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IN THE MATTER OF THE ARBITRATION BETWEEN:

CITY OF EAST LANSING

-and-

MERC CASE No. L82-F-529

FRATERNAL ORDER OF POLICE,
CAPITOL CITY LODGE NO. 141,
Non-Supervisory Division

COMPULSORY ARBITRATION

Pursuant to Act 312, Michigan Public
Act of 1969, as amended.

OPINION AND AWARD

Arbitration Panel

Peter D. Jason
Arbitrator/Chairman

Michael Benedict
City Delegate

Jerry Lawson
Union Delegate

DATE: July 19, 1983

INTRODUCTION

These proceedings were commenced pursuant to Act 312 of the Public Acts of 1969 as amended. The arbitration panel was comprised of the Chairman, Peter D. Jason; City Delegate, Michael Benedict and Capitol City Lodge No. 141 Delegate, Jerry Lawson.

A Prehearing was held on December 27, 1982 and hearings were held on February 8, 9 and 15, 1983. The City of East Lansing was represented by Mr. Theodore J. Tierney of Counsel to the firm of Vedder, Price, Kaufman, and Kammholz of Chicago, Illinois. Capitol City Lodge No. 141, Fraternal Order of Police was represented by R. David Wilson of the firm of Scodeller, Wilson, DeLuca & Vogel. The record consists of 399 pages of recorded testimony and a total of 60 exhibits. After submission of last best offers on March 25, 1983, the parties forwarded written briefs on April 29, 1983. The panel met in executive session on March 29 and May 27, 1983. The duration of the contract, between the parties is the two (2) year period from July 1, 1982 to June 30, 1984.

The parties stipulated that the outstanding issues in this matter were all economic and so the panel was guided by Section 8 of Act 312. This Section provides that each economic issue must be decided by the panel selecting the last best offer which more nearly complies with the applicable factors in Section 9.

The applicable factors to be considered as set forth in Section 9 are as follows:

- (a) The lawful authority of the employer.
- (b) Stipulations of the parties.
- (c) The interests and welfare of the public and the financial ability of the unit of government to meet those costs.
- (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:
 - (i) In public employment in comparable communities.
 - (ii) In private employment in comparable communities.
- (e) The average consumer prices for goods and services, commonly known as the cost of living.
- (f) 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.
- (g) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- (h) Such other factors, not confined to the foregoing, which 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.

Where not specifically referenced, the above factors were considered but not discussed in the interest of brevity.

BACKGROUND

The City of East Lansing is a university and residential community located in south central Michigan. It has a total land area of 9.4 square miles and a population of approximately 51,000. Michigan State University is located within the City and accounts for 3.4 square miles of the land area and approximately 23,000 of the population. The

University has its own on-campus police force. 85% of East Lansing's land area is devoted to educational, residential or recreational use. Industrial land use is virtually non-existent. According to the Michigan 1981 Uniform Crime Report, 23rd Edition, Michigan Department of State Police, East Lansing, suffered 1,475 serious crimes and 576 less serious crimes.

Fraternal Order of Police, Capitol City Lodge No. 141, non-supervisory Division is the recognized exclusive bargaining representative of the 31 non-supervisory police officers employed by the East Lansing Police Department. The Department consists of 68 members including, 1 Chief and 17 Command Officers.

COMPARABLE COMMUNITIES

As noted earlier Act 312 directs the panel to consider economic benefits paid in comparable communities when deciding economic issues. In this matter the parties did not agree which communities were comparable. The City urged that the following communities were comparable: Battle Creek, Bay City, Holland, Jackson, Kentwood, Midland, Monroe, Muskegon, Port Huron and Portage. The Lodge asserted that Monroe and Port Huron were not comparable and substituted Kalamazoo and Wyoming in their stead. After a complete review of all the data the chairman was convinced that the City's argument on comparables was the more reasonable. The City's argument was convincing because its

comparables were all within Michigan Municipal League Area II as is East Lansing. All these cities have a population between 25,000 - 50,000 as does East Lansing. Their Police Departments are similar in size to East Lansing. On the other hand Kalamazoo and Wyoming are larger than East Lansing, 50,000 - 99,000, in population and Kalamazoo is converting its police department to a public safety department. Therefore, for purposes of this arbitration the chairman considered the City's comparables pertinent for comparison and not those additions submitted by the Union.

ISSUES

The parties have agreed on all outstanding issues for the period of July 1, 1982 until June 30, 1984 except those that were the subject of these proceedings. The remaining issues that are to be decided by this award are as follows:

ISSUE I: Wages. July 1, 1982 through June 30, 1983.

ISSUE II: Wages. July 1, 1983 through June 30, 1984.

ISSUE III: Longevity - Increase in Ceiling.

ISSUE IV: Time Off - Increase in Vacation and Addition of One Holiday (Employee's Birthday) Effective July 1, 1983.

The panel will decide these issues seriatim:

ISSUE I and II - WAGES

Lodge's Last Best Offer (Issue I)

1. All wage classifications within the Bargaining Unit would be increased by 2% effective July 1, 1982.

2. The employees' retirement contribution (5% of wages) would be paid by the City effective July 1, 1982.
Lodge's Last Best Offer (Issue II)

1. The Lodge proposes that all wage classifications be increased effective July 1, 1983 by 7%.

City's Last Best Offer (Issue I)

1. All wage classifications within the Bargaining Unit would be increased by 3.5% effective July 1, 1982.

2. All wage classifications within the Bargaining Unit would be increased by 3% effective January 1, 1983.

City's Last Best Offer (Issue II)

1. The City proposes that all wage classifications be increased effective July 1, 1983 by 3.5%.

2. The City proposes that all wage classifications be increased effective January 1, 1984 by 3%.

The panel has decided to award the Union's last best offer on wages. These proposals provide that all wage classifications within the bargaining unit would be increased by 2% effective July 1, 1982. In addition, the employees' retirement contributions (5% of wages) would be paid by the City effective July 1, 1982. Finally, that all wage classifications be increased by 7% effective July 1, 1983. The panel has selected the Lodge's last best offers for the following reasons. The difference between the Lodge's last best offers and the City's last best offers on wages amount to just slightly more than \$30,000 over the two

year period. This relatively small difference minimized the City's arguments concerning the financial difficulty it would have in paying the Lodge's demands. In viewing the comparable data from other communities it is clear that the Lodge's proposals with their slightly higher yield more nearly brings East Lansing police officers into line with police officers in the comparable communities. In addition, the Lodge's proposals yield approximately 8% the first year and 7% the second year. This yield compares favorably with the 8% received by police supervisors and fire fighters effective July 1, 1982. In short, the Lodge's proposals were the more equitable. With respect to the City's argument concerning its ability to pay the City pointed out that if the Lodge's proposals were adopted the City may have to resort to its "rainy day" fund in order to pay increases since revenues were projected as being stagnant. The City did testify however, that if it were not for the bleak financial outlook it did not differ in principle with the Lodge's demand. The panel wishes to point out that since the time the City's initial proposals were drafted and since the time the City's last best offers were submitted times have changed. There is now good reason to hope for a significant improvement in both the national and state economy. The good financial news coupled with the moderate difference between the parties' last best offers has convinced the panel that the Lodge's offers should be awarded.

In granting the Lodge's proposals on wages the Chairman wishes to make public note of two concerns. First, the Chairman does not believe that it is good policy for an arbitration panel to be innovative in making its award. New ideas should be negotiated and implemented by the parties and not ordered by an arbitration panel that has no responsibility for their implementation. Therefore, it gives the panel Chairman some concern that the wage package does include a new concept, namely the City assuming the employees' cost for pension benefits. This fear was allayed however, since the City has voluntarily agreed to do this with other bargaining units. Therefore, the panel did not feel that it was adopting a totally new concept. The other concern was that in adopting the Lodge's last best offers on wages, although they yielded approximately eight percent in the first year the rate only increased two percent. Should the parties ever see fit to resort to Act 312 again the inevitable comparisons will be made between East Lansing wages and wages in comparable communities. To be fair to the City, the Chairman wants to publicly state that the panel considered the payment of employees' contributions to their pension plan to be the equivalent of a wage increase. Therefore, in the future the five percent cost of this retirement benefit should be considered in the overall comparison of wages and benefits of other comparable communities.

ISSUE 3 - LONGEVITY

Lodge Proposal

1. The Lodge proposes that the current longevity provision contained in the Collective Bargaining Agreement between the parties be modified so as to increase the ceiling of wages upon which the percentages of longevity will be paid from the current \$12,000.00 to \$14,000.00 effective the first year of the Collective Bargaining Agreement.

City Proposal

No change.

The panel has decided to adopt the City's last best offer of no change with regard to this issue. The most important factor influencing this decision was the comparable data. In comparing East Lansing's longevity plan with those in the comparable communities it becomes apparent that East Lansing employees are in an equitable position. The East Lansing plan ranks in the approximate middle in the comparable communities. In addition, the evidence showed that all East Lansing City Employees have the same longevity plan. Therefore, the City's proposal of no change has the advantage of maintaining internal consistency with regard to this benefit. Considering all the evidence the panel is satisfied that the Union has not established a need for increasing this benefit at this time.

ISSUE 4 - TIME OFF

Lodge Proposal

1. The Lodge proposes to implement the City's proposal regarding time off as it relates to the modification of the vacation schedule with the addition of number 2 below.

2. Effective July 1, 1983, the employees would receive one additional holiday, to-wit: the employees' birthday.

City Proposal

1. The City would implement the combination of the two vacation schedules contained in the current Collective Bargaining Agreement in a manner most advantageous to the Officers with the addition of one vacation day at the ten year level. The City would propose no other change.

The panel has decided to adopt the City's last best offer on this issue. This means that the City's modification to the current vacation schedule will be adopted but that no new holiday will be granted in 1983. Again, the data on the comparable communities was convincing. In viewing the evidence it can be argued that in comparison with the comparables East Lansing has the best time off package of any of the comparable communities. In addition, when compared to other East Lansing City Employees, again it can be argued that police officers time off benefits are the best in the city. In short, there is no evidence that would dictate an increase in this benefit.

SUMMARY

The Chairman's decisions on the issues are as follows:

I, II WAGES

July 1, 1982 City to pay employees 5%
 pension contributions

July 1, 1982 to June 30, 1983 2%
July 1, 1983 to June 30, 1984 7%

Agree LODGE

Dissent CITY

III LONGEVITY

no change

Agree CITY

Dissent LODGE


IV TIME OFF


no new holiday effective July 1, 1983


Agree CITY

Dissent LODGE

Date: July 19, 1983


Peter D. Jason
Arbitrator/Chairman


Michael Benedict
City Delegate


Jerry Layson
Union Delegate

SUMMARY OF AGREED TO ITEMS AS STIPULATED
BEFORE ARBITRATOR PETER JASON IN THE
ACT 312 PROCEEDINGS
BETWEEN THE CITY OF EAST LANSING, MICHIGAN
AND THE
EAST LANSING NON-SUPERVISORY POLICE,
CAPITOL CITY LODGE # 141
FRATERNAL ORDER OF POLICE

The following items, as outlined in City Exhibit 49, are hereby adopted by the panel as a part of these Act 312 proceedings:

Liability Insurance
Life Insurance
Non-Educational Bonus
On-The-Job Injury
Protective Vests
Sick Leave
Unsafe Vehicles
Acting Rank Pay
Overtime Compensation
Court-time
Damaged Personal Property
Special Emphasis Team
Calls at Home
Special Meetings
CAB-DB Assignments
Self-Incriminating Evidence
Grievance Procedure
Payout of Accumulated Leave
Lodge Bargaining Committee
Holidays
Bulletin Board
Open Collars
President Assigned to Day Shift
Lodge Security
Compensatory Leave Time