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STATE OF MICHIGAN DEPARTMENT OF LABOR MICHIGAN EMPLOYMENT RELATIONS COMMISSION

IN THE MATTER OF:

CITY OF HARPER WOODS

August 10, 1983

and

ARBITRATION AWARD
AND OPINION

MICHIGAN LAW ENFORCEMENT UNION, TEAMSTERS LOCAL 129

MERC Case No. D81 K2747 Act 312 Public Acts 1969 as Amended

ARBITRATION PANEL

JOSEPH P. GIROLAMO, Chairman

RONALD DOWELL, Employer, Delegate

JAMES W. ALLEN, Union Delegate

UNION REPRESENTATION

EMPLOYER REPRESENTATION

J. RUSSELL LaBARGE, JR. ESQ. LaBarge, Dinning & Lyons, P. C.

RICHARD D. ZIEGLER Business Representative

Arbitration Hearings:

Dates:

May 4 and May 5, 1983

Place:

Offices of City of Harper Woods, Michigan

OSEPH P. GIROLAMO 1756 Penobscot Building Detroit, Michigan 48226 962-7723

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STATE OF MICHIGAN DEPARTMENT OF LABOR MICHIGAN EMPLOYMENT RELATIONS COMMISSION

IN THE MATTER OF:

CITY OF HARPER WOODS

Act 312 Arbitration

and

MICHIGAN LAW ENFORCEMENT UNION, TEAMSTERS LOCAL 129 MERC No. D81 K2747

INTRODUCTION

The parties herein, City of Harper Woods (City) and Michigan Law Enforcement Union, Teamsters Local 129 (Union) were unable to negotiate a new agreement to replace their previous labor contract which expired on December 31, 1981. Utilization of mediation services provided by the Michigan Employment Relations Commission (Commission) did not result in a negotiated agreement. The Union petitioned for arbitration pursuant to Act 312, Public Acts 1969 as Amended, on July 27, 1982. The Commission, by letter dated August 20, 1982, appointed the undersigned Chairman of the Arbitration Panel. At the time of the undersigned's appointment approximately thirty (30) issues were in dispute, and therefore the parties were remanded to mediation. After mediation the parties returned with ten (10) issues remaining in dispute. Delegates were named to the Panel by the respective parties:

Ronald Dowell (City)
James W. Allen (Union)

Hearings on this matter were held on May 4 and May 5, 1983, at which time the Chairman took the statutory oath of office and parties stipulated as to the Panel's jurisdiction of the remaining issues in dispute.

ISSUES

The following issues were placed before the Panel for resolution with stipulated identification:

(1)	Work Schedule	(Economic)
(2)	Funeral Leave	(Economic)
(3)	Optical Insurance	(Economic)
(4)	Dental Insurance	(Economic)
(5)	Shift Premium	(Economic)
(6)	Pension Contribution	(Economic)
(7)	Vacation Bank	(Economic)
(8)	Residency	(Non-Economic)
(9)	Wages 1982, 1983, 1984	(Economic)
(10)	Wage Differentials	
	between ranks	(Economic)

COMPARABLES

The parties disagree on the comparable communities which the Panel should utilize for purposes of evaluating their respective positions on the issues in dispute.

The Union has proposed a three (3) pronged approach. First, the Union relies on a list of "historical comparables" which was utilized by the parties in their prior 1980-1981 Act 312 Arbitration. The "historical comparables" have also been used by the City and the Police Supervisory Unit in Act 312 disputes. In May, 1983, a Panel rendering an award between the City and Police Supervisory Unit adopted the "historical comparables". The Union also suggests a "contiguous comparable" list consisting of municipalities bordering the City with the exception of the City of Detroit. Finally, the Union requests consideration of "Intra-City comparables" made up of other uniformed units within the City.

The City has proposed a list of comparables meeting the following criteria:

(1) All are within Region 1 of the Michigan Municipal League-Detroit Metropolitan Area; (2) All have a population between 10,000 and 25,000; (3) Each has a separate police and fire department; and (4) Each had a contract in force for at least part of the period January 1, 1982 through December 31, 1984.

The statutory framework directs adherence to communities with comparable and not identical characteristics. All of the lists submitted have some degree of comparability. In an attempt to give the participants some control over the final outcome of this proceeding, it is deemed proper to adopt comparables acceptable to both sides. Four communities appear on the list of proposed comparables submitted by the City and Union. The communities are: (1) Grosse Pointe Farms; (2) Grosse Pointe Park; (3) Hazel Park; and (4) Mt. Clemens. Each of the participants, having an intimate knowledge of their jurisdiction, agree that the above noted communities are comparable to the City of Harper Woods. The Panel therefore adopts these four (4) communities as comparable for purposes of this proceeding. The parties have presented the Panel with data on their respective proposed comparable communities. The Panel deems this information useful and therefore has taken the liberty of utilizing this information in its attempt to render an award in conformity with the purpose of Act 312.

DISCUSSION AND FINDINGS

1. Work Schedule:

Existing Contract Language:

Article XII, § 2:

"All hours worked in excess of eight (8) hours per calendar day or in excess of the schedule will be paid at the premium rates specified in this Agreement, except that no overtime will be paid for deviations from the conditions above caused by routine shift changes or schedule changes.

In excess of eight (8) hours per day - time and one/half (1 1/2).

In excess of one hundred and sixty (160) hours per twenty-eight (28) day work period - time and one/half (1 1/2)

Article XII, \$ 3:

"The first day worked on any regularly scheduled days off period of the work schedule will be paid at time and one/half (1 1/2).

(a) The second, third, or fourth day worked on any consecutively scheduled days off period of the regular work schedule will be paid double time."

The City Last Offer:

Any days worked on any regularly scheduled days off of the work schedule, including holidays, will be paid at time and one-half. No overtime premium shall be paid more than once for the same hours.

Union Last Offer:

- 1. No pyramiding of overtime (Article XII, § 2).
- 2. Status quo on double time provision (Article XII, § 2 [sic]).

Evidence and Comparables:

In Article XII, § 2, the parties agree that pyramiding of overtime is not

permitted and therefore the Panel adopts the intent of the parties precluding pyramiding

of overtime.

The Union contends that double time for second, third, and fourth off days

was inserted as a deterent to unreasonable assignment of overtime.

The City established that comparable communities do not pay overtime

for work on second, third, or fourth consecutive off days. Police Chief Ford testified

that he has never ordered a police officer to work a second, third or fourth consecutive

off day. According to Chief Ford, overtime is offered on the basis of seniority and

is mandated only by virtue of court subpoena. Union testimony that court appearances

are governed by a separate provision is unsubstantiated and the Panel has found no

provisions specifically dealing with payment for court appearances.

Panel Decision:

The Position of the City is adopted. Overtime is offered on the basis of

seniority and Officers can turn it down except when court appearance is required by

subpoena. The Union position is based on a "deterrent" theory. Since Officers have

not been ordered to work overtime, the deterrent theory is not applicable. Court

appearances are not scheduled by the Employer and therefore, the premium pay does

not deter the Employer in any way.

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JOSEPH P. GIROLAMO

RONALD DOWELL

JAMES W. ALLEN

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2. Funeral Leave

Existing Contract Language:

Article XXVIII, § 7:

"Permanent employees shall be allowed three (3) working days as funeral leave days in order to attend a funeral within three hundred (300) miles of the City and four (4) working days to attend a funeral beyond three hundred (300) miles of the City, with pay, not to be deducted from a sick leave for a death in the immediate family. Immediate family is to be defined as follows: Mother, father, sister, brother, wife or husband, son or daughter, mother in-law, father in-law or a member of the employee's household. Permanent employees shall be allowed one (1) working day as a funeral leave day in order to attend the funeral with pay not to be deducted from sick leave for a death of his grandparent or his spouse's grandparent."

The City Last Offer:

Add grandfather and grandmother of employee to definition of immediate family.

Union Last Offer:

To add grandparents, spouse's grandparents, brother in-law and sister in-law as immediate family.

Evidence in Comparables:

The City does not dispute the Union contention that "the death of an employee's grandparent or his/her spouse's grandparent or sibling can have a very serious

impact on the emotional state of an employee". The City does maintain that the addition beyond grandparents to immediate family is unwarranted. An employee is allowed one day off to attend the funeral of a spouse's grandparent. Vacation time, etc. can be utilized to attend funerals of those not within the immediate family.

Panel Decision:

The position of the City is adopted. Support for the Union position is lacking in its own proposed comparables. Two intra-City comparables include brother in-law and sister in-law but none includes spouse's grandparents.

JOSEPH P. GIROLAMO

AHIEM RONALD DOWELL

Optical Insurance

Existing Contract Language:

The present contract provides for no optical coverage.

The City Last Offer:

Status quo.

Union Last Offer:

That the City will pay the full costs of the Cooperative Services, Inc., optical program, covering the basic plan which includes a choice of Kryptok or D-Sig Bifocals, frames, selections from Graphs A through F and plastic lenses.

Evidence and Comparables

The matter of optical coverage among the comparable communities is evenly split. The City comparables support the Union position. It is also noted that the City fire fighters have the identical coverage sought by the Union.

Panel Decision:

The position of the Union is adopted. The Panel is persuaded that optical coverage should be extended to the Union. Although the four common comparables are inconclusive, the City's list of comparables support the demand and, within the City, fire fighters have the identical coverage.

JOSEPH P. GIROLAMO

RONALD DOWELL

CONCRETE

RONALD DOWELL

CONCRETE

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4. Dental Insurance

Existing Contract Language:

Article XXXIII, § 4:

"The City shall continue to provide Employees and their families with 50/50 Class II Delta Dental Insurance (which includes Class I coverage) with a Six Hundred (\$600.00) maximum."

City Last Offer:

Status quo.

Union Last Offer:

That the Employer provide a Delta Dental Plan, Class II 60/40 co-pay dental insurance for Employees and dependents with addition of Class III coverage with One Thousand (\$1,000.00) Dollar cap. The Employer will pay full cost of the premium.

Evidence and Comparables:

Aside from the co-pay differential, the major item in dispute is the addition of Class III (orthodontic) coverage. The four common comparables are evenly split on Class III coverage. The City contends that the comparables are irrelevant since the Union repeatedly stated at the Hearing that they wanted parity with the Fire Fighters. When the Union discovered that the Fire Fighters do not have Class III coverage, they did restate their demand for inclusion of this benefit. The City further notes that the Police Supervisory Unit was recently denied Class III coverage, however, the prime motivating factor in the Panel's decision appeared to be caused by the Union's demand for extension of the benefit to retirees.

The position of the Union is adopted. It is recognized that Class III coverage is not extended to any uniformed City unit. Nevertheless, the even split among the four comparable communities combined with the fact that one/half of the City comparables extend the benefit, persuades the Panel "the day has come" for Class III coverage. In granting the Union position, the Panel regards the coverage a form of compensation which is to be considered in the overall level of economic improvements accorded to the Union.

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SENT

RONALD DOWALL

5. Shift Premium

Existing Contract Language:

Article XXXIV. § 1

"An Employee whose schedule calls for him to work the second shift will receive a premium rate of five (5%) percent in addition to his base rate".

Article XXXIV, § 2

"An Employee whose schedule calls for him to work the third shift will receive a premium rate of ten (10%) percent in addition to his base rate.

City Last Offer:

City request to change shift premium benefit to: Article XXXIV, § 1, an Employee whose schedule call for him to work the second shift will receive a premium rate of Twenty-five (\$.25) cents per hour in addition to his base rate; Article XXXII [sic], § 2, an Employee whose schedule calls for him to work the third shift will receive a premium rate of Forty (\$.40) cents per hour in addition to his base rate.

Union Last Offer:

Status quo.

Evidence and Comparables:

Of the four common comparable municipalities, only one has a formula for shift premium based on a percentage of base pay. Among all of the City proposed comparables, slightly more than one-sixth have a percentage formula. The proposed Union "historical comparables" reveal one-third utilized a percentage formula for

payment of shift premium. Although the matter of shift premium was not an issue in the recently completed arbitration involving the Police Supervisory Unit, the City advises in its Brief:

"The Sergeants and Lieutenants presently enjoy the same shift premium benefit, although this benefit is now on the bargaining table for the 1983-1984 Contract years. The City's offer is the same as its last best offer to the patrolmen."

The Union, in its Brief, contends:

"During the Hearings, the Employer eluded [sic] to the idea that the shift premium should be figured into an Employee's base pay to give an accurate evaluation of compensation. The Union does not agree with this theory. Shift premium is a 'premium' benefit over and above an Employee's base pay. It is an acceptable and an appropriate form of compensation designed to compensate an Employee for working undesireable hours. It is also an acceptable level of compensation with that compared to that of the comparable communities".

The Union has also noted that this particular benefit has existed for many years.

Although the record is not precise, it does appear that Police Officers do rotate shifts. City Exhibit 11, based on a typical officer with forty-two (42) months of service, indicates that each officer receives One Thousand One Hundred Fifty (\$1,150.00) Dollars per year in shift premium based on the 1981 wage level. The shift premium is five (5%) percent of wages or one-third (1/3) of the fifteen (15%) percent combined afternoon and midnight percent premium. If each officer works one-third of the year at each shift, the shift differential would amount to five (5%) percent of the wage level. To the extent that the officers share the burden of "undesireable hours" the shift differential is a component of earnings.

The position of the Union is adopted. Although the Employer argument is appealing and has support on the basis of practices in comparable jurisdictions, the Panel believes this benefit should be retained. The City did not contest this issue with the Supervisory Unit, in its recent Arbitration. The shift payment formula has been in existence for a long period and in 1976 a Panel refused to alter the formula even though the flat rate offer was substantially greater. Moreover, in light of the Panel's decision on Residency and Wages, alteration of the formula is not warranted. The Union did present evidence that retention of residency does entail greater costs to the Officers. If the Panel were to alter the shift premium formula and adopt a higher wage level, the City would suffer because of the recent Award in connection with the Supervisory Unit and the fact that other benefits are tied to base salary.

sent

JOSEPH P. GIROLAMO

RONALD DOWELL

6. Pension Contribution

Existing Practice:

Employee Pension contributions are not specified in the Collective Bargaining Agreement, however, Unit members contribute approximately five (5%) percent of gross pay to the Pension Fund.

City Last Offer:

Status quo.

Union Last Offer:

The Employee contribution level will be decreased by the following amounts with the City assuming the cost of contribution: 1982 - two (2%) percent; 1983 - two (2\$) percent; and 1984 - one (1%) percent.

Evidence and Comparables:

Of the four common comparable cities, two require employee pension contributions of five (5%) percent and two exceed that amount. The Union "historical comparables" reveal that only one (1) jurisdiction has an employee pension contribution level less than the City of Harper Woods. The five (5%) percent employee contribution is not exorbitant in comparison with the Employer proposed comparables. Finally, the Employee pension contribution for the Union is identical to all other city uniformed units.

The position of the City is adopted. The Union argues that a lower employee pension contribution combined with a reduced wage improvement would benefit the City because some expenses would be reduced. Although this premise may be correct, the precise point at which both sides reach a mutually acceptable benefit is better resolved by the parties in collective bargaining.

All the evidence indicates that the current Employee contribution level is not excessive.

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JOSEPH P. GIROLAMO

RONALD DOWELL

7. Vacation Bank

Existing Contract Language:

Article XXXI, § 3

"Each Employee may accumulate a maximum of thirty (30) days vacation to carryover to the next contract year. Unused vacation in excess of the maximum carryover will be forfeited."

City Last Offer:

Status Quo.

Union Last Offer:

Increase vacation bank to forty-five (45) days.

Evidence and Comparables:

On the matter of Vacation Bank, two of the four common comparables allow carryover. Of all proposed comparable jurisdictions, approximately one/half (1/2) do allow vacation time carryover. In the majority of areas the amount of carryover is less than that now allowed in Harper Woods.

The Union alleges a need for change because "members of this Unit do experience difficulty in obtaining approval for vacation time during the year". It does appear that a shortage of personnel and a contractual change allowing accumulation by anniversary date rather than calendar year did result in excess accumulation by some officers. Union testimony established that the City granted a higher vacation vacation bank because of these problems. Chief Ford testified that he was unaware of any officer having forfeited vacation time.

The position of the City is adopted. The Panel believes officers should be encouraged to utilize earned vacations. Expanding the vacation bank does not encourage utilization. Vacation carryover has been expanded to meet specific problems, and therefore the need for this particular request is not perceived as necessary.

JOSEPH P. GIROLAMO

AAREN RONALD DOWELL

8. Residency

Existing Contract Language:

Article XLIII, § 4

"Shall remain as in the City Charter."

Existing City Charter, § 6.9:

"All employees of the City, if not residents at the time of their appointment, shall become residents thereof with six (6) months thereafter, and shall so remain while employed, unless specifically exempted from this requirement by the Council."

City Last Offer:

Status Quo.

Union Last Offer:

The residency requirement be modified to allow members to live within a ten (10) mile radius of the Harper Woods City Hall.

Evidence and Comparables:

The four common comparable cities are evenly divided on the subject of residency. A review of all proposed comparable communities reveals that less than half require residency within the city limits. In regard to intra-city comparables, the City Charter is applicable to all City Employees.

The Union stresses that Harper Woods is 2.6 square miles in area with little vacant land. Opportunities to obtain adequate housing according to Employee needs and financial resources are not readily available. The Union presented data on

crimes committed against police officers for purposes of demonstrating their susceptibility to retribution by irate citizens. Finally, the Union questioned whether residency enabled the City to recruit the most qualified applicants to fill vacant positions.

The City response consisted of testimony from the Honorable James Haley, Mayor of Harper Woods, and Police Chief Ford. Mayor Haley acknowledged that few vacant lots were available for residential uses, but he opined "I think you could get a house for Thirty-Five (\$35,000) Thousand, but they go to well over One Hundred (\$100,000) Thousand. The Mayor also noted that the residency issue was submitted to the electorate in 1977 and voters cast ballots in favor of residency by a vote of Three Thousand Five Hundred Forty-Nine (3,549) to One Thousand Four Hundred Ninety-One (1,491). On the matter of retribution, the Union was unable on cross examination to prove that perpetrators of crimes against police officers were motivated by vindictiveness. Police Chief Ford testified that the City recently obtained fifty-one (51) applicants for police officer positions and that twenty-nine (29) individuals passed the examinations and were placed on the employment list.

Panel Decision:

The position of the City is adopted. The Panel recognizes that this hotly contested issue was of particular importance to the City and Union. Evidence pertaining to comparable communities is slightly favorable to the Union. It is also a fact that the voters have spoken and the Panel perceives no pressing need for a change at this time. The issues raised by the Union were intuitively appealing, but they were unsupported by competent, material and substantial evidence.

JOSEPH P. GIROLAMO

Affirm

Ronald M. Dowell

RONALD DOWELL

9. Wages

Existing Contract Language:

Schedule A:

Step	Full Time	Employment	Effective	1/1/81
5	42 months		\$23,000.00	

City Last Offer:

Schedule A:

Salary Progression - Patrolman:

Step Full Time Employment	Effective 1/1/82	
5 42 months	\$24,150.00 (5% Increase)	
	Effective 1/1/83	
	\$25,357.50 (5% Increase)	
	Effective 1/1/84	
	Open, to be Negotiated	

Union Last Offer:

- A. 1982 a 9 1/2 % increase at each level and rank.
- B. 1983 a 9 1/2% increase at each level and rank.
- C. 1984 a 9% increase at each level and rank.

Evidence and Comparables:

The disparity in the Parties Last Offer is most distressing. For Patrolmen at the maximum pay level the differences are as follows:

	<u>City</u>	<u>Union</u>	Difference
1/1/82	\$24,150.00	\$25,185.00	\$1,035.00
1/1/83	\$25,357.00	\$27.578.00	\$2,221.00
1/1/84	Open	\$30,060.00	\$?

The Union places great reliance on the fact that the City budgeted a ten (10%) percent increase for the Unit in its 1982 Budget. The Union also notes that the Fire Fighters received substantial increases effective January 1, 1982 and January 1, 1983.

The City posits that increases granted to other Employees as a result of negotiated agreements in earlier years are irrelevant because conditions have changed. The City's millage limit is 20 mills and it is currently levying 19 mills. Property taxes which account for sixty-seven (67%) percent of City revenues have leveled. The remaining revenue sources are uncertain because of State and Federal budgetary problems. The City's witness who has overall auditing responsibility testified that the 1983 Budget will have a deficit of Fifty-Five Thousand (\$55,000) Dollars representing less than one (1) percent of the total projected revenues. This projection does not appear to take into account passage of the increased State Income Tax.

A review of the four comparables reveals average salaries for patrolmen of Twenty-Four Thousand Two Hundred and Seventy-Six (\$24,276) Dollars as of January 1, 1982 and Twenty-Five Thousand Five Hundred Fourteen (\$25,514) Dollars for January 1, 1983 (excluding Mt. Clemens, since this contract expired June 30, 1982). The average for all proposed comparable cities for January 1, 1982 was Twenty-Four Thousand Two Hundred Twenty-Nine (\$24,229) Dollars. On the matter of intra-City comparables, the Fire Fighters received a nine (9%) percent increase effective January 1, 1982 and eight (8%) percent effective January 1, 1983. The Supervisory Police Unit, pursuant to a recently issued award, is to retain a percentage differential based on the decision of this Panel.

The position of the City is adopted for January 1, 1982 and January 1, 1983 with the proviso that the City offer is deemed applicable "across the board". The position of the Union is adopted for January 1, 1984.

The Panel is mindful of the percentage increase granted to Fire Fighters and Clericals, however, a comparison with the four common comparables, the Union proposed comparables, and the City proposed comparables, reveals the City offer for 1982 and 1983 is more appropriate. For 1984 the Panel adopts the Union position, since passage of the State Income Tax and the economic upturn should improve the City's economic position and therefore the City's ability to pay is not deemed a major impediment to the ruling herein. Moreover, adoption of the Union position effective January 1, 1984 is in line with available data on comparable jurisdiction.

JOSEPH P. GIROLAMO

Attem Ronald M. Dowell

10. Wage Differential

Existing Contract Language:

Schedule A - "The salary progression for classifications other than Patrolman shall be computed by adding to each 'Patrolman' amount, above a percentage thereof as follows:

	Effe	ctive	1/1	/81

Youth Officer	6.5%
Corporal	7.0%
Detective	9.5%

City Last Offer:

Status Quo for 1982, 1983 and 1984.

Union Last Offer:

- A. Corporal Rank: The corporal rank be paid at a level of twelve (12%) percent above that of top patrolman pay; an increase of five and one/half (5 1/2%) percent.
- B. Youth Officer Rank: The Youth Officer rank be paid at a level of twelve (12%) percent above that of top patrolman pay; an increase of six (6%) [sic] percent.
- C. Detective Rank: The Detective rank be paid at a level of fifteen (15%) percent above that of top patrolman pay, an increase of six (6%) [sic] percent.

Evidence and Comparables:

The only exhibit on this issue was presented by the City. The exhibit, relating to all proposed comparable cities, reveals that the current differential between

Corporal and Patrolman is within the range existing in other communities. Arbitration Award issued July 20, 1981 between the parties herein established the differential now extant. An Arbitration Award issued May 5, 1983 relating to the Police Supervisory Unit retained existing percentage differentials.

Panel Decision:

The position of the City is adopted. The Panel is not persuaded that an alteration of wage differential is warranted based on the evidence presented.

JØSEPH P. GIROLAMO

Affier Romald M. Dowell
RONALD DOWELL