

2169

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC GROWTH
MICHIGAN EMPLOYMENT RELATIONS COMMISSION

In the Matter of the Arbitration Under
Act 312 (Public Acts of 1969):

CITY OF WOODHAVEN

-and-

MERC Case No. D03 G-2163

MICHIGAN ASSOCIATION OF POLICE

OPINION AND AWARD

Chairman of Arbitration Panel:	Barry C. Brown
City Delegate:	Steven H. Schwartz
Union Delegate:	Troy Scott
Representing City:	Steven H. Schwartz
Representing Union:	Fred Timpner
Pre-Hearing Conference:	September 1, 2006
Hearings Held:	November 13 and 27, 2006
Last Best Offers Submitted:	December 11, 2006
Post-Hearing Briefs Received:	February 19, 2007
Opinion and Award:	March 14, 2007

I. STATEMENT OF THE CASE:

The labor organization, Michigan Association of Police, filed a petition for arbitration pursuant to Act 312, PA of 1969 as amended (MCLA 423.231, et seq.). The union asserted in its petition dated July 13, 2005, that it had engaged in good faith bargaining with the employer, the City of Woodhaven, on behalf of the city's police officers, and an impasse in negotiations had been reached. On August 22, 2006, the employer filed its answer to the above described petition with the Michigan Employment Relations Commission. On August 18, 2006, MERC Commissioner Eugene Lumberg appointed Barry C. Brown as the impartial arbitrator and chairperson of the arbitration panel in this matter.

The parties establish the unresolved issues, and the hearing procedures to be followed in a pre-hearing conference conducted on September 1, 2006. Two formal hearings were subsequently conducted by the panel in 2006, and the last offers of settlement were exchanged on December 11, 2006. The dispute between the parties pertains to a five-year collective bargaining agreement that became effective on July 1, 2005, and which will continue through June 30, 2010.

The issues before the panel for resolution are:

A) Union Issues:

1. Wages
2. Hospital and medical Insurance
3. Prescription drug rider
4. Hospital and medical insurance - and - new hires
5. Employee insurance contribution
6. Retiree hospitalization/prescription drug rider
7. Right to modify coverage

As provided by Act 312, the Arbitration Panel is comprised of a delegate chosen by each party to the dispute, and an impartial chairperson selected by the Michigan Employment Relations

Commission. The current panel is comprised of Chairperson Barry Brown, Steven Schwartz, panel member selected by the city, and Troy Scott, panel member selected by the union. Pursuant to the Act, the Panel shall adopt the final offer of settlement by one or the other party for each economic issue. The parties have also stipulated that all issues in dispute are economic. The parties also stipulated and the panel agreed that all Act 312 statutory time limits were waived. Further, the parties agreed that the new contract (2005-2010) would consist of the predecessor agreement (2000-2005) as modified by the parties' settlements on various issues, and also as modified by this panel's award on the issues still in dispute.

II. THE STANDARDS FOR THE PANEL DECISION:

In pertinent part, Section 9 of Act 312 sets forth the following factors upon which the panel's decision must rest:

[T]he arbitration panel shall base its findings, opinions and order upon the following factors, as applicable.

- (a) The lawful authority of the employers.
- (b) Stipulations of the parties.
- (c) The interests and welfare of the public and the financial ability of the unit of government to meet these 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 ability 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.

STIPULATIONS OF THE PARTIES

As stated above, the parties agreed to a five-year contract beginning on July 1, 2005. The parties agreed to several memorandums of understanding prior to and during the hearing. These agreements are presented below:

MEMORANDUM OF UNDERSTANDING

The City of Woodhaven ("City") and Michigan Association of Police ("Union") agree as follows:

1. This Memorandum of Understanding shall be considered final stipulations of the parties and shall be admitted as a joint exhibit before the Act 312 arbitration panel.
2. Unless modified by this Memorandum of Understanding or the Act 312 arbitration panel, the terms of the July 1, 2000 - July 1, 2005 collective bargaining agreement between the Police Officers Association of Michigan and The Employer shall be continued. Reference to the "Police Officers Association of Michigan" shall be changed to the "Michigan Association of Police" where appropriate. In the event of a conflict between the 2000-2005 collective

bargaining agreement and this Memorandum of Understanding, the latter shall control.

3. The dates shown in parentheses are only to assist the reader in verifying when a tentative agreement on a specific issue was originally reached. These tentative agreements are now final stipulations of the parties.
4. (10/11/05) Sections 3.3, 3.4 and 3.5 shall read as follows:
 - 3.3: Discrimination or Coercion by City. Neither the City nor any of its agents will exercise discrimination, interference, restraint or coercion against any members of the Union on account of such membership.
 - 3.4: Solicitation by Union. Neither the Union nor its members will solicit membership, collect dues, check-off authorization on the City's time or coerce or intimidate employees.
 - 3.5: Bulletin Boards. The City shall furnish the Union with bulletin boards with adequate space for posting notices regarding Union and Association business activities only. The City reserves the right to remove items which are detrimental to morale or which defame/disparage any individual or group.
5. (10/11/05) Agreement, Articles I, II, III, IV, V, VI, VII, VIII (except 8.14, 8.16; note 8.20 and 8.6 are described in paragraphs 11 and 13 of this document), IX, XIII (Except 13.3(A), (D), XX (except 20.1), shall be as attached at Appendix A.
6. (11/15/05) Sections 3.6 and 3.1 (J) shall be deleted.
7. (11/15/05) Section 9.10 shall be amended, as follows:

Leave-Benefits-Limitations. Any employee while on maternity leave, sick leave or temporary National Guard leave, shall only be entitled to the following benefits: Holiday pay, Court Time, Hospital and Medical Insurance, Optical Insurance and Life Insurance and any other benefit required by the applicable federal and state laws regarding military leave. Any employee on any of the above enumerated leaves shall not earn any sick leave time while on leave. Any sick leave awarded the employee while on said leave shall be reduced prorata for the time the employee is on said leave.

An employee on military leave for permanent active duty without a specified date of return shall not be entitled to any benefits provided for in this contract except for Life Insurance and Seniority Provisions on leave provided under Section 9.2 hereof, or as

required by the applicable federal or state laws regarding military leave.

An employee on a leave of absence other than those enumerated above in Section 9.10 or required by the Family and Medical Leave Act, shall not be entitled to any benefits provided for in this contract except Life Insurance and Seniority Provisions on leave, provided for under Section 9.2 hereof. The City may extend to an employee such other benefits as it deems advisable under the facts underlying the leave of absence. The benefits granted must be specifically designated at the time the leave of absence is granted.

No employee, while on any leave of absence, may be in full-time employment with any other employer. Any employee violating this provision shall be subject to disciplinary action including discharge from employment with the city. Exemption from this provision may be granted by the City upon prior approval of an application made prior to going on leave. Any such approval granted by the City may be made upon terms specified by the city.

8. (11/15/05) Section 2.3 shall be amended, as follows:

Gender. All references in this Agreement to the masculine gender shall be interpreted to include the feminine gender.

9. (11/15/05) All references throughout the contract shall be changed from “patrolman” to “patrol officer.”

10. (11/15/05) Section 18.1 shall be read, as follows:

Duty Death. In case of the death of an employee in the line of duty, the city shall provide those benefits contained in Sections 14.2, 14.3, 14.4 and 14.5 to the living spouse until he or she remarries, and for all children of the employee until they attain the age of eighteen (18) years.

11. (11/15/05) Section 8.20 shall be amended to read, as follows:

Residency. Employees of this bargaining unit may reside twenty-five (25) miles from the Woodhaven city limits, excluding Canada. Measurements shall be “as the crow flies” from the employee’s house to the nearest Woodhaven border. The “nearest Woodhaven border” is defined as the portion of the street furthest from City Hall.

In the event of an emergency requiring the call-in of off-duty officers, the Department shall first call in officers who are City residents and then officers in order of closest geographic proximity to the Police Department. An “emergency” is defined as a need for additional manpower due to an unplanned occurrence, such as a tornado,

black out, blizzard or evacuation. An “emergency” shall not include a call-in to maintain scheduled staffing levels.

12. (11/15/05) Section 6.2 shall be amended, as follows:

Grievance Limitation. No grievance shall be processed unless filed by the Union within fifteen (15) calendar days after the occurrence was known or should have been known to the employee or the Union, except where agreed upon by both parties.

13. (12/6/05) Section 8.6 shall be amended, as follows:

[A, B and C remain unchanged]

D. If the employee fails to return from a leave of absence at the end of the authorized leave, unless he/she is incapacitated and unable to contact the Chief of Policed. The Chief of Police or his/her designee shall attempt to contact the employee at the end of the leave of absence prior to taking disciplinary action.

E. If the employee fails to return to work within three (3) days of receiving written notice of recall by certified mail.

F. If the employee is absent from work from a medical leave of absence for more than eighteen (18) months.

14. (12/6/05) Sections 10.4 through 10.6, inclusive, 10.8, 10.11 and 10.13 through 10.17, inclusive, shall be amended, as follows:

10.4: Trading Work Days. Subject to departmental manpower requirements, employees shall be permitted to voluntarily trade work or leave days with the consent of the Chief of Police or his/her designee provided no overtime is involved, which permission shall not be arbitrarily withheld. Work day trades shall be allowed only to members of the same bargaining unit and no vacation time or personal leave days shall be allowed while on a trade day.

10.5: Changing Shifts. Members of the Police Department with the consent of the Chief of Police or his/her designee, may be permitted to change shifts, provided no overtime is involved. Consent of the Chief of Police will not be arbitrarily withheld. Shift changing may only take place between employees of like rank, and no vacation time shall be allowed when the employee is on a trade.

10.6: Leave Days Requiring Approval. Work leave days in cases of emergency

must be authorized by the Chief of Police or his/her designee.

10.8: Hours of Work. Shifts shall be identified in accordance with the following:

Split Shift	Uniform Division 08:00 PM to 04:00 AM
Day shift	Uniform Division 07:00 AM to 03:00 PM
Afternoon Shift	Uniform Division 03:00 PM to 11:00 PM
Midnight Shift	Uniform Division 11:00 PM to 07:00 AM

Provided that the Chief of Police may vary this schedule by one (1) hour upon advance notification to employee of one (1) week's time. Any special detail hours shall be decided by mutual agreement of the Chief of Police and the Union.

10.11: Court Time. Whenever an officer is off-duty and is required to go to court, he/she shall be paid time and one-half and be guaranteed a minimum of three (3) hour's pay. Court time shall not be counted as overtime.

10.13: Bargaining Time. Any employee engaged in bargaining during regular working hours, shall be paid his/her regular hourly rate.

10.14: Payment Upon Separation - Police Officers. Whenever an employee voluntarily resigns or retires (including disability retirement) from the Police Department, said employee shall be paid for all banked time already earned. An employee terminated for just cause shall only be paid banked compensatory time.

10.15: On-call Pay. Employees shall be compensated when assigned to be on-call by the Department by the use of beepers of department cell phone by payment of one (1) hour compensatory time for each 16 hours on-call; provided an employee may not earn more than seven (7) hours of such compensatory time in any calendar week.

10.16: Temporary Assignments. Temporary assignments may be made by the Chief of Police for a period of ninety (90) days. This assignment may be extended for up to an additional ninety (90) days if mutually agreed to by the Chief of Police and the Union. Seniority shall be the controlling factor unless circumstances dictate otherwise.

10.17: Field Training Officer. Field Training Officers will receive one (1) hour of compensatory time, per shift, per day, while performing the duties of a Field Training Officer (FTO).

15. (12/6/05) Sections 11.2, 11.3 and 11.4 shall be amended, as follows:

11.2: Transportation Allowance. No travel pay for any school that is less than twenty (20) miles from WHPD.

A. An employee may drive a City vehicle if available, but will not be paid travel time to drive to WHPD to pick up vehicle or drive from WHPD to the school.

B. If a City car is not available, the employee will be paid the mileage rate allowed an individual taxpayer by the IRS for the current tax year. Use of a personal vehicle must be approved by the Chief or Deputy Chief.

11.3: Penalty for Tardiness - Police Officers. When an employee is late for his/her work shift by fifteen (15) minutes or less, he/she shall be penalized one-quarter (1/4) hour. When an employee is late by fifteen (15) minutes or more, his/her pay for that shift will begin with the next quarter hour.

11.4: Meals. The City shall pay a meal allowance of \$10.00 for all employees who work more than ten (10) hours in any one shift.

16. (12/6/05) Sections 12.1, 12.2 and 12.4 shall be amended, as follows:

12.1: Vacation Schedule - Police Officers. Summer vacation schedules shall be completed and posted by the first of March of each year. Winter vacation schedules shall be completed and posted by the first day of July of each year. The selection for vacation will be governed, as follows:

A. The Chief of Police, or his/her representative, shall post an order prior to March 1, stating when officers shall be called in for summer vacation selection and September 1, for winter vacation selections.

B. If choices are not ready when contacted, that officer's choice will be forfeited.

C. Seniority will prevail until all officers have been contacted.

D. After vacations are listed, they may not be changed, without the consent of the Chief of Police or his/her designee.

12.2: Definition of Week. For the purpose of this Article, a week's vacation shall be defined and consist for five (5) working days.

12.4: Vacation Periods. Members of this bargaining unit with at least twenty-four (24) months' seniority may take vacation on a 50/50 basis with fifty percent (50%) taken in block time and fifty percent (50%) of time earned placed into the compensatory bank with payment for hours in excess of 240. Vacations shall be selected by shift and/or unit, rank, then seniority, and shall be finalized by April 1 for summer vacation and October 1 for winter vacations. If no selection is made, the vacations will be assigned by the Chief of Police. At least one (1) 5-day block of vacation time must be taken each vacation period.

17. (12/6/05) Section 3.2, Drug Testing Police, shall be as shown in Appendix B.

18. (12/14/05) Section 9.6 shall be amended to read, as follows:

Military Leave: (A) The City and the Union recognize that the matter of a leave of absence for an employee during the period of his military service is controlled by the applicable federal and state military leave law, and is interpreted by the decisions of the courts and regulations of the Administrative Agency administering any applicable act.

(B) When not extended leave ***, The military pay voucher shall be turned over to the City. The City shall pay the individual on a bi-weekly basis, based on the difference between the military pay and the regular base pay. However, the city shall not make any tax withholdings out of that check and shall issue a 1099 tax form to the individual for the payments made under this Section.

(C) Employees who are granted a short-term leave for National Guard duty, as described in Section 9.7, shall be paid their regular base pay, with normal tax withholdings, during that short-term leave. The employee shall turn over the military pay voucher to the City at the time it issues the regular paycheck. Failure to do so within seven (7) calendar days after receipt of the military leave pay voucher shall be grounds for discipline. Quarter allowance and mileage shall not be included in the funds turned over to the City.

19. (1/9/06) Section 9.11, FMLA, shall remain unchanged.

20. (1/9/06) Staffing, Section 13.3 (C), (D) and (E): shall be amended, as follows:

C. Probationary officers while in the "double phase" of their training, shall not be separated from their assigned training officers to accomplish a prisoner transport with another officer. If for some reason the training and probationary officer cannot be

sent together for a prisoner transport, other arrangements shall be made.

- D. This directive is only intended for the “double phase” of probationary training and is not an attempt to circumvent the *** overtime procedure described in Article X. When an officer is called in on overtime to facilitate a prisoner transport that officer will be excused as soon as practical upon completion of the transport.
 - E. Probationary officers, while in the “double phase” of their training, shall not be called in for overtime or used on Mutual Aid call outs. Once out of the “double phase” the probationary officers will be utilized as any other officer.
21. (1/9/06) ARTICLE XIX, Employee Rights, Sections 19.1 through 19.6, inclusive, shall be amended, as follows:
22. 19.1 Employees accused of violating criminal codes or ordinances will be entitled to their full rights under federal and state Constitutions and laws.
- 19.2 No employee will be disciplined and/or discriminated against because he/she exercises any of his/her constitutional rights before any grand jury, court or law enforcement agency, whether federal, state or local, or before any investigative committee of any legislative body.
- 19.3 A member of the Executive Board or other representatives of the Union, legal counsel, or both shall have the right to be present and, if requested by the employee, to represent the employee at all disciplinary proceedings.
- 19.4 Employees and the Union shall be given a copy of the final disposition of any disciplinary action within forty-eight (48) hours.
- 19.5 If the Employer interviews an employee under investigation, the interview shall be conducted as promptly as reasonable, preferably during the employee’s regularly scheduled working hours.
- 19.6 Any investigations and/or complaints against an employee, when designated by the Employer to be unfounded, shall not be included in the employee’s personnel file and shall not be used in any subsequent disciplinary proceeding or in making promotional decisions. The Department may maintain these records in its Citizen’s Complaint file:

SUPPLEMENTAL MEMORANDUM OF UNDERSTANDING

The City of Woodhaven (“City”) and Michigan Association of Police agree, as follows:

1. This Supplemental Memorandum of Understanding shall be considered final stipulations of the parties and shall be admitted as a joint exhibit before the Act 312 arbitration panel.
2. Unless modified by the Memorandum of Understanding dated February ____, 2006, this Supplemental Memorandum of Understanding or the Act 312 arbitration panel, the terms of the July 1, 2000 - July 1, 2005, collective bargaining agreement between the Police Officers Association of Michigan and the Employer shall be continued. In the event of a conflict between the 2000-2005 collective bargaining agreement and this Supplemental Memorandum of Understanding, the latter shall control.
3. Section 10.7, Working out of Classification: status quo.
4. Section 10.9, Holiday pay: status quo on the number of holidays. The reference from "Washington's Birthday" shall be changed to "President's Day."
5. Section 11.4, Meals: The meal allowance shall be increased from \$7.50 to \$10.00, effective on the first full payroll after the effective date of the Act 312 award.
6. Section 14.6., Life Insurance - Police Officers: Status quo.
7. Section 16.1, shall be amended to read, as follows:

Workers Compensation Subsidy. Whenever an employee is entitled to Worker's Compensation payment through the City, he/she shall endorse his/her Worker's Compensation check over to the City and receive, in exchange, his/her full regular daytime pay exclusive of any overtime pay for the same period for which he/she receives Worker's Compensation pay. The provisions of this Section shall expire after * * * eighteen (18) months duration.
8. Section 17.1, Personal leave: status quo
9. Section 13.3 (A), Staffing, shall be deleted.
10. Section 10.9, Revise Section B (incorrectly listed as Section 10.9(A)) to read:

Employees who work forty (40) hours and any of the above noted holidays come within that work week, he shall be paid in one of the following manners: . . .

[Subsection 1.2 and 3 remain unchanged]

11. Wages: Retroactive wages shall be paid to employees who are on the active payroll at the date of the Act 312 award or who take Normal or Disability Retirement after July 1, 2005.
12. Tuition and Education. The City shall reimburse the cost of tuition and books upon satisfactory completion (100% for 2.0 grade or higher per course; no reimbursement below 2.0 grade per course * * *) of all approved courses along with presentation and paid receipts.

* * *

1. Prior written approval of the specific classes * * * must be obtained from the * * * City Administrator. Approval will not be unreasonably denied.
 2. Reimbursement will be made by the city providing that no other direct aid is available at the time of approval, i.e., * * * Veteran's Benefits.
 3. Tuition reimbursement is limited to an accredited college or university located in the State of Michigan. On line study is not eligible for reimbursement.
 4. Up to 100% reimbursement, based on the grade received, for previously approved courses leading to a Bachelor's degree that are related to the employee's current position or a potential promotional position. Examples of these courses would be: liberal arts, sociology, psychology, criminal justice or required courses to obtain a Bachelor's degree in one of those majors.
 5. \$2,000 per year cap on courses leading to a Master's degree in public administration, business administration or Ph.D. in criminal justice. Law school courses are not eligible for tuition reimbursement.
 6. The employee must sign a promissory note to repay all tuition reimbursement if he/she voluntarily leaves the City within eighteen (18) months of the last course taken and reimbursed by the City.
13. Section 14.5, Optical Insurance: Revise language, as follows:

The city shall provide single, two person or full family coverage as the case may be, of an optical insurance program . . . [rest of sentence remains the same.]
 14. The Union's proposal on a match to a Deferred Compensation program, as proposed new

Section 15.11, is withdrawn.

15. Section 10.10: Call-In Pay: Amend Section 10.10, as follows:

Whenever an employee comes to work at the request of the City and works other than his/her * * * regularly scheduled shift, he/she shall be guaranteed a minimum of four (4) hour's pay or time and one-half for the time actually worked, whichever is greater. The employee must work until all assigned duties, including paperwork, are completed. In the event the employee trades shifts, but comes to work at the request of the city for all or part of the shift that he traded from, he/she shall be paid overtime in accordance with federal law.

16. Overtime: Agree to purchase up to forty (40) hours per year (same as command.)
17. Section 10.1/10.2: Hold these sections open until a new Chief of Police is selected.

SECOND SUPPLEMENTAL LETTER OF UNDERSTANDING

The City of Woodhaven ("City") and Michigan Association of Police agree, as follows:

1. This Second Supplemental Letter of Understanding shall be considered final stipulations of the parties and shall be admitted as a joint exhibit before the Act 312 arbitration panel.
2. Unless modified by the Memorandum of Understanding dated _____, 2006, the Supplemental Memorandum of Understanding dated _____, 2006, or the Act 312 arbitration panel, the terms of the July 1, 2000 - July 1, 2005, collective bargaining agreement between the Police Officers Association of Michigan and the Employer shall be continued. In the event of a conflict between the 2000-2005 collective bargaining agreement and this Second Supplemental Letter of Understanding, the latter shall control.
3. Section 10.12, Distribution of Overtime, the first paragraph shall remain unchanged (pages 30 and 31 of the expired collective bargaining agreement). The second and third paragraphs (page 31 of the expired collective bargaining agreement) remain open issues, under City Issue 13.
4. Duration. The parties agree that the term of the contract will be July 1, 2005, to June 30, 2010.

THIRD SUPPLEMENTAL MEMORANDUM OF UNDERSTANDING

The City of Woodhaven ("City") and Michigan Association of Police agree, as follows:

1. This Third Supplemental Memorandum of Understanding shall be considered final stipulations of the parties and shall be admitted as a joint exhibit before the Act 312 arbitration panel.
2. Unless modified by the Memorandum of Understanding dated _____, 2006, the Supplemental Memorandum of Understanding dated _____, 2006, the Second Supplemental Memorandum of Understanding dated _____, 2006, or the Act 312 arbitration panel, the terms of the July 1, 2000 - July 1, 2005, collective bargaining agreement between the Police Officers Association of Michigan and the Employer shall be continued. In the event of a conflict between the 2000-2005 collective bargaining agreement and this Third Supplemental Memorandum of Understanding, the latter shall control.
3. (Union Issue 6 - Payment of unused sick time):

Section 9.4: Sick leave: Replace Sections 9.4 and 14.1, as follows:

9.4 Sick Leave - Police Officers:

An employee shall receive ten (10) working days per year to be utilized as time off due to personal illness or accident. The City may require a medical certificate if an employee uses three (3) consecutive days for such purpose.

At the end of the contract year employees shall be paid for the remainder of all unused sick days pursuant to the following schedule:

<u>0-3 days used</u>	<u>80% payable on remainder</u>
<u>4-6 days used</u>	<u>65% payable on remainder</u>
<u>7-9 days used</u>	<u>50% payable on remainder</u>
<u>10 days used</u>	<u>0% payable</u>

Section 14.1(B) and 14.1(F)(3) shall be amended to read, as follows:

Section 14.1 Charges against credits:

14.1(B) * * * The employee may use other accumulated time (i.e., compensatory time, personal days, vacation) to supplement this sick time. * * *

14.1(F)(3):

Due to the illness or accident involving a member of the immediate family residing in the household who may require personal care and attention not exceeding twenty

(20) days in one (1) calendar year. The City may require a medical certificate if the employee uses more than three (3) days (consecutive or non-consecutive) in a calendar year under this Section. The term "immediate family" as used in this section, shall mean parents, grandparents, children, brothers, sisters, or spouse of the employee. These days shall not count toward the computation for Article 9, Section 9.4.

4. (Union Issues 3, 4 and 5 - Pension and City Issue 10 - Defined Contribution/New Hires:

The Union withdraws its three pension demands, and the City withdraws its pension demand. The pension clause shall remain status quo.

5. (City Issue 1 - Vacation - New Hires): The City withdraws its demand; all employees will remain on one vacation scale.

6. (City Issue 6 - Retiree Hospitalization - Deferred Retirees): Add as a new sub-section to Section 14.3(A):

4. Employees who take a Deferred Retirement after January 1, 2007, shall not be eligible for retiree hospitalization coverage (health insurance and prescription drugs).

7. (City Issue 9 - Dental Insurance Carrier): Section 14.4, Dental Insurance - Police Officers, shall be amended, as follows:

The City shall provide the following Blue Cross Dental Insurance benefits: 100% family coverage for RC Class I benefits, 75% of Class II benefits, and 50% of Class III benefits with a maximum of One Thousand Dollars (\$1,000) per year and 50% co-pay for orthodontic with a One Thousand Dollar (\$1,000) lifetime per person benefit.

8. (City Issue 11 - Subcontracting): The City withdraws its demand.

9. (City Issue 12 - Wages - New Hires):

Employees hired after January 1, 2007:

Freeze the "start," "after twelve months" and "after twenty-four months" steps, effective July 1, 2005, and July 1, 2006. Effective

July 1, 2007, all steps for new hires will receive across the board raises.

10. (City Issue 13 - Call-in overtime procedure): Section 10.12 shall remain unchanged; the City shall resolve this issue through grievance arbitration with COAM.

11. Hours of Work: Paragraph 17 of the Supplemental Memorandum of Understanding remains in force; either party may open up the Work Schedule/Work Days clauses (Sections 10.1 and 10.2) during the remainder of the 2005-2010 collective bargaining agreement.

FOURTH SUPPLEMENTAL MEMORANDUM OF UNDERSTANDING

The City of Woodhaven ("City") and Michigan Association of Police agree, as follows:

1. This Fourth Supplemental Memorandum of Understanding shall be considered final stipulations of the parties and shall be admitted as a joint exhibit before the Act 312 arbitration panel.

2. Unless modified by the memorandum of Understanding dated _____, 2006, the Supplemental Memorandum of Understanding dated _____, 2006, the Second Supplemental Memorandum of Understanding dated _____, 2006, or the Act 312 arbitration panel, the terms of the July 1, 2000 - July 1, 2005, collective bargaining agreement between the Police Officers Association of Michigan and the Employer shall be continued. In the event of a conflict between the 2000-2005 collective bargaining agreement and this Fourth Supplemental Memorandum of Understanding, the latter shall control.

3. A command officer who has been laid off or bumped from his/her position shall be returned to the patrol officer's bargaining unit. That command officer may bump into the highest position he/she held in the patrol officer's bargaining unit immediately prior to promotion, provided that he/she has greater patrol officer's bargaining unit seniority than the incumbent in that position

and that position is filled at the time. The incumbent who was bumped by the command officer may bump the patrol officer with the least patrol officer's bargaining unit seniority. If the command officer does not have more patrol officer's bargaining unit seniority than the incumbent in the rank immediately below his/her command officer rank, the command officer may bump into the patrol officer classification and the patrol officer with the lowest seniority shall be laid off. However, in no event shall a member of the patrol officer's bargaining unit who was hired prior to September 1, 2006, be laid off as a result of a command officer bumping into a lower position. For purposes of this Memorandum, "laid off" shall mean to be unemployed from the City and "bumped" shall mean displaced from the employee's current classification.

5. An employee promoted out of the patrol officer's bargaining unit shall retain any accrued, but not accumulate additional, patrol officer's bargaining unit seniority during such period.

6. Section 8.14 of the expired POAM-City collective bargaining agreement shall be continued in the successor MAP-City collective bargaining agreement. This Memorandum shall supercede Section 8.16 of the expired City-POAM collective bargaining agreement. This Memorandum shall be a final stipulation between MAP and the City and shall be entered as a joint exhibit in the pending arbitration between MAP and the city.

STIPULATION

The City and Union have agreed to use the following cities as comparable communities for the Act 312 proceedings:

Brownstown Township

Monroe

Riverview

Southgate

Trenton

Wyandotte

III. BACKGROUND

The City of Woodhaven had a population of about 13,000 in the 2000 census. It has been estimated that there has been a small increase since that time, and that the population level will remain stable in the foreseeable future. The city covers an area of about six and one-half square miles, and the land use in the city is largely residential, and it is in the Downriver area southwest of the city of Detroit in Wayne County, Michigan. Several major roads run through its jurisdiction (I-75, West and Allen.) There are many local stores, offices and medical facilities, but there are no colleges or large hotels within its boundaries.

The police department for the City of Woodhaven now employs 16 patrol officers and detectives. There are also six lieutenants, seven sergeants, two civilian dispatchers and two clerks. Finally, there is a chief and a deputy chief, and so in total, there are 31 sworn officers. The department's organization consists of a traffic bureau, a patrol division, a detective bureau and a record's bureau. Eight of the command officers serve in the uniform division. Three officers are assigned out to specialized units.

The city's economic future is closely tied to the Ford Motor Company. The company's real and unabated personal property tax comprises 19% of the city's tax base. The Ford Stamping Plant is almost 40 years old, and its tax abatements expire in 2008. With the financial troubles the company is now experiencing, there is much concern about whether the company will reinvest in Woodhaven. Additionally, there are two significant Ford tax appeals pending, which could be costly

if the city loses.

There are a few areas of the city owned by developers, and these could become new neighborhoods or shopping centers, but the real estate market is depressed, and most development plans have been put on hold. Building permit revenue has declined from 695 permits in 2005 to 347 in 2006. One area of possible growth is in the Downtown Development Area (DDA), but the taxes gained in this area do not provide support for general operations.

IV. COMPARABLES

A) External Comparables:

The parties have agreed that the neighboring communities of Monroe, Riverview, Southgate, Brownstown, Trenton and Wyandotte will be used as comparable cities for the panel's consideration.

B) Internal Comparables:

The City of Woodhaven has negotiated labor agreements with the following units of employees: 1) Police Command; 2) Firefighters; 3) TPOAM (clerical); 4) Teamsters; 5) Dispatch, and there are non union employees.

V. ABILITY TO PAY:

The City of Woodhaven faces the same problems as do other Michigan municipalities, as state-shared revenue has been reduced since 2003, and it may be reduced still further due to the state's budget problems. In 2005, the city's General Fund Expenditures were \$11,316,642, and the undesignated fund balance was \$2,463,571, a ratio of 21.8%. As of June 30, 2006, the Fund Balance had been reduced to \$1,776,000, and the projected level for 2006-2007 is \$1.2 million. The General Fund Expenditures increased by 2.6% from 2004 to 2005 while the revenues for General Fund increased by only .58% from 2004 to 2005. The city asserts \$820,000 will be used for the future cost

of retiree health insurance.

The Headlee Amendment limits property tax revenue by the rate of inflation. This, coupled with the impact of 1994 proposal "A," further decreased the city's taxing power. The rate of inflation has been low in the last three years, and the gap between SEV and taxable value has grown from 11% to nearly 18% in 2005. The city asserts that all of this shows that the General Fund revenue has flattened out. In reaction to this, the city has reduced its total workforce by five employees over the last four years. The city raised its millage by 1.23 mills in 2005, and any further increase would have to be approved by its voters.

The union asserts that the employer's claims of financial problems are all conjecture. The union noted that it has \$83 million in net assets over liabilities. Further, it pointed to the 2005 fiscal year-end statement in which it was said that over \$6 million is available for spending at the city's discretion. The city's financial reports also showed that the Woodhaven Police Department did not spend over \$500,000 of its budgeted expenditures for fiscal year 2005. The city has also increased its millage rate from 17.07 to 18.33 for fiscal year 2005-2006. For all of these reasons, the union maintained that the city had sufficient financial strength to meet the union's requested improvements in compensation for its police officers.

The city responded that it has a minimal level of fund balance, but the 2005-2006 budget must be right-sized, and as it stands now, it is out of balance by about \$1.2 million. The city's required road projects and the retiree health care obligation have been the principle concerns. It maintained that it must preserve its remaining fund balance, control its costs and live within its means. The panel finds that the city has an ability to pay improvements in the MAP labor agreement, but there is strong reason to be conservative and to maintain or reduce costs wherever possible.

VI. ISSUES IN DISPUTE:

1) Issue No. 1 - Wages:

A) Union's final offer of settlement:

<u>Effective Date</u>	<u>Wage Increase</u>
7/1/05	3.0%
7/1/06	2.5%
7/1/07	2.5%
7/1/08	2.5%
7/1/09	3.0%

B) Employer's final offer of settlement:

<u>Effective Date</u>	<u>Wage Increase</u>
7/1/05	2.25%
7/1/06	2.25%
7/1/07	2.25%
7/1/08	2.25%
7/1/09	2.25%

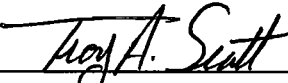


C) Discussion:

The arbitrator had ruled that each year shall be treated as a separate issue. Further, the parties have agreed that the wage increases shall be retroactive to July 1, 2005, for all current employees. The parties have also agreed to a different treatment of new hires (see letter of understanding).

The panel was most impressed with the fact that the Woodhaven police officers are already the highest paid of all officers in the comparable communities. However, for 2005, the pattern of wage settlements by the city with its other unions should be continued with the wage settlement here. In the year 2005, the command officers have received a 3% increase, and the fire fighters have received a 3.5% increase. Finally, the non union employees received a 3% increase. In light of this, the police officers should also receive the same compensation effective July 1, 2005.

AWARD

The union's proposal is adopted for 2005.

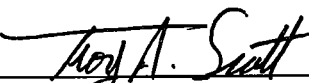
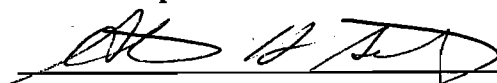

 _____ Troy Scott, Union Delegate <input checked="" type="checkbox"/> Concur <input type="checkbox"/> Dissent	 _____ Steven Schwartz, City Delegate <input type="checkbox"/> Concur <input checked="" type="checkbox"/> Dissent
 _____ Barry C. Brown, Panel Chairman	

2) Issues No. 2 to No. 5 - Wages:

A) As each year is a separate wage issue, they each must be addressed. In each year, the city offers 2.25%, and the union offers a 2.50% (3% in 2009). The union does not compare to the wages in comparable communities, as its officers are the highest paid. The Woodhaven officers will earn from \$2,000 to \$7,000 a year more than do the officers in neighboring communities. The internal comparisons are no longer relevant, as the firefighters' and command officers' contracts have expired. The Teamsters and dispatch contract provide for only a 2.25% increase, and the TPOAM also provides for approximately a 2.25% raise. Additionally, when total compensation is considered, the Woodhaven police officer income will continue to exceed all comparables. The other communities have either a wage freeze or wage increases of 2% or less in those years that there is a contract in effect. For all of these reasons, in all years from 2006 to 2009, the city's last best offers are accepted.

AWARD

The city's last best offers are adopted.

 _____ Troy Scott, Union Delegate <input type="checkbox"/> Concur <input checked="" type="checkbox"/> Dissent	 _____ Steven Schwartz, City Delegate <input checked="" type="checkbox"/> Concur <input type="checkbox"/> Dissent
 _____ Barry C. Brown, Panel Chairman	

3) Issue No. 6 - Hospital and Medical Insurance (active, current employees):

A) Current Status:

The city now pays 100% of the premium for Blue Cross Community Blue I PPO.

B) The Union's Last Best Offer:

Status quo

C) The City's Last Best Offer:

Effective six (6) weeks after the effective date of the 2007 Act 312 arbitration or as soon thereafter as possible, the city shall pay the total cost of the Blue Cross Community Blue II PPO covering the entire family for employees hired prior to December 31, 2006.

Employees may elect Blue Cross Community Blue I PPO, provided they contribute forty dollars (\$40.00) per month by payroll deduction. The city shall establish a Section 125 cafeteria plan for this voluntary employee contribution.

D) Discussion:

The city notes that this change is prospective only, and the reduction in benefits from Plan I to Plan II is not dramatic. The city explained that health maintenance exams continue to be covered, and the overall level of coverage is maintained under Plan II. The union argues that the Community II Plan has deductibles and co-insurance. The maximum for network benefits is set at \$200 per family, and out of network benefits set at \$500 per family. Then after these deductibles, there is 10% co-pay after deductibles to a maximum of \$1,200 per family.

The union cited other network co-insurance costs. The union noted that the employer's proposal is a two-tier plan with new employees not included at all. It said no explanation is offered for the health care insurance to be provided to those hired after December 31, 2006. The other

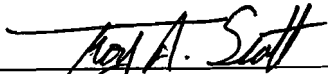
communities in the comparable group (except Southgate) provide Community Blue I to their police officers. However, all communities (except Monroe) give several options to their officers, and only Monroe and Trenton have no employee co-pay requirements. All communities have co-pay requirements for office visits, but only Southgate and Wyandotte have deductibles.

In the internal comparisons, TPOAM, non union and Teamsters all have the same health insurance benefits as the employer's last best offer to MAP. Police command and firefighters are now in negotiations. The dispatchers continued with Community Blue I. The panel notes that this is a very small unit (two employees), and that the police command and fire units will likely mirror the health care insurance package secured by MAP.


The city has a considerable cost in employee health care insurance, and the panel has concluded that the best cost control approach is the last best offer of the city. Under this plan, the employees have an option and the \$480 annual cost to continue Community Blue I is the best approach. This also forecloses some of the other cost-reduction proposals made by the city.

AWARD

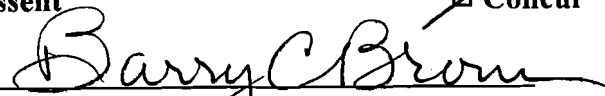
The city's last best offer is adopted.



Troy Scott, Union Delegate
 Concur Dissent



Steven Schwartz, City Delegate
 Concur Dissent



Barry C. Brown, Panel Chairman

4) **Issue No. 7 - Prescription Drug Rider:**

A) **Current Status:**

Section 14.2 "... a \$10/\$20 prescription drug co-pay with 100% reimbursement not to

exceed \$600 per year . . . ”

B) Union’s Last Best Offer:

Status quo

C) City’s Last Best Offer:

Amend Section 14.2 by adding subsection (F), as follows:

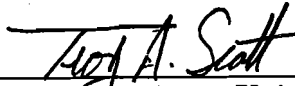
Effective six weeks after the 2007 Act 312 arbitration award or as soon thereafter as possible, the prescription drug rider shall be ten dollars (\$10)/forty dollars (\$40) (including mail order when available or applicable). The reimbursement amount described in Subsection (A) shall remain in effect.

D) Discussion:

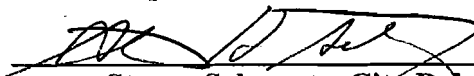
The union correctly notes that none of the comparable communities have a \$10/\$40 drug co-pay rider. They all have a \$10/\$20 plan or better. The internal comparisons are mixed. The police dispatchers have the \$10/\$20 drug co-pay while the non union, TPOAM and the Teamsters have a new \$10/\$40 drug co-pay. The other Act 312 unions are now in negotiations, but it is expected they will follow the drug co-pay awarded to MAP. As stated earlier, the co-pay for the health insurance premium should defray much of the employer’s costs and an increase in the drug co-pay is not warranted.

AWARD

The union’s last best offer is adopted.



Troy Scott, Union Delegate
 Concur Dissent



Steven Schwartz, City Delegate
 Concur Dissent



Barry C. Brown, Panel Chairman

5) Issue No. 8 - Hospital and Medical Insurance (New Hires):

A) Current Status:

All employees get same benefit

B) Union's Last Best Offer:

Status quo

C) City's Last Best Offer:

Amend Section 14.2 by adding Subsection (G), as follows:

For employees hired on or after January 1, 2007, the city shall pay the total cost of the blue Cross Community Blue II PPO policy covering the entire family and a ten dollar (\$10)/forty dollar (\$40) prescription drug co-pay (including mail order when available or applicable). Notwithstanding Subsection (A) or (F) these employees shall not be eligible for reimbursement for out of pocket costs for prescription drugs. These employees may elect Blue Cross Community Blue I PPO by making the same contribution as the employees hired prior to January 1, 2007.

D. Discussion:

The union challenges the city's listing of drug co-pay for the new employees as a separate issue, as this was not spelled out in the city's answer to the Act 312 petition dated August 22, 2006. The union therefore argues that the new hire drug coverage should be the same as it is for all active employees. The panel finds the city's inclusion of drug co-pay for new employees consistent with the city's position throughout the proceedings.

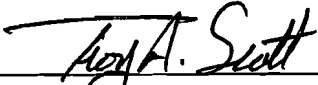


The panel notes that both Southgate and Wyandotte have adopted a two-tier system for health care benefits. These communities have adopted the two-tier approach as a means to defray their health care expenses while keeping benefits for those previously employed basically the same. The

Trenton Act 312 award is pending, and in Monroe, the cost of health care insurance is tied to any future wage increases. Under the city's proposal, the new hires can receive Blue Cross Community Blue I PPO if they make the same \$40 per month contribution as do the current employees. The city's proposal does allow the employer to save the cost of the \$600 reimbursement received by the current employees.

The panel determines that the potential cost savings for the city outweighs the loss in benefits which will be experienced by the new hires.

AWARD

The city's last best offer is adopted.

 _____ Troy Scott, Union Delegate <input type="checkbox"/> Concur <input checked="" type="checkbox"/> Dissent	 _____ Steven Schwartz, City Delegate <input checked="" type="checkbox"/> Concur <input type="checkbox"/> Dissent
 _____ Barry C. Brown, Panel Chairman	

6) Issue No. 9 - Retiree Hospitalization (Prescription Drug Rider):

A) Current Status:

Section 14.3 provides retirees will get the same \$10/\$20 drug co-pay as that for active employees.

B) Union's Last Best Offer:

Status quo

C) City's Last Best Offer:

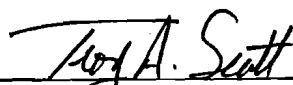
Change drug co-pay to \$10/\$40 for retirees

D) Discussion:

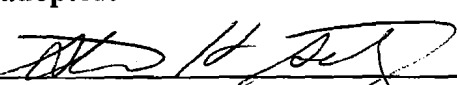
This change would require retirees to pay \$40 instead of \$20 for brand name drugs. They would continue to pay only \$10 for generic drugs. The employer has stated that this change is to promote greater use of the less costly generic drugs. In comparable communities, the retirees have co-pays of \$5, \$10 and \$12. Riverview has a \$20 co-pay for brand name drugs, and Southgate has a \$30 co-pay. However, none of these cities provide the reimbursement as does Woodhaven. In the internal units, three of them have a \$40 co-pay for brand name drugs. This change will provide relief on high health care costs while not depriving the retirees of low-cost access to needed generic drugs.

AWARD

The city's last best offer is adopted.



Troy Scott, Union Delegate
 Concur Dissent



Steven Schwartz, City Delegate
 Concur Dissent



Barry C. Brown, Panel Chairman

7) Issue No. 10 - Retiree Hospitalization Drug Rider (right to modify coverage):

A) Current Status:

The current language of Section 14.3 provides that the city shall provide the same hospitalization coverage for all retirees and their spouses as that for active employees.

B) The Union's Last Best Offer:

Status quo

C) The City's Last Best Offer:

New Subsection A(5), which states that all employees who retire after December 31, 2006,

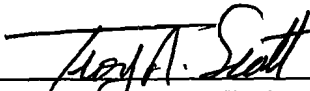
will be provided with hospital and prescription drug insurance described in this section. However, the level of coverage after June 30, 2010, shall be identical to that provided to employees who retire after June 30, 2010.

D) Discussion:

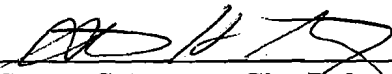
The union expressed confusion over the employer's proposed new language on this issue, and the panel must agree that the first sentence of the proposal seems to duplicate what is already stated in Section 14.3. Further, the absence of the word "spouses" in this new language could be critical, but it is not explained. Each time a contract expires, the employer has the right to bargain over all the provisions in its collective bargaining agreement with the union. Therefore, no open-ended right to modify coverage is needed to do that. The annual cost to Woodhaven per retiree for health insurance is nearly \$13,000, and it is increasing. However, by 2010 there may be changes in federal or state law, and we cannot anticipate the effect of those changes. The problems in this regard faced by Woodhaven will be faced by all municipalities, and a common solution may well be achieved. The cost to the city is now reduced by Medicare at age 65, and by the reductions in the hospitalization insurance, which will not be paid to all employees - active and retired. For all of these reasons, the union's last best offer must be adopted.

AWARD

The union's last best offer is adopted.



Troy Scott, Union Delegate
 Concur Dissent



Steven Schwartz, City Delegate
SAS
 Concur Dissent

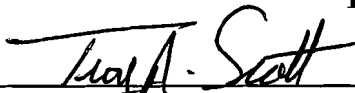


Barry C. Brown, Panel Chairman

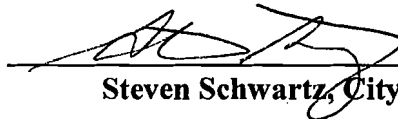
SUMMARY		
Issue Number	Subject	Award
Issue No. 1	July 1, 2005 - Wages	Union 3%
Issue No. 2	July 1, 2006 - Wages	City 2.25%
Issue No. 3	July 1, 2007 - Wages	City 2.25%
Issue No. 4	July 1, 2008 - Wages	City 2.25%
Issue No. 5	July 1, 2009 - Wages	City 2.25%
Issue No. 6	Hospital/Medical Insurance	City
Issue No. 7	Prescription Drug Rider	Union
Issue No. 8	Medical Insurance/New Hires	City
Issue No. 9	Retiree Drug Rider	City
Issue No. 10	Right to Modify	Union

AWARD

The city's last best offer is adopted.



Troy Scott, Union Delegate



Steven Schwartz, City Delegate



Barry C. Brown, Panel Chairman