

1645

FF 10/30/68

92

James T. Dunne
Fact Finding Report and Recommendations
Concerning
Police and Firemen
In the City of Sault Ste. Marie, Michigan

MICHI-
LABOR RELATIONS LIBRARY

The undersigned was appointed fact finder by Robert G. Howlett, Chairman of the State Labor Mediation Board by letter dated August 28, 1968, to make findings of facts and recommendations concerning the above dispute between District 50, United Mine Workers of America, Local 13635, representing the police and firemen in the City of Sault Ste. Marie and the City of Sault Ste. Marie represented by its City Manager, Mr. R. L. Larsen. Hearing was held September 24, 1968 pursuant to notice to the parties dated September 9, 1968. Opportunity was given to both parties to present their cases and to cross examine witnesses and present other evidence concerning the dispute. The following appeared for the respective parties:

City of Sault Ste. Marie

Richard Larsen, City Manager
John LaRock, City Attorney
Forrest White, Police Chief
George DesJardins, Fire Chief

Union

William Nelson, Committeeman
Thomas R. Eush, Asst. Regional Director
Warren Hill, Committeeman
James Johnson
Robert M. Clary

Facts of the Dispute Involving Policemen

The first proposals by the Union were made March 13, 1968 and certain counter proposals were made by the City thereafter. On June 6, the Union again made a counter proposal and on July 16, 1968, during a mediation session with Mediator Carl York present, the City made its final offer to the Union. This

Sault Ste. Marie; City of

report will deal only with that final offer in relation to the Union's proposal in existence at the time it was made.

Wages: The following chart shows the present wage scale by classification in the police department, the wage scale requested by the Union, and the wages which would be paid under the City's final offer of July 16 above related. Also shown is the percent gain reflected in the City's July 16 offer over present wages.

POLICE DEPARTMENT WAGES

<u>Classification</u>	<u>Present Wage</u>	<u>Union's Request</u>	<u>City's Final Offer of July 16</u>	<u>Percent Increase</u>
Sergeant	\$6,925	\$7,425	\$7,325	5.78%
Patrolman of 5 yrs.	6,400	6,900	6,800	6.25%
Patrolman of 3-5 yrs.	5,975	6,475	6,375	6.69%
Patrolman of 1-3 yrs.	5,675	6,175	6,075	7.05%
Patrolman under 1 yr.	4,800	5,100	5,000	4.17%
Detective and Juvenile Officer	6,600	7,100	7,000	6.06%
Meter Maid	3,900	4,200	4,100	5.13%
Policewomen	4,000	4,250	4,150	3.15%
Meter Repairman (part time)	1,600	1,900	1,800	
Dog Warden (after 1 year)	4,750		Same	
Dog Warden (start)	4,500		Same	

The number of personnel in the police department at the various experience levels is as follows: 5 years or more - 5; 3 to 5 years - 4; 1 to 3 years - 7; under 1 year - 2.

Union's Position on Police Wages

The Union makes certain comparisons to indicate the depressed condition of police wages. It compares them with other Sault Ste. Marie City occupations.

(The Union represents the employees in these classifications):

Comparison of Police Wages With Other City Occupations

<u>Classification</u>	<u>Hourly Rate</u>	<u>X</u>	<u>Hours in Year</u>	<u>= Annual Wage*</u>
Sewage Plant Operator	3.21		2,080	\$6,676.80
Auto Mechanic	3.10		2,080	6,448.00
Heavy Equipment Operator	3.05		2,080	6,344.00
Meter Reader - Water Dept.	2.82		2,080	5,865.00
Garage Custodian	2.61		2,080	5,428.80
Laborer	2.68		2,080	5,574.40

*All employees in these occupations are paid, in addition, shift pay of 10¢ per hour. Also, hours worked in a year are the same--all employees working a 40-hour week for 52 weeks.

The above employees in the public works department all work a 5-day week, Monday through Friday (except the sewage plant operator who has a two-shift operation) with no Saturday or Sunday work and no shift work. Only in exceptional cases are any of these employees required to work on a holiday.

The Union claims that in all cases except the sewage plant operator the above wages are paid as starting wages without a 5-year waiting period. In the case of police it is noteworthy, says the Union, that a police officer under the present schedule starting on the job earns less than a laborer, garage custodian or water meter reader by from \$400 to \$800 per year plus having to work Saturday, Sunday, and on onerous shifts.

The Union also invites a comparison with typical wages and fringe benefits paid in the community. The information obtained for the following schedule is, according to the Union, from contract sources.

Typical Wages and Fringe Benefits Paid
in the Community of Sault Ste. Marie

<u>Company - Classification</u>	<u>Rate</u>	<u>X</u>	<u>Hours</u>	<u>=</u>	<u>Annual Wage</u>
<u>Michigan Bell Telephone Company:</u>					
Repairman	3.97		2,080		\$8,257
<u>Clairmont Transfer Company:</u>					
(In Town Drivers) Truck Driver	3.75		2,080		7,800
<u>U. S. Post Office:</u>					
Letter Carrier	3.34		2,080		6,947
<u>Edison-Sault Electric Company:</u>					
Lead Lineman	3.72		2,080		7,737.60
Groundman	2.80		2,080		5,824
Meter Reader	2.97		2,080		6,177.60
Office Janitor	2.80		2,080		5,824
Plant Sweeper	2.93		2,080		6,094.40
<u>Sault Area School System:</u>					
Custodian					5,494
					5,894 (after 2 years)
Maintenance Man					5,894
					6,294 (after 2 years)

In all of the above cases, says the Union, life insurance and hospitalization are paid in accordance with the following: Edison pays half; the School pays total single subscriber rate; the Federal pays \$10,000 life insurance. In all cases above, the employees work days only, and in occupations where shifts are worked, but not shown above, shift differences are paid in addition to day rates. The Union claims that the groundman at Edison Electric is a starting job consisting mainly of labor work digging holes for poles. The lead lineman at Edison, the Union claims, could be compared to the sergeant in the police force as to responsibility for some direction of a crew or group of employees.

The Union also invites the following comparisons with police wages paid in certain comparable communities listed below:

Escanaba, Michigan

Sergeant	\$7,501
Patrolman	\$7,109 (after 5 years)
Detective	\$8,000

In addition Escanaba pays longevity pay; pays the premium in whole for \$5,000 life insurance policy; and pays full cost of Blue Cross Blue Shield Coverage.

Marquette, Michigan

Sergeant	\$6,840)
Patrolman	\$6,420)
Detective Sergeant	\$7,800) (after 6 months)
Detective	\$7,344)
Meter Maid	\$4,560
Police Woman	\$5,020 (after 1 year)

In addition Marquette pays for \$5,000 life insurance and the full family premium of Blue Cross Blue Shield Coverage.

Alpena, Michigan

Sergeant	\$7,030
Patrolman	\$5,928 (after 3 years - \$6,572)

In addition Alpena pays 2 1/2 times hourly rate for time worked on holidays, longevity pay, \$10,000 life insurance, full Blue Cross Blue Shield after January 1, 1969 (presently pays half), vacations - 16 days after 1 year, 20 days after 5 years, 24 days after 10 years, 28 days after 15 years, 32 days after 20 years.

Sault-Ontario Canada

Sergeant	\$8,220
Corporal	\$7,680
Detective	\$8,220
Constable (patrolman)	\$6,480 (\$7,200 after 2 years)

In addition Sault-Ontario pays longevity, \$15,000 life insurance, (half paid by City), hospitalization insurance, (half paid by City).

The Union also wishes to call attention to the increase already given in Sault Ste. Marie in the police department to the following non-bargaining unit employees: Chief - \$500, Captain - \$500, Lieutenant - \$400; Salaries with increases are: Police Chief - \$9,100, Captain - \$8,700.

The Union claims that it increased the 60-day notice period in the expiration of the contract to a 120-day notice period so as to make it possible for the City to finalize its budget in May after public hearing. The expiration date of the agreement would be June 30, coincidental with the expiration of the City's fiscal year.

The Union has a theory that the City's offer to police (and firemen as well for that matter) was based upon a sliding scale for the purpose of making possible better increases to non-bargaining unit personnel, primarily supervisory employees. The City proposes to introduce a new promotional rank of detective sergeant among police, and three new Lieutenant ranks in a 21-man fire department. The Union's position is that the new promotional ranks at an increase of \$400 over the present \$7,125 paid the detective sergeant is not necessary in such a small police department and that the amount saved would be adequate to defray at least in significant part the Union's request concerning wages and other economic demands. The Union also points out that in respect to the police department, there has been

over the years since 1959, an attrition in the form of voluntary quits among policemen, primarily among the younger seniority men on the force of 18 people. It points out that the City invests a considerable amount of money in training a rookie policeman before he actually begins regular duty. It sends him to the Northern Michigan University Police School for several months, pays his expenses while he is there, and outfits him. The Union says that the cost of this training and outfitting alone is an important item and that the City finds itself in the position of subsidizing the training of rookie policemen many of whom never become employees of the Sault Ste. Marie force after the training because they go elsewhere to better their wages in communities which they have discovered are paying better wages. The Union feels that this is a wholly uneconomic situation and moreover it creates a hardship on other police officers who have to break in the new men once they do come into the force after training. They have to work a buddy system in order to do this. The Union is very firm that its demand for a \$500 per year general increase for police at all levels was not done as a horse trade but was based upon the realities of obtaining and retaining a competent police force. It is unable to understand the City's refusal to include the minimal "starter" life insurance policy proposed by the Union because the cost of this for all city employees would be not greater than \$2,000 per year in total, and that if let out for bids the cost of this might well be closer to \$1,800 to cover all employees including police and firemen. It was unable to understand the unwillingness of the City to pay at the very least the cost of single employee Blue Cross and Blue Shield Insurance since this is done in most of the locations to which the Union refers and in fact is done in almost all locations of which the Union has knowledge.

When asked by the fact finder whether or not the Union had costed out its total demands upon the City it stated that it had not done so, but simply held that no demand which it had made was inordinately high or unusual. It insists that there is absolutely no excuse for refusal to pay the premium pay requested or time worked on holidays beyond the holiday pay itself. This is time worked beyond the schedule which should normally allow for holidays to be taken without working. If the necessity to work employees on holidays occurs, then they should not be required to work for less than the double time and one half which the Union is proposing. The Union insists that a careful review of the City's budget will reflect inflated or unnecessary items which if eliminated or reduced would make possible the granting of what the Union terms very moderate demands on the part of the police.

The Facts Concerning Fire Department Unit

Wages

The Union had never specified precisely what wages it sought in the fire department. Its initial demand of March 13 simply stated that it wanted a substantial general wage increase in all grades and classifications. It is sufficient to compare the present fire department wages with the final offer made by the City on July 16, 1968.

PRESENT FIRE DEPARTMENT WAGES

<u>Classification</u>	<u>Present Wage</u>	<u>Final Offer</u>	<u>Percent Increase</u>
Lieutenant	Presently Vacant	\$6,800 (Reduced from former offer of \$6,900) (3 openings to be created)	
Fireman (over 5 years)	\$6,050	\$6,350	4.95%
Fireman (3-5 years)	\$5,675	\$5,950	4.85%
Fireman (1-3 years)	\$5,425	\$5,700	5.07%
Fireman (under 1 year)	\$4,800	\$5,000	4.17%
Equipment Operator	(Receives regular rate as fireman depending on length of service plus \$150.)	Same	

The following represents the number of employees covered by the above proposed schedule in the fire department.

5 years or over -	17
3 to 5 years	2
1 to 3 years	1
Under 1 year	1

The City proposes to add three lieutenants, and last year the position of assistant chief was established in addition to an increase of one in the number of captains (from 2 to 3). It is the Union's understanding of the City's proposal that the three additional lieutenants are to be selected from the present force of 21 and are not to be replaced. The Union argues that there is presently a shortage of three men and that the creation of more positions at the executive or supervisory level undermans the true work force and overmans the executive or supervisory group at higher rates of pay. This the Union claims would result in taking

money from those who are already low paid among the firemen and transferring it to the creation of new positions at higher levels.

The Union says that the assistant chief was once cut out as an economic measure and that the City now proposes to restore his position from among the already undermanned force. However, the Union is concerned about one other aspect of this matter. The City states that it is its intention to conduct examinations to determine both physical fitness and knowledge requirements for these new positions. It is fearful that what will happen is that for reasons of favoritism, or because the City wishes to hire from outside the existing force, strangers will be brought in, and in the latter case, those on the existing force will not benefit from such procedure and in the former, the force will still remain short at the firemen level.

Recommendations of Fact Finder

Before making specific recommendations the fact finder would like to make the following observations and comments.

The City agrees that the demands of both Police and Firemen are in most respects reasonable. It says, however, that financial considerations have impelled it to respond by either scaling down or rejecting these demands. The Union itself recognizes that the City is not in an affluent revenue position and insists that it has taken this fact into account in framing not only its original demands but its counter proposals as well.

The fact finder must agree as to the overall position of both the Union and the City. The City is levying at its present legal maximum of 20 mills. But it finds

itself faced with a potential declining property tax base for operating purposes due in significant part to the imminent closure of the Kincheloe Air Force Base and the downward pressures on all property values due to heavy sales of property by personnel from the base living in the City. Also, there have been and (with the closure of the base) will continue to be business decline and outright cessations. Budgetary reductions by the City already reflect the apprehensions if not the realities of this situation which hangs like a pall over the entire area including the City.

The fact finder obviously must consider this even though it is a problem beyond his ken or function. It clearly means, however, that the City has a problem the ultimate solution to which is not yet clear.

On the other hand, the City as a functioning entity of government must go on. And it clearly cannot do so without giving a high priority to those costs which reflect the minimal needs of its public servants upon whom it depends for public safety and order.

The fact finders recommendations are based upon the recognition that the latter considerations must be of crucial concern to the citizens of Sault Ste. Marie and its governing officials. The latter need their help.

Financial Position of the City

The City did not squarely say that it was completely unable to pay, out of current general fund balance, the economic items requested by the Union. It stated, however, that to do so would be to dangerously reduce its fund balance in the face of potential reduction of revenues and increase in costs for other necessary

7
DID NOT
& COULD
NOT SAY
THIS

items in the budget. The audited statement of the general fund balance for the year ended June 30, 1968 is \$144,151.096. The audited financial statements of the City of Sault Ste. Marie for June 30, 1968 and the annual budget for 1968-69 have been compared to the actual receipts and expenditures and budget for the preceding year. If the 1968-69 budget is evaluated in terms of the accuracy of 1967-68 budgeted figures, it is clear that the City's position is, to say the least, close. For the year 1967-68 the budgeted versus actual results indicate that actual receipts exceed estimated receipts by only .3% (three tenths of one percent) or \$4,195.00, and that the actual expenditures exceed estimated expenditures by .8% (eight tenths of one percent) or \$11,161.07. While it is not possible to "audit the budget" for 1968-69, it is apparent that if 1967-68 experience is any criterion the close approximation of estimated receipts and expenditures with actual results must be taken seriously in evaluating the budget figures for 1968-69. The budget for the 1968-69 year indicates that anticipated receipts in the general fund will exceed anticipated expenditures by only \$735.00. If this estimate is correct then it is obvious that the recommendations made by the fact finder are in excess of what the general fund can bare unless the City suffers another reduction in the general fund balance. As has been stated before, however, the fact finder must recognize the high priority of the need for employees to insure public safety and order as represented by the police and fire departments, and he has attempted to make only those recommendations which he feels are clearly required to meet such needs. If this means a reduction in general fund balance or the necessity for further revenue he deems it the responsibility of City officials to take such actions as are consistent with the recommendations made in this report

including the reduction of any items which can be reduced and the elimination of any items which can be eliminated in the present budget.

The fact finder having all of the above in mind has chosen to review certain of the needs of Police and Firemen in the light of the detailed 1968 study of the Michigan Municipal League concerning salaries, wages, and fringe benefits in Michigan Municipalities (Information Bulletin No. 109) having a population as does Sault Ste. Marie of from 10,000 to 25,000. This excellent study is necessarily already outdated since it is the result of reports from questionnaires sent to all cities at the end of 1967. But at least it forms a reliable framework for testing the Union's major proposals against generally existing practices in pay and fringe benefits in municipalities of comparable size to Sault Ste. Marie. The Union's exhibits update some of this information to the current 1968-69 year. It will be interesting to observe the needs as reflected by this type of comparison.

Wages

Area #3 covers the Upper Peninsula and the upper portion of Lower Michigan. For all cities over 10,000 Sault Ste. Marie has the lowest starting rate for patrolmen (\$4,300) except Ironwood which is \$4,775. The same is true for Firemen with the added exception of Menominee. Marquette shows a flat rate of \$5,900 for Patrolmen and \$5,496 for Firemen. Marquette has negotiated its 1968-69 wages and for Patrolmen the rate is now \$6,420 or \$500 more. It should be pointed out that this rate is reached after 6 months service. If the present number of Patrolmen at the various service levels up to 5 years required to reach maximum in Sault were computed on a weighted average basis at the current wage

levels such average would be \$5,846. But if the Marquette practice of flat rate reachable in 6 months is applied to the current scale, all but two members of the 18-man Patrolmen force would be at current maximum \$6,400, and the others would reach it at 6 months. Thus, on a weighted average basis the Sault force was last year below Marquette by \$54 per man per year. And with the \$520 increase in Marquette for the current year, the Sault weighted average has slipped \$574 per man per year.

Thus, it is clear that the Union demand of \$500 per man is less than has already been granted in Marquette by about \$74 per year. When it is recognized that the flat \$6,420 is the true rate after 6 months in Marquette it is even more apparent that the \$500 per man request by the Union of Sault Ste. Marie is indeed a moderate one. The fact finder also discovers from the Municipal League Study that the median period for reaching maximum is three years for both Patrolmen and Firemen in cities of 10,000-25,000. It is five years at Sault Ste. Marie.

Since the Patrolman and the Fireman are the key classifications the fact finder recommends that the City increase its present \$400 offer to \$500 for all levels of the Patrolman classification and a like amount for other existing police classifications.

The fact finder recommends that the same \$100 increase be applied to the last best offer to the fire personnel at each level.

1. Give me in the 500 xed originally to Mgt.

*Mgt. 6/15/53
500 6-22*

Ag 16

3600

2600

Specifically the above recommendations are as follows:

<u>Police Department</u>		<u>Fire Department</u>	
Sergeant	\$7,425	Lieutenant (vacant) - no change in City	
Patrolman (over 5 years)	6,900	original offer of \$6,900	
Patrolman (3-5 Years)	6,475	Fireman (over 5 years)	\$6,450
Patrolman (1-3 years)	6,175	Fireman (3-5 years)	6,050
Patrolman (under 1 year)	5,100	Fireman (1-3 years)	5,000
Detective & Juvenile Officer	7,100	Fireman (under 1 year)	5,100
Maternalist	4,200	Equipment Operator - reg. rate as fire-	
Policewoman	4,250	man plus \$250	
Motor Repairman (pt. time)	1,900		

The above maintains the same pay relationships as presently exist. ^{incorrect} No recommendation is made as to Detective Sergeant, a now non-existent position.

Accrual of Sick Leave - Payment of Unused Accrual at Retirement

By far the greatest number of communities in the Municipal League Study provide for accrual of paid sick leave up to 120 days. The same is true of payment upon retirement of unused sick leave not exceeding the 120-day maximum. The Union seeks no change in accruable sick leave but asks that unused leave up to the existing maximum be payable upon retirement only.

The fact finder recommends that the Union request in this respect be granted.

Earned leave unused should not be wholly lost for the obvious reason that such policy would only serve as an incentive to take the leave before it was lost and would penalize the honest person who refused to take sick leave unless illness indeed made it imperative.

Vacation Policy

The vast majority (over 70%) municipalities in the Municipal League Study provide two weeks (10-12 days) vacation per year. The City has offered to improve its present policy by allowing this amount after 1 year instead of after 2 years.

NOT INVOLVED

NOT INVOLVED IN NEGOTIATIONS

The fact finder recommends that the Union accept this offer. Improvement of this benefit based on length of service as requested is not recommended since it is inconsistent with the present financial position of the City.

Overtime Pay for Time Worked on Holidays

This request is not for an increased number of holidays with pay, but rather for (a) overtime payment instead of the present compensatory time off policy and (b) an improvement in overtime for holidays worked from straight time to time and one half for the first 8 hours and double time plus one half for hours worked on holidays beyond 8.

The Municipal League Study shows that a significant majority of cities in the 10,000-25,000 population group have a compensatory time off policy for overtime among the salaried employees computed at straight time. Although Marquette pays at time and one half for hours worked beyond 40, the fact finder is not inclined at this time to disturb the present Sault policy.

Hospitalization - Group Health Insurance

7,680

The Municipal League Study states that over 85% of all communities pay the full cost of such insurance for their employees. It also says that nearly 60% pay the full cost for dependents. In the 10,000-25,000 population range of 34 cities, 13 pay full cost for dependents and all but five pay full single rate. Marquette pays 100% of cost for employee and dependents.

The Blue Cross single rate is roughly \$11-\$12 per month and the family rate \$29 per month. The City has offered to pay \$12 of the monthly premium but contingent upon additional revenues becoming available. The Union offered to

accept this provided the City removed the contingency and paid \$12 per month immediately. The City refused. The fact finder recommends that the City reinstate its \$12 offer without the contingency placed upon the offer in the first instance. This means that the City will be increasing its present \$8 per month contribution toward group health insurance by 50% and the employees will be paying the remainder for such service as they require.

Group Life Insurance

2,000

There can be no doubt that the Union's request for a \$1,000 "starter" policy with double indemnity in case of accidental death or dismemberment is a reasonable request. Most cities in the 10,000-25,000 population range provide such insurance for employees and pay 100% of the cost, and there can be no doubt that the cost is minor. In fact, it would require less than \$2,000 per year total premium for this benefit. The fact finder recommends that the City provide this benefit.

The fact finder fully recognizes that these recommendations will not be wholly satisfactory to either party to this dispute, but in the light of the City's financial position he believes that they are as realistic as can be made. This report and recommendations are submitted to the parties for their serious consideration.

The above recommendations contemplate a July 1, 1968 effective date.

October 30, 1968
DATE

James T. Dunne
James T. Dunne, Fact Finder