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Grosse Pointe Park, City of

IN THE MATTER OF ARBITRATION

between

GROSSE POINTE PARK POLICE OFFICERS ASSOCIATION
and THE CITY OF GROSSE POINTE PARK

Under Act. No. 312
Michigan Public Acts of 1969

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Arbitration Panel:

William Haber, Chairman

Robert A. Slone, Delegate representing
The City of Grosse Pointe Park

David A. Hiller, Delegate representing
Grosse Pointe Park Police Officers
Association

January 6, 1976

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In the Matter of Arbitration Between
Grosse Pointe Park Police Officers Association
- and -
City of Grosse Pointe Park

1. Background and Issues

The City of Grosse Pointe Park and the Grosse Pointe Park Police Officers Association have been unable to conclude the Collective Bargaining Agreement which was to have gone into effect on July 1, 1975. The parties undertook to submit the unresolved issues to binding arbitration under the Police-Firefighters Arbitration Act (Act 312 Public Acts of 1969, as amended). Negotiation continued in good faith and certain understandings were reached concerning Contract duration (for a period of two years beginning July 1, 1975) and retroactivity, under which it was agreed that all economic improvements granted for the first year of the Contract would begin as of July 1, 1975. Concerning noneconomic issues, none remained outstanding for submission to arbitration.

With regard to economic issues, the parties were unable to agree on wages, shift differentials, longevity and a cost of living escalator clause for the fiscal year beginning July 1, 1975.

For the second of the two fiscal years, beginning in July 1976, the parties were unable to agree about the addition of a dental rider to the medical insurance feature of the Agreement and an improvement in the pension plan. The issue of premium pay for holidays was satisfactorily resolved.

William Haber of Ann Arbor, Michigan was designated as Chairman of the Arbitration Panel as provided for in Act 312 by letter from Robert G. Howlett, the Chairman of the Employment Relations Commission of the State of Michigan, Department of Labor. The City of Grosse Pointe Park delegated Mr. Robert A. Slone as its delegate and the Grosse Pointe Park Police Officers Association named Mr. David A. Hiller.

A Hearing was held in the offices of the Grosse Pointe Park City Attorney in Detroit on September 23, 1975. Present on behalf of the Police Officers Association was Allan R. Waterstone of the firm of Fox, Fox, Fitzer & Waterstone who presented the case for the Association. Also present were Andrew Meeker and Michael J. Kortas, Secretary and President of the Association respectively.

Appearances on behalf of the City included Richard D. Rohr of Bodman, Longley, Bogle, Armstrong & Dahling who presented its case. Also present were Henry O. Coonce and Munzio J. Ortisi, Clerk-Comptroller.

The Arbitrator was provided with several exhibits including a copy of the Agreement which expired on June 30, 1975; a copy of an agreement between the Village of Grosse Pointe Shores and the Public Safety Officers Association of that City which expires on June 30, 1976. A series of exhibits referring to the "Patrolman's Wage Package Costs" (City exhibit 1) was submitted by the City which refers to the base pay, average overtime, maximum longevity, maximum vacation pay, shift differentials, average holiday pay, pension costs, hospitalization, life insurance, worker's compensation and average uniform costs. Another exhibit refers to the major outlays of the City for the period 1966-1976 (City exhibit 2), local revenue, outlays for personal services, including the number of employees per year for the same period; and data concerning the Patrolman's wage in 1967 and in 1975, and the cost of living index for the same dates. Another exhibit (City 3) deals with assessed evaluation, tax levy, millage, wage increases for 1971-72 through 1974-75, worker's compensation rates and similar matters. The City's exhibit 4, dated September 23, 1975, provides the Arbitration Panel with certain information concerning the City's ability to hire "experienced officers at the entry level" wage and certain other data concerning the crime record of the community from 1970 through August 31, 1975. Also submitted was information

concerning the average hours worked and lost, holidays, sick days and similar matters.

The Arbitration Panel was also provided a wage and fringe benefit survey by the Police Officers Association of Michigan for 1974-75, as well as for 1975-76. Also provided was the salaries paid to Police Officers for 21 communities on Southeastern Michigan, who provide salaries above \$14,500, which expired before July 1, 1975; 24 communities with salaries above \$14,500 expiring after July 1, 1975; and 14 communities with salaries below \$14,500. Data was also provided to the Arbitration Panel from 59 communities regarding longevity pay; for a select list of communities concerning shift premiums; for 60 communities concerning pensions and some data on the increases in "offenses reported" by classification for 1966, 1970 and 1974.

Briefs were submitted by the parties. That for the City of Grosse Pointe Park consisting of 13 pages, signed by Richard Rohr, City Attorney, dated November 1, 1975, reached the Arbitrator on November 5, 1975. The brief of Allan R. Waterstone, on behalf of the Association, reached the Arbitrator on November 4, 1975. A transcript of the Hearing, consisting of 119 pages, was also made available to the Arbitrator.

The testimony at the Hearing led the Chairman of the Arbitration Panel to conclude that while the parties had been negoti-

ating in good faith, their last and final offer was unclear. The Chairman of the Arbitration Panel requested that the parties should make another attempt to reach an agreement, since on most issues the parties were rather close together. The Arbitrator further observed that if the parties were not able to resolve the differences which would still exist between them, after a further negotiating session, their respective briefs should contain the last best offer of each side. These briefs testify to the parties inability to resolve their differences and request the Panel to do so.

2. The Final Offer

1. Concerning wages, the present wage scale for an Officer with four or more years of service is \$14,500. The Association requests that effective July 1, 1975, that wage should be changed to \$15,700 - an increase of \$1,200. The City offers \$15,500 - an increase of \$1,000.

2. With respect to holiday pay, the Association requests double time for all work performed on holidays. The City accepts that proposal.

3. Concerning shift differentials, the Union proposes \$200 per year. According to the City, the present shift differentials of \$125 should remain unchanged.

4. Concerning longevity. Longevity pay under the present Agreement reaches a maximum of \$300 per year after 9.5 years. It begins with \$90 after 2.5 years and increases \$30 per year until the maximum of \$300. The Union requests that \$25 should be added to existing schedule in Article 12(c), summarized in this paragraph with a maximum of \$800 after 30 years. The City's offer is that the present longevity program which arrests any further increases after 9.5 years at \$300 should be improved by the addition of \$50 each year for 3 years after 9.5 years. Thus, the maximum would be \$450 after 12.5 years.

5. Concerning cost of living escalator clause, the Association proposes that a 1¢ per hour increase should be provided for each 0.4 increase in the Consumer Price Index. The City is opposed to the inclusion of a cost of living provision, which does not exist in the present Agreement.

6. For the second of the two fiscal years, 1976-77, the base pay wage, according to the Union, should be increased to \$16,800. The City's offer is \$16,600.

7. For the second of the two years of the Agreement, the Union also requests that the \$100 deductible for the major medical insurance should be reduced to \$50. The City accepts this proposal.

8. Concerning coverage for dental insurance. There is no such provision in the present Agreement. The Union proposes that the "John Hancock dental rider" coverage should be added to the existing insurance plan. The City has rejected this proposal.

9. With respect to pensions, the Union demand is that the pension program now computed on the basis of 1.7% of the Officers yearly salary for each year he worked, should be increased to 2%. This proposal is also rejected by the City.

The delegates representing the City and the Police Officers Association met in Detroit on Friday, December 19. The Chairman reviewed with the two delegates his analysis of the testimony and the exhibits and invited the delegates' reaction to the direction of his conclusions concerning the Opinion and Award.

3. Discussion: Opinion and Award

The Chairman of the Arbitration Panel has examined the testimony, oral and documentary evidence submitted, and has taken into consideration the requirements of Section 9 of Act 312, as amended. He has studied particularly the requirements of that section which states that account should be taken of comparisons of wages and other conditions of employment of other employees performing similar services and other employees generally, in public as well as private employment, in comparable communities.

The Panel is also to take into account the purchasing power of the wage; nonwage factors in the employment contract, such as holidays, vacations, insurance, pensions, employment stability and similar factors not confined to the foregoing. Finally, the Panel is required to consider the interest and welfare of the public and the financial ability of the community to meet the costs involved.

Concerning the economic issues, the Arbitration Panel is required to adopt "the last best offer of settlement which, in the opinion of the Arbitration Panel, more nearly conforms to the guidelines and criteria prescribed in Section 9," to which reference is made in the preceding paragraph.

The Panel has weighed carefully the respective positions of the Association and the City and has taken due note of the size of the community, its tax base, the limits of growth which prevail due to the lack of space, "the aging inventory of homes," the relative stability of employment and the estimated increased costs of the various elements in the Association's "package."

1. The panel has come to the conclusion that the Union's proposal for wages for 1975-76, effective July 1, 1975, should be approved and it so directs.

2. The Union's proposal for wages for the fiscal year 1976-77 is also approved.

3. Concerning holiday pay the parties are in agreement. Their agreement now becomes part of this Opinion and Award. The Chairman assumes that the principle of retroactivity applies also to all the holidays beginning July 1, 1975.

4. Concerning shift differentials, the City's proposal that the present shift differential of \$125 should remain unchanged is approved and becomes part of this Award.

5. Concerning longevity, the present Agreement provides no reward for services beyond 9.5 years. The City's proposal is to improve that somewhat by adding 3 additional years and raising the maximum from \$300 to \$450 at 12.5 years with no further improvement after that. The Association proposal to recognize longer service employees with a maximum of \$800 after 30 years is not unreasonable, is approved and becomes part of this Award.

6. Concerning the cost of living escalator clause, in view of the substantial improvement in the Association's wage levels in this community since 1967 and the uncertainties which characterize municipal financing these days, the proposal for an escalator clause in the new Agreement is fraught with too many financial uncertainties and is not approved.

7. Concerning the changes proposed for the second of the two years by the Association, to improve the pension benefit from 1.7% to 2% per years, it is the Panel's conclusion that

this is too steep an increase in cost at this time and is not approved. The Panel is not in a position to adopt some intervening percentage between 1.7% and 2% since the Act under which it is functioning limits its authority to select the last offer of one party or the other. It has no authority to compromise between these offers.

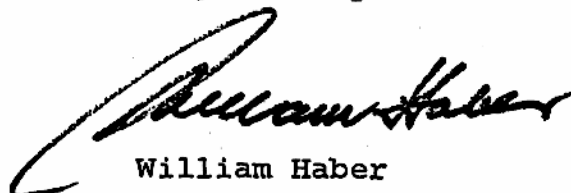
8. The proposal by the Association for a change in the deductible amount of the major medical insurance from \$100 to \$50 is acceptable to the City and becomes a part of this Award.

This Award was written by the Chairman of the Panel who had to be guided by the criteria established in the Act under which this arbitration was conducted. The Chairman is not uninfluenced by the impact which inflationary prices has upon the real income of the Association's members. It was, therefore, with considerable reluctance that he concluded to reject the Association's proposal for the cost of living escalator clause.

The Chairman appreciates the assistance he received from the delegates representing the City and the Association.

Respectfully submitted,

Robert A. Slone
Delegate for the City

A handwritten signature in dark ink, appearing to read 'William Haber', is written over the printed name.

William Haber

David A. Hiller
Delegate for the Association