

8/6/76

Harper Woods, City of

331

IN THE MATTER OF THE ACT 312 ARBITRATION BETWEEN )  
 )  
 CITY OF HARPER WOODS )  
 )  
 and )  
 )  
 TEAMSTERS LOCAL 214 Police )

Michigan State University  
 LABOR AND INDUSTRIAL  
 RELATIONS LIBRARY

The contract arbitration was held under the rules of Public Act 312. The panel appointed by the Michigan Employment Relations Commission was Gordon Knight, Chairman. The City's Representative was Joseph C. Dorsky, City Manager of Harper Woods. The Union's representative was Billy Mendenall, Business Representative, Local 214.

The City's case was presented by Russell LaBarge, Attorney; the Union's case by James W. Allen, Business Representative, Local 214.

Hearings were held in the City's offices on July 7, 8, and 9, 1976. The panel met on July 29, 1976 to make their findings.

Agreements made prior to the hearing

Agreements on certain provisions of the contract were made by the parties prior to the hearing. These agreements are incorporated in Joint Exhibit #5 and are made part of this report by reference.

Agreements made during the hearing

Certain other agreements were made during the course of the hearing regarding Compensation for Holidays, Vacation Leave and Cost-of-Living Payments. These agreements are incorporated in Joint Exhibits 7 & 8 and are also made part of this report by reference.

Additional agreements were made as follows:

- . The Union agreed to drop the issue of residency and the City agreed to submit the matter to a vote by the vitizens of the City.
- . All economic issues are to be made retroactive to January 1, 1976.
- . The term of the contract to be two years.

139

Economic Issues

All remaining issues are economic and each will be discussed in turn with the panel decision included at the conclusion of the discussion. The decision on each issue is the decision by the Panel Chairman; approval or disapproval by each of the other panelists is indicated.

Knight, Gordon

The Chairman expresses his gratitude for the thoughtful cooperation of his colleagues on the panel.

Gordon F. Knight, Panel Chairman  
Billy Mendenall, Union Representative  
Joseph C. Dorsky, City Representative

(under protest) Gordon F. Knight 8/6/76  
Billy Mendenall 8/9/76  
Joseph C. Dorsky 8/6/76

## Annual Salary

### City Proposal:

1976: \$15,500 max. for patrolman

1977: \$15,950 max. for patrolman

### Union Proposal:

1976: \$17,000 max. for patrolman

1977: \$18,207 max. for patrolman

It should be mentioned at the outset that both parties agree to retaining the existing pay differentials for other positions such as youth officer, corporal, detective, sergeant and DB sergeant in both years. Additionally, both parties have proposed to retain the existing salary steps at 6, 18, 30, and 42 months for both years of the contract.

While the provisions of Act 312 specify numerous criteria to be considered in rendering a decision, certainly information of particular significance is the comparison of the benefits - in this instance, salary - paid in other comparable communities for similar work. This requires the consideration of several items; one, some reasonable standards of what constitutes comparability; two, the quantitative level of benefits; and three, some qualitative measures to determine if the work is "similar."

The City for its comparisons has chosen East Detroit, Roseville, St. Clair Shores, and Grosse Pointe Park. All are in the immediate area of Harper Woods. East Detroit and St. Clair Shores are contiguous communities. The City points out that all have similar tax rates, similar classes of people, little or no industry, of similar size and with little undeveloped land. The City has not included data on Grosse Pointe Woods and Grosse Pointe Shores inasmuch as each combines the work of police and firefighting into public safety activities. Grosse Pointe Farms was not included because it was said they are still in negotiation over last year's contract. Warren was omitted because of its large population and area, because it is still in a growth period and also it is heavily industrialized.

In addition to the communities covered by the City, the Union has included data on Detroit, Grosse Pointe Woods, Grosse Pointe Shores, Grosse Pointe Farms, Grosse Pointe City and Warren. All of these communities are either contiguous to Harper Woods or in the immediate geographical area.

The panel Chairman is not persuaded of the reasonableness of including Detroit and Warren as comparable communities. Both are heavily industrialized and a great deal larger in area and population than any of the other communities. Further, the heterogeneous nature of the Detroit population contrasts sharply with the relatively homogeneous make-up of the other communities. Subsequent discussion will omit reference to these two cities.

The inclusion of Grosse Pointe Woods and Grosse Pointe Shores are also inappropriate. As previously covered, these communities combine their police and fire activities. This means that the incumbents function both as policemen and firemen. It follows that the skill requirements are greater than those for

either job considered separately. It is not surprising then to note that salaries for these combined positions are exceeded only by salaries paid for policemen in Detroit.

It is understood from testimony at the hearing that Grosse Pointe Farms is still in negotiation over last year's contract. If, as this suggests, salary and benefit data in that community reflect conditions prevailing in a period much earlier than those from the other locations, it wouldn't seem fitting to consider them seriously.

Using the City's comparisons, its 1976 salary proposal of \$15,500 is slightly under East Detroit (\$15,600), virtually identical to Roseville (\$15,496), greater than St. Clair Shores (\$15,300) and slightly less than Grosse Pointe Park (\$15,700). These figures are as of 1/1/76. It should be noted that the first three comparison communities all have contracts expiring 6/30/76 and one presumes are in negotiations at this time, otherwise one of the parties would have seen fit to report the results. Also, Grosse Pointe Park, effective 7/1/76, pays a maximum salary of \$16,800 which is \$1300 per year more than the City's proposal.

The only community proposed by the Union as comparable and remaining from the discussion above, is Grosse Pointe City. Harper Woods' maximum salary is \$1200 per year greater than Grosse Pointe's. Grosse Pointe is also in the midst of contract negotiations with its policemen.

In the course of the hearing the Union offered some 1974 crime statistics which bears on skills demanded of policemen in Harper Woods in relation to those in surrounding communities. The statistics show that in terms of Class I crimes per patrolman that Harper Woods ranks higher than any of the communities being considered. Skill demands are an important consideration in considering salary matters. Testimony from the City pointed out that slightly over one-half of these Class I crimes occurred in the Eastland Shopping Center and that Eastland has a private police force of 19 men plus numerous internal security personnel attached to the stores located there.

Information at the hearing made clear that the Eastland police discharge most but not all the police functions of a Harper Woods policeman, but within the Shopping Center property. It is obvious that the volume of crime in Harper Woods is significantly attributable to criminal activities at Eastland with a police force of its own. To compare Class I crimes per patrolman for Harper Woods to those in other communities two approaches are possible. Both involve attempts to transform Eastland crime and personnel into some equivalence. Clearly, a criminal incident in Eastland Shopping Center has less significance for a Harper Woods patrolman than the same incident would have within the remaining area of the City. Alternatively, the total of Class I crimes in Harper Woods which includes Eastland crime is being handled by the Harper Woods police department PLUS the Eastland police department of 19 men.

If one arbitrarily reduces Harper Woods' Class I crimes by one-half of those committed at Eastland then one arrives at a figure for Class I crimes per patrolman of 48.7. This is quite a bit less than Roseville (53.5), St. Clair Shores (58.5) and East Detroit (62.9) but greater than Grosse Pointe Park (36.3) and Grosse Pointe City (31.5).

If one arbitrarily increases the "police force" of Harper Woods by one-half the Eastland police force (10) then the Class I crimes per patrolman for Harper Woods becomes 44.1.

In summary, the skill demands placed on Harper Woods policemen are certainly no greater than those in comparable communities and, on the contrary, appear to be somewhat less based on these revised statistics which use some conservative assumptions.

Attention is now turned to the decision options open to the panel on the salary issue. Before considering this, however, two surrounding conditions must be noted. The parties have agreed on retroactivity on the salary issue back to January 1, 1976. Also, the parties have agreed to two years as the term for the contract. With these decision parameters in mind, the panel has the choice between the City's proposal of no salary increase and the Union's proposal of 9.7% for the first year. For the second year, the choice is between the City's proposal of a 2.9% increase and the Union's proposal of 7.1%.

With regards to the first year, comparisons for the first six months can be made precisely. The current Harper Woods salary schedule is very competitive with all four of the City's comparison communities and considerably greater than that of Grosse Pointe City included by the Union. This judgment does not take into account the retroactivity of certain other Harper Woods cash benefits agreed upon such as COLA, holiday provisions and such other economic items as shift premiums and uniform allowances.

It should be noted that for the first six months at least St. Clair Shores, Grosse Pointe Park, and Grosse Pointe City do not have COLA payments. Harper Woods' shift premium benefits are considerably more liberal than those of Grosse Pointe Park, East Detroit and St. Clair Shores. Also, Harper Woods' uniform allowance is considerably more liberal than that of Grosse Pointe Park's.

The sum and substance of these considerations is that for the first six months of the contract the current Harper Woods salary schedule (i.e., the City's proposal) is very competitive to salaries paid in comparable communities. When other cash benefits previously mentioned as retroactive are considered, the Harper Woods' economic "package" for its policemen is somewhat superior to most of the comparison cities discussed previously.

Conversely, if the Union's proposed increase of 9.7% was adopted, the salary position of Harper Woods policemen would be over \$1000 per year in excess of all comparison cities for the first six months. This advantage does not take into account the other retroactive cash benefits discussed above. This would further extend the economic disparity.

As covered earlier, East Detroit, Roseville, St. Clair Shores and Grosse Pointe City are in negotiations for contracts beginning 7/1/76. Discussion above has focused on the "hard" data available for the first six months. Of necessity, it is speculative as to what the settlements will be in these locations. It may be that the salary position of Harper Woods, relative to the comparison communities, will deteriorate somewhat for the last six months. This will be offset, however, by the other retroactive cash benefits paid in Harper Woods discussed above.

The selection of the City's no-increase proposal for the first year is supported by other considerations. The City has negotiated two other contracts with City employees with the same compensation policy. In other words, the City's salary proposal for its policemen is internally consistent with salary treatment accorded its other employees. It is understood that current negotiations with Harper Woods firefighters will incorporate the same approach.

It should be further noted that effective January 1, 1976, the purchasing power of Harper Woods salaries will be protected by the incorporation of COLA payments.

The process for selecting the salary proposal for the second year is difficult inasmuch as no "hard" salary data are available for any of the comparison communities. The unknown data are the salaries effective 7/1/76 for East Detroit, Roseville, St. Clair Shores, and Grosse Pointe City, as well as those effective 7/1/77 for these communities plus Grosse Pointe Park.

The question is which second year proposal will most closely maintain the competitive position of Harper Woods' salaries in relation to comparison communities. As of the termination of this two year contract, four of these communities will have had one full year under one salary schedule and six months under a second. The reasonable expectations are that most if not all of these would represent successive increases.

Considering the historical advancement of salaries of public employees including policemen, and, indeed, for salaries in general, the City's proposal for a 2.9% increase in the second year of the contract seems too low. This would likely cause the Harper Woods salaries effective 7/1/77 and particular in the last six months of the contract to suffer significantly in comparison to the salaries that can reasonably be anticipated for other comparable communities. This is true notwithstanding the economic impact of the pension increase in 1977. For these reasons, the choice of the Union's proposal of a 7.1% increase in the second year of the contract represents a more equitable decision.

Decision: 1976: City proposal: No increase  
J.C. Dorsky - Approves  
B. Mendenall - Disapproves

1977: Union proposal: 7.1% increase  
J.C. Dorsky - Disapproves  
B. Mendenall - Approves

## Pensions

### City Proposal:

1976: Continue current plan

1977: Continue current plan

### Union Proposal:

1976: Continue current plan

1977: Increase pension to 2%  
unchanging percentage plan  
(as outlined)

There is agreement between the parties to continue the current pension plan for 1976.

With respect to 1977, it is noted that the issue is the pension benefit not the eligibility requirements. Reliance must consequently be placed on the City's data.

All the City's comparison communities have pension benefits that use a similar computation formula. In each case the benefit formula has three factors that are multiplied to arrive at a figure. Two of these factors are identical for each community, namely, the average annual compensation for the five best years in the last five. The principal variations are the percentage factor and the impact, if any, of social security.

Harper Woods has a 1½% factor which is reduced to 1% upon receiving social security. St. Clair Shores has basically a 2.4% percentage factor and no social security payments. Grosse Pointe Park has a 1.7% factor and no social security payments. This was effective July 1, 1976. East Detroit has a 1.8% factor plus social security. Roseville has a 2% factor and no social security.

During the period prior to receiving social security, Harper Woods' pension benefits are the lowest of the comparison cities. After receiving social security the only direct comparison is East Detroit which gives 1.8% plus social security. This is 0.8% greater than Harper Woods.

In summary, the Harper Woods pension benefits for policemen do not appear comparable to those paid police in comparable communities. The adoption of the Union proposal of a 2% unchanging factor would put Harper Woods more in line with the pension benefit patterns in neighboring communities. This is the more equitable decision in view of pensions in comparable communities irrespective of the City's cost projections.

Decision: No change in the current pension plan in 1976. Effective Jan. 1, 1977, adopt the Union proposal for a 2% unchanging plan.

1976: J.C. Dorsky - Approves  
B. Mendenall - Approves

1977: J.C. Dorsky - Disapproves  
B. Mendenall - Approves

## Sick Leave Payoff

### City Proposal:

1976: 50% at max. of 100 days

1977: same as 1976

### Union Proposal:

1976: no change in present policy

1977: 75% payoff on 100 days upon termination

The current benefit is 50% payoff of accumulated sick leave time upon retirement or death prior to retirement. The maximum accumulated time is 100 days. When over 100 days are accumulated, the employee is paid off for 1/2 of those days in excess of 100. The other 1/2 to be put in a "reserve" bank to be used only for illness.

The impact of the City's proposal is to reduce the current level of benefits by placing a ceiling of 100 days on the number eligible for payoff upon retirement.

Using the City's comparison communities, St. Clair Shores permits an accumulation of 200 days with a 100% payoff on retirement (50% on termination). Grosse Pointe Park has a 200 days accumulation but only pays 50% of a maximum of 30 days upon retirement. East Detroit pays off 100% on retirement to a maximum of 200 days. In Roseville with 10 or more years of service the payoff is 100% of accumulated sick days to a maximum of 200 days.

With the exception of Grosse Pointe Park, the City's proposal is lower than the other three communities both with regards to percentage and maximum accumulated days. This is persuasive evidence to reject the City's proposal as not being in line with benefits being paid to comparable communities and to affirm the Union's proposal for retaining the current more liberal contractual provision for 1976. In view of the fact that the City's 1977 proposal is the same, the Union's proposal for 75% payoff on 100 days upon termination is similarly preferable in view of the fact that it, also, is closer to the pattern prevailing in comparable communities. It is assumed that the Union's proposal represents a 100 days maximum which would be in keeping with the discussion on "Sick Leave Accumulation."

Decision: 1976: Union proposal: no change in present policy  
J.C. Dorsky - ~~Disapproves~~ Approves *JD*  
B. Mendenall - Approves

1977: Union proposal: 75% payoff on 100 days upon termination  
J.C. Dorsky - Disapproves  
B. Mendenall - Approves



## Uniform Allowance

### City Proposal:

1976: \$425

1977:  $1/77 \text{ CPI} \div 1/76 \text{ CPI} \times \$425$

### Union Proposal:

1976: \$500 per officer per year

1977: \$500 per officer per year

Using the City's comparison communities, East Detroit's benefit is \$400, Roseville's \$500, St. Clair Shores' \$525 and Grosse Pointe Park's \$200. It appears that Grosse Pointe Park clearly follows a different compensation policy on this matter and the writer's disposition is to ignore that out-of-line figure. The numerical average of the remaining three is \$475.

The most equitable solution in line with the benefits paid in comparable communities is to adopt the City proposal of \$425 in 1976 and the Union's proposal of \$500 in 1977.

It should be noted that Union data for its comparable communities do not reveal data greater than discussed above.

Decision: 1976: City proposal of \$425.  
J.C. Dorsky - Approves  
B. Mendenall - Disapproves

1977: Union proposal of \$500.  
J.C. Dorsky - Disapproves  
B. Mendenall - Approves

## Hospitalization

### City Proposal:

1976: MVF-I: MM-Semi-Private;  
Drug Rider, same as 1975  
contract

1977: 1975-76 coverage plus  
Delta Dental 50-50 co-pay  
on Class II coverage

### Union Proposal:

1976: Addition of pre and post  
natal care

1977: Delta Dental III

The Union submitted no data on which of its comparison communities had pre and post natal care or dental plans. One exception is Grosse Pointe Woods which is listed as having "Delta Dental" but which of the Delta Dental plans is not mentioned.

The data on hospitalization plans for the City in comparison communities show that the City's proposal is in-line with the general pattern of benefits. For this reason and because of the absence of contrary information the City's proposal for 1976 and 1977 must be selected.

Decision: 1976: City proposal: MVF-I: MM-Semi-private;  
Drug Rider, same as 1975 contract.

J.C. Dorsky - Approves  
B. Mendenall - Disapproves

1977: City proposal; 1975-76 coverage plus Delta Dental  
50-50 co-pay on Class II coverage.

J.C. Dorsky - Approves  
B. Mendenall - Disapproves

## Sick Time Accumulation

### City Proposal:

1976: no change from current  
contract

1977: no change from current  
contract

### Union Proposal:

1976: no change in current  
contract

1977: no change in current  
contract

Inasmuch as the proposals from both parties are identical, the provisions of the current contract are to be retained for both years.

Decision: No change in current contract for sick time accumulation for both years of the contract.

1976 and 1977: J.C. Dorsky - Approves  
B. Mendenall - Approves

## Longevity

### City Proposal:

1976 & 1977:

Completion of 4 years: \$390  
Completion of 9 years: \$545  
Completion of 14 years: \$700  
Completion of 19 years: \$855  
Completion of 24 years: \$1010

### Union Proposal:

1976 & 1977:

no change in contract

In a similar fashion to the discussion on Shift Premium, it is noted that three of the City's four comparison communities use the percentage approach. This seems persuasive in retaining the percentage principle.

Decision: 1976: Union proposal: no change in current contract  
J.C. Dorsky - Disapproves  
B. Mendenall - Approves

1977: Same  
J.C. Dorsky - Disapproves  
Mendenall - Approves

## Shift Premium

### City Proposal:

1976: \$.42/hr. afternoons  
\$.84/hr. midnights

1977: same as 1976

### Union Proposal:

1976: no change in contract

1977: no change in contract

The City's proposal in changing from a percentage figure to a flat amount would represent a modest increase over the current benefit for the first year. If the flat amount were retained, of course, it would mean that the benefit would be reduced compared to the current provision as the base salary increased.

It is noted that three of the four comparison communities used by the City use the percentage approach. This seems to be persuasive in retaining the percentage principle for this benefit.

Decision: 1976: Union proposal: no change in current benefit  
J.C. Dorsky - Disapproves  
B. Mendenall - Approves

1977: Same  
J.C. Dorsky - Disapproves  
B. Mendenall - Approves