

At a Regular Meeting of the Royal Oak City Commission held on Monday, May 5, 2008, in City Hall, 211 Williams Street, the following Resolution was adopted:

WHEREAS, Governor Jennifer Granholm and many legislators have called on local governments to consolidate services and create cost savings for local taxpayers; and

WHEREAS, the greatest expenditures for local units of government are in personnel expenses; and

WHEREAS, local governments and officials seek efficiencies in government on a regular basis in order to save taxpayer dollars; and

WHEREAS, it is prudent for communities to consolidate in order to save dollars and create efficiencies; and

WHEREAS, consolidations involve disparities of compensation in existing contracts that provide for salary, benefits, health care, pensions, etc. that usually need to be on the same level as a practical matter when discussing the agreements with the local employee unions; and

WHEREAS, the Urban Cooperation Act (PA 7 of 1967), Intergovernmental Transfer of Functions and Powers Act (PA 8 of 1967), Emergency Services to Municipalities Act (PA 57 of 1988), and Metropolitan Councils Act (PA 292 of 1989) contain language which acts as a disincentive for consolidation of services; and

WHEREAS, language within the acts provide that transferred employees performing under contracts for consolidated service shall be in no worse position with respect to wage and benefits than prior to the transfer; and

WHEREAS, this language effectively results in either having disparate contracts for equal employees which can damage employee morale, or bringing all employees up to the highest level which is costly and defeats any efficiencies; and

WHEREAS, elimination of this language would result in more consolidation and collaboration with taxpayer savings since new contracts can effectively be collectively bargained; and

WHEREAS, elimination of this language will not affect current contracts (which are protected in the act), but will allow for more productive immediate negotiations upon consolidation; and

WHEREAS, these changes are found in SB 550 and 551; and

WHEREAS, these changes were in the original version of HB 4266 and HB 4246, but were amended out of the bills when passed by the House of Representatives, and

WHEREAS, these acts, in conjunction with PA 312 of 1969, discourage fire and police consolidation and any local savings to taxpayers because control of the bargaining process is taken out of the hands of the locals and given to an independent arbitrator who is restricted by the language prohibiting employees from being harmed in the consolidation acts.

THEREFORE BE IT RESOLVED that the City of Royal Oak requests that the Legislature and Governor approve SB 550 and 551, the original versions of HB 4266 and 4246, or any other legislation that amends the Urban Cooperation Act (PA 7 of 1967), Intergovernmental Transfer of Functions and Powers Act (PA 8 of 1967), Emergency Services to Municipalities Act (PA 57 of 1988), and Metropolitan Councils Act (PA 292 of 1989) to remove the language that prevents employees from being harmed so that new contracts can be negotiated with a result of savings to taxpayers and communities; and to allow communities to create new contracts through collective bargaining after consolidation; and to save taxpayer dollars and create local government efficiencies.

I hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the Royal Oak City Commission at a meeting held on May 5, 2008.

Mary Ellen Weaver

City Clerk