

STATE OF MICHIGAN

EMPLOYMENT RELATIONS COMMISSION

IN THE MATTER OF THE ARBITRATION
CONDUCTED PURSUANT TO ACT 312,
PUBLIC ACTS OF 1969, AS AMENDED,
BETWEEN:

WAYNE COUNTY AIRPORT AUTHORITY
(Employer) (Airport)

-and-

AFSCME LOCAL 3317 (Union)

MERC Case #D09 A-0064

FINDINGS OF FACT, OPINION AND ORDERS

APPEARANCES:

ARBITRATION PANEL:

Mario Chiesa
Impartial Arbitrator and
Chairman

Lynda L. Racey
Employer Delegate

William Wolfson
Union Delegate

FOR THE UNION:

Jamil Akhtar, P.C.
By: Jamil Akhtar
7577 US Highway 12
Onsted, Michigan 49265

FOR THE EMPLOYER:

The Danielson Group, P.C.
By: Gary R. Danielson and
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55921 Gratiot Avenue
Chesterfield, Michigan 48051

INTRODUCTION

The bargaining unit involved in this 312 interest arbitration is described in the prior Collective Bargaining Agreement as all

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Police Sergeants, Police Lieutenants, including the specialty classifications thereof, and Captains. There are about 20 employees in the bargaining unit.

The Petition for Arbitration was filed by Union counsel on June 18, 2009. The chairman was subsequently appointed and in a correspondence dated July 13, 2009, inter alia, notified the parties of his appointment. As is customary, the chairman requested that the parties waive all time limits in the statute and regulations and both did so in writing. In a March 30, 2010 summary of the March 22, 2010 pre-arbitration conference the waiver of all time limits was reaffirmed and subsequently at the hearing the summary was received in evidence as Joint Exhibit A.

In addition to the March 22, 2010 pre-arbitration conference, there were eight hearing dates. The hearing was conducted at MERC facilities in Detroit, Michigan and began on June 14, 2010. It continued on June 15 and 16, 2010, September 21, 22 and 23, 2010, October 12, 2010 and concluded on November 1, 2010. The parties were given every opportunity to present any evidence they thought was necessary.

On September 24, 2010 the chairman remanded the dispute to the parties for three weeks of additional mediation. This was done pursuant to MCL 423.237(a).

The hearing produced approximately 1,500 pages of transcript. Testimony was taken from several witnesses, including: Roger Short, Chief Financial Officer and Vice President of Finance; Patrick Melton, Sergeant, Wayne County Sheriff's

Department/President Local 3317; Jennifer Williams, Deputy Chief, Wayne County Airport Authority Police; Lynda Racey, Director of Labor Relations, Wayne County Airport Authority; Chad Newton, Police Lieutenant, Wayne County Airport Authority; Mark Debeau, Vice President Public Safety Department, Wayne County Airport Authority; Kurt Metzger, Director Data Driven Detroit; Thomas Naughton, Chief Financial Officer, Wayne County Airport Authority; Geoffery Wheeler, Ricondo and Associates; Terrence Teifer, Interim Senior Vice President of Business Development and Treasury, Wayne County Airport Authority; Elaine Christine Coffman, McGraw Wentworth; Nancy Ciccone, Labor Research Analyst, Police Officers Labor Council; Nevin Edward Adams, Editor in Chief of Plan Sponsor Magazine; Bruce Ellison, Sergeant, Detective Bureau, Wayne County Airport Authority; Richard Noelke, Acting Deputy Director, Wayne County Employees Retirement System; Donna Zarras, Sgt. Wayne County Airport Authority Police; Craig Brass, USB Financial Services. It should be noted that some of the witnesses testified on more than one occasion.

Last Offers of Settlement were exchanged on December 2, 2010. Briefs, approximately 100 pages, were dated January 3, 2011. On February 14, 2011 the panel conducted a thorough executive session. These Findings of Fact, Opinion and Orders have been issued as soon as possible but only after a thorough and complete review of the record.

STATUTORY SUMMARY

Act 312 is an extensive piece of legislation outlining both procedural and substantive aspects of compulsory interest arbitration. Without exploring every provision, but certainly ignoring none, there are aspects of the statute which should be highlighted.

For instance, Section 9 outlines a list of factors which the panel shall base its Findings, Opinion and Orders upon. That provision reads as follows:

423.239 Findings and orders; factors considered.

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 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.

Furthermore, portions of Section 8 of the Act read as follows:

423.238 Identification of economic issues in dispute; submission and adoption of settlement offers; findings, opinion, and order.

Sec. 8.

At or before the conclusion of the hearing held pursuant to section 6, the arbitration panel shall identify the economic issues in dispute, and direct each of the parties to submit, within such time limit as the panel shall prescribe, to the arbitration panel and to each other its last offer of settlement on each economic issue. The determination of the arbitration panel as to the issues in dispute and as to which of these issues are economic shall be conclusive. . .

ISSUES

As a result of their continuing efforts, a number of issues which existed at the commencement of the arbitration process were settled by the parties. It is important to note that the parties agreed that the term of the Collective Bargaining Agreement which would come about as a result of this arbitration would be four (4) years. It would commence on December 1, 2009 and terminate on

November 30, 2013. Each year is defined separately. That is, the first year would be 12/1/2009 through 11/30/2010. It is also noted that the parties agreed, as outlined in Joint A, that "issues which are multi-year in nature shall be considered a separate issue for each year of the Collective Bargaining Agreement."

The parties also agreed that an all-encompassing order will be issued by the panel indicating that the total express Collective Bargaining Agreement, and there is no intent to address or deal with past practice, will be comprised of the resolutions contained in the Opinion and Award, all TAs and past contract language that have not been altered by resolutions or TAs.

The issues which were ultimately litigated are: Article 14.14 - Standard of Proof; Article 29.01 - Personal Business Leave; Article 39 - Economic Improvement; Article 37 - Insurance Programs; and Article 38 - Retirement. It was agreed that with the exception of the issue involving Article 14.14 - Standard of Proof, which shall be considered non-economic, all of the remaining issues have been characterized as economic issues.

The parties' Last Offers of Settlement, as well as the existing contract language, are attached hereto as an addendum and shall be considered as fully incorporated into these Findings of Fact, Opinion and Orders.

EXTERNAL COMPARABLES

The parties have agreed that the external comparables, including one which may be considered an internal comparable, shall be: City of Detroit, City of Dearborn, City of Livonia, Oakland

County Sheriff's Department, Wayne County Sheriff's Department, Michigan State Police, and the City of Taylor. It has been suggested that while these entities should be considered comparable for the purposes of this arbitration, the funding differences in relation to the Employer in this dispute prevent exact comparability.

BACKGROUND, FINANCES, ABILITY TO PAY

The Employer, that is, Wayne County Airport Authority, which includes the operation of Detroit Metropolitan Wayne County Airport, Willow Run Airport, and the Hotel, did not come into existence until the passage of Act 90 of 2002. Prior to the passage of Act 90 the Detroit Metro Airport was owned and operated by Wayne County. While there were some accommodations regarding officers during the transition period, Command Officers currently do not have the ability to transfer back and forth between the Authority and the County Sheriff's Department.

While the Employer has not taken the position that it has an inability to pay Union demands, it does argue that the operating environment and the general business downturn warrants a very cautious approach to the expenditure of operating funds.

While municipalities may rely on numerous sources of revenue, such as property tax, sales tax, state aid, enterprise fund revenue, etc., those sources are quite different than the revenue sources the employer in this dispute relies upon. The Comprehensive Annual Financial Report (CAFR) for the year ending

September 30, 2009 breaks total revenues down into operating revenues and non-operating revenues with each of those categories having numerous sub-categories. The figures are for the entire Authority, not just Detroit Metropolitan Airport.

Operating revenues are comprised of airport landing and related fees, concession fees, parking fees, hotel, rental facilities, expense recoveries and other. Non-operating revenues are comprised of passenger facility charges, federal and state grants, interest income and other. Total operating revenue was \$280,759,062.00. Total non-operating revenue was \$68,111,193.00, for total revenue of \$348,870,255.00.

On the other side of the operation are expenses. These include operating expenses and non-operating expenses. Operating expenses are categorized as salary, wages and fringe benefits, parking management, hotel management, janitorial services, security, utilities, repairs, professional services, and other, and lastly, depreciation. Total operating expenses for 2009 were \$357,540,214.00.

Non-operating expenses for 2009 include interest expense, loss of disposable assets, and amortization of bond issuance costs. Total non-operating expenses were \$119,440,274.00. Total expenses came to \$476,980,488.00.

When total revenues and total expenses are reconciled, it is apparent that total expenses exceed revenues by \$128,110,233.00. This amount is reduced by capital contributions of \$36,318,566.00,

but ultimately leads to a negative impact on total assets of \$91,791,667.00.

Net assets at the end of the period are comprised of investment and capital assets, net of related debt, restricted assets and unrestricted assets. The total was \$546,661,733.00.

The above is just a snapshot of the scale of the dollars involved in the operation of the Wayne County Airport Authority. Specific aspects of the financial landscape will be the focus of subsequent discussion.

As a general proposition airports, and the reference is now to the Detroit Metropolitan Airport, are operated either on a compensatory basis or a residual basis. Additionally, there are some who operate on a combination of compensatory or residual agreements. Essentially compensatory airports set fees and those are adjusted prospectively. There is no retroactive settlement in those airports. However, Detroit Metropolitan Airport is 100% residual.

Essentially a residual cost structure or residual fee setting methodology operates on the basis that the airlines ultimately guarantee that they will pay the net operating costs for the airport. Three times a year the airport and the airlines settle monetary aspects of the relationship by looking at actual operating expenses and actual debt service. The airlines receive a credit for any non-airline revenues that are generated at the airport. Non-airline type of revenues include parking and concessions. The

fees the airlines pay are adjusted to reflect the actual operating expenses of the airport and the actual non-airline revenue.

While the airlines effectively guarantee that they will pay the net operating costs of the airport, including increases in operating costs, the reverse is also true, and when the airport reduces operating expenses, the airlines share directly with that adjustment.

There are approximately 12 airlines that signed on to long-term operating agreements. They are referred to as signatory airlines and they have agreed to the basic rate setting methodology, that is, residual costs, through 2032. In addition, there are airlines that operate on a non-signatory basis. They pay a fixed rate, i.e., a landing fee, that is higher than the signatories and, in fact, there is a 25% premium on the amounts they pay. Those airlines don't share in the risk and don't share in the settlement at the end of each year.

As previously noted, the Authority has no ability to raise taxes and 100% of its revenues come from airlines and the non-airline revenues that are generated at the airport.

It is obvious that if an airline decides that it is too expensive to operate out of a particular airport, or if an airline such as Delta decides to change its hub, the financial impact could rise to catastrophic. Fifty percent or so of the Airport's operations involve Delta hub traffic. While there is no evidence suggesting that there is any thought by Delta or other carriers to leave Detroit Metropolitan Wayne County Airport, there are

instances reflected in the record where other airlines have left, returned to, or cut operations at various airports throughout the country. The reason most often articulated is the cost of doing business at the airports in question.

Returning to the CAFR for year ending September 30, 2009, and examining the annual revenues, expenses and changes in net assets for Wayne County Airport Authority, which as stated includes the two airports and a hotel, it is noted that total revenues of \$348,870,255.00, while exceeding total revenues in 2002, 2003 and 2004, were less than 2005 through 2008. Total expenses of \$476,980,488.00 were higher than in any previous year. Total net assets of \$546,661,733.00 were the lowest for any period back to 2002.

The number of passenger enplanements at Detroit Metro was 15.9 million in 2009. This figure compares to the peak of 18.3 million in 2005 and it is lower than any previous year going back to 2003. For 2010 the enplanements are projected to be 15.7 million and for 2011 enplanements are budgeted to increase to 16.1 million.

Another indication of activity is the data regarding landed weights. In 2009 there were approximately 21 million thousand pound units of landed weights. That's substantially lower than the 25.9 million peak in 2005 and is lower than in any prior year back to 2003. It is projected that landed weights will be 20.1 million in 2010 and 21 million are budgeted for 2011.

There is also data relating to the cost per enplaned passenger for a number of airports. In that comparison Detroit Metropolitan

Airport fares well. For instance, for fiscal year 2009 Detroit Metropolitan Airport's rate was \$7.92 per enplaned passenger. The lowest was SLC which is Salt Lake City International Airport, with an enplaned passenger cost of \$3.41. The highest cost was Miami International with \$15.98 per enplaned passenger.

In relation to full-time equivalent positions, the evidence shows that the Airport Authority total for fiscal year 2008, and these are budget figures, was 750. This was comprised of 723 at Detroit Metro and 27 at Willow Run. The fiscal year 2011 budget shows a total of 621 full-time equivalent positions. This is comprised of 610 at Detroit Metro and 11 at Willow Run. The budget figures do show that public safety, which includes members of this bargaining unit, peaked at 246 budgeted positions in fiscal year 2008 and for fiscal year 2011 has been slated at 207.

As to be expected, there is much more specific and comprehensive data in the record. However, it is not necessary to display, and probably inappropriate to do so, all of the available information.

What the analysis does establish is that cost control is an important aspect of operating the Wayne County Airport Authority. This is true even though the airport operates on a residual methodology. Certainly the way that airport operations are financed suggests the potential of being much more stable than the manner in which a municipality, a county or even the state is financed. However, the data does not establish that the Employer has a blank check.

It should be noted that after the close of the evidentiary record the Union filed a Motion to Reopen the Record in order to introduce evidence related to refinancing of the Employer's bond debt. The motion was dated January 3, 2011. The panel denied the motion. The record had been closed and it was felt that the impact of the information to be submitted was not significant when the totality of the record was considered. There is testimony that the Employer was in the process of refinancing, or if you will, recapitalizing its bond debt. Clearly bond debtors do not refinance or recapitalize bonds to increase costs. The opposite is generally true. So the fact that debt load would decrease was already in the equation. Given the nature of the bond debt, the savings would probably be amortized over the period until the bonds mature. While it is true that the statute requires the panel to consider and analyze the "financial ability of the unit of government to meet those costs," the Employer never took the position that it couldn't meet the costs that would be imposed by the Union's demands. There was no need to reopen the record.

ARTICLE 14.14 - STANDARD OF PROOF - Non-Economic

The current provision reads as follows:

14.14

In all disciplinary proceedings, the department shall carry the burden of proof in order to substantiate the charges and the standard shall be proof by a preponderance of the evidence, except that if the employee's offense involves a serious breach of law or moral turpitude sufficient to damage the employee's reputation, the standard of proof shall be clear and convincing evidence. In application of this standard,

the parties understand that all department charges are non-criminal in nature.

As pointed out in the Employer's Last Offer of Settlement, it seeks a continuation of the status quo. While the Union did not submit a separate Last Offer of Settlement, it did indeed reference Union Exhibit 46 and testimony which indicates that the Union's position is that the phrase "the standard of proof shall be clear and convincing evidence," shall be changed to read: "The standard of proof shall be proof beyond a reasonable doubt."

The evidence shows that up until the January 28, 2008 Award issued by the arbitration panel chaired by Benjamin A. Kerner, the standard of proof was proof beyond a reasonable doubt. The panel abandoned that standard and adopted the standard of clear and convincing evidence. A portion of that Award reads as follows:

In regard to the standard of proof that applies in discipline/discharge cases, the Panel is persuaded that a compromise solution is well-suited to the needs of the parties and is supported by the other factor of the majority practice of arbitrators. In St. Antoine, ed., *The Common Law of the Workplace: The Views of Arbitrators* (BNA, 2005), p. 191, the following is stated about the quantum of proof in discipline cases:

- (1) For most arbitrators, the normal quantum of proof required in disciplinary cases is "preponderance of the evidence." For a minority, it is "clear and convincing evidence."
- (2) When the employee's alleged offense would constitute a serious breach of law or would be viewed as moral turpitude sufficient to damage an employee's reputation, most arbitrators require a higher quantum of proof, typically expressed as "clear and convincing evidence." ...

Thus, it is the observation of the authors and editor of this well-respected reference book that the majority of arbitrators utilize a standard of preponderance of the evidence; but that, in selected cases where a serious breach of law is alleged, or an offense involving moral turpitude "sufficient to damage an employee's reputation" is alleged, then, in such cases the standard of proof generally used is "clear and convincing evidence." As opposed to one standard which would be made applicable to all discipline, the above formulation is endorsed as a workable and fair solution to a difficult problem. The parties are commended to adopt the language illustrated above.

The Union relies upon a portion of the testimony given by Deputy Chief Williams to support the proposition that since the Employer still utilizes, as a matter of practice, the standard of proof beyond a reasonable doubt, the practice should be stated in the Collective Bargaining Agreement, and hence, proof beyond a reasonable doubt should be substituted for the standard of clear and convincing evidence.

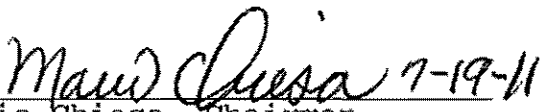
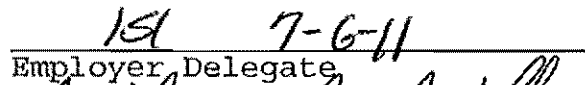
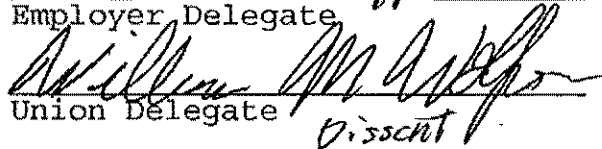
The Employer submits, and the record supports, the proposition that the standard of proof sought by the Union is not mentioned in the Command Officers Collective Bargaining Agreements for several of the comparables, including Michigan State Police, Oakland County Sheriff's Department, Taylor, Livonia, Detroit and Dearborn. It does recognize that the current Wayne County Sheriff's contract contains the beyond a reasonable doubt standard.

After analyzing the entire record, it is apparent that there is little proof available to support the Union's position. It is clear that a prior interest arbitration panel, even though it characterized its action as a compromised solution, adopted the clear and convincing evidence standard. That's the point where

this panel must begin and analyze the record, and after doing so, it is not persuaded that the language should again be changed to reflect the standard of proof beyond a reasonable doubt. As indicated by the testimony, as a practical matter there is little difference between the two standards and there is no evidence establishing the standard of clear and convincing evidence is inappropriate or somehow inadequate. As a result, the panel must adopt the Employer's Last Offer of Settlement which means the status quo shall continue.

AWARD - ARTICLE 14.14 STANDARD OF PROOF

In relation to the issue regarding Article 14.14, the panel hereby adopts the Employer's Last Offer of Settlement and hence the status quo shall continue.


Mario Chiesa, Chairman

Employer Delegate

Union Delegate
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ARTICLE 29.01 - PERSONAL BUSINESS LEAVE - Economic

The current contract provision reads as follows:


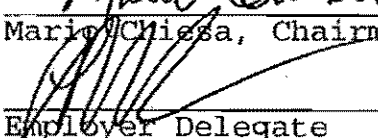

29.01

All full-time employees, who have completed one (1) year of service, shall be entitled to personal business leave not to exceed four (4) days in any one (1) anniversary year, which shall be changed to sick leave.

this panel must begin and analyze the record, and after doing so, it is not persuaded that the language should again be changed to reflect the standard of proof beyond a reasonable doubt. As indicated by the testimony, as a practical matter there is little difference between the two standards and there is no evidence establishing the standard of clear and convincing evidence is inappropriate or somehow inadequate. As a result, the panel must adopt the Employer's Last Offer of Settlement which means the status quo shall continue.

AWARD - ARTICLE 14.14 STANDARD OF PROOF

In relation to the issue regarding Article 14.14, the panel hereby adopts the Employer's Last Offer of Settlement and hence the status quo shall continue.


Mario Chiesa, Chairman 7-19-11

Employer Delegate 7/16/11

Union Delegate 151 Dissent

ARTICLE 29.01 - PERSONAL BUSINESS LEAVE - Economic

The current contract provision reads as follows:

29.01

All full-time employees, who have completed one (1) year of service, shall be entitled to personal business leave not to exceed four (4) days in any one (1) anniversary year, which shall be changed to sick leave.

29.02

Such personal business leave days shall be used at the employee's discretion to the following extent that the request shall be made to the Police Chief or designee.

- A. Reasonable notice for a personal business leave day is construed to be twenty-four (24) hours except for state emergencies.
- B. Approval of requests for personal business leave days may be withheld if they cause a hardship upon the Employer's exclusive right to either manage its agencies, departments and offices or direct its affairs, operations and the services of its employees, as determined by the Department.
- C. Denial of personal business leave days as an adjunct to leave days or vacation days may not be deemed unreasonable and approval thereof may be withheld in the discretion of the Police Chief or approved representative.
- D. Personal business leave days may be taken in four (4) hours minimum increments.

The Employer's Last Offer of Settlement is to continue the status quo.

The Union seeks several changes, including an alteration in 29.01 and the addition of 29.03. If the Union's offer is adopted, 29.01 would read as follows:

29.01

All full-time employees, who have completed one (1) year of service, shall be entitled to personal business leave not to exceed three (3) days in any one (1) anniversary year of which one (1) personal business leave day shall be changed to their sick leave bank.

29.03 would read as follows:

29.03

All full-time employees shall be entitled to utilize two (2) additional personal business leave days on a

contingent basis, provided the leave time comes directly from their personal sick leave bank.

Approval and use of the additional two (2) personal business leave days shall be at the full discretion of the Chief of Police and may be denied if the employee has received any form of discipline for sick time abuse within the previous six (6) months. Approval for use of the two additional personal business leave days shall not be granted if overtime is incurred on the particular day and shift requested or due to an actual or potential operational staffing deficiency.

Before moving on to the analysis, it is noted that the Kerner Award, which led to the current language, could have the unintended consequences of reducing a bargaining unit member's sick leave payout. As a result, additional language was placed in 28.03 which provided that while the use of personal business leave reduces a bargaining unit member's overall sick leave accrual bank, it shall not affect the percentage payout.

Additionally, before applying the statutory factors, it would be appropriate to determine, at least in the chairman's view, the meaning of the language proposed by the Union.

First of all, 29.01, as proposed by the Union, would provide three personal business leave days in one anniversary year for those individuals who met the qualifying one year of service, but only one of the personal business leave days would be charged to the sick leave bank. This language change would reduce the number of entitlement days from four to three, but would in essence decrease the number of days charged to the sick leave bank from four to one.

The Union's proposal for the new addition of 29.03 is interpreted to mean that a bargaining unit member would be entitled to two additional personal business days with the leave time coming directly from the personal sick leave bank which is interpreted to mean that time taken would be charged to sick leave. The language goes on to relate that the approval and use of the additional two personal business leave days "shall be at the full discretion" of the Chief of Police. The term "full discretion" is interpreted to mean just that -- that the Chief has full discretion, although the decisions cannot be arbitrary and capricious. The fact that the language goes on to indicate that use of the personal leave days may be denied if the employee has received any form of discipline for sick leave abuse within the previous six months, is the only basis for denial. Furthermore, the language indicating that the use of the additional personal business leave days shall not be granted if overtime is incurred on the particular day and the shift requested or due to an actual or potential operating staffing deficiency. Again, this language is interpreted to mean that personal business leave days shall not be granted for the reason stated, but the reason stated isn't the only reason that they may not be granted. The Chief has full discretion as long as the Chief does not do so arbitrarily or capriciously.

As everyone should understand, the reality is that the Last Offer of Settlement, which is more intensively supported by several Section 9 factors, must be adopted. Panels should not attempt to impose their own creative visions, but in order for the

statute to be effective and to supply some degree of reasonableness and certainty to the process, the Section 9 factors should determine which Last Offer of Settlement will be adopted.

One of the applicable factors concerns the comparison of wages, hours and conditions of employment in the public sector existing in comparable communities. As previously outlined, the comparable communities in this dispute have been established by the parties through stipulation, although the differences in funding and accumulation of revenue clearly tends to set this employer apart from the other comparable communities. Nevertheless, when examining the comparable data, it is noted that contrary to the summaries provided by the parties, Wayne County Sheriff's Command Unit has the same personal business day provision that the Union in this dispute is seeking.

The parties agree that Command Officers in Dearborn who have completed their probationary period are entitled to two personal business days, neither of which is charged to the sick leave bank.

According to the 2006 Collective Bargaining Agreement, Detroit provides its Sergeants and Lieutenants with the opportunity to utilize up to five personal emergency days which are deducted from an employee's accumulated sick bank and which can only be used for urgent reasons, such as attendance to demanding personal business which cannot be normally taken care of outside of working hours. Command Officers in the City of Livonia are allowed up to 16 hours of personal business time at any calendar year. The time can be taken in two-hour increments, and it is not deducted from sick

leave. Oakland County provides the Sheriff's Command Officers with five personal leave days beginning with the first full pay period of each calendar year in which they are actively employed. There is no suggestion that these personal days are deducted from sick or vacation banks.

Taylor Command Officers who work a minimum of 500 hours within a calendar year will be allowed three personal leave days per year assuming that there is a sufficient balance in their sick leave to cover the leave time requested. Michigan State Police allows Command Officers to utilize up to three days per calendar year as personal time as long as there are adequate numbers of annual leave credits available to cover the personal leave time.

An examination of the internal comparables shows that the Fire Fighters Unit, that is, Local 741 of the IAFF, received 32 hours per year for 40-hour non-platoon employees who have completed one year of service and who have accumulated sick leave, while full-time 24-hour non-platoon employees who have completed one year can utilize sick leave as personal business leave with a limit of 48 hours in any one year. In general, the other organized units, i.e., AFSCME Local 101, 1862, 2057, 2926, Operating Engineers Local 324 (both groups) Government Administrators Association, and POAM, which currently represents the Patrol Unit, all receive four personal business days per year, all of which are charged to sick leave.

The Union did introduce additional data summarizing the paid days off for both Sergeants and Lieutenants and the paid days off

for those two ranks in the comparable communities. When examining paid days off, it is noted that members of this bargaining unit receive a few days less than those in comparable positions in the comparable communities. In this regard, however, it would be suggested that if alterations or improvements were to be made, they should be made in those areas where the deficiency exists which perhaps could include annual leave, holiday pay, funeral leave, etc. It doesn't seem appropriate to try to make up for what the Union may view as not a favorable amount of paid days off as enjoyed by officers in the comparable communities by increasing personal days.

In summary and after carefully considering the entire record, applying the Section 9 standards, it is apparent that the status quo should continue and hence the Employer's Last Offer of Settlement must be accepted.

AWARD - ARTICLE 29.01 PERSONAL BUSINESS LEAVE

The panel hereby adopts the Employer's Last Offer of Settlement and thus the status quo shall continue.

Mario Chiesa 9-19-11
Mario Chiesa, Chairman


151
Employer Delegate
William M. [Signature]
Union Delegate *Oisscott*

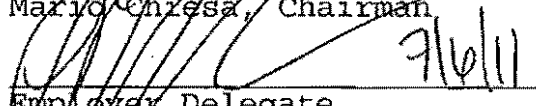
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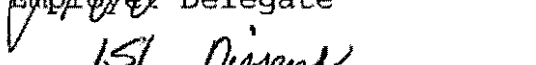
In summary and after carefully considering the entire record, applying the Section 9 standards, it is apparent that the status quo should continue and hence the Employer's Last Offer of Settlement must be accepted.

AWARD - ARTICLE 29.01 PERSONAL BUSINESS LEAVE

The panel hereby adopts the Employer's Last Offer of Settlement and thus the status quo shall continue.


Mario Chiesa, Chairman 7-19-11


Employer Delegate 7/16/11


151 Dissent
Union Delegate

ARTICLE 37 - INSURANCE PROGRAMS

While Article 37 is extensive in the sense that it references more than just medical insurance, the focus of this issue concerns various aspects of the medical benefits available to members of the bargaining unit. The current provision is contained in the Union's Last Offer of Settlement. It is seeking a continuation of the status quo.

There are two aspects to this general issue, each of which will be considered a separate issue. The first concerns changes which the Employer seeks to implement on October 1, 2011. Those changes are separately delineated in its Last Offer of Settlement. In addition, there are changes that the Employer seeks to implement on October 1, 2012.

It is the panel's understanding that the October 1, 2011 and the October 1, 2012 proposals are independent in the sense that each should be treated as a separate issue. The 2011 proposal could be adopted and the October 1, 2012 proposal rejected or visa versa and both can be adopted or rejected.

Some general background information is supplied in Appendix C of the 2010 approved budget. In relation to employee benefits, during the year-end of September 30, 2004, the Employer became self-insured for disability, unemployment and liability insurance. Its self-insured status was separate from Wayne County. Internally it appears that the Employer charges its various departments a specified percentage of gross payroll biweekly to cover these liabilities. Claims for unemployment, disability, claim

administration, deductibles, and legal bills which are under \$50,000.00 are paid out of these accumulated funds.

During the year-end of September 30, 2005 the Employer became self-insured for health insurance and worker's compensation. Again, departments are charged a specific percentage of gross payroll biweekly for these liabilities. Commercial insurance is purchased in various amounts to meet various contingencies, and there are also payments for additional stop/loss coverage.

Currently members of this bargaining unit have access to three different health care plans. The programs are outlined in Article 37 of the current Collective Bargaining Agreement and duplicated in the Union's Last Offer of Settlement. One of the plans provides coverage equal to Blue Cross/Blue Shield Community Blue PPO. This will be referred to as PPO-C. There is also an HMO plan and another Blue Cross/Blue Shield plan known as Community Blue PPO which will be referred to as PPO-D.

Enrollment in PPO-C and the HMO plan requires the bargaining unit members to pay 10% of the premium. PPO-D is a free plan.

PPO-C and the HMO have a two-tier drug plan based on \$10.00 for generic and \$20.00 for preferred brand/non-preferred brand. The PPO-D plan has a three-tier drug program of \$10.00/\$20.00/\$40.00 for the same drug grouping.

As to be expected, there is an abundance of evidence, both documentary and testimonial, directed at the panel by each of the parties to convince the panel to adopt one or the other party's view. There is evidence dealing with national trends, the type of

plans utilized and contemplated, prescription drug alternatives, etc. Of course, all of this was carefully considered.

Pertinent to the Employer's circumstances is information showing the history of increases or decreases since about 2005. The total employee health care benefit costs in 2006 was 1.6% less than the previous year. In 2007 the costs went up 10.8% and in 2008 they went up 38.1%. However, it must be kept in mind that there were accounting changes that made a substantial impact. In 2009 the actual figure fell 5.5% and is forecast to fall 5.7% in 2010. It is also noted that in the 2010 budget it was stated in the health benefit cost control note that since the Employer took ownership of health plans in 2007 health benefit costs have been "essentially flat." The note goes on to indicate that while industry-wide health care costs have increased approximately 4-5% annually on average, the Employer's health care costs have been flat for the same period and are budgeted 2.7% lower than the prior year budget.

There is also a document provided by the Employer which it characterizes as an illustrative rate analysis. It suggests that effective October 2010 there will be an average weighted increase per contract of 12.7% for the Blue Cross/Blue Shield benefit packages and 6.9% for the half package. It suggests that the grand total increase will be about 11.8%.

In analyzing this data, it must be kept in mind, and in fact it is paramount to consider, that this bargaining unit is comprised of approximately 20 individuals. Given that the Employer's data

shows that there are approximately 587 contracts, and the panel assumes that means 587 employees utilizing the available health care packages, it is questionable what impact cost-saving measures on this bargaining unit would have on the Employer's total costs. Of course, there is always the argument that the Employer must start at some point, but certainly the impact on cost would be greater if that starting point was a larger bargaining unit.

OCTOBER 1, 2011 PROPOSAL

As indicated above, the Union's Last Offer of Settlement is to continue the current language and thus the status quo. The Employer's Last Offer of Settlement contains a number of changes, mostly related to the terms of the prescription drug programs. However, there is a proposal to adopt language which relates to the Patient Protection and Affordable Care Act. It is outlined in the Employer's Last Offer and it seems rather benign. There are also eliminations of certain phrases, such as "stop loss" and many realignments of language which the Employer characterizes as non-substantive changes often relating only to the movement of language through the provision. There is no suggestion from the Union's arguments that the Employer's representations of those items which are considered non-substantive are inaccurately depicted.

There is also a provision instituting a Mandatory Generic Program/Maximum Allowable Cost (MAC) for prescription drugs.

In relation to the co-pays and multiple tier scenarios, it is noted that under the Employer's proposal the PPO-C program moves from a two-tier \$10.00/\$20.00 scheme to a three-tier

\$5.00/\$20.00/\$40.00 scheme. The same prescription co-pay regimen will be applied to the HMO plan. The change for the PPO-C plan refers to the second and third tiers as preferred brand name drugs in the second tier and non-preferred brand name drugs in the third tier. The HMO plan refers to the second tier as formulary brand and the third tier as non-formulary brand. It is assumed that the terminology is synonymous and that the PPO-C and the HMO plan would, if the offer is adopted, have the same prescription co-pay structure.

In relation to the plan identified as PPO-D, which currently has a three-tier plan, in addition to the Mandatory Generic Program/Maximum Allowable Cost (MAC), the three-tier co-pays would be altered to \$5.00/\$30.00/\$50.00. There are also some proposed changes in the dependent coverage language, but the panel does not believe that the proposed changes are significant.

Given the size of the unit and the data regarding costs for the Authority, it is difficult, even with the testimony and documentation, to arrive at a definitive or near definitive statement regarding the savings that the potential changes could cause. It would be extremely variable depending upon the drugs purchased, user numbers in the bargaining unit, etc. However, in general it can be observed that lowering of the first step co-pay for the PPO-C and HMO plan could save bargaining unit members a few dollars for each filled qualified prescription.

What is significant is the information available regarding the external comparable communities. For instance, the information

regarding the benefits available to Wayne County and Sheriffs, based on 2007 data, shows a three-tier co-pay of \$5.00/\$25.00/\$40.00. This applies to the traditional plan, the PPO plan and the HMO plan. The City of Detroit, for all plans, is a two-tier system of \$5.00/\$15.00. The City of Taylor has a three-tier plan, that is, \$10.00/\$20.00/\$40.00, for all three of its health care plans being Blue Cross/Blue Shield PPO, BCN HMO and HAP HMO. The City of Dearborn has a two-tier plan or, perhaps more accurately, a three-tier plan with \$15.00 for generic and \$30.00 for both preferred and non-preferred brands. Michigan State Police apparently has a three-tier \$5.00/\$15.00/\$30.00 plan for its Blue Cross Blue Shield PPO. Oakland County and Sheriff's Department, Command Officers, have four different health plans, three of which incorporate a three-tier prescription co-pay of \$5.00/\$10.00/\$25.00. The City of Livonia Lieutenants and Sergeants under the Blue Cross/Blue Shield PPO plan have a \$10.00/\$25.00/\$40.00 three-tier prescription program. That provision also applies to the Lieutenants and Sergeants Blue Cross Network HMO and HAP HMO.

Of course, when looking at the internal comps it is noted that the current prescription drug plans for the three plans available to members of this bargaining unit appear to also be applicable to the internal comparables.

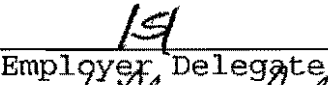

After a careful analysis of the total record and applying those Section 9 factors which are applicable, the panel concludes

that the changes to be effective on October 1, 2011, as proposed by the Employer, should be adopted.

AWARD - ARTICLE 37 - INSURANCE PROGRAMS
OCTOBER 1, 2011 PROPOSAL

The panel hereby adopts the Employer's proposal regarding those items to be effective on October 1, 2011.


Mario Chiesa, Chairman 7-19-11


Employer Delegate

Union Delegate *Oisschob*

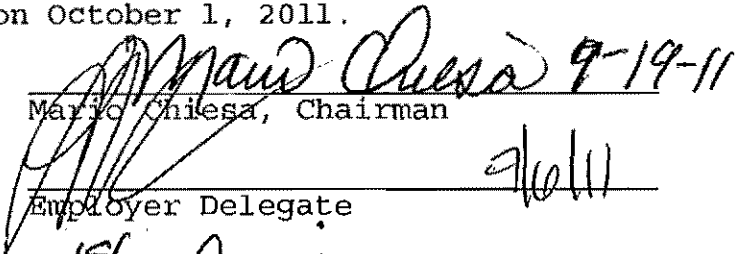
OCTOBER 1, 2012 PROPOSAL

As above, the Union's position is the status quo. There are numerous changes proposed in the Employer's Last Offer which would be effective on October 1, 2012 if the offer were adopted. There are changes to all three plans and the specific language is of course contained in the Employer's Last Offer of Settlement. However, for the purpose of discussion it must be noted that if the Employer's proposal were adopted for PPO-C the in-network deductible would increase from \$100.00/\$200.00 to \$250.00/\$500.00; the out-of-network deductible from \$250.00/\$500.00 to \$500.00/\$1,000; implementation of a 90% co-insurance in-network and 70 cent co-insurance out-of-network, with an annual out-of-pocket of \$750.00/\$1,500.00 in-network, and \$1,500.00/\$3,000.00 out-of-network; and an increase in the emergency room co-pay from \$50.00/\$75.00.

that the changes to be effective on October 1, 2011, as proposed by the Employer, should be adopted.

AWARD - ARTICLE 37 - INSURANCE PROGRAMS
OCTOBER 1, 2011 PROPOSAL

The panel hereby adopts the Employer's proposal regarding those items to be effective on October 1, 2011.



Mario Chiesa, Chairman

Employer Delegate

1st Dissent

Union Delegate

OCTOBER 1, 2012 PROPOSAL

As above, the Union's position is the status quo. There are numerous changes proposed in the Employer's Last Offer which would be effective on October 1, 2012 if the offer were adopted. There are changes to all three plans and the specific language is of course contained in the Employer's Last Offer of Settlement. However, for the purpose of discussion it must be noted that if the Employer's proposal were adopted for PPO-C the in-network deductible would increase from \$100.00/\$200.00 to \$250.00/\$500.00; the out-of-network deductible from \$250.00/\$500.00 to \$500.00/\$1,000; implementation of a 90% co-insurance in-network and 70 cent co-insurance out-of-network, with an annual out-of-pocket of \$750.00/\$1,500.00 in-network, and \$1,500.00/\$3,000.00 out-of-network; and an increase in the emergency room co-pay from \$50.00/\$75.00.

The only proposed change to the HMO plan would be the increase of the emergency room co-pay from \$50.00 to \$75.00.

The proposed changes to the PPO-D plan include an increase to the in-network deductible from \$250.00/\$500.00 to \$500.00/\$1,000.00, increasing out-of-network deductible from \$1,000.00/\$2,000.00 to \$1,500.00/\$3,000.00 and increasing the emergency room co-pay from \$50.00 to \$100.00.

Adoption of the Employer's October 1, 2012 proposals would almost invariably lead to an increase of a bargaining unit member's out-of-pocket expenditures. It must also be remembered that currently all internal comps enjoy the same provisions that are currently in effect which would be altered if the Employer's Last Offer of Settlement were adopted.

In examining the in-network, out-of-network, out-of-pocket maximums existing in the comparable communities, it is noted that the numbers are varied and all over the landscape.

Apparently one of the changes that would benefit the members of the bargaining unit, at least as expressed in Exhibit B-17, is that the current million dollar lifetime maximum for the PPO-C and D plans would become unlimited.

Nonetheless, when all of the applicable Section 9 factors are considered, including other awards contained in these Findings, Opinion and Orders, the panel is convinced that the Employer's proposed changes should at this time be rejected and the status quo continued. Thus, the Union's Last Offer of Settlement must be adopted.

AWARD - ARTICLE 37 - INSURANCE PROGRAMS
OCTOBER 1, 2012 PROPOSAL

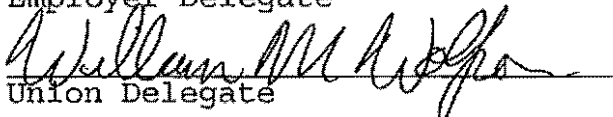
The Union's Last Offer of Settlement is adopted and hence the Employer's proposed changes for October 1, 2012 are rejected and the status quo shall continue.

 9-19-11

Mario Chiesa, Chairman

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Employer Delegate



Union Delegate

ARTICLE 38 - RETIREMENT

The current Article 38 - Retirement, is attached to these Findings of Fact, Opinion and Orders. It is an extensive and detailed provision outlining benefits available under five different retirement plans. Three of the plans are: defined benefit, one is defined contribution, and the last plan, Plan #5, is a hybrid retirement plan.

Notwithstanding the array of plans available to members of this bargaining unit, as of September 23, 2010, 19 members in the unit were in the hybrid plan #5, while one member of the unit was in the defined benefit plan #3.

Given the emphasis on plan #5, the hybrid retirement plan, and while the details are available in the record, there are general provisions to keep in mind. Normal retirement or plan #5 is 25 years of credited service at age 55, 20 years of credited service at age 60, 8 years of credited service at age 65, or 30 years of

AWARD - ARTICLE 37 - INSURANCE PROGRAMS
OCTOBER 1, 2012 PROPOSAL

The Union's Last Offer of Settlement is adopted and hence the Employer's proposed changes for October 1, 2012 are rejected and the status quo shall continue.

Mario Chiesa 7-19-11
Mario Chiesa, Chairman

M-DISSENT 7/6/11
Employer Delegate

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Union Delegate

ARTICLE 38 - RETIREMENT

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Given the emphasis on plan #5, the hybrid retirement plan, and while the details are available in the record, there are general provisions to keep in mind. Normal retirement or plan #5 is 25 years of credited service at age 55, 20 years of credited service at age 60, 8 years of credited service at age 65, or 30 years of

credited service without an age requirement. If employees transfer from plan #3, normal retirement is 25 years of credited service without an age requirement. There is also a provision for retiree medical benefits if an employee retires with 30 years of service. On the defined benefit side of the plan, the amount of retirement compensation is equal to 1.25% per year times average final compensation for the first 20 years, and then 1.5% per year times final average compensation for all years over 20 years. The average final compensation is equal to the monthly average of the employee's base compensation for the last five years of credited service. It does not include payouts for excess sick or annual leave.

There are specific provisions for deferred retirement, duty and non-duty disability, as well as a statement of eligibility for post-retirement cost of living adjustments in the form of distributions from the Reserve for Inflation Equity.

The defined contribution side of the plan provides that a member of the bargaining unit shall contribute 3% of base compensation to the plan. As expected, this is immediately vested. The Employer contributes a matching amount or, again, 3% of the employee's base compensation to the plan. Upon completion of one year, there is a 50% vesting with 75% upon completion of two years and 100% vested under completion of three years. Upon termination an employee may select a lump sum distribution, can roll over the vested account balance into a qualified plan, or amortize the

vested account balance if the employee is also eligible for a defined benefit pension.

It is also noted that unlike some of the external comparables, members of this bargaining unit participate in social security. Hence, the required FICA withholding is instituted, with the understanding that down the line and upon becoming eligible, officers will receive social security.

There is a document in the record which estimates monthly retirement benefits under two different scenarios. Both involve plan #5, but the first includes in the calculation 25 years of service with a retirement year of 2021. Of course, a number of estimates and assumptions have been made in order to arrive at the final projected monthly benefit of \$8,209.00. The second scenario is plan #5, an individual with 30 years of service, retiring in 2026 with a total monthly benefit of \$11,105.00. Frankly, given the variables and the assumptions which have to be made in order to calculate these figures and the reality that the risk of market loss rests on the employee in a defined contribution plan, rather than the employer in a defined benefit plan, the estimated retirement benefits are at best speculative.

As with the current language, the Union's Last Offer of Settlement is attached to these Findings of Fact, Opinion and Orders. The details are contained in the exact language, but there are some general observations which must be kept in mind.

The Union's Last Offer of Settlement, if accepted, would establish a new hybrid retirement plan known as plan #6. It does

not act to fine-tune or add additional benefits to plan #5, but is an entirely new plan.

The defined benefit multiplier would be 2.5% of average final compensation. That multiplier would be applied to all past and future years of credited service. While it appears that final average compensation is calculated in the same, or at least similar fashion as plan #5, there is a substantial addition and, that is, that final payouts of excess sick and annual leave, as well as overtime and accumulated holiday reserve time, are now included in final average compensation.

Employees in the bargaining unit hired before the execution of the agreement, or it is suspected the issuance of these Findings of Fact, Opinion and Orders, who retire with 30 years of service will receive medical benefits as provided under the agreement. However, an employee in plan #6 who was hired prior to December 1, 2009 and who reaches 25 years of credited service by December 1, 2020, will be allowed to retire with full medical benefits as provided under the terms of the plan.

Bargaining unit members currently in plan #3 and plan #5 may transfer into plan #6 by paying \$500.00 per year for each year of credited service within 90 days after the issuance of the 312 arbitration award. The language goes on to provide essentially a deferred payment plan with an employee having 10 years to pay the contribution or pay the balance within 90 days of his/her retirement. Additionally, employees in plan #3 or #5 who elect to become participants in plan #6 shall have all their funds on

deposit with the retirement system in the defined contribution account forfeited and used to pay unfunded actuarial accrued liability as set forth in "Exhibit 41." It is believed that the reference to Exhibit 41 should actually be a reference to Exhibit 42 since Exhibit 41 deals with Memorandum of Agreement Payment for Special Skills Positions. There is also mention of a wage freeze for the period December 1, 2009 through November 30, 2013. Employees will also contribute 4% of all W-2 compensation to the retirement system. Employees will be allowed to make contributions to the contribution side of plan #6 with no employer match.

There are also two provisions which did more than attract the panel's attention. The first is provision M which essentially provides that the parties can only bargain over retirement if they agree to do so and that issues concerning retirement covering the period of the Collective Bargaining Agreement "shall not be subject to Act 312 arbitration until November 30, 2020." The second provision is what is normally characterized as a "me too" clause. In the Union's offer it is called Supplemental Modifications, but in essence grants to members of the bargaining unit any pension or economic benefit received by non-union or unionized employees which is better than the benefits awarded by this panel. Again, the specific language outlines the details.

Of course, both parties have spent considerable time dealing with the anticipated cost the Employer would need to absorb if the Union's Last Offer of Settlement were adopted. Gabriel Roeder Smith & Company provided a document dated August 25, 2010 which

dealt with a number of items, including the cost the Employer would be subjected to if members of this bargaining unit currently in plan #5, moved into a plan, arguably plan #6, which provided a benefit multiplier of 2.5% times all years of service, to a maximum of 75% of FAC. Member contribution rate of 4% of compensation per year and unused vacation and sick time to be included in FAC. To recall, if adopted, the Union's Last Offer of Settlement would not only include excess sick and annual leave, but overtime and accumulated holiday reserved time.

The calculations provided by the actuary display an unfunded actuarial accrued liability of \$3,273,725.00. Based on the estimated future working life and an amortization period of 11 years, the estimated first year dollar effect would be \$435,077.00. The information provided by the Employer suggests that if all bargaining unit members managed to acquire the same pension plan now sought by the Union, the total unfunded actuarial accrued liability will become \$52,053,094.00. It submits that's 128.7% of payroll. The Employer's documents also suggest that while current pension costs, including social security, are about 24.11% of payroll for this bargaining unit, adoption of the Union's plan utilizing amortization based upon expected future working lifetime, would increase plan costs to 46.09% of payroll.

The Union has suggested that the documentation shows that its scheme of covering costs would lead to a substantially lower increase in pension costs for members of this bargaining unit. For instance, it starts with the unfunded liability figure of

\$3,273,725.00 and from that subtracts \$1,143,244.00, which represents the total defined contribution balance of all 19 members in the defined contribution accounts. It suggests that this leaves a balance of \$2,130,481.00 of unfunded liability, but when each member pays \$500.00 for each credited year of service, the resulting \$181,500.00 would reduce the \$2,130,481.00 of unfunded liability to \$1,848,921.00. It is noted that the chair's calculations show a resulting figure of \$1,948,981.00. Then, the Union backs out \$267,953.00 which represents, in its view, the amount saved as a result of its suggested four-year wage freeze, to leave a balance of unfunded liability of \$1,580,968.00. Again, the chair's figure is \$1,681,028.00. It also accounts for the 3% match that the Employer currently pays to plan #5 which it would not pay under plan #6. It then suggests that the total unfunded actuarial accrued liability would be \$1,380,000.00. Again, the chair's figure is a little different, but that probably is insignificant. Using a 30-year amortization schedule, it suggests that the total cost per year would be \$46,000.00 to pay for the unfunded actuarial accrued liability.

The parties have also presented extensive arguments regarding the trends in retirement plans, that is, defined contribution versus defined benefit versus hybrid plans. The Employer also challenges that portion of the Union's offer prohibiting Act 312 arbitration until November 30, 2020, and points out that that prohibition doesn't seem to apply to the "me too" provision contained in the Union's proposal.

After analyzing all aspects of this issue, the panel has come to the conclusion that the Union's Last Offer of Settlement should be rejected and the status quo shall continue.

Initially, the panel is not convinced that the current plan #5 is anemic. Unlike Dearborn, Taylor, Detroit or Michigan State Police, the Employer, and hence members of this bargaining unit, participate in social security as does Livonia, Oakland County Sheriff and Wayne County Sheriff. Thus, there will be some contribution to a bargaining unit member's retirement security from the social security payments received when a retiree becomes eligible.

Additionally, the Union's Last Offer of Settlement suggests that the cost of retiree and health insurance could very well escalate. It is understood that this isn't necessarily a pivotal consideration, but nonetheless, it is inherent in the Union's Last Offer of Settlement.

In comparison with the comparable external communities, it must be recognized that there is somewhat of an array of different pension provisions. Furthermore, while it has often been stated that an Act 312 panel must deal only with the bargaining unit involved in the arbitration, it would not be inappropriate to recognize that potentially the adoption of the Union's Last Offer of Settlement regarding retirement would ultimately be implemented in other units, including perhaps the POAM unit, which members of this bargaining unit supervise. This observation, and it can be characterized as a concern, is fortified by the fact that in its

own Last Offer of Settlement this union has proposed a "me too" clause. Certainly the Union is trying to place itself in a position where it can benefit from any enhanced pension or economic benefit which is superior to anything awarded by this panel received by a "non-union or unionized employee." This caused the Employer to question whether it would be a wage freeze.

The "me too" clause which is an inseparable aspect of the Union's Last Offer of Settlement causes the panel concern. The criteria for establishing wages, hours and conditions of employment, i.e., mandatory subjects of bargaining, are outlined in Section 9 of the Act. In a very real sense a "me too" clause makes it difficult to faithfully apply Section 9 factors. For instance, the existence of a "me too" clause creates the potential that the wages, hours and conditions of employment established by the arbitration panel would not be final and indeed would be modified, or in this case enhanced, if some other union or non-union employee received a better deal. Panel members may not be able to determine the financial ability of the unit of government to meet the costs involved because they really wouldn't know what that cost would be if the "me too" clause operated to increase the benefit levels.

A "me too" clause in this setting presents, in essence, the potential of eliminating finality in relation to orders authored by an arbitration panel.

Notwithstanding the above, however, if there was enough Section 9 evidence to warrant the adoption of a Last Offer of Settlement containing a "me too" clause, then arguably a panel

would have to do so. In addition to the above considerations, and independent of them, there is no such evidence in this record.

Another aspect of the Union's Last Offer of Settlement is the language in paragraph M. While the exact language is in the proposal, in essence, what the Union is asking this panel to do is to issue an order that all concerns/issues involving retirement covering the period December 1, 2009 through November 30, 2010, shall not be subject to Act 312 arbitration until November 30, 2020. The arbitration panel questions whether it is appropriate to enter an order which affects the relationship of the parties beyond the termination of the Collective Bargaining Agreement and prohibits either party from utilizing a statutorily available procedure. This proposal becomes even more interesting when it is read in conjunction with a "me too" clause. Furthermore, what impact Article 9, Section 24 of the Michigan Constitution may have, if any, is not clear and the panel has no desire to analyze the question.

The panel recognizes that there are provisions in Collective Bargaining Agreements which parallel what the Union is now seeking. For instance, in the City of Taylor and Command Officers' contract running July 1, 2005 through June 30, 2006, the provision in 11.3A reads:

11.3 A.

Final Average Compensation shall not be subject to negotiation and/or Act 312 arbitration in any future contracts until February 1, 2015. The Command Officers Association agrees not to seek any pension improvements in bank caps, years of service, percentage multiplier, military service

or any other directly related pension benefit for the same period of time. This provision shall not be applicable to demands for wages, longevity, increases in current sick leave, vacation and/or holidays.

Apparently that language was carried over into the successor agreement.

The July 1, 2005 through June 30, 2007 Dearborn Lieutenants and Sergeants' Collective Bargaining Agreement contains the following language:

The City and the Association, and the Association on behalf of those police members it now or in the future represents, expressly agree that each party, in consideration for the wages, hours, terms and conditions of this collective bargaining contract, hereby unqualifiedly waives its right to submit for negotiation, and to submit to Act 312 arbitration, any issue constituting a change or modification in the Chapter 23 Retirement System regarding the 75% cap for a consecutive period of ten (10) years from July 1, 1995 through June 30, 2005. It is specifically understood and agreed that neither party, for said ten (10) year period, shall have any obligation to bargain over said 75% cap.

Further, it is specifically understood and agreed that the Michigan Employment Relations Commission, pursuant to the Public Employment Relations Act or otherwise, nor any court of competent jurisdiction, shall have any authority to require either party to bargain nor arbitrate (pursuant to Act 312) concerning any proposal to amend, change, or modify said 75% cap.

The City and Association hereby agree that this waiver remains in full force and effect until June 30, 2005, regardless of any earlier expiration date of any collective bargaining contract in which it is incorporated; and further agree that this waiver shall be automatically incorporated in all collective bargaining contracts executed prior to July 1, 2005.

The Wayne County Deputies' contract contains a similar provision. So certainly the above establishes that such provisions

exist. It is not clear whether the Taylor, Dearborn of Wayne County provisions were negotiated or part of an Act 312 decision.

In examining what the parties have suggested are the general trend in pension plans, it can only be concluded that some employers have moved from a defined benefit plan to a defined contribution plan, while others have done just the opposite, and in the mix some have thrown in hybrid plans.

Whatever the case, this panel is convinced that the record does not support the adoption of the Union's Last Offer of Settlement.

In summary, and as indicated, after considering the entire record and applying the statutory factors, this panel concludes that the Union's Last Offer of Settlement must be rejected and the Employer's Last Offer of Settlement accepted, and hence, the status quo shall continue.

AWARD - ARTICLE 38 - RETIREMENT

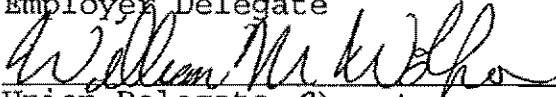
The panel hereby adopts the Employer's Last Offer of Settlement and thus the status quo shall continue.

 7-19-11

Mario Chiesa, Chairman

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Employer Delegate



Union Delegate *Dissent*

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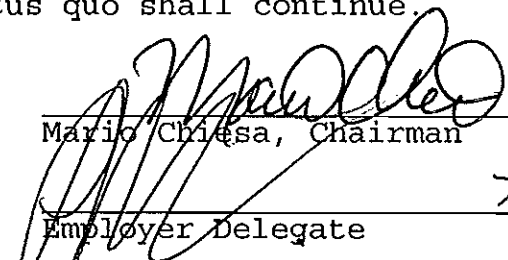
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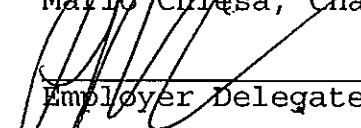
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AWARD - ARTICLE 38 - RETIREMENT

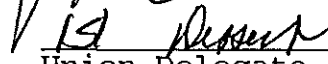
The panel hereby adopts the Employer's Last Offer of Settlement and thus the status quo shall continue.



Mario Chiesa, Chairman 7-19-11



Employer Delegate 7/16/11



Union Delegate

ARTICLE 39 - ECONOMIC IMPROVEMENTS

Article 39 of the prior Collective Bargaining Agreement is attached to these Findings of Fact, Opinion and Orders. The provision contains a number of elements, including special skills, \$1,000 per year payment upon completion of five years of service in-grade, stipend for Captains, etc. The article also contains a chart for Police Sergeants and another for Police Lieutenant/Captain which contains the "wage rates" for both. As of 12/1/2008 the wage rate for Sergeant at the highest step was \$74,165.00. On December 1, 2008 the wage rate for a Lieutenant/Captain at the highest step was \$84,314.00.

As previously referenced, in regards to Article 39 - Economic Improvement, the Union has submitted alternative Last Offers of Settlement. The Employer questions whether the panel has the statutory authority to consider alternative Last Offers of Settlement that are conditioned upon the acceptance or rejection of another Last Offer of Settlement. The Employer raises an interesting issue especially in light of the language in Section 8 of Act 312 which states, inter alia, that each party shall submit a "Last Offer of Settlement on each economic issue." It could be easily concluded that the language contemplates one Last Offer of Settlement for each economic issue rather than the two submitted by the Union. Some commentators and arbitrators have suggested that alternative Last Offers of Settlement are inappropriate and are not in keeping with the statutory mandate. Nevertheless, that issue may need to be addressed at some future proceeding, but will not be

resolved by this panel. In this dispute the panel's conclusions and orders are based on the application of applicable criteria, as outlined in the statute, as applied to the record evidence. The question as to whether alternative Last Offers of Settlement are appropriate, was totally ignored and is not a factor in the resolution of the Article 39 issues.

It is also noted that all salary figures, unless otherwise indicated, are in all comparisons, analyses, etc., for the highest paid Sergeant and Lieutenant in the salary schedules for all communities.

Keeping in mind that each year of the contract is considered a separate issue, the Employer's Last Offer of Settlement contains a wage freeze for both Sergeants and Lieutenants for 12/1/2009 and then an increase each following December 1 of 1.5%, 1.75%, and lastly, a 2% increase effective 12/1/2012. Thus, for Sergeants and applying the increases to the highest wage rate outlined in the Collective Bargaining Agreement, the 12/1/2009 wage would be \$74,165.00. On 12/1/2010 it would be \$75,277.00, 12/1/2011 would be \$76,595.00, and on 12/1/2012 it would be \$78,127.00.

For top paid Lieutenants the straight application of the Employer's Last Offer of Settlement would provide a 12/1/2009 wage rate of \$84,314.00, 12/1/2010 it would be \$85,579.00, 12/1/2011 it would be \$87,077.00, and on 12/1/2012 it would become \$88,819.00.

As previously alluded to, the Union submitted two Last Offers of Settlement for this issue. Proposal B was a wage freeze which was contingent upon the Union's pension proposal being adopted. It

wasn't. Proposal A seeks a 3% increase for each year of the Collective Bargaining Agreement. The exact figures are outlined in the Union's Last Offer of Settlement and the chair's calculations are within a dollar.

Thus, as of 12/1/2009 a Sergeant would receive \$76,390.00. This would progress to \$78,682.00 on 12/1/2010, \$81,042.00 on 12/1/2011 and \$83,473.00 on 12/1/2012.

Application of the same methodology would provide a Lieutenant with \$86,843.00 on 12/1/2009, \$89,449.00 on 12/1/2010, \$92,132.00 on 12/1/2011 and \$94,896.00 on 12/1/2012.

In examining the Last Offers of Settlement it is apparent that the Employer's Last Offer of Settlement contains changes in Article 39 which reflect only the consequences of adopting its proposal for each year of the contract. There is also language regarding retroactivity, but that's a separate issue which will be subsequently addressed.

Each year of the Last Offer of Settlement, that is, Proposal A, submitted by the Union also contains Section 39.05 - Supplemental Modifications, which can fairly be described as a "me too" clause. Additionally, it appears that paragraph 39.02, which in the prior contract was identified as Captains and provided additional compensation of \$3,000 per year during the term of assignment, has added to it a second paragraph regarding Executive Sergeants who will receive \$2,000 per year additional compensation as long as they hold the assignment. This may be the current practice.

The evidence does contain data regarding the consumer price index which is a mandated consideration under the statute. In looking at US cities average seasonally adjusted with 1982-1984 being the base of 100, there was a 3.8% increase in the CPI in 2008, a .3% decrease in 2009, and a 1.4% increase based on year-to-date, that is, April in 2010. Perhaps reflecting the more severe economic climate in Michigan, the consumer price index, all urban consumers, for Detroit, Ann Arbor and Flint, with the data not being seasonally adjusted, shows a 2.3% increase in 2008, a .6% decrease in 2009, and year-to-date, April 2010 was a .4% increase.

The panel has already spent a considerable amount of time analyzing the Employer's ability to pay, and it is just reiterated that even though the Employer is not pleading poverty in the sense that it cannot afford the increases sought by the Union, the evidence does, nevertheless, suggest that careful consideration of costs is warranted.

Overall compensation, as well as other factors traditionally taken into consideration in the determination of wages, hours and conditions of employment, require that the data regarding the gross wages received by members of the bargaining unit must be considered. The data is available for the year 2009 and it shows that the lowest gross wage figure was for a Police Sergeant at \$81,929.92. The highest gross wage figure was for a Police Lieutenant at \$116,992.32. Of course, these figures include a lot more than just base wage, but according to the information, they represent real dollars expressed as 2009 gross wages.

One of the statutory considerations surrounds the interest and welfare of the public. There is no indication in this record that members of this bargaining unit are anything other than conscientious, dedicated and professional law enforcement officers who carry out their duties as expected. There is no indication that the interest or welfare of the public will be influenced regardless of which Last Offers of Settlement are adopted.

The parties submitted substantial amounts of evidence regarding how non-union executives and managers have been treated over the years. The Union has made a point of submitting that certain individuals received very lucrative and beneficial considerations. While such evidence should be considered, it is clear that these individuals are not members of a bargaining unit and represent the higher management hierarchy. Certainly if the Employer pled that it was broke and had no ability to pay the Union's demands, then this evidence may become more probative.

The flip side is the evidence showing that several executives and managers have not received a "general wage increase" for the last three years. There is no doubt that there has been additional compensation afforded a number of individuals, but it is the Employer's position that this was the result of consolidations, promotions, etc.

In examining the available evidence regarding the internal bargaining units, the testimony establishes that the Employer recently executed Collective Bargaining Agreements with two units of IUOE Local 324 employees. There was a 2.5% increase in 2007, 0%

for 2008 and 2009, and a 2% increase for 2010. The evidence also shows that in relation to the Collective Bargaining Agreement executed with AFSCME Local 101, there was a 3% increase in 2007, a wage freeze in 2008 and then 3% in 2009 and 2010. The same schedule of increases was agreed to in the Collective Bargaining Agreement affecting other AFSCME locals. The documentation shows that the Government Bar Association, whose Collective Bargaining Agreement ended on November 30, 2008 and the unit is no longer organized, received a 3% increase in 2007 and from that point to the current time has experienced a wage freeze. The Government Administrators Association's agreement provides a 3% increase in 2007, a wage freeze in 2008 and then a 3% increase in 2009 and 2010. The document shows that the Patrol Unit, which in the past was represented by SEIU Local 502, but currently is being represented by POAM, received a 3% increase in 2007 and a 3% increase in 2008. Currently there are negotiations ongoing with POAM. The International Association of Fire Fighters had a 3% increase in 2007 and is currently in negotiations. The Employer's Last Offer listed in the document is zero for 2008, 1% for 2009 and, again, 1% for 2010. Testimony indicates that the Employer has offered either wage freezes or a maximum of 1% per year.

As usually is the case in this type of interest arbitration, there is a substantial amount of data regarding wage information available from the external comparable communities.

For instance, the Union has supplied data regarding Sergeants and the cumulative percentage increase in salary for the period

2003 to 2007. Using data from Dearborn, Detroit, Livonia, Michigan State Police, Oakland County, Taylor and Wayne County Sheriffs, it concludes that the average cumulative increase for the period was 16.75%. It then points to the 3% per year increases for a cumulative figure of 15% existing in this bargaining unit, and then suggests that this unit is 1.75% below the average. As far as that calculation goes, it is true, but I note that the figure is exceedingly inflated because of the data from Taylor. In 2004 Taylor Sergeants received a 16% increase, while the next highest was 5% in Detroit. When Taylor is taken out of the loop, the average cumulative percentage increase for the 2003-2007 period is 13.54%. The 15% cumulative increase in this bargaining unit compares very favorably with that figure.

When the information regarding Lieutenants is analyzed, it is noted that the cumulative average increase for the period 2003-2007 is listed at 16.33%. Again, if the highly inflated influence of Taylor is taken out of the mix, the average falls to 13.05%. This unit's 15% cumulative increase for the period compares very favorably with 13.05%. The chair recognizes that if the lowest figure, that is, 9% cumulative increase for the period for both Sergeants and Lieutenants in Wayne County Sheriff's Deputy Unit is removed, that would also alter the results. However, it is quite clear that the bottom line is that members of this bargaining unit have done well salary-wise for the period 2003-2007.

Given that the Collective Bargaining Agreements executed by the parties to this dispute generally terminate on November 30 and

thus begin on December 12, it is not quite a precise comparison when the data is compared to other communities which may very well have a different contract year. For instance, Dearborn, Detroit and Taylor start on 7/1. Michigan State Police and Oakland County begin on 10/1, and Livonia begins on 12/1, as does the contract in this bargaining unit.

When the data is compared, members in this bargaining unit have received a comparable salary in the Sergeant/Lieutenant ranks which are anywhere from third to fifth in ranking to the comparable communities.

There is more data to be analyzed, but it would be appropriate to determine which Last Offer of Settlement should be adopted for the first year of the contract, being 12/1/2009. To recall, on a straight percentage basis the Employer is seeking a wage freeze for the first year, while the Union is seeking a 3% increase with the Last Offer of Settlement that contains a "me too" clause.

It is vital to understand that this arbitration panel is not free to formulate a wage resolution which it may feel is the fairest and most appropriate for the first year of this Collective Bargaining Agreement. Quite to the contrary, the panel has no alternative but to select one or the other of the party's Last Offer of Settlement. The question is, which one is best supported by the record evidence and specifically the Section 9 factors?

After carefully analyzing the record evidence and arguments, the panel concludes that the Employer's Last Offer of Settlement, that is, a wage freeze effective December 1, 2009, is the Last

Offer of Settlement enjoying the most support from the record evidence. When forced to choose between the Last Offers of Settlements submitted by the parties, the Employer's Last Offer is the most acceptable.

While it is true that the panel has stated the Employer has not pled poverty, there nevertheless is enough persuasive evidence in this record, even considering the residual funding model utilized for operations, and even considering the money saving consequence of refunding the bond debt, as well as all other relevant factors, to recognize the need to control costs. It is true that the Union has submitted substantial evidence which tends to show that the future will be brighter and that the environment isn't all doom and gloom, but that's not the current reality.

Of course, this does not mean that the Employer can place the burden of cost cutting upon the 20 members of this bargaining unit. That's not the case at all. However, the members of this bargaining unit are not immune from efforts to control costs.

The data regarding the movement, both up and down, of the consumer price index was carefully considered. Furthermore, keeping in mind that elements which make up the consumer price index are funded by benefit programs, such as the health care program, the index may or may not accurately depict the impact of rising prices on any particular bargaining unit. For instance, in this dispute the type of out-of-pocket changes in deductibles and co-pays which were sought by the Employer were rejected, so the

potential burden on the employees in this bargaining unit does not exist.

The historical data shows that in the past this bargaining unit has been easily keeping pace in maintaining a healthy ranking within the external comparables.

Even with a wage freeze for the first year of the contract, the dollars received as salary by members of this bargaining unit compare very favorably to that received by Command Officers employed in the external comparables. Of course, there are some communities, such as Dearborn, which seem to be near or at the top of most comparison scales. During the first year of this Collective Bargaining Agreement, which begins on 12/1/2009, the wage rate for a top paid Sergeant would be \$74,165.00. For a top paid Lieutenant the wage rate would be \$84,314.00. Those two figures compare favorably to the 10/1/2009 maximum pay for a Sergeant and Lieutenant in the Wayne County Sheriff's Department. A Sergeant would be making \$66,568.00, while a Lieutenant would be making \$75,676.00. It is understood that Wayne County Sheriff's Department has endured several years of a wage freeze. Apparently the last increase a Sergeant or Lieutenant received in Wayne County was a 1% improvement back in 2008. Since then wages have been frozen. There is somewhat of a conflict between the data sources regarding the Michigan State Police, at least in the area of the Sergeant's pay, but it appears that as of January 1, 2010 a Sergeant received about \$72,000.00. Again, that's less than members of this bargaining unit. A Lieutenant in the Michigan

State Police appears to be paid at about \$83,658.00 on that date, and again, even with the wage freeze a member of this unit is paid \$84,314.00.

In relation to the Oakland County Sheriff's Department Command Unit, and the data is only available up until fiscal year 2009, a Sergeant in this bargaining unit is paid about \$1,000 more per annum than an Oakland County Sergeant. On 12/1/2009 it appears that a Lieutenant in this bargaining unit receives about \$4,000 more per annum than a Lieutenant in the Oakland County Sheriff's Department.

In relation to Dearborn, it is noted that Command Officers are paid more in wages than members of this bargaining unit. Sergeants and Lieutenants in Detroit are paid substantially less than members of this bargaining unit.

In relation to Livonia, it is noted that a regular Sergeant, not Livonia senior Sergeant but a regular Sergeant, on 12/1/2009 was paid \$75,276.00. This is about \$1,000 more than a Sergeant in this bargaining unit. A Lieutenant on 12/1/2009 was receiving \$82,764.00 which is approximately \$1,800 less than a Lieutenant in this bargaining unit was receiving on 12/1/2009. The data for Taylor was not available because it was dependent upon the Officer/Corporal base rates which are currently in negotiations.

Nevertheless, what the above data shows is that even with a wage freeze, the amount received by Sergeants and Lieutenants in this bargaining unit compares favorably with the external comparables.

If the 3% per year proposal forwarded by the Union is used as the comparator, the above analysis would have to be altered to accommodate the fact that a Sergeant under the Union's proposal on 12/1/2009 would receive about \$2,200 more per year, while a Lieutenant would receive about \$2,500 more per year. The impact on the comparisons would be obvious.

What has taken place internally with the Employer has been displayed. It is realized that there are a number of salary increases which reflect the 3% increase. With the exception of the Government Administrators Association and the AFSCME groups, those 3% increases are historical in the sense that they took place on or prior to December 1, 2008. This unit also received a 3% increase on 12/1/2008. The evidence establishing what the Employer is offering during negotiations for the other various units coincides with its Last Offers of Settlement in this dispute.


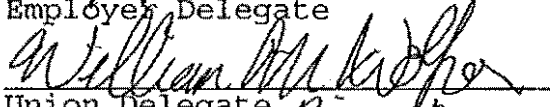
Additionally, it must be understood that the "me too" portion of the Union's Last Offers of Settlement could, and perhaps that's speculative, result in an increase in economic benefit if a better benefit was granted to non-union or unionized employees than received by this unit in this arbitration. Arguably, this would mean that if a non-union employee came off of a three-year wage freeze with an extra business leave day or perhaps a 3-1/2% increase in any one year, members of this unit would automatically receive that enhancement. The evidence does not persuade the panel that this inseparable part of the Union's Last Offer of Settlement should be adopted.

In summary, the panel finds that an application of all the applicable criteria outlined in the statute requires it to adopt the Employer's Last Offer of Settlement. Hence, there will be a one-year wage freeze during the first year of the contract, 12/1/2009 through 11/30/2010.

AWARD - ARTICLE 39 - ECONOMIC IMPROVEMENTS

The Employer's Last Offer of Settlement is hereby accepted for the first year of the Collective Bargaining Agreement, being the period 12/1/2009 through 11/30/2010.


Mario Chiesa, Chairperson


Employer Delegate

Union Delegate *Dissert*

ARTICLE 39 - ECONOMIC IMPROVEMENTS
CONTRACT YEARS BEGINNING 12/1/2010,
12/1/2011 and 12/1/2012

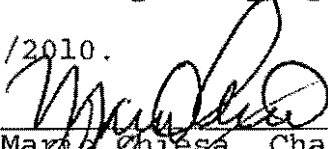
Initially the panel explained that when determining which Last Offer of Settlement to accept for wages, each year of the contract would be considered a separate issue. It has worked well in the past and allows the panel flexibility.

In the current dispute and while each year can still be considered a separate issue, the fact of the matter is that after analyzing all of the evidence and arguments, much of what has previously been displayed, the panel has concluded that the Employer's Last Offer of Settlement must be accepted for each of

In summary, the panel finds that an application of all the applicable criteria outlined in the statute requires it to adopt the Employer's Last Offer of Settlement. Hence, there will be a one-year wage freeze during the first year of the contract, 12/1/2009 through 11/30/2010.

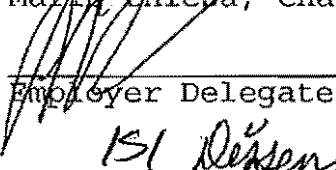
AWARD - ARTICLE 39 - ECONOMIC IMPROVEMENTS

The Employer's Last Offer of Settlement is hereby accepted for the first year of the Collective Bargaining Agreement, being the period 12/1/2009 through 11/30/2010.




Maria Ghiesá, Chairperson

7-19-11



Employer Delegate

7/10/11



Union Delegate

ARTICLE 39 - ECONOMIC IMPROVEMENTS
CONTRACT YEARS BEGINNING 12/1/2010,
12/1/2011 and 12/1/2012

Initially the panel explained that when determining which Last Offer of Settlement to accept for wages, each year of the contract would be considered a separate issue. It has worked well in the past and allows the panel flexibility.

In the current dispute and while each year can still be considered a separate issue, the fact of the matter is that after analyzing all of the evidence and arguments, much of what has previously been displayed, the panel has concluded that the Employer's Last Offer of Settlement must be accepted for each of

the remaining contract years. To recall, the Employer's Last Offer of Settlement is a 1.5% increase for both Sergeants and Lieutenants effective on 12/1/2010. Effective 12/1/2011 there will be a 1.75% increase for both Sergeants and Lieutenants, and finally, on 12/1/2012 there will be a 2% increase for Sergeants and Lieutenants. Thus, the wage progression for a top paid Sergeant beginning on 12/1/2010 will be \$75,277.00, \$76,595.00 on 12/1/2011, and \$78,127.00 effective 12/1/2012. The top paid Lieutenant figure for the same periods, effective on the same dates, will be \$85,579.00, \$87,077.00, and \$88,819.00.

The Union's Last Offer of Settlement for each of the remaining years of the contract is identical to its original offer, i.e., 3%, along with the other provisions contained in its proposal. This would mean that the highest paid Sergeant on the salary scale would on 12/1/2010 have a salary of \$78,682.00. On 12/1/2011 it would be \$81,042.00 and on 12/1/2012 it would be \$83,473.00. The salary for top paid Lieutenants beginning on the same date and increasing on the dates outlined, would be \$89,449.00, \$92,132.00, \$94,896.00.

For the sake of judicial economy all of the applicable discussions outlined above shall be included in this portion of the analysis. It would make no sense to repeat what has already been stated. It is noted that there is some data regarding the internal comparables. The percentage increases are available through 11/30/2011 for the AFSCME locals and the International Union of Operating Engineer groups. They are also available for the Government Administrators Association. The last increase afforded

to those internal comparables was 3%, but it is noted that within the prior three years there was a wage freeze for one year of the individual agreements.

There is a limited amount of data regarding the external comparable communities. The parties in this dispute have determined that the Collective Bargaining Agreement will have a duration of four years and hence would commence on December 1, 2009 and terminate on November 30, 2013.

It is noted that as of 7/1/2012 a Lieutenant in Livonia will be earning \$88,650.00. Under the Employer's Last Offer of Settlement, on December 1, 2012 a Lieutenant will be earning \$88,819.00. If the prior year figure is utilized as of 12/1/2011, a Lieutenant would be earning \$87,077.00. This compares to the Union's Offer of \$94,896.00 on 12/1/2012 and \$92,132.00 on 12/1/2011. Those figures far outstrip the Livonia rate. I do note that the Livonia rate is applicable to a classification known as senior Lieutenant. A top paid Lieutenant would receive about \$84,428.00.

When looking at the Sergeant rank, under the Employer's Last Offer of Settlement on 12/1/2012 a Sergeant would be receiving \$78,127.00. That figure compares to Livonia which is \$80,579.00. The 12/1/2011 figure for a Sergeant under the Employer's Last Offer is \$76,595.00. However, again, the Livonia figure is the figure for classification known as senior Sergeant. The maximum for a Sergeant would be \$76,790.19.

Again, the Union's Last Offer of Settlement would exceed the Livonia rate, whether the 12/1/2011 or the 12/1/2012 figure was utilized. There is some information regarding Dearborn, but Dearborn habitually has paid more than just about any other community.

There is other data available, but as indicated, it is limited, but nevertheless supports the conclusion that the Employer's Last Offer of Settlement for the remaining years of the contract should be adopted.

As previously noted, each Last Offer of Settlement submitted by the Union for the last three years of the contract contained the previously referenced "me too" clause.

In summary and after carefully analyzing the entire record, the panel concludes that the Employer's Last Offer of Settlement for each of the remaining years of the Collective Bargaining Agreement shall be adopted. Hence, members of this bargaining unit will receive a 1.5% increase effective 12/1/2010, 1.75% increase effective 12/1/11 and a 2% increase effective 12/1/2012.


AWARD - ARTICLE 39 ECONOMIC IMPROVEMENTS
CONTRACT YEARS BEGINNING 12/1/10
12/1/11 and 12/1/12

The panel orders that the Employer's Last Offer of Settlement be adopted for each year of the remaining years of the Collective Bargaining Agreement.



Mario Chiesa, Chairman

151

Employer Delegate


Union Delegate *O. S. [unclear]*

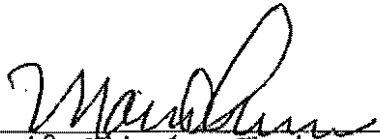
RETROACTIVITY

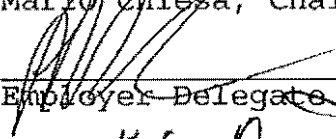
The parties were asked to submit separate Last Offers of Settlement for the issue of retroactive application of wage payments. The Employer did so and specifically listed a Last Offer of Settlement for each year of the contract. They are outlined in its Last Offers of Settlement and provide that bargaining unit employees who are employed on the date of the award will be eligible for retroactive wage payments. The Union's intention that its Last Offers of Settlement, if adopted, would be applied retroactively was gleaned from its Last Offers of Settlement.


After carefully considering the available evidence, the panel concludes that the Employer's Last Offers of Settlement regarding retroactive application of the wage awards, specifically the awards for the first two years of the Collective Bargaining Agreement, be adopted.

AWARD - ARTICLE 39 ECONOMIC IMPROVEMENTS
CONTRACT YEARS BEGINNING 12/1/10
12/1/11 and 12/1/12

The panel orders that the Employer's Last Offer of Settlement be adopted for each year of the remaining years of the Collective Bargaining Agreement.


7-19-11
Mario Chiesa, Chairman


7/16/11
Employer Delegate


K. J. Pessenda
Union Delegate

RETROACTIVITY

The parties were asked to submit separate Last Offers of Settlement for the issue of retroactive application of wage payments. The Employer did so and specifically listed a Last Offer of Settlement for each year of the contract. They are outlined in its Last Offers of Settlement and provide that bargaining unit employees who are employed on the date of the award will be eligible for retroactive wage payments. The Union's intention that its Last Offers of Settlement, if adopted, would be applied retroactively was gleaned from its Last Offers of Settlement.

After carefully considering the available evidence, the panel concludes that the Employer's Last Offers of Settlement regarding retroactive application of the wage awards, specifically the awards for the first two years of the Collective Bargaining Agreement, be adopted.

AWARD - RETROACTIVITY

The Employer's Last Offer of Settlement regarding retroactive wage payments is adopted by the panel.

Mario Chiesa 7-19-11
Mario Chiesa, Chairman

IS
Employer Delegate
William M. Wolf
Union Delegate *Wolf*

It was also agreed that the panel would issue one final award which would tie together all aspects of the parties' contractual relationship.

FINAL AWARD

The panel orders that the total award in this matter shall be comprised of the Findings of Fact, Opinion and Orders contained herein, along with prior contract language that has not been modified by the Findings of Fact, Opinion and Orders herein, or by tentative agreements and all tentative agreements created by the parties.

Mario Chiesa 7-19-11
Mario Chiesa, Chairman

IS
Employer Delegate
William M. Wolf
Union Delegate *Wolf*

AWARD - RETROACTIVITY

The Employer's Last Offer of Settlement regarding retroactive wage payments is adopted by the panel.

Mario Chiesa 7-19-11
Mario Chiesa, Chairman
[Signature] 7/16/11
Employer Delegate
[Signature]
Union Delegate

It was also agreed that the panel would issue one final award which would tie together all aspects of the parties' contractual relationship.

FINAL AWARD

The panel orders that the total award in this matter shall be comprised of the Findings of Fact, Opinion and Orders contained herein, along with prior contract language that has not been modified by the Findings of Fact, Opinion and Orders herein, or by tentative agreements and all tentative agreements created by the parties.

Mario Chiesa 7-19-11
Mario Chiesa, Chairman
[Signature] 7/16/11
Employer Delegate
[Signature]
Union Delegate

Current Provisions Not Otherwise Displayed

ARTICLE 38 – RETIREMENT

38.01 General Provisions:

- A. The detailed provisions of Wayne County Employee's Retirement System as it applies to WCAA employees shall control except where changed or amended below.
- B. Each employee shall participate in one of the Defined Benefit Plans, the Defined Contribution Plan or the Hybrid Retirement Plan.
- C. Employees must meet all age and service requirements to be eligible for post retirement insurance and health care benefits pursuant to the Wayne County Airport Authority Health and Welfare Benefit Plan.
- D. All new employees hired on or after December 1, 1986 shall be eligible for participation in Defined Benefit Plan #2 or Defined Contribution Plan #4
- E. The Hybrid Retirement Plan shall be mandatory for all new employees hired and former employees re-employed, reinstated or rehired on or after October 1, 2001.
- F. Regardless of the Retirement Plan, all employees hired, re-employed, re-instated (except by an arbitrator, administrative law judge or court of law) and rehired on or after December 1, 1990, shall not be eligible for insurance and health care benefits upon retirement unless they retire with thirty (30) or more years of service or after a minimum fifteen (15) years of service at age (60) or older. However, employees in the Hybrid Retirement Plan shall only be eligible for insurance and health care benefits upon retirement if they retire with thirty (30) or more years of service.
- G. Employees separating from Authority service with vested pension benefits who then receive, when eligible, a deferred pension payment, shall not be eligible for post retirement insurance and health care benefits.
- H. One (1) year of service equals 2080 straight time hours. No more than one (1) year of service credit may be earned in any one (1) calendar year.
- I. Unless otherwise specified, the terms and conditions of each Retirement Plan as indicated in the following provisions are effective beginning December 1, 1999 for members of the bargaining unit retiring after that date:

38.02 Defined Benefit Plan #1 (DBP-#1)

For employees who are members of Defined Benefit Plan #1, the detailed provisions of Wayne County Employee's Retirement System shall control except where changed or amended below.

- A. Applicable to full-time members of Local 3317 employed by the County of Wayne PRIOR to October 1, 1983.
- B. The Employer shall pay the employee's cost for the increase in retirement benefits in accordance with the July 31, 1972, Act 312 Award.
- C. Normal Retirement shall mean twenty-five (25) years of credited service without any age requirement.
- D. Employee contributions to the Retirement System shall be five percent (5%) of all W-2 compensation.
- E. The Employer shall contribute in addition thereto, the amounts required to actuarially fund the Retirement System.
- F. Average Final Compensation shall be equal to the average of the four (4) highest years of compensation while a member of the Retirement System. The standard method used by the Retirement System in calculating the employee's highest years shall continue to be utilized.
- G. Employees retiring under Defined Benefit Plan #1 with a regular service (normal) retirement (i.e., twenty-five [25] or more years of service), may retire with a pension benefit formula of 2.65% of Average Final Compensation multiplied by all years of credited service.
- H. The amount of Employer financed normal pension shall not exceed seventy-five percent (75%) of Average Final Compensation reduced by the annual equivalent, as presently used and determined by the retirement system, of any workers' compensation benefit paid on account of prior employment by the County.
- I. Effective December 1, 1995, the maximum benefit on retirement shall not exceed seventy-five percent (75%) of Average Final Compensation regardless of the formula used and regardless of the source of funding. This does not apply to employees who had thirty (30) or more years of credited service on or before November 30, 1995.

An employee who reaches the maximum benefit of seventy-five percent (75%) shall be allowed to freeze his or her vested rights under Defined Benefit Plan #1 and transfer to Defined Contribution Plan #4. The amounts paid off upon retirement for sick and annual leave shall be counted in computing an employee's Average Final Compensation. In accord with Article 38.06(D), employees in Defined Benefit Plan #1 may transfer to the Hybrid Retirement Plan. Once an employee has elected to withdraw from the Defined Benefit Plan #1, that employee may not return.

- J. If an employee receives social security disability benefits after he or she is in receipt of a disability pension or a normal pension, said social security disability benefits shall not cause the employee's pension to be reduced as is now the current practice.
- K. Employees separating from Authority service with vested pension benefits who then receive, when eligible, a deferred pension payment shall have that payment computed in accordance with Article 38.02 (G).

38.03 Defined Benefit Plan #2 (DBP-#2)

For employees who are members of Defined Benefit Plan #2, the detailed provisions of the Wayne County Employee's Retirement System shall control except where changed or amended below.

- A. Normal Retirement shall mean twenty-five (25) years of credited service without any age requirement.
- B. Eligible employees shall receive a duty disability retirement benefit which shall equal seventy-five percent (75%) of the employee's average annual compensation as otherwise provided in Defined Benefit Plan #1.
- C. In accord with Article 38.06(D), employees in Defined Benefit Plan #2 may transfer to the Hybrid Retirement Plan.
- D. Once an employee has elected to withdraw from Defined Benefit Plan #2, that employee may not return.

38.04 Defined Benefit Plan #3 (DBP-#3)

For employees who are members of Defined Benefit Plan #3, the detailed provisions of the Wayne County Employee's Retirement System shall control except where changed or amended below.

- A. Normal Retirement shall mean twenty-five (25) years of credited service without any age requirement. An employee retiring with twenty-five (25) years of service shall receive all medical benefits as otherwise provided under the terms of this Agreement.
- B. Eligible employees shall receive a duty disability retirement benefit which shall equal seventy-five percent (75%) of the employee's average annual compensation as otherwise provided in Defined Benefit Plan #1.
- C. Employees in Defined Benefit Plan #3 may elect one of the following options:

1. Transfer to Defined Benefit Plan #2 and receive a refund of all contributions made to date, plus 50% bonus. Service earned in Defined Benefit Plan #3 shall be transferred entirely to Defined Benefit Plan #2.
 2. Transfer to Defined Contribution Plan #4 and receive a refund on those contributions which exceed the selected contribution rate. Upon transfer which terminates all claim for benefits under Defined Benefit Plan #3, the Employer shall match the non-refunded contributions four dollars (\$4.00) for every one dollar (\$1.00) the employee contributes.
 3. In accord with Article 38.06(D), employees in Defined Benefit Plan #3 may transfer to the Hybrid Retirement Plan.
- D. Once an employee has elected to withdraw from Defined Benefit Plan #3, that employee may not return.

38.05 Defined Contribution Plan #4 (DCP-#4)

For employees who are members of Defined Contribution Plan #4, the detailed provisions of the Wayne County Employee's Retirement System shall control except where changed or amended below.

- A. Normal retirement shall mean twenty-five (25) years of credited service at age fifty-five (55), twenty (20) years of credited service at age sixty (60), or eight (8) years of credited service at age sixty-five (65).
- Effective October 1, 2001, normal retirement shall also mean thirty (30) years of credited service without an age requirement. An employee retiring with thirty (30) years of service will receive medical benefits as otherwise provided under the terms of this Agreement. An employee in Defined Contribution Plan #4 may apply for pension service credit for up to three (3) years of military service to meet the thirty (30) year service requirement. However, this military service credit will not be used to compute the retirement benefit.
- B. All Bargaining Unit members who elect the Defined Contribution Plan #4 shall contribute no less than one percent (1%) nor more than two and one half percent (2.5%) of gross wages to the plan. Effective December 1, 1999, members with twenty (20) or more years of credited service may contribute up to three percent (3%) of gross wages to the Plan.
- C. The Employer shall contribute \$4.00 for each \$1.00 the employee contributes. After the employee reaches twenty (20) years of credited service, the Authority shall contribute \$5.00 for each \$1.00 the employee contributes.

- D. Effective beginning December 1, 1999, employees may contribute an additional 7.5% of gross wages to the Plan annually with no matching Authority contribution. The combined total contribution that an employee may make to Plan #4 and to the Deferred Compensation Program (the 457 Plan) cannot exceed \$30,000.00 annually, and must otherwise conform to Internal Revenue Service Rules and Regulations.
- E. Vesting in the Defined Contribution Plan shall occur as follows:
1. An employee with less than three (3) years of total Authority credited service who voluntarily terminates employment shall be permitted to withdraw only the employee's contribution from the Defined Contribution Plan #4, plus earnings on those withdrawal contributions, if any.
 2. After three (3) years of total Authority credited service or upon involuntary termination of employment other than for cause, the employee shall be permitted to withdraw both the employee and Employer contributions, plus earnings, if any.
- F. The funds deposited with the Retirement System as contributions to the Defined Contribution Plan #4 shall be invested as specified by the Retirement Ordinance.
- G. Effective October 1, 2001, the Defined Contribution Plan #4 – Loan Program will be eliminated.
- H. Distribution of the funds from the Defined Contribution Plan #4 shall be in accordance with the prevailing rules and regulations of the Internal Revenue Service and the Retirement Ordinance.
- I. Once an employee has opted for the Defined Contribution Plan #4, that employee may not opt for a Defined Benefit Plan.
- J. In accord with Article 38.06(D), employees in Defined Contribution Plan #4 may elect to transfer to the Hybrid Retirement Plan.
- K. Once an employee has elected to withdraw from Defined Contribution Plan #4, that employee may not return.
- L. **Duty Disability Retirement**

An employee who sustains a duty-related disability may elect to utilize his or her contributions in the Defined Contribution Plan #4 to purchase credit in the defined benefit portion of the Hybrid Retirement Plan #5 for the purpose of obtaining a duty disability retirement under the terms of Article 38.06(B)(5) of that Plan. The cost of purchasing this credit will be determined by the Plan's actuary. An employee will be

granted additional service credit from the date of retirement until age 60 even though he or she may have insufficient contributions in the Defined Contribution Plan #4 to purchase this credit. If an employee has more contributions in the Defined Contribution Plan #4 than is required to purchase the credit needed for a duty disability retirement in the Hybrid Retirement Plan #5, the surplus contributions shall be transferred to the defined contribution portion of the Hybrid Retirement Plan #5. An employee's decision to transfer contributions from Plan #4 to Plan #5 will be permanent and irrevocable. Upon an employee's election to purchase credit in Plan #5 for duty disability retirement purposes, any and all rights he or she may have had in Plan #4 shall be permanently forfeited.

38.06 Hybrid Retirement Plan

A. General Provisions:

1. The Hybrid Retirement Plan shall be mandatory for all new employees hired and former employees re-employed, re-instated or rehired on or after October 1, 2001.
2. Employees hired, re-employed, re-instated or rehired prior to October 1, 2001, may elect to transfer from their current Retirement Plan to the new Hybrid Retirement Plan during the one-time window period of October 1, 2001 through June 30, 2002. Once an employee elects to transfer to the new Hybrid Retirement Plan that employee may not return to his or her prior Retirement Plan.

B. Defined Benefit Provisions:

1. Normal retirement shall mean twenty-five (25) years of credited service at age 55, twenty (20) years of credited service at age 60, eight (8) years of credited service at age 65 or thirty (30) years of credited service without an age requirement. An employee retiring with thirty (30) years of service will receive medical benefits as otherwise provided under the terms of this Agreement. For employees in Defined Benefit Plan #3 who transfer to the Hybrid Retirement Plan, normal retirement will mean twenty-five (25) years of credited service without an age requirement.
2. The amount of retirement compensation shall equal one and one-quarter percent (1.25%) per year times average final compensation for the first twenty (20) years, and one and one-half percent (1.5%) per year times average final compensation for all years of service over twenty (20) years.
3. Average final compensation shall be equal to the monthly average of the employee's base compensation for the last five (5) years of credited service. Compensation does not include payouts of excess sick or annual leave.

4. Regarding deferred retirement, vesting shall occur upon completion of eight (8) years of credited service. The amount of retirement compensation shall be computed as normal retirement, but based on the actual number of years of credited service and average final compensation at the time of termination. The payment of retirement benefits shall begin at age sixty-five (65).
5. Eligible employees shall receive a duty disability retirement benefit. The amount of retirement compensation shall be computed as normal retirement with additional service credit granted from the date of retirement to age sixty (60). Payments of workers' compensation benefits will be used to reduce an employee's retirement compensation. No age or service requirements apply.
6. Employees shall be eligible for a non-duty disability retirement upon completion of ten (10) years of credited service. The amount of retirement compensation shall be computed as normal retirement, but based on the actual number of years of credited service and average final compensation at the time of termination. The Employer reserves the right to limit payments from the Retirement System through the use of proceeds from the Employer's long-term disability policy.
7. In the event of an employee's death prior to retirement, normal retirement shall mean ten (10) or more years of credited service or eight (8) years of credited service at age 65. The amount of retirement compensation paid to the spouse shall be computed as normal retirement, but actuarially reduced in accordance with a one hundred percent (100%) joint and survivor election. If there is no eligible spouse, unmarried children under age eighteen (18) shall receive equal shares of fifty percent (50%) of the normal retirement benefit.
8. Employees in the Hybrid Retirement Plan shall be eligible for post retirement cost-of-living adjustments in the form of distributions from the Reserve for Inflation Equity.

C. Defined Contribution Provisions:

1. All employees in the Hybrid Retirement Plan shall contribute three percent (3%) of base compensation to the plan. An employee shall be immediately vested in one hundred percent (100%) of his or her contributions.
2. The Employer shall contribute three percent (3%) of the employee's base compensation to the Plan. An employee shall be vested in the Employer's contributions as follows:
 - a. Fifty percent (50%) vested in the Employer's contribution upon completion of one (1) year of service;

- b. Seventy-five percent (75%) vested upon completion of two (2) years of service; and
 - c. One hundred percent (100%) vested upon completion of three (3) years of service.
3. Upon termination, an employee may select one (1) of the following distribution options:
- a. Lump sum distribution of the vested account balance,
 - b. Rollover of the vested account balance into a qualified plan, or
 - c. Annuitizing the vested account balance if the employee is also eligible for a defined benefit pension.

D. Transfer Options:

1. Employees in the Defined Benefit Plans #1, #2 or #3 may elect to transfer to the Hybrid Retirement Plan at no cost during the window period provided in Article 38.06(A)(2). Members of Defined Benefit Plans #1 and #3 shall have their employee contributions and earning transferred to their Hybrid – Defined Contribution Plan account with a separate accounting for taxable and non-taxable assets. All participants transferring to the Hybrid Retirement Plan shall immediately begin to contribute 3% of their eligible retirement earnings to their Hybrid – Defined Contribution Plan account.
2. A Defined Contribution Plan #4 member may elect to transfer to the Hybrid Retirement Plan during the window period provided in Article 38.06(A)(2). The member may elect to purchase their entire credited service into the Defined Benefit portion of the Hybrid Retirement plan, purchase none of their credited service into the Defined Benefit portion of the Plan or purchase a portion of their credited service. The cost of purchasing credited service shall be determined by utilizing the actuarial tables (*Actuarial Cost of Service Purchases for Transfers from Plan 4*). For calculation of purchase costs, the age shall be rounded up to the nearest whole age at the time of purchase and the years of service shall be rounded down to the nearest whole year at the time of purchase; however, the actual time purchased shall be equal to the actual credited service at the time of purchase. "Salary at the time of purchase" shall be defined as the average of eligible retirement earnings for the last five (5) years of credited service.
3. Transfers must be elected during the window period defined in Article 38.06(A)(2) and once a transfer election is made it is irrevocable. Payment in full must be made at the time of transfer and funds from the employee's Defined Contribution Plan #4 vested account balance may be utilized to

purchase the time. Transfers from the employee's account shall be taken from the taxable and non-taxable funds in the same proportion that they were contributed. Up to three (3) years of military time may be purchased at full actuarial valuation and funds from the employee's vested Defined Contribution Account may be utilized to purchase military time. Any funds remaining in the employee's vested account shall be the basis for establishing the employee's new Defined Contribution Account under the Hybrid Retirement Plan.

4. All credited service still maintained by an employee in any Wayne County Retirement Plan may be utilized by the employee for calculating eligibility for future retirement regardless of which retirement plan the credited service is vested in. However, only time that is credited to the Hybrid – Defined Benefit Plan shall be utilized for calculating an actual retirement benefit based on the multiplier factors.

38.07 Retirement Option – Purchase of Military Service

Military service time prior to Authority employment may be purchased up to a maximum of six (6) years at full actuarial cost. Purchase shall be in one (1) month increments with twelve (12) months of purchase needed for one year of credit. Purchases of service credits under this section, when combined with the credits purchased or earned under prior military service provision, shall not exceed six (6) years.

- A. The Retirement Commission may establish rules not in conflict with this Section for the implementation of this Section. Such rules may define payment schedules, limit purchases when military time has already been used as a credit in another public pension system, limit the way this time may be used, or limit purchases to specified time periods on an annual basis or within certain periods after the date of the member's first employment with the Authority.
- B. This provision does not apply for employees who are members of Defined Contribution Plan #4.

38.08 Non-Duty Disability Retirement

The Employer retains the right to place an employee into non-duty disability status under the same terms and conditions as now apply to the Defined Benefit Plan #1 and in the Defined Contribution Plan # 4. The specific terms of the benefits to be provided to non-duty disability retirees under Plan #4 shall be as published by the Retirement Department. Upon request the parties will meet to negotiate changes if necessary.

38.09 Deferred Compensation

The Employer shall continue to allow deductions for qualified Deferred Compensation Plans.

38.10 Supplemental Retirement

The Employer shall offer to any employee a non-qualified supplemental retirement program by which the employee shall be allowed to reduce his or her wages in order to be eligible for said supplemental retirement program.

38.11

The Union shall notify the Employer as to which company shall be used as the carrier or broker for this program, which shall be offered by way of payroll deduction.

38.12

If the Authority adopts a Deferred Compensation Program that would be more beneficial to employees in this Bargaining Unit, the Union shall have the option to:

- A. Remain in the current plan as outlined in Articles 38.10 and 38.11 or
- B. Adopt the new program.

ARTICLE 39 – ECONOMIC IMPROVEMENT

39.01 Special Skills Positions

- A. Eligible employees shall receive one thousand five hundred dollars (\$1,500.00) per year in addition to their base wage rate while working in one of the following special skills positions:
 - 1. Motorcycle Officer
 - 2. Polygraph Operator
 - 3. Explosive Ordinance Disposal Technician
 - 4. Canine Unit
 - 5. Special Response Officer
 - 6. Communications Unit
 - 7. Airport Special Investigative Unit (ASIU)
 - 8. Identification Technician
 - 9. Water Rescue Officer
 - 10. Field Training Officer/Accident Investigator

- B. Employees in the classifications of Police Sergeant and Police Lieutenant will receive an additional one thousand dollars (\$1,000) per year upon completion of five (5) years of service in-grade.

39.02 Captains

All employees promoted to captain positions as enumerated in Article 21 shall receive additional compensation in the amount of three thousand dollars (\$3,000.00) per year during the term of that assignment.

39.03 Wage Rates For Employees In Local 3317

A. Police Sergeant:

1. The wage rates which were in effect as of November 30, 2004 (Entry equals \$60,797, Step 2 equals 62,386, and Step 3 equals \$63,976) shall be increased by 3% percent per year on a compound basis on December 1st annually for the years 2004, 2005, 2006, 2007 and 2008.

SGT

STEP	12/1/2003	12/1/2004 3%	12/1/2005 3%	12/1/2006 3%	12/1/2007 3%	12/1/2008 3%
1	\$60,797	\$62,621	\$64,500	\$66,435	\$68,428	\$70,481.00
2	\$62,386	\$64,258	\$66,186	\$68,172	\$70,217	\$72,324.00
3	\$63,976	\$65,895	\$67,872	\$69,908	\$72,005	\$74,165.00

2. Annual Step Increases:

Based on the number of completed months of service in-grade, the above-cited regular full-time employees of record employed in the classification of Police Sergeant shall be placed at the following annual base wage rates on the dates indicated.

Annual step increases for each year of the contract shall be increased by 3% on an across the board basis.

3. Minimum Base Wage Rates:

Employees of record promoted to the classification of Police Sergeant shall be placed at the minimum base wage rate in effect as of the date of their promotion as follows:

The minimum base rate for the classification of police sergeant shall be increased at three percent (3%) compounded rate as of December 1, 2004, December 1, 2005, December 1, 2006, December 1, 2007 and December 1, 2009.

B. Police Lieutenant:

1. The wage rates which were in effect as of November 30, 2004 (Entry equals \$67,195, Step 3 equals \$69,963, and Step 3 equals \$72,730) shall be increased by three (3%) percent per year on a compound basis, on December 1st annually for the years 2004, 2005, 2006, 2007 and 2008.

POLICE LIEUTENANT/CAPTAIN PAY RATES

STEP	12/1/2003	12/1/2004 3%	12/1/2005 3%	12/1/2006 3%	12/1/2007 3%	12/1/2008 3%
1	\$67,195	\$69,211	\$71,287	\$73,426	\$75,629	\$77,898.00
2	\$69,963	\$72,062	\$74,224	\$76,451	\$78,745	\$81,107.00
3	\$72,730	\$74,912	\$77,159	\$79,474	\$81,858	\$84,314.00 ←

2. Annual Step Increases:

Seniority in grade annual step increases for each year of the contract shall be increased by 3% on an across the board basis.

3. Minimum Base Wage Rates:

The minimum base rate for the classification of police Lieutenant/Captain shall be increased by 3% compounded rate as of December 1, 2004, December 1, 2005, December 1, 2006, December 1, 2007 and December 1, 2008.

- D. Annual step increases will continue beyond the expiration date of the Collective Bargaining Agreement [November 30, 2009] for those employees who are below the maximum wage step for their classification.

Employer's Last Offers of Settlement

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

WAYNE COUNTY AIRPORT AUTHORITY,

Respondent,

-vs-

Case No. D09 A-0064
Arbitrator Mario Chiesa

AFSCME, LOCAL 3317

Petitioner.

**AIRPORT AUTHORITY'S LAST BEST OFFER ON
ARTICLE 14.14 – STANDARD OF PROOF**

CURRENT CONTRACT LANGUAGE:

Article 14.14: In all disciplinary proceedings, the department shall carry the burden of proof in order to substantiate the charges and the standard shall be proof by a preponderance of the evidence, except that if the employee's offense involves a serious breach of law or moral turpitude sufficient to damage the employee's reputation, the standard of proof shall be clear and convincing evidence. In application of this standard, the parties understand that all department charges are non-criminal in nature.

UNION'S PROPOSED CHANGE:

Article 14.14: In all disciplinary proceedings, the department shall carry the burden of proof in order to substantiate the charges and the standard shall be proof by a preponderance of the evidence, except that if the employee's offense involves a serious breach of law or moral turpitude sufficient to damage the employee's reputation, ~~the standard of proof shall be clear and convincing evidence~~ the standard of proof shall be proof beyond a reasonable doubt. In application of this standard, the parties understand that all department charges are non-criminal in nature.

AUTHORITY'S LAST BEST OFFER

No change. Retain status quo.

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

WAYNE COUNTY AIRPORT AUTHORITY,

Respondent,

-vs-

Case No. D09 A-0064
Arbitrator Mario Chiesa

AFSCME, LOCAL 3317

Petitioner,

**AIRPORT AUTHORITY'S LAST BEST OFFER ON
ARTICLE 29 – PERSONAL BUSINESS LEAVE**

CURRENT LANGUAGE

29.01

All full-time employees, who have completed one (1) year of service, shall be entitled to personal business leave not to exceed four (4) days in any one (1) anniversary year, which shall be charged to sick leave.

AUTHORITY'S LAST BEST OFFER

No change. Retain status quo.

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

WAYNE COUNTY AIRPORT AUTHORITY,

Respondent,

-vs-

Case No. D09 A-0064
Arbitrator Mario Chiesa

AFSCME, LOCAL 3317

Petitioner.

**AIRPORT AUTHORITY'S LAST BEST OFFER ON
ARTICLE 38 -- RETIREMENT**

AUTHORITY'S LAST BEST OFFER

No change. Retain status quo.

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

WAYNE COUNTY AIRPORT AUTHORITY,

Respondent,

-vs-

Case No. D09 A-0064
Arbitrator Mario Chiesa

AFSCME, LOCAL 3317

Petitioner.

**AIRPORT AUTHORITY'S LAST BEST OFFER
ON ARTICLE 39 – ECONOMIC IMPROVEMENT
FOR DECEMBER 1, 2009**

39.01 – 39.02

NO CHANGE

39.03 Wage Rates For Employees In Local 3317

A. Police Sergeant:

1. The wage rates which were in effect as of November 30, 2004 2009 (Entry equals ~~\$60,797~~, Step 2 equals ~~62,386~~, and Step 3 equals ~~\$63,976~~) shall be increased by the following percentage ~~3%~~ percent per year on a compound basis on December 1st for the years 2004, 2005, 2006, 2007 and 2008 ~~2009, 2010, 2011 and 2012~~:

~~12/1/2009: 0% Wage table to be updated.~~

2. Annual Step Increases:

Based on the number of completed months of service in-grade, the above-cited regular full-time employees of record employed in the classification of Police Sergeant shall be placed at the following annual base wage rates on the dates indicated.

Annual step increases for each year of the contract shall be increased by 3% on an across the board basis.

3. Minimum Base Wage Rates:

Employees of record promoted to the classification of Police Sergeant shall be placed at the minimum base wage rate in effect as of the date of their promotion. as follows:

~~The minimum base rate for the classification of police sergeant shall be increased at three percent (3%) compounded rate as of December 1, 2004, December 1, 2005, December 1, 2006, December 1, 2007 and December 1, 2009.~~

B. Police Lieutenant:

1. The wage rates which were in effect as of November 30, 2004 ~~2009~~ (Entry equals \$67,195, Step 3 equals \$69,963, and Step 3 equals \$72,730) shall be increased by the following percentage three (3%) percent per year on a compound basis, on December 1st for the years 2004, 2005, 2006, 2007 and 2008 ~~2009, 2010, 2011 and 2012.~~

~~12/1/2009: 0% Wage table to be updated.~~

2. Annual Step Increases:

Seniority in grade annual step increases for each year of the contract shall be increased by 3% on an across the board basis.

3. Minimum Base Wage Rates:

~~The minimum base rate for the classification of police Lieutenant/Captain shall be increased in accordance with the above wage increases. by 3% compounded rate as of December 1, 2004, December 1, 2005, December 1, 2006, December 1, 2007 and December 1, 2008.~~

C. Annual step increases will continue beyond the expiration date of the Collective Bargaining Agreement [~~November 30, 2009~~] for those employees who arer below the maximum wage step for their classification.

~~D. Only bargaining unit employees employed by the WCAA on the date of the Act 312 Award shall be eligible for retroactive wage payments.~~

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

WAYNE COUNTY AIRPORT AUTHORITY,

Respondent,

-vs-

Case No. D09 A-0064
Arbitrator Mario Chiesa

AFSCME, LOCAL 3317

Petitioner.

**AIRPORT AUTHORITY'S LAST BEST OFFER
ON ARTICLE 39 – ECONOMIC IMPROVEMENT
FOR DECEMBER 1, 2009
RETROACTIVITY**

39.01 – 39.02

NO CHANGE

39.03 **Wage Rates For Employees In Local 3317**

D. Only bargaining unit employees employed by the WCAA on the date of the Act 312 Award shall be eligible for retroactive wage payments.

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

WAYNE COUNTY AIRPORT AUTHORITY,

Respondent,

-vs-

Case No. D09 A-0064
Arbitrator Mario Chiesa

AFSCME, LOCAL 3317

Petitioner.

**AIRPORT AUTHORITY'S LAST BEST OFFER
ON ARTICLE 39 – ECONOMIC IMPROVEMENT
FOR DECEMBER 1, 2010**

39.01 – 39.02

NO CHANGE

39.03 **Wage Rates For Employees In Local 3317**

A. **Police Sergeant:**

1. The wage rates which were in effect as of November 30, 2004 ~~2009~~ (Entry equals ~~\$60,797~~, Step 2 equals ~~62,386~~, and Step 3 equals ~~\$63,976~~) shall be increased by the following ~~percentage 3% percent~~ per year on a compound basis on December 1st for the years ~~2004, 2005, 2006, 2007 and 2008~~ ~~2009, 2010, 2011 and 2012~~:

~~12/1/2010: 1.5% Wage table to be updated.~~

2. Annual Step Increases:

Based on the number of completed months of service in-grade, the above-cited regular full-time employees of record employed in the classification of Police Sergeant shall be placed at the following annual base wage rates on the dates indicated.

Annual step increases for each year of the contract shall be increased by 3% on an across the board basis.

3. Minimum Base Wage Rates:

Employees of record promoted to the classification of Police Sergeant shall be placed at the minimum base wage rate in effect as of the date of their promotion. as follows:

The minimum base rate for the classification of police sergeant shall be increased at three percent (3%) compounded rate as of December 1, 2004, December 1, 2005, December 1, 2006, December 1, 2007 and December 1, 2009.

B. Police Lieutenant:

1. The wage rates which were in effect as of November 30, 2004 ~~2009~~ (Entry equals \$67,195, Step 3 equals \$69,963, and Step 3 equals \$72,730) shall be increased by the following percentage three (3%) percent per year on a compound basis, on December 1st for the years 2004, 2005, 2006, 2007 and 2008 ~~2009, 2010, 2011 and 2012.~~

~~12/1/2010: 1.5% Wage table to be updated.~~

2. Annual Step Increases:

Seniority in grade annual step increases for each year of the contract shall be increased by 3% on an across the board basis.

3. Minimum Base Wage Rates:

The minimum base rate for the classification of police Lieutenant/Captain shall be increased in accordance with the above wage increases. by 3% compounded rate as of December 1, 2004, December 1, 2005, December 1, 2006, December 1, 2007 and December 1, 2008.

C. Annual step increases will continue beyond the expiration date of the Collective Bargaining Agreement [November 30, 2009] for those employees who are below the maximum wage step for their classification.

D. ~~Only bargaining unit employees employed by the WCAA on the date of the Act 312 Award shall be eligible for retroactive wage payments.~~

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

WAYNE COUNTY AIRPORT AUTHORITY,

Respondent,

-vs-

Case No. D09 A-0064
Arbitrator Mario Chiesa

AFSCME, LOCAL 3317

Petitioner.

**AIRPORT AUTHORITY'S LAST BEST OFFER
ON ARTICLE 39 – ECONOMIC IMPROVEMENT
FOR DECEMBER 1, 2010
RETROACTIVITY**

39.01 – 39.02

NO CHANGE

39.03 **Wage Rates For Employees In Local 3317**

D: Only bargaining unit employees employed by the WCAA on the date of the Act 312 Award shall be eligible for retroactive wage payments.

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

WAYNE COUNTY AIRPORT AUTHORITY,

Respondent,

-vs-

Case No. D09-A-0064
Arbitrator Mario Chiesa

AFSCME, LOCAL 3317

Petitioner.

**AIRPORT AUTHORITY'S LAST BEST OFFER
ON ARTICLE 39 – ECONOMIC IMPROVEMENT
FOR DECEMBER 1, 2011**

39.01 – 39.02

NO CHANGE

39.03 **Wage Rates For Employees In Local 3317**

A. Police Sergeant:

1. The wage rates which were in effect as of November 30, 2004 ~~2009~~ (Entry equals ~~\$60,797~~, Step 2 equals ~~62,386~~, and Step 3 equals ~~\$63,976~~) shall be increased by the following ~~percentage 3% percent~~ per year on a compound basis on December 1st for the years ~~2004, 2005, 2006, 2007 and 2008~~ ~~2009, 2010, 2011 and 2012~~:

~~12/1/2011: 1.75% Wage table to be updated~~

2. Annual Step Increases:

Based on the number of completed months of service in-grade, the above-cited regular full-time employees of record employed in the classification of Police Sergeant shall be placed at the following annual base wage rates on the dates indicated.

Annual step increases for each year of the contract shall be increased by 3% on an across the board basis.

3. Minimum Base Wage Rates:

Employees of record promoted to the classification of Police Sergeant shall be placed at the minimum base wage rate in effect as of the date of their promotion, as follows:

~~The minimum base rate for the classification of police sergeant shall be increased at three percent (3%) compounded rate as of December 1, 2004, December 1, 2005, December 1, 2006, December 1, 2007 and December 1, 2008.~~

B. Police Lieutenant:

1. The wage rates which were in effect as of November 30, 2004 ~~2009~~ (Entry equals ~~\$67,195~~, Step 3 equals ~~\$69,963~~, and Step 3 equals ~~\$72,730~~) shall be increased by the following percentage ~~three (3%)~~ percent per year on a compound basis, on December 1st for the years ~~2004, 2005, 2006, 2007 and 2008~~ ~~2009, 2010, 2011 and 2012.~~

~~12/1/2011: 1.75% Wage table to be updated.~~

2. Annual Step Increases:

Seniority in grade annual step increases for each year of the contract shall be increased by 3% on an across the board basis.

3. Minimum Base Wage Rates:

The minimum base rate for the classification of police Lieutenant/Captain shall be increased ~~in accordance with the above wage increases.~~ ~~by 3% compounded rate as of December 1, 2004, December 1, 2005, December 1, 2006, December 1, 2007 and December 1, 2008.~~

C. Annual step increases will continue beyond the expiration date of the Collective Bargaining Agreement [~~November 30, 2009~~] for those employees who are below the maximum wage step for their classification.

~~D. Only bargaining unit employees employed by the WCAA on the date of the Act 312 Award shall be eligible for retroactive wage payments.~~

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

WAYNE COUNTY AIRPORT AUTHORITY,

Respondent,

-vs-

Case No. D09 A-0064
Arbitrator Mario Chiesa

AFSCME, LOCAL 3317

Petitioner.

**AIRPORT AUTHORITY'S LAST BEST OFFER
ON ARTICLE 39 – ECONOMIC IMPROVEMENT
FOR DECEMBER 1, 2012**

39.01 – 39.02

NO CHANGE

39.03 **Wage Rates For Employees In Local 3317**

A. **Police Sergeant:**

1. The wage rates which were in effect as of November 30, ~~2004~~ 2009 (Entry equals ~~\$60,797~~, Step 2 equals ~~62,386~~, and Step 3 equals ~~\$63,976~~) shall be increased by the following ~~percentage~~ 3% percent per year on a compound basis on December 1st for the years ~~2004, 2005, 2006, 2007 and 2008~~ 2009, 2010, ~~2011 and 2012~~:

~~12/1/2012~~ 2% Wage table to be updated.

2. Annual Step Increases:

Based on the number of completed months of service in-grade, the above-cited regular full-time employees of record employed in the classification of Police Sergeant shall be placed at the following annual base wage rates on the dates indicated.

Annual step increases for each year of the contract shall be increased by 3% on an across the board basis.

3. Minimum Base Wage Rates:

Employees of record promoted to the classification of Police Sergeant shall be placed at the minimum base wage rate in effect as of the date of their promotion. as follows:

~~The minimum base rate for the classification of police sergeant shall be increased at three percent (3%) compounded rate as of December 1, 2004, December 1, 2005, December 1, 2006, December 1, 2007 and December 1, 2009.~~

B. Police Lieutenant:

1. The wage rates which were in effect as of November 30, 2004 ~~2009~~ (Entry equals ~~\$67,195~~, Step 3 equals ~~\$69,963~~, and Step 3 equals ~~\$72,730~~) shall be increased by the following percentage ~~three (3%)~~ percent per year on a compound basis, on December 1st for the years ~~2004, 2005, 2006, 2007 and 2008~~ ~~2009, 2010, 2011 and 2012~~.

~~12/1/2012: 2% Wage table to be updated~~

2. Annual Step Increases:

Seniority in grade annual step increases for each year of the contract shall be increased by 3% on an across the board basis.

3. Minimum Base Wage Rates:

~~The minimum base rate for the classification of police Lieutenant/Captain shall be increased in accordance with the above wage increases. by 3% compounded rate as of December 1, 2004, December 1, 2005, December 1, 2006, December 1, 2007 and December 1, 2008.~~

C. Annual step increases will continue beyond the expiration date of the Collective Bargaining Agreement [~~November 30, 2009~~] for those employees who are below the maximum wage step for their classification.

~~D. Only bargaining unit employees employed by the WCAA on the date of the Act 312 Award shall be eligible for retroactive wage payments.~~

STATE OF MICHIGAN
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WAYNE COUNTY AIRPORT AUTHORITY,

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Case No. D09 A-0064
Arbitrator Mario Chiesa

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Petitioner.

**AIRPORT AUTHORITY'S LAST BEST OFFER ON
ARTICLE 37 – INSURANCE PROGRAMS
CHANGES EFFECTIVE OCTOBER 1, 2011**

37.01

Except where inconsistent with the express terms of this Agreement, the Wayne County Airport Authority Health And Welfare Benefit Plan, is hereby incorporated by reference.

37.02 **Medical Insurance**

A. The Employer shall provide medical benefits for full time, permanent employees within the bargaining unit, and their legal dependents with the copays and deductibles as provided herein. Where applicable, preventive maximums and related copays will be eliminated to conform with the Patient Protection and Affordable Care Act.

PPO: The coverage provided shall be equal to Blue Cross/Blue Shield Community Blue PPO ("Community Blue"). Effective April 1, 2008, the following deductibles and copays will be applied to the Community Blue plan:

- \$100/200 deductible in network; \$250/500 out of network
- 20% out of network copay
- Annual out of pocket maximum ("stop loss") \$1500/\$3000 out of network
- \$20 office visit copay in network
- \$250 annual preventative max
- 50% mental health copay
- \$50 Emergency room copay (waived if admitted)
- Hearing Aid Rider

Employees electing this option shall be required to pay 10% of the monthly premium, to be paid via payroll deduction. Employee premium payments shall be made on a pre-tax basis. (For purpose of this paragraph, "premium" is defined as the annual COBRA rate as determined by the provider.) [NOTE: THE 10% PREMIUM SHARE IS NOT NEW LANGUAGE BUT SIMPLY MOVED FROM B.2]

HMO: Employees may choose an available Health Maintenance Organization (HMO) to be selected each year by the Employer. ~~Effective April 1, 2008, employees who select the HMO shall pay 5% of the monthly premium, to be paid via payroll deduction with the following co-pays~~ The following co-pays will apply to the HMO:

- \$20 Office Visit and Urgent Care co-pay
- \$50 Emergency room co-pay

Employees electing the HMO option shall be required to pay 10% of the monthly premium, to be paid via payroll deduction. Employee premium payments shall be made on a pre-tax basis. [NOTE: THE 10% PREMIUM SHARE IS NOT NEW LANGUAGE BUT SIMPLY MOVED FROM B.1]

~~Effective April 1, 2008, the prescription co-pay for the PPO and the HMO shall be \$10.00 for generic drugs and \$20 for brand name drugs. A mail order program for maintenance drugs as defined by Blue Cross Blue Shield will be offered and the copay shall be doubled for prescriptions covering up to a 90 day supply.~~

B. Prescription drugs

~~PPO C: Effective October 1, 2011, a Mandatory Generic Program/Maximum Allowable Cost (MAC) for prescription drugs will be implemented in accordance with the Mandatory Generic/MAC Program as set forth by the provider. Additionally, prescription drugs in PPO C will have a triple-tier member copay as follows:~~

~~Tier 1 – A \$5 copay for all generic drugs.~~

~~Tier 2 – A \$20 copay for preferred brand-name drugs (preferred brand-name drugs are brand name drugs on the provider's Custom Formulary listing)~~

~~Tier 3 – A \$40 copay for non-preferred brand-name drugs (non-preferred brand-name drugs are brand-name drugs that are NOT on the provider's Custom Formulary listing)~~

~~When a member obtains a brand name drug (preferred or non-preferred), the copay for the Tier 2 or 3 still applies even if the prescription indicates DAW ("Dispense as Written") or the brand name medication has no generic equivalent.~~

~~A mail order program ("MOPD - 2X") [NOT A SUBSTANTIVE CHANGE, DESCRIPTIVE ONLY] for maintenance drugs as defined by the provider will be offered and the co-pay will be doubled for prescriptions covering up to a 90 day supply.~~

HMO: Effective October 1, 2011, the prescription co-pay for this option will be \$5 for generic drugs, \$20 for formulary brand and \$40 for non formulary brand.

A mail order program for maintenance drugs will be offered and the co-pay will be doubled for prescriptions covering up to a 90 day supply

The Employer will provide only one health care benefit option per family. This is applicable even though both spouses work for the Authority and/or are covered as a result of the retirement program.

B. Effective October 1, 2008, eligible full-time, permanent employees within the bargaining unit may elect medical benefits for themselves and their eligible legal dependants in accordance with the following options:

1. ~~BC/BS Community Blue PPO with the deductibles, co-pays and prescription drug coverage set forth in Article 37.02(A) above. Employees electing this option shall be required to pay 10% of the monthly premium, to be paid via payroll deduction. Employee premium payments shall be made on a pre-tax basis. (For purpose of this paragraph, "premium" is defined as the annual COBRA rate as determined by the provider.)~~

2. ~~Health Maintenance Organization ("HMO"), with the co-pays and prescription drug coverage as set forth in Article 37.02(A) above. Employees electing the HMO option shall be required to pay 10% of the monthly premium, to be paid via payroll deduction. Employee premium payments shall be made on a pre-tax basis.~~

~~THESE STRIKEOUTS DO NOT REPRESENT A SUBSTANTIVE CHANGE. THE LANGUAGE IN B1 AND B2 HAS BEEN MOVED TO THE RESPECTIVE PLANS ABOVE IN A.~~

3. BC/BS Community Blue Plan #4 (PPO/D), with the following co-pays, deductibles and prescription drug coverage:

- \$250/\$500 deductible in network; \$1000/\$2000 deductible out of network
- 20% in network co-pay and \$1500/\$3000 annual stop-loss ("annual maximum"); 40% out of network co-pay and \$3000/\$6000 annual stop-loss ("annual maximum")
- \$20 office visit co-pay in network; \$50 emergency room co-pay (waived if admitted)
- 50% mental health co-pay
- \$250 annual preventative maximum

- ~~Prescription drug co-pay: \$10 generic/\$20 formulary brand/\$40 non-formulary~~

Employer will provide benefits under this option 3 with no premium contribution required by the employee.

PRESCRIPTION DRUGS:

Effective October 1, 2011, a Mandatory Generic Program/Maximum Allowable Cost (MAC) for prescription drugs will be implemented in accordance with the Mandatory Generic/MAC Program as set forth by the provider. Additionally, prescription drugs in PPO D will have a triple-tier member copay as follows:

Tier 1 – A \$5 copay for all generic drugs.

Tier 2 – A \$30 copay for preferred brand-name drugs (preferred brand-name drugs are brand name drugs on the provider's Custom Formulary listing)

Tier 3 – A \$50 copay for non-preferred brand-name drugs (non-preferred brand-name drugs are brand-name drugs that are NOT on the provider's Custom Formulary listing)

When a member obtains a brand name drug (preferred or non-preferred), the copay for the Tier 2 or 3 still applies even if the prescription indicates DAW ("Dispense as Written") or the brand name medication has no generic equivalent.

A mail order program ("MOPD - 2X")~~[NOT A SUBSTANTIVE CHANGE, DESCRIPTIVE ONLY]~~ for maintenance drugs as defined by the provider will be offered and the co-pay will be doubled for prescriptions covering up to a 90 day supply.

- C. Opting-Out Program as described in Article 37.03; must provide proof of insurance elsewhere; \$1250 cash rebate
- D. Eligible employees can elect from among the above options during the annual open-enrollment period each year (only one option per family). Cash rebates will be paid monthly or bi-weekly (1/12th or 1/26th of the rebate amount, at the Employer's option) beginning with the first payroll period after receipt of the notice of the opt-out program selection.
- E. Eligible employees can move to or from Community Blue or the HMO or the opt-out Plan during the enrollment period. Each year a new selection can be made. Cash rebates will be paid monthly or bi-weekly (1/12th or 1/26th of the rebate amount, at the Employer's option) beginning with the first payroll period after receipt of the notice of option selection.
- F. In the event of the death of an employee resulting from the performance of his or her duties, the Employer shall pay the full premium cost of such hospital-medical or dental benefits for the employee's surviving legal dependents as provided by the existing

policies. Eligible dependents shall be defined as unmarried children (up to age 19) of the employee, by birth or legal adoption, or the spouse of the employee until date of remarriage.

G. Dependent Coverage

1. Where in conflict with this section, Dependent children will be covered will be covered in accordance with the Patient Protection and Affordable Care Act. Otherwise, dependent children will be covered under the plan of participation until the end of the year in which they have reached age 19. Coverage may be continued until the end of the year in which they reach age 25 if employees certify the following annually for dependent children:

a. Full-time active enrollment in college or university by letter from the registrar's office of the school attendance.

b. Dependency status, by notarized affidavit.

Employees who fail to file an affidavit indicating full-time student status of dependent children age 19 to 25 by the deadline, will no longer have to wait until the next open enrollment period, but may submit documentation at any time, with coverage beginning the first of the month following receipt by the Employee Benefits Division. The Employer will not be responsible for any medical costs incurred during the period of non-coverage.

2. Dependent children between the ages of 19 and 24, who are still the employee's legal dependents but are not full-time students, may continue coverage on the employee's contract with a partial contribution from the employee. The cost for this continued coverage must be paid by payroll deduction. The cost will be \$30.00 per month for the life of this Agreement. ~~Employee Benefits shall request proof of dependency by notarized affidavit. If applicable, employees will be required to submit proof of dependency.~~

3. Handicapped dependent children over the age of 19 will be carried, at no expense to the employee, so long as he/she meets the terms and conditions of Public Act 275 of 1966 and any other applicable statute, and as long as the employee remains eligible for health care coverage. ~~Employee Benefits Division shall request the following:~~

~~Complete Form #040-7, Blue Cross/Blue Shield of Michigan or like form from other health provider. This form is called "Disabled Dependent Application." These forms will be supplied to the employee by the Employee Benefits Division.~~

~~If applicable, employees will be required to submit proof of dependency.~~

4. Dependents over the age of 25 may be covered under the plan of participation as a "Sponsored Dependent" if they:

- a. Reside in the same household as the employee or are related by blood or marriage, and
- b. Are currently dependent on the employee for at least 50% of their support, and
- c. Are claimed as a dependent on the employee's most recent federal income tax return.

Employees covering children under this provision will be responsible for 100% of the monthly cost for this continued coverage. The cost for this coverage will be determined on a sound actuarial basis, consistently applied, on a per covered "Sponsored Dependent" approach. Dependents described in this subsection 4 may not be covered for optical and dental insurance.

5. Failure to respond to a Request of Verification of a Dependent's Status will result in loss of coverage for that dependent.

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

WAYNE COUNTY AIRPORT AUTHORITY,

Respondent,

-vs-

Case No. D09 A-0064
Arbitrator Mario Chiesa

AFSCME, LOCAL 3317

Petitioner.

**AIRPORT AUTHORITY'S LAST BEST OFFER ON
ARTICLE 37 – INSURANCE PROGRAMS**

CHANGES EFFECTIVE OCTOBER 1, 2012

****ASSUMES THE ACT 312 PANEL ADOPTS THE*
AUTHORITY'S LAST BEST OFFER
CONCERNING CHANGES EFFECTIVE OCTOBER 1, 2011***

37.01

Except where inconsistent with the express terms of this Agreement, the Wayne County Airport Authority Health And Welfare Benefit Plan, is hereby incorporated by reference.

37.02 **Medical Insurance**

A. The Employer shall provide medical benefits for full time, permanent employees within the bargaining unit, and their legal dependents with the co-pays and deductibles as provided herein. Where applicable, preventive maximums and related co-pays will be eliminated to conform with the Patient Protection and Affordable Care Act.

PPO: The coverage provided shall be equal to Blue Cross/Blue Shield Community Blue PPO("Community Blue"). Effective ~~April 1, 2008~~ October 1, 2012, the following deductibles and co-pays will be applied to the Community Blue plan:

- ~~\$100/200~~ \$250/\$500 deductible in network; ~~\$250/500~~ \$500/\$1000 out of network

- 90% coinsurance in network; 70% coinsurance out of network with an annual out of pocket maximum ("stop loss") of \$750/\$1500 in network; \$1500/\$3000 out of network.
- ~~20% out of network co-pay~~
- ~~Annual out of pocket maximum \$1500/\$3000 out of network~~
- \$20 office visit co-pay in network
- \$250 annual preventative max
- 50% mental health co-pay
- \$50 \$75 Emergency room co-pay (waived if admitted)
- Hearing Aid Rider

Employees electing this option shall be required to pay 10% of the monthly premium, to be paid via payroll deduction. Employee premium payments shall be made on a pre-tax basis. (For purpose of this paragraph, "premium" is defined as the annual COBRA rate as determined by the provider.)

HMO: Employees may choose an available Health Maintenance Organization (HMO) to be selected each year by the Employer. ~~Effective April 1, 2008, employees who select the HMO shall pay 5% of the monthly premium, to be paid via payroll deduction with the following co-pays~~ ~~October 1, 2012, the following co-pays will apply to the HMO:~~

- \$20 Office Visit and Urgent Care co-pay
- \$50 \$75 Emergency room co-pay

Employees electing the HMO option shall be required to pay 10% of the monthly premium, to be paid via payroll deduction. Employee premium payments shall be made on a pre-tax basis.

B. Prescription drugs

PPO C: Effective October 1, 2011, a Mandatory Generic Program/Maximum Allowable Cost (MAC) for prescription drugs will be implemented in accordance with the Mandatory Generic/MAC Program as set forth by the provider. Additionally, prescription drugs in PPO C will have a triple-tier member co-pay as follows:

Tier 1 – A \$5 co-pay for all generic drugs.

Tier 2 – A \$20 co-pay for preferred brand-name drugs (preferred brand-name drugs are brand name drugs on the provider's Custom Formulary listing)

Tier 3 – A \$40 co-pay for non-preferred brand-name drugs (non-preferred brand-name drugs are brand-name drugs that are NOT on the provider's Custom Formulary listing)

When a member obtains a brand name drug (preferred or non-preferred), the co-pay for the Tier 2 or 3 still applies even if the prescription indicates DAW ("Dispensed as Written") or the brand name medication has no generic equivalent.

A mail order program ("MOPD – 2X") for maintenance drugs as defined by the provider will be offered and the co-pay will be doubled for prescriptions covering up to a 90 day supply.

HMO: Effective October 1, 2011, the prescription co-pay for this option will be \$5 for generic drugs, \$20 for formulary brand and \$40 for non formulary brand.

A mail order program for maintenance drugs will be offered and the co-pay will be doubled for prescriptions covering up to a 90 day supply

The Employer will provide only one health care benefit option per family. This is applicable even though both spouses work for the Authority and/or are covered as a result of the retirement program.

B. ~~Effective October 1, 2008,~~ Eligible full-time, permanent employees within the bargaining unit may elect the following option:

~~Effective October 1, 2012,~~ BC/BS Community Blue Plan #4 (PPO/D), ~~with will have~~ the following co-pays, deductibles and prescription drug coverage:

- ~~\$250/\$500 \$500/\$1000~~ deductible in network; ~~\$1000/\$2000 \$1500/\$3000~~ deductible out of network
- 20% in network co-pay and \$1500/\$3000 annual stop-loss ("annual maximum"); 40% out of network co-pay and \$3000/\$6000 annual stop-loss ("annual maximum")
- \$20 office visit co-pay in network; \$50 ~~\$100~~ emergency room co-pay (waived if admitted)
- 50% mental health co-pay
- \$250 annual preventative maximum

Employer will provide benefits under this option 3 with no premium contribution required by the employee.

PRESCRIPTION DRUGS:

Effective October 1, 2011, a Mandatory Generic Program/Maximum Allowable Cost (MAC) for prescription drugs will be implemented in accordance with the Mandatory Generic/MAC Program as set forth by the provider. Additionally, prescription drugs in PPO D will have a triple-tier member co-pay as follows:

Tier 1 – A \$5 co-pay for all generic drugs.

Tier 2 – A \$30 co-pay for preferred brand-name drugs (preferred brand-name drugs are brand name drugs on the provider's Custom Formulary listing)

Tier 3 – A \$50 co-pay for non-preferred brand-name drugs (non-preferred brand-name drugs are brand-name drugs that are NOT on the provider’s Custom Formulary listing)

When a member obtains a brand name drug (preferred or non-preferred), the co-pay for the Tier 2 or 3 still applies even if the prescription indicates DAW (“Dispensed as Written”) or the brand name medication has no generic equivalent.

A mail order program (“MOPD – 2X”) for maintenance drugs as defined by the provider will be offered and the co-pay will be doubled for prescriptions covering up to a 90 day supply.

- C. Opting-Out Program as described in Article 37.03; must provide proof of insurance elsewhere; \$1250 cash rebate
- D. Eligible employees can elect from among the above options during the annual open-enrollment period each year (only one option per family). Cash rebates will be paid monthly or bi-weekly (1/12th or 1/26th of the rebate amount, at the Employer’s option) beginning with the first payroll period after receipt of the notice of the opt-out program selection.
- E. Eligible employees can move to or from Community Blue or the HMO or the opt-out Plan during the enrollment period. Each year a new selection can be made. Cash rebates will be paid monthly or bi-weekly (1/12th or 1/26th of the rebate amount, at the Employer’s option) beginning with the first payroll period after receipt of the notice of option selection.
- F. In the event of the death of an employee resulting from the performance of his or her duties, the Employer shall pay the full premium cost of such hospital-medical or dental benefits for the employee’s surviving legal dependents as provided by the existing policies. Eligible dependents shall be defined as unmarried children (up to age 19) of the employee, by birth or legal adoption, or the spouse of the employee until date of remarriage.
- G. **Dependent Coverage**
 - 1. Where in conflict with this section, Dependent children will be covered will be covered in accordance with the Patient Protection and Affordable Care Act. Otherwise, dependent children will be covered under the plan of participation until the end of the year in which they have reached age 19. Coverage may be continued until the end of the year in which they reach age 25 if employees certify the following annually for dependent children:
 - a. Full-time active enrollment in college or university by letter from the registrar’s office of the school attendance.
 - b. Dependency status, by notarized affidavit.

Employees who fail to file an affidavit indicating full-time student status of dependent children age 19 to 25 by the deadline, will no longer have to wait until the next open enrollment period, but may submit documentation at any time, with coverage beginning the first of the month following receipt by the Employee Benefits Division. The Employer will not be responsible for any medical costs incurred during the period of non-coverage.

2. Dependent children between the ages of 19 and 24, who are still the employee's legal dependents but are not full-time students, may continue coverage on the employee's contract with a partial contribution from the employee. The cost for this continued coverage must be paid by payroll deduction. The cost will be \$30.00 per month for the life of this Agreement. If applicable, employees will be required to submit proof of dependency.
3. Handicapped dependent children over the age of 19 will be carried, at no expense to the employee, so long as he/she meets the terms and conditions of Public Act 275 of 1966 and any other applicable statute, and as long as the employee remains eligible for health care coverage.

If applicable, employees will be required to submit proof of dependency.

4. Dependents over the age of 25 may be covered under the plan of participation as a "Sponsored Dependent" if they:
 - a. Reside in the same household as the employee or are related by blood or marriage, and
 - b. Are currently dependent on the employee for at least 50% of their support, and
 - c. Are claimed as a dependent on the employee's most recent federal income tax return.

Employees covering children under this provision will be responsible for 100% of the monthly cost for this continued coverage. The cost for this coverage will be determined on a sound actuarial basis, consistently applied, on a per covered "Sponsored Dependent" approach. Dependents described in this subsection 4 may not be covered for optical and dental insurance.

5. Failure to respond to a Request of Verification of a Dependent's Status will result in loss of coverage for that dependent.

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC GROWTH
EMPLOYMENT RELATIONS COMMISSION
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WAYNE COUNTY AIRPORT AUTHORITY,

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Petitioner.

**AIRPORT AUTHORITY'S LAST BEST OFFER ON
ARTICLE 37 – INSURANCE PROGRAMS**

CHANGES EFFECTIVE OCTOBER 1, 2012

****ASSUMES THE ACT 312 PANEL DOES NOT ADOPT THE*
AUTHORITY'S LAST BEST OFFER
CONCERNING CHANGES EFFECTIVE OCTOBER 1, 2011***

37.01

Except where inconsistent with the express terms of this Agreement, the Wayne County Airport Authority Health And Welfare Benefit Plan, is hereby incorporated by reference.

37.02 **Medical Insurance**

A. The Employer shall provide medical benefits for full time, permanent employees within the bargaining unit, and their legal dependents with the co-pays and deductibles as provided herein. Where applicable, preventive maximums and related co-pays will be eliminated to conform with the Patient Protection and Affordable Care Act.

PPO: The coverage provided shall be equal to Blue Cross/Blue Shield Community Blue PPO("Community Blue"). Effective April 1, 2008 ~~October 1, 2012~~, the following deductibles and co-pays will be applied to the Community Blue plan:

- \$100/200 ~~\$250/\$500~~ deductible in network; \$250/500 ~~\$500/\$1000~~ out of network

- ~~90% coinsurance in-network; 70% coinsurance out of network with an annual out of pocket maximum (stop loss?) of \$750/\$1500 in-network; \$1500/\$3000 out of network.~~
- ~~20% out of network co-pay~~
- ~~Annual out of pocket maximum \$1500/\$3000 out of network~~
- \$20 office visit co-pay in network
- \$250 annual preventative max
- 50% mental health co-pay
- \$50 ~~\$75~~ Emergency room co-pay (waived if admitted)
- Hearing Aid Rider

Employees electing this option shall be required to pay 10% of the monthly premium, to be paid via payroll deduction. Employee premium payments shall be made on a pre-tax basis. (For purpose of this paragraph, "premium" is defined as the annual COBRA rate as determined by the provider.)

~~HMO~~: Employees may choose an available Health Maintenance Organization (HMO) to be selected each year by the Employer. ~~Effective April 1, 2008, employees who select the HMO shall pay 5% of the monthly premium, to be paid via payroll deduction with the following co-pays~~ ~~October 1, 2012, the following co-pays will apply to the HMO:~~

- \$20 Office Visit and Urgent Care co-pay
- \$50 ~~\$75~~ Emergency room co-pay

Employees electing the HMO option shall be required to pay 10% of the monthly premium, to be paid via payroll deduction. Employee premium payments shall be made on a pre-tax basis.

B. Prescription drugs

Effective April 1, 2008, the prescription co-pay for the PPO and the HMO shall be \$10.00 for generic drugs and \$20 for brand name drugs. A mail order program for maintenance drugs as defined by Blue Cross Blue Shield will be offered and the co-pay shall be doubled for prescriptions covering up to a 90 day supply.

The Employer will provide only one health care benefit option per family. This is applicable even though both spouses work for the Authority and/or are covered as a result of the retirement program.

B. ~~Effective October 1, 2008,~~ Eligible full-time, permanent employees within the bargaining unit may elect the following option:

~~Effective October 1, 2012,~~ BC/BS Community Blue Plan #4 (PPO-D), with ~~will have~~ the following co-pays, deductibles and prescription drug coverage:

- ~~\$250/\$500~~ ~~\$500/\$1000~~ deductible in network; ~~\$1000/\$2000~~ ~~\$1500/\$3000~~ deductible out of network
- 20% in network co-pay and \$1500/\$3000 annual stop-loss (“annual maximum”); 40% out of network co-pay and \$3000/\$6000 annual stop-loss (“annual maximum”)
- \$20 office visit co-pay in network; ~~\$50~~ ~~\$100~~ emergency room co-pay (waived if admitted)
- 50% mental health co-pay
- \$250 annual preventative maximum
- Prescription drug co-pay: \$10 generic/\$20 formulary brand/\$40 non-formulary

Employer will provide benefits under this option 3 with no premium contribution required by the employee.

- C. Opting-Out Program as described in Article 37.03; must provide proof of insurance elsewhere; \$1250 cash rebate
- D. Eligible employees can elect from among the above options during the annual open-enrollment period each year (only one option per family). Cash rebates will be paid monthly or bi-weekly (1/12th or 1/26th of the rebate amount, at the Employer’s option) beginning with the first payroll period after receipt of the notice of the opt-out program selection.
- E. Eligible employees can move to or from Community Blue or the HMO or the opt-out Plan during the enrollment period. Each year a new selection can be made. Cash rebates will be paid monthly or bi-weekly (1/12th or 1/26th of the rebate amount, at the Employer’s option) beginning with the first payroll period after receipt of the notice of option selection.
- F. In the event of the death of an employee resulting from the performance of his or her duties, the Employer shall pay the full premium cost of such hospital-medical or dental benefits for the employee’s surviving legal dependents as provided by the existing policies. Eligible dependents shall be defined as unmarried children (up to age 19) of the employee, by birth or legal adoption, or the spouse of the employee until date of remarriage.
- G. **Dependent Coverage**
1. Dependent children will be covered under the plan of participation until the end of the year they have reached age 19. Coverage may be continued until the end of

the year in which they reach age 25 if employees certify the following annually for dependent children:

- a. Full-time active enrollment in college or university by letter from the registrar's office of the school attendance.
- b. Dependency status, by notarized affidavit.

Employees who fail to file an affidavit indicating full-time student status of dependent children age 19 to 25 by the deadline, will no longer have to wait until the next open enrollment period, but may submit documentation at any time, with coverage beginning the first of the month following receipt by the Employee Benefits Division. The Employer will not be responsible for any medical costs incurred during the period of non-coverage.

2. Dependent children between the ages of 19 and 24, who are still the employee's legal dependents but are not full-time students, may continue coverage on the employee's contract with a partial contribution from the employee. The cost for this continued coverage must be paid by payroll deduction. The cost will be \$30.00 per month for the life of this Agreement. Employee Benefits Division shall request proof of dependency by notarized affidavit.
2. Handicapped dependent children over the age of 19 will be carried, at no expense to the employee, so long as he/she meets the terms and conditions of Public Act 275 of 1966 and any other applicable statute, and as long as the employee remains eligible for health care coverage. Employee Benefits Division shall request the following:

Complete Form #040-7, Blue Cross/Blue Shield of Michigan or like form from other health provider. This form is called "Disabled Dependent Application." These forms will be supplied to the employee by the Employee Benefits Division.

4. Dependents over the age of 25 may be covered under the plan of participation as a "Sponsored Dependent" if they:
 - a. Reside in the same household as the employee or are related by blood or marriage, and
 - b. Are currently dependent on the employee for at least 50% of their support, and
 - c. Are claimed as a dependent on the employee's most recent federal income tax return.

Employees covering children under this provision will be responsible for 100% of the monthly cost for this continued coverage. The cost for this coverage will be

determined on a sound actuarial basis, consistently applied, on a per covered "Sponsored Dependent" approach. Dependents described in this subsection 4 may not be covered for optical and dental insurance.

5. Failure to respond to a Request of Verification of a Dependent's Status will result in loss of coverage for that dependent.

Union's Last Offers of Settlement

ARTICLE 29 – PERSONAL BUSINESS LEAVE

29.01

All full-time employees, who have completed one (1) year of service, shall be entitled to personal business leave not to exceed three (3) days in any one (1) anniversary year of which one (1) personal business leave day shall be charged to their sick leave bank.

29.02

Such personal business leave days under Article 29.01 above shall be used at the employee's discretion to the following extent that the request shall be made to the Chief of Police or his or her designee.

- A. Reasonable notice for a personal business leave day is construed to be twenty-four (24) hours except for stated emergencies.
- B. Approval of requests for personal business leave days may be withheld if they cause a hardship upon the Employer's exclusive right to either manage its agencies, departments and offices or direct its affairs, operations and the services of its employees, as determined by the Department.
- C. Denial of personal business leave days as an adjunct to leave days or vacation days may not be deemed unreasonable and approval thereof may be withheld in the discretion of the Chief of Police or his or her approved representative.
- D. Personal business leave days may be taken in four (4) hour minimum increments.

29.03

All full-time employees shall be entitled to utilize two (2) additional personal business leave days on a contingent basis, provided the leave time comes directly from their personal sick leave bank.

Approval and use of the additional two (2) personal business leave days shall be at the full discretion of the Chief of Police and may be denied if the employee has received any form of discipline for sick time abuse within the previous six (6) months. Approval for use of the two additional personal business leave days shall not be granted if overtime is incurred on the particular day and shift requested or due to an actual or potential operational staffing deficiency.

ARTICLE 37 – INSURANCE PROGRAMS

37.01

Except where inconsistent with the express terms of this Agreement, the Wayne County Airport Authority Health And Welfare Benefit Plan, is hereby incorporated by reference.

37.02 Medical Insurance

A. The Employer shall provide medical benefits for full time, permanent employees within the bargaining unit, and their legal dependents with the copays and deductibles as provided herein. The coverage provided shall be equal to Blue Cross/Blue Shield Community Blue PPO ("Community Blue"). Effective April 1, 2008, the following deductibles and copays will be applied to the Community Blue plan:

- \$100/200 deductible in network; \$250/500 out of network
- 20% out of network copay
- Annual out of pocket maximum \$1500/\$3000 out of network
- \$20 office visit copay in network
- \$250 annual preventative max
- 50% mental health copay
- \$50 Emergency room copay (waived if admitted)
- Hearing Aid Rider

Employees may choose an available Health Maintenance Organization (HMO) to be selected each year by the Employer. Effective April 1, 2008, employees who select the HMO shall pay 5% of the monthly premium, to be paid via payroll deduction with the following copays:

- \$20 Office Visit and Urgent Care copay
- \$50 Emergency room copay

Effective April 1, 2008, the prescription co-pay for the PPO and the HMO shall be \$10.00 for generic drugs and \$20 for brand name drugs. A mail order program for maintenance drugs as defined by Blue Cross Blue Shield will be offered and the copay shall be doubled for prescriptions covering up to a 90 day supply.

The Employer will provide only one health care benefit option per family. This is applicable even though both spouses work for the Authority and/or are covered as a result of the retirement program.

B. Effective October 1, 2008, eligible full-time, permanent employees within the bargaining unit may elect medical benefits for themselves and their eligible legal dependants in accordance with the following options:

1. BC/BS Community Blue PPO with the deductibles, co-pays and prescription drug coverage set forth in Article 37.02(A) above. Employees electing this option shall be required to pay 10% of the monthly premium, to be paid via payroll deduction. Employee premium payments shall be made on a pre-tax basis. (For purpose of this paragraph, "premium" is defined as the annual COBRA rate as determined by the provider.)
2. Health Maintenance Organization ("HMO"), with the co-pays and prescription drug coverage as set forth in Article 37.02(A) above. Employees electing the HMO option shall be required to pay 10% of the monthly premium, to be paid via payroll deduction. Employee premium payments shall be made on a pre-tax basis.
3. BC/BS Community Blue Plan #4, with the following co-pays, deductibles and prescription drug coverage:
 - \$250/\$500 deductible in network; \$1000/\$2000 deductible out of network
 - 20% in network co-pay and \$1500/\$3000 annual stop-loss; 40% out of network co-pay and \$3000/\$6000 annual stop-loss
 - \$20 office visit co-pay in network; \$50 emergency room co-pay (waived if admitted)
 - 50% mental health co-pay
 - \$250 annual preventative maximum
 - Prescription drug co-pay: \$10 generic/\$20 formulary brand/\$40 non-formulary

Employer will provide benefits under this option 3 with no premium contribution required by the employee.

- C. Opting-Out Program as described in Article 37.03; must provide proof of insurance elsewhere; \$1250 cash rebate
- D. Eligible employees can elect from among the above options during the annual open-enrollment period each year (only one option per family). Cash rebates will be paid monthly or bi-weekly (1/12th or 1/26th of the rebate amount, at the Employer's option) beginning with the first payroll period after receipt of the notice of the opt-out program selection.
- E. Eligible employees can move to or from Community Blue or the HMO or the opt-

out Plan during the enrollment period. Each year a new selection can be made. Cash rebates will be paid monthly or bi-weekly (1/12th or 1/26th of the rebate amount, at the Employer's option) beginning with the first payroll period after receipt of the notice of option selection.

- F. In the event of the death of an employee resulting from the performance of his or her duties, the Employer shall pay the full premium cost of such hospital-medical or dental benefits for the employee's surviving legal dependents as provided by the existing policies. Eligible dependents shall be defined as unmarried children (up to age 19) of the employee, by birth or legal adoption, or the spouse of the employee until date of remarriage.

G. Dependent Coverage

1. Dependent children will be covered under the plan of participation until the end of the year in which they have reached age 19. Coverage may be continued until the end of the year in which they reach age 25 if employees certify the following annually for dependent children:

- a. Full-time active enrollment in college or university by letter from the registrar's office of the school attendance.
- b. Dependency status, by notarized affidavit.

Employees who fail to file an affidavit indicating full-time student status of dependent children age 19 to 25 by the deadline, will no longer have to wait until the next open enrollment period, but may submit documentation at any time, with coverage beginning the first of the month following receipt by the Employee Benefits Division. The Employer will not be responsible for any medical costs incurred during the period of non-coverage.

2. Dependent children between the ages of 19 and 24, who are still the employee's legal dependents but are not full-time students, may continue coverage on the employee's contract with a partial contribution from the employee. The cost for this continued coverage must be paid by payroll deduction. The cost will be \$30.00 per month for the life of this Agreement. Employee Benefits shall request proof of dependency by notarized affidavit.
3. Handicapped dependent children over the age of 19 will be carried, at no expense to the employee, so long as he/she meets the terms and conditions of Public Act 275 of 1966 and any other applicable statute, and as long as the employee remains eligible for health care coverage. Employee Benefits Division shall request the following:

Complete Form #040-7, Blue Cross/Blue Shield of Michigan or like form from other health provider. This form is called "Disabled Dependent Application." These forms will be supplied to the employee by the Employee Benefits Division.

4. Dependents over the age of 25 may be covered under the plan of participation as a "Sponsored Dependent" if they:
 - a. Reside in the same household as the employee or are related by blood or marriage, and
 - b. Are currently dependent on the employee for at least 50% of their support, and
 - c. Are claimed as a dependent on the employee's most recent federal income tax return.

Employees covering children under this provision will be responsible for 100% of the monthly cost for this continued coverage. The cost for this coverage will be determined on a sound actuarial basis, consistently applied, on a per covered "Sponsored Dependent" approach. Dependents described in this subsection 4 may not be covered for optical and dental insurance.

5. Failure to respond to a Request of Verification of a Dependent's Status will result in loss of coverage for that dependent.

37.03 Opting-Out of Health Benefits

At the Employer's option, an Opt-Out Program may be offered as follows:

- A. Upon the hire, rehire, transfer into a job classification covered by this Agreement, annual open enrollment, or initial coverage by other health insurance, an employee may elect to opt-out of health benefits offered by the Employer as described in this Article.
- B. Only employees who are covered by other health insurance may opt-out. "Other health insurance" means another Employer sponsored plan of group health insurance which provides primary coverage to the employee in this capacity either as a spouse of an active employee, as a retiree or as an active employee.
- C. Once elected in writing by the employee, the opt-out is irrevocable until the next open enrollment, unless the other health coverage is lost. If an employee re-

elects Employer coverage due to loss of other coverage as allowed in Article 37.03 (E), he or she will be automatically placed in the medical plan of the Employer's choice until the next open enrollment.

- D. An employee who wishes to opt-out shall certify to the Employer in writing that he or she is covered by other health insurance, the name of the group health plan, the other Employer, in what capacity he or she is covered, and the name of the insurer or payor of the other plan. Employer's coverage shall terminate as of the end of the month following receipt of the notice.
- E. An employee who loses his other health insurance must notify Employee Benefits in writing of the reason why coverage was lost, and must enroll himself or herself and his or her dependents, if any, within fifteen (15) calendar days after the date coverage was lost. If notification occurs within the fifteen (15) day period, then coverage provided by the Employer shall be effective retroactively to the date coverage was lost. If notification occurs after the fifteen (15) day period, coverage provided by the Employer shall be effective on the first day of the month following notice.
- F. Notice is considered received by the Employer upon receipt of the appropriate written notice on a form authorized for this purpose by Employee Benefits.

37.04

Enrollment of employees and dependents in health plans is the responsibility of the employee.

37.05 **Optical Program**

- A. The Employer shall continue to provide retiree's and an active employee's self-insured optical reimbursement program with a seventy-five dollar (\$75.00) maximum benefit level for each retiree and family member, and a two hundred dollar (\$200.00) maximum benefit level to active employees and eligible family. Benefits will be restored every two (2) years on December 1 of each odd numbered year.

Effective the first month following the date that this Act 312 Award issues, lasik surgery will be included in the Optical Program for active employees and eligible family members. The maximum benefit level will be increased to \$400; however, the optical benefit for that employee/family member using lasik surgery will not be restored for a period of 3 years.

- B. Under the Plan, the following steps are required:

1. Contact the Employee Benefits to obtain a Certificate of Reimbursement.
2. After the services are provided, present the Certificate to the specialist to fill out the cost for the services performed.
3. Obtain a receipt listing the charge for the services performed and payment made.
4. Return the completed Certificate with the paid receipt to Employee Benefits.

37.06 Cost Containment Programs

With the exception of the medical insurance plans outlined above, the Authority reserves the right to implement Health Care Cost Containment Programs during the term of this Contract, for example a prescription drug carve out program or dental PPO. Said Cost Containment Program shall not diminish the levels of benefits provided in the basic plans but may require the Insured to follow procedures prescribed by the carrier in order to be eligible for benefits. In addition, the Authority reserves the right to change the provider of dental and/or life insurance with 60-day notice to employees so long as there is no reduction in plan benefits.

37.07 Retiree Health Insurance

Employees who retire on or after February 1, 2008 and who are not covered by 37.08 below and who are eligible for retiree medical coverage, shall participate in the same medical benefit plans, coverages, copays and deductibles as those employees covered under this or subsequent contracts and in accordance with the Wayne County Airport Authority Health and Welfare Plan

37.08 Retiree Health Insurance (Health Care Savings Plan)

A. Employees hired on or after February 1, 2008:

1. Employees hired on or after February 1, 2008 shall not be eligible to receive retiree medical coverage offered under the Wayne County Airport Authority Health and Welfare Benefit Plan or any Retirement Plan specified in Article 38 of this Agreement. Such employees will be enrolled, beginning the first day of the month following their date of hire, in the

WCAA Health Care Savings Program (HCSP), in the form provided by the Municipal Employees Retirement System of Michigan (MERS). Each employee will be required to make mandatory contributions in the amount of 2% of their base wages to this HCSP Plan. The Employer will contribute 2% of the employee's base wages [but in no event less than One Thousand Dollars (\$1,000.00) for each full calendar year of employment] into the HCSP Plan. All employee contributions (and investment earnings thereon) shall be immediately vested in the employee's account; employer contributions (and investment earnings thereon) shall vest in accordance with the following schedule:

After 10 years of employment	33%
After 20 years of employment	66%
After 30 years of employment	100%

2. Those participants in the HCSP Plan who satisfy requirements for retirement eligibility and who retire with entitlement to pension benefits from WCAA employment may elect to use their vested HCSP account funds to purchase post employment health care insurance through the WCAA, from among the health care plans available to active employees, at full rate cost, or alternatively may elect to purchase medical insurance coverage from a provider other than that offered by WCAA. It is understood that the medical plans available for the retired employee to purchase through WCAA shall be those being offered to active employees at the time; i.e., the nature of the plan benefits will be subject to change over time consistent with changes that apply to active employees. Further, such retiree may also elect to use their vested account balance for reimbursement of post employment "medical expenses" as allowed under Section 213 of the Internal Revenue Code of 1986 (IRC).
 3. Those participants in the HCSP Plan who terminate employment prior to eligibility for retirement may elect to use their vested account balances for reimbursement of post-employment "medical expenses" as allowed under Section 213 of the IRC.
 4. The HCSP Plan shall be administered by MERS pursuant to a Plan document, a copy of which shall be available to all participants.
- B. Employees hired prior to February 1, 2008 who elect to waive retiree medical benefits and not participate in the WCAA Health and Welfare Benefit Plan.
1. Employees hired before the effective date of the Act 312 Arbitration Award will be allowed to permanently and irrevocably waive eligibility for retiree medical benefits pursuant to the WCAA Health and Welfare Benefit Plan and/or any Retirement Plan provided under Article 38 of this Agreement and elect to participate in the HCSP Plan as described in the paragraph

above. The employee's election to participate in the HCSP and to waive eligibility for any other retiree medical benefits shall be permanent and irrevocable. The Employer shall contribute 4% of such employee's base wages into the HCSP Plan. Employees may elect to make additional post-tax contributions from their wages. Employee contributions (if any) shall vest immediately in the employee's account. Employer contributions shall be vested in accordance with the vesting schedule set forth in paragraph 1(A) above.

2. The provisions of Article 37.08A, (2), (3) and (4) above shall also apply.

37.09 Dental Insurance

The Employer shall provide a dental plan for each active employee and qualified dependents in this Bargaining Unit with a yearly combined maximum of \$1,000 per person, per benefit year, for all dental services in Classes I, II and III with individual levels as follows:

A. Class I Benefits:

100% on diagnostic services, preventive services, restorative services, and oral surgery services. Include in \$1,000 maximum per person, per benefit year. See service definitions below:

1. Diagnostic Services:

Usually employed by dentists in evaluating existing conditions and the dental care required. Such services may include: consultations, diagnosis and diagnostic aids.

2. Preventive Services:

Dental procedures or techniques usually employed by dentists to prevent the occurrence of dental abnormalities or disease. Such services may include: prophylaxis and topical application of fluoride solution.

3. Restorative Services:

Usually employed by dentists to rebuild, repair or reform the tissues of the teeth. Minor services usually include amalgam, synthetic porcelain, plastic restorations and relines and repairs to prosthetic appliances. Major restorations shall include crowns, jackets and gold-related services when teeth cannot be restored with another filling material. All major and minor restorations are not limited to those listed above.

4. Oral Surgery Services:

Extraction and other oral surgery procedures employed by a dentist.

B. **Class II Benefits:**

Provides for prosthodontic services, endodontic and periodontic services. 85% paid, included in \$1,000 maximum per person, per benefit year.

1. Endodontic Services:

Procedure usually employed by a dentist for the treatment of teeth with diseased or damaged nerves (i.e., root canals).

2. Prosthodontic Services:

Provides for bridges and partials and complete dentures. In other words, appliances that replace missing natural teeth.

3. Periodontic Services:

Procedures usually employed by dentists for the treatment of diseases of the gums and supporting structures of the teeth.

C. **Class III Benefits:**

Provides for orthodontic services defined as treatment and procedures required for the correction of malposed teeth. 50% paid up to a maximum benefit of \$950 per person's lifetime.

37.08 **Dental Maintenance Organization**

A. Employees hired prior to December 1, 1995 may remain in the dental plan described above or may elect during open enrollment to enter a Dental Maintenance Organization. However, if they choose the DMO plan they may not return to their previous plan.

B. Employees that are hired on or after December 1, 1995, when eligible for dental coverage, will be placed in the available Dental Maintenance Organization. These employees must remain in that Dental Maintenance Organization unless an alternate DMO plan is offered by the Employer. The services and coverage levels are as follows:

CLASS I

COVERAGE

Diagnostic and Preventative Service:

100%

Examinations, Cleanings, Space Maintainers,
Palliative Treatment and Single Radiographs,
Fluoride Treatments Are Covered To Age 19 Only.

CLASS II

Restorative & Oral Surgery services: 100%
Radiographs (Full Mouth and Panorex)
Fillings, Crowns
Extractions & Other Oral Surgery Procedures

CLASS III

Prosthetics: 85%
Endodontics (Root Canals), Bridges
and Dentures (Partials and Complete)

CLASS IV

Specialty Care: 85%
Oral Surgery
Endodontics
Periodontics
Pedodontics

CLASS V

Orthodontics: Braces Under Age 19
100%; maximum lifetime benefit \$3,000

Braces Age 19 and Over
100%; maximum lifetime benefit \$1,250

37.09 Life Insurance

The Employer shall continue to pay the full premium for \$30,000 of group life insurance for each full-time permanent employee within the Bargaining Unit.

37.10

Supplemental life insurance is available under a group plan at the option of the employee. Supplemental life insurance as currently offered will continue using a flat rating. The Authority may offer age rated supplemental life in lieu of flat rated at its option.

37.11

The Employer shall pay the full premium for Sixty Thousand (\$60,000) of life and dismemberment insurance for employees assigned to the S.W.A.T. detail and bomb squad detail who actually handle potentially explosive devices and the canine unit members.

37.12

Except for employees provided for in Article 37.11, any employee who is killed in the line of duty shall have his or her Authority provided life insurance doubled.

37.13

The Employer shall provide \$5,000 of life insurance to employees that retire from this Bargaining Unit on or after the effective date of this contract.

37.14 **Pre-Paid Legal Plan**

Authority shall contribute eight dollars (\$8.00) monthly per employee to a recognized and established pre-paid legal plan as selected by the Union and approved by the Authority. Such approval shall not be unreasonably withheld. Said contribution shall be payable by the 15th of each month. Said plan shall be recognized and established as an existing legal services plan and shall not include nor be a substitute for legal services provided by the Union as part of its representational obligations (e.g. grievance representation, unfair labor practice litigation, collective bargaining including Act 312 proceedings or other related judicial proceedings).

37.15

Employees who terminate their employment prior to regular retirement and who subsequently exercise their vested retirement rights will not be entitled to any health or insurance benefits.

37.16

In the event of the accidental death of an employee, resulting from the performance of his/her duties, the Employer shall provide at its expense medical, optical, and dental benefits for surviving legal dependents. Eligible dependents shall be defined as unmarried children, up to the age of 25 and legally dependent in accordance with the Internal Revenue Service regulations and spouse who was legally residing with the employee at the time of death. Coverage will continue for the eligible spouse until remarriage. An employee's legal dependents will be determined eligible for these benefits only if survivors qualify for Workers' Compensation as a result of the employee's accidental death.

37.17

An open enrollment for medical benefits will be held in the fall of each calendar year,

whereby employees can elect various coverages for the subsequent calendar years, and enroll new dependents for both the medical and dental plans. Newly acquired dependents (i.e., by birth, adoption, marriage, or court order) must be enrolled within 30 (thirty) days from the date of birth, adoption, marriage or court order for both medical and dental coverage. Dependents not enrolled within 30 (thirty) days may be enrolled at the next open enrollment period. Subject to 37.03 (Opt-Outs) employees may make changes between medical plans only at the open enrollment, and at no other time.

37.18

The Employer will continue to coordinate hospital, medical and dental benefits with insurance carriers of spouses and/or dependents of Wayne County Airport Authority active employees. It is a requirement that all employees and retirees provide Employee Benefits with current information as to changes in marital, employment and insurance status.

37.19

Benefits paid under insurance programs or self funded programs for basic, master medical, prescription drugs, dental and life insurance shall be subject to the policy provisions of the carriers or third party administrative service organizations selected to insure or provide administrative claims service for the various plans.

37.20

An employee leaving employment with Wayne County Airport Authority shall not be entitled to continuation of benefits other than provided in the Consolidated Omnibus Budget Reconciliation Act (COBRA).

37.21

The Employer may, at its option and at its own cost, implement Spending Accounts ("accounts") for health care, dependent care, or both, during the term of this Agreement. The accounts will comply with Section 105, 125 and 129 of the Internal Revenue Code, and will provide employees with a voluntary program to achieve income tax savings on unreimbursed medical, and qualifying dependent care expenses.

37.22 **Effective Date For Insurance Programs**

The following insurance programs shall be effective on the first day of the month following date of hire, rehire or transfer into an eligible job classification covered by this Agreement:

- A. Health Insurance
- B. Dental
- C. Life Insurance
- D. Supplemental Life Insurance

37.23 Termination Date For Insurance Programs

Subject to Article 37.28 (continuation of medical coverage while on long-term disability), Article 33.05 (B) (continuation of medical dental and life coverage while on an approved leave due to illness), Article 37.16 (continuation of medical, optical and dental coverage upon the accidental death of an employee), Article 37.33 (continuation of medical and dental benefits while on workers' compensation), and Article 37.15 (eligibility for retiree health and life insurance benefits), the following insurance programs shall terminate on the last day of the month following a voluntary or involuntary termination of employment, retirement, death, unpaid leave of absence, commencement of a disability, or layoff:

- A. Health Insurance
- B. Dental
- C. Life Insurance
- D. Supplemental Life Insurance

37.24

If an employee is suspended or dismissed as a result of disciplinary action, or because the employee is charged with the commission of a felony, the Employer will continue to provide benefit coverage until the suspension or dismissal is resolved through arbitration or court decision; and if the Employer's action is upheld or the employee is found guilty of the charges alleged against them, then the employee shall repay the County the value of the benefit coverage provided, which monies may be deducted from the employee's accumulated sick time, annual leave, and/or holiday pay.

37.25 Long-Term Disability

Employees in the Bargaining Unit hired on or after October 1, 1983 or those who were hired prior to October 1, 1983 and who made an election prior to January 1, 1988, shall be covered by a Long Term Disability Income Protection Plan which pays a member 60% of the regular annual pay rate or a maximum of \$2,400 monthly, whichever is less. An employee qualifies for this protection after sixty (60) calendar days of illness or disability. Benefits will begin on the 61st calendar day of illness or disability or the day following the use of all sick leave whichever occurs last. To minimize financial loss during this period, an employee may elect to utilize accumulated annual leave, personal business leave or holiday leave. The employee receives benefits under the terms and conditions of the Long Term Disability Income Benefit Plan. Payment of benefits will be made in accordance with the approved Long Term Disability Income Benefit Plan.

37.26

An employee disabled as a result of a work related injury is qualified to collect workers' compensation benefits. Payment of workers' compensation benefits preclude payment of long-term disability benefits. If long-term disability benefits have been made prior to a favorable adjudication of the employee's workers' compensation claim, the Authority shall deduct the dollar amount received, by the employee, in long-term disability benefits, on a dollar for dollar basis, against the supplemental workers' compensation benefits due and

owing the employee. In the event the supplemental workers' compensation benefits are less than the benefits received under the long-term disability plan, then the employee shall have his statutory workers' compensation benefits reduced, on a dollar for dollar basis to make up the difference.

37.27

Employees receiving long-term disability must cooperate in efforts to receive treatment and/or rehabilitation for continued benefits under the plan. Failure to comply may result in termination of benefits.

37.28

Medical Insurance, Optical Benefits, Dental Insurance and Life Insurance as provided in Articles 37.02, 37.05, 37.07 and 37.09 will continue for up to two (2) years, as long as an employee is receiving long-term disability benefit payments. Employees of this Bargaining Unit who have filed for or are in receipt of Long-Term Disability benefits may be subject to independent medical exams at the request of the Administrator to determine eligibility. The Administrator will utilize Beaumont, Oakwood or Henry Ford Hospitals or other neutral third parties jointly selected by the parties. The evaluation of the doctors will be utilized exclusively to determine ongoing eligibility and will be binding upon the Employer, the Union and the employee.

37.29

The Long-Term Disability Income Program will be totally funded by the Employer.

37.30

Employees receiving long-term disability income benefits shall receive benefits administered according to the *"Wayne County Airport Authority, Long-Term Disability Income Benefit Plan"*.

37.31

Employees may purchase additional long or short term disability insurance separate from the long term disability benefits provided by the Employer. The employee's additional disability insurance benefits shall not be coordinated with benefits from the Authority's Plan, provided the employee does not receive in excess of one hundred percent (100%) of his or her regular after-tax rate of pay. This additional disability insurance policy will only supplement the employee's income above the maximum benefit level provided under the Authority's plan, but will not exceed 100% of his or her regular after-tax rate of pay. The *Wayne County Airport Authority Long Term Disability Income Benefit Plan* shall be the primary coverage.

37.32 Workers' Compensation

- A. Workers' Compensation shall be paid in accordance with the qualification period established by state law.
- B. An officer injured and placed on workers' compensation shall receive supplemental pay, which may be received as supplemental payroll or may, in the case of a disability due to a motor vehicle accident, be received as motor vehicle no fault wage loss benefits, in an amount when combined with the statutorily required Workers' Compensation Benefit, does not exceed a total of one hundred percent (100%) of the regular after-tax rate of pay for a period of two (2) years.
- C. Officers receiving benefits in accord with Article 37.32 (B) above shall be placed on duty disability retirement as soon as they are determined to be eligible under the Retirement Ordinance. However, after two (2) years on workers' compensation, they will be presumed eligible and application will automatically be made on their behalf for such retirement. If for any reason they are determined to be ineligible, they may continue receiving the benefits provided under Article 37.32 (B) beyond the two (2) year period.

37.33

Officers filing claims and receiving Workers' Compensation, shall earn sick and annual leave for up to two (2) years. All officers receiving Workers' Compensation shall be paid off excess annual leave in accordance with Article 27.07 of the Agreement.

37.34

Medical Insurance, Dental Insurance, Life Insurance, and Optical Benefits for which the officer would otherwise be entitled pursuant to this Agreement, shall be continued while an officer is on Workers' Compensation but not to exceed two (2) years.

37.35

Employees who are not working due to an on the job injury and collecting benefits under this Article will be paid their annual uniform allowance and an annual uniform maintenance allowance on the dates required under Articles 34.12 through 34.14, however, the time period that the member was not working due to an on the job injury and collecting benefits under this Article shall be deducted from the annual allowances. Such deduction shall be prorated on a monthly basis.

37.36

Employees who are not working due to an on the job injury and collecting benefits under this Article will be paid their weapon qualifying allowance on the date required and under the provisions of Article 34.13. However, the party recognizes that the WCAA CEO or designee has the sole authority over the gun range facilities, therefore when a member is not working due to an on the job injury and collecting benefits under this Article, such member shall not be allowed to qualify until he/she has returned to full time duty.

37.37

Upon returning to work, if physically able, an officer shall be restored to his or her former classification.

37.38

During the period an officer is on Workers' Compensation and drawing supplemental pay, Union dues shall be deducted from his/her supplemental pay.

37.39

The Employer may assign duties to an officer who is placed in a Workers' Compensation status which are within the physical ability of the officer to perform. If the member refuses to perform these job duties, the member shall no longer be eligible for supplemental Workers' Compensation pay. Employees returned to work in accordance with this paragraph will be entitled to their life insurance, medical, dental and optical benefits.

37.40

If an officer receives an economic benefit from the Employer's automobile insurance carrier as a result of the officer being injured in the line of duty; said payment shall offset the Employer provided supplemental Workers' Compensation pay on a dollar-for-dollar basis.

37.41

When combined with statutory payments, supplemental payments and economic benefits from the Employer's automobile insurance carrier, the combined payment shall equal one hundred percent (100%) of the officer's net pay and no more.

37.42

All officers on Workers' Compensation who meet the eligibility requirements in Article 22 of this Agreement shall be entitled to take promotional examinations. The officer upon returning to work will be placed on the list in the appropriate position as indicated by his score. If bypassed for promotion the officer will be placed on the promotional recall list.

37.43

Where an employee is found to be ineligible for Workers' Compensation benefits, any supplemental payments made in accord with Article 37.32 (B), may be recovered by the Authority through payroll deduction upon the employee's return to work or by offsetting any other pay or benefits in equal amount.

37.44

If this contract is extended by mutual agreement of the parties, for the purpose of collective bargaining the provisions described in this Article shall continue.

ARTICLE 38 - RETIREMENT

38.01 General Provisions:

- A. The detailed provisions of Wayne County Employee's Retirement System are incorporated as part of this agreement and shall control except where changed or amended below.
- B. Each employee shall participate in a retirement savings plan offered by the WCAA.
- C. Except as set forth in Hybrid Plan #6, employees participating in a retirement plan offered by the WCAA hired prior to the date of execution of this Agreement must meet all age and service requirements to be eligible for post retirement insurance and health care benefits pursuant to the Wayne County Airport Authority Health And Welfare Benefit Plan,
- D. All employees hired on or after December 1, 1986, and prior to October 1, 2001, shall be eligible for participation in Defined Benefit Plan #2 or Defined Contribution Plan #4.
- E. Upon the issuance of the Act 312 Arbitration Award, the Hybrid Retirement Plan #6 shall be offered to all members of the bargaining unit.
- F. Unless otherwise specified in Hybrid Plan #6, regardless of the Retirement Plan, all employees hired, re-employed, reinstated and rehired on or after December 1, 1990, shall not be eligible for insurance and health care benefits upon retirement unless they retire with thirty (30) or more years of service or after a minimum fifteen (15) years of service at age (60) or older. However, employees in the Hybrid Retirement Plan shall only be eligible for insurance and health care benefits upon retirement if they retire with thirty (30) or more years of service.
- G. Regardless of the Retirement Plan, all employees hired, rehired, re-employed and reinstated on or after the date of execution of this Agreement by the WCAA will not receive nor be eligible for employer-sponsored insurance and health care benefits upon retirement. However, these employees will be eligible to participate in an WCAA Health Care Savings Program (HCSP) in accordance with) 37.08 and the terms and conditions outlined in the Wayne County Airport Authority Health And Welfare Benefit Plan. Employees participating in the Employee Health Care Benefit Trust who retire from WCAA employment may elect to purchase post-retirement health care insurance from the WCAA at full rate cost, or purchase such insurance from a provider other than that provided by the WCAA. This subsection (38.01(G)) will not apply to terminated employees reinstated through arbitration who were otherwise eligible for post-retirement health care prior to termination.
- H. Employees separating from WCAA service with vested pension benefits who then receive, when eligible, a deferred pension payment, shall not be

eligible for post retirement insurance and health care benefits.

- I. All employees hired on or after October 1, 2008 shall not be eligible for a 13th check upon retirement.
- J. One (1) year of service equals 2,080 straight time hours. No more than one (1) year of service credit may be earned in any one (1) calendar year.
- K. Effective with the issuance of the Act 312 Arbitration Award and for no more than thirty (30) calendar days thereafter, employees of record with the WCAA in the bargaining unit as of December 1, 2009 who are members of either Retirement Plans 1, 2, 3, 5 or 6 may purchase up to two (2) years of credited service toward retirement eligibility at total actuarial cost not to exceed \$30,000.
- L. Within (60) days of the issuance of the Act 312 Arbitration Award, the WCAA shall implement all changes and modifications to the retirement benefits in order that full implementation of the Act 312 Award can be implemented forthwith..
- M. Upon the termination of this Collective Bargaining Agreement on November 30, 2013 the parties may agree to bargain over retirement related issues during the next round of contract negotiations. However, all issues concerning retirement, including but not limited to, any and all provisions outlined in Article 38 of this Agreement, covering the period of December 1, 2009 through, November 30, 2013 shall not be subject to Act 312 arbitration until November 30, 2020.

38.02 Defined Benefit Plan #1 (DBP-#1)

As is - no changes

38.03 Defined Benefit Plan #2 (DBP-#2)

As is- no changes

38.04 Defined Benefit Plan #3 (DBP-#3)

As is - no changes

38.05 Defined Contribution Plan #4 (DCP-#4)

As is- no changes

38.06 Hybrid Retirement Plan #5 (HRP # 5)

As is- no changes

38.07 **Hybrid Retirement Plan #6 (HRP # 6)**

A. **General Provisions:**

1. Within (60) days of the issuance of the Act 312 Arbitration Award, the WCAA will establish a new hybrid retirement benefit plan option #6 (i.e., Hybrid Retirement Plan #6) for eligible employees of record with the WCAA who were in the bargaining unit on December 1, 2009.
2. The defined benefit side multiplier of Hybrid Plan #6 for all past and future years of credited service shall be 2.5% of Average Final Compensation.
3. Average Final Compensation shall be equal to the average of the best five (5) out of the last seven (7) years of compensation while a member of the Retirement System and shall include, final payouts of excess sick and annual leave made pursuant to Articles 27.11 and 28.12, overtime, and accumulated holiday reserve time.
4. Normal retirement shall mean twenty-five (25) years of credited service at age 55, twenty (20) years of credited service at age 60, eight (8) years of credited service at age 65 or thirty (30) years of credited service without an age requirement. An employee in Plan #6 hired prior to the date of execution of this Agreement by the WCAA who retires with thirty (30) years of service will receive medical benefits as otherwise provided under the terms of this Agreement.

An employee in Plan #6 hired prior to December 1, 2009, who reaches twenty-five (25) years of credited service by December 1, 2020, will be allowed to retire as provided herein and with full medical benefits as otherwise provided under the terms of this Agreement

5. Employees in the Defined Benefit Plan #3 and Hybrid Retirement Plan #5 may transfer into Hybrid Plan #6; provided, they elect to transfer into, and fully purchase into Plan #6 at a rate of \$500.00 per year for each year of credited service, within (90) days after the issuance of the Act 312 Arbitration Award.

Employees may use their deferred compensation funds to pay for this obligation. If an employee does not have sufficient funds in his or her deferred compensation account or if the employee does not have a deferred compensation account, the employee will have (10) years to pay the contribution or must make the balance of the

payment within (90) days of his or her retirement. Failure to make said payment will cause the employee's annual pension benefit to be adjusted accordingly.

All members of the Union who are in Plan #3 or Plan #5 may elect to become members and participants in Plan #6; this election shall be made within (60) days of the issuance of the Act 312 Arbitration Award. All funds on deposit with the retirement system in the employee's defined contribution account shall be forfeited and used to pay for the UAAL as set forth in Exhibit 41, Act 312 proceedings, Case Number D 09 A-0064.

In order to offset the cost associated with paying for the UAAL, members of the bargaining unit shall have their wages frozen for a period covering December 1, 2009 and running through November 30, 2013. This provision shall not affect any step increases the employee would otherwise be entitled to.

6. Eligible employees of record transferring into Hybrid Plan #6 shall contribute 4% of all W-2 compensation to the Retirement System.
7. For purposes of the applicable employee contribution rate calculation, compensation shall include payouts of excess sick and annual leave made pursuant to Articles 27.07 and 28.03, overtime, and accumulated holiday reserve time.
8. Employees shall also be allowed to make contributions to the contribution side of Plan #6 with no Employer match, subject to all IRS rules and regulations.
9. Once an employee elects to transfer to the new Hybrid Plan #6, that employee may not return to his or her prior Retirement Plan.
10. Eligible employees shall receive a duty disability retirement benefit. The amount of retirement compensation shall be computed as normal retirement with additional service credit granted from the date of retirement to age sixty (60). The total Plan #6 duty disability benefit, including that received under the contribution side of Plan #6, shall not exceed seventy-five percent (75%) of the employee's average compensation as otherwise provided in Defined Benefit Plan #1.

The employee will be required to surrender all accumulated funds in the Plan, including both employee and vested Employer contributions. In the event an employee has an outstanding loan from the Plan, loan payments shall continue as scheduled through equivalent withholding from the employee's monthly disability retirement benefit until such loan is repaid in full. Should the employee become deceased prior to full repayment, the employee's estate shall be responsible for any outstanding

amount.

38.08 Retirement Option - Purchase of Military Service

Military service time prior to WCAA employment may be purchased up to a maximum of six (6) years at full actuarial cost. Purchase shall be in one (1) month increments with twelve (12) months of purchase needed for one year of credit. Purchases of service credits under this section, when combined with the credits purchased or earned under prior military service provision, shall not exceed six (6) years.

- A. The Retirement Commission may establish rules not in conflict with this Section for the implementation of this Section. Such rules may define payment schedules, limit purchases when military time has already been used as a credit in another public pension system, limit the way this time may be used, or limit purchases to specified time periods on an annual basis or within certain periods after the date of the member's first employment with the WCAA .

- B. This provision does not apply for employees who are members of Defined Contribution Plan #4.

38.09 Non-Duty Disability Retirement

The Employer retains the right to place an employee into non-duty disability status under the same terms and conditions as now apply to the Defined Benefit Plan #1 and in the Defined Contribution Plan #4. The specific terms of the benefits to be provided to non-duty disability retirees under Plan #4 shall be as published by the Retirement Department. Upon request the parties will meet to negotiate changes if necessary.

38.10 Deferred Compensation

The Employer shall continue to allow deductions for qualified Deferred Compensation Plans.

38.11 Supplemental Retirement

The Employer shall offer to any employee a non-qualified supplemental retirement program by which the employee shall be allowed to reduce his or her wages in order to be eligible for said supplemental retirement program.

38.12

The Union shall notify the Employer as to which company shall be used as the carrier or broker for this program, which shall be offered by way of payroll deduction.

38.13

If the WCAA adopts a Deferred Compensation Program that would be more beneficial to employees in this Bargaining Unit, the Union shall have the option to:

- A. Remain in the current plan as outlined in Articles 38.10 and 38.11 or,
- B. Adopt the new program.

38.14 **Retiree Health Insurance (Health Care Savings Plan) WCAA CBA 37.08)**

- A. Employees hired on or after February 1, 2008:

1. Employees hired on or after February 1, 2008 shall not be eligible to receive retiree medical coverage offered under the Wayne County Airport Authority Health and Welfare Benefit Plan or any Retirement Plan specified in Article 38 of this Agreement. Such employees will be enrolled, beginning the first day of the month following their date of hire, in the WCAA Health Care Savings Program (HCSP), in the form provided by the Municipal Employees Retirement System of Michigan (MERS). Each employee will be required to make mandatory contributions in the amount of 2% of their base wages to this HCSP Plan. The Employer will contribute 2% of the employee's base wages [but in no event less than One Thousand Dollars (\$1,000.00) for each full calendar year of employment] into the HCSP Plan. All employee contributions (and investment earnings thereon) shall be immediately vested in the employee's account; employer contributions (and investment earnings thereon) shall vest in accordance with the following schedule:

After 10 years of employment	33%
After 20 years of employment	66%
After 30 years of employment	100%

- 2. Those participants in the HCSP Plan who satisfy requirements for retirement eligibility and who retire with entitlement to pension benefits from WCAA employment may elect to use their vested HCSP account funds to purchase post employment health care insurance through the WCAA, from among the health care plans available to active employees, at full rate cost, or alternatively may elect to purchase medical insurance coverage from a provider other than that offered by WCAA. It is understood that the medical plans available for the retired employee to purchase through WCAA shall be those being offered to active employees at the time; i.e., the nature of the plan benefits will be subject to change over time consistent with changes that apply to active employees. Further, such retiree may also elect to use their vested

account balance for reimbursement of post employment "medical expenses" as allowed under Section 213 of the Internal Revenue Code of 1986 (IRC).

3. Those participants in the HCSP Plan who terminate employment prior to eligibility for retirement may elect to use their vested account balances for reimbursement of post-employment "medical expenses" as allowed under Section 213 of the IRC.
 4. The HCSP Plan shall be administered by MERS pursuant to a Plan document, a copy of which shall be available to all participants.
- B. Employees hired prior to February 1, 2008 who elect to waive retiree medical benefits and not participate in the WCAA Health and Welfare Benefit Plan.
1. Employees hired before the effective date of the Act 312 Arbitration Award will be allowed to permanently and irrevocably waive eligibility for retiree medical benefits pursuant to the WCAA Health and Welfare Benefit Plan and/or any Retirement Plan provided under Article 38 of this Agreement and elect to participate in the HCSP Plan as described in the paragraph above. The employee's election to participate in the HCSP and to waive eligibility for any other retiree medical benefits shall be permanent and irrevocable. The Employer shall contribute 4% of such employee's base wages into the HCSP Plan. Employees may elect to make additional post-tax contributions from their wages. Employee contributions (if any) shall vest immediately in the employee's account. Employer contributions shall be vested in accordance with the vesting schedule set forth in paragraph 1(A) above.
 2. The provisions of Article 37.08A, (2), (3) and (4) above shall also apply.

38.15 Retirement Board Eligibility

Effective the date of execution of this Agreement by the WCAA, if not otherwise prohibited by law, eligibility for election or appointment to a position of trustee on the Board of the Wayne County Employees Retirement System will include retired employees of WCAA who reside within the State of Michigan.

38.16 Supplemental Modifications

In the event a non-union or unionized employee receives a pension or economic benefit which is better than the benefits awarded by this Act 312 Panel, the members of the bargaining unit shall be granted the same enhancements. If a dispute arises as to the nature of the enhancement, then the union shall be entitled to reopen the contract for the sole purpose of negotiating the implementation of said enhancement.

ARTICLE 39 – ECONOMIC IMPROVEMENT / 12/1/2009 (Proposal A)

39.01 Special Skills Positions

A. Eligible employees shall receive one thousand five hundred dollars (\$1,500.00) per year in addition to their base wage rate while working in one of the following special skills positions:

1. Motorcycle Officer
2. Polygraph Operator
3. Explosive Ordinance Disposal Technician
4. Canine Unit
5. Special Response Officer
6. Communications Unit
7. Airport Special Investigative Unit (ASIU)
8. Identification Technician
9. Water Rescue Officer
10. Field Training Officer/Accident Investigator

B. Employees in the classifications of Police Sergeant and Police Lieutenant will receive an additional one thousand dollars (\$1,000) per year upon completion of five (5) years of service in-grade.

39.02 Captains/Executive Sergeant

All employees promoted to captain positions as enumerated in Article 21 shall receive additional compensation in the amount of three thousand dollars (\$3,000.00) per year during the term of that assignment; said \$3,000.00 shall be rolled into their annual rate of pay as long as they hold that assignment.

All employees appointed to Executive Sergeant positions as enumerated in Article 21 shall receive additional compensation in the amount of two thousand dollars (\$2,000.00) per year as long as they hold that assignment, shall be rolled into their annual rate of pay for as long as they hold that assignment.

39.03 Wage Rates For Employees In Local 3317

A. Police Sergeant:

1. The wage rates which were in effect as of November 30, 2009 (Entry equals \$70,481, Step 2 equals 72,324, and Step 3 equals \$74,165) shall be increased by 3% percent per year on a compound basis on December 1st, 2009.

SGT

STEP	12/1/2009
1	72,595
2	74,494
3	76,390

2. Annual Step Increases:

Based on the number of completed months of service in-grade, the above-cited regular full-time employees of record employed in the classification of Police Sergeant shall be placed at the following annual base wage rates on the dates indicated.

Annual step increases for each year of the contract shall be increased by 3% on an across the board basis.

3. Minimum Base Wage Rates:

Employees of record promoted to the classification of Police Sergeant shall be placed at the minimum base wage rate in effect as of the date of their promotion.

4. Annual step increases will continue beyond the expiration date of the Collective Bargaining Agreement [November 30, 2013] for those employees who are below the maximum wage step for their classification.

B. Police Lieutenant:

1. The wage rates which were in effect as of November 30, 2009 (Entry equals \$77,898, Step 1 equals \$81,107, and Step 3 equals \$84,314) shall be increased by three (3%) percent per year on a compound basis, on December 1st, 2009.

LT

STEP	12/1/2009
1	80,235
2	83,540
3	86,843

2. Annual Step Increases:

_____ Seniority in grade annual step increases for each year of the contract

shall be increased by 3% on an across the board basis.

3. Minimum Base Wage Rates:

The minimum base rate for the classification of police Lieutenant/Captain shall be the 1st step of the pay guide on the date of their promotion.

4. Annual step increases will continue beyond the expiration date of the Collective Bargaining Agreement [November 30, 2013] for those employees who are below the maximum wage step for their classification.

39.04 Educational Premium/Incentive

A. Effective 12/1/09, members of the bargaining unit having the following educational credentials from an accredited college or university in criminal justice or a related field by the start of the fiscal year (October 1) will receive a lump sum bonus which shall be paid by December 10 or the first pay period thereafter each year as follows:

Associates Degree: \$375.00

Bachelors Degree: \$750.00

Masters Degree: \$1,000.00

Decisions about whether or not a field is related to criminal justice shall be made solely by the employer.

B. This incentive shall not be included for purposes of calculating an employee's average final compensation for retirement.

C. The 2010 Lieutenant test shall be given without any educational requirements. For the subsequent test, which the parties agree will be given in 2013, the employer can require an Associates Degree in criminal justice or related field as a minimum requirement for promotion to Lieutenant. For the 2015 test, the employer can require an Associates Degree in criminal justice or related field and that the candidate be enrolled in a Bachelor Degree program in criminal justice or related field working toward a Bachelor Degree. For the 2017 test, the employer can require a Bachelor Degree in criminal justice or related field.

For purposes of this Article, a Bachelor Degree in any field that an employee already attained as of 10/1/09 will be considered acceptable for purposes of the educational incentive and the minimum requirement for promotion.

39.05 Supplemental Modifications

In the event a non-union or unionized employee receives an economic benefit

which is better than the benefits awarded by this Act 312 Panel, the members of the bargaining unit shall be granted the same enhancements. If a dispute arises as to the nature of the enhancement, then the union shall be entitled to reopen the contract for the purpose of negotiating the implementation of said enhancement.

ARTICLE 39 – ECONOMIC IMPROVEMENT / 12/1/2010 (Proposal A)

39.01 Special Skills Positions

A. Eligible employees shall receive one thousand five hundred dollars (\$1,500.00) per year in addition to their base wage rate while working in one of the following special skills positions:

1. Motorcycle Officer
2. Polygraph Operator
3. Explosive Ordinance Disposal Technician
4. Canine Unit
5. Special Response Officer
6. Communications Unit
7. Airport Special Investigative Unit (ASIU)
8. Identification Technician
9. Water Rescue Officer
10. Field Training Officer/Accident Investigator

B. Employees in the classifications of Police Sergeant and Police Lieutenant will receive an additional one thousand dollars (\$1,000) per year upon completion of five (5) years of service in-grade.

39.02 Captains/Executive Sergeant

All employees promoted to captain positions as enumerated in Article 21 shall receive additional compensation in the amount of three thousand dollars (\$3,000.00) per year during the term of that assignment; said \$3,000.00 shall be rolled into their annual rate of pay as long as they hold that assignment.

All employees appointed to Executive Sergeant positions as enumerated in Article 21 shall receive additional compensation in the amount of two thousand dollars (\$2,000.00) per year as long as they hold that assignment, shall be rolled into their annual rate of pay for as long as they hold that assignment.

39.03 Wage Rates For Employees In Local 3317

A. Police Sergeant:

1. The wage rates which were in effect as of November 30, 2010 (Entry equals \$72,595, Step 2 equals \$74,494, and Step 3 equals \$76,390) shall be increased by 3% percent per year on a compound basis on December 1st 2010.

SGT

STEP	12/1/2010
1	74,773
2	76,729
3	78,682

2. Annual Step Increases:

Based on the number of completed months of service in-grade, the above-cited regular full-time employees of record employed in the classification of Police Sergeant shall be placed at the following annual base wage rates on the dates indicated.

Annual step increases for each year of the contract shall be increased by 3% on an across the board basis.

3. Minimum Base Wage Rates:

Employees of record promoted to the classification of Police Sergeant shall be placed at the minimum base wage rate in effect as of the date of their promotion.

4. Annual step increases will continue beyond the expiration date of the Collective Bargaining Agreement [November 30, 2013] for those employees who are below the maximum wage step for their classification

B. Police Lieutenant:

1. The wage rates which were in effect as of November 30, 2010 (Entry equals \$80,235, Step 2 equals \$83,540, and Step 3 equals \$86,843) shall be increased by three (3%) percent per year on a compound basis, on December 1st 2009.

LT

STEP	12/1/2010
1	82,642
2	86,046
3	89,448

2. Annual Step Increases:

Seniority in grade annual step increases for each year of the contract shall be increased by 3% on an across the board basis.

3. Minimum Base Wage Rates:

The minimum base rate for the classification of police Lieutenant/Captain shall be the 1st step of the pay guide on the date of their promotion.

4. Annual step increases will continue beyond the expiration date of the Collective Bargaining Agreement [November 30, 2013] for those employees who are below the maximum wage step for their classification.

39.04 Educational Premium/Incentive

A. Effective 12/1/09, members of the bargaining unit having the following educational credentials from an accredited college or university in criminal justice or a related field by the start of the fiscal year (October 1) will receive a lump sum bonus which shall be paid by December 10 or the first pay period thereafter each year as follows:

Associates Degree: \$375.00
Bachelors Degree: \$750.00
Masters Degree: \$1,000.00

Decisions about whether or not a field is related to criminal justice shall be made solely by the employer.

B. This incentive shall not be included for purposes of calculating an employee's average final compensation for retirement.

C. The 2010 Lieutenant test shall be given without any educational requirements. For the subsequent test, which the parties agree will be given in 2013, the employer can require an Associates Degree in criminal justice or related field as a minimum requirement for promotion to Lieutenant. For the 2015 test, the employer can require an Associates Degree in criminal justice or related field and that the candidate be enrolled in a Bachelor Degree program in criminal justice or related field working toward a Bachelor Degree. For the 2017 test, the employer can require a Bachelor Degree in criminal justice or related field.

For purposes of this Article, a Bachelor Degree in any field that an employee already attained as of 10/1/09 will be considered acceptable for purposes of the educational incentive and the minimum requirement for promotion.

39.05 Supplemental Modifications

In the event a non-union or unionized employee receives an economic benefit which is better than the benefits awarded by this Act 312 Panel, the members of the bargaining unit shall be granted the same enhancements. If a dispute arises as to the nature of the enhancement, then the union shall be entitled to reopen the contract for the purpose of negotiating the implementation of said enhancement.

ARTICLE 39 – ECONOMIC IMPROVEMENT / 12/1/2011 (Proposal A)

39.01 Special Skills Positions

- A. Eligible employees shall receive one thousand five hundred dollars (\$1,500.00) per year in addition to their base wage rate while working in one of the following special skills positions:
1. Motorcycle Officer
 2. Polygraph Operator
 3. Explosive Ordinance Disposal Technician
 4. Canine Unit
 5. Special Response Officer
 6. Communications Unit
 7. Airport Special Investigative Unit (ASIU)
 8. Identification Technician
 9. Water Rescue Officer
 10. Field Training Officer/Accident Investigator
- B. Employees in the classifications of Police Sergeant and Police Lieutenant will receive an additional one thousand dollars (\$1,000) per year upon completion of five (5) years of service in-grade.

39.02 Captains/Executive Sergeant

All employees promoted to captain positions as enumerated in Article 21 shall receive additional compensation in the amount of three thousand dollars (\$3,000.00) per year during the term of that assignment; said \$3,000.00 shall be rolled into their annual rate of pay as long as they hold that assignment.

All employees appointed to Executive Sergeant positions as enumerated in Article 21 shall receive additional compensation in the amount of two thousand dollars (\$2,000.00) per year as long as they hold that assignment, shall be rolled into their annual rate of pay for as long as they hold that assignment.

39.03 Wage Rates For Employees In Local 3317

- A. Police Sergeant:
1. The wage rates which were in effect as of November 30, 2011 (Entry equals \$74,773, Step 2 equals \$76,729, and Step 3 equals \$78,682) shall be increased by 3% percent per year on a compound basis on December 1st 2011.

SGT

STEP	12/1/2011
1	77,016
2	79,031
3	81,042

2. Annual Step Increases:

Based on the number of completed months of service in-grade, the above-cited regular full-time employees of record employed in the classification of Police Sergeant shall be placed at the following annual base wage rates on the dates indicated.

Annual step increases for each year of the contract shall be increased by 3% on an across the board basis.

3. Minimum Base Wage Rates:

Employees of record promoted to the classification of Police Sergeant shall be placed at the minimum base wage rate in effect as of the date of their promotion.

4. Annual step increases will continue beyond the expiration date of the Collective Bargaining Agreement [November 30, 2013] for those employees who are below the maximum wage step for their classification

B. Police Lieutenant:

1. The wage rates which were in effect as of November 30, 2011 (Entry equals \$82,642, Step 2 equals \$86,046, and Step 3 equals \$89,448) shall be increased by three (3%) percent per year on a compound basis, on December 1st 2011.

LT

STEP	12/1/2011
1	85,121
2	88,627
3	92,132

2. Annual Step Increases:

Seniority in grade annual step increases for each year of the contract shall be increased by 3% on an across the board basis.

3. Minimum Base Wage Rates:

The minimum base rate for the classification of police Lieutenant/Captain shall be the 1st step of the pay guide on the date of their promotion.

4. Annual step increases will continue beyond the expiration date of the Collective Bargaining Agreement [November 30, 2013] for those employees who are below the maximum wage step for their classification.

39.04 Educational Premium/Incentive

- A. Effective 12/1/09, members of the bargaining unit having the following educational credentials from an accredited college or university in criminal justice or a related field by the start of the fiscal year (October 1) will receive a lump sum bonus which shall be paid by December 10 or the first pay period thereafter each year as follows:

Associates Degree: \$375.00
Bachelors Degree: \$750.00
Masters Degree: \$1,000.00

Decisions about whether or not a field is related to criminal justice shall be made solely by the employer.

- B. This incentive shall not be included for purposes of calculating an employee's average final compensation for retirement.
- C. The 2010 Lieutenant test shall be given without any educational requirements. For the subsequent test, which the parties agree will be given in 2013, the employer can require an Associates Degree in criminal justice or related field as a minimum requirement for promotion to Lieutenant. For the 2015 test, the employer can require an Associates Degree in criminal justice or related field and that the candidate be enrolled in a Bachelor Degree program in criminal justice or related field working toward a Bachelor Degree. For the 2017 test, the employer can require a Bachelor Degree in criminal justice or related field.

For purposes of this Article, a Bachelor Degree in any field that an employee already attained as of 10/1/09 will be considered acceptable for purposes of the educational incentive and the minimum requirement for promotion.

39.05

Supplemental Modifications

In the event a non-union or unionized employee receives an economic benefit which is better than the benefits awarded by this Act 312 Panel, the members of the bargaining unit shall be granted the same enhancements. If a dispute arises as to the nature of the enhancement, then the union shall be entitled to reopen the contract for the purpose of negotiating the implementation of said enhancement.

ARTICLE 39 - ECONOMIC IMPROVEMENT / 12/1/2012 (Proposal A)

39.01 Special Skills Positions

A. Eligible employees shall receive one thousand five hundred dollars (\$1,500.00) per year in addition to their base wage rate while working in one of the following special skills positions:

1. Motorcycle Officer
2. Polygraph Operator
3. Explosive Ordinance Disposal Technician
4. Canine Unit
5. Special Response Officer
6. Communications Unit
7. Airport Special Investigative Unit (ASIU)
8. Identification Technician
9. Water Rescue Officer
10. Field Training Officer/Accident Investigator

B. Employees in the classifications of Police Sergeant and Police Lieutenant will receive an additional one thousand dollars (\$1,000) per year upon completion of five (5) years of service in-grade.

39.02 Captains/Executive Sergeant

All employees promoted to captain positions as enumerated in Article 21 shall receive additional compensation in the amount of three thousand dollars (\$3,000.00) per year during the term of that assignment; said \$3,000.00 shall be rolled into their annual rate of pay as long as they hold that assignment.

All employees appointed to Executive Sergeant positions as enumerated in Article 21 shall receive additional compensation in the amount of two thousand dollars (\$2,000.00) per year as long as they hold that assignment, shall be rolled into their annual rate of pay for as long as they hold that assignment.

39.03 Wage Rates For Employees In Local 3317

A. Police Sergeant:

1. The wage rates which were in effect as of November 30, 2012 (Entry equals \$77,016, Step 2 equals \$79,031, and Step 3 equals \$81,042) shall be increased by 3% percent per year on a compound basis on December 1st 2012.

SGT

STEP	12/1/2012
1	79,326
2	81,402
3	83,473

2. Annual Step Increases:

Based on the number of completed months of service in-grade, the above-cited regular full-time employees of record employed in the classification of Police Sergeant shall be placed at the following annual base wage rates on the dates indicated.

Annual step increases for each year of the contract shall be increased by 3% on an across the board basis.

3. Minimum Base Wage Rates:

Employees of record promoted to the classification of Police Sergeant shall be placed at the minimum base wage rate in effect as of the date of their promotion.

4. Annual step increases will continue beyond the expiration date of the Collective Bargaining Agreement [November 30, 2013] for those employees who are below the maximum wage step for their classification

B. Police Lieutenant:

1. The wage rates which were in effect as of November 30, 2012 (Entry equals \$85,121, Step 2 equals \$88,627, and Step 3 equals \$92,13) shall be increased by three (3%) percent per year on a compound basis, on December 1st 2012.

LT

STEP	12/1/2012
1	87,675
2	91,286
3	94,896

2. Annual Step Increases:

Seniority in grade annual step increases for each year of the contract shall be increased by 3% on an across the board basis.

3. Minimum Base Wage Rates:

The minimum base rate for the classification of police Lieutenant/Captain shall be the 1st step of the pay guide on the date of their promotion.

4. Annual step increases will continue beyond the expiration date of the Collective Bargaining Agreement [November 30, 2013] for those employees who are below the maximum wage step for their classification.

39.04 **Educational Premium/Incentive**

- A. Effective 12/1/09, members of the bargaining unit having the following educational credentials from an accredited college or university in criminal justice or a related field by the start of the fiscal year (October 1) will receive a lump sum bonus which shall be paid by December 10 or the first pay period thereafter each year as follows:

Associates Degree: \$375.00

Bachelors Degree: \$750.00

Masters Degree: \$1,000.00

Decisions about whether or not a field is related to criminal justice shall be made solely by the employer.

- B. This incentive shall not be included for purposes of calculating an employee's average final compensation for retirement.
- C. The 2010 Lieutenant test shall be given without any educational requirements. For the subsequent test, which the parties agree will be given in 2013, the employer can require an Associates Degree in criminal justice or related field as a minimum requirement for promotion to Lieutenant. For the 2015 test, the employer can require an Associates Degree in criminal justice or related field and that the candidate be enrolled in a Bachelor Degree program in criminal justice or related field working toward a Bachelor Degree. For the 2017 test, the employer can require a Bachelor Degree in criminal justice or related field.

For purposes of this Article, a Bachelor Degree in any field that an employee already attained as of 10/1/09 will be considered acceptable for purposes of the educational incentive and the minimum requirement for promotion.

39.05

Supplemental Modifications

In the event a non-union or unionized employee receives an economic benefit which is better than the benefits awarded by this Act 312 Panel, the members of the bargaining unit shall be granted the same enhancements. If a dispute arises as to the nature of the enhancement, then the union shall be entitled to reopen the contract for the purpose of negotiating the implementation of said enhancement.