

Sub.
STATE OF MICHIGAN

DEPARTMENT OF LABOR

EMPLOYMENT RELATIONS COMMISSIONS

COMPULSORY ARBITRATION UNDER ACT 312
(PUBLIC ACTS OF 1969, AS AMENDED)

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STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
DETROIT OFFICE

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In the Matter of:

COUNTY OF WAYNE

-and-

Act 312 Case No. D93 I-1257

WAYNE COUNTY SHERIFFS
AND AIRPORT POLICE LOCAL 502

Wayne County

OPINION AND AWARD OF ARBITRATION PANEL

ARBITRATION PANEL:

George T. Roumell, Jr., Chairman
Mark R. Ulicny, County Delegate
Donald Cox, Local 502 Delegate

Appearances

FOR THE COUNTY OF WAYNE
AND THE WAYNE COUNTY SHERIFF:

Brian S. Ahearn, Attorney

FOR WAYNE COUNTY SHERIFFS
AND AIRPORT POLICE LOCAL 502:

George H. Kruszewski, Attorney

OPINION OF PANEL

Introduction

The Wayne County Sheriffs and Airport Police Local 502 has been recognized by the County of Wayne and the Wayne County Sheriff as the exclusive representative for purposes of collective bargaining with respect to rates of pay, wages, hours of employment and other terms and conditions of all employees performing non-supervisory law enforcement work, "including, but not limited to Police Officer, Corporal, and Detective."

For a number of years, the parties have had Collective Bargaining Agreements. The last Agreement expired November 30, 1993, and was for a four year period, 1989-1993. The parties engaged in 16 mediation hearings, attempting to resolve a number of matters in dispute between them. When the parties reached impasse, Local 502 filed a petition for Act 312, dated August 31, 1994.

The petition represented that there were at least 24 issues in dispute between the parties, in addition to disputes concerning wages and pension benefits. The petition for Act 312 was granted. George T. Roumell, Jr. was appointed Chairman. Mark R. Ulicny became the County's Delegate. Donald Cox became Local 502's Delegate.

By the time the matter reached hearing, the parties resolved all issues except issues concerning the assignment of Sheriff Detectives, providing the Sheriff with demotions as a discipline tool, and wages, including pay for special skills and provisions as to pension.

Therefore, the issues that were presented at the hearing were limited to these

issues.

It is as to these issues, i.e., assignment of Detectives, use of demotion as a discipline tool, and issues concerning wages, including the pay for special skills and pensions, that will be considered by the Panel.

Stipulations

The parties have stipulated that all time lines provided for in Act 312 have been met by virtue of the fact that the parties have extended the appropriate time lines. This Opinion and Award is being issued in accordance with the applicable time lines as extended by mutual agreement of the parties.

The parties have agreed that the Chairman of the Panel will write and sign the Opinion and Award; that their respective Delegates have participated in the process; that the presenting of last best offers, where applicable, have been waived; that the Awards that follow as to each proposal or issue is supported by a majority of the Panel, with dissents being registered during the process of the Opinion writing and preparing the Award by the respective Delegate. But, as to each proposal or issue raised, the Opinion and Award represents a majority vote; that the Panel members, with the consent of the parties, for the purposes of expediting and publishing of this Opinion and Award, have waived their signatures and publishing of any dissent, recognizing that the signature of the Chairman will represent that there is a majority on each proposal or issue presented.

Organization of Opinion

The Opinion addresses the statutory criteria to be applied by the Panel in arriving at the Awards. The Opinion is divided into two major categories: Non-Economic Issues and Economic Issues. The non-economic issues will be discussed first. The economic issues are introduced by a discussion of the "ability to pay," "comparables," "bargaining history," and "art of the possible." The Opinion will then address the issue of wages, including pay for special jobs and a discussion of the duration of the Agreement, as well as pension issues. The Opinion ends with the Award.

The Criteria

Section 9 of Act 312 (MCL 423.239) provides for the criteria that an Arbitration Panel is to apply in reaching an award. Section 9 reads in its entirety:

Sec. 9. Where there is no agreement between the parties, or where there is an agreement but the parties have begun negotiations or discussions looking to a new agreement or amendment of the existing agreement, and wage rates or other conditions of employment under the proposed new or amended agreement are in dispute, the arbitration panel shall 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.

Section 9(c) and (d) represent the basic economic driving force in any collective bargaining for a contract, whether it be in the public or private sector. Section 9(c) addresses financial ability. Section 9(d) addresses comparables. In negotiations, an employer, in this case the County of Wayne as the funding source, in providing wages and other economic benefits to employees, is driven by its financial ability to do so. A

Union, here Local 502, is driven by its desire to receive wages and other economic benefits comparable with other similarly situated employees employed by other employers, particularly in the geographical area involved.

The Section 9(e) criteria, the consumer cost of living, also drives negotiations, with the employer assessing whether its revenues, and therefore its financial ability, are rising consistent with the cost of living, and the employees assessing whether they are being offered wages and economic benefits consistent with the cost of living.

Section 9(f), overall compensation, is always a factor, coupled with a point very carefully noted in that section, "the continuity and stability of employment."

Local 502 members can expect "continuity and stability" of employment. Such a fact can influence the economic considerations because, in the end, it is the employees' annual income and benefits that are crucial in contrast with employees who may expect, at points during a year's time, not to have income because of layoffs.

Section 9(h) is a "catch-all" criteria. It recognizes that in reaching collective bargaining agreements, parties have developed certain guides or criteria in mutually arriving at collective bargaining agreements, grounded in the application of the common sense approach. One of such criteria is the bargaining history of the parties. Collective bargaining is not done in a vacuum, but against a historical background. Such history can guide the parties toward a current agreement.

The bargaining history criteria takes on considerable significance between Local 502 and the County of Wayne. As will be noted, the County of Wayne has been faced with financial constraints. As a result, it has reached certain agreements with several of

its bargaining units, including the unions represented by Council 25 of the American Federation of State, County and Municipal Employees. These agreements cover essentially the same period at issue here. Therefore, the result of the AFSCME negotiations, particularly when compared with the history of the relationship between Local 502 contracts and AFSCME contracts, cannot be overlooked and must be considered.

The bargaining history would also include considering over the years, either through collective bargaining or through Act 312, the relationship that has emerged between wages and economic benefits provided Local 502 members compared to certain local governmental comparables. This gives some indication of where bargaining history, if applied, would lead the parties in resolving the contract now under dispute.

Negotiators in collective bargaining apply common sense in arriving at collective bargaining agreements. This concept of "common sense" includes the "art of the possible" criteria. What is possible under the given circumstances of the negotiation situation? The aim is to reach a collective bargaining agreement. The "art of the possible" is a criteria encompassed in Section 9(h). For example, in this case, the County desires to cut labor costs by expecting the officers to provide wage concessions. The officers, through their negotiating team, expect pay increases. Somewhere between these opposite positions there is the "art of the possible," in formulating a collective bargaining agreement.

Encompassed in Section 9(h) is the strike criteria. Strikes in the geographical

area which have been settled may offer some clue of what a settlement might be in a given situation, if one recognizes that interest arbitration is a substitute for a strike. Thus, settlements following strikes in the area can give some guidance. The strike criteria can be utilized in assessing whether the parties, if a strike was an option, would permit an issue to cause a strike, particularly if all other issues were settled. Such an assessment can be a guide to resolving the dispute.

Section 9(h) as well as Section 9(c), "the interests and welfare of the public," encompass the concept that bargainers consider the nature of the work of the employees involved in arriving at collective bargaining agreements. This concept is a factor here, because of the nature of police work and the public's expectations as to police performance.

The above discussion explains the criteria that the Panel has followed in arriving at the Awards.

I.

THE NON-ECONOMIC ISSUES

A. General

There were two non-economic issues to which the parties did not reach agreement, namely, the assignment of Detectives and the use of demotions as a disciplinary tool.

B. The Assignment of Detectives

Article 14 of the Collective Bargaining Agreement is entitled "Shift Preference

and Transfers." Among other items set forth in said article are provisions in Section 3 for job assignments. Section 3.A provides, "All job assignments listed below are open to bid, unless otherwise indicated by a 'D' (discretionary)."

The Sheriffs Department presently has some 19 Detective positions, ten of which are in the executive position in the Internal Affairs Section, including one held by the current Union Vice President; five are in the Circuit and Probate Court Division, Felony Warrant Section, one of which is held by the current Union President; one is likewise in the Circuit and Probate Court Division, Friend of the Court Enforcement; and three are in the Field Service Division, Roads/Parks, Detective Bureau.

The ten officers in the Internal Affairs Section and the one officer in the Friend of the Court Enforcement are what the parties refer to as "discretionary," meaning that the transfer to and out of said Sections are at the discretion of the Sheriff. Melvin Turner is Undersheriff and Chief Deputy for the Wayne County Sheriffs Department. (Tr. 7)¹ Undersheriff Turner testified that he had been designated by the Sheriff to handle day-to-day operation of the Department. Undersheriff Turner explained that, pursuant to Article 14 of the contract, assignments of Detectives to the Internal Affairs Section and to the Friend of the Court Enforcement is discretionary. However, the assignment of Detectives to the Felony Warrant Section and the Roads/Parks are not discretionary. The functions of the Detectives in the various Sections was set forth in Employer Ex. 3 as follows:

¹ References to "Tr." are to the transcript of the Act 312 hearing.

SHERIFF'S DETECTIVE POSITIONS

DIVISION

FUNCTIONS

Internal Affairs Section	a.	investigate allegations of police misconduct
	b.	inmate misconduct (at criminal level)
	c.	criminal investigation at the County level (Courts and County property)
	d.	special investigations and security
	e.	extradition
	f.	Sheriff's Representative at Wayne County Gun Board
Felony Warrant Section	a.	locate and arrest subjects wanted on outstanding felony warrants issued within Wayne County
Road/Park Patrol	a.	Investigate general crimes within the Sheriff's jurisdiction and process persons arrested by Road Patrol officers
Friend of Court Enforcement	a.	Arrest persons wanted for outstanding child support payments and process incidental cases in conjunction with these arrests.

The position of the Sheriffs Department, as expressed by Undersheriff Turner, is that all Detective positions in the Department should be discretionary; that the Department should have the right to assign Detectives in Sections as management determines; that to do so, it is necessary for training purposes and to efficiently utilize the Detectives as needed.

Undersheriff Turner explained the situation when he testified at Tr. 16-17:

...If a vacancy occurs because someone retires or gets promoted out of one of the other units and an individual is in a discretionary position in the past, the individual has bid out of internal affairs to fill that vacancy, and then the new promoted person would then come into the internal affairs position, which further diluted the discretionary phase of that portion of the contract.

* * *

...So, in effect, what you would end up with is the same thing, because that would be the young seniority person in felony warrants. If an individual with more seniority in a discretionary position wanted that position, then they would bump that person out of that position and you would end up with that person in internal affairs.

The purport of the aforequoted testimony of Undersheriff Turner was that though Internal Affairs Detectives are discretionary, and the Sheriff can move officers into Internal Affairs on promotions to Deputies, these Deputies can, when the opportunity arises, bid out pursuant to the provisions of Article 14 to the other Sections, except Friend of the Court Enforcement, which only involves one Detective; that there is no discretion to move officers, for example, to or from Felony Warrants or Roads/Parks. The difficulty, as Undersheriff Turner testified, with this arrangement is, "At present we say discretion but there is nowhere to move people and nowhere for management to say how long a person needs to be trained in a certain area and this type of thing." (Tr. 20) Further, at Tr. 20-22, Undersheriff Turner elaborated on the problem:

...The internal affairs section by and large handles the widest variety of overall investigations. So you have to train individuals in a number of different areas and a number of

different job functions within that assignment. As it stands right now, you are always training new people to -- because the person that gets seniority, and if they don't like working in internal affairs, bids out. So you then have your new promotions constantly coming into internal affairs. That is not discretion.

* * *

The other problem is that there's no maneuverability in terms of training the individual in the different phases of being a detective, such as the different phases in internal affairs, the felony warrant function, the Friend of the Court function, majorly the detective function as an overall detective, homicide investigations and this type of thing. We've had requests for -- to send detectives down to assist localities within Wayne County on homicide investigations.

As this scenario stands, you don't know who to train in homicide investigations and who to keep that training behind, because we're not in any type of control of this mechanism.

* * *

Because some of the training based upon the training itself, within homicide investigation, the basic training for that type of a course can be anywhere from three to six months, and then so much working with a senior officer, on-the-job type of training. So it would take you a year and a half or so to develop a homicide investigative detective. There's no guarantee that someone is going to be in a position for a year and a half, so once you start that training you may not complete it.

After so testifying, Undersheriff Turner emphasized that the Department does receive calls from small police departments in Wayne County for Detective service; that because of the difficulty in training officers, because of the likelihood of bidding out of Internal Affairs, the Department sometimes has problems as to which Detective to

assign because of the limitations on training. Undersheriff Turner makes a point. Essentially, what has happened in the Department is one discretionary position in the Friend of the Court Enforcement which, as a practical matter, does not give the leadway that the Department believes is needed in switching Detectives. Although the newly promoted Detectives are frequently assigned to Internal Affairs, they can bid out to one of eight positions in Felony Warrants or Road/Parks Patrol when those positions become available. This has, as Undersheriff Turner explained, caused training problems, particularly when there is a vast variety of Detective work done in Internal Affairs for which there must be training -- training that could be up to a year and one-half, particularly on the type of work involved.

Applying the art of the possible criteria, the Chairman believes that the Sheriffs Department is entitled to relief in this area, despite the objections of the witness for the Local, Donald Cox, President of Local 502.

But the art of the possible suggests that, if the parties were left to their own devices at bargaining, there would be some relief in this area, because the Department, through Undersheriff Turner, makes a persuasive case.

Recognizing that Internal Affairs and Friend of the Court Enforcement are discretionary, then the issue becomes focused on the Felony Warrant Section and the Road/Park Patrol unit. It would seem that, under the art of the possible, there would be a phase-out of positions that were non-discretionary. In other words, in Felony Warrant, three of the five current positions, in the view of the Panel Majority, should be held to be discretionary. The two remaining positions should be held to be non-discretionary,

except that when those positions become vacant for any reason, they, too, will become discretionary. In other words, the incumbent for two positions, by seniority, shall remain discretionary until the incumbent vacates those positions. As to the Road/Park Patrol, the view of the majority of the Panel is that those positions would become discretionary as of the date of this Award.

There is a give and take in bargaining. There are practicalities involved in management. The Department has made a persuasive case. This is the way, under the art of the possible, to resolve this dispute.

C. Demotions for Discipline Purposes

The parties did negotiate the issue of disciplinary procedures and reached agreement. However, the Sheriff has raised the question about said agreement, maintaining that he has a desire to utilize demotion as a discipline tool. As Undersheriff Turner testified, speaking for the Sheriff, at Tr. 21:

If the individual is working in internal affairs and for some reason they are not working out as a detective as that -- liking that job, there's nothing that you can do other than discipline, and if you discipline the individual they return to that job that they may not like anymore and it -- maybe like it less after the discipline. So, when they're not performing, the only recourse available to us now is to build a case for a discharge....

Undersheriff Turner elaborated on the Department's position as to demotions when he testified at Tr. 29-30:

We do not have the mechanism for removing them from the detective rank, and basically they have blankly stated to their supervisors that, "I don't like this job." And they don't

have anywhere to go. They don't like the job. They don't want to take a demotion back to patrolman, which is a choice for them. In fact, we had a detective which did take a demotion back to patrolman because he didn't like the assignments of the detective work.

But what it does to management is, if we assign a detective to a task that the department has joined in as being a party to and an individual says, "I don't like that work and I'm not going to do it" -- and we had one individual resign us as the department from a task force because they didn't want the assignment, and that was their mechanism for returning back to work at the department, which was clearly not within their authority.

Undersheriff Turner pointed out that with the command unit, Local 3317, there is a provision for demotions -- a type of provision that the Sheriffs Department wishes to have adopted in the upcoming Collective Bargaining Agreement with Local 502.

Article 12 of the current Agreement, "Manual of Personnel Procedures," provides as follows:

Section 1.

The Rules and Regulations of the Wayne County Civil Service Commission, as amended and revised through August 27, 1976 and such subsequent revisions as agreed between the parties, shall be known as the Manual of Personnel Procedures and shall apply to the Bargaining Unit except where such procedures are in conflict with or are changed, modified, or supplanted by the terms of this Agreement.

Section 2.

Any modification or changes of the Rules and Regulations which affect mandatory subjects of bargaining shall be the subject of good faith bargaining and shall not be placed into effect without the mutual agreement of the

parties.

Undersheriff Turner, at Tr. 39-40, relying on the aforequoted Article 12, suggested that Rule 14 of the Wayne County Civil Service Rules provides for causes for suspension, demotion and removal, noting in part as follows:

The following are declared to be causes for suspension, demotion or removal of any employee in the classified service to charges may be based upon causes other than those herein enumerated, namely, that the employee:...

Nevertheless, the parties have negotiated Article 9, which did not provide for demotions.

Donald Cox, testifying for Local 502, acknowledged that Local 3317 does provide for demotions, but he maintained that Local 502 opposes demotions as a discipline tool; that a person who has an inability to do the job should be discharged.

As Mr. Cox testified at Tr. 79:

Yes. If that person didn't recognize that it would be wise, to their benefit to demote, then that would be a choice that the individual would be making, yes.

Mr. Cox also testified that there is a probationary period in which a person promoted can be reviewed and not survive the probationary period at the discretion of management.

Mr. Cox also testified that the promotion to Detective is the only promotion within the Local 502 bargaining unit; that through successive contracts, Local 502 has prevailed in not having demotion as a disciplinary tool. Indeed, Article 12, incorporating

the Civil Service Commission Rules, is subject to the provisions of the Collective Bargaining Agreement. Article 9 does not provide for demotions.

Though there is a reason in Local 3317 to provide for demotions because that unit represents command units, there is no such compelling reason to have demotions as a tool with Detectives once surviving the probationary period. If the Detective does not perform, then there should be discipline that could lead to discharge. This view is consistent with prevailing arbitral authority.

Arbitrators usually hold that a demotion may not be used as a disciplinary sanction. Allied Tube & Conduit Corp., 48 LA 454 (Kelliher, 1967); Albert F. Goetz, Inc., 47 LA 67, 73 (Rosen, 1966); National Carbine Co., 47 LA 154 (Kesselman, 1966); Machine Products Co., Inc., 426 LA 245 (Hawley, 1956).

Arbitrator Harry Platt, in Republic Steel Corp., 25 LA 733 (1955), in holding that under a just cause standard, a demotion was not an appropriate discipline tool, wrote at 735:

I agree with Supervision that the aggrieved's carelessness on the days in question was inexcusable and that they deserved to be disciplined. And I would not hesitate to sustain any reasonable disciplinary penalty, as a corrective measure. But I do not believe that permanent demotion is a proper form of discipline where an employee's capabilities are conceded and his performance is generally satisfactory but where his attitudes of the moment are improper. For improper work attitudes -- as evidenced by occasional carelessness and failure to obey instructions -- can usually be corrected by suspending or laying off the employee for a reasonable but definite period. That is a form of discipline which does not offend the basic seniority rights of either the disciplined employee or of other employees in the bargaining unit and which does not inflict

upon an employee an "indeterminate sentence." Indeed, it has long been recognized that the essential purpose of industrial discipline is not so much to punish workers as it is to correct their faults and behavior and thus to make them better and more productive workers. This belief, which is held by many persons in the Personnel and related fields, has led to the development of the principle of "corrective industrial discipline." It is a concept that calls for lighter penalties for first offense and progressively harsher penalties for repeated offenses, culminating in discharge when all possibilities of correction have been exhausted.

It is for this reason that a majority of the Panel concludes that, based upon arbitral authority, the Chairman in particular is not persuaded that the Department needs the tool of demotions. It has other disciplinary tools, and these are the tools that should be used. The Award will so provide.

II.

ECONOMICS

A. Ability to Pay

The ability of Wayne County to fund any wage increases for any union is tenuous at best. There is no other way to describe the situation.

As Tom Naughton, Chief Financial Officer for Wayne County, described the background of the County's finances:

...The County had operated and experienced operating losses in virtually every year through the late 1970's and through the early 1980's. By 1987 the general fund deficit was \$134 million and approximated almost one year's operating expenses. (Tr. 182)

Mr. Naughton further described the situation:

It was probably unparalleled in the country in terms of the size of the deficit in relation to operating expenditures. This situation led to, as many of the people in this room are familiar, will remember, led to payless paydays, nonpayment of vendor invoices. It was a program of very expensive short-term borrowing in order to meet cash flow needs. And there was a period where the infrastructure and capital requirements of the County were neglected. (Tr. 182-183)

If the County and its unions are not careful in their negotiations, there is little question that "payless paydays" are within the realm of possibility in the future, unless all parties to the negotiation process are fiscally responsible. This point cannot be overlooked. It is the driving force in fashioning the economic awards herein.

If efforts were not made in 1987 to stem a growing deficit in the deficit fund balance, the County of Wayne would have been bankrupt. The County, in 1987, undertook a five year recovery plan. In addition, the State Legislature, in December 1987, passed legislation designed to eliminate the general fund deficit, which provided:

- State authorization and financial assistance for financing mechanisms to reduce the accumulated General Fund deficit.
 - \$94,930,000 loan from the State Emergency Loan Board, interest free, as long as the County maintains a balanced budget.
 - \$103,805,000 bond issue in July 1988.
 - The cigarette tax was increased by two mills per cigarette; the first 25 percent of the revenues go to the state, and the next \$16 million are pledged to the payment of County bonds.

The County's Five-Year Recovery Plan provided:

- Restructuring of indigent health care programs.
- Reduction of cost overruns of mental health and child care programs.
- Cost containment through personnel management.
- Control of Sheriff's Department spending.
- Additional revenues, from taxes and fees.

It is noted that among the matters incorporated in the Recovery Plan was control of Sheriff's Department spending. It should be noted that the County entered into a loan agreement with the Local Emergency Financial Assistance Loan Board for the State of Michigan which, among other things, provided that the County must have a balanced budget, or otherwise there would be interest payments and a default. In addition, the budget balance was required by Michigan's Uniform Budgeting and Accounting Act.

As a result of what was termed the fiscal stabilization program and the loan and bonds that were issued in July 1988, the County deficit was eliminated. For the last seven consecutive years, the County has had a balanced budget and has been able to increase the fund balance. The fund balance is comprised of two elements: the reserve fund balance and the unreserved fund balance. The difference is that the reserve fund balance is restricted for special purposes, whereas the unreserved fund balance is unrestricted. By the end of the fiscal year 1994, ending November 30, 1994, the County had a fund balance of \$17 million, of which \$9.4 million was unreserved.

This \$9.4 million represents approximately 2.8% of the general fund spending level.

(Tr. 189-190)

Where the County has an annual budget of \$1.5 billion, which includes the running of two airports, five sewage disposal systems, the general fund expenditures represents about \$330 million.

Oakland County, Michigan, which is adjacent to Wayne County, has an unreserved fund balance of \$18.4 million, or 11.5% of its operating general fund expenditures. Macomb County, Michigan, which abuts Wayne County on the east, has a fund balance of \$14.2 million, representing 12.1% of its general fund expenditures. When Wayne County's 2.8% is compared with Oakland County's 11.5% and Macomb County's 12.1%, it becomes obvious that Wayne County, though balancing its budget for the last seven years, is in a difficult financial situation, for one or two unanticipated expenditures or emergencies would leave the County with virtually no unreserved fund balance, which could impact on its cash flow as well as mandate additional borrowing to operate. (Tr. 190-191)

There are 1,520 employees of the Wayne County Sheriffs Department, whereas the total employment of Wayne County is 5,789 employees. As best as this Chairman can ascertain from the exhibits submitted, there are approximately 993 officers represented by Local 502 employed in the Sheriffs Department, plus the officers employed at the airports.

Fifty-two percent of Sheriff or police services are funded from the County's general fund. The other revenue sources are state grants and, in some cases, third

party billings. Of the Local 502 members employed or funded for Jail and Youth Home operations, Mr. Naughton testified that 70% are funded from the general fund. (Tr. 186)

In 1988, the total Sheriffs Department expenditure was \$58,668,000. The 1994-1995 budget was \$91.8 million. The proposed 1995-1996 Sheriffs Department budget is \$93.7 million, for an increase of \$12.8 million. See Ex. 12.

In analyzing the proposed \$12.8 million increase in the 1995-1996 budget year in the Sheriffs Department, it is noted that in Court Services, there is a proposed \$2.2 million increase; Internal Affairs, \$235,000 increase; Training Unit, \$352,000 increase; Road Patrol, \$715,000 increase; Jail food service, \$787,000 increase; Aurora security, \$154,000 increase; County Jail, \$5,620,000 increase; Hamtramck Facility, \$2.4 million increase; and Park Patrol, \$172,000 increase. The Chairman points out these increases to emphasize that the proposed increases in the Sheriffs Department alone would wipe out the entire unreserved fund balance, only highlighting the tenuous financial condition of the County.

The Chairman also notes that the increases in expenditures over the years in Wayne County from the general fund go from about \$227 million in 1988 to about \$329 million in 1994-1995, with a projected \$343 million in 1995-1996. As the Chairman reviews the exhibits, this is an increase in 1995-1996 of approximately \$14 million, of which \$12.8 million is in the Sheriffs Department. Recognizing changing variables in the budget process, the Chairman acknowledges that these figures are not etched in stone. But the figures highlight some of the financial difficulties of the County, particularly as they center on the operation of the Sheriffs Department.

In fairness to the Sheriff, one of the reasons that there has been an increase in his Department's budget is because of the opening of jail facilities, that did not exist several years ago, that needed to be staffed by Sheriffs Deputies. Nevertheless, the facts speak for themselves. As will be pointed out further, the Sheriff has recognized that he must operate within budget constraints in order to provide for a reasonable wage increase for the officers under his command.

There are also ominous warnings on the financial horizon that emphasizes the need for budget constraints. There has been some attempt to assist Wayne County in obtaining additional revenues. There is an airport parking tax that has raised about \$7.5 million annually, which is a key element in keeping the budget in balance. If the budget is not kept in balance, among other things, the County will face a substantial interest penalty from the state loan. (Tr. 195) There was a one mill levy for public safety purposes in 1988 that was primarily intended to construct the Dickerson Facility and operate that facility.

However, there was a property tax freeze in 1992-1993 which virtually resulted in no increase from property tax revenues. When the freeze was lifted in 1993, there was a jump in property tax revenues of \$9 million. However, those who live in the tri-county area will recognize that the rate of new construction in Wayne County is not as dramatic as in Macomb and Oakland Counties, which impacts on the ability to rely on an increase in property values for increased revenues. Because the County has been losing population, in the words of Mr. Naughton, the County has "actually lost state revenue sharing as a result." (Tr. 197)

Mr. Naughton testified that the property tax limitations enacted by Proposal A in the State of Michigan in 1995-1996 and beyond, absent new construction, will represent a decrease of between \$2-4 million annually in the County tax collections. Recently, there was a Tax Tribunal ruling that required the County to refund about \$4.7 million cumulative to the Rouge Steel Corporation. There is similar litigation pending with the National Steel Company that has a potential liability of \$5.6 million. In addition, there are lawsuits pending such as the child care lawsuit, which could result in a liability of \$7.5 million annually, a suit involving the transfer tax and airport parking which could result in the loss of \$14 million in revenue annually, and a user fee lawsuit that could have a liability of upwards to \$3 million. Although there is pending litigation, this does not mean that the County will lose in this litigation. However, property tax limitation is real. The Tax Tribunal ruling as to the Rouge Steel Corporation is an actual fact.

The point being made is that, though the County has done a remarkable job in stabilizing its finances to the point that it now has investment grade ratings for bonding purposes, the County must continue to exercise restraint to avoid the pitfalls of the early 1980's.

Wayne County, frankly, is not a plush county. It is not Oakland County. It is not Macomb County. It is a county that, although there is building activity in western Wayne County, does contain older communities, including Detroit, which are losing population, businesses and properties. The same can be said as to Hamtramck and Highland Park, for example. This cannot be ignored when considering the fiscal picture of the County.

Furthermore, Thomas Slank, Deputy Budget Director for the County, explaining the recommended budget for the year beginning December 1, 1995, discussed the very point just raised as to the need for fiscal restraint. (Tr. 222-261) Mr. Slank cautioned about the wage increases because of the concern over the County's precarious sources of revenue. The Chairman is impressed with these facts and believes that these facts cannot be ignored.

What became obvious to the Chairman is that there is a need for pay increases in the Sheriffs Department. But, in order to have increases in the Sheriffs Department for Local 502 members, there must be very tight budgeting and fiscal constraint in that Department. The Sheriffs Department, including the airport police, represents increasing costs -- costs that the County may not be able to afford unless there is fiscal restraint. For this reason, during the hearing there were questions posed to Mr. Naughton concerning this need for restraint. As this Chairman has pointed out, the \$12 million increase in budget that the Sheriff is asking could wipe out the entire unreserved fund balance, and more, of the County. Such an event could possibly bring the County into deficit financing which, in turn, could result in payless paydays for Sheriff Deputies and the Local 502 members, as well as the command represented by Local 3317.

In response to questions posed to Mr. Naughton concerning possible budget savings in the Sheriffs Department in order to fund the comparable wage increase for Sheriff Deputies, Mr. Naughton testified at length beginning at Tr. 269 and continuing to Tr. 173:

You had asked earlier if we could provide recommen-

datations for savings in the sheriff's activities. First, I'd like to preface my remarks by saying that we do not manage the day-to-day activities of the Sheriff's Department. He is an independently elected official. By charter the County executive is to unify the management of the affairs of the County. That's very nebulous language. As a practical matter, the sheriff runs his operation fairly autonomously. We in fact view his budget as a lump sum budget. There are amounts appropriated for specific purposes, that is, for the operation of the jail, for operating certain field service activities and other programs. The day-to-day decisions in terms of how police officers or civilians are deployed, how they're assigned, those decisions are all made by personnel under the sheriff's supervision.

Bottom line, there's probably no better person than the sheriff in terms of being qualified to come up with recommendations for savings in those departments. We manage the budget, even his activities at a very high level. We can control the number of positions. We can control discretionary spending. We can stop requisitions for capital. We can stop requisitions for supplies. We do have to approve requisitions to fill new positions. However, we cannot control overtime expenditures. We cannot control, again, how individuals under his supervision are deployed. Really, again, we do not have access, or we have not had the opportunity to review in detail the day-to-day operations of the activities under his control.

Nevertheless, you know, there are matters that come to our attention that suggest that there are opportunities for cost savings. Without getting into specifics, maybe I can just highlight a couple of these, and if Tom has any others certainly he can jump in.

Right away I can suggest that there can be a reduction in certain areas that we consider non-mandated. We understand the sheriff is certainly required to operate the jail. It's a function that he is charged by statute, by state law. But he's not necessarily charged by statute or required to fund certain field service operations. He's not required -- there are positions within his budget that certainly qualify as being non-mandated. And I'll leave it at that.

We last year attempted to look for an opportunity for cost savings in the area of court services. We believe with a modest investment perhaps in equipment that there are better ways to provide security to the courts. And, again, this is an area where the sheriff would have to work with the chief judges in the courts and come to some resolution in terms of what is adequate.

Currently police officers -- there's a requirement that a certain number of police officers are assigned to each courtroom. We know that those courtrooms are not always in session. Court is -- on certain days there are no proceedings, and we feel that there's probably a way where security, police officers assigned to security could be pooled and rotated between the courtrooms as they're in session. And I think there's an opportunity for savings there. But, again, the sheriff would be most qualified to come up with a suggestion or solution for an opportunity for savings.

I would point to park patrol, and I would only suggest that we, in terms of general fund support, we put as much into the park patrol funding, that is, you know, the security of parks, as we do into the operation and maintenance of the parks. So it seems to be an area where we can take another look, take another look at the adequate level of park patrol. There may be more positions funded there than is necessary.

I've suggested before that we are -- we do not have the opportunity to see firsthand or observe firsthand the day-to-day operations of the jail or other activities under the sheriff's control, but we do hear that there are certain positions that may be funded in the jail but are diverted to other activities. In fact, for instance, we internally in budget did not know that the sheriff had a morality unit until we read it in the paper. These positions, these officers that are on the morality unit, were funded obviously in some other capacity, in some other activity, and were diverted to another program.

And I don't mean to single out the morality unit. In fact, as the sheriff testified and I will agree, the morality unit is an example of a good program. I mean it pays for itself.

The confiscations actually offset the cost of that unit. But there are nevertheless other activities that we know are taking place that are not necessarily contemplated or appreciated in our budget.

Sheriff Robert Ficano agreed with Mr. Naughton for, in response to a question from the Local 502 Advocate, he stated:

Q. ...The question I have for you is that do you support the concept that the members of Local 502 should be paid at at least the average as is paid in comparable communities within the state police and local county sheriff's departments?

A. Yes, I believe there should be comparable wage levels with those other communities.

Q. And if the panel should award something which does bring the sheriff's department at least closer to the average of the comparable communities, are you willing to work both with the union and with the County to make sure that the award can be applied within existing budgetary constraint?

A. Yes. I understand if such an award were to come forward it would take work on behalf of the County as well as the union to find ways that we can implement that award. (Tr. 96)

Thereafter, in response to questions concerning the need for budget constraints within the Sheriffs Department, in order to assist in financing any pay raise for Local 502 members, Sheriff Ficano, at Tr. 101-103, testified:

-- it would start with several things. Obviously we realize that, you know, financial stability is something that you always want and to be able to try to project, both on wages for the employees as well as the unit of government that is the employer. And, recognizing that, I realize that it

would take work on behalf of not only, when I say management, of the Sheriff's Department, but also on behalf of the County, as well as leeway that would have to be given to us by the union in being able to perhaps look at different work rules, look at different conditions that will permit us to perhaps not work on such strict budgetary line items as what traditionally government works on.

We've looked at, well, though it's never been passed, things such as the lump sum budget and things like that that may be able to help us generate and move and shift people around.

And hopefully there are unseen savings that eventually come. For example, right now, because of the disparity in wages, we spend a tremendous amount of money training people, putting them through the academy. Then, when they become a certified police officer, we in essence become like a training ground sometimes for other police departments. And they realize they can forego those costs and at the same time suddenly they can bring one of our officers and hire them on to their department. That means we have to go back to ground zero, all that training, meaning the academy staff, everybody else.

And we're perpetually putting people into the academy, where I would think, personally, some of those numbers would slow down if people would stay in the department, because we obviously wouldn't be pulling and rehiring in that process.

So I'm saying that it would take work on both sides. And I would not expect only that management or the Sheriff's administration and the County would be the only ones that would have to find the way, quote, for, you know, some of the free-up of resources. I would expect that the union would come forward also and work with us as a partner to say there are areas where we can save money by changing some of the work rules and other things and conditions that I'm hoping will be able to bear fruit so that they'd be up to a marketable wage.

Thus, as the Chairman reads the transcript as quoted above, the Sheriff has committed himself to budget restraints within his Department, exercising his discretion in obtaining the necessary savings in order to provide for a wage increase. The Chairman has signed his name to an Award providing for a wage increase, as well as changes in the pension plan, on the representation of the Sheriff that he will participate in budget restraint. Otherwise, the Chairman would have modified the Award substantially and perhaps extended the wage freeze far longer than has been extended. And the Chairman can only comment that if the budget restraints are not followed, there is the potential of payless paydays which the Sheriff opposes and, understandably so.

So that all will understand, as explained further in this Award, it was essential that the wage pattern awarded by the Panel be in keeping with the negotiating pattern within the County. There was some exception as to the Local 502 contract because of the need to compact the steps and raise the beginning and top salary, which was unusually low in the marketplace. The only way that this could be funded is by budget restraint within the Sheriffs Department. The Sheriff has committed himself to those budget restraints. Finance Director Naughton has proffered areas of restraint.

If the Sheriff fails in the effort of budget restraint, then the Sheriff and his Department may very well be faced, in the next contract negotiations, with very serious economic restraints, possible payless paydays, and staff reductions. The parties must recognize, including the Sheriff, that Act 312 is not a lottery. There have been awards under Act 312 where there have been wage freezes for a substantial period of time. It

is not in the interest of the Sheriff or the Department to permit this to come to pass in the future when there was a major effort, endorsed by the Sheriff, to correct a marketplace inequity as a result of this Award, by utilizing budget restraints.

In essence, the Chairman is relying on the Sheriff, and presumably so will the Executive and the Board of Commissioners, to finance excess costs of the Award by savings through budget constraints, whether that be reduced personnel or otherwise. This is a must. The Chairman has relied on the statement of the Sheriff, quoted above, that he intends to finance excess costs through budget cost savings. This is a must to avoid reductions in service in the Sheriffs Department and other County departments. A reduction in service in other County departments will no doubt cause a serious reaction from the citizens, which cannot be ignored by the Sheriff or any other County public official.

Although not before him, the Chairman also points out that Local 3317 cannot ignore the economic considerations noted above; that it cannot ignore that unless there is a reasonable restraint, payless paydays will become a reality in the Sheriffs Department, and possibly the County as a whole. The message is clear; it must be understood.

B. The Comparables

Section 9 of Act 312 provides for the criteria, as already noted in this Award. Included in the criteria is Section 9(d), the comparisons. Comparisons not only include comparison with other employees of other employers, such as other police agencies, but also internal comparables.

The wage comparisons that the parties have offered vary. Local 502 would include the Michigan State Police, Dearborn and Livonia, whereas the County has offered the following comparables:

SALARY SURVEY FORM

CLASSIFICATION SURVEYED: CORRECTION OFFICER GRADE: N/A DATE OF SURVEY: 5-5-95

Name of Company Jurisdiction Surveyed	Comparable Class	Effective Date	Minimum Rate	Maximum Rate	Yrs to Max
Oakland County	Deputy 1	1-8-94	21,035	37,368	5
City of Detroit	Det. Facility Officer	7-1-91	22,112	24,887	5
Macomb County	Corrections Officer	1-1-94	22,580	32,257	8
Monroe County	Corrections Officer	1-1-94	25,834	27,768	2
Washtenaw County	Corrections Officer	1-1-95	23,566	36,962	4
St. Dept. of Corrections	Corrections Officer	10-1-94	22,383	32,134	5
Milan Federal Prison	Corrections Officer	1-8-95	24,595/25,930 Depends on Experience	37,378	5
AVERAGE			23,093	32,577	

COMMENTS: Wayne County Jails use classification title of Police Officer.
Current Wage Rate: \$20,000 min. to \$36,500 max. Years to max - 10.

The Local 502 comparables are as follows:

POLICE OFFICER

DEPARTMENT	ENTRY	TOP	YEARS TOP
MSP	\$24,263	\$37,709	5
Detroit	\$25,000	\$40,808	5
Dearborn	\$30,717	\$40,988	4
Livonia	\$30,160	\$40,206	4
Oakland County	\$32,838	\$44,772	5

These comparables are to be contrasted to the wage schedule for a Deputy represented by Local 502 in the Wayne County Sheriffs Department and at the airport.

As of December 1, 1993, there were 11 steps in the wage rate, as follows:

\$20,000
\$20,000
\$21,000
\$22,500
\$24,000
\$25,300
\$27,600
\$30,100
\$31,500
\$33,000
\$36,500

Though one could haggle over comparables, one must note that the current wage rate of Wayne County Deputies ranges from \$20,000 minimum to \$36,500 maximum. Regardless of the comparables used, it is quite clear that the Wayne County Sheriffs, both at the starting level of \$20,000, and at the maximum, with the exception of Monroe County and Macomb County and the City of Detroit facility officer, is the

lowest of even the County's comparables, let alone the comparables of Local 502.

\$20,000 is just below the marketplace, and \$36,500 must be increased.

Likewise, it would seem that the number of steps must be contracted in order to be competitive with the marketplace.

In addition to external comparables, there are internal comparables within the County. The reference to these comparables will be noted in the discussion on bargaining history, comments about health care, and pension issues.

C. Bargaining History

Mark R. Ulicny has been Director of Labor Relations for the County of Wayne for approximately five and one-half years and is the chief negotiator in negotiating with the various County unions. (Tr. 154) Mr. Ulicny testified that, because of the County's fiscal restraints, no increases have been negotiated with settled contracts for 1993-1994; that in 1994-1995, there have been a 3.5% increase negotiated, plus in 1995-1996, a 3.5% increase.

This bargaining history would indicate the wage package that the County is prepared to give. As Mr. Naughton testified at Tr. 269, referring to his previous testimony, "And, as I indicated before, we feel that any award in excess of zero, 3 and a half, 3 and a half percent would pose significant budgetary problems if there wasn't some way to finance those increases."

County Ex. 13, Tab A, sets forth the agreements that the County has thus far negotiated for the 1993-1996 period with various bargaining units:

ECONOMIC IMPROVEMENTS

<u>BARGAINING UNIT</u>	<u># EMPLOYEES</u>	<u>93-94</u>	<u>94-95</u>	<u>95-96</u>	<u>SIGNING BONUS</u>
AFSCME	2,509	0	3.5%	3.5%	\$500
BUILDING TRADES	63	0	3.5%	3.5%	\$500
DIETICIANS & NUTRITIONISTS	12	0	3.5%	3.5%	\$500
GAA (Regular)	416	0	3.5%	3.5%	\$625
HEARING & VISION TECHNICIANS	14	0	\$2.50/day	\$2.50/day	0
PROFESSIONAL NURSE ASSOC.	77	0	3.5%+ step	3.5%+ step	\$500

It is noted that the \$500 signing bonus referred to in the above exhibit, in most cases, was offset, as indicated by Footnote 2, by increasing the prescription co-pay in the health care plan from \$2.00 or \$3.00 to \$5.00.

This latter point is important. As Mr. Naughton testified at Tr. 207, 51.8% of payroll in 1994 was fringe benefits. In the projected 1995 budget, this will be about 59%. In regard to health care or hospitalization, by 1994, the funding for the premiums of health care insurance was 27.74% of payroll, or an average over the last two year period of a 4% increase. (Tr. 207) Thus, in order to consider any pay adjustments, it is necessary to take steps to control health care costs. It is a question of where the money is going to go. Is it going to go for health care premiums, or is it going to wages? A \$5.00 co-pay will contribute to restraining health care costs, and thereby, as

evidenced by the above bargaining data, make monies available for wage increases, whether it be by way of a signing bonus or otherwise.

The point is the County has a serious financial problem requiring fiscal restraint. The bargaining history as set forth above, combined with the need for fiscal restraint, is a clear indication of the parameters of the wage package for Local 502 members for the 1993-1996 period. However, in making this statement, the Chairman also notes there are some marketplace concerns, namely, the external comparables, and this concern must be factored into the wage package, consistent with the bargaining history and fiscal restraints. \$20,000 is too low for a beginning salary and there must be increases at the top end of the salary schedule, plus contraction of the steps.

The bargaining history as discussed herein includes the internal comparables, which would be the proper comparables as to the pension issues now before the Panel. There are four pension plans affecting Local 502 members: the so-called Defined Benefit Plan #1, Defined Benefit Plan #2, Defined Benefit Plan #3, and Defined Contribution Plan #4. These Plans operate in other bargaining units, including the Sheriff Command bargaining unit represented by Local 3317. For comparison purposes, as a result of current negotiations, the following bargaining units have the following plans:

<u>BARGAINING UNIT</u>	<u>PLAN 1</u>		<u>PLAN 4</u>	
	<u># EMPL.</u>	<u>MULTIPLIER</u>	<u># EMPL.</u>	<u>CONTRIBUTION</u>
AFSCME	613	2% for years 1 thru 20. 2.5% for years after 20.	1,704	4:1 match for years 1 thru 20. 5:1 match for years after 20.

BUILDING TRADES	11	2% for years 1 thru 20. 2.5% for years after 20.	39	4:1 match for years 1 thru 20. 5:1 match for years after 20.
DIETITICANS & NUTRITIONISTS	5	2% for years 1 thru 20. 2.5% for years after 20.	7	4:1 match for years 1 thru 20. 5:1 match for years after 20.
GAA (Regular)	171	2% for years 1 thru 20. 2.5% for years after 20.	208	4:1 match for years 1 thru 20. 5:1 match for years after 20.
HEARING & VISION TECHNICIANS		N/A		N/A
PROFESSIONAL NURSE ASSOC.	34	2% for years 1 thru 20. 2.5% for years after 20.	40	4:1 match for years 1 thru 20. 5:1 match for years after 20.

Local 502 noted that AFSCME Local 3317, representing the command officers of the Sheriffs Department and Airport Police, provides for a 2.5% factor for all years of service. Local 502 also noted that some of its members are promoted to command officers and, upon promotion, have the benefit of a 2.5% factor for all years of service. (Tr. 123-125)

Local 502 members present receive a 2.0% factor in Plan #1 for all years of service. In Plan #4, the match is \$4.00 to \$1.00, contributed by the officer.

Based upon these comparables, at a minimum, in current negotiations, even without the advent of an Act 312 Panel, Local 502 would obtain 2.5 for all years of

service after 20 years in Plan #1, and a 5:\$1.00 match for years after 20 years.

However, there is the comparable with Local 3317 that cannot be ignored. The problem is how can the Local 3317 Plan #1 be adopted to Local 502, considering the fiscal restraints of the County.

Finally, the Local has asked for certain specialty pay increases in certain specialized jobs. There are provisions in the current contract for same.

D. The Art of the Possible

Combining the criteria discussed above, comparables both externally and internally, the financial ability of the County, and the bargaining history, it would seem that, as to pensions, the comparables, particularly with Local 3317, would dictate adoption of the Local 3317 comparables, namely, 2.5 of average final compensation for all years of credited service with a maximum of 75%, effective December 1, 1995.

However, in order to so provide, it is necessary to review the actuary assumptions of the existing plan. Because of employee turnover and other circumstances, consulting actuaries have modified the required contributions of the County to the Local 502 pension plan. In addition, in order to fund this increase, it will be necessary, effective December 1, 1995, to increase the employee contribution from 3.67% to 4.25% of the first \$13,500 of annual compensation, and from 5.67% to 6.25% of annual compensation in excess of \$13,500. The combination of these two factors, a change in actuary assumptions, and increased employee contribution should be a substantial factor in offsetting the cost of this increased benefit.

The comparables dictate this change, but the Chairman would not sign an Award for such a change unless there was consideration to the County's fiscal constraints. There has been, as just explained, and for these reasons the Award will reflect a change in Plan #1.

As to Plan #4, the bargaining history of the other units, effective December 1, 1995, would provide an increase from \$4.00 to \$5.00 for each dollar the employee contributes after the employee reaches 20 years of service. There is no reason why this should not be in the Local 502 plan.

As already indicated, in order to effectuate a wage increase for Local 502 members, there must be a change in the health care drug co-pay, for this change was effectuated with all other bargaining units. Therefore, as part of the wage package, effective December 1, 1995, the art of the possible would require that the prescription rider for all plans, except under option plans, shall provide for a \$5.00 co-pay.

This then brings the Chairman to the wage package. This Chairman has spoken of the art of the possible. The art of the possible is the criteria under Section 9(h) of Act 312, as it is a concept utilized by fact finders and arbitrators in formulating contracts in interest arbitration and fact finding. The art of the possible means what would the parties have done if left to their own devices, without the intervention of outside persons, considering all factors.

As already indicated, the pension issues and the health care issues would have been resolved as set forth above. In regard to wages, there would have been a wage

freeze for the first year of the contract. There should be an attempt to increase, at some point in the contract, the starting wage and also the top wage, as well as compacting the steps of the wage scale, consistent with the way the scale as operated under preceding contracts. The Chairman, working with a majority of the Panel, has come up with a wage scale that will be set forth in the Award.

For the first year of the contract, there will be a wage freeze, namely, from December 1, 1993 to November 30, 1994, consistent with the bargaining pattern in the County. This wage freeze will continue until June 1, 1995, except at the top step, where there will be an increase of \$1,000, effective December 1, 1994. Beginning June 1, 1995, there will be increases at all steps of the scale.

On July 1, 1995, the scale will be compacted from 10 steps to nine steps. On June 1, 1996, there will be increases at all steps but, in addition, as of June 1, 1996, there will be seven steps. This will accomplish the compacting of the steps, as has been a goal of Local 502 for some time. As indicated by the chart for Police Officers, set forth above, the beginning range covers a ten year step period. The ending range has been reduced to a seven year step period.

Likewise, the Award will be within the fiscal constraints of the County, and consistent with the bargaining patterns. Though there will not be the \$500 signing bonus, that has been factored into the new scale, in addition that there will be concomittant raises as to Corporals and Detectives.

In order to accomplish this compacting of scale and wage increases, the art of the possible would dictate that there be no increase for specialty pay. There are

already provisions for specialty pay and there is only so much that can be accomplished in an Act 312 Award.

The Chairman must repeat a point already made. The Chairman would not have signed this Award unless, based upon his review of the record, he had the commitment of the Sheriff to fund any excess costs over the bargaining pattern from savings through budget constraints. This Chairman was concerned that a \$20,000 beginning salary and top rate police enforcement agency just was unconscionable. But the County has limits to its finances. And in such a situation, all employers, whether they be public or private in this country, work within their budget and obtain the cost savings necessary to pay a prevailing wage through budget constraints. That is what this case is all about.

Signatures

As indicated at page 2 of this Opinion, under "Stipulations," the parties have stipulated that the Chairman of the Panel will write and sign the Opinion and Award. In doing so, however, the Chairman represents that there has been a majority as to each portion of the Award.

AWARD

1. As to the non-economic issues, the Award incorporates the findings and conclusions in the Opinion concerning same as to the assignment of Detectives discussed at pages 7-8, and are incorporated herein as if part of the Award.
2. As to demotions for discipline purposes, the Panel rejects same and

hereby awards that the contract shall contain no provisions as to demotions for discipline purposes, but instead will incorporate Article 9 as negotiated.

3. There shall be no change in specialty pay over that in the 1989-1993 contract.

4. As to pensions, the Award hereby provides:

PLAN #1:

Effective December 1, 1995, employees eligible for regular retirement may retire with a pension benefit formula of 2.5% average final compensation for all years of credited service.

Effective December 1, 1995, employees retiring for any reason with less than 25 years of service shall receive a pension benefit based on a formula of 2% final average compensation for all years of credited service.

Effective December 1, 1995, the maximum benefit on retirement shall not exceed 75% average final compensation regardless of the formula used and regardless of the source of funding.

Effective December 1, 1995, employee contributions shall increase from 3.67% to 4.25% of the first \$13,500.00 of annual compensation and from 5.67% to 6.25% of annual compensation in excess of \$13,500.00.

PLAN #4

Effective December 1, 1995, the County shall contribute \$5.00 for each \$1.00 the employee contributes after the employee reaches 20 years of service.

5. As to health care, the Award hereby provides:

Effective December 1, 1995, the prescription rider for all plans (except under Option Plan) shall provide for a \$5.00 co-pay. Employees enrolled in Blue Cross/Blue Shield Plans will also be covered for prescriptions under the Preferred Rx Plan.

6. As to wage rates, the Award hereby provides:

WAGE RATES FOR EMPLOYEES IN LOCAL 502

POLICE OFFICER:

12-1-93	12-1-94	6-1-95	12-1-95	6-1-96
\$20,000*	\$20,000*	\$21,000	\$21,000	\$23,500
\$20,000**	\$20,000**	\$22,300	\$22,300	\$25,000
\$21,000	\$21,000	\$22,300	\$22,300	\$25,000
\$22,500	\$22,500	\$23,800	\$23,800	\$27,100
\$24,000	\$24,000	\$25,300	\$25,300	\$30,000
\$25,300	\$25,300	\$26,600	\$26,600	\$33,000
\$27,600	\$27,600	\$28,900	\$28,900	\$36,500
\$30,100	\$30,100	\$31,200	\$31,200	\$39,000
\$31,500	\$31,500	\$32,800	\$32,800	\$39,000
\$33,000	\$33,000	\$37,700	\$39,000	\$39,000
\$36,500	\$37,500	\$37,700	\$39,000	\$39,000

CORPORAL:

12-1-93	12-1-94	6-1-95	12-1-95	6-1-96
\$37,000	\$39,000	\$39,000	\$40,300	\$40,300

DETECTIVE:

12-1-93	12-1-94	6-1-95	12-1-95	6-1-96
\$40,900	\$42,200	\$42,200	\$43,500	\$43,500

There shall be no step increases or other wage or benefit increases granted after

June 1, 1996 under the terms of this Award.

* This asterisk to the chart refers to employees presently at \$20,000 annually hired during 1995.

** This asterisk applies to employees presently at \$20,000, hired prior to 1995.

It is the intention of the Award that the wage package shall be administered according to these statements.

7. The duration of the contract shall be from December 1, 1993 through November 30, 1996.

8. All other benefits, pay practices, policies, rules or procedures related to the matters listed above shall remain in accord with the current programs or as otherwise agreed upon by the parties.


GEORGE T. ROUMELL, JR.
Chairman

September 13, 1995