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STATE OF MICHIGAN  
DEPARTMENT OF LABOR  
MICHIGAN EMPLOYMENT RELATIONS COMMISSION

In the Matter of:  
CITY OF HARPER WOODS  
and  
MICHIGAN LAW ENFORCEMENT UNION  
LOCAL 129

Michigan State University  
LABOR AND INDUSTRIAL  
RELATIONS LIBRARY

Act 312 Arbitration

Before panel of arbitrators consisting of John W. Reed, Chairman;  
J. Russell LaBarge, delegate of City of Harper Woods; and  
Billy D. Mendenall, delegate of Michigan Law Enforcement  
Union Local 129

FINDING, OPINION, AND ORDER

I. Introduction

After unsuccessful attempts at collective bargaining and mediation in seeking to arrive at a contract between the City of Harper Woods ["City"] and Michigan Law Enforcement Union Local 129 ["Union"], the Union, on September 29, 1980, petitioned for arbitration under Act 312, Public Acts of 1969, as amended. On November 6, 1980 the Michigan Employment Relations Commission appointed John W. Reed to serve as Chairman of a panel of arbitrators in the dispute. The Union named Billy D. Mendenall as

Harper Woods, City of

Reed, John W.

its delegate to the panel; the City named J. Russell LaBarge as its delegate.

Due in substantial part to changes in City administrative personnel, the parties were not ready to proceed to the planned arbitration until May, 1981. Prehearing conferences were held on May 7 and June 9, 1981; and the formal hearing was held on June 9. Representing the petitioning Union was Billy D. Mendenall. Representing the City was J. Russell LaBarge.

## II. Chairman's Oath

At the beginning of the hearing, the Chairman took the following oath:

I solemnly swear or affirm that I will support the Constitution of the United States and the Constitution of this State, and that I will faithfully discharge the duties of the office of Chairman of this arbitration panel under Act 34, Public Acts of 1976, according to the best of my ability.

## III. Stipulations

The parties stipulated that:

1. The panel has jurisdiction over the matter in dispute, which consists of contract terms, including rates of compensation, for the calendar years 1980 and 1981; the hearing is timely; and the employer [City] has lawful authority in the premises.

2. Panel members Mendenall and LaBarge may serve also as

the advocates for their respective parties.

3. With one exception all issues not set forth in the Union's petition have been satisfactorily adjusted, settled, compromised, or waived by the parties. The exception is that of a change in hospitalization insurance coverage, an issue added at the May 7, 1981 prehearing conference.

4. Of the issues in the petition the parties have settled the following:

- a. the issue of the length of the contract (January 1, 1980 to December 31, 1981);
- b. all issues relating to vacations except the issue of the amounts of vacation to which members of the Union are entitled;
- c. all issues relating to educational benefits;
- d. the issue of the effective date of pension contribution changes (to be governed by the language of the arbitration award with respect to the Harper Woods Police Lieutenant's unit, making the effective date of the changes January 1, 1981); and
- e. the issue of limitations on the City's liability for hospitalization insurance premiums for retirees and their spouses (to be paid by the City regardless of the amount of income in retirement, unless such insurance is provided by any other employer of the retiree or spouse).

5. The provisions of the prior agreement which were not subject to collective bargaining negotiations and issues satisfactorily adjusted or compromised by the parties remain in effect and are regarded as settled issues.

6. All issues are economic except for residency and auxiliary police.

7. The comparable communities, within the meaning of the statute, are:

Centerline  
East Detroit  
Ferndale  
Grosse Pointe Park  
Hazel Park  
Madison Heights  
Mt. Clemens  
St. Clair Shores  
Roseville

8. The Union's exhibits 2 through 8, and 10, and the City's exhibits B through D, D1, E through J, and J1 are admissible.

9. Each party's last offer with respect to each issue will be made orally at the close of the hearing and placed on the record, though not necessarily in precise contract language. The panel retains jurisdiction to resolve disputes, if any, over the contract language.

#### IV. Issues, Evidence and Last Offers

The parties elected to present their evidence and views issue by issue, both sides being heard as to one issue before moving on the next. To correspond with the record (and the numerical order of the exhibits) this opinion proceeds in that same fashion and in the order chosen by the parties.

## 1. Dental Insurance

### a. Previous contract

Under the previous contract the City provides employees and their families with Class II Delta Dental Insurance, with a requirement of 50-50 sharing of dental costs by the insurer and the employee. The evidence showed that the City's Class II policy includes Class I benefits but that there is a \$600 cap on those benefits.

### b. Parties' positions at time of petition

The Union sought continuation of the present dental insurance coverage, but with a change to an 80-20 co-payment plan (80% being the insurance company's obligation and 20% the employee's).

The City proposed to continue the existing provision.

### c. Evidence

Union exhibit 2 and City exhibit B diverged substantially in their reporting of some of the dental insurance provisions in the comparable communities. That divergence apparently derives from the fact that the Union exhibit reports current practices whereas the City exhibit refers, in several instances at least, to practices at the beginning of the period in issue. The parties' exhibits and presentations suggest that the Harper Woods practice is slightly less favorable to the employee than the average of the nine comparable communities. Seven of the nine would appear currently to have more generous provisions, either

by providing for 60-40 or 80-20 sharing or by omitting stated maximums. As noted, the difference is less if the relevant date for comparable communities' provisions is that in the City's exhibit. The evidence indicated that a more favorable co-payment plan would add significantly to the City's premium costs.

d. Last offers

The City's last offer is to continue to provide a 50-50 Class II policy (which includes Class I coverage) with a \$600 annual maximum.

The Union's last offer is to change the co-payment provision from 50-50 to 80-20, otherwise retaining all provisions of the present coverage.

2. Life Insurance

a. Previous contract

Under the previous contract, the City provides life insurance in the amount of \$15,000 on the death of an employee and none on the death of a retiree.

b. Parties' positions at time of petition

The Union sought an increase to \$25,000 in death benefits for employees and the provision of death benefits of \$3,500 for retirees.

The City proposed that the death benefit amount for employees be continued at \$15,000 but that death benefits of \$2,000 be provided for retirees.

### c. Evidence

As in the case of the dental insurance exhibits there are some inconsistencies between Union exhibit 3 and City exhibit C with respect to life insurance benefits in the comparable communities. Such differences between the exhibits as there are, however, stem from differences in the dates chosen for the listing; and in general tenor they are in agreement. The range of employees' death benefits is from \$13,000 to \$30,000 and for retirees from zero to \$7,500, with average benefits calculated by the City as \$21,000 and \$2,812 respectively, and as calculated by the Union, \$20,400 and \$3,165, respectively.

### d. Last offers

The City's last offer is to increase employees' death benefits to \$20,000 and to pay \$2,000 benefits on the death of retirees.

The Union's last offer is to increase the coverage to \$20,000 for employees and to provide \$3,000 death benefits for retirees.

## 3. Workers' Compensation

### a. Previous contract

Under the previous contract, an employee who suffers a work related injury or illness and is thereby "caused to be unable to work," receives full pay for sixty days without charge against "paid sick time credit"; after sixty days, he receives full pay (but is charged one-third day against sick time credit for

for each day off duty) until sick time is exhausted or for twelve weeks, whichever is the longer period.

b. Parties' positions at time of petition

The Union's demand was for full pay for the entire length of duty-related injury or illness, without charge against sick time credit.

The City's proposal was to maintain the previous practice.

c. Evidence

As summarized in Union exhibit 4 and City exhibit D, the practices in comparable communities range from full pay for 15 weeks with no deduction from the sick bank, renewable for not more than 26 weeks, to full pay for an unlimited period with no deductions from the sick bank. The City also introduced, as exhibit D1, the current agreement between the City of Mt. Clemens and the Mt. Clemens Police Officers Association, and suggested that Article XVII thereof is a typical provision covering this matter. On average, the comparable communities are somewhat more generous toward the employees than the City's previous practice.

d. Last offers

The City's last offer is to provide the exact benefits set forth in the language of Article XVII ("Job-Incurred Disability") of the agreement between City of Mt. Clemens and Mt. Clemens Police Officers Association, July 1, 1980 to June 30, 1982, said article to replace the language relating to "Workmen's Compensation" (Section 23) in the previous Harper Woods contract. The



article provides, inter alia, for continuation of normal weekly net take-home earnings for 15 weeks, with an extension in the discretion of the City Manager for a period not to exceed 26 weeks, and without charge against paid sick time credit.

The Union's last offer is a provision for full payment for 26 weeks, with a 26 week discretionary extension, without charge against sick time credit.

#### 4. Vacation Time

##### a. Previous contract

The previous contract awards vacation times according to years of service as follows:

<u>Years of service</u>	<u>Vacation days</u>
1 - 5	10
Over 5 - 12	15
Over 12 - 20	20
Over 20	25

##### b. Parties' positions at time of petition

The Union sought the following schedule of vacation times:

<u>Years of service</u>	<u>Vacation days</u>
1 - 5	10
5 - 10	15
10 - 15	20
15 - 20	25
Over 20	30

[Apparently "5-10" means "over 5 to 10," "10-15" means "over 10 to 15," etc.]

The City proposed retention of the previous schedule, set forth above.

c. Evidence

Union exhibit 5 and City exhibit E set forth in detail the practices of the comparable communities. These exhibits show that the previous Harper Woods contract grants somewhat less vacation time than is granted by the comparable communities. Especially revealing is City Exhibit E which shows the City below the average in vacation days for every individual year of service from 1 to 30.

The City stated that the Harper Woods police force is a small unit and that a significant enlargement of vacation allowances would lead to scheduling problems and potential hardship to the community. The Union responded that the contract limits to two the number of members of the unit who may be on vacation at one time, and therefore there is unlikely to be hardship visited on the community in consequence of granting more vacation days.

d. Last offers

The City's last offer is to grant vacation days according to seniority as follows:

<u>Years of service</u>	<u>Vacation days</u>
1 - 5	10
6 - 9	15
10 - 11	17
12 - 14	20
15 - 19	22
20 and above	25

The Union's last offer in the matter is the following schedule:

<u>Years of service</u>	<u>Vacation days</u>
1 - 5	10
6 - 9	15
10	18
11 - 14	20
15	21
16	22
17	23
18	24
19 and above	25

#### 4A. Effective date of vacation change

##### a. Identification of issue

After making their last best offers with respect to the number of vacation days, the parties turned to a discussion of the effective date of the award on that issue, which in either event will effect a change from the previous provision. The parties agreed that the effective date of the change constitutes a separate economic issue and stipulated to its submission to the panel.

##### b. Evidence

The City stated that, as noted above, the small size of the department makes scheduling of vacations and other leave time unusually difficult. It stated further that it was already a strain for the City to accommodate to the additional time set forth in its last offer, and that to add the incremental days from the year 1980 to the total of days now to be available in 1981 would place the city "deeper in the hole." The Union repeated its statement that the limit on the number of employees who may be on vacation at any one time is a sufficient protection of the City's interests.

c. Last offers

The City's last offer is to make its proposed vacation schedule effective for both 1980 and 1981, but if the panel adopts the Union's last offer, then to make that schedule effective only beginning January 1, 1981.

The Union's last offer is to make the new vacation schedule, whether that proposed by the Union or by the City, effective on January 1, 1980, for both years.

5. Longevity

a. Previous contract

Under the previous contract, longevity pay, calculated on base salary, is paid in December of each contract year on the following schedule:

<u>Completed years</u>	<u>Percentage of base salary</u>
4	2
9	3
14	4
19	5
24	6

b. Parties' positions at time of petition

The Union sought a change to the following schedule:

<u>Completed years</u>	<u>Percentage of base salary</u>
4	2
9	4
14	6
19	8
24	10

The City proposed a retention of the previous schedule, set forth above.

c. Evidence

Both Union exhibit 6 and City exhibit F indicate that longevity increments in most of the comparable communities are at higher percentage rates than those in the Harper Woods contract. In five of them, however, there are caps either on the amount of longevity pay as such or on the maximum base salary on which the longevity amount is calculated, and those limits reduce the disparity between the City and the comparable communities. The City stated that no other employee unit in the City of Harper Woods has a longevity provision different from that in the previous contract.

d. Last offers

The City's last offer is to establish the following schedule of longevity pay:

Calendar Year 1980	
<u>Completed years</u>	<u>Percentage of base salary</u>
4	2
9	3.5
14	5
19	6
24	7
Calendar Year 1981	
4	2
9	4
14	5
19	6
24	7

The Union's last offer, to be effective for both years 1980 and 1981, is the following schedule:

<u>Completed years</u>	<u>Percentage of base salary</u>
4	2.5
9	4.5
14	5.5
19	6.5
24	7.5

## 6. Wages

### a. Previous contract

The base salary for patrolmen at the end of the previous contract was \$19,000, with the salaries for employees at other ranks derived by adding to the patrolmen's base salary a percentage thereof according to a schedule set forth in Section 8 below.

### b. Parties' positions at time of petition

The Union sought a base salary for patrolmen of \$21,500, effective January 1, 1980, and \$23,500 effective January 1, 1981.

The City, then proposing a three-year contract, proposed salaries for the two years now in issue of \$20,805 and \$22,573.

### c. Evidence

Union exhibit 7 and City exhibit C set forth the base pay of patrolmen in the comparable communities. Again, the two exhibits are essentially consistent, with minor differences resulting from different interpretations of the effective dates of some changes. Comparisons are made more difficult because virtually all the comparable communities have contract years starting July 1, whereas the Harper Woods contract years start on January 1. Thus, average compensation on January 1 of a

given year would have one significance if applied to a full calendar year, as in the case of Harper Woods, but a quite different significance if that figure were increased on July 1 of the year, as in the case of the other communities.

	<u>7/1/79</u>	<u>1/1/80</u>	<u>7/1/80</u>	<u>1/1/81</u>	<u>7/1/81</u>
Comparable cities average					
Union calculation	\$20,853	-	\$21,922	-	\$23,420
City calculation	20,564	\$20,833	21,955	\$22,155	-
City offer	[19,000]*	20,805	20,805	22,573	22,573
Union demand	[19,000]*	21,500	21,500	23,500	23,500

[\* The figure of \$19,000 for July 1, 1979 is, of course, the actual figure under the previous contract.]

The City noted that the Union's wage demands were identical with those made at the time of the September 29, 1980 petition for arbitration. The Union, in its turn, observed that the City raised no issue of inability to pay.

#### d. Last best offers

The City's last offer is to establish the following base salaries for the classification of patrolmen:

<u>Effective date</u>	<u>Base salary</u>
1/1/80	\$21,000
1/1/81	23,000

The Union's last offer is:

<u>Effective date</u>	<u>Base salary</u>
1/1/80	\$21,500
1/1/81	23,500

### 7. Cost of living allowance

#### a. Previous contract

Under the previous contract, cost of living adjustments are

paid periodically according to a stated formula, but the allowance is not added to the employee's hourly base rate.

b. Parties' positions at the time of petition

The Union demanded that the cost of living payments be continued but that they be rolled into the base rate quarterly.

The City offered no change in the cost of living provision.

c. Evidence

Union exhibit 8 and City exhibit H both show that only one comparable community has a form of COLA roll-in; and that community, the City contends, is in financial difficulties, at least in part because of that feature.

d. Last offers

The City's last offer is to continue the previous cost of living provision without roll-in.

The Union's last offer is to continue the cost of living provision but with the allowance rolled into the base rate quarterly.

8. Pay differentials

a. Previous contract

Under the previous contract, members above the rank of patrolman receive higher pay at the following rates over a patrolman's base rate:

<u>Classification</u>	<u>Differential</u>
Youth officer	6.5%
Corporal	6.5
Detective	9.0



b. Parties' positions at time of petition

The Union sought differential pay at the following rates:

<u>Classification</u>	<u>Differential</u>
Youth officer	9.0%
Corporal	9.0
Detective	12.0

The City proposed the following schedule:

<u>Classification</u>	<u>Differential 1/1/80</u>	<u>Differential 1/1/81</u>
Youth officer	6.5%	6.5%
Corporal	6.5	6.5
Detective	9.0	9.0

c. Evidence

The City offered the only exhibit dealing with pay differentials in comparable communities. The comparisons set forth in City exhibit I are difficult to manage because of lack of consistency in arrangements and, as a consequence, are not very helpful. Only three communities appear to provide for rank differentials by means of a mandatory schedule. Moreover, in the case of the three communities with schedules, the job categories and titles are substantially different: lieutenants are included; what Harper Woods calls a "detective" others call a "sergeant"; and two of the three appear not to have the rank of corporal. From these materials and the statements of the parties, it appeared that pay differentials at the highest rank ranged from about 11% to 16%.

d. Last offers

The City's last offer is to adopt a schedule of pay differentials as follows:

<u>Classification</u>	<u>Differential 1/1/80</u>	<u>Differential 1/1/81</u>
Youth officer	6.5%	6.5%
Corporal	6.5	7.0
Detective	9.0	9.5

The Union's last offer is to adopt a schedule of pay differentials as follows:

<u>Classification</u>	<u>Differential both years</u>
Youth officer	7.5%
Corporal	7.5
Detective	10.0

#### 9. Hospitalization

##### a. Previous contract

Under the previous contract, the City provides hospitalization insurance which does not include prenatal and postnatal care.

##### b. Parties' position at time of petition

The scope of hospitalization insurance issue did not appear in the petition filed by the Union, but it was made an issue by the stipulation of the parties at the prehearing conference. The Union seeks (and the City resists) the addition of a prenatal and postnatal care rider to the current MVF-1 coverage previously provided.

##### c. Evidence

The parties offered no exhibits with respect to the issue. It was reported without dispute, however, that four of the comparable communities offer such coverage. The Union stated that many of the families of employees in the bargaining unit are of childbearing age.

d. Last offers

The City's last offer is to continue the previous hospitalization insurance without change.

The Union's last offer is to add a prenatal and postnatal care rider to the MVF-1 coverage previously provided.

10. Residency

a. Previous contract

The previous contract is silent on the matter of mandatory residency of employees within the city limits of the City of Harper Woods. There is, however, a charter provision requiring that all city employees reside in the city.

b. Parties' position at time of petition

The Union sought a provision permitting its members to live within a fifteen-mile radius of the Harper Woods City Hall.

The City proposed that no provision regarding residency be incorporated in the contract.

c. Evidence

The Union described the limited availability and high cost of suitable housing within the two square mile area of the City of Harper Woods. It asserted that comparable apartments cost \$450 in Harper Woods and \$275 "across the street in East Detroit," and that purchase of a house in Harper Woods is a virtual impossibility for an employee member of the Union. As a consequence, it argues that the residency requirement is oppressive for its members.

The City stated that the requirement of residency is not simply a bargained-for contractual rule but in fact a charter requirement imposed on all City employees and recently affirmed by a vote of the people. In November 1977, the residency issue was on the general election ballot, and the citizens voted 3,549 to 1,491 not to repeal the charter requirement. See City exhibit J1. The City stated that the requirement is justified as applied to the police department because the small size of the department occasionally makes necessary the emergency call-in of off-duty officers, and the City's public safety interest is served by having the members of the unit at hand.

In response to the City's latter point, the Union stated that the City has a mutual aid pact with the Grosse Pointes, whose respective police units can respond in case of need in Harper Woods.

Union exhibit 10 and City exhibit J, relating to the residency rules of comparable communities, showed a considerable variation in the requirements, with no discernible pattern. Some communities with limitations extend the permitted area of residence to nearby communities, obviously still looking toward the ready availability of their personnel in emergencies. One community requires residency for the first year, with a larger permitted area thereafter. Such a provision seems designed to enable the new employee to get acquainted with the community he is to serve before he may move a short distance away; as such, it is the converse of the informal administrative practice of the

City of Harper Woods to allow, in special cases, brief non-residency to a newly hired employee because of difficulty in obtaining housing, but with residency required soon thereafter.

d. Last offers

The City's last offer is to stand on its present position, requiring residency of all employees, including the members of this bargaining unit.

The Union's last offer is to establish a limited residency requirement, under which a new employee would be required to reside in the City in the first year of employment, with option then to move to any location not more than fifteen miles from the city limits of Harper Woods.

11. Auxiliary police

The parties had not formulated evidence or offers with respect to the issue of the use of auxiliary police. They stated on the record that they expected to reach agreement on that issue, and they proposed to try to do so immediately after the formal hearing. They stipulated that the arbitrator retains jurisdiction over the matter in the event that it proves impossible for them to reach agreement on the issue.

V. Arguments, Transcripts, and Briefs

At the conclusion of the presentation of their exhibits, evidence, and arguments with respect to the several issues, the parties waived closing arguments, stated that they did not wish to order transcripts of the hearing, and stated that they did not wish to file posthearing briefs.

## VI. Opinion

The issues addressed by the parties and set forth above have been considered by the panel in the light of the applicable factors prescribed in Section 9 of Act 312, and the panel has adopted the offers of settlement which, in its opinion, more nearly comply with those factors. Although the panel must choose between the last offers with respect to each economic issue, no choice is in isolation, and the panel has sought to reach a series of decisions which in the aggregate meet the letter and the spirit of the statutory criteria.

The panel's determinations with respect to the several issues are:

<u>Issue</u>	<u>Prevailing party</u>
1. Dental insurance	City
2. Life insurance	Union
3. Workers' compensation	City
4. Vacation time	Union
4A. Effective date of new vacation time schedule	City
5. Longevity	Union
6. Wages	City - 2
7. Cost of living	City
8. Pay differentials	City
9. Hospitalization	Union
10. Residency	City

### 1. Dental insurance

The dental insurance coverage already provided by the City affords substantial protection to the employees covered by the contract and constitutes a significant fringe benefit. Although several comparable communities have improved their dental insurance benefits for periods starting after the beginning date

of this contract, their earlier provisions are closer to the Harper Woods benefit.

In the light of that comparison, the cost of the Union's proposal, and the overall compensation to be received by the employees, the panel adopts the City's last offer, to retain dental insurance coverage unchanged.

## 2. Life insurance

Under the previous contract, life insurance benefits on the death of employees (\$15,000) and of retirees (zero) are significantly below those available in comparable communities. Upon considering the evidence, both parties moved, in their last offers, to a figure of \$20,000 for death benefits for employees, which is quite close to the comparable communities' average. With respect to death benefits in the case of retirees, the Union's last best offer of \$3,000 is much closer to the average than is the City's figure of \$2,000.

Accordingly, the panel adopts the Union's last offer, to increase death benefits on the death of employees to \$20,000 and to provide death benefits of \$3,000 on the death of retirees, effective as soon after the date of the award as the necessary policy changes can be made.

## 3. Workers' compensation

The City's existing practice of granting an employee who suffers a work-related injury or illness full pay for 60 days, without charge against "paid sick time credit," and thereafter

as long as he has such credit available, charged at the rate of one-third day for each day off duty, until the credit is exhausted (or for 12 weeks, whichever is longer), appears less favorable to the employees than the typical practice of the comparable communities. In some full pay is continued for the length of time that workers' compensation benefits are available; others provide for particular periods of time, such as 24 weeks, one year, or a shorter period of time with an extension possible. Importantly, the comparable communities generally charge none of such time against the so-called sick bank. That Harper Woods' current provision is inferior to that of comparable communities appears to be recognized by the City in making a last best offer significantly better than the provision in the previous contract; and that offer is closer to the typical practice of comparable communities than is the Union's last offer.

Accordingly, the panel adopts the City's last offer, to provide the exact benefits set forth in the language of Article XVII of the "Agreement between the City of Mt. Clemens and Mt. Clemens Police Officers Association, July 1, 1980 - June 30, 1982." Under that Article, which replaces Section 23 of the previous contract, the City will continue normal weekly net take-home earnings for 15 weeks, with an extension in the discretion of the City Manager for a period not to exceed 26 weeks, all without charge against paid sick time credit.

#### 4. Vacation Time

Exhibit E, the City's own, demonstrates that at every point



in years of service from 1 to 30, vacations available to Harper Woods employees under the previous contract are below the average of available vacation days of the comparable communities. Therefore, an improvement in this benefit is indicated unless there are special countervailing considerations. The City's resistance to increased allowances is based primarily on the proposition that, because the department is small, it is poorly positioned to adjust work schedules to allow extended vacation leave. The Union's response that the contract limit on the number of members of the unit who may be on vacation at any one time, though it does not take into account less tangible factors such as experience and specialties, seems a sufficient rebuttal of the City's scheduling concern.

Accordingly, the panel adopts the Union's last offer, to grant vacation days as follows:

<u>Years of service</u>	<u>Vacation days</u>
1 - 5	10
6 - 9	15
10	18
11 - 14	20
15	21
16	22
17	23
18	24
19 and above	25

#### 4A. Effective date of vacation change

Having adopted the Union's last offer with respect to vacation time, it becomes necessary for the panel to consider the issue between the parties as to the effective date of this contract provision.

The City earnestly contends that the enlarging of available vacation time presents it, in effect, with all the time off and scheduling problems it can reasonably be expected to cope with, and that to require it to accommodate the incremental days (the increase over the previous contract schedule) for 1980 and 1981 in calendar 1981 would impose on the City an intolerable burden.

There are, of course, no helpful examples in the contracts in comparable communities, and the panel must therefore determine the matter in the light of what seems fair and equitable to both parties in the light of the entire contract. Although, again, there is some safeguard in the contract provision limiting the number of people who may be on vacation leave at one time, the panel is of the opinion that the doubling of the additional vacation days by making them available for both 1980 and 1981, all to be used in 1981, is unwise.

Accordingly, the panel adopts the City's last offer, to make the new vacation schedule effective beginning January 1, 1981.

#### 5. Longevity

Longevity pay increments in comparable communities are generally at higher rates than those in the Harper Woods contract. Where Harper Woods increases longevity pay increments by one percentage point at five-year intervals, the great majority of the comparable communities provide for increases of two percentage points on the same schedule. On the other hand, several of the

comparable communities place caps on the amount of longevity pay, either directly or by means of a stated maximum base salary on which the longevity amount is calculated, with the consequence that there are greater benefits in the early years of service and lesser benefits in senior service.

Although the City in its last offer proposed some increase in the longevity percentages above the first bracket, it noted that because all other employee units in the City have the same longevity provision as in the previous contract affecting this unit, any change in longevity figures may, in the very nature of things, set a precedent that will cause the City problems with its other units.

The panel believes that the City's last offer, an improvement over its position at the time of the petition, still falls unacceptably short of the provision in comparable communities. Indeed, even the Union's last offer, likewise improved over its offer in the petition, is below the level set by comparable communities.

Accordingly, the panel adopts the Union's last offer, to adopt the following schedule for both years of the contract:

<u>Completed years</u>	<u>Percentage of base salary</u>
4	2.5%
9	4.5
14	5.5
19	6.5
24	7.5

#### 6. Wages

The positions of the respective parties on rates of wages

for the two years of the contract, as set forth in the petition, contemplated increases of approximately 9.5% and 8.5% in the City's offer, and 13.2% and 9.3% in the Union's demand.

Because Harper Woods operates on a calendar year while most of the comparable communities operate on the basis of fiscal years starting other than on January 1, the figures from comparable communities are difficult to apply. As the evidence showed, the Union's demand compared favorably with the other communities' figures at midyear, while the City's offer compared favorably with January 1 averages.

The parties were closer together in their last offers because of movement by the City. The increases then proposed by the City would constitute increases of approximately 10.5% and 9.5%. The Union's last offer, unchanged, would produce increases of 13.2% and 9.3%.

When the parties' last offers are paired with the figures in the comparable communities at each six-month interval (to allow for the changing comparisons necessitated by overlapping fiscal periods) and the variances are totaled, the City's last best offer compares more favorably with the averages than does the Union's last offer. That is to say, the Union's offer is substantially farther from the average figures.

Accordingly, the panel adopts the City's last offer, to establish the following base salaries for the classification of patrolmen:

<u>Effective date</u>	<u>Base salary</u>
1/1/80	\$21,000
1/1/81	23,000

### 7. Cost of living allowance

The parties' respective exhibits indicate that only one comparable community has a form of COLA roll-in; eight do not.

Because of the absence of a COLA roll-in provision in the overwhelming majority of the relevant contracts and the substantial cost of such a provision, the panel adopts the City's last offer, to continue unchanged the previous cost of living provision without roll-in.

### 8. Pay differentials

The evidence of practices in comparable communities with respect to the payment of higher amounts to employees in higher rank is to some extent unclear and, in general, unhelpful. In the light of such evidence as was available, both parties improved their offers at the hearing. Without more guidance from the example of other contracts, the panel believes that the improvement offered by the City is a fair proposal in the light of the overall compensation to be received by the employees.

Accordingly, the panel adopts the City's last offer, to establish a schedule of pay differentials as follows:

<u>Classification</u>	<u>Differential 1/1/80</u>	<u>Differential 1/1/81</u>
Youth officer	6/5%	6.5%
Corporal	6.5	7.0
Detective	9.0	9.5

### 9. Hospitalization

Though the evidentiary materials with respect to the issue of improved hospitalization were thin, it did appear that four

of the comparable communities provide hospitalization insurance which includes coverage of prenatal and postnatal care. The Union represented that such addition to health care insurance is an item of great value and high interest to its members in view of the fact that so many of the families are of childbearing age.

Because such coverage is available in almost half of the comparable communities, because the Union places great emphasis on the benefit, and because such provision in the contract seems fair in the light of the overall contract provisions, the panel adopts the Union's last offer, to add a prenatal and postnatal care rider to the MVF-1 coverage previously provided, effective as soon after the date of this award as the necessary change can be made.

#### 10. Residency

The Union has raised the ever-sensitive issue of mandatory residency of employees, seeking permission for its members to reside within fifteen miles of the city limits after the first year of employment.

The panel, though aware of the inconvenience and probably higher housing costs caused by the current requirement, nevertheless is of the opinion that the City's charter provision requiring residency, so recently reaffirmed by a popular vote of almost two and a half to one, precludes the granting of the Union's demand. Not only would it be contrary to the charter provision but also it would invite a public response with respect

to public employment that would not be in the best interests of the parties, and particularly the Union, with respect to the rest of the terms of this contract and future contracts.

Accordingly, the panel rejects the inclusion of a provision in the contract with respect to residency of members of the bargaining unit.

#### 11. Auxiliary police

As stated above, the parties have agreed to resolve the auxiliary police issue by informal means. No presentations were made by the parties and, therefore, there is nothing for the panel to decide on this issue at this time. The panel retains jurisdiction over the matter in the event that the parties are unable to resolve the issue.

#### VII. Order

IT IS HEREBY ORDERED that the parties incorporate the following provisions in their 1980-81 contract:

1. Dental insurance (City's last offer):

The City shall continue to provide employees and their families with Class II Delta Dental Insurance (which includes Class I coverage) with a \$600 annual maximum.

2. Life insurance (Union's last offer):

The City shall provide for the payment of employees' death benefits in the amount of \$20,000 and retirees' death benefits in the amount of \$3,000, effective as

soon after the date of this award as the necessary policy changes can be made.

3. Workers' compensation (City's last offer):

The City shall provide the same benefits currently provided in the agreement between City of Mt. Clemens and Mt. Clemens Police Officers Association. To that end, the contract shall employ the exact language of Article XVII (entitled "Job-Incurred Disability") of "Agreement between City of Mt. Clemens and Mt. Clemens Police Officers Association, July 1, 1980-July 30, 1982," said Article to replace Section 23 (entitled "Workmen's Compensation") of the previous Harper Woods contract.

4. Vacation time (Union's last offer):

The City shall grant vacation days according to seniority as follows:

<u>Years of service</u>	<u>Vacation days</u>
1 - 5	10
6 - 9	15
10	18
11 - 14	20
15	21
16	22
17	23
18	24
19 and above	25

4A. Effective date of vacation change (City's last offer):

The date on which the new vacation schedule becomes effective is January 1, 1981. The schedule in the previous contract shall apply with respect to the year 1980.



5. Longevity (Union's last offer):

The City shall pay longevity increments according to the following schedule :

<u>Completed years</u>	<u>Percentage of base salary</u>
4	2.5%
9	4.5
14	5.5
19	6.5
24	7.5

6.. Wages (City's last offer):

The City shall pay salaries for employees classified as patrolmen at the following rates:

<u>Effective date</u>	<u>Base salary</u>
1/1/80	\$21,000
1/1/81	23,000

7. Cost of living allowance (City's last offer):

The City shall continue to make cost-of-living payments in accord with the formula in the previous contract, without roll-in.

8. Pay differentials (City's last offer):

The City shall pay employees above the rank of patrolmen at higher rates as follows:

<u>Classification</u>	<u>Differential 1/1/80</u>	<u>Differential 1/1/81</u>
Youth officer	6.5%	6.5%
Corporal	6.5	7.0
Sergeant	9.0	9.5

9. Hospitalization (Union's last offer):

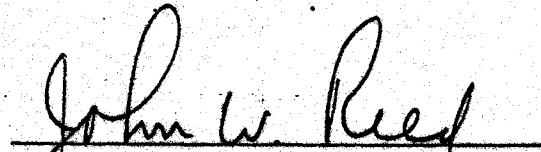
The City shall obtain from the hospitalization insurance carrier a prenatal and postnatal care rider in addition to the MVF-1 coverage previously provided, effective as soon after the date of this award as

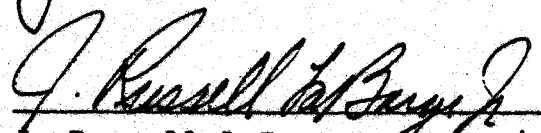
the necessary change can be made.

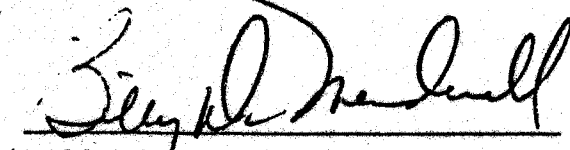
IT IS FURTHER ORDERED that no provision inconsistent with the residency provision of the charter be included in the contract.

THE PANEL RETAINS JURISDICTION over the case until the contract is signed, to determine any issues that may arise in seeking to frame contract language to effectuate the decisions herein.

Panel member LaBarge dissents from the rulings set forth in paragraphs 2, 4, 5 and 9 of the Order; panel member Mendenall dissents from the rulings set forth in paragraphs 1, 3, 4A, 6, 7, and 8 and from the rejection of a residency provision. All other rulings and portions of the opinion are concurred in by all panel members.

  
John W. Reed, Chairman

  
J. Russell LaBarge

  
Billy D. Mendenall

Date:

July 20, 1981