

**MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**  
**MICHIGAN EMPLOYMENT RELATIONS COMMISSION**  
**BUREAU OF EMPLOYMENT RELATIONS**

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**PETITIONING PARTY: Police Officers Association of Michigan**

and

**RESPONDING PARTY: City of Ann Arbor**

**MERC CASE NO.: D16 L-0980**

**COMPULSORY ARBITRATION**

Pursuant to Public Act 312 of 1969, as amended  
[MCL 423.231, *et seq*]

**Arbitration Panel**

Chair: Ralph L. Maccarone  
Employer Delegate: Howard Lazarus  
Union Delegate: James Tignanelli

**Advocates**

Employer Advocate: Nancy L. Niemela, Esq.  
Union Advocate: Kevin Loftis, Esq.

PETITION(S) FILED: February 17, 2017  
PANEL CHAIR APPOINTED: March 8, 2017  
SCHEDULING CONFERENCE HELD: March 22, 2017  
HEARING DATE(S) HELD: June 22, 2017 & June 28, 2017  
AWARD ISSUED: October 24, 2017

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EMPLOYMENT RELATIONS COMM.  
DETROIT OFFICE

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## **WITNESS LIST**

1. James Baird
2. John Barr
3. Tom Crawford
4. Leon Labrecque
5. Robyn Wilkerson

### **1. INTRODUCTION AND BACKGROUND**

Following Michigan Employment Relations Commission Mediation Sessions conducted on January 25, 2017 and February 7, 2017, this Public Act 312 Arbitration, was brought by the Police Officers Association of Michigan, on February 13, 2017 for a contract that expired December 31, 2016. The Bargaining Unit’s filing involved only two issues: 1. Duration, and 2. Wages for, *‘All non-supervisory, sworn police officers, excluding all other employees of the city of Ann Arbor’*.<sup>1</sup> the petition indicated that there were 90 current employees in the Bargaining Unit.

The First Hearing Action occurred on March 22, 2017 by means of a telephone conference call with Arbitration Panel Chair Ralph L. Maccarone, Nancy L. Niemela,

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<sup>1</sup> Reference Police Officers Association of Michigan Petition for Act 312 Arbitration dated February 13, 2017 and filed with the Michigan Employment Relations Commission on February 17, 2017, by James Tignanelli, Business Agent.

Esq. representing the Employer, and Kevin Loftis Esq. representing the Bargaining Unit. At that time the parties stipulated<sup>2</sup> to each of the following:

- a. *The timely submission and filing of the Union's Petition (dated February 13, 2017).*
- b. *The jurisdiction of the undersigned Arbitrator to hear this Arbitration as its Chairperson.*
- c. *The Hearing conducted by the Arbitration Panel being commenced on March 22, 2017.*
- d. *The issues to be addressed in this Arbitration are the 1. 'DURATION' and 2. 'WAGES' as stated in the Union's Petition; and, 3. 'PENSIONS', to be filed with the Employer's Answer.*
- e. *The Employer's Answer to the Petition shall be filed not later than Tuesday, April 4, 2017 at 5:00 PM, and is limited to 1.d above.*
- f. *All other issues not contained in the Petition have been settled or waived and shall not form a part of this Arbitration.*
- g. *The parties have an agreed list of comparables to be used at the In-Person part of this Arbitration Hearing.*
- h. *The Petitioner shall present their case in support of their Petition at the In-Person part of this Arbitration Hearing, with the Employer's response to follow.*
- i. *In lieu of any other forms of delivery that are permitted, anything to be delivered to a party, MERC, or the Arbitration Chairperson may be sent electronically.*

Accordingly, in the Employer's March 28, 2017 '*Answer to Petition for Compulsory Arbitration*', the Employer proposed, "... a new Hybrid Pension plan applicable to members hired after the date of the Act 312 decision."<sup>3</sup>[Additional details below]

At the commencement of the Arbitration's In-Person Hearing, Kevin Loftis, Esq. representing the Petitioner/Bargaining Unit informed the Panel that the Bargaining Unit had accepted the city's proposal of the issue 'Duration' agreeing that it shall be for three years and that the issue of "Duration" was thereby withdrawn.<sup>4</sup>

This left only the issues of 1. 'Wages', and 2. 'Pensions' at issue and to be decided.

The Arbitration Panel consists of the Chair, Ralph L. Maccarone; the Employer Delegate, Howard Lazarus (Ann Arbor City Manager); and James Tignanelli (President of Police Officers Association of Michigan)<sup>5</sup>.

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<sup>2</sup> Reference First Hearing Action – Scheduling Teleconference and Arbitration Chairperson's Preliminary Orders dated March 23, 2017.

<sup>3</sup> Reference Employers Answer to Petition for Compulsory Arbitration dated March 28, 2017, by Nancy L. Niemela, Esq., Employer Representative.

<sup>4</sup> Reference TR Volume 1 at page 9, lines 12 through 19.

<sup>5</sup> Due to a death in Mr. Tignanelli's family, it was stipulated by the parties that in the absence of Mr. Tignanelli, John Barr, of the Police Officers Association of Michigan, would serve in his stead on day 2 of the In-Person Hearing.

The first day of the In-Person Hearing commenced at 10:00 AM on Thursday, June 22, 2017 at the Ann Arbor city offices.

## 2. STATUTORY CRITERIA

Before testimony was taken at the In-Person Hearing it was confirmed by stipulation of the parties that there were no issues of arbitrability of the issues to be decided.<sup>6</sup>

The criteria to which this Arbitration Panel is bound in its decision is governed by the following Michigan statute:

### ***423.239 Findings, opinions, and orders; factors considered; financial ability of governmental unit to pay.***

*Sec. 9. (1) If the parties have no collective bargaining agreement or the parties have an agreement and 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:*

*(a) The financial ability of the unit of government to pay. All of the following shall apply to the arbitration panel's determination of the ability of the unit of government to pay:*

*(i) The financial impact on the community of any award made by the arbitration panel.*

*(ii) The interests and welfare of the public.*

*(iii) All liabilities, whether or not they appear on the balance sheet of the unit of government.*

*(iv) Any law of this state or any directive issued under the local financial stability and choice act, 2012 PA 436, MCL 141.1541 to 141.1575, that places limitations on a unit of government's expenditures or revenue collection.*

*(b) The lawful authority of the employer.*

*(c) Stipulations of the parties.*

*(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 in both of the following:*

*(i) Public employment in comparable communities.*

*(ii) Private employment in comparable communities.*

*(e) Comparison of the wages, hours, and conditions of employment of other employees of the unit of government outside of the Bargaining Unit in question.*

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

*(g) 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.*

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<sup>6</sup> Reference TR Volume 1 at Page 7 Lines 19 through 25 and Page 8 Lines 1 through 24, inclusive.

*(h) Changes in any of the foregoing circumstances while the arbitration proceedings are pending.*

*(i) Other factors that 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.*

*(j) If applicable, a written document with supplementary information relating to the financial position of the local unit of government that is filed with the arbitration panel by a financial review commission as authorized under the Michigan financial review commission act.*

*(2) The arbitration panel shall give the financial ability of the unit of government to pay the most significance, if the determination is supported by competent, material, and substantial evidence.*

As principal author of this Opinion and Award, the Chair readily acknowledges that both parties brought evidence to light by way of live testimony and exhibits that was competent, material, and substantial, to the two issues to be decided.<sup>7</sup>

Among the more notable exhibits presented and explained in what each party determined to be in pertinent part in live testimony, and fully read and considered by the Chair prior to this writing, was the *'City of Ann Arbor Comprehensive Annual Financial Report the Fiscal Year Ended June 30, 2016'*.<sup>8</sup> In its 'Letter of Transmittal' dated November 4, 2016, cosigned by City Administrator Howard Lazarus and Chief Financial Officer Tom Crawford it was noted that, *'...the city of Ann Arbor received the Government Finance Officers Association of the United States and Canada Distinguished Budget Presentation Award for its annual budget document 2016'*, and that, *'... in order to qualify for the distinguished budget presentation award, the government's budget document had to be judged proficient as a policy document, a financial plan, and operations guide, and communications device.'* Such recognition came with the current pension funding plan.

From a plain reading of the whole of the above referenced document, the city (employer) has adopted strong and sound financial planning as a part of its strategic positioning as what is widely recognized as one of the premier Michigan communities to reside, conduct business, obtain an education, seek medical care, and visit. However, testimony of the employer's witnesses in this regard, was that without changing the Bargaining Unit's pension plan for new hires entering police service, the burden of a completely defined-benefit pension and other post-employment benefits could alter the course of events in the sound financial standing presently enjoyed by the city.

It is for that reason that the city proposes a new "Hybrid Pension Plan". That plan as described in the city's Last Best Offer is:

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<sup>7</sup> The credibility of each witness was unquestioned even in their expression of opposing points of view on like information.

<sup>8</sup> Marked at the hearing as 'Union Exhibit 3'.

*PENSION: The City proposes a dual (hybrid) pension plan for any officers hired after January 1, 2018. The specific language of the dual pension plan will be found within the pension ordinance, Chapter 18 of the City of Ann Arbor Code of Ordinances<sup>9</sup>, but will include the following features:*

*A. A defined benefit (DB) component consistent with the pension plan currently in place for police officers, except for the following changes:*

- a. A 3% employee contribution to the DB component rather than a 6% contribution;*
- b. 1.375 multiplier rather than a 2.75 multiplier;*
- c. Employer contribution to be actuarially determined.*

*B. A defined contribution (DC) component with the following features:*

- a. 5 year vesting;*
- b. 3% employee contribution;*
- c. 6.88% employer contribution;*
- d. Upon separation from service, employee will be entitled to the entire balance of the employee contributions, plus any employer contributions that are vested, and earnings.<sup>10</sup>*

The Bargaining Unit's position on 'Pensions' is to *maintain the status quo*.<sup>11</sup>

On 'Wages', the city's Last Best Offer is:

*WAGES:*

*The City proposes a three year term for the contract for the period of January 1, 2017 to December 31, 2019.*

*Year 1: The City proposes a 2% increase on the current wage table, effective January 1, 2017.*

*Year 2: The City proposes a 2% increase on the current wage table, effective January 1, 2018.*

*Year 3: The City proposes a 2% increase on the current wage table, effective January 1, 2019.*

*And the Bargaining Unit's Last Best Offer<sup>12</sup> is:*

*If the panel awards a three (3) year duration of the CBA, the Union makes the following offer:*

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<sup>9</sup> Although not presented into evidence as an exhibit in Executive Session, the Arbitration Panel requested and received from the City Attorney a complete set of the referenced ordinance and supporting documentation to it.

<sup>10</sup> Reference 'City's Last Best Offer of Settlement on Economic Issues', delivered on June 9, 2017

<sup>11</sup> Reference "Unions Final Offer of Settlement", dated June 7, 2017.

<sup>12</sup> Id

*2017 Wages: The Union's offer is a 2.5% increase for all steps contained in the Collective Bargaining Agreement. The wage increase will be retroactive to January 1, 2017 for all hours compensated.*

*2018 Wages: The Union's offer is a 2.5% increase for all steps contained in the Collective Bargaining Agreement.*

*2019 Wages: The Union's offer is a 2.5% increase for all steps contained in the Collective Bargaining Agreement.*

The In-Person Hearing part of the Arbitration was conducted on Thursday, June 22, 2017, and Wednesday, June 28, 2017. Prior to closure, the Chairman of the Arbitration Panel, believing it would be useful to do so, exercised his authority under MCL 423.327a to remand the dispute to the parties for further collective bargaining for a period of 14 days beginning Thursday, June 29, 2017. The parties had the opportunity to use some, all, or none of that additional time for that purpose. That time elapsed and Post Hearing briefs were submitted for an Opinion and Award on both issues before the Panel.

Over 400 pages of transcribed testimony, and more than 1,000 pages of materials including detailed financial information were reviewed in deciding this Opinion and Award. One two-hour Executive Session of the Arbitration Panel was conducted.<sup>13</sup>

### **3. STIPULATIONS AND PRELIMINARY RULINGS**

As previously mentioned, the parties stipulated to the removal of 'Duration' as an issue to be arbitrated and now agreed upon, and did further specifically stipulate as follows:

Before proceeding, I would ask the parties for the stipulation on the record of a couple of things. So if both sides could listen carefully and let me know whether or not you can stipulate to these particular items.

The first is: Can you stipulate that all issues not contained in the Petition and Answer have been settled or waived?

MS. NIEMELA: Yes.

MR. LOFTIS: Yes.

ARBITRATOR MACCARONE: Okay. That timeliness and jurisdiction of the arbitration panel is acknowledged?

MR. LOFTIS: Yes.

MS. NIEMELA: Yes.

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<sup>13</sup> Authorized by, "ADMINISTRATION OF COMPULSORY ARBITRATION ACT FOR LABOR DISPUTES IN MUNICIPAL POLICE AND FIRE DEPARTMENTS" Rule 12. *After the close of the hearing and before the rendering of an award, a post-hearing conference shall be held at the request of either delegate or the arbitrator. The post-hearing conference shall be limited to the delegate of each party and the arbitrator. Any and all matters that have been placed into the record of the hearing may be discussed. The post-hearing conference shall not delay the time period specified in section 6 of act 312, MCL 423.235, for making findings of fact, promulgating a written opinion and order, and mailing copies."*

ARBITRATOR MACCARONE: Okay. All applicable time limits are acknowledged and any discrepancy in time limits to this point are waived?

MR. LOFTIS: Yes.

MS. NIEMELA: Yes.

ARBITRATOR MACCARONE: And any irregularities in procedure in this arbitration process prior to this time are now waived?

MR. LOFTIS: Yes.

MS. NIEMELA: Yes.

ARBITRATOR MACCARONE: Okay. Accordingly, this arbitration is limited to the unresolved issues listed in the Petition and Answer and the foregoing matters have been stipulated by the parties as stated.

TR Volume 1 at Page 7, Lines  
19 through 25 and Page 8,  
Lines 1 through 24, inclusive

#### **4. COMPARABLES**

Reference *First Hearing Action – Scheduling Teleconference and Arbitration Chairperson's Preliminary Orders dated March 23, 2017* wherein, “*The parties have an agreed list of comparables to be used at the In-Person part of this Arbitration Hearing.*”

The external comparables used for comparisons were the cities of, Lansing, Livonia<sup>14</sup>, Southfield, Sterling Heights<sup>15</sup>, Taylor, and Westland, Michigan. Exceptions such as the seven-year step program for the city of Westland and longevity payment differences for the cities of Livonia, Southfield, and Taylor were noted.

Factors significant to the city of Ann Arbor Police Department elicited through testimony and/or exhibits include the fact that of 122 sworn employees<sup>16</sup>, 97 are in the Bargaining Unit which consists of Police Officers, Senior Officers I and II, and Detectives I, II, and III. Among those 97 Bargaining Unit members testimony appears to indicate that approximately 50% be eligible to retire within the next 4 ½ years.<sup>17</sup>

#### **5. ISSUES BEFORE THE PANEL**

- a. 1. Statement of Issue #1 Wages, as an Economic Issue.
2. Last Best Offers on Issue #1 recited above.

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<sup>14</sup> The city of Livonia was identified in testimony as the only comparable to have converted its Police Officers to a full defined contribution retirement plan.

<sup>15</sup> Wage details for the city of Sterling Heights Police Officers Contract ratified on September 5, 2017 was appended to the Bargaining Unit's Post Hearing Brief replacing data previously submitted for that comparable.

<sup>16</sup> Reference TR Page 46, Lines 1 & 2.

<sup>17</sup> Reference TR Page 45 Lines 1 through 5.



3. In considering wages, the Panel must consider all of the elements contained in MCL 423.239 above. The typical preeminent consideration in any economic issue is “*ability to pay*”. Taking the testimony and exhibits presented as a whole, and considering the Post Hearing Briefs submitted in this Arbitration, when considering the city’s most recent annual budget of approximately \$380 million, with its Police Department budgeted at more than \$26 million, coupled with reserves cited in its Comprehensive Annual Financial Report with both Assigned<sup>18</sup> and Unassigned<sup>19</sup> General Fund fund balances reported to be targeted at 15% to 20%<sup>20</sup>, with “*economic improvements*” “*taking traction in its local economy, offset by state laws limiting property tax revenue along with legislative uncertainty of funds provided by the state to the city*”, it appears that the city of Ann Arbor is in a far better ability to pay position than many other Michigan municipalities known to the Chair.

In considering the interests and welfare of the public, Police Chief Baird, presented a remarkable image of a highly qualified professional police administrator. His testimony about the selective nature and high standards demanded by those under his command, both in hiring, training, and retention, was most informative, and clearly demonstrated a city putting its police force first as an ultimate protector and then as a group of ambassadors of a community with a national reputation as a desirable place to live, conduct business, become educated, receive medical care, and visit.

Although not to be disregarded, the city’s police pension fund deficit and other postemployment benefits as ‘unfunded’ accrued actuarial deficits testified to and illustrated by exhibits are not anywhere near what the Chair considers a critical level. The city appears to be applying sound financial policies, has substantial unassigned funds, and given the insufficiencies of Michigan’s constitutional framework for the funding of municipal governments, coupled with the state legislature’s renegeing on funding mechanisms such as the statutory portion of state revenue sharing, and what the Chair considers to be a complete failure of the state legislature to abide by the appropriation component required by the Headlee Amendment<sup>21</sup>, with Proposal A’s constraint on recouping prior losses on real property assessment based revenues<sup>22</sup>, the city appears financially sound, well operated, and with a foreseeably as one can see, strong, or at the least stronger than average, financial future. All of this can be gleaned from the record.

In its Post Hearing Brief, the Bargaining Unit argues that by considering recent internal wage increases, the Union’s Last Best Offer is more in line with what the city

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<sup>18</sup> Reported on June 30, 2016 to be \$9,185,273.00 at page 34.

<sup>19</sup> Reported on June 30, 2016 to be \$15,330,765.00 at page 34.

<sup>20</sup> Depending upon the criteria used to designate it, the evidence suggests that the city has at the least, a 16%, and as much as a 31% General Fund fund balance, with a target of 15-20% as the city’s goal.


<sup>21</sup> Reference Sections 25 through 33 of Article IX of the Michigan State Constitution

<sup>22</sup> A legislatively referred constitutional amendment on the March 15, 1994 ballot where it was approved. Proposal A increased sales and use tax rates from 4% to 6%; limited annual increases in property tax assessments, exempted school operating millages from uniform taxation requirement, and required 3/4 vote of legislature to exceed statutorily established school operating millage rates.

has conceded to another major civilian Bargaining Unit. Internal comparable data was considered as presented.

The city's Post Hearing Brief argues that General Fund fund balances are neither intended nor geared for funding repetitive annual costs such as wages. And on that point the Chair has no quarrel. However, a more thorough reading of the complete financial records provided in this Arbitration, considering the guidelines imposed by law,<sup>23</sup> indicate no financial inability to continue the programs and policies of the city as presently budgeted would occur by granting the Union its Last Best Offer on Wages over the three years dating from January 1, 2017. And, given the external comparables, to the extent clear comparisons can be made, it appears that the Union's Last Best Offer on Wages is in accord with a proper finding.

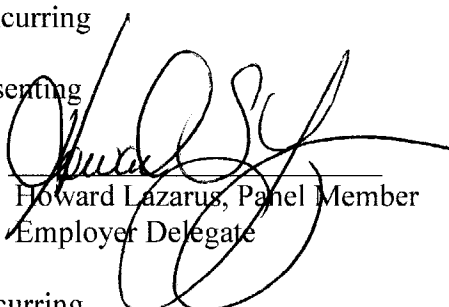
4. Award of the Collective Bargaining Unit's Last Best Offer on Wages is hereby made.

Signed:   
Ralph L. Maccarone  
Arbitration Panel Chair

Dated: October 24, 2017

Concurring

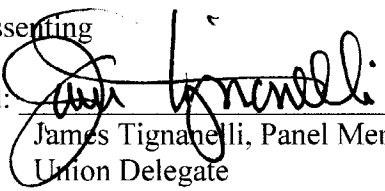
Dissenting

Signed:   
Howard Lazarus, Panel Member  
Employer Delegate

Dated: October 31, 2017

Concurring

Dissenting

Signed:   
James Tignanelli, Panel Member  
Union Delegate

Dated: October 26, 2017

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<sup>23</sup> See again, MCL 423.239.

**b. 1. Statement of Issue #2, Pensions, as an Economic Issue.**

2. Last Best Offers on Issue #2 recited above.

3. The notion of a Hybrid Pension plan for sworn law enforcement officers as proposed by the city is novel. Even with the excellent testimony and exhibits provided, the notion of awarding such a proposal left the Chair with some unanswered questions. Traditionally, those entering law enforcement trade-off upward mobility in a flat hierarchical structure, and engage in a career track that is shorter than most civilian careers. Again, in the traditional sense, law enforcement officers (and for the sake of this analysis, firefighters) look to a secure career with a duration of two to three decades, with a pension, which until the city of Detroit Chapter 9 bankruptcy<sup>24</sup>, was a promise of the municipality guaranteed by the Michigan Constitution. Now it does not appear within the realm of possibility in even the most extreme imaginable circumstance, that city of Ann Arbor would invest so poorly, or be troubled so greatly by mismanagement that it would seek protection from creditors at any time that even its newest police hire might see. In short, it is the city's intent to have new hires in police service receive one half a defined benefit pension and one half of a defined contribution pension, which if all investments run parallel would equate to the same as a full defined benefit pension payout upon retirement. If adopted, the Hybrid Plan could reduce the city's pension future contribution shortfalls for police officers. But there would be no present impact on the current Unfunded Accrued Actuarial Deficit portion of the Bargaining Unit's pension funding.

In the Hearing it was suggested that under the Hybrid Plan, a police officer eligible to retire may have to consider financial market conditions before deciding whether their anticipated retirement date would garner the pension that they expected to otherwise be paid under a fully defined benefit plan. In other words, it is conceivable that in a down market, under the proposed Hybrid Plan, the city of Ann Arbor Police Department could age beyond its administrators' reasonable expectations.

As previously stated, Michigan's funding of municipalities is by many accounts flawed. Under this Hybrid Pension plan, there appears to be no reduction to the city in its present contributions towards police officer pensions. The most telling change is that 50% of the risk of investment would be personalized upon each member of the plan. The city's position is that that 50% of what would have been a defined benefit will now be whatever the financial market allows and relieves the city of funding 50% of what would have been a 'guaranteed' amount of a police pension payment.

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<sup>24</sup> On Thursday, July 18, 2013, the City of Detroit filed a petition seeking bankruptcy protection and the adjustment of debts under chapter 9 of the United States Bankruptcy Code. The petition was filed in the United States Bankruptcy Court for the Eastern District of Michigan, Southern Division, and was assigned case number 13-53846.

Having been referenced to in testimony and some exhibits during the In-Person Hearing, the Chair has read the city's pension related ordinance as amended.<sup>25</sup>

As stated above, this Hybrid Pension plan is novel. That novelty is surpassed by its breadth and scope. Most often, an Arbitrator faced with a Last Best Offer choice can look out over a period of one, two, or three years, to give a sound reason for their decision. Here, the change sought by the city would affect new hires for decades. And its adoption may have an unintended consequence of negative effect on current employee promised defined benefits funding. With a pension fund that was reported to be 80% + funded, the formula the city has followed to fully fund this Bargaining Unit's defined benefit pension plan appears to be adequate to that challenge.

Ultimately, considering the statutory criteria for making an award on this issue under MCL 423.239, one should be able to reasonably answer many if not each of those criteria in a certain fashion. But the Chair has found the best efforts of very talented people who presented their case to leave the true effect of awarding this plan to a judgment call far beyond a length of time capable of reasonable assumptions. Here the alternative is to maintain the status quo. And when confronted with that, it is the constraint of a Last Best Offer choice that makes an Award in favor of the city justifiable only upon a clear record that provides a sound and well-reasoned basis for it to prevail. The record in that regard relies more upon speculation than fact based projection due in large measure to the longevity of the change being sought.

If the city truly desires this change, it may be that they can negotiate for it during the term of this three-year contract, and within the 4 ½ years of eligible Bargaining Unit member retirement dates. The Bargaining Unit should have a compelling interest in assuring its members the benefit of a stable retirement plan. Adoption of this plan with better clarity and perhaps some adjustment may be a way of achieving that goal.

An open exchange of presumed and perhaps unintended consequences in the years to come, with the always predictable ebb and flow of money market values may lend to an understanding worthy of agreement.

A departure from the status quo is beyond the scope of what the Chair believes he can award on this record. It is an outcome that would be best achieved as a negotiated result.

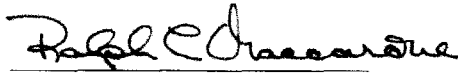
As the Award on the issue of 'Pensions' is to maintain the status quo on other grounds, the Chair has not considered the Bargaining Unit's Post Hearing Brief claim<sup>26</sup> that P.A. 55 of 1982 as amended by PA 728 of 2002 have not been complied with, barring as a matter of law an award in favor of the Hybrid Pension Plan.

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<sup>25</sup> Reference Ordinance 16-28 with supporting June 30, 2015 and June 30, 2016 *Actuarial Valuations of Pension Benefits* & September 19, 2016 *Pension Analysis for Proposed Pension Multiplier Changes in Defined Benefit plan and supplemental Defined Contribution plan* by Larry Langler, Consulting Actuary.

<sup>26</sup> Reference Bargaining Unit's Post Hearing Brief at pages 18-20.

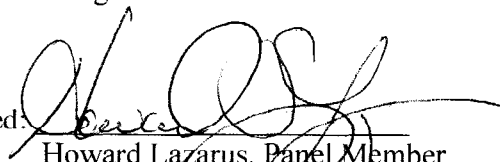
4. Award of the Collective Bargaining Unit's Last Best Offer on Pensions maintaining the status quo is hereby made.

Signed:   
 Ralph L. Maccarone  
 Arbitration Panel Chair

Dated: October 24, 2017

Concurring

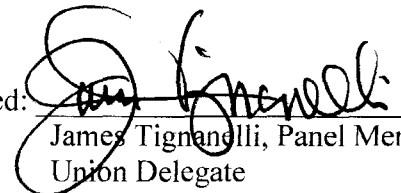
Dissenting

Signed:   
 Howard Lazarus, Panel Member  
 Employer/Delegate

Dated: October 31, 2017

Concurring

Dissenting

Signed:   
 James Tignandelli, Panel Member  
 Union Delegate

Dated: October 26, 2017

**6. SUMMARY OF AWARD**

ISSUE	AWARD
Wages	<p><i>2017 Wages: A 2.5% increase for all steps contained in the Collective Bargaining Agreement. The wage increase will be retroactive to January 1, 2017 for all hours compensated.</i></p> <p><i>2018 Wages: A 2.5% increase for all steps contained in the Collective Bargaining Agreement.</i></p> <p><i>2019 Wages: A 2.5% increase for all steps contained in the Collective Bargaining Agreement.</i></p>
Pensions	<p><i>Maintain the Status Quo.</i></p>