

FF James T. Dunne  
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FACT FINDING REPORT AND RECOMMENDATIONS CONCERNING PUBLIC  
WORKS, POLICEMEN, AND FIREMEN IN THE CITY OF MANISTEE, MICHIGAN

The undersigned was appointed fact finder by Robert G. Howlett,  
chairman of the State Labor Mediation Board, December 29, 1966, to  
make findings and recommendations concerning the dispute pending be-  
tween the public works employees represented by District 50, Local  
51478, United Mine Workers, and the policemen and firemen represented  
by their respective organizations. Hearing was held December 12, 1966  
in Manistee.

FINDINGS - PUBLIC WORKS EMPLOYEES

This report will make findings of fact separately respecting  
public works employees followed by findings concerning firemen and  
policemen, and finally recommendations for settlement of these disputes.

The following appearances were made at the hearing. For the city  
of Manistee:

John Hart, Attorney

Ken Northuis, City Manager

Public Works Employees, District 50, Local 51478, United Mine Workers:

Robert Smith, International Representative

Gordon Washnaski, Chief Steward

Ray Bond, Secretary and Committeeman

Bob Schneling, Committeeman

Ray Dittmer, President

Manistee City of

The latest collective bargaining agreement between these parties expired November 30, 1966. District 50, Local 51478 presented the following demands:

CONTRACT PROPOSALS  
LOCAL UNION NO. 14758

1. City to pay for Blue Cross-Blue Shield Insurance for employees dependents.

Union: The city now pays Blue Cross premiums for all employees but not their dependents. The union estimates that the cost of this demand is 5 cents per hour per employee.

City: The city estimates that the approximate cost of this demand is \$3744 (approximately \$13 per month per employee-- 24 employees.)

2. Cost-of-Living.

Hourly rate of pay for employees covered by this Agreement shall be adjusted in accordance with the following provisions:

The Cost-of-Living allowance will be determined in accordance with the changes in the Official Consumers Price Index, published by the Bureau of Labor Statistics, U. S. Department of Labor. (1957-1959=100).

The Base Index shall be the Consumers Price Index as established for August 1966.

Adjustments will be made each six (6) months starting with December 1966 and each succeeding six (6) month period thereafter, the adjustments shall be based upon the Bureau of Labor Statistics Price Index, using the Index of the month preceding the adjustment.

The amount of Cost-of-Living adjustment shall be one (1) cent per hour for each 0.2 point change in the Index.

Union: The union concedes that this is higher than is normally demanded; most agreements provide for one cent per hour for each 0.5 change in the Cost-of-Living Index. The basis for this demand is that the city is already behind on its adjustments in wages for employees and the additional amount is a catch-up.

City: City estimates the cost would be \$499.20 for each 0.2 point change in BLS Index.

3. Wage Increase.

Twenty (20) per cent first year of contract and twenty (20) per cent the second year of two year contract.

Union: There are twenty-six employees approximately in the unit covered by this demand. The union does not estimate the total dollar cost of this demand.

City: The city estimates the cost of this demand to be \$34,700 for the first year, \$41,640 for the second year. The city manager stated that all employees of the city except the city manager are in one of four groups and that all groups would have to be treated alike including the nonrepresented clerical and office groups; thus the above demand if spread over the entire group of employees would be substantially higher than the estimated amount shown above for public works employees alone.

4. City to pay for uniforms for all employees.

Union: The union estimates that its demand that the city pay for the rent of uniforms for city employees would cost \$1.80 per week per employee.

City: The city estimates this demand would cost \$2496 per year.

5. Additional holidays.

Veterans Day

All of Good Friday (now one-half holiday)

All of day before Christmas (now one-half holiday)

Union: The union estimates the cost of this demand at 2 cents per hour per employee.

City: The city agrees that union's estimate as to the cost of additional paid holidays of 2 cents per hour per employee is fairly close. The city's own actual estimate is \$1152 per year.

6. Sickness and Accident Insurance increased from forty (40) dollars per week to fifty (50) dollars per week.

Union: The increase from \$40 to \$50 per week in benefits for sickness and accident insurance would cost approximately 0.5 cents per hour or less, the Union estimates.

City: The city agrees that the union's estimate of the cost of increasing sickness and accident insurance from a \$40 per week to a \$50 per week benefit is approximately 0.5 cents per hour or roughly \$152 per year total.

7. After 10 years of service \$10 per year bonus to be increased \$10 each year thereafter.

Union: The expired agreement called for a Christmas bonus of \$50 for 1965 in lieu of wage increase. The union's demand is that this Christmas bonus be continued and be increased to \$10 per year for each year up to 10 years of service and \$10 per year for each year of service thereafter. The union does not estimate the cost of this demand.

City: The city's estimate of the cost of increasing the bonus as requested by the union is approximately \$1070 per one year.

8. Acting foremen, to receive twenty-five (25) cents per above regular rate instead of present ten (10) cents.

This demand has already been agreed to by the city.

9. Free parking for City employees.

Union: The union's demand for free parking for City employees for their own private cars was met by a claim by the city that it cannot grant this privilege under the revenue bonding act to anyone. The union said it was not aware of this and apparently withdrew this demand.

10. Any benefits provided for other departments, shall also be provided for the employees covered by this Agreement.

Union: This demand that any benefits granted to other departments be automatically extended to employees covered by this agreement is intended only to maintain a parity between all employees.

City: The city does not believe this constitutes any problem. It says that about two and one half years ago this union got five cents more than others did and that this would not happen again. The city does not propose to make unlike concessions to various groups and thus widen existing wage differentials.

11. The Union reserves the right to add to, delete or modify these proposals during negotiations.

Union: This demand is self-explanatory.

City: The city has no comment respecting this demand and apparently has and could have no objection to the union making whatever modifications it cares to make during negotiations.

12. Subcontracting. The city agrees that any work normally performed by members of the bargaining unit shall not be contracted out so long as the city has the necessary equipment and as long as there are qualified men available to do the work.

Union: The union says that the purpose of this is to protect jobs, but it concedes that the demand could involve overtime.

The union says that the city let out trash collection and then reduced the number of employees. The same procedure could occur again, the union fears, and it wants protection against such a practice.

City: The city says that this demand would make no difference respecting garbage collection subcontracting because the city has no equipment. In general, the city is opposed to a restriction on subcontracting, as such restriction would prevent making changes where efficiencies can be realized. The city did say that if a provision protecting efficiency of operation were included, it could see little difficulty with this clause, nor could it see any particular advantage to the union in such a clause.

13. Except for emergency, employees will not be required to perform outside work during inclement weather. (Rain)

Union: The union concedes this is not a particularly important matter. It says, however, that sometimes employees are required unnecessarily to chop down trees during a rain when the same work could very well be put off until fair weather. However, the union says it would have withdrawn this demand if the city commission had indicated a willingness to talk about other matters.

City: The city's response to this was that it thinks this is a curious demand since it might result in a man being sent home and thus losing time. It believes that whether or not employees are obliged to work in the rain should be left discretionary with the city. However, it does not believe that this demand presents a "big problem."

14. Add grandparents to funeral leave.

Union: The union says it would gladly drop this demand for the extra Veteran's Day holiday.

City: The city says that this demand is a "minor thing."

15. Seniority list. The City will furnish the Union, semi-annually, with an up-to-date seniority list of all employees in the bargaining unit. The seniority lists will be for the periods of January 1 through June 30, and July 1 through December 31.

A copy of the seniority list shall be transmitted to the Regional Director, Region 37, International Union of District 50, United Mine Workers of America, and a copy shall be given to the Local Union.

The seniority list shall also be posted on the bulletin board; unless objections thereto are made within thirty (30) days after posting, the list shall be deemed to be approved and shall be considered as the official seniority list.

This issue has been settled: up-to-date seniority lists will be furnished by the city each six months and will be posted on the bulletin board.

16. Replace Article II, Section 2, paragraph 1. It shall be a condition of employment that all employees of the employer covered by this agreement who are members of the Union in good standing on the effective or execution date of this agreement, whichever is the later, shall remain members in good standing and those who are not members on the effective or execution date of this agreement, whichever is the later, shall on the thirtieth day following the effective or execution date of the agreement, whichever is the later, become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by this agreement and hired on or after its effective or execution date, whichever is the later, shall on the thirtieth day following the beginning of such employment become and remain members in good standing in the Union.

The rephrasing of the union security clause in the now expired collective bargaining agreement has also been settled to the satisfaction of the union.

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## FINDINGS - FIREMEN

The spokesmen for the firemen were:

Elmer Olson  
Representative of the Michigan Firefighters Association

Fred Bjorkquist  
Local Representative

Leonard Tetsworth  
Local Representative

There are 16 firemen including the chief who is not in the bargaining unit. The bargaining unit thus consists of one assistant chief whose salary is \$6004 per year, 2 captains at \$5868 each per year, 6 equipment operators at \$5733 per year each, and 6 firemen at \$5461 each per year.

## FIREMEN'S DEMANDS AND COMMENTS

1. A 10 per cent increase in wages for all employees in the fire department.

In support of its demand for a 10 per cent increase in wages, the firemen called attention to the increase in the Cost-of-Living over the past several years, the various substantial wage increases in industrial employment in the city of Manistee over the past several years, and finally the fact that Manistee has fallen far behind other cities in Michigan in wages for firemen. In 73 cities represented in Michigan by the Association, the firemen claim that the following wage schedules apply:

- a. In 18 cities firefighters and police earn \$7,000 and up.
- b. In 28 cities firefighters and police earn \$6,000 to \$7,000.
- c. In 12 cities firefighters and police earn from \$5,000



to \$6,000 per year.

d. In 7 cities firefighters and police earn under \$5,000.

From January to September of 1966 increases in these various cities has been from \$200 to \$1,300 per man per year. Also the firefighters claim that in other governmental employment wages are generally higher than they are for firemen and policemen. It claims that in Manistee the only increases that have been granted since 1963 are \$104 plus a further increase of 4.5 per cent.

2. Vacation improvements as follows:

- a. Two weeks vacation with pay after one year (presently receiving this).
- b. Three weeks vacation with pay after ten years (presently receiving this).
- c. Four weeks vacation with pay after twenty years (presently four weeks after twenty-five years).

3. Longevity pay as follows:

- a. After five years \$50 per year.
- b. After ten years \$100 per year.
- c. After fifteen years \$150 per year.
- d. After twenty years \$200 per year.
- e. After twenty-five years \$250 per year.

This would be the maximum amount received regardless of length of service. The Union stated during the hearing that the longevity plan was "just a proposal, could be worked over, there is no longevity pay now."

CITY'S RESPONSE TO FIREFIGHTER'S DEMANDS

It has had to replace three firefighters and has had no difficulty getting them on the current wage schedule. Manistee has a population of only approximately 8300 and it does not have money sufficient to grant the 10 per cent general wage increase demanded. As to the longevity pay, the city claims that the union has not mentioned any city with 15,000 or less population who have granted such pay. The city says

that the valuation for tax purposes behind each person must be considered in determining the city's ability to meet the demands and in this connection claims that Big Rapids and other cities of comparable population do not have better pay schedules than Manistee. Finally the city claims that the firefighters are seeking comparisons with cities that have much greater populations and greater valuations for tax purposes.

The city estimates the cost of the firemen's demands as follows:

1. General wage increase of ten per cent--\$9760.
2. Vacation improvement--\$110.25 this year only.
3. Longevity plan--\$1200 this year only.

\* \* \* \* \*

## POLICE OFFICER'S DEMANDS AND CITY MANAGER'S RESPONSES

Spokesman for the policemen:

Charles Cloutier

President of Manistee Police Officers Association

1. Union Demand: A ten (10) per cent wage increase be granted to all pay grades within the Manistee Police Department.

City's Response: A 10 per cent wage increase for all police officers would cost \$6,064 per year.

2. Union's Demand: Article VI, Section 2 to read:  
Total work week shall be forty (40) hours per week. This shall be arranged by shifts by the Chief of Police. This will consist of eight (8) work hours per day, anything in excess will be declared overtime to be paid on a time-and-one-half basis.

City's Response: The cost for one year would be about \$4,816.45. Last year (August 1, 1965 to July 31, 1966) we paid 714 hours of overtime at straight time plus 345 hours of compensated time. The cost per hour is based on the Patrolman II wages which would be an average. We did not add the extra for retirement, workman's comp., etc.

Of the 132 cities reporting on wages and benefits, 20 cities pay time and one-half, 68 give compensatory time, 18 give straight time and 26 give nothing for over-time to salaried employees.

3. Union's Demand: Article VI, Section 4 to read:  
Premium Pay for afternoon and midnight shifts.  
4:00 p.m. to 12:00 Midnight--10 cents per hour extra.  
12:00 Midnight to 8:00 a.m.--15 cents per hour extra.

City's Response: The cost of this benefit would be \$1,747.20 per year. I find nothing in the Michigan Municipal League

report in regards to this type of pay. This would lead me to believe that most cities do not pay it. I feel that with the police working a week on each shift that this is already figured into their pay. If this was allowed the patrolman on the night shift would make more than the Sgt. on the afternoon shift. The Sgt. on the afternoon shift would make more than the Lt. This would cause all sorts of problems within the department. This would also cause a real problem in the bookkeeping and payroll department in trying to keep records straight.

4. Union's Demand: Article VII, Sec. 1 to read:  
1 years service--two weeks vacation with pay.  
10 years service--three weeks vacation with pay.  
20 years service--four weeks vacation with pay.  
Listed holidays to include Easter.

City's Response: This would cost the city in the long run about \$9,240 for the police department alone.

5. Union's Demand: Article VIII, Sec. 5 to read:  
The employer shall pay 100% of the cost of all uniforms that are required. One pair of black plain-toed shoes per year shall be considered part of the required uniform.

City's Response: The cost would be about \$120 per year.

Cadillac and Ludington buy shoes for their department.

If City agrees to this proposal the firemen and street workers would ask for this benefit. The Street Department has asked for uniforms paid for by the city before.

6. Union's Demand: Article VIII, Sec. 8:  
Eliminate provision requiring 10 per cent under scale for first six months employment and 5 per cent under scale for second six months of employment.

City's Response: Cost to the city would be \$2,600 per year.

If this is granted you should consider all employees. This is going to be a major problem.

Union: A LONGEVITY PROGRAM, to be investigated and if approved,  
to be payable to those qualified December 1, 1967 and  
. thereafter.

FURTHER COMMENTS OF THE CITY CONCERNING POLICEMEN'S DEMANDS.

The total cost for what they are asking is \$24,609.00. Listed below  
are the present benefits to the department.

1. 40 hour work week. Only 13 cities out of 57 have this in  
in our population group.
2. 8 paid holidays including birthday. These are taken like  
vacation and they receive them even if they didn't work that day.
3. Uniforms. Most cities compare with us. (\$100 per man)
4. Blue Cross. On a par with most cities.
5. Sickness and Accident Insurance. Few cities have this.
6. \$2,000 Life Insurance. Few cities give this much.
7. 12 days sick leave. Average in most cities.
8. Retirement Benefits. Becoming more popular.
9. Vacation. 2 weeks after the first year.  
3 weeks after the twelfth year.  
4 weeks after the twenty-fifth year.
10. Workman's Compensation

In the 4,000 to 10,000 population class, no other city offers all of  
of these benefits.

Unfortunately reliable figures for government, especially local and municipal government employee increases for 1966 are not available from public sources such as BLS.

However, if total non-manufacturing figures are used BLS studies show that deferred increases due in 1966 fall between 9 and 11 cents per hour. Thus out of 1305 non-manufacturing employer units studies 439 fell in the 9 to 10 cent increase bracket and 433 fell in the 10 to 11 cent increase bracket.

Moreover in 2004 manufacturing units studied 718 (the greatest number) fell in the 10 to 11 cent per hour increase bracket. The same is true for all industries studied (3309) where 1151 (the greatest number) fell in the 10 to 11 cent per hour increase bracket.

Thus it would be safe to say that an increase of 10 cent per hour to the City of Manistee employees would be required to keep pace with increases of BLS industries studied.

In the absence of figures for government employees the undersigned is inclined to recommend that increase (10 cent per hour) which would be necessary to prevent a slippage as between government and industry (non-manufacturing, manufacturing, all industry) increases.

The question is whether or not the city can afford this increase which would average out to a little more than \$4 per week per employee, or about \$210 per year. To answer this question it is necessary to examine and evaluate several factors:

1. The financial position of the General Fund as disclosed by the 1966-67 budget and audit findings for fiscal 1965-66 showing the following:

CITY OF MANISTEE

General Fund  
Analysis of Changes in Unappropriated Surplus  
For the Year Ended November 30, 1966

Balance December 1, 1965 (Deficit)	\$(28,671.85)	\$(28,671.85)	\$ -0-
Revenues	553,332.00	583,711.09	30,389.09
Total	\$524,650.15	\$555,039.24	\$30,389.09
Expenditures	574,573.50	608,295.98	33,722.48
Unappropriated Surplus Balance November 30, 1966	\$(49,923.35)	\$(53,256.74)	\$ 3,333.39

The increase in deficit surplus of \$24,584.89 was met by:

Short Term Borrowing (Bank)	\$37,999.00
Borrowing From Other Funds	15,500.00
	<u>\$53,499.00</u>

These and accounts payable of \$13,243.32 amount to \$66,742.32, Total Liabilities as of November 30, 1966. In addition, the City is obligated for the cost of the new city hall building with \$4,428.00 due during fiscal 1966-1967 Revenue for which no anticipation was made in the budget. This burden will absorb a large portion of the anticipated increase in expenditures more than covering the excess.

A review of the budget shows that the city can expect an increase in revenues in fiscal 1966-1967. But, fiscal 1965-1966 shows a trend for expenditures to exceed the budget in an amount which if continued will cause deficit spending in fiscal 1966-1967. Certain revisions may be needed in the budget procedures used by the city. In this connection it is noted, the accounting firm now employed by the city does only the audit, and does not participate in preparing the budget.

2. It should first be observed that the city is presently taxing for operating purposes at a rate of 19.22 mills. The statutory limit for cities is 20 mills. Thus it is apparent that only .78 mills is available within the 20 mill limit. This would produce approximately \$18,600 if levied.
3. While an additional 1.3 mills can be levied for garbage collection it is probably unrealistic to consider revenue from this source as available since the garbage contract is up for renewal in April, 1963. The present contract costs \$30,000 per year and there have been clear indications that the next contract will cost \$40,000 per year.
4. There are 67 employees to be covered by any general wage increase granted. At the suggested 10 cent per hour (or \$210 per year) increase the cost would be \$14,070 per year.
5. The city is involved in a debt retirement program which debt is costing a significant amount in interest. It is not only necessary to liquidate this debt, but until this is done there will be less available for all purposes including increases to city employees.
6. It appears, however, that not all wages are paid out of the general fund. Indeed all employees engaged in providing water services are paid out of the income from water metering revenues. Thus the impact of a general wage increase does not fall wholly upon the general fund. While the water department is retiring debt to the city at a substantial rate each year such retirement would not be significantly reduced by the proposed 10 cent per hour



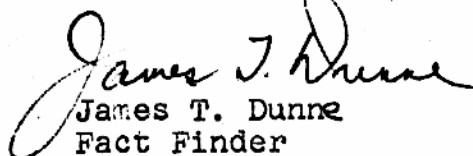
general increase applicable to employees paid from water department revenue.

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#### RECOMMENDATIONS

1. A general wage increase of 10 cents per hour be granted to all employees covered by the three bargaining units, public works, firemen, and policemen in the employ of the City of Manistee, Michigan.
2. The agreements embracing this general increase should be for one year unless otherwise agreed.
3. Such items of agreement as have already been reached should be incorporated into the appropriate agreements:
  - a. Add grandparents to the funeral leave provisions.
  - b. Increase acting foremen from present 10 cents per hour above regular rate to 25 cents per hour.
  - c. Furnish and post up-to-date seniority lists as agreed.
  - d. Change union security clause as agreed.
4. It is recommended that all other demands which are economic in character be dropped at this time unless it should be agreed to substitute one or more such demands for the general increase or part thereof.

Respectively submitted,

  
James T. Dunne  
Fact Finder

March 28, 1967  
Date