STATE OF MICHIGAN MICHIGAN EMPLOYMENT RELATIONS COMMISSION ACT 312 ARBITRATION

IN THE MATTER OF:

THE CITY OF AUBURN HILLS,

and

MERC Case No. D-11-C-0324

POLICE OFFICERS LABOR COUNCIL, (Representing the Auburn Hills Police Officers Association)

OPINION AND AWARD

APPEARANCES:

Arbitrator- Panel Chairperson Allen J. Kovinsky, Esq. 2000 Town Center, Suite 900 Southfield, MI 48075

City of Auburn Hills Craig W. Lange, Esq. Kirk, Huth, & Lange, PLC 19500 Hall Road, Suite 100 Clinton Township, MI 48038

Police Officers Labor Council Thomas R. Zulch, Esq. 667 East Big Beaver Road, Suite 205 Troy, MI 48083

PANEL MEMBERS:

City of Auburn Hills Thomas A. Tanghe Assistant City Manager/Director Of Human Resources and Labor Relations

Police Officers Labor Council Chester Kulesza

I. EXHIBITS AND LAST BEST OFFERS

A. Police Officers Labor Council Exhibits.

- 1. Petition for Arbitration Employment Relations Commission.
- 2. Panel Chairperson's Pre-Arbitration Conference Report.
- 3. Tentative Agreements regarding:
 - a. floating healthcare
 - b. line of duty death
 - c. Appendix A, Wages and Benefits, Section 3, health/optical/dental insurance
 - d. duty injury pay
 - e. revised promotional process to include communications supervisor
 - f. medical insurance buyout.
- 4. Collective Bargaining Agreement between the parties, effective January 1, 2006, terminating on December 31, 2010.
- 5. The Union's comparable communities consisting of Birmingham, Bloomfield Township, Farmington Hills, Ferndale, Novi, Troy, and Waterford Township.
 - Union Exhibits regarding wages/duration/retroactivity.
- 7. Union Exhibits regarding secondary employment.
- 8. Union Exhibits regarding pension/defined contribution.
- 9. No longer an issue.

6.

- 10. Union Exhibits regarding health insurance-active Employees.
- 11. Union Exhibits regarding health insurance-retirees.
- 12. Union Exhibits regarding pension/cost-of-living allowance.
- 13. Union Exhibits regarding emergency financial manager.
- 14. Union Exhibits regarding personal days-usage.
- 15. Union Exhibits regarding scheduling the patrol unit.
- 16. Union Exhibits regarding vacation usage.
- 17. Union miscellaneous Exhibits regarding populations comparison, amendment/petition to Michigan Attorney General, City of Auburn Hills employee pension plan (October 2005 restatement), correspondence regarding City policies, transfer of unencumbered appropriation balances dated December 22, 2010, correspondence dated February 18, 2011 regarding constitutional and statutory violation/City of Auburn Hills, selected provisions of the Charter of the City of Auburn Hills, and diverse financial documents and charts regarding various City financial positions.

B. City of Auburn Hills Exhibits.

- 1. Collective Bargaining Agreement expiring December 31, 2010, between the City and the POLC.
- 2. Various formal documents containing the Petition for Act 312 Arbitration, letters from C. Derdarian to A. Kovinsky, dated June 28, 2011, from A.

Kovinsky to R. Okun, dated August 24, 2011, and from A. Kovinsky to C. Lange and C. Kulesza, dated October 25, 2011.

3.

4.

5

Various background Exhibits, including City of Auburn Hills Police Department website, website-traffic division, website-911 emergency dispatch center, City of Auburn Hills organizational chart as of 2011, Police Department organizational chart, map of City of Auburn Hills, U.S. Bureau Census 2000 profile of general population and housing characteristics, SEMCOG community profile, chart full-time personnel summary for the City of Auburn Hills police department 2009 through 2012, Auburn Hills police department chart employees years of service and seniority, position description for City of Auburn Hills police officer, and position description for City of Auburn Hills police service officer.

Comparables. Chart regarding contract status for internal comparables, contracts chart for contract status of external comparables-police officers (revised), chart for the contract status for external comparablesdispatchers, chart bargaining unit demographics for external comparables, chart 2000 and 2010 population for external comparables, chart household and per capital income for external comparables, chart for residential and non-residential land use for external comparables, chart for total acreage and square miles for external comparables, chart for the change in taxable value on residential property for diverse years, chart for the change in taxable value for non-residential property for diverse years, chart to change SEV for non-residential property for diverse years, chart to change SEV for real property for diverse years, chart to change SEV for real property for diverse years, chart to change SEV for real property for diverse years, chart to change SEV for real property for diverse years, chart to change SEV for real property for diverse years, chart to change SEV for real property for diverse years, chart to change SEV for real property for diverse years, chart to change SEV for real property for diverse years, chart to change SEV for real property for diverse years, chart to change SEV for real property for diverse years, chart to change SEV for real property for diverse years, chart to change SEV for real property for diverse years, chart to change SEV for real property for diverse years, chart of taxable value to SEV ratio for diverse years, and a chart for 2009 crime statistics.

Ability to pay Exhibits. Financial report with supplemental information ending December 31, 2010, actuary report of City of Auburn Hills employee pension plan ending December 31, 2010, actuary report of City of Auburn Hills retiree health care trust fund ending December 31, 2010, City of Auburn Hills 2012 budget, charts and/or graphs for tax based compositions by use, tax revenue and total City revenues, total City revenue and tax revenue, property tax millage rate history, inflation rate tax multiplier used the capped value formula, tax revenues projection to reach 2007 level, and state of Michigan revenue sharing. Chart and graphs for ad-valoren tax values and composition, chart and graphs for consolidated, general police and fire funds, and Oakland County equalization comparison of assessed and taxable values and consolidated general, police and fire funds. Chart for the 2012 Oakland County SEV and taxable value estimates, charts for total police fund expenditures, police fund history and projection, police expenses compared to total expenses of City's governmental funds. A graph for accrued actuarial liabilities, charts for current status of funding and accrued actuarial liabilities and for employer contributions to retirement funds. Chart for the City of Auburn Hills real and personal property tax values (2). City of

Auburn Hills foreclosure report, resale comparison of residential and commercial property. Chart for Michigan Tax Tribunal cases pending for City of Auburn Hills. SEMCOG community fiscal capacities, 2011. Michigan Economic Update, June 2011. Standard and Poor's/Case-Shiller Home Price indices article. Charts regarding Michigan unemployment data, a New York Times article, a Crain's Detroit Business article. Two Detroit News Articles dated August 24 and September 15, 2011. A Lansing State Journal article. A Mackinac Center for Public Policy article. A Gongwer News Service Michigan article.

6. City Issues Exhibits.

a.

Wages. Charts regarding percentage wage increases by contract year for internal comparables, percentage wage increases for contract year for external comparables-patrol officers, percentage wage increases for contract year for external comparablesdispatchers, maximum base wages for external comparablespatrol officers by calendar year, maximum base wages for external comparables-dispatchers by calendar year revised, CPI and wage increases by calendar year since 2003, CPI and wage increases by calendar year since 2003 and cumulative, United States City CPI average from 2000 to 2011, Detroit-Ann Arbor-Flint CPI average from 2000 to 2011, and a 2010 Auburn Hills police service officer base wage chart. Summary of average overtime for full time police officers and service officers 2009-2011.

City of Auburn Hills secondary Secondary Employment. employment policy, City of Auburn Hills police department secondary employment policy, general order no. 37, charts for secondary employment for City of Auburn Hills police and service officers and for external comparables in the police department policy or contract provisions covering secondary employment. The City of Birmingham police department outside employment policy, the Bloomfield Township police department outside employment policy, the City of Farmington Hills off-duty employment policy, external comparables outside the employment policy, the City of Novi police department off duty secondary employment policy, the City of Troy police department rules and regulations on outside employment, external comparable community outside employment policies, the case of State Troopers Non-Commissioned Officers Assoc of New Jersev v New Jersey, 643 FSupp2nd 615 (DNJ 2009), and the case of Holden v Police Board of City of Chicago, 324 IllAPP3d 862 (2001).

Defined Contribution Plan. A chart projecting the cost of the Union's proposal to include overtime in calculating 401(k) contributions, and for the 457 Proposal for DC participants – a chart concerning defined contribution plans for internal comparables and a chart concerning defined contribution plans for external comparables.

b.

c.

d.

e.

Health Insurance. Summary of benefits for the City's proposed HMO/EPO plan, summary of benefits for the City's proposed PPO Plan. Charts for health care plans for internal comparables, external comparables for patrol officers and dispatchers. Graphs for HMO/EPO monthly premiums. A chart for the total cost of an HMO/EPO monthly premium from 2006 through 2010. Graphs for the PPO monthly premium and a chart for the total cost of the PPO monthly premium for 2006 through 2010. A graph for the annual health care costs and a chart for annual care costs from 2006 through 2011. Documents from the Kaiser Family Foundation employer health benefits 2011 annual survey concerning the cost of health insurance, the market shares of health plans, worker and employer contributions for premiums and employee cost sharing.

Prescriptions. Charts for prescription co-pays for internal and external comparables for police officers and dispatchers. Graphs regarding annual prescription drug costs and annual prescription drug costs from 2005 through 2010. Kaiser Family Foundation survey for prescription drug benefits.

f. Retiree Health Care. Charts for retirement health savings plan for internal comparables and external comparables for patrol officers and dispatchers. Kaiser Family Foundation employer health benefit annual survey regarding retiree health benefits.

g. Pension-Cost of Living. Charts for defined benefit pension plans for internal comparables for police officers and dispatchers. Charts for cost of living allowance for external comparables. Charts for Auburn Hills patrol officers with defined benefit pensions. A memorandum dated June 7, 2010, from Rodwan Consulting Company regarding the actual impact of COLA proposals, an Act 312 Award for the City of Auburn Hills and the POLC-detective union, dated May 16, 2010, a Memorandum and Order granting Defendants Motion to Dismiss a case cited as POLC vs. City of Auburn Hills, 2:10-cv-14580-AC-VMM (2011).

h. Emergency Manager. Public Act 9 of 2011 and charts for statutory language required pursuant to Public Act 4 of 2011 for internal comparables, external comparables for police officers and internal comparables for dispatchers.

i. Personal Days. Charts for personal leave notice requirement for internal and external comparables for police officers and for dispatchers and a chart totaling overtime costs from 2008 to 2011 to cover "free days".

7. Tentative Agreements. The Employer has also submitted tentative agreements for floating health care, medical insurance buyout, change of language, revise promotional process to include communications supervisor, line of duty death, duty injury pay and the Union's response to the City's proposal for concessions.

8. Rebuttal. The Employer also supplied Rebuttal Exhibits consisting of Public Act 63 of 2011, Section 951, Michigan Municipal League article from July 2011, a chart for personal property tax revenue as a proportion of total revenue for external comparables, Public Act 152 of 2011, an Order for Dismissal in the United States Sixth Circuit Court of Appeals, a tentative agreement regarding overtime and a charge regarding free day usage.

II. INTRODUCTION.

The City of Auburn Hills (hereinafter referred to as the "Employer") and the Police Officers Labor Council (hereinafter referred to as the "Union") have been parties to a series of collective bargaining agreements for police officers consisting of patrol and public service officers as well as dispatchers. The most current collective bargaining agreement expired on December 30, 2010. The parties have agreed, by way of stipulation, to a three year collective bargaining agreement with an effective date of January 1, 2011, terminating on December 31, 2013. The parties met with the Panel Chairperson on or about August 17, 2011 in a Pre-Arbitration Conference. At that time, all of the outstanding issues were discussed with the parties, and the parties agreed to stipulate at the time of the Arbitration hearing that the case was properly within the jurisdiction of the Arbitration Panel and all of the issues which were to be determined by the Arbitration Panel were timely. The parties also agreed to waive all time limits with respect to the conclusion of the hearing and/or the preparation of an Opinion by the Panel Chairperson. The parties also agreed that there would be no retroactivity with regard to any wages and/or benefits. The parties agree with respect to the comparable communities and accordingly, all of the comparable communities as proposed by the parties have been accepted by the Panel, which include the cities of Birmingham, Farmington Hills, Ferndale, Novi, Troy, and the Townships of Bloomfield and Waterford.

Originally, hearings were scheduled for October 31, November 11 and November 14, 2011. At the request of the parties, the hearing for October 31 was canceled. A hearing did take place on November 11, 2011, and the parties were given an opportunity to present exhibits, testimony and/or oral arguments. The parties did in fact introduce the exhibits which are hereinabove set forth. The parties also engaged in extensive discussions among themselves and with the Arbitrator and Panel Chairperson. As a result, it was agreed that no testimony nor any Briefs would be required. The parties agreed to submit the case based upon their discussions with the Panel Chairperson and the exhibits hereinabove set forth.

It should be noted that an appropriate Petition for Arbitration had been filed with the Employment Relations Commission on or about May 10, 2011. It should also be noted that the Arbitrator and Panel Chairperson were mutually selected by the parties and appointed by the Employment Relations Commission in accordance with its rules and procedures.

Until this year, Act 312 of the Public Acts of 1969, as amended required that the Panel take into account the following factors as set forth in Section 9, in order to reach a conclusion on each of the issues which is presented to it:

"Section 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 the 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 interest and welfare of the public and 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 with other employees generally.

(i) in public employment in comparable communities

- (ii) in private employment in comparable communities
- (e) The average consumer prices for goods and services, commonly known as the cost of living.
- (f) The overall compensation presently received by employees, including direct wage compensation, vacations, holidays and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
- (g) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- (h) Such other factors not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties in the public service or in private employment."

The parties and the Panel are also aware of a series of legislative acts which have been passed by the state legislature which impact employers and unions who are in the process of negotiating and/or arbitrating new collective bargaining agreements or provisions of new collective bargaining agreements. For example, Act 152 of the Public Acts of 2011 provides that an employer must, for each calendar year commencing on or after January 1, 2012, select from a number of choices with regard to the payment of insurance premiums. Section 3 of that Act provides for hard dollar caps. Section 4 allows the employer to opt out of the hard dollar caps and to select a plan whereby the employer pays no more than 80% of the total annual costs of its medical benefit plans, Section 5 prohibits a collective bargaining agreement or other contract that is executed on or after September 15, 2011 from including terms that are inconsistent with the requirements of Sections 3 and 4, and Section 8 allows a local unit of government to opt out of the provisions of Sections 3 and 4 by a 2/3 vote of its governing body each year.

In addition, Public Act 54 of 2011, which was effective June 8, 2011, prohibits any increase in wages and benefit levels and step increases and even if an extension pending negotiations for a successor agreement is negotiated, it does not extend the expiration date set forth in the contract for purposes of automatic wage, benefit, or step increases. It further provides that any increased cost of maintaining health, dental, vision, prescription or other insurance benefits after the expiration of the contract is borne by the Employees and that there shall be increased payroll deductions to fund such increases. It further prohibits the parties to a collective bargaining agreement and/or an arbitration panel from ordering any retroactive wage or benefit levels or amounts that are greater than those in effect on the expiration of the collective bargaining agreement.

In addition, Public Act 116 of 2011, which became effective on July 20, 2011, amends Act 312, and among other amendments, sets time limits for the completion of a hearing, including the filing of post-hearing briefs within 180 days after the hearings commence, requires that the expenses of the proceedings are to be shared by the parties, thus excluding the state as one of the paying parties, insofar as the Chairperson's fees are concerned, requires a submission of Last Offers of Settlement on economic issues before the beginning of the Hearing, requires the Arbitration Panel to give the most significance to the public employer's financial ability to pay, which is defined to include the financial impact on the community, the interest and welfare of the public and all liabilities, whether or not they appear on the balance sheet of the unit of government, and finally, requires a panel to consider the wages, hours, and other terms and conditions of other employees of the Employer outside of the bargaining unit in question.

For purposes of these proceedings, the Panel has considered and applied where applicable the original provisions of Public Act 312, including the Section 9 criteria, as well as the amendments to Act 312 and the other Acts which are applicable to these proceedings as hereinabove set forth.

It should further be noted that the Union's and Employer's Last Best Offers of Settlement have been attached to this Opinion and Award and are incorporated herein by reference, rather than setting forth each proposal in its entirety as the issue is discussed. In addition, each of the tentative agreements which have been supplied to the Panel Chairperson and to the parties are also incorporated by reference into this Award and are accepted by the Panel in their entirety as amendments to the Collective Bargaining Agreement.

III. <u>DECISION.</u>

The Decision of a majority of the Panel with respect to each issue as follows:

Issue No. 1. WAGES.

The Last Best Offers of both the City and the Union are nearly identical. The Union proposes an effective wage increase of 1.75% on the date of the Award. The City proposes the base wages, for members of the bargaining unit effective January 1, 2010, be increased by 1.75% upon issuance of the Award. The Panel is prohibited from awarding a retroactive wage increase, therefore, the Union and City proposals of a 1.75% wage increase, effective with the date of the award are hereby granted. Both parties have submitted identical proposals for January 1, 2012

and January 1, 2013, which are as follows: On each January 1 of 2012 and 2013, the Employees shall receive a 1% wage increase if the Employer, through its governing body, fails to opt out of Public Act 152 for each of the two years. If the Employer opts out of Public Act 152 for January 1, 2012, there shall be no wage increase, and if the Employer opts out of Public Act 152 for the calendar year commencing on January 1, 2013, there shall be no wage increase.

The decision of the Panel is unanimous with respect to this issue.

Issue No. 2. THE 457 DEFINED CONTRIBUTION PLAN.

A majority of the Panel finds that the Employer's proposal should be awarded. The Union Panel Member dissents. Essentially, the Employer's Last Best Offer provides that during the month of January 2012, the City will contribute a lump sum of \$1,000 into a 457 Plan for the account of any active status member of the bargaining unit who was hired on or after January 1, 2000, who does not participate in the City's defined pension plan, and whose name appears on the Employer's roster as of December 31, 2011. The City will contribute the sum of \$1,000 into the 457 Plan for the 2012 calendar year, effective during the month of January 2012 and \$500 into the 457 Plan for the 2013 calendar year, effective during the month of January 2013. However, the contribution is conditioned upon the Employee's participating and contributing the sum of \$1,000 during the calendar year of 2012 through 26 equal payroll deductions. The Employee must indicate a desire to participate in the Plan and authorize a payroll deduction prior to January 1, 2012. In addition, for the calendar year commencing on January 1, 2013, the City is to contribute the sum of \$500 into the members' accounts under the same conditions and circumstances as are required for the 2012 calendar year. The only difference being is that the member is only required to contribute the sum of \$500 as well.

Issue No. 3 COST OF LIVING ALLOWANCE.

It is the decision of the Panel that the Employer's cost of living proposal should be awarded. The Union Panel Member dissents. The Employer's proposal requires that Employees who retire on or after January 1, 2012, shall have the current annual cost of living allowance for retirees reduced from 5% to 2.5% of the amount of the pension benefit to which the Employee is entitled when the benefit first becomes payable. It further provides that the same 2.5% shall be applicable each January 1 for the period of 15 years. In addition, there is a proviso that in the event that the Award that a Panel chaired by Mark J. Glazier, which was MERC Act 312 Case No. D07-H-1274 and D07-H-1273 is overturned by a Court or otherwise set aside or modified by a Court of competent jurisdiction, the cost of living allowance for members of the instant bargaining unit shall be re-established at the level then in effect for members of the command officers and detectives bargaining units.

Issue No. 4. RETIREMENT HEALTH SAVINGS PLAN.

It is a decision of a majority of the Panel that the City proposal for the implementation of a retirement health savings plan should be awarded. The Union Panel Member dissents. The proposal of the Employer provides that new hires after January 1, 2012 shall receive a retirement health savings plan in lieu of any other retirement health care and/or prescription coverage. The

Employer shall contribute 3% of the Employee's base pay and the Employee shall contribute 5% of his/her base pay annually. The Employee shall be 50% vested after five years of service and accumulate an additional 10% each year thereafter in order to be fully vested with 10 years of service.

Issue No. 5. ARBITRATION.

The parties have mutually agreed that the arbitration clause shall continue and that any grievances which arose under the last collective bargaining agreement or while the contract was expired pending a successor agreement, and that any grievances which arose during that period of time may be arbitrated if they are not otherwise settled. It should also be noted that the parties have agreed that with respect to one pending grievance involving sick leave, the Employee will have eight hours of sick leave reinstated and eight hours of Free Day leave reduced in accordance with the pre-existing contract language.

Issue No. 6. FREE DAYS.

The Employer's proposal with respect to free days is awarded. The Union Panel Member dissents. The Employer's proposal essentially decreases the current two free days to one free day. However, the total of five personal days will continue.

Issue No. 7. WITHDRAWN ISSUES.

The Employer has withdrawn its issue with regard to the work schedule and the Union has withdrawn its issue with regard to secondary employment. Accordingly, the withdrawals are granted by unanimous Panel.

Issue No. 8. EMERGENCY FINANCIAL MANAGER.

The parties have unanimously agreed that the Employer's proposal may be placed in the collective bargaining agreement. Accordingly, the proposal of the Employer which essentially provides that an Emergency Manager appointed under Public Act 4 of 2011 may act to reject, modify or terminate the collective bargaining agreement will be set forth in the new collective bargaining agreement. The decision of the Panel is unanimous.

Issue No. 9. HEALTH INSURANCE.

The Employer has set forth a number of changes with regard to health care and prescription coverage. It is the decision of the majority of the Panel that the Employer's proposals should be awarded. The Union Panel Member dissents. The health care proposals of the Employer relate to providing the option to select coverage under an HMO/EPO or PPO provided by the Employer. The HMO/EPO has a \$20 pcp/\$40 specialist office visit co-pay, \$40 urgent care visit co-pay, \$100 emergency room visit co-pay. It will provide for an in-network deductible of \$250/\$500, co-insurance at a 90%-10% ratio to \$1,000 for a single Employee, and \$2,000 for a couple or family. It further provides that upon execution of the Award that PPO shall have a \$25 pcp/\$50 specialist office visit co-pay, \$100

emergency room visit co-pay. The in-network deductible shall be \$500/\$1,000. In-network coinsurance is 90%-10% to \$1,000 single/\$2,000 couple or family. Out-of-network co-insurance is 50%/50% to \$5,000 single/\$10,000 couple or family.

The prescription drug plan effective upon the execution of the Award will provide for a three tier co-pay system of \$7/\$20/\$40. There will be a mail-in program two times the applicable co-pay. Drugs categorized in the formulary as "specialty drugs" as determined by the Plan Manager will have a 35% Employee co-pay. Availability of "specialty drugs" will occur only after all other drug therapies have been exhausted as determined by the Plan Manager. The prescription drug plan shall be managed by a Plan Manager, and the Employee shall be subject to provisions of the Plan including mandatory generics and changes from time to time in the drug formulary, which may change the category in which the drugs are placed.

Issue No. 10. ADDITIONAL TENTATIVE AGREEMENTS.

The Panel has been supplied with and adopts additional tentative agreements between the City and the Union involving indemnification, as well as the elimination of collection of dues and service fees by the Employer, a change in Appendix A. Wages and Benefits, Section 3, Health/Optical/Dental executed by the Parties on April 18, 2011, a tentative agreement regarding floating healthcare executed by the parties on March 30, 2011, a tentative agreement on duty injury pay executed by the parties on March 30, 2011, a tentative agreement on line of duty death, executed by the parties on March 30, 2011, a proposed change with regard to health insurance executed by the parties on March 30, 2011 regarding the HMO/EPO and PPO, requiring a deletion of the references to HMO and PPOM being deleted. A tentative agreement on medical insurance buyouts, dated March 30, 2011. A tentative agreement involving the promotional process to include communications supervisor dated March 30, 2011. A tentative agreement regarding patrol officer overtime, executed on October 5, 2011. A tentative agreement involving the use of other accrued time as first pick vacation, executed by the parties on November 11, 2011. A tentative agreement dated April 18, 2011 with regard to health/optical/dental insurance.

IV. CONCLUSION

On behalf of the Panel, I want to thank the attorneys and representatives of the City of Auburn Hills and the Police Officers Labor Council for their cooperation during the presentation of this case. The decisions of the Panel as hereinabove set forth are here by awarded.

Dated this 7th day of December, 2011.

ACT 312 ARBITRATION PANEL:

A1

Arbitrator & Panel Chairperson

THOMAS A. TANGHE, City of Auburn Hills Panel Delegate

CHESTER KULESZA, Police Officers Labor Council Panel Delegate