

MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
MICHIGAN EMPLOYMENT RELATIONS COMMISSION
BUREAU OF EMPLOYMENT RELATIONS

DEARBORN HEIGHTS POLICE OFFICERS ASSOCIATION OF MICHIGAN

POAM or Association

and

CITY OF DEARBORN HEIGHTS

City or Employer

MERC CASE NO.: 24-A-0223-CB

RECEIVED
STATE OF MICHIGAN
March 23, 2026
Employment Relations
Commission
Detroit Office

COMPULSORY ARBITRATION

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

Arbitration Panel

Chair: Charles F. Ammeson
Employer Delegate: Zachary Hallman
Association Delegate: David LaMontaine

Advocates

Employer Advocate: Zachary Hallman
Association Advocate: Kevin Loftis

PETITION FILED: June 18, 2025
PANEL CHAIR APPOINTED: July 17, 2025
SCHEDULING CONFERENCES HELD: July 25, August 7 & 29, September 5 &
23, 2025
HEARING DATE(S) HELD: November 24 and December 2, 2025.

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AWARD ISSUED: March 20, 2026

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WITNESS LIST

1. Alan Brzys
2. Mahdi Baydoun
3. Michelle Lewis

4. Brian Sznyr

1. INTRODUCTION AND BACKGROUND

This matter involves a successor Agreement to the parties July 1, 2023 through June 30, 2024 Collective Bargaining Agreement (CBA). The Association exclusively represents the bargaining unit of all police officers below the rank of Sergeant, and excluding Detectives employed by the City (Patrol Officers). As of the date of the hearing, the City had budgeted 45 Department Patrol Officers and had somewhere between 38 and 41 currently employed. In prior years, the Department had budgeted somewhere between 52 and 57 Patrol Officers as a necessary full complement.

Negotiations for the successor CBA were complicated by the fact that there was a change of occupants in the position of Mayor and Legal Counsel for the City after a tentative agreement was reached by the Association and City Bargaining teams on November 27, 2024. It appears from the evidence that the tentative agreement was never presented to the City Council for ratification, resulting in the Association's filing of the present petition June 18, 2025.

The Chairperson was appointed as the Panel Chairman in this matter on July 17, 2025. Pre-hearing Zoom conferences were held July 25, August 7 & 29, September 5 & 23, 2025, after which the issues of both parties were identified, and scheduling dates for Position Statements, Exhibit exchange, Rebuttal Exhibit exchange, Offers of Settlement, and hearing dates were stipulated.

The parties were able to agree as to comparable communities for the Panel to consider, resulting in the stipulation as to the following comparables as identified in the September 25, 2025 Pre-hearing Conference Report.

The Union's Petition listed its issues as Duration, Wages, Retiree Health Care Contributions, Holidays, Specialty Pay and Shift Premium. The Union withdrew its issue on Specialty Pay on November 7, 2025. The City identified its issues as Duration and Ability to Pay. With the withdrawal of the Specialty Pay issue, the Pre-hearing Conference Report identified the following Issues:

1	Ability to Pay
2	Wages Year 24
3	Wages Year 25
4	Wages Year 26
5	Wages Year 27
6	Duration

7	Retroactivity 7/24
8	Retiree Health Care Contributions
9	Holidays
10	Shift Premium

The parties' Final Offers of Settlement or Last Best Offers (FOS's or LBO's) were received and exchanged in a timely manner in accord with the Pre-hearing conference report.

The evidentiary hearings were held on November 24, 2025, and December 2, 2025, at the City Offices.

At the commencement of the hearing, Employer Exhibits 201 through 203 and Association Exhibits 101 through 105 were identified, but admissibility was determined during the parties' presentation in the hearing. Ultimately the following Exhibits were identified and admitted:

- Exhibit 100· Patrol Officer Wage at Top Step
- Exhibit 101· Contract Duration – External Comparables
- Exhibit 102· Shift Differential
- Exhibit 103· Retiree Health Care
- Exhibit 104· Retiree Health Care Savings Plan
- Exhibit 105· Holiday Pay
- Exhibit 107· Retiree Health Care – Internal Comparables
- Exhibit 108· Holiday Comparison – Internal Comparables
- Exhibit 109· 2024 & 2025 Taxable Valuation -Wayne County
- Exhibit 110· Financial Report - June 30, 2024
- Exhibit 111· 2024-2025 FY Approved Budget
- Exhibit 112· 2025-2026 FY Approved Budget

- Exhibit 201· Benefit Comparisons (redacted)
- Exhibit 202· Wage Comparisons (redacted)
- Exhibit 203· Pension Comparisons (redacted)
- Exhibit 204· Document
- Exhibit 205· Analysis through June 2027 - TA
- Exhibit 206· In-Depth projection - 1 percent.
- Exhibit 207· In-Depth projection - 2 percent.
- Exhibit 208· In-Depth projection - 3 percent.
- Exhibit 209· In-Depth projection - 4 percent.
- Exhibit 210· In-Depth projection - 5 percent.
- Exhibit 211· Pension Projections
- Exhibit 212· Expenditure Yearly Analysis 2013-2025
- Exhibit 213· Retiree Healthcare Comparison (Redacted)

2. STATUTORY CRITERIA

The findings, opinions and orders of the panel must be based upon the following factors:

MCL 423.239

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.

(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.

3. STIPULATIONS AND PRELIMINARY RULINGS

Other than scheduling parameters and comparables, there were no substantive or factual stipulations made.

4. COMPARABLES

As indicated, the parties stipulated and the Panel accepted the following comparable communities:

- a. Allen Park
- b. Garden City
- c. Livonia
- d. Southfield
- e. Taylor
- f. Westland

5. STATUTORY CRITERIA GENERALLY APPLICABLE ACROSS ISSUES

Lawful Authority.

There was no evidence presented that any of the FOS's submitted by either party exceeds or does not fall within the lawful authority of the Employer to pay.

Stipulations.

There were no substantive or factual stipulations made other than as indicated above.

Cost of Living.

Although the Union suggests that the Union proposal is more consistent with increases in the Consumer Price Index, and the Employer asserts that Cost of Living changes do not justify an increase given the Employer's financial situation, neither party presented evidence as to an applicable index. Accordingly, the Chairperson takes judicial notice of the year-over-year increase for the Detroit-Warren-Dearborn metro area from the Bureau of Labor Statistics (BLS). For the 12 months ending July 2024 a 5.8% decrease was reported; for the 12 months ending July 2025 a 2.8% increase was reported; and for July 2025 to December 2025 a 7.5% increase was reported.ⁱ Utilizing the Midwest Region CPIⁱⁱ indicates for the 12 months ending July 2024 a 2.8% increase; for the 12 months ending July 2025 a 2.6% increase; and for July 2025 to December 2025 a 3.1% increase was reported. The increase from July 2023 through December 2025 is 4.1% for Detroit-Warren-Dearborn Index and 5.8% for the Midwest Region Index.

Accordingly, the Union proposals to date fall substantially above the Detroit-Warren-Dearborn Index and near the Midwest Region Index. The Employer proposals to date fall substantially below both indexes,

Changes in Circumstance During Proceedings.

The Chairperson recognizes that the economy, as well as political factors which could affect economic matters generally, has been in a significant period of change or flux, perhaps much more so in recent years and months than in years past. As indicated, this uncertainty regarding inflation has remained during the course of the proceedings. Moreover, political factors which could affect economic matters generally remain uncertain. Although the Chairperson, and the parties as well, are unable to identify any particular change which would impact its determination, the Chairperson acknowledges and observes that the fluidity of

change in economic circumstances has been properly considered in its determinations.

Michigan Financial Review Commission Documents.

No written documents or other evidence were received suggesting that the Michigan Financial Review Commission had taken a position pertaining to the financial position of the Employer. The Employer's expert, Ms. Lewis, confirmed that State Auditors have received the Employer's audit and noted several items that were over budget to which the Employer responded and the State accepted as satisfactory (T2, P 290 L 20 to P 291 L 9). Otherwise, the financial situation which concerns the Employer has not been communicated to the State.

Comparison with Comparable Communities.

This will be discussed and assessed individually issue by issue, given that comparability diverges issue by issue.

Internal Comparability.

This will be discussed and assessed individually issue by issue, given that comparability diverges issue by issue.

Overall Compensation.

The Chairperson has taken particular efforts to consider and compare all compensatory changes, including, but not limited to, 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 in determining which FOS should be accepted by the panel as to each issue.

The Chairperson recognizes and observes that there are varying components of compensation which make a direct comparison with external comparables non-exacting. Similarly, a direct comparison with internal comparables is also non-exacting given the peculiar risks associated with police work. The Chairperson is of the opinion that the Panel's award does not overcompensate from an overall compensation perspective. As will be explained in further detail, the cause of the extraordinary overtime compensation most officers received the past few years is the understaffing and failure of the Employer to manage overtime issues.

Other Factors.

The Chairperson notes and observes that labor market challenges for police officers as another factor to be considered, as he has also noted in recent

awards. In the present matter this issue is evidenced by the fact that the Employer only had approximately 38 officer for the budgeted 45 officers (T2 P 384 L11-17), the Mayor further offering that a properly and fully staffed Department would require about 55 Patrol Officers (T2 P385 L 8-25).

Moreover, the Employer's expert, Lewis, acknowledges that overtime costs for the Employer are higher than any other community she has ever seen.

The Mayor agreed that the overtime issue is due to short staffing (T2 P 328 L 10-12); acknowledged that one officer was paid 168,000 in 2025 (T2 P 384 L 13-15); further offered that most overtime is for Traffic Safety Patrol (T2 O 328 L 6-10); observed that overtime keeps going up despite a very increased focus on cutting overtime (T2 P293 L 2-5); further observed that overtime for 2025 budgeted at 950k for police is on track to be 2 million (T2 P 309 L 6-8); and concluded that he has no idea of how many officers the City would have to hire for it to impact overtime in a positive way and hasn't done any analysis in that regard (T1 P184 L1-3). Nevertheless, the Mayor agreed that if more officers were hired there would be less overtime (T2 P385 L5-8).

Reviewing the evidence in more detail, the CBA (Exhibit 218) at Page 28 indicates Annual Base Salaries for Officers starting at \$60,000.00 and topping out at \$81,000.00, with a mid-base salary of \$71,500.00. For 38 officers that would roughly estimate a base payroll for officers of \$2,717,000.00. Exhibit 211 indicates that in 2025 the 38 officers were paid between \$71,526.64 and \$168,241.56 with an average of \$110,330.21. 22 officers were paid over \$100,000.00 and 12 over \$120,000.00. Total pay for the 38 officers was therefore \$4,192,547.98 (38 times \$110,330.21). As such, the difference between a complement of officers sufficient to generally avoid overtime could save as much as \$1,475,547.98.ⁱⁱⁱ This is consistent with the Mayor's testimony and much lower than the 2 million the Mayor suggests is to be expected. Dividing the \$1,475,547.98 difference by the base pay of an entry level officer would allow the hiring of approximately 24 officers at base pay. Dividing by the base pay for a top-level officer would allow the hiring of approximately 18 officers. Of course, there are other benefits to be accounted for in obtaining a new officer. Nevertheless, the numbers do indicate a substantial number of officers could be compensated by the reduction in overtime.

Given the understaffing and the overtime costs which exceed any other community the Employer's expert has seen, the Chairperson concludes that the Department's understaffing is a very significant factor which must be considered.

5. SPECIFIC ISSUES BEFORE THE PANEL

a. Issue #1: Ability to Pay

1. Party Positions

- Association Position
 - The Association maintains that the Employer has exaggerated its situation in an attempt to portray its economic condition as worse than reality shows, particularly as evidenced by its 2024 audited Financial Report. As such, the Association asserts the Employer has the capacity to pay all Last Best Offers.
- Employer Position
 - The Employer maintains that the City's cost increases outpaced recurring revenue increases by 2 to 3 million per year; that the City provided past wage increases funded through one-time ARPA revenue replacement and expended 10 million in ARPA funds to plug a General Fund hole, leaving no remaining unrestricted ARPA money available for the General Fund, resulting in an inability to absorb the Associations year one LBO of 3% which would immediately reduce the General Fund balance by approximately \$380,000.00 and leaving the City unable to fund Pension and OPEB-related costs if retroactively applied.

2. Discussion

Regarding Ability to Pay, the Employer presented a dearth of documentary evidence. Exhibit 212 indicates that the cost of operating the police department rose from \$11,304,974.19 in 2013 to \$17,149,441.14 in 2025, evidencing an average yearly increase of 3.25%. Exhibit 205 is a projection for unrestricted funds demonstrating that a 3% yearly wage increase would result in a June 2027 fund balance of \$1,157,600.00, \$2,842,000.00 short of a desired \$4,000,000.00 fund balance; and that with a 1% yearly wage increase the 2027 fund balance would amount to \$1,987,036.31, \$2,012,964.00 short of a desired \$4,000,000.00 fund balance.

Instead, the Employer primarily relied on its Expert Lewis' testimony and her 19 years working with municipal governments. (T1 P 139 L 15-21). Lewis testified that currently, the city's costs are outpacing their revenues by \$2 million to \$3 million a year (T1 P 143 L 21-25). Salary costs are \$44 million for 2025 (T1 P 144 L 4-5). A 3% pay increase across the board would be \$1.32 million alone. All in

all, Lewis expects a negative fund balance by end of fiscal year 2026.

However, at the same time as its Expert Lewis was confirming that the Employer would lose about 3 million of unrestricted general funds in 2025 caused by wage and overtime increases (T1 P 188 L 7-12), the Employer nevertheless budgeted salary increases over 18 department from 2023-24 to 2024-25 ranging from an 11% decrease to a 155% increase. Excluding the Public Information Department as an outlier, the average increase in salary budgets was 13%. The budget increase for the police department was 6%. See Exhibit 112 and summary table below:

City Council	8.26%
District Court	1.72%
Mayor	29.39%
Corp Council	13.42%
Clerk	22.89%
Comptroller	4.01%
HR	-11.41%
Treasurer	18.32%
Information	0.43%
Maintenance	11.33%
Police	6.20%
Fire	1.82%
Building	32.38%
Ordinance	76.21%
Highway	23.23%
Recreation	-8.55%
Young Center	-4.65%
Cable TV	4.78%
Public Info	154.67%

As confirmed by the Employer's Expert Lewis, the City was advised at the end of 2024 that it was going to run out of fund balance and was using 5 million of fund balance. (T2 P 295-6 L17- 4-6).

On top of this the Employer's Expert agreed that she knew the Employer was overspending in 2022 and 2023, and the ARPA money just masked the overspending. (T2 P296 L 3-12). Nevertheless, the Mayor agreed that with full knowledge that the extraordinary overtime was due to short staffing, with the officer being paid as much as 168,000 and that overtime is on track to be 2 million dollars, the Employer has no idea of how many officers the City would have to hire to impact overtime in a positive way and has not done any analysis in that regard (T1 P184 L1-3)..

Moreover, the Employer received approximately 24 million in ARPA funds (T1 P108 L 2-5). The Employer blew through all that money in short order (T2 P273-4 L 23-1), the Employer's Expert Lewis agreeing that the ARPA money went away and the fund balance declined significantly. (T1 P 152 L 17-19).

All in all, the Employer's claimed inability to pay appears to be self-inflicted by its elected representatives and is compounded by its failure to recruit a full complement of officers. The overtime factor and the need to address it by hiring more officers' mandates that the Employer become more competitive in the market place, certainly with immediate compensation. Leaving the status quo as far as compensation will only compound the overtime issue; exacerbate the Employer's inability to recruit with competitive wages; and leave the extraordinary overtime issue unresolved. The Employer must enhance its competitiveness in recruiting and, as such, prioritize the essential service of the Department over other lesser priorities. The only other readily apparent alternative is to reduce the level of police coverage for the community.

The Employer's Mayor appears to agree, having testified that most overtime is for Traffic Safety Patrol (T2 O 328 L 6-10); acknowledging the overtime issue to be due to short staffing (T2 P 328 L 10-12); agreeing that more recruiting more officers would result in less overtime (T2 P 385 L5-7); and concluding that overtime for 2025 budgeted at \$950,000.00 for police is on track to be \$2,000,000.00 (T2 P293 L 2-5). The Employer's expert, Lewis, confirms the significance of the overtime issue, testifying that the Employer's overtime is higher than any other community she's ever seen (T2 P 272 L 20-23).

Nevertheless, the Mayor confirms that the Employer has no idea of how many officers the City would have to hire for it to impact overtime in a positive way and has not done any analysis in that regard (T1 P184 L1-3).

Against this background the Employer's Expert failed to answer or was unable to answer whether the Employer had the ability to pay for its own FOS, offering instead that it is hard to say. (T2 P 295 L 4-6).

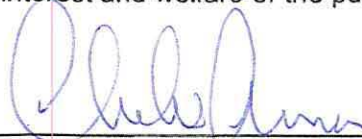
The evidence persuades the Chairperson that the Employer has been financially derelict in many ways from unwisely spending down ARPA money to mask budget deficits and declining fund balance to not analyzing or having a plan to determine how many

officers the City would have to hire to impact overtime in a positive way.

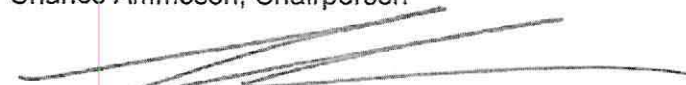
This Chairperson will agree with the Employer that the City's ability to pay has been significantly impacted by the financial mismanagement of the Employer administration. However, the Chairperson is unable to conclude that the Employer has no ability to pay the Union 3% wage proposals, particularly given that the Employer's expert finds it hard to say whether the Employer has no ability to pay the Employer's proposed yearly wage increases of 0%, 2% and 3%.

Accordingly, the Chairperson, adhering to the statutory admonition to prioritize ability to pay in his overall analysis, observes that not increasing base pay for officers and covering its desired level of service with overtime will simply further impair its ability to maintain the essential services of its Police Department. The Employer must prioritize reducing overtime by adding officers to maintain the level of essential police services it desires. The alternative is simply to reduce services and overtime, which the Employer does not appear willing to do, presumably because it is not in the best interest of the community. See MCL 423.239(a)(ii).

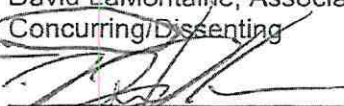
Concluding, the Chairperson is persuaded that the Employer is experiencing an impairment to its ability to pay. However, freezing wages in 2024 will only impair the Employer's ability further. Thus, as will be seen in the determination of each issue respectively, the Chairperson has attempted to minimize immediate additional cost to the Employer while enhancing the Employer's ability to recruit a full complement of staff, a necessary balance for achieving a required full complement of staffing which the Mayor identified, presumably in the best interest and welfare of the public.



Charles Ammeson, Chairperson



David LaMontaine, Association Delegate,
Concurring/Dissenting



Zachary Hallman, Employer Delegate,
Concurring/Dissenting

- b. Issue #2: Article 44 Hourly Wages for year commencing July 1, 2024, identified and deemed an Economic issue.

1. Final Offers of Settlement (FOS)

- Association Final Offer of Settlement is for a three percent (3.0%) wage increase per year for all steps contained in the collective bargaining agreement.
- Employer Final Offer of Settlement is for a 0% wage increase effective July 1, 2024.

2. Discussion

The Union provided comparable base wage data for all comparable communities limited to the top tier officer. The Employer did not present comparable wage data. As such, the Chairperson accepts that the comparable wage data presented is an appropriate comparison from both the Employer and Union's perspective.

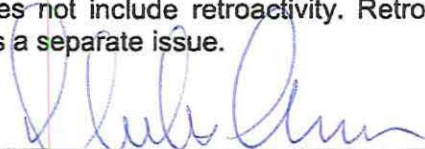
As of 2023 the Employer's base wage was comparable to the 5 comparable communities, being 1 percent above the comparable average pay and 3 percent above the comparable median pay.

The Employer FOS for 2024 would reduce this comparability to 98 percent of the comparable average and median pay. The Union FOS would maintain comparability at 1% above the comparable average and reduce it to 1 percent above the comparable median.


Neither party presented internally comparable evidence as to wages.

All in all, the evidence preponderates that the Union proposal is most comparable, placing the Employer 1% above the average and median base wage of the comparables, and should be adopted in order to address the understaffing and extraordinary overtime issues facing the Department.

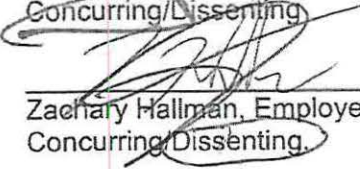
The Union requests retroactivity. The Employer FOS offering a base wage freeze obviously does not include retroactivity. Retroactivity is identified and addressed as a separate issue.



Charles Ammeson, Chairperson



David LaMontaine, Association Delegate,
Concurring/Dissenting



Zachary Hallman, Employer Delegate,
Concurring/Dissenting

c. Issue #3: Article 44 Hourly Wages for year commencing July 1, 2025, identified and deemed an Economic issue.

1. Final Offers of Settlement (FOS)

- Association Final Offer of Settlement is for three percent (3.0%) wage increase per year for all steps contained in the collective bargaining agreement.
- Employer Final Offer of Settlement is for a 2% wage increase effective July 1, 2025.

2. Discussion

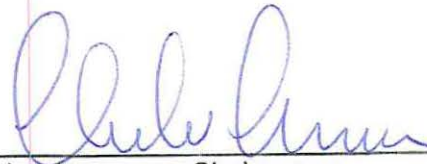
As indicated above the Chairperson accepts that the comparable wage data presented by the Union is an appropriate comparison from both the Employer and Union's perspective.

The Employer FOS for 2025 would further reduce this comparability to 96 and 93 percent of the comparable average and median pay, respectively. The Union FOS would maintain comparability at the comparable average and reduce it to 97 percent of the comparable median.

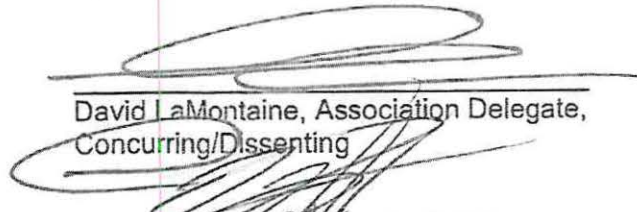
Again, neither party presented internal comparable evidence as to wages.

All in all, the evidence preponderates that the Union proposal is most comparable, placing the Employer right at the average base wage of the comparables and should be adopted in order to address the understaffing and extraordinary overtime issues facing the Department.

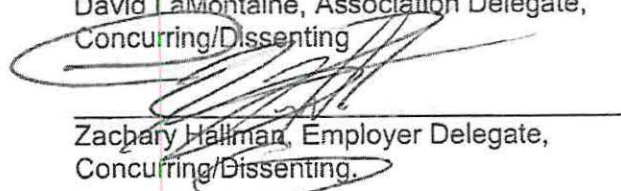
The Union requests retroactivity. The Employer FOS ambiguously indicates an effective date of July 1, 2025, otherwise not mentioning retroactivity at all in its FOS. Nevertheless, given the arguments of the Employer it is understood that the Employer objects to retroactivity. Retroactivity is identified and addressed as a separate issue.



Charles Ammeson, Chairperson



David LaMontaine, Association Delegate,
Concurring/Dissenting



Zachary Hallman, Employer Delegate,
Concurring/Dissenting.

d. Issue #4: Article 44 Hourly Wages for year commencing July 1, 2026, identified and deemed an Economic issue.

1. Final Offers of Settlement (FOS)

- Association Final Offer of Settlement is for three percent (3.0%) wage increase per year for all steps contained in the collective bargaining agreement effective July 1, 2026,
- Employer Final Offer of Settlement is for a 3% wage increase effective July 1, 2026.

2. Discussion

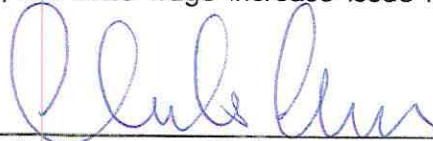
Again, the Chairperson accepts that the comparable wage data presented by the Union is an appropriate comparison from both the Employer and Union's perspective.

The Employer and Union FOS for 2026 match at a 3% wage increase. Retroactivity is not an issue.^{iv}


If the Employer's 2024 and 2025 FOSs were adopted, base wages would amount to 98% and 97% of the comparable average and median pay, respectively. If the Union's 2024 and 2025 FOSs were adopted, base wages would amount to 102% and 101% of the comparable average and median pay, respectively.

Again, neither party presented internal comparable evidence as to wages.

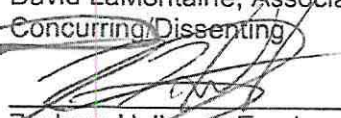
Since the FOSs match, the 2026 wage increase issue has been resolved.



Charles Ammeson, Chairperson



David LaMontaine, Association Delegate,
~~Concurring/Dissenting~~



Zachary Hallman, Employer Delegate,
~~Concurring/Dissenting~~

e. Possible Issue #5: Article 44 Hourly Wages for year commencing July 1, 2027, identified and deemed an Economic issue.

1. Final Offers of Settlement (FOS)

- Association Final Offer of Settlement is for three percent (3.0%) wage increase per year for all steps contained in the collective bargaining agreement effective July 1, 2027.
- Employer Final Offer of Settlement is not to have a four-year duration.^v

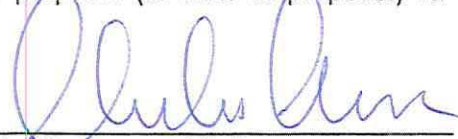
2. Discussion

The Chairperson notes that for 2027 there is only one comparable that has memorialized a base wage increase for that year. The comparable is one of the top two comparables for each of the prior years. As such, there is a dearth of information upon which to measure base wage comparability.

The Union proposes a 3% increase for 2027. The Employer does not itemize a specific FOS although the Employer was put on notice prior to submission of FOSs that the Union would be proposing a four-year duration in its FOS.

As such the Panel, if it determines a four-year duration, or compelled to adopt either the Union 3% proposal or a base wage freeze.

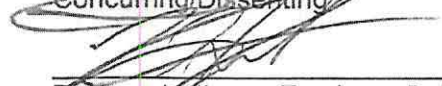
As will be observed below, the Panel adopts a three-year duration. As such, the Employer's wage proposal (or lack of proposal) for 2027 wage is adopted.



Charles Ammeson, Chairperson



David LaMontaine, Association Delegate,
~~Concurring/Dissenting~~



Zachary Hallman, Employer Delegate,
~~Concurring/Dissenting~~

f. Issue #6: Duration identified and deemed an Economic issue.

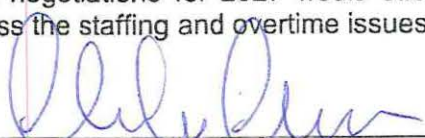
1. Final Offers of Settlement (FOS)


- Association Final Offer of Settlement is for a four-year CBA duration through June 30, 2028.
- Employer Final Offer of Settlement does not specifically address duration but is impliedly for a three-year CBA duration through June 30, 2027 because the Employer wage increase LOB simply makes definitive pay increases for a three-year CBA duration through June 30, 2027.^{vi}

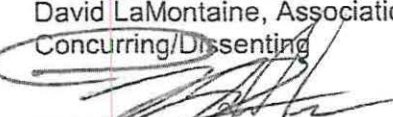
2. Discussion

The Chairperson is mindful of the argument that a three-year duration simply puts the parties back to bargaining in less than a year. Such is valid consideration in Act 312 matters, given the timeframe and delay associated with 312 matters. Nevertheless, given the dearth of comparable wage data for 2027, combined with the fact that the Employer's Mayor concurs that the Department is at 84% of budgeted staffing and 69% of ideal staffing, the Chairperson is persuaded that a three-year CBA duration best meets the needs of the parties and the interests of the community. If the -Employer is reasonably successful in increasing its staffing in 2026-27 with base wage increases adopted by this Panel, then perhaps negotiations will be simplified. On the other hand, if the Employer is not able to significantly recruit staffing to

acceptable levels, opening negotiations for 2027 would allow further discussion on how to address the staffing and overtime issues.


Charles Ammeson, Chairperson


David LaMontaine, Association Delegate,
Concurring/Dissenting


Zachary Hallman, Employer Delegate,
Concurring/Dissenting.

g. Issue #7: Retroactivity identified and deemed an Economic issue.

1. Final Offers of Settlement (FOS)

- Association Final Offer of Settlement is for the 2024 and 2025 wage increases to be retroactive to the July 1 increase date for each respective year.
- Employer Final Offer of Settlement is for the 2024 and 2025 wage increases to be effective as of the July 1 increase date for each respective year, it being noted that the Employer's Final Offer does not otherwise specifically address retroactivity. Nevertheless, given the arguments of the Employer it is understood that the Employer objects to retroactivity and proposes to make the date of this award the effective date for base wage increases.

2. Discussion

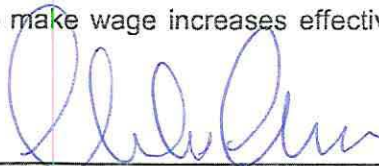
Normally the Chairperson is inclined to agree that wage increases, as a matter of equity, should be retroactively implemented to avoid economic harm to individual employees. However, the present matter is not a normal situation. During the delay of Act 312 proceedings all Officers identified in 2025 (Exhibit 211) earned far in excess of base wage by 18% to over 100%. Granted that the Officers were required to work overtime for such enhanced earnings, the fact remains that the Officers were not economically disadvantaged. The extraordinary overtime hours were compensated at premium rates well above any

retroactive base rate increase. Presumably, some Officers were additionally advantaged by the overtime effect on pension payout.

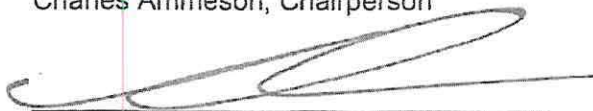
Even though the Employer has failed to effectively make progress toward addressing a serious staffing problem, providing for retroactive implementation of wage increases will only further impair the Employer's ability to address same through recruiting efforts. Given the above equities, the Chairperson observes that the officers have not been economically harmed by the Act 312 delay, which delay is certainly not to be laid at the Union's doorstep, given the failed tentative agreement by prior bargaining teams. Even though the Officers personal lives have been inconvenienced to the extent that overtime was forced, given the broad range and variation of gross pay to individual Officers (\$71,526.64 to \$168,241.56 (Exhibit 211)), it is apparent that many of the officers determined to take full advantage of the overtime opportunities and associated benefit to their gross and net pay and final average compensation.

Accordingly, given the fact that retroactivity is a past obligation to be paid out of a current budget, combined with the fact that past financial mismanagement has caused immediate financial issues for the Employer which the Employer must work its way out of by prioritizing expenditures and focusing momentous efforts on managing the overtime issue, the Chairperson determines that making the wage adjustments for 2024 and 2025 effective the date of this award is not inequitable under the circumstances and will serve to assist the Employer in addressing its financial concerns, while still serving to enhance recruiting efforts.

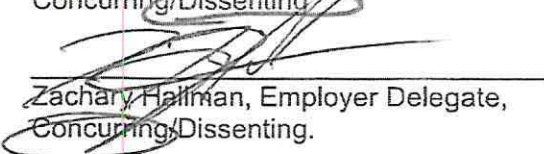
The Employer proposal to make wage increases effective the date of the Award is adopted.



Charles Ammeson, Chairperson



David LaMontaine, Association Delegate,
~~Concurring/Dissenting~~



Zachary Hallman, Employer Delegate,
~~Concurring/Dissenting~~

h. Issue #8: Article 56 Section 8. D:2 and Article 56 Section 8. E Retiree Health Care Contributions identified and deemed an Economic issue.

1. Final Offers of Settlement (FOS)

- Association Final Offer of Settlement is to amend Article 56 Section 8.D:2 to increase the Employer contribution to the "Medical Expense Reimbursement Trust" from one (1%) to three (3%) of base wage; and amend Article 56 Section 8.E: to increase the Employer contribution and cap of the Employer's 50% of post-retirement healthcare premium stipend for officer not entitled to post-retirement healthcare from fifty (50%) to sixty (60%) and \$5,000.00 to \$7,000.00 respectively __
- Employer Final Offer of Settlement is to maintain the current percentage and caps, the status quo.

2. Discussion


The Union points out that vast majority of the members of this bargaining unit do not receive Retiree Health Care. Externally, two comparable communities pay 100% of retiree health care premium; one comparable community pays 80%; one pays a sliding scale of 4% per year of service, up to 100% upon obtaining 25 years; and two comparable communities pay reimbursements from approximately \$1,800 to \$4,600 a year. Internally all other bargaining units currently receive some retiree health care benefit.

The Employer asserts that requiring the Employer to increase wages and retiree contributions simultaneously would require significant offsetting reductions elsewhere.

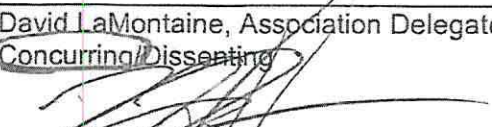
The Chairperson has already opined that increasing wages without delay is necessary, given the understaffing and extraordinary overtime issues that can be addressed by a wage increase. Retiree healthcare is not an immediate need for most bargaining unit members, and to some extent not an immediate expense to the Employer. Enhancing retiree health care will enhance recruiting efforts and is not fully an immediate cost to the Employer. As such, the Chairperson determines that the best interest of the public and the Employer is to adopt the Union Proposal.



Charles Ammeson, Chairperson



David LaMontaine, Association Delegate,
Concurring/Dissenting



Zachary Hallman, Employer Delegate,
Concurring/Dissenting.

i. Issue #9: Article 46 Holidays and Holiday Pay identified and deemed an Economic issue.

1. Final Offers of Settlement (FOS)


- Association Final Offer of Settlement is to add two new holidays, EID and Juneteenth, for a total of 14 holidays, effective as of the date of this Panel's award.
- Employer Final Offer of Settlement is to maintain the status quo of 12 Holidays.^{vi}

2. Discussion

The Union FOS is to add two holidays. Employer FOS is to maintain the status quo at 12 holidays. The Union proposal would place the Employer at 104% of the external comparable average and median. The Employer proposal places the Employer at 89% of the comparable average and median.

From an internal comparability perspective, the evidence demonstrates that 5 internal employee groups, including the subject group, receive 12 holidays, 2 receive 14 holidays, and 1 receives 15 holidays. As such the status quo proposed by the Employer would leave the holidays at 100% of the internal comparable median and 92% of the internal comparable average. The Unions FOS would leave the holidays at 116% of the internal comparable median and 108% of the internal comparable average.

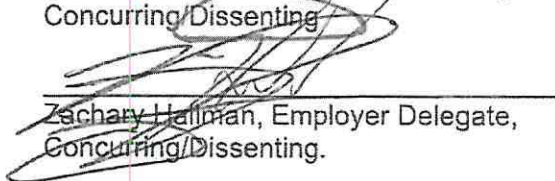
Given the essential nature of officer duties, Holiday Pay is as much a pay and overtime issue as it is a time-off benefit. Given the recruiting and overtime issues facing the Employer, the Chairperson is persuaded the Employer proposal best balances the need for managing overtime costs, which should be priority for all concerned, and best maintains internal comparability.



Charles Ammeson, Chairperson



David LaMontaine, Association Delegate,
Concurring/Dissenting



Zachary Hallman, Employer Delegate,
Concurring/Dissenting.

j. Issue #10: Article 18 Section 3: B Shift Premium, identified and deemed an Economic issue.

1. Final Offers of Settlement (FOS)

- Association Final Offer of Settlement is for a fifty cent (0.50) per hour shift premium to all Officers assigned to a shift between the hours of 1845 and 0645, including K-9 Officers and Field Training Officers, the Shift Premium to be effective date of award.
- Employer Final Offer of Settlement is for a Lump sum premium of \$400 per 6-month cycle paid for solo scouts scheduled for night shift. Premiums will be paid on an annual basis. Date to be determined.

2. Discussion

The Union proposes a 50 cent per hour shift premium. The Employer proposes a \$400 per 6-month cycle paid for solo scouts scheduled for night shift. The Employer proposal amounts to approximately a 39 cent per hour shift premium, but only for solo scouts scheduled for night shift. As such, the Employer proposal does not benefit officers from other shifts working overtime on the night shift and does not additionally benefit night shift assigned scouts for partial overtime hours only.

The Union proposal is 139% and 107% of the comparable average and median, respectively. The Employer proposal is 109% and 84% of the comparable average and median respectively, it being noted that the Employer proposal is limited to regularly scheduled scouts regardless of overtime work.

Given the recruiting and overtime issues facing the Employer, the Chairperson is persuaded the Employer proposal best balances the need for managing overtime costs while providing an attractive benefit for entry level candidates, given that it is most likely new hires will be assigned the premium shift.



Charles Ammeson, Chairperson



David LaMontaine, Association Delegate,
Concurring/Dissenting



Zachary Hallman, Employer Delegate,
Concurring/Dissenting.

Summary.

Revisiting the discussion of the statutory factors above, the Panel notes that Lawful Authority, Stipulations of the Parties, Change in Circumstances and Michigan Financial Review Commission Documents, although assessed and applied, are not in dispute and add little or nothing as to determination of the issue before the Panel.

In regard to Ability to Pay, the Chairperson, considering the evidence as a whole, concludes that the Employer's ability to pay has been impaired due to mismanagement, but other factors such as the unaddressed understaffing and overtime issues marshal a conclusion that essential policing services must be prioritized over other expenses, or alternatively the level of police services available to the community must be reduced. There was no indication whatsoever that the Employer desires to reduce police staffing hours of coverage for the community.

Accordingly, and nevertheless making ability to pay the most significant factor to consider, the Chairperson determines that the Employer has an impaired ability to pay all immediate or retroactive proposals, but also determines that the Employer has no alternative but to prioritize increased base wage rates in order to attract new officers, reduce overtime, and thus effectively address its financial position.

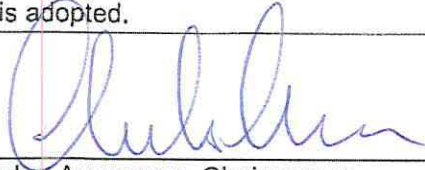
In regard to Overall Compensation, the evidence does not suggest that the above determinations and award will result in Officers being over or under paid as a whole in comparison to comparable communities.

The remaining factors have been addressed above and do not require summarization here.

6. SUMMARY OF AWARD

<p>#1 Ability to Pay</p>	<p>The Employer proposes that it has an impaired ability to pay:</p> <p>The Panel agrees the Employer is experiencing an impairment in its ability to pay. However, freezing wages in 2024 will only impair the Employer's ability further. Thus, as will be seen in the determination of each, the Chairperson has attempted to minimize immediate additional costs to the Employer while enhancing the Employer's ability to recruit a full complement of staff.</p> <p>The Employer proposal is adopted to the extent set forth issue by issue.</p>
<p>#2 Wages 2024</p>	<p>Article 44: July 1, 2024 - The Union proposes a three percent (3.0%) wage increase per year for all steps contained in the collective bargaining agreement.</p> <p>The Union proposal is adopted.</p>
<p>#3 Wages 2025</p>	<p>Article 44: July 1, 2025 - The Union proposes a three percent (3.0%) wage increase per year for all steps contained in the collective bargaining agreement.</p> <p>The Union proposal is adopted.</p>
<p>#4 Wages 2026</p>	<p>Article 44: July 1, 2026 - The Union proposes a three percent (3.0%) wage increase per year for all steps contained in the collective bargaining agreement.</p> <p>The Union proposal is adopted.</p>
<p>#5 Wages 2027</p>	<p>Article 44: July 1, 2026 - The Employer proposes a three-year CBA duration and therefore a wage increase for 2027 does not appertain.</p> <p>The Employer proposal is adopted</p>
<p>#6 Duration</p>	<p>Article 42: The Employer proposes a three-year CBA duration.</p> <p>The Employer proposal is adopted.</p>


#7 Retroactivity	<p>The Employer proposes that base wage increase be effective the date of this award.</p> <p>The Employer proposal is adopted.</p>
#8 Retiree Healthcare	<p>Article 56 Section 8.D:2 and Article 56 Section 8 E: The Union Proposes:</p> <p>The City shall not provide post-retirement healthcare insurance after separation from employment. The employee shall contribute three (3%) percent of his/her base wage per pay period to the "Medical Expense Reimbursement Trust" in lieu of a retiree healthcare benefit. The City shall contribute an additional three (3%) percent. This contribution will be withheld from the employees' pay throughout their tenure with the City and the City remains responsible for investing the contribution into the trust.</p> <p>For police officers hired on or after April 13, 2011, who retire and separate employment under Public Act 345, whom are not entitled to post-retirement healthcare, the City shall provide a stipend in the amount of sixty (60%) percent of that retiree's chosen post-retirement healthcare premium cost plan (up to a maximum of seven thousand (\$7,000) dollars). This stipend shall be paid to the retiree (or retiree's spouse in cases where the retiree has pre-deceased his/her spouse) on or about December 18 of each year for the following plan year and is not intended to cover any premium. related to the Medicare Parts (A, B, or D). The retiree shall submit documentation to the City prior to December 1st of each year showing the retiree's enrollment plan and cost share for the following year.</p> <p>Retiree Health Care Contributions shall be effective date of award.</p> <p>The Union proposal is adopted</p>
#9 Holidays	<p>ARTICLE 46 Section 1; A: The Employer proposed the status quo.</p> <p>The Employer proposal is adopted.</p>
#10 Shift Premium	<p>ARTICLE 18 Section 3: B: The Employer proposed the status quo.</p> <p>The Employer proposal is adopted.</p>



Charles Ammeson, Chairperson



David LaMontaine, Association Delegate
Concurring and Dissenting as set forth above.



Zachary Hallman, Employer Delegate,
Concurring and Dissenting as set forth above.

ⁱ See U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers: All Items in Detroit-Warren-Dearborn, MI (CBSA) [CUURA208SA0], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CUURA208SA0>, February 23, 2026.

ⁱⁱ U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers: All Items in Midwest [CUUR0200SA0], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CUUR0200SA0>, February 23, 2026.

ⁱⁱⁱ The Chairperson recognizes that approximately ½ of the overtime pay is premium and more closely approximates the real added cost of not hiring a full complement of Patrol officers.

^{iv} The Chairperson notes that some of the Employer's FOSS make alternative contingent offers contingent to the Union being willing to consider other language changes. Given the nature of Act 312 matters such contingent alternatives are not appropriate for consideration by the Panel.

^v It is again noted that the Employer's FOS indicates "Should the Union be willing to consider the language changes proposed in item 14, then the City would be willing to offer a fourth year of 4%." Given the nature of Act 312 matters such contingent alternatives are not appropriate for consideration by the Panel

^{vi} It is again noted that the Employer's LBO indicates "Should the Union be willing to consider the language changes proposed in item 14, then the City would be willing to offer a fourth year of 4%."

^{vii} It is again noted that the Employer's LBO indicates "Should the Union be willing to accept the language changes proposed in item 14, the City would give as a last best offer the following terms: • Keep 12 holidays (6.3% lump sum of salary) for the next two years. Increase to 14 holidays for 2027 – 2028 fiscal year. • Employees who work the five chosen holidays will receive 8 hours of comp time for each holiday worked. Future employees are not entitled (sp?) to the increases after year 10