

STATE OF MICHIGAN  
DEPARTMENT OF LABOR

MICHIGAN EMPLOYMENT RELATIONS COMMISSION  
BUREAU OF EMPLOYMENT RELATIONS

In the Matter of the Arbitration  
between:

CITY OF WARREN

Case No. D82 C1584

and

WARREN POLICE OFFICERS  
ASSOCIATION

OPINION AND AWARD OF  
ARBITRATION PANEL

A p p e a r a n c e s:

For the City:

For the Association:

Earl R. Boonstra,  
Attorney

Marc G. Whitefield,  
Attorney

Panel Members:

Robert G. Howlett, Chairman  
Earl R. Boonstra, For the City  
Marc G. Whitefield, For the Association

\* \* \* \* \*

The WARREN POLICE OFFICERS ASSOCIATION (Association) represents cadets, police officers, and corporals in the Police Department of the CITY OF WARREN (City).

The City and the Association have engaged in collective bargaining to replace the contract between the parties which covered the period from July 1, 1980, through June 30, 1982. The City and the Association reached impasse on several subjects of the bargaining.

Thereupon, application was filed under the statute for Arbitration of Labor Disputes in Municipal Police and Fire Depart-

ments (MCLA 423.201 et seq.; MSA 17.455[31] et seq.) (commonly known as Act 312).

Earl R. Boonstra, who served as counsel for the City, was designated by the City as member of the statutory panel. Marc G. Whitefield, who served as counsel for the Association, was designated by the Association as member of the statutory panel.

A prehearing conference was held on May 6, 1983, at the Warren City Hall, Warren, Michigan, at which there was discussion of the several issues on which there had not been agreement. The panel chairman requested the parties to return to the bargaining table in an effort to resolve all or some of the issues at apparent impasse.

Many of these issues were subsequently resolved and presented to the Panel in Joint Exhibit 2, which the Panel has adopted as part of this award. Joint Exhibit 2 is attached hereto and incorporated herein.

The Association and the City were not, however, able to resolve three issues: Wages for the period from July 1, 1982, to June 30, 1984; Shift Premium; and Residency.

Hearings were held at the offices of the Michigan Employment Relations Commission, 1200 Sixth Avenue, Detroit, Michigan, on June 16, July 1, August 4, and August 5, 1983. A court reporter was present at each of the hearings to prepare a record thereof.

Section 9 of Act 312 requires the panel to "base its findings, opinions and order upon the following factors, as applicable:"

(a) The lawful authority of the employer.

(b) Stipulations of the parties.

(c) The interests and welfare of the public and the financial ability of the unit of government to meet those costs.

(d) Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally:

(i) In public employment in comparable communities.

(ii) In private employment in comparable communities.

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

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

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

(h) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

The panel has considered the applicable factors required by Section 9 as hereinafter discussed. The opinion is written by the chairman.

At the prehearing conference, the parties agreed on the following cities to be used for comparison purposes under factor

(d) of the standards established by Section 9 of Act 312: Dearborn, Dearborn Heights, East Detroit, Farmington Hills, Hazel Park, Lincoln Park, Livonia, Pontiac, Roseville, Royal Oak, Southfield, St. Clair Shores, Sterling Heights, Taylor, Troy, and Westland.

The members of the panel met at the request of the panel chairman on November 2, 1983. The undersigned chairman hoped it might be possible to resolve the three remaining issues without the necessity of an opinion and award.

Although the parties were not able to resolve the three issues, the Panel members appointed by the parties did agree, after consultation with their principals, to waive the last offer of settlement requirement of Section 8 of Act 312 as applicable to the issues of Wages and Shift Premium, both of which the Panel determined to be economic. The Panel has, therefore, approved this opinion and the award of Wages without adopting either the City or Union last offer. In the case of Shift Premium, the Panel, with one dissent, decided to adopt the last offer of the Union.

The City, with an area of 34.5 square miles, had a 1970 population of 179,280 and a 1980 population of 161,134. It is the largest of the comparison cities. Its 1982 labor force (based on Michigan Employment Security Commission estimates) was 91,500 of which 77,175 were employed. This left 14,325 individuals unemployed, for a rate of 15.7 percent of the work force, about midway between the highest unemployment rate (Pontiac: 29.6 percent) and the lowest unemployment rate (Livonia: 8.6

percent). The City's tax base, in excess of \$2 billion, results in the sixth highest ratio tax base per resident among the 17 comparison cities.

There are 190 police officers (corporals and patrolmen) in the bargaining unit represented by the Association.

The Police Department command officers are represented by the Fraternal Order of Police, the employees of the Department of Public Works (476 employees) are represented by Local 1250 of the American Federation of State, County and Municipal Employees, and the City's supervisory staff (45 employees) is represented by Local 1917 of the American Federation of State, County and Municipal Employees. The 184 fire fighters are represented by the International Association of Fire Fighters. Approximately 50 City employees (managerial and confidential) are not in any bargaining unit.

WAGES FOR JULY 1, 1982, to JUNE 30, 1984

The Association's last offer is as follows:

ISSUE 1 - WAGES:

(1st Year) July 1, 1982 - June 30, 1983 (fully retroactive)

Effective July 1, 1982 - 6.5% across the board increase for police officer classification at all steps - 10% differential between Police Officer and Corporal maintained.

In applying the 6.5% across the board increase as stated above the rates effective July 1, 1982 would be as follows:

Induction	21,726.00
1 year of service	22,617.40
2 years of service	23,506.68

3 years of service	24,395.95
4 years of service	25,285.23
Corporal	27,813.75

...

(2nd year) July 1, 1983 - June 30, 1984 (fully retroactive)

Effective July 1, 1983 - 4%; and effective January 1, 1984 - 4%, across the board increase for police officer classification at all steps - 10% differential between Police Officer and Corporal maintained.

In applying the 4% effective July 1, 1983 and 4% effective January 1, 1984 across the board increase as stated above the rates effective July 1, 1983 would be as follows:

Induction	22,811.36
1 year of service	23,738.42
2 years of service	24,663.27
3 years of service	25,588.11
4 years of service	26,512.96
Corporal	29,164.25

4% applied January 1, 1984 would be as follows:

Induction	23,723.81
1 year of service	24,687.96
2 years of service	25,649.80
3 years of service	26,611.63
4 years of service	27,573.48
Corporal	30,330.82

The City's last offer is as follows:

The City of Warren offers three general across-the-board wage increases during the term of the contract as its last offer of settlement on economic issues number one. The increases and effective dates are as follows:

Three (3%) percent payable retroactive to January 1, 1983.

Six (6%) percent payable retroactive to July 1, 1983.

Three (3%) percent effective January 1, 1984.

The compensation received by members of the bargaining unit during 1980-82 was established by Article 10 of the collective bargaining contract dated April 8, 1981, and effective for the period from July 1, 1980, to June 30, 1982. The article reads:

ARTICLE 10

WAGES AND COST OF LIVING ALLOWANCE

A. Wages:

1. Police Officer and Corporal - Effective retroactive to July, 1980, a seven and one-half percent (7.5%) raise shall be applied to the ranks of Police Officers and Corporal. There shall be no pay raise in the second year of this agreement other than that produced by Section B of this article. The wages of these ranks shall then be as follows (7-1-81 projected rates assume maximum cost of living "fold in" as provided for in Section B.3):

<u>Police Officer</u>	<u>Eff. 7-1-80</u>	<u>Eff. 7-1-81</u>
Induction	19,900	20,150
1 year of service	20,737	20,987
2 years of service	21,572	21,822
3 years of service	22,407	22,657
4 years of service	23,242	23,492
<u>Corporal</u>	25,566	25,816

The Association stresses factor (d) of Section 9 of Act 312, i.e., a comparison of the wages and other conditions of employment of the police officers vis-a-vis the wages and other working conditions of police officers in the comparison cities.

The City stresses factor (c), i.e., the interest and welfare of the public and the financial ability of the City to meet the cost. In addition, the City argues that when fringe benefits are considered, the City police officers are substantially higher among the police officers of the comparison cities than the Association brief and evidence asserts.

Unfortunately, there is no viable evidence with respect to other City employees. Indeed, the award in this case will undoubtedly have an impact with respect to the wages of the other groups of employees.

The fire fighters are currently in arbitration under Act 312. It appears from the evidence that at one time, there may have been a tentative agreement between representatives of the City and the International Association of Fire Fighters; but for reasons which were not explained in the testimony, the tentative agreement, if there was one, was never implemented.

AFSCME Local 1250 and the City are in negotiations. It appears from the evidence that AFSCME Local 1917 has agreed to accept whatever wage increase is negotiated by the City and AFSCME Local 1250.

The City and the Fraternal Order of Police are currently in negotiations for a new contract, but the Chairman is advised that the representatives are not currently meeting, pending decision in this case. No wage increase was granted to the nonbargaining unit employees for July 1, 1982, to June 30, 1983.

During 1980, the pay increases for each of the units of employees were as follows: fire fighters, 7.5 percent; police



supervisors, 7.5 percent; police officers, 7.5 percent; AFSCME Local 1250, 2 percent plus the City will pay 5 percent of salary for pensions; AFSCME Local 1917, 4.5 percent; nonbargaining unit employees, 4.5 percent.

The results of negotiations in 1981 were as follows: fire fighters, no wage increase but a 12.5 percent increase in pensions; supervisory police officers, no wage increase but a 12.5 percent increase in pensions; police officers, no wage increase but a 12.5 percent increase in pensions; AFSCME Local 1250, 6 percent; AFSCME Local 1917, 3 percent; nonbargaining unit employees, 3 percent.

The Association states correctly in its brief, "the most important issue in the entire arbitration proceeding is the 1ST YEAR WAGE OFFER OF EACH PARTY." (emphasis in text) The City's offer of 6 percent and 3 percent for the second year produces slightly more for that year than the Association's last offer of 4 percent and 4 percent. However, in view of the waiver of the last offer requirement, it is unnecessary to address this issue.

THE EVIDENCE PRESENTED WHICH THE ASSOCIATION AVERS SUPPORTS ITS POSITION WILL BE SUMMARIZED.

Wage comparisons made by the parties are for the top patrolman wage, which, in the City, a patrolman reaches after four years of service.

Among 1982-83 comparison cities, the City base wage for police officers is 9 percent below average.

The 1982-83 contract year current City police officer base wage, including COLA and/or bonus payments, of \$23,742.00 is "one

spot from the bottom of the 17 cities." According to the evidence, the "current base" of the city of Troy is \$27,731.00, and the "current base" for Lincoln Park is \$23,637.00. Five cities (St. Clair Shores, Westland, Dearborn, Livonia, and Lincoln Park) were either in negotiations or in Act 312 proceedings. The Association notes that the City is 5.1 percent below average and 5.4 percent below median among the six cities which are still operating under the 1981-82 contracts.

When comparison is made between the cities which have 1982-83 contracts, the City, with its base wage of \$23,742.00 is \$2,332.00--almost 10 percent-- below the \$26,074.00 average. The base pay of \$23,742.00 is \$2,316.00--also almost 10 percent--below the median. The "record is barren of any evidence" to warrant the gross disparity of almost \$4,000.00 between the City base rate and the Troy base rate of \$27,731.00.<sup>1</sup>

The City offer of 3 percent starting January 1, 1983--which is 1.5 percent for the entire year--will continue to place the City 8.2 percent below the average base of the cities which have 1982-83 contracts.

The City wage rate would be \$24,098.00 (spreading the 1.5 percent over the entire year), as compared with Troy's \$27,731.00. Only East Detroit with \$23,996.00 is lower. The City offer also continues the City as next to last among the cities which are still operating under a 1981-82 contract, cities which

---

<sup>1</sup> Troy is one of the cities which has a 1982-83 contract. The \$27,731.00 figure is the contract rate for 1982-83.

will "presumably receive some type of increase for 82-83 and would cause Warren to fall even further behind."

The Association's 1982-83 offer of 6.5 percent still leaves the City police officers 3.1 percent behind the average base of comparison cities.

Under the Association's first-year proposal, the City police officers would receive a base rate, including COLA, of \$25,285.00 for 1982-83. The City would move up one among the comparison cities which have 1982-83 contracts, with a base rate of \$25,285.00 (as compared with the City offer base rate of \$24,098.00). Only Pontiac and East Detroit would be below the City. Nine cities which have 1982-83 contracts would be above, with Troy topping the list at \$27,731.00. The City police officers would remain \$789.00 below the 1982-83 comparison cities' average and \$771.00 below the median of the comparison cities.

Among 1982-83 comparison cities, the City "overall compensation" is 10.2 percent below average.

Overall compensation includes wages, COLA, bonus payments, pay for holidays, longevity pay, shift differential, gun allowance, and employee pension contributions.

Association Exhibits 10 through 26 analyze the "Overall Compensation" of the comparison cities. Dollar values are assigned to each of the following:

- Wages - COLA/bonus
- Holidays
- Longevity Payments (10 years)
- Shift Differential
- Gun Allowance

Vacations are listed in the number of days for 10-year service employees. The percentages of employer and employee contributions for pension plans are listed. Each of the exhibits discloses a total for the items listed in dollars with a deduction for the employee pension contribution.

The results follow: Dearborn, \$26,464.11; Dearborn Heights, \$27,995.67; East Detroit, \$26,407.96; Farmington Hills, \$27,688.17; Hazel Park, \$26,028.58; Lincoln Park, \$26,457.12; Livonia, \$26,333.46; Pontiac, \$28,135.97; Roseville, \$28,205.34; Royal Oak, \$26,614.21; St. Clair Shores, \$28,218.16; Southfield, \$28,311.52; Sterling Heights, \$27,764.08; Taylor, \$28,657.09; Troy, \$31,851.59; <sup>2</sup> Westland, \$26,723.06; Warren, \$25,355.88.

The average among the cities is \$27,941.00; the median is \$27,996.00.

The City's 1982-83 offer of 1.5 percent places the City police officers 8.6 percent below "overall compensation."

Taking into consideration base pay, COLA, bonus pay, holiday pay, longevity pay, shift premium, gun allowance, and employee pension cost, the City 1982-83 offer gives City police officers an increase of \$368.00 in overall compensation. Thus, the City with \$25,742.00 (Overall Compensation) is in last place among the 12 comparison cities (including the City) which have settled for

---

<sup>2</sup> Pontiac and Troy are the only two cities among the comparison cities where employees do not contribute to the pension plan. This is one of the reasons that the gross figure for Troy is high.

1982-83. This is in excess of 9 percent below average and 8.9 percent below the median of the 1982-83 comparison cities.

The Association proposal would result in an increase of overall compensation of \$1,572.00 for a total of \$26,928.00. Under the Association's proposal, the City would rank ninth, with East Detroit, Royal Oak, and Hazel Park behind the City. Thus, even under the Association last offer, a significant disparity for City police officers remains for 1982-83.

The second year (1983-84) wage offers are substantially similar. However, the Association's two-year offer is more equitable in the first year and leaves the City in line with the 1983-84 comparison cities.

The City's 1983-84 offer of 6 percent and 3 percent produces an increase of \$2,471.00, including COLA; the Association's offer of 4 percent and 4 percent produces an increase of \$2,288.00. Thus, there is a \$190.00 difference.

The City's two-year package will leave City police officers with a base salary, including COLA, as of June 30, 1984, of \$26,926.00; whereas, the Association's two-year offer will leave City police officers with a base salary, including COLA, of \$27,573.00.

Four cities have settled for 1983-84 as follows: Southfield, \$29,030.00; Sterling Heights, \$28,684.00; Pontiac, \$27,193.00; and Hazel Park, \$26,384.00, for an average of \$27,822.00.

The Association's offer will result in the City police officers receiving \$27,573.00 for 1983-84; whereas, the City's offer results in \$26,926.00. The Association's two-year offer places

the City "right in the middle" of the four cities that have settled.

The Association brief notes that several of the cities which have not settled wages for 1992-83 "stand a reasonable chance, with a maximum of about 5% needed, to surpass Warren again in 83-84."

The brief argues that there should be no "prejudice for passage of time," i.e., the fact that negotiations and the Act 312 proceedings have required substantial time should not be a basis for rejecting the Association's last offer.

Since the last arbitration in 1976, City police officers have lost \$4,406.00 in purchasing power on their base rate.

Measured by the Consumers Price Index, the City base rate has suffered a \$4,406.00 loss in purchasing power from July, 1976, to July, 1982. The biggest loss came in 1981, when the City police officers agreed to a wage freeze while the cost of living advanced 10.7 percent. The cost of living has continued to rise since that time. Under the Association's offer, there would still be a loss, but less of a loss than under the City's proposal.

The City is not unable to pay; it has the money.

The City tax base, in excess of \$2 billion, reflects a healthy mixture of commercial (14 percent), residential (54 percent), and industrial (32 percent) property.<sup>3</sup>

<sup>3</sup>  
The Association offered in evidence a document prepared by the City which included the following: "[T]he industrial and commercial tax base of Warren is the envy of every suburban community in southeastern Michigan. There is in excess of 4,000 diversified industrial and commercial organizations located in

City residents enjoy a median income of \$23,855.00, the eighth highest among the 17 comparison cities.

The 1982 City millage rate of 12.25 mills was the fifth lowest among the 17 comparison cities.

A City homeowner pays an average tax for City services of \$289.17, 16th lowest of the 17 comparison cities.

The City, in its presentation, offers evidence on "general economic pressures effecting [sic] every community across the state," to-wit an employment population dip, business closings, and reduced current revenues from state and federal governments. There is no evidence that the City's problems in these areas are unique. The evidence discloses that the City experienced average population change,<sup>4</sup> and tax-base growth.<sup>5</sup>

In common with other cities, the City has had a decrease in state and federal shared revenues, lower interest rates, and leveling off of property taxes.

In 1982-83, actual expenditures fell \$2 million short of the amount actually budgeted. This amount went into next year's carryover.

the city." (emphasis by Association) The document is undated. It is apparent from statistical data in the document that it was prepared some time after 1981.

4

The evidence consisted of City exhibits Nos. 31 and 32, disclosing the City has a projected loss of population between 1980 and 1990 of 8.66 percent, placing it seventh among the comparison cities which range from -12.52 percent in St. Clair Shores to +22 percent in Southfield.

5

Association exhibit 65.

As of July 1, 1983, the City showed over \$5 million in general fund surplus, money which could be used to pay police officers' wages. As of May, 1983, the date of the City's last financial statement, the cash balance was over \$10 million.

The City shows declining general fund balances "without occurrence of any employee wage increase." The Association reasons that the "declining balance is attributable to sources other than increased police wage costs."

The brief then goes on to note that the cause of the declining surplus is "abundantly clear." Association Exhibit 68 discloses the tax rates from 1972, when the rate was between 13.3 and 13.4 mills, and 1982, when the rate was 12.25 mills, the lowest in 10 years. "It should come as no surprise," states the brief, "that where the largest component of revenue production is reduced, overall revenues will also decline ...."

After the police officers' (and other employees) agreed to freeze wages in 1981-82, the City responded by permitting the tax rates to roll back. The City is the 15th lowest in tax rates among the 17 comparison cities. The problem of reduced general fund balance is a result of lower tax rates, "not the Association's wage demand."

The brief notes that there have been no City layoffs and that City services have not been reduced. Further, the City is not taxing at its maximum 9-mill operating rate, but 7.9 mills for 1983.



Terms and conditions of employment previously negotiated between the parties as part of the 1982-84 contract represent concessions and benefits to both parties and should not be given great weight in rendering the award.

This portion of the Association's brief will be discussed under the section devoted to the City's evidence.

Increased costs inherent in maintaining status quo benefits for items such as hospitalization/medical insurance are incurred by all comparison cities, are not unique to the City, and as such should be given no weight.

The brief notes that the foregoing items are applicable to all cities, hence should not be a factor in determining the wage rates for City police officers.

THE EVIDENCE PRESENTED WHICH THE CITY AVERS SUPPORTS ITS POSITION WILL BE SUMMARIZED.

Demographics.

The City's population has dropped steadily since 1970, and there is a projected decrease for the decade of the 1980's. The City offered the following:

1970: 179,260  
1980: 161,134  
1990: 148,288 (estimate)

This decline of 17.3 percent over 20 years will result in a reduction in revenue sharing. The City had a greater decline in population during 1970 and 1980 than any of the comparison cities, and no comparison city is expected to lose a greater number of residents between 1990 and 1990.

The population of the City is aging faster than all comparable cities, except Livonia. Thus, an ever increasing percentage of the City's population lives on fixed incomes.

The City is a blue-collar, middle-income city with a per capita income of \$8,690 per year, which is below the average income of the residents in the comparison cities. The median value of City homes is \$47,300, which is below the average home value in the comparison cities.

Although the City ranks sixth among the comparison cities in state equalized value per capita, the industrialized characteristics of the City have imposed a burden on the City in two significant ways: (1) due to the economic downturn of the late 1970's and early 1980's, the City has experienced a significant and lingering unemployment; and (2) because the industrial base of the City is "wedded" to the automotive industry, there has been a net decline in the City business sector, i.e., more businesses have left the City than have moved in.

To reverse the downtrend, the City has been required to grant tax concessions to new businesses; hence, for a period of approximately 10 years, the new businesses will not be assessed a tax predicated upon the full state equalized value.

The City, a fully-developed city, has no agrarian property remaining capable of being rezoned for industrial use.

The City's ability to pay.

The evidence establishes that the City spent \$2 million less in fiscal 1982-83 than initially budgeted. The City established through the testimony of Marc Shmielewski, a certified public

accountant who conducted an independent evaluation of the City's financial records for fiscal year 1982-83, that such a saving will not be present in 1983-84.

The fortuitous conditions which occurred during 1982-83, resulting in a \$2 million reduction in the deficit originally predicted, will not be repeated in 1983-84. The City brief noted that a \$1 million litigation contingency fund is not present in the 1983-84 budget, 20 positions allocated (but not filled) in the 1982-83 budget were not budgeted for 1983-84, and the 1983-84 budget does not contain any provisions for subsequently granted pay increases.<sup>6</sup> The four percent increase negotiated with the nonbargaining unit employees and AFSCME Local 1917 in August, 1983, (retroactive to July 1, 1983) will increase the expected 1983-84 fiscal year deficit.<sup>7</sup>

#### Property tax revenues.

Property tax revenues are not keeping pace with increasing expenditure pressures. Exhibits establish that in 1982-83, property tax revenues were 57.6 percent of total revenues, whereas in

6

It is understandable that a public employer would take such action when there is a delay in bargaining. Budgeting for future wage increases notifies the union of the amount the city is willing to pay.

7

The City brief uses the term "negotiated" as applicable to both nonbargaining unit employees and AFSCME Local 1917. It does not appear that the four percent increase to be paid to the nonbargaining unit employees was "negotiated." In addition, the evidence establishes that the four percent pay increase is "tied to 1250 negotiations." Hence, the four percent may be increased (and, perhaps, decreased, though there is not evidence so establishing) following negotiations with AFSCME Local 1250.

1983-84, they were 55.5 percent of total revenues. The factors which cause this phenomenon are largely beyond the control of the City. SEV in the City has "flattened out ... because existing property has stopped growing in valuation, in fact has stopped entirely." This "stagnation" is directly related to the decrease in the City's population and the absence of agrarian reserve which can be committed to new development. Thus, the City has been required to rely on deficit financing.

In answer to the Association's assertion that the City should increase the millage which the City is authorized to levy without a vote of the people, the City asserts that "[t]his argument not only demonstrates a total insensitivity to the economic burden presently on the residents of Warren, but an utter abandonment of sound principles of fiscal management." Residents of the City have been required to shoulder an ever-increasing tax burden, a burden which in less than 10 years has increased approximately 100 percent.<sup>8</sup>

The City's tax effort on the City SEV is above the average in the state of Michigan. The Association argument that the City is taxing its residents below the comparable average is "totally specious," because it (Association Exhibit 69) includes not just operating millage but debt and special purpose levies. Debt and special purpose levies cannot be used for general fund opera-

---

8

The City brief notes that this reflects an increase in City taxes only, and does not reflect any increases in county, state, and federal (and presumably school) taxes since 1983.

tions. A correct millage should disclosed by the Association exhibit as 12.82, not 12.25.<sup>9</sup>

In answer to the Association's assertion that the City "rolled back" taxes, the City answers that there was solely "a legislated adjustment to the millage rate" pursuant to MCLA 211.24e.<sup>10</sup>

Even though the adjustment had not occurred, there would be no significant difference to the City's financial condition, because the trend of less income remains.

An immediate increase to the charter maximum of 9 mills "would not diminish the disastrous impact of the [Association's] wage demands," because even the increase would not close the gap between revenue, property tax, and total expenditures. (Reference is made to City Exhibit 33).

The City summarizes

Thus, even if the City were to ignore the acute unemployment rate in the City of Warren for the past two years ...; the fact that an

9

The City brief has attached as Exhibit A the 1981-82 tax levies for Michigan cities starting with Wakefield and ending with Zilwaukee. The exhibit discloses the total City tax rate (county taxes, city taxes, and school taxes) is 69.48. The only other comparison city included in the exhibit is Westland, which has a total tax rate of 71.24, higher than the City rate. The rates range from Ypsilanti's high of 75.74 to Whittemore's low of 39.32. A footnote concludes, "There is no dispute that Warren burdens its S.E.V. to a greater extent than the average community in this state." The exhibit does not support this statement, partly because if, for no other reason, the exhibit does not include all cities in the state. The City tax rate for Warren is 12.82, which compares with a rate of 17.04 for Westland. The exhibit discloses a high of 23.72 for Ypsilanti and a low of 5.00 for Walker.

10

Section 211.24e authorizes additional millage provided certain notice and hearing requirements are observed.

increasing percentage of Warren's population is on a fixed income ...; the fact that Warren is attempting to attract new business (thereby increasing its S.E.V.) by offering tax incentives ...; the fact that property values in Warren are already depressed ...; the fact that the residents of Warren are already bearing a relative tax effort greater than the average community in the State ...; as well as the wishes of the electorate as expressed by its voting history for increased taxes ... -- even if the Warren City Council were to ignore all these factors and impose the draconian increases suggested by the Union, the City's financial integrity would still be irreparably damaged if the Union's demands were granted ....

#### State and federal revenue sharing.

Because of the decrease in population and federal and state government action, the levels of state and federal revenue sharing during 1982-83 and expected during 1983-84 are less than the revenues received by the City in 1978-79.

#### Interest revenues.

Interest revenues have decreased and will continue to decrease, because the City has less monies to invest and interest rates are falling.

#### Comparable community compensation.

The City answers the Association "attempt" to establish that "wages received by the police officers are inferior to the wages paid to officers in comparable cities."

The police wages have "in fact" kept pace with the Consumers Price Index. If 1967 is used as a base, there is "a virtual identity" in the differential between the level of cost or remuneration to the bargaining unit employees with the CPI of 1983.<sup>11</sup> In

addition, the standard CPI is not "an accurate picture of the impact of inflation upon" the police officers, because

1. The City bears the cost of insurance and medical benefits. To the extent that increases in those costs affect CPI, they do not impact on police officers.

2. As bargaining unit members are employed and reside in the City of Warren, there is "no driving force requiring them to move"; hence, the interest factor, a primary cause of an increase in CPI, does not impact on the police officers.

3. Apparel cost made a modest increase over the 1967 to 1983 period.

4. The impact of the price of gasoline is not as significant a factor as it might appear, as "the populus has moved to more fuel efficient cars in an effort to spend less money on that component of the Index."

#### Pension.

The members of the bargaining unit have one of the most attractive retirement packages of any comparable community. Only three comparison cities have a lower employee contributing factor. Only one comparison city has "an ... arguably higher multiplier." Police officers may withdraw their annuity at retirement.<sup>12</sup> "With the possible exception of Dearborn Heights,"

---

<sup>11</sup>

The Association argument starts the CPI at 1976.

---

<sup>12</sup>

This may not be a "plus." A retiree could withdraw his annuity and lose it through unwise investment.

no city permits its employees to retire early.<sup>13</sup>

The present unfunded liability for the pension program for both accrued and future costs is in excess of \$9 million. Funds required in future years to pay off the unfunded liability will exceed the present cash value of \$9 million.

The Association argument that the pension increases "were purchased at a great savings to the City and that the police officers were in some manner economically compromised in the form of a negotiated wage freeze during the 1981 contract" has no merit. (emphasis in text) The fact that the City has deferred present cost to the future does not minimize the present economic benefit realized by the members of the Association.<sup>14</sup>

The 11.1 percent pension increase negotiated for 1982-83 as applied to the Association, the FOP, and the fire fighters results in "accrued service costs of slightly over \$4 million." This is approximately \$9,600.00 for each employee. It also results in a "present day percentage increase base rate" of slightly in excess of six percent. Thus, the Association is asking for a 12.5 percent increase for 1982-83.

#### Insurance Coverage.

The police officers have an excellent range of insurance protection: dental, hospitalization, and sickness and accident. At

---

13

The City allows retirement at "25 and out." According to Association exhibit 9, Pontiac also has a "25 and out" rule. The data with respect to Dearborn Heights is not clear.

---

14

This suggests that the City may be "playing with fire" in allowing such a large unfunded portion of its pension program.



no time did the Association suggest that the employees of any comparison city enjoy greater insurance protection. The City bears the entire cost of the premiums, including the "skyrocketing increases associated with this insurance protection."

Holiday pay.

No comparison city provides its police department with more paid holidays.<sup>15</sup>

Vacations.

The City provides 14 days vacation per year, a "vacation package which ... is second to none."<sup>16</sup>

Hazard pay.

Only two comparison cities provide police officers with a larger hazard duty pay than the City. Ten of the comparison cities provide no hazard pay.

Clothing and cleaning comparison.

The City ranks favorably in this category. The City pays \$500, compared with a low of \$300 and a high of \$800, while two comparison cities provide full uniforms and cleaning, and one provides uniforms..

In summary, the City avers

---

15

The statement is correct. The City, East Detroit, Hazel Park, Taylor, and Westland provide 14 holidays. The other cities provide from 11 to 13.75.

---

16

This assertion appears to be correct, although it depends on how one views a vacation. A senior police officer in Taylor with 31 to 39 days vacation per year might consider himself better off than a City senior police officer with 30; although in Taylor, the less senior police officers receive fewer vacation days than less senior City police officers.

1. The City has a "very favorable ranking" vis-a-vis the comparison cities in every category.

2. Approximately 45 percent of the members of the bargaining unit earned in excess of \$27,000.00 in 1981-82, which exceeds the median household income of City residents of \$23,855.00.<sup>17</sup>

3. The City's offer reaches a result consistent with the goal of Act 312 "to provide arbitration awards which approximate agreements that would have been reached in the normal course of collective bargaining." The City's offer would result in a maximum base rate per patrolman as of January 1, 1984, of \$26,839.00. This would place the City "a very respectable 4th in the 17 comparison cities."

#### SHIFT PREMIUM

The City's last offer is as follows:

The City of Warren as its last offer of settlement on issue number two ... proposes that the present four (4%) percent, five (5%) percent and six (6%) percent shift differentials, respectively, be converted to fixed dollar amounts for each shift effective as of the date of signing of the contract, and thereafter to be paid accordingly.

The Association's last offer is as follows: "Shift premium continue in its present status, no freeze."

THE CITY'S ARGUMENTS FOLLOW

17

The City is eighth among the comparison cities. Exhibit 62 discloses a high median household income of \$31,045.00 in Troy and a low median household income of \$16,180.00 in Pontiac.

The City seeks a change to "hold down the inflationary pressures constantly being exerted on the expenditure graph."

Under the 1980-82 contract, police officers obtained shift differentials of four percent for the afternoon shift, six percent for the midnight shift, and five percent for the comparable shift. Of the comparison cities, only two offer a more attractive shift premium package. The other cities have shift differentials which "are clearly inferior to that of (the City)."

Under the City's last offer, the Association will still enjoy a very favorable four percent, five percent, and six percent shift premium factor. The City's last offer would "cap the pay rate to which the percentages are applied." In view of the excellent improvements already provided the City in the form of "a pension sweetener" and the City's last best offer on wages (a de facto 7.5 percent increase for the 1982 contract year), the Association should recognize its responsibility to curtail the ever increasing costs.

#### THE ASSOCIATION ARGUMENTS FOLLOW

The Association notes the evidence which establishes that 14 of the 17 comparison cities receive shift premiums and that six receive shift premiums as a percentage of payroll. Among the six cities which receive percentage shift premiums, the City's program is fourth highest. The shift premium currently received by City police officers is not out of line with other police departments in the comparison cities. In view of the City's "exceedingly low position" in "overall compensation," the panel should not "emascu-

late one of its only components that would arguably be viewed as favorable."

#### RESIDENCY

Currently, the City requires that all employees live in the City of Warren. The Association proposes that an officer within two years of eligibility of voluntary retirement may move outside the City limits.

The Association avers

1. Its position encompasses only a minor change in the City residency policy.

2. After serving 20 or more years, police officers' housing needs may be different than younger officers'.

3. Police officers near retirement may have an opportunity for a retirement residence which may be lost due to residency restrictions.

4. A form of outside residency is available to officers in 12 of the 17 comparison cities.

5. Adoption of the Association position would have minimal impact on the City.

The City avers

1. The Association did not offer evidence that a residency requirement has worked a hardship upon any member of the Association.

2. The only officer who testified stated that the City had granted him a waiver of the residency requirement so no undue hardship would result.

3. The residency requirement has, and can be, waived in specified situations.

4. Police officers should be members of the community they serve.

5. Under the Association's proposal, a police officer "would be free to abandon the City at the end of 25 years regardless of whether the police officer plans to continue working for another 5, 10 or even 15 years."

6. The evidence establishes that there exists ample reasonably priced housing in the City, the school districts are excellent, and in case of hardship, a waiver of the residency requirement can be granted.

## DISCUSSION AND DECISION

### WAGES

The Association evidence establishes, as discussed in the text above, that the wages of City police officers are below average as compared with the wages of police officers in the comparison cities.

The evidence also establishes, as stressed by the Association in its brief, that overall compensation (wages, bonus payments, COLA, pay for holidays, longevity pay, shift differential, gun allowance, and employees' pension contributions) for 1982-83 is below that of the comparison cities. The City, in 1982-83, would have "overall compensation" for its police officers of \$25,355.88; whereas, the average among the comparison cities is \$27,941.00 and the median is \$27,966.00.

The City's offer for the first year would, the evidence establishes, place the City police officers further behind the police officers in the comparison cities than had been the case at the beginning of 1982-83.

The City's second-year offer would result in a slight increase in the position of City police officers. It would not, however, significantly increase the City's position vis-a-vis the comparison cities.

It also appears from the evidence that cities which, as of the date of the hearing, had not completed contract negotiations would probably surpass the City wage position based on the City's first-year offer.

The City police officers have lost a substantial amount of purchasing power since 1976. The City prefers to use 1967 as a base, which discloses that the City police officers have not done as badly as they have under a 1976 base. It is, of course, possible under the Consumers Price Index to start a base at a selected year and effect a significant change in an increase or a decrease as between a later specified date.

The City counters with arguments that some items in the CPI do not impact substantially on the police officers. This may be true in some cases. However, the CPI has been used as the formula for COLA by both the City and the Association, and it is used in employer/union contracts throughout the country in both the public and private sectors. It is clear from the evidence that there has been some loss of purchasing power by City police officers.

The Association notes the City's economic arguments and concludes that the City is "not unable to pay."

The evidence establishes that the City, in common with many cities throughout Michigan, has been having financial problems. But there is no evidence that the City could not pay police officer wages in excess of its last offer. The Chairman takes note of the fact that the City did reduce its millage. The Chairman does not criticize the City for doing so. There may have been sound economic and political reasons for this action. However, it is somewhat inconsistent for the City to argue its difficulty in meeting the Association offer when its millage rate is lower than that of other comparison cities--and according to one exhibit, lower substantially than that of some other cities in the state.

The City's argument is based almost exclusively on the difficulties the City has been experiencing during recent years in population decline, per capita income, household income, value of City homes, loss of business enterprises, loss of revenue sharing from the federal government and the state government, and the generally good fringe benefits which the City has negotiated with the Association.

Many of the "problems" which the City brief asserts face it are, as the Association brief points out, common to many other cities. The conditions, favorable and unfavorable, facing a city are factors to be considered under the statutory standards, but they are not conclusive.

As the chairman weighs the evidence pertaining to the City's comparative place among the comparison cities (factor [d]) with the financial ability of the City to meet the cost (factor [c]), he reaches the conclusion that the original City offer was too low and the original Association offer too high. The parties' delegates recognize the "interest and welfare of the public" (factor [c]) in agreeing to waive the last offer requirement of the statute.

It is true, as the City argues, that the City police officers do somewhat better than the police officers in many of the comparison cities with respect to "overall compensation" (factor [f]), and they are doing well with a number of fringe benefits.

The City avers that the fringe benefits were bargained in a normal bargaining relationship and suggests that the City was willing to agree to substantial improvements in these benefits. The Association asserts that there was "give and take" in the bargaining and that neither City nor Association can claim that it was one-sided. It appears from the evidence that the Association did well in bargaining for its employees; but it does not overcome the fact that under the City proposal, the wage rates would be somewhat low and under the Association proposal somewhat high.

After weighing the evidence and the several statutory factors discussed in the opinion, the Chairman has reached the conclusion that the contract should be extended for an additional two years, i.e., to June 30, 1986. This will render it unnecessary for the parties to commence bargaining at a time when the economic working conditions here established (and recently established by



bargaining) will have been concluded only a few months before the expiration of the originally-planned two-year contract.

The two delegates have concurred with the Chairman's conclusion.

The Chairman has concluded from the evidence and the Section 9 applicable factors discussed above that the wage increases for police officers should be as follows:

<u>Effective Date</u>	<u>Increase</u>
July 1, 1982,	3 percent
January 1, 1983,	3 percent
July 1, 1983,	5 percent
January 1, 1984,	3 percent
July 1, 1984,	3 percent
July 1, 1985,	3 percent

The foregoing increases will result in wages, including the current cost of living adjustment which has become part of the base wage, for police officers with four years of service as follows:<sup>18</sup>

Present Wage Rate:	\$23,742.00
July 1, 1982	\$24,537.00
January 1, 1983	\$25,398.00
July 1, 1983	\$26,667.00
January 1, 1984	\$27,467.00
July 1, 1984	\$28,291.00
July 1, 1985	\$29,140.00

---

<sup>18</sup>

The same manner to be utilized in calculating other steps

All of the foregoing percentage increases shall be fully retroactive to their effective dates.

The 10-percent differential between police officer and corporal, which now exists in the 1980-82 collective bargaining contract, will be maintained throughout the contract.

The foregoing wages shall be used to determine wages for police cadets pursuant to the ratio of wages for police cadets to police officers as provided in Joint Exhibit 2.

No cost of living adjustments will be made during the 1983-84, 1984-85, and 1985-86 contract years. However, the current language of Section B of Article 10 of the collective bargaining contract shall remain in the contract, but shall not be effective during the three years of 1983-84, 1984-85, and 1985-86. The contract will so stipulate.

#### SHIFT PREMIUM

The City, which seeks to change the shift differential by placing a dollar cap on it, has not established by evidence that the applicable factors of Section 9 of Act 312 mandate a change in the present contract provision.

As the Association argues, the current shift premium is not out of line with other police departments in the comparison cities. I also note the Association's argument that the City remains generally in a relatively "low" position (but not now "exceedingly low," as the Association maintains) in overall compensation among the comparison cities.

As there is no persuasive evidence to support a change, the Chairman has reached the conclusion that the status quo should remain.

#### RESIDENCY

The City argues persuasively that there should be a residency requirement in the City of Warren. The City is large enough to be able to attract competent police officers within the City limits--unlike some smaller suburban cities which must, of necessity, reach outside the city limits to recruit and maintain a police department.

There is sound basis for police officers living within the city by which they are employed. Not only are they nearer to their work stations in case they are called during an emergency, but their interest in the community in which they reside is an important factor in public employment.

The Association does, however, make a persuasive argument that during retirement, employees may wish to live in another environment. To require an employee to wait until the date of retirement to implement such a choice may create a hardship for such employee for a number of reasons. This includes the possibility of being unable to acquire, economically a dwelling in the area where the soon-to-retire police officer wishes to live.

The Chairman is of the opinion, therefore, that the Association's proposal that a police officer may move from the City within two years prior to retirement is a common sense proposal.

The City cautions that police officers may plan to retire at the end of 25 years and then decide to work an additional five, 10, or 15 years.

This concern is legitimate. However, it is unlikely that an employee who decides he will retire at the end of a two-year designated period will change his mind. The Chairman concludes that this potential problem is sufficiently minimal so that it should not outweigh the desire of an employee who, near retirement age, wishes to make new living arrangements.

The award will, therefore, adopt the Association proposal that an employee may move outside the City of Warren within two years prior to eligibility for retirement.

#### A W A R D

##### WAGES AND DURATION OF CONTRACT

The City of Warren and the Warren Police Officers Association shall enter into a collective bargaining contract covering the period from July 1, 1982, thru June 30, 1986.

The City of Warren shall increase the wages paid to employees in the bargaining unit as follows:

July 1, 1982	3 percent increase
January 1, 1983	3 percent increase
July 1, 1983	5 percent increase
January 1, 1984	3 percent increase
July 1, 1984	3 percent increase
July 1, 1985	3 percent increase

The foregoing percentage increases shall be fully retroactive to their effective dates.

The foregoing increases will result in payments to police officers with four years of service as follows:

Present Wage Rate:	\$23,742.00
July 1, 1982	\$24,537.00
January 1, 1983	\$25,398.00
July 1, 1983	\$26,667.00
January 1, 1984	\$27,467.00
July 1, 1984	\$28,291.00
July 1, 1985	\$29,140.00

Corporals, who are members of the bargaining unit, shall receive 10 percent above the foregoing amounts.

The foregoing salary levels shall be used to determine the wages to be paid to police cadets consistent with Joint Exhibit 2, Item 7.

The cost of living adjustments paid to bargaining unit employees as of June 30, 1983, shall not be increased, provided however, that paragraph 4 of Section 10 of the Collective Bargaining Contract of April 9, 1981, shall remain in the contract but no amount shall be paid thereunder for the period from July 1, 1983, to June 30, 1986.

#### SHIFT PREMIUM

The shift premium provisions of Article 12 of the collective bargaining contract of April 9, 1981, shall remain in effect for the period from July 1, 1982, to June 30, 1986.

#### RESIDENCY

Members of the bargaining unit involved herein are required to be residents of the City of Warren, provided, however, that any member of the bargaining unit may, not earlier than two years prior to eligibility for retirement, move from the City of Warren.

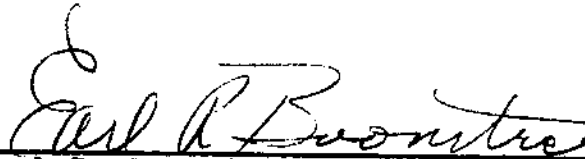
Any member of the bargaining unit exercising the right to move from the City of Warren shall notify the City in writing at least ninety days before moving from the City of Warren.

JOINT EXHIBIT 2

The issues listed in Joint Exhibit 2, which have been resolved by the parties, shall be part of the collective bargaining contract.



Robert G. Howlett, Panel Chairman



Earl R. Boonstra  
Delegate Appointed by the City of  
Warren, Dissenting on Shift Premium  
And Residency



Marc G. Whitefield,  
Delegate Appointed by the Warren  
Police Officers Association

Issued March 2, 1984

AGREEMENT

In consideration of the mutual covenants contained herein the parties hereto hereby resolve the issues pending in MERC Act 312 Case No. D82 C-1584 between the City of Warren and the Warren Police Officers Association as follows:

CITY ISSUES

1. Retirement - increase annuity factor <sup>to 2.5%</sup> 2.5% for each year of service up to 25 years and 1% thereafter for employees retiring after July 1, 1982. All other aspects of computing pension shall remain in full force and effect. Provided however that effective for employees hired after January 1, 1984, average final compensation shall include base wage, COLA, overtime, longevity, holiday, shift differential, education allowance, gun allowance and any other compensation which is received by an employee each year for work done in that year. Average final compensation shall not include payments for accumulated sick or vacation time, cleaning or clothing allowance, for employees hired after January 01, 1984.

2. Seniority (cadet and minimum manning) Article 9(E)

This Article shall remain in the Collective Bargaining Agreement unchanged and it is hereby withdrawn from arbitration.

3. Hospitalization Insurance - The Employer's obligation to provide hospitalization insurance shall remain as set forth in the Collective Bargaining Agreement. This item is hereby withdrawn from arbitration.

4. Dental Insurance - The Employer's obligation to provide dental insurance shall remain unchanged. This item is hereby withdrawn from arbitration.

5. Sickness and Accident Insurance - Article 16 shall remain as set forth in the parties' Collective Bargaining Agreement. This item is hereby withdrawn from arbitration.

6. Shift Premium - The Employer will continue to proceed with this item in arbitration.

7. Cadet Pay Scale - For employees hired prior to July 1, 1983, the current cadet pay scale shall remain in effect subject to any increases for the 82-83 and 83-84 year that is granted or awarded police officers, step increases shall be applied to the maximum of the police officer wages.

For employees hired after July 1, 1983, the current wages shall remain in effect plus any 1982-83 and 83-84 increases granted or awarded police officers, step increases at eighteen (18) months, twenty-four (24) months, thirty (30) months, shall respectively be based upon 70-75-80% of the MINIMUM police officer wage.

8. Reserves - Language as agreed upon.

9. Off Duty Appearances - Article 11, Section C and D shall remain in effect as set forth in the current Collective Bargaining Agreement with the understanding that the Warren Police Officers Association will not abuse its right to have witnesses subpoenaed at a civil service hearing.



10. Gun Allowance/Hazard Duty Pay - Article 30 shall be amended to remove the words "off duty". Officers shall still continue to receive Three Hundred Sixty-five Dollars (\$365.00) per annum in gun allowance and Article 30 with that one exception shall remain in the parties' Collective Bargaining Agreement.

Removal of the words "off duty" does not in any fashion change an officer's requirement for carrying a gun off duty for the present time. If there is to be any change in the future in an officer's requirement to carry a gun off duty, such a change would fall under the "major changes" provision under management's rights and would need to be a subject for discussion prior to any implementation. If the Department were to suggest a general order in which an officer was not required to carry a gun off duty it would follow that an officer would not be required to take action while off duty.

11. COLA - A COLA freeze shall go into effect on July 1, 1983. All COLA payments shall be made during the 82-83 contract year. Any wage increase for the 82-83 contract year shall be predicated upon a base figure of Twenty-three Thousand Seven Hundred Forty-two Dollars (\$23,742.00). The 1983-84 figure shall be predicated upon the following formula, (assuming a full One Hundred Twenty-five Dollar (\$125.00) fold-in effective June 30, 1983):

$$\begin{array}{rcccl} \$23,742.00 & \times & \frac{(Y\%)}{82-83} & + & \$250.00 \times \frac{(Z\%)}{83-84} & = & 83-84 \text{ base figure} \\ & & \text{raise} & & \text{raise} & & \end{array}$$

The cost of living provision while frozen during the 83-84 contract year shall remain in the parties Collective Bargaining Agreement.

## UNION ISSUES

1. Wages - The issue of wages for 82-83 and 83-84 contract years shall continue to be an issue in arbitration.
2. Holiday - Holiday provisions shall remain as set forth in the parties' Collective Bargaining Agreement and the Union hereby withdraws this issue from arbitration.
3. Cleaning Allowance - The cleaning allowance provision shall remain as set forth in the parties' Collective Bargaining Agreement and the Union hereby withdraws this item from arbitration.
4. Vacation - Effective July 1, 1982, employees with 20 years or more of service shall receive a 15 day and a 15 day, for a total of 30 days annual furlough.

An employee shall accrue vacation time each bi-weekly pay period whereby the total amount of annual vacation is earned proportionately with each bi-weekly period. For example an employee entitled to receive 20 vacation days per year shall accrue  $\frac{20}{26}$  (approximately) vacation days each bi-weekly pay period. (As of July 01, 1982) All employees shall receive retroactively from date of hire adjustment for any vacation time they did not receive, but should have ~~received~~ <sup>accumulated</sup> under this bi-weekly accrual method.

Under the accrual method of vacation time the amount of vacation folded-in to average final compensation would not be <sup>changed or</sup> ~~greater~~ <sup>more</sup> than prior to the non-accrual method. The employee would be paid for any missed vacation time but it would not be included in his average final compensation. Payment for any missed vacation time shall not be subject to the 5% deduction for employee contribution for pension. (SEE Appendix A) <sup>over</sup> ~~4%~~

5. Longevity - The longevity provision shall remain as set forth in the parties' Collective Bargaining Agreement and the Union withdraws this issue from arbitration.

6. Retirement - The increase in the annuity factor to 2.5% per annum and 1% thereafter is granted to employees retiring after July 1, 1982, but other changes for employees hired after January 1, 1984, as outlined in City Issue No. 1 shall also be put into effect.

7. Maintenance of Conditions - The Union hereby withdraws this item from arbitration.

8. Residency - This item shall continue to be presented at arbitration.

*with AP*  
9. Promotional Examinations - Promotional examinations ~~for~~  
*FOR ALL MEMBERS* ~~the rank of corporal and (sergeant)~~ shall include an increase in the seniority factor to .75 points for each year of continuous service, an increase from the current .50 points for each year of continuous service.  
*EXCEPT (ADCTS NEW)*

10. Annuity Withdrawal - Employees shall be permitted upon retirement to withdraw in a lump sum the employee contribution toward the pension, subject to a reduced pension in accordance with the actuary's computations. This is consistent with the letter received ~~from the actuary dated~~ *new AP* language agreed upon - Art. 23 (B) (1-4) in FOP cont.

11. Deferred Compensation - Employees shall be permitted to participate in the deferred compensation plan currently offered to any other City employees.

12. Grievance Settlements - Outstanding grievances relating to payment of shift premium shall be resolved as follows:

- a. Shift premiums shall be paid on all Union time and funeral leave time;
- b. There shall be no shift premium paid on personal leave or birthdays.

This language shall be placed in the Collective Bargaining Agreement.

All the above agreements, as well as any other agreements reached between the City of Warren and the Warren Police Officers Association shall be read into the record at the arbitration hearing and become part of any award rendered by the Arbitrator.

FOR THE CITY  
James J. [Signature]  
Mayor  
[Signature]  
Sgt. [Signature] P.A. [Signature]  
Mark [Signature]

June 9, 1983

RESERVES

Section 1: Except as contained in this Article, use of reserve officers shall be limited to the area of passive crime prevention, such as distributing information to citizens for neighborhood watch, or operation identification programs, or gathering information from businesses to keep Department records up-to-date.

Section 2: In addition reserves may be utilized on a ride along program with sworn police officers; assignments with reserve officers will only be made on a voluntary basis.

Section 3: When special events arise, such as parades or other civic events, the Police Department will evaluate the situation and determine the number of sworn personnel required to police said event. The Union shall be supplied a copy of the Department's contingency plan. If insufficient personnel are on duty during the event, the Department will solicit volunteers from off-duty personnel to arrive at the predetermined number. Should an insufficient number of volunteers be obtained, the Department may schedule Reserve Officers to fill out the said predetermined number.

Section 4: In the event that any Warren Police Officer is laid off from the Department, Reserve Officers will not be used.

# VACATION

(a) An employee will earn credit toward vacation with pay in accordance with the following schedule:

<u>LENGTH OF SERVICE</u>	<u>DAYS OF VACATION EARNED</u>	
	<u>Bi-Weekly</u>	<u>In 12 Months</u>
0 - 10 years	.769	20
At beginning of 11th year of service	.807	21
At beginning of 12th year of service	.846	22
At beginning of 13th year of service	.884	23
At beginning of 14th year of service	.923	24
At beginning of 15th year of service	.961	25
At beginning of 18th year of service	1.00	26
At beginning of 20th year of service	1.15	30

While the above amounts earned bi-weekly may not exactly add up to the amounts earned in a twelve month period, adjustments will be made to correct any inaccuracy once a year.