

CITY OF SAGINAW

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Office of Employee Services • 1315 S. Washington Ave. • Room 202 • Saginaw, MI 48601



January 25, 2013

Kenneth E. Grabowski, Legislative Director
Command Officers Association of Michigan
27056 Joy Road
Redford, MI 48239

Via Email

James A. Tignanelli, President
Police Officers Association of Michigan
27056 Joy Road
Redford, MI 48239

Via Email

Re: City of Saginaw

Dear Gentlemen:

As was indicated to you at our meeting on January 10, 2013, as well as during prior events, the City is currently facing a general fund budget deficit of approximately \$3.2 million for fiscal year beginning July 1, 2013. In response to the looming budget deficit, the City's Administration (among other things) formed a Public Safety Committee to review available options for the future delivery of public safety services.

Last December, the Public Safety Committee issued its final report which recommended that the City transition its law enforcement services to the County Sheriff's Department. In response to that report, the City Council passed a resolution which authorized the City Manager to commence negotiations with the Sheriff for a multi-year contract and also directed the City's Administration to commence negotiations with the three public safety unions over a possible transition.

During our meeting on January 10, you raised three areas where you thought the City may save money to avoid layoffs or the requirement to transition law enforcement services to the Sheriff. Those proposals included transitioning the City's pension system to MERS, converting the Police Department and Fire Department to a public safety model and making changes to current retiree healthcare. In regards to the transition of the pension system to MERS, we just recently learned that the savings associated with reduced administrative costs would be approximately \$37,000 plus other possible savings/costs to be determined, which are associated with the Annual Required Contribution. While such savings are important, they are clearly insignificant when viewed in light of the enormous budget deficit we face next fiscal year. While the public safety model could work at some point several years down the road, the up-front costs associated with transitioning to such a model (including training costs, overtime and equipment) makes such transition impossible. The

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City is already reviewing and investigating possible changes to current retiree healthcare. However, that process is tedious and involves significant risks associated with possible litigation from current retirees.

If your respective unions have other proposals to save money, including significant concessions in wages and benefits for current members, the City would consider such proposals.

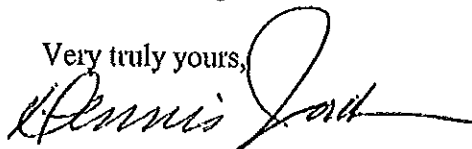
At the conclusion of our meeting on January 10, COAM and POAM made a joint proposal for the transition of law enforcement to the Sheriff that included various provisions, including guarantees for lateral transfers (include pay rates), the ability for officers to purchase service time at \$15,000 per year, as well as a demand that eligible officers have access to the City's retiree healthcare coverage as opposed to the healthcare coverage provided by the Sheriff.

Following the January 10 meeting, there was a subsequent meeting amongst the parties to investigate the unions' joint proposal. After thoughtful consideration, the City must reject the unions' proposal based on the significant cost associated with its terms. As a counter, the City proposes that members of the POAM and COAM will be able to purchase up to two years of generic service credit, up to a maximum of 20 years of service. Eligible employees will be responsible for all costs associated with such purchase. For POAM members, this proposal would be in addition to the two years of generic service time that can be purchased under the parties' collective bargaining agreement.

We would like to schedule a follow-up meeting to discuss the specifics of this proposal with you and your respective executive committees. In that regard, we offer the following dates to meet at the City's Water Treatment facility: Friday, February 1, 2013 at 10:00 am; Tuesday, February 5, 2013 at 10:00 am; Wednesday, February 6, 2013 at 1:00 pm, or Friday, February 8, 2013 at 10:00 am.

We look forward to hearing from you in this regard.

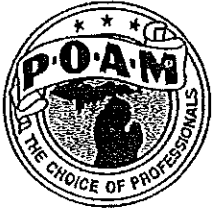
Very truly yours,



Dennis Jordan

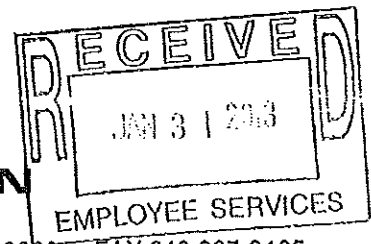
Director of Employee Services

cc: City of Saginaw's Administration



**POLICE OFFICERS
ASSOCIATION OF MICHIGAN**

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January 29, 2013

Mr. Dennis Jordan
Director of Employee Services
City of Saginaw
1315 S. Washington Avenue
Saginaw, MI 48601

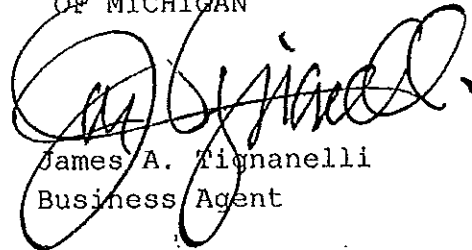
Mr. Jordan:

I am in receipt of your correspondence of January 25, 2013, and appreciate the time you and others have taken to consider the joint proposal of the POAM and COAM on behalf of our respective members.

I believe the narrative clearly describes the Employer's counter-offer of settlement. The counter is not acceptable to the Union. I do not believe it would be an efficient use of time for any of the affected parties to meet again to discuss what has already been made clear in your correspondence. I have confirmed this with the local leadership and Mr. Grabowski.

Respectfully,

POLICE OFFICERS ASSOCIATION
OF MICHIGAN



James A. Figanelli
Business Agent

JAT/jlh

cc: Kenneth Grabowski
Doug Wortley
Jim Cross

