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STATE OF MICHIGAN

DEPARTMENT OF LABOR

EMPLOYMENT RELATIONS COMMISSION

IN THE MATTER OF ACT 312 ARBITRATION BETWEEN:

TOWNSHIP OF GREEN OAK

- and -

GREEN OAK TOWNSHIP POLICE DEPARTMENT LAW ENFORCEMENT DIVISION, LOCAL 214, INTERNATIONAL BROTHERHOOD OF TEAMSTERS, CHAUFFEURS, WAREHOUSEMAN AND HELPERS OF AMERICA Ceorge T. Roumell

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Michigan State University

ARBITRATION PANEL'S FINDINGS OF FACT, OPINION AND ORDER

LABOR AND INDUSTRIAL RELATIONS LIBRARY Michigan State University

(Act 312, P.A. 1969 - Compulsory Arbitration)

JUL 26 1976

This is an Act 312, Public Acts of 1969, Compulsory Arbitration in a Labor Dispute between the Township of Green Oak, organized under the laws of Michigan, and the Green Oak Township Police Department, represented by the Law Enforcement Division, Local 214, International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America. There is no dispute here as to the timeliness of all actions brought by the parties under Act 312. Furthermore, the parties have agreed, pursuant to Section 8 of the Act, M.S.A. 17.455 (38), to extend the time for the Panel to file its Finding of Facts, Opinion and Order concerning a threshold objection as to the issue of retroactivity.

Roumell, George T.

The Township has moved that the Award herein or Order, in no event shall be retroactive, but, instead, should be prospective.

The Collective Bargaining Agreement between the parties for the 1974-1975 fiscal year of the Township expired on March 31, 1975. About February 19, 1975, James Allen, a business representative of Local 214, sent by certified mail to Edward Janicki, Supervisor of Green Oak Township, a request to negotiate a new contract and listed in said letter the items that Local 214 considered should be the subject for negotiation. The letter also suggested a date for the first bargaining meeting.

Shortly thereafter, on February 24, 1975, Mr. Allen sent the following letter to the Michigan Employment Relations Commission with a copy to Supervisor Janicki:

JUSEPH VALENTI President

### TEAMSTERS

### Law Enforcement Division



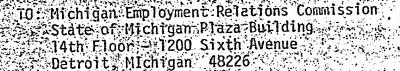
Affiliated with the

INTERNATIONAL BROTHERHOOD OF TEAMSTERS, CHAUFFEURS,
WAREHOUSEMEN AND HELPERS OF AMERICA

2801 TRUMBULL AVENUE O DETROIT, MICHIGAN 48216

0E1R011, 3110111011

DATE: February 24, 1975



Green Oak Township Police Department

Compulsory Arbitration Act 312



Dear Sir:

Although we have not reached an impasse in contract negotiations, we are requesting mediation in compliance with Compulsory Arbitration Act 213.

Very truly yours

Business Representative

c: CITY OFFICIAL: Edward Janicki, Supervisor

ADDRESS: 10789 Silver Lake Road
South Lyon, Michigan 48178

CHIEF: OF POLICE: ADDRESS:

STENARD: Robert Johnson

The proposed bargaining meeting was set for February 26, 1975, but was not held because business representative, James Allen, did not appear at the meeting, though the Local representative was at the meeting. Thereafter, Supervisor Janicki asked the Township's counsel, Joseph T. Brennan, to contact Mr. James Allen concerning the negotiation meetings. On March 28, 1975, Mr. Allen sent the following letter to Green Oak Township with a copy to Joseph T. Brennan as well as the Michigan Employment Relations Commission.

### TEAMSTERS



### Law Enforcement Division

LOCAL 214

Affiliated with the

INTERNATIONAL BROTHERHOOD OF TEAMSTERS, CHAUFFEURS, WAREHOUSEMEN AND HELPERS OF AMERICA

2801 TRUMBULL AVENUE O DETROIT, MICHIGAN 48216



March 28, 1975

CERTIFIED

Green Oak Township 10789 Silver Lake Road South Lyon, Michigan 48178

Attention: Edward Janicki, Supervisor

RE: Green Oak Township Police Department

Compulsory Arbitration Act 312

Dear Sir:

Teamsters Local 214, Law Enforcement Division, has not reached an impasse in contract negotiations and is continuing in its efforts to reach agreement on pending disputes. However, so that we may retain our rights under the Compulsory Arbitration Act 312, we are requesting and initiating binding arbitration in accordance with the Act.

The signatory of this letter has been appointed as panel member for the Union.

Very truly yours,

James Allen

Business Representative

JA/tdc

cc: Joseph T. Brennan, Attorney Michigan Employment Relations Commission Robert Johnson, Steward Allan Steinway, Alternate Steward

On April 2, 1975, Mr. Brennan caused the following letter to be written to Mr. James Allen:

April 2, 1975

Mr. James Allen
Business Representative
Teamsters Law Enforcement
Division
Local 214
2801 Trumbull Avenue
Detroit, Michigan 43216

Re: Green Oak Township Police Department Compulsory Arbitration Act 312

Our file: Green Oak Township Labor Negotiations

Dear Mr. Allen:

This will acknowledge receipt of a copy of your letter to Green Oak Township dated March 28, 1975. I will be on vacation during Easter week and expect to be back in the office about April 9.

I will be consulting with my clients in Green Oak at that time and we will determine what action to take in view of your letter of March 28.

Mr. Janicki has informed me that he has scheduled negotiations for April 8. We will have to adjourn these negotiations, and upon my return to the office I will get in touch with you and schedule negotiations for a date which will be convenient for all parties.

On first impression it would appear to me that your demand for arbitration is premature because the requisite conditions precedent have yet to be completed. I will get back to you promptly as soon as I return to the office.

Yours very truly,

BRENNAN AND BIBEAU, P.C.

Joseph T. Brennan

JTB:baw

cc: Mr. Edward Janicki
Michigan Employment Relations Commission

The parties did continue to bargain, and, apparently, reached some agreement, for on July 8, 1975, Billy D. Mendenall, a Local 214 Business Representative, sent the following letter to Mr. Joseph T. Brennan concerning items that were accepted and rejected by the Local 214 membership employed by Green Oak Township:

JOSEPH VALENII, President

(313) TOL-1147



# Law Enforcement Division LOCAL 214

Affiliated with the

INTERNATIONAL BROTHERHOOD OF TEAMSTERS, CHAUFFEURS, WAREHOUSEMEN AND HELPERS OF AMERICA

2801 TRUMBULL AVENUE 🔷 🕦 DETROIT, MICHIGAN 48216



July 8, 1975

Joseph T. Brennan 29870 Middlebelt Road Farmington, Michigan 48024

Re: Green Oak Township Police Department

Dear Sir:

I have taken the issues back to the membership and below you will find those items accepted and rejected:

Section 304 - Health Insurance

- A. Blue Cross MFI Major Medical Teamsters Optical and Dental
- B. Sickness and Accident Insurance as per original proposal

Cost of Living - Will accept .4 of C.O.L. Index = 1¢ per hour increase to be paid quarterly as bonus.

Longevity - Accept Township proposal - 2% - 5 years 4% - 10 years

To be paid in lump sum on anniversary date and to be based on then current salary.

Article VII - Section 701 - Holidays
As agreed 1/2 day Xmas Eve
1/2 day New Year's Eve
To be added to those holidays already celebrated by the
Township.

Section 702 - Vacations - As agreed on June 5, 1975

Article III - Section 301

Will hold on 12% increase for full time employees Part-time as proposed Sergeants - will accept Township proposal \$12,075.00

Section 302 - Payday shall be semi-monthly on 15th and 30th of each month - as agreed

Section 303 - As agreed

Section 706 - As aggeed June 5, 1975

Section 707 - Present contract language

Article X - Section 1003 to read: The employer shall provide to the employees such legal assistance as shall be required for civil actions brought against said employees as a result of acts occuring when said employee is in the proper performance of his police duties and responsibilities.

(Referring to a letter from Buonham & Flower Agency, Inc. to M. Wenzel, Clerk, from David M. Hess on January 25, 1973, you have an insurance policy to cover this)

Section 1005 - Teamsters Local 214 Supplemental Pension - \$4.00 per week per employee

Section 1006 - Uniforms and Cleaning as proposed

Section		ll be required to work
with unsafe equipm	ment. Police vehi	cles shall be replaced
at 60,000 miles.		

All police vehicles used for patrol or transporting prisoners will be equipped with shotguns, shotgun holders and safety shields.
(It was my understanding on June 5, 1975, relative to a statement made by Mr. Janicki that the reason these items were not provided is because they were not requested by the Chief. I further understand that the Chief did request these items at the last Township meeting but was turned down.

Your earliest response would be appreciated.

Very truly yours, Mendensel

Billy D. Mendenall

Business Representative

BDM/tdc

cc: Allan L. Steinway, Steward

On July 24, 1975, Mr. Brennan responded to Mr. Mendenall with the following letter:

BRENNAN AND BIBEAU, P. C.
ATTORNEYS AND COUNSELORS
29870 MIDDLESELT ROAD
FARMINGTON HILLS, MICHIGAN 48024

TELEPHONE 851-6111

JOSEPH TERRENCE BRENNAN
PAUL H. BIBEAU

July 24, 1975

Mr. Billy D. Mendenall Teamsters, Law Enforcement Division Local 214 2801 Trumbull Avenue Detroit, Michigan 48216

Re: Green Oak Township Police Department

Dear Mr. Mendenall:

We have your letter of July 8, 1975, and it has been reviewed by the bargaining committee.

We seem to have tentative agreement on the longevity proposal, on Sections 701, 702, 302, 303, 706, and 707.

With regard to Section 1003, we are not satisfied with your language, but would accept the following language:

The employer shall provide an insurance policy affording employees such legal assistance as shall be required for civil action brought against said employees as a result of acts occurring when said employee is in the proper performance of his police duties and responsibilities, to the extent of the coverage provided under the policy.

The position of the union on Sections 304, 301, 1005, and the three proposed new sections does not appear to be substantially different from the proposal rejected by the Township on May 29, 1975. The Township is not willing to accept the union demands on these items, and stands by its current offers and counter-offers.

BRENNAN AND BIBEAU, P. C. 29870 MIDDLEBELT ROAD
FARMINGTON HILLS, MICHIGAN 48024

Mr. Billy D. Mendenall

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July 24, 1975

Incidentally, the proposed increases under Section 301 form a package. The offer for Sergeants is a part of that package, and cannot be accepted separately.

Yours very truly,

BRENNAN AND BIBEAU, P.C.

Joseph T. Brennan

JTB:mfb

CC: Mr. Edward Janicki, Township Supervisor Mrs. Sally York, Township Clerk Ms. Beverly Bater, Township Treasurer Mr. Louis Driver, Township Trustee

Apparently, bargaining continued by the parties, and, in fact, the parties engaged in mediation with the assistance of a Mediator, Edward O. Connors, assigned by the Michigan Employment Relations Commission. However, by October 27, 1975, they had reached an impasse, and, as a result, on that date Billy D. Mendenall, on behalf of Local 214, wrote the following letter:

### TEAMSTERS



## Law Enforcement Division LOCAL 214

Affiliated with the

INTERNATIONAL BROTHERHOOD OF TEAMSTERS, CHAUFFEURS,
WAREHOUSEMEN AND HELPERS OF AMERICA

2801 TRUMBULL AVENUE - DETROIT, MICHGAN 48216

Alliliote

October 27, 1975

Mr. Robert Howlett, Chairman Michigan Employment Relations Commission 400 Trust Building Grand Rapids, Michigan 49502

Re: Compulsory Arbitration Act 312

Green Oaks Township Police Department

Dear Sir:

This Local Union has reached an impasse in Contract Negotiations including the services of the assigned State Mediator, Mr. Edward O. Connors.

We are therefore requesting that an Arbitrator be assigned to the above captioned matter in compliance with Compulsory Arbitration Act 312.

Very truly yours,

LAW ENFORCEMENT DIVISION

Billy D. Mendenall,

Business Representative

BDM/sj

cc: City Manager

Allan Steinway - Union Steward

By telegram, dated October 29, 1975, the Township was advised by Local 214 that Joseph Valenti had been appointed the Union Panel Member in this matter. The Township appointed Attorney

Joseph T. Brennan as its Panel Member. Subsequently, the parties agreed that George T. Roumell, Jr. should act as neutral chairman, and so advised Chairman Robert Howlett of the Michigan Employment Relations Commission. On November 21, 1975, Chairman Howlett appointed George T. Roumell, Jr. Chairman of the Panel.

Two Panel hearings were held where the parties did present the case on the merits, and the Township presented the Motion referred to earlier in this Opinion.

By agreement of the parties, Billy D. Mendenall was substituted as Local 214's Panel Member in place of Joseph Valenti.

The basis for the Township's Motion as to retroactivity centers around Section 10 and Section 3 of the Act. Section 10 is as follows:

"\$17.455(40) Majority decision final and binding; enforcement circuit court; effect of new fiscal year; effective dates of increase in wages; retroactivity, condition; amendment or modification of award.] Sec. 10. A majority decision of the arbitration panel, if supported by competent, material and substantial evidence on the whole record, shall be final and binding upon the parties, and may be enforced, at the instance of either party or of the arbitration panel in the circuit court for the county in which the dispute or in which a majority of the affected employees reside. The commencement of a new municipal fiscal year after the initiation of arbitration procedures under this act, but before the arbitration decision, or its enforcement, shall not be deemed to render a dispute moot, or to otherwise impair the jurisdiction or authority of the arbitration panel or its decision. Increases in rates of compensation awarded by the arbitration panel under section 10 may be effective only at the start of the fiscal year next commencing after the date of the arbitration award. If a new fiscal year has commenced since the initiation of arbitration procedures under this act, the foregoing limitation shall be inapplicable, and such awarded increases may be retroactive to the commencement of such fiscal year and other statute or charter provisions to the contrary notwithstanding. At any time the parties, by stipulation, may amend or modify an

award of arbitration. (MCL § 423.240.)" (EMPHASIS ADDED)

Section 3 is as follows:

"\$17.455(33) Request for binding arbitration proceedings upon failure to resolve dispute.] Sec. 3. Whenever in the course of mediation of a public police or fire department employee's dispute, the dispute has not been resolved to the agreement of both parties within 30 days of the submission of the dispute to mediation and fact-finding, or within such further additional periods to which the parties may agree, the employees or employer may initiate binding arbitration proceedings by prompt request therefor, in writing, to the other, with copy to the labor mediation board. (MCL §423.233).

The basis for the Township's Motion is the last paragraph of Mr. Brennan's letter of April 2, 1971 where he writes that the "demand of arbitration is premature because the requisite condition precedent has, as yet, to be completed".

Obviously, what Mr. Brennan was referring to is the requirement in Section 3, quoted above, that the parties must have engaged in mediation in order to qualify for compulsory arbitration.

At the time of the April 2, 1971 letter, apparently, the parties had not completed mediation and were still bargaining. They reached an impasse sometime in October, 1975, which resulted in the Chairman's appointment.

The key to the ultimate issue here is the fact that the Township's fiscal year runs from April 1 to March 31. Thus, according to the Township, it interprets the initiation of the arbitration proceedings as occurring on or about October 27, 1975, when Mr. Mendenall wrote his letter to Chairman Robert Howlett of the Michigan Employment Relations Commission asking that an arbitrator be assigned pursuant to Act 312. The Township then concludes that pursuant to Section 10,

since the arbitration was not initiated prior to the end of the fiscal year, i.e., March 31, 1975, the award or orders of the Arbitration Panel can only be prospective.

The difficulty with the Township's position is that it ignores the facts of this case and the purpose of the Act.

The whole purpose of Act 312 is to serve as a method of avoiding public strikes, at least in the police and firemen sectors of public employment in the State of Michigan, and as such, it should be liberally interpreted in order to accomplish this purpose. See, "Arbitration in the Public Sector" by Robert E. Howlett, reprinted from the proceedings of the Southwestern Legal Foundation Fifteenth Annual Institute on Labor Law, Page 28.

McAvoy, Binding Arbitration of Contract Terms: A New Approach to the Resolution of Disputes in the Public Sector, 72 Col. L. Rev. 1192 (1972). Also see, Helveston and Neff, The Proven Method of Avoiding Public Employee Strikes, 43 Detroit Lawyer, 19 (February, 1975).

Obviously, it is more desirable for parties to attempt to negotiate their own agreements. See, Kheel, Strike and Public Employment, 67 Mich. L.R. 931, 941-942 (1969). This is the reason why the Act requires mediation prior to arbitration, for the Legislature was hoping that the parties could, in most cases, reach agreement short of arbitration.

It is quite clear from this record that Local 214 was aware that the fiscal year was coming to an end, i.e., March 31, 1975. The contract was to expire on that date. The parties had

not yet exhausted negotiation in February, 1975. Thus, Mr. Allen, to protect Local 214's rights under Act 312, wrote first to the Michigan Employment Relations Commission (February 24, 1975), and then later to Green Oak Township with copies to the Commission (March 28, 1975) requesting arbitration. Specifically, the letter of March 28, 1975, states: "However, so that we may retain our right under the Compulsory Arbitration Act 312, we are requesting and initiating binding arbitration in accordance with the Act".

It may be true that the Chairman of the Michigan Employment Relations Commission may have been legally correct in not appointing an arbitrator until mediation had been exhausted. This would be consistent with the Michigan Court of Appeals' decision in Farmington Township Police Officers Association v. Michigan Employment Relations Commission, Case No. 9756 (October 15, 1970), and the purpose of the Act, namely, to encourage bargaining and not act as a substitute for bargaining. See, Kheel, Strikes and Public Employment, 67 Mich. L.R. 931 (1969).

Nevertheless, the fact that an impartial Chairman of the Arbitration Panel had not been appointed does not mean that the letter of March 28, 1975 did not "initiate" the compulsory arbitration procedure, consistent with Section 3 and Section 10 of the Act. The Township was put on notice of the intention of Local 214 to utilize compulsory arbitration in the event that no agreement was reached. All that Local 214 did was to agree to continue bargaining while reserving its rights under Act 312 so that it could insist on retroactivity under Section 10.

To grant the motion of the Township here would ignore the practicalities of the situation. The whole purpose of Act 312, perhaps, was summarized best by Professor Charles Rehmus of the University of Michigan when he wrote:

"Arbitration, whether conventional or final offer, is a procedure that is used to resolve impasses in negotiations. This fact tends to obscure the underlying purpose of an arbitration statute. This purpose is to provide some equality of bargaining power between negotiating parties where there is no right to strike. Viewed in the light of this purpose, the Michigan statute is clearly successful." Rehmus, Public Safety, "Final Offer" Arbitration in Michigan, 69.

The Township's position here tends to unequalize the bargaining power between the parties. When faced with a time limit, as was the situation here, the position advocated by the Township encourages what can be described as "surface bargaining," i.e., having meetings, and even calling in a mediator, without real intentions or the necessary time to reach an agreement by what sometimes are the artificial deadlines imposed by Act 312. Here, however, the Local decided not to engage in surface bargaining and, instead, reserved its retroactive rights under Act 312, thus, putting the Township on notice of these retroactive rights while continuing to bargain. There is no question, as the July 8, 1975 letter of Mr. Mendenall to Mr. Joseph T. Brennan indicates, that a great deal was accomplished by continuation of the bargaining. Certainly, if the bargaining had to be completed by April 1, 1975, it is doubtful that such strides could have been made.

The Township's position is contrary to Professor Rehmus' observation because, although this Arbitrator is convinced that this was not the purpose of the Township, it could unequalize the bargaining power by "dragging its feet". A municipality could lure a union into bargaining past the fiscal year deadline and then reach an impasse, resulting in the municipality obtaining favorable treatment for one year, since the orders of the Panel in such cases can only be prospective, i.e. "at the start of the fiscal year next commencing after the date of the arbitration award". By making this observation, the Arbitrator again emphasizes that the finds no evidence that this was the purpose of Green Oak Township in this situa-However, if Act 312 is to work to settle strikes, avoid impasses, and perhaps to encourage more collective bargaining in public employment without the necessity of an impasse, then there must be a device where a union can reserve the rights under Act 312 to retroactivity and yet continue to bargain effectively. Compare, Helveston & Neff, The Proven Method of Avoiding Public Employee Strikes, 43 Detroit Lawyers 19 (February, 1975).

The devise used here, to-wit, reserving the Act 312 rights prior to the the expiration of the fiscal year, tends to avoid strikes. It resulted in no harm to the Township. The Township was well aware that Act 312 might, indeed, be invoked.

The genesis of Sections 3 and 10 are explained well by

Ms. McAvoy in her article, <u>Binding Arbitration of Contract Terms:</u>

A New Approach to the Resolution of <u>Disputes in the Public Sector</u>,

72 Col. L. Rev. 1192 (1972), where she notes that the purpose of

provisions such as Section 10 is to give the municipality an opportunity to plan its future and current budget. Certainly, if the union delays in initiating procedures and leads the municipality into thinking that it does not intend to bargain for the year involved or intends to extend the contract, without adding additional monetary benefits, then Section 10 accomplishes the purpose of which Ms. McAvoy speaks. Here, however, it was clear that the Union intended to bargain about new economic benefits. These benefits, in fact, were stated in the letter of February 19, 1975 requesting the opening of negotiations. Thus, the Township was aware that monetary benefits for the fiscal year beginning April 1, 1975 were being demanded. This record clearly indicates that the Township was not being mislead into believing that the Union had waived its rights to retroactivity.

Perhaps the key to the Arbitrator's thinking here is the fact that the Michigan Supreme Court, although splitting on the question of the constitutionality of Act 312, did say that, since the purpose of the Act was to prevent strikes, so long as there was substantial compliance with the Act, then the Act could be construed liberally. Dearborn Fire Fighters v. City of Dearborn, 394 Mich. 229, at 243 (1975). This Arbitrator believes that the letter of March 28, 1975, prior to the end of the fiscal year, was a substantial attempt to initiate the arbitration process. Because the mediation had not been invoked as required by Section 3 of the Act, the letter may not have met all of the qualifications of that Section. Nevertheless, using the "substantial" test, as set forth in Dearborn Fire Fighters, supra, and recognizing that the purpose of the Act, as announced by the Supreme Court in Dearborn Fire

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Fighters, is to avoid strikes in the essential areas of public service, i.e., police and fire fighters, one must adopt a liberal view as to jurisdiction, so long as there is an attempt to invoke it before the expiration of the time limits which cut off the retroactivity rights. To do otherwise would encourage strikes among firemen and policemen which would be contrary to the entire purpose of the Act. Furthermore, as already noted, it would make the bargaining relationship between the parties unequal.

For all of these reasons, the motion must be denied. The majority of the Panel will hold that the award may be retroactive to April 1, 1975. The Order here will also provide that the parties, within ten days of the date of the Order, shall submit to the Chairman of the Arbitration Panel their last best offer as to the economic issue between the parties. The offers should cover a two-year span, to-wit, the 1975-1976 fiscal year and the 1976-1977 fiscal year.

#### ORDER

- 1. It is hereby ordered that any economic increases or benefits ordered by the Panel shall be retroactive to April 1, 1975.
- 2. The parties are hereby ordered to submit to the Chairman of the Panel, within ten days of the date of this Order, their last best offers covering both the 1975-1976 fiscal year and the 1976-1977 fiscal year.

George T Roumell, Jr.
Chairman

March 24, 1976

Billy D. Mendenall

Member

#### DISSENT

I hereby dissent from the above finding of facts, opinion, and order and would grant the Township's motion. It is clear that, under Section 3, arbitration proceedings were not initiated, within the meaning of the Act, prior to the end of the 1974-1975 fiscal year, i.e., March 31, 1975. Certainly, the failure to mediate prior to March 31, 1975 means that any attempt to initiate arbitration prior to that date was contrary to the provision of Section 3, and, therefore, the Michigan Employment Relations Commission had no jurisdiction to invoke the arbitration proceedings. See, Farmington Township Police Officers Association v. Michigan Employment Relations Commission, Case No. 9756 (October 15, 1975), Michigan Court of It is for this reason that this member of the Arbitration Panel believes that Section 10 means what it says, and, therefore, increases in rates of compensation may be effective "only at the start of the fiscal year next commencing after the date of the arbitration award".

Joseph T. Brennan

Member

Dated: March 24, 1976