by the parties, is set forth in the Letter of Understanding between the parties, which is reproduced on the following page.



William H. Dance, Panel Chairperson



Frank N. Blake, City Delegate



Marc G. Whitefield, Association Delegate

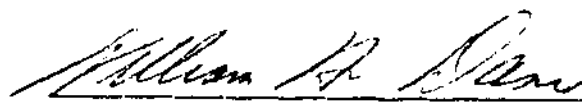
LETTER OF UNDERSTANDING

A. An officer on the payroll July 1, 1982 may be eligible for tuition reimbursement under the following conditions:

1. Reimbursement shall be for one half of the officer's actual tuition cost and shall not duplicate any financial aid such as scholarships, grants and aids, GI Bill, etc.
2. Reimbursement shall be tuition costs only and shall not include other fees or expenses.
3. Courses included in this program must be either (a) Law enforcement in nature, or (b) a required course in a college degree program which is law enforcement in nature.
4. The course must be taken at an accredited school or university, but does not have to be a credit course.
5. A final grade of "C" or better must be achieved.
6. No officer shall receive more than \$500.00 under this program in any fiscal year.

FOR THE TROY SERGEANTS AND LIEUTENANT'S
ASSOCIATION

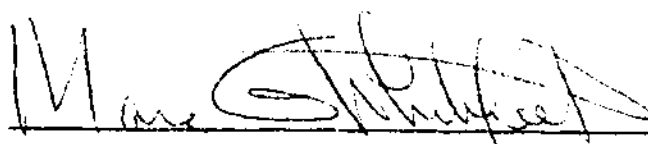
FOR THE CITY OF TROY



WILLIAM H. DANCE, Panel Chairperson



FRANK N. BLAKE, City Delegate



MARC G. WHITEFIELD, Association Delegate

RESOLVED ISSUE RE HEALTH INSURANCE

The Last Best Offers of the parties with respect to this issue are as follows:

City's Last Best Offer:

Article 32B shall be changed, effective July 1, 1983, to read:

An employee who elects to be covered for this insurance shall contribute not more than \$10.00 per month.

Association's Last Best Offer:

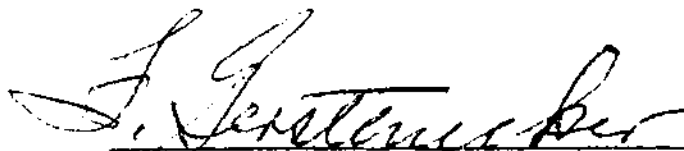
The Association has agreed to have its members pay Ten (\$10.00) Dollars per month, effective July 1, 1983, toward paying the medical hospitalization premium. The City shall pay any increases.

THE PANEL'S AWARD:

The Panel being informed by the parties that each considers this issue satisfactorily resolved, no award is made.



William H. Dance, Panel Chairperson



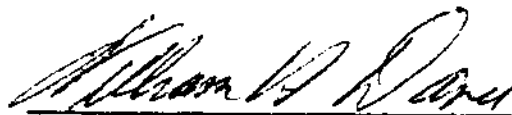
Frank N. Blake, City Delegate



Marc G. Whitefield, Association Delegate

RESOLVED ISSUES RE DISABILITY CHECKS AND GRIEVANCE PROCEDURES

The Panel being informed that the parties have resolved these issues, there is no Award made on either issue.



William H. Dance, Panel Chairperson



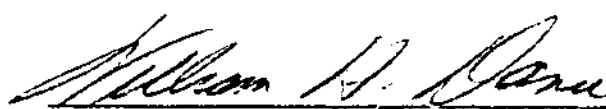
Frank N. Blake, City Delegate



Marc G. Whitefield, Association Delegate

The remaining parts of the contract between the parties, which were not part of the negotiations, or, which, after being proposed for change, were withdrawn, and any other temporary agreement and/or other understandings effected between the parties prior to the official effort and involvement of the Arbitration Panel, shall be incorporated in and considered part of this Award.

Respectfully submitted,



William H. Dance, Panel Chairperson



Frank N. Blake, City Delegate



Mark G. Whitefield, Association Delegate

Dated: March 20 , 1984.