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STATE OF MICHIGAN
STATUTORY LABOR ARBITRATION PANEL
(Pursuant to Act 312, PA 1969, as Amended)

In the matter of Arbitration between:

CITY OF HASTINGS, MICHIGAN (City)

and

LABOR COUNCIL, MICHIGAN FRATERNAL
ORDER OF POLICE (FOP)

MERC Case No.: G92 K-0106

STATE OF MICHIGAN
BUREAU OF EMPLOYMENT RELATIONS
DETROIT OFFICE

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OPINION AND AWARD

Hastings, City of

Arbitration Panel:

Arbitrator and Chairman: ~~Mark I. Kahn~~

Delegate of City: Joseph W. Fremont, Michigan Municipal League

Delegate of FOP: Fred LaMaire, FOP Field Representative

Appearances:

For the City: Gary P. Skinner, Esq., Grand Rapids, Michigan

For the FOP: Kenneth W. Zatkoff, Esq., Troy, Michigan

Pre-Hearing Conference: January 5, 1993, Lansing, Michigan

Pre-Hearing Briefs: June 2, 1993

Pre-Hearing Reply Brief: June 5, 1993 (City only)
(FOP elected not to submit Reply Brief)

Hearing: June 8, 1993, Lansing, Michigan

Last Best Offers: June 15, 1993,

Arbitration Panel Executive Session: June 30, 1993, Ann Arbor

Post Hearing Briefs: Waived by Parties.

Date of Opinion and Award: July 12, 1993

OPINION

Mark L. Kahn, the undersigned, was appointed by the Michigan Employment Relations Commission (MERC) on October 26, 1992, pursuant to Public Act 312 of 1969 as amended, to serve as Arbitrator and as Chairperson of the Arbitration Panel for a contract dispute between the City of Hastings, Michigan ("City" or "Employer") and the Labor Council, Michigan Fraternal Order of Police ("FOP" or "Union"). The Union designated Fred LaMaire, FOP Field representative, as its delegate on the Arbitration Panel. The City designated Joseph W. Fremont, Manager of Personnel and Labor Relations Services for the Michigan Municipal League, as its delegate.

The Pre-Hearing Conference took place on January 5, 1993. Both parties stipulated and agreed, during this Conference, that all statutory time limits are waived in connection with this case; that Tentative Agreements (TAs) already reached by the parties on various issues should be part of the Award of the Panel of Arbitration; that the parties would seek to agree on the threshold issues of (a) contract duration for the new Agreement effective July 1, 1992 (two or three years), (b) whether "wages" should constitute a single issue for the duration of this 1992 Agreement or a separate issue for each fiscal year, and (c) the appropriate comparable communities; that each party would submit a pre-hearing brief and a pre-hearing reply brief; and that all of the issues to be decided by the Arbitration Panel are deemed "economic issues".

On or about May 26, 1993, both parties agreed that the comparable communities for purposes of this arbitration are the Michigan cities of: Allegan, Charlotte, Grand Ledge and Marshall. The City noted that it would also refer to two internal comparables: its Department of Public Works unit (AFSCME Local 1910) and its Firefighters unit (IAFF Local 2431).

Each party submitted its Pre-Hearing Brief on June 2, 1993, and the City submitted a Pre-Hearing Reply Brief on June 5, 1993. (The Union elected not to submit a Pre-Hearing Reply Brief.) The Hearing before the Arbitration Panel took place on June 8, 1993, in Lansing, Michigan. No witnesses were called. Each party's exhibits, as presented with its Pre-Hearing Brief, was accepted into evidence without objection. Additional joint exhibits-- collective bargaining agreements covering Police Officers at the four comparable communities and the City of Hastings' agreements with AFSCME and the IAFF -- were also received into evidence. It was agreed that each party would submit its Last Best Offer (LBO) on each issue On June 15, 1993, and that post-hearing briefs would not be filed.

The Arbitration Panel met in executive session on June 30, 1993, in Ann Arbor, Michigan. As to the remaining threshold issues, the Panel determined that the parties had implicitly agreed that the Agreement effective July 1, 1992, would have a duration of three (fiscal) years. Each party's LBO on wages indicated a three-year duration and neither party proposed a duration of two years.

The remaining threshold issue was whether the wage levels proposed for each of the Agreement's three fiscal years should constitute a single issue (the City's position) or whether each fiscal year should be designated as a separate issue. The Panel, with the City's designee dissenting, decided that each fiscal year is to be a separate issue for wage purposes. The Panel, on this basis, must decide ten issues, all "economic". Section 8 of Michigan Public Act 312, as amended in 1972, directs:

. . . As to each economic issue, the arbitration panel shall adopt the last offer of settlement which, in the opinion of the arbitration panel, more nearly complies with the applicable factors prescribed in Section 9. . . .

Section 9 of Act 312 sets forth the following factors that the Arbitration Panel is to consider "as applicable":

- (a) The lawful authority of the employer.
- (b) Stipulations of the parties.
- (c) The interests and welfare of the public and the financial ability of the unit of government to meet these costs.
- (d) Comparison of the wages, hours and conditions of of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally.
 - (i) In public employment in comparable communities.
 - (ii) In private employment in comparable communities.
- (e) The average consumer prices for goods and services, commonly known as the cost of living.
- (f) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.

(g) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.

(h) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

In regard to Factor (a), the authority of the City to provide any and all of the proposed compensation changes and benefits is not challenged. Under Factor (b), the parties have stipulated that all issues have been withdrawn or settled by them except for the ten issues identified below. As to Factor (c), the City does not rest its opposition to the Union's proposals on a claim that it lacks "the financial ability . . . to meet these costs."

As for Factor (d), as noted above, the parties have agreed and stipulated that the comparable communities for purposes of this case are the Michigan cities of Allegan, Charlotte, Grand Ledge and Marshall. Neither party relied upon Factor (e), the "cost of living", in connection with its arguments. The Arbitration Panel has given appropriate consideration to all of the factors set forth in Section 9 of Act 312.

The LBOs of the parties are attached to the Award of the Arbitration Panel: the Union's LBO's as Appendix A, the City's LBOs as Appendix B. It will be helpful, before considering each issue, to provide the reader with the following summary of the substance of these issues and the LBO of each party on each of these issues. The reader should consult Appendices A and B for specific detail on these LBOs.

Issues and LBOs¹

WAGES (XI, \$1, Schedule A), percentage increases:

	Effective	Last Best Offer of	
		FOP	City
Issue 1.	July 1, 1992	5.0%	2.0%
Issue 2.	July 1, 1993	5.0%	2.3%
Issue 3.	July 1, 1994	5.0%	3.0%

Also in the City's LBO on WAGES: "Each member of the bargaining unit shall receive a one-time only, lump sum signing bonus of Four Hundred Dollars (\$400) as soon as is reasonably practical after the entry of the Arbitration Award."

- Issue 4. Shift Differential. The FOP LBO proposes a new XI, \$4, to provide a shift differential of twenty-five cents per hour except for employees on the day shift. The City LBO favors the status quo (no shift differential).
- Issue 5. Personal Leave. The FOP LBO proposes deletion of XVI, \$8, under which employees may use two days per year of sick leave for personal business, and a new XIII, \$3: "An employee may use up to two (2) days paid leave per year for personal business." The City LBO favors the status quo.
- Issue 6. Shoe/Boot Allowance. The FOP LBO proposes this addition to XVI, \$12-a: "Effective 7/1/93 employees shall receive a fifty dollar (\$50.00) annual shoe/boot allowance." The City LBO favors the status quo.
- Issue 7. Holidays. The FOP LBO proposes this revision of XIII, \$1: "Effective 7/1/93 increase holiday allowance for Good Friday from one-half day to one full day." The City LBO favors the status quo.
- Issue 8. Health Insurance. The City LBO proposes to replace XXI with provisions identical to those now in effect under its agreements with AFSCME and IAFF (see Appendix B). The FOP LBO would modify current health care coverage by raising prescription drug rider copay from \$2.00 to

¹ References are to the prior (1989-92) Agreement between the parties.

\$5.00 and by increasing the employee deductible from 50/100 to 100/200.

Issue 9. Part-Time and Casual Employees. The City LBO proposes that XXIV, §3 and §4, be changed to read as follows:

Section 3: Proviso. The Employer agrees that where overtime work is a continuation of a normal work shift, regular full-time employees or part-time employees may be used at the Employer's discretion.

Section 4: The Employer agrees that part-time employees will not be used to the extent that it would cause the layoff of regular full-time employees.

The FOP LBO favors the status quo.

Issue 10. Darkness. The City LBO proposes a revised XXVI, §3, to permit the assignment to patrol cars at night of part-time police officers (without full-time police officers). (See Appendix B, p. 4, for full text.) The FOP LBO favors the status quo.

Two other changes in the 1989-1992 Agreement initially proposed by the FOP, relating to Article XII (Vacations) and to Article XXVI, Section 15 (Pension), were withdrawn by the FOP when its LBOs were submitted. This Opinion will consider the LBOs in the order listed above.

Issues 1, 2 and 3: WAGES

The City's LBO offers the same general wage increase for each fiscal year that the City has negotiated with its AFSCME and IAFF bargaining units: 2.0 percent, 2.3 percent and 3.0 percent, respectively. The City also granted its AFSCME bargaining unit the same \$400.00 "signing bonus" that is contained in its Wages LBO to the FOP. (The IAFF unit did not obtain a signing bonus in its 1992-1995 agreement.)

A comparison of the parties' LBOs with patrol officer pay increases among the four comparable communities is not easily made. There are differences in (a) the periods between wage increases, (b) the effective dates of wage changes, and (c) the extent to which present knowledge reaches toward July 1, 1995:

PERCENTAGE PAY INCREASES AT COMPARABLE COMMUNITIES*
(Patrol Officers)

Effective Dates	ALLEGAN	CHARLOTTE	GRAND LEDGE	MARSHALL
01-01-92	--	--	3%	--
07-01-92	3%	2%	--	3%
01-01-93	2%	--	3%	--
07-01-93	--	3%	--	?
01-01-94	--	--	2%	--
07-01-94	?	3%	?	?
01-01-95	--	--	--	--

* A "?" is the (speculative) effective date of a future wage increase of presently unknown size. The agreement containing Grand Ledge's 2% increase terminates on June 30, 1994, six months later. Allegan's 2% raise became effective only six months after a 3% increase.

As the above table suggests, at least in the Chairman's judgment, the general picture for annual pay increases among the comparables for the three fiscal years beginning on July 1, 1992, is roughly three (3) percent. Two of the three noted 2% increases do not have a significant downward effect on the 3 percent trend because, as noted in the Table's footnote, one was granted only six months after a 3% increase while another has only a six-month duration. The \$400 signing bonus in the City's LBO equals about 1.5 percent of Hastings Police Officer top pay during 1991-1992.

The Union supports its LBOs of five (5) percent per year on the basis that the level of pay and benefits for Hastings Police Officers is substantially below the average and median levels in the comparable communities. As of July 1, 1992, for example, even after adding the Union-proposed five percent pay increase, the top-paid Hastings Patrol Officer would earn \$28,259 annually, \$1,159 less than the average of the four comparables, and \$1,238 less than their median. The Union observes that this differential widens when one takes account of longevity pay (3 of the 4 comparables), Grand Ledge's Christmas bonus, educational incentive pay at Charlotte and Marshall, and the shift premium at Marshall, none of which are provided at Hastings. And when one looks at the value of paid days off, the Union calculates that Hastings is \$502 below the average, and \$447 below the median, of the four comparable communities.

The Union observes that its LBOs on wages will diminish the current disparity between Hastings and the comparable communities although leaving Hastings still at the bottom of the list. The Union notes that "ability to pay" is not an issue, and calls the Panel's attention to the substantial salary increases given by Hastings in January 1993 to its Police Chief (10.26%) and to its Fire Chief (11.0%). The City responds:

The FOP has not offered any good evidence that would compel disturbing the historical order of the comparables. The FOP's argument that a 5% per year wage increase is justified to help narrow any gap between Hastings and the other comparables is simply just an argument and no more. The facts are that the average wage increase for all comparables [including the Hastings AFSCME and IAFF units] is

2.5, 2.5 and 2.75 for 1992, 1993 and 1994, respectively, much below the 5% increase per year the FOP is requesting.

The City submits that its LBOs on wages will "provide fair wage increases that retain Hastings' historical position among this group of comparables."

Long-standing inter-city wage level differentials should not, in the Chairman's view, be abruptly and substantially altered unless the evidence clearly demonstrates that their origins and perpetuation have no appropriate economic or other basis. That is not the case here. When the Employer's economic health is good, however, it can be an appropriate time for some reduction in "historical" differentials for which a rational explanation is not forthcoming. As a package, the City's LBOs on wages would actually widen the present pay differentials between its Police Officers and those of the comparable communities, and such a widening should not be permitted by the Arbitration Panel.

For the fiscal years beginning July 1, 1992, and July 1, 1993, I find that the LBOs of the City, including its proposed \$400 signing bonus, should be adopted. For the final fiscal year of the three-year agreement, however, I find that the Union's 5% LBO should be adopted in order to reduce somewhat the inter-city wage level differential discussed above. These choices will, in my judgment, produce a sound and equitable three-year package consistent with the criteria set forth in Section 9 of Act 312.

Issue 4: Shift Differential

The Union advocates a shift differential to reward Police Officers for duty on the undesirable afternoon and midnight shifts, noting that the hours of darkness maintain the highest crime rates and the greatest dangers for officers. The Union also cites such negative aspects of these shifts as interference with family obligations and sleep disturbance. Finally, the Union "perceives a shift differential as an inexpensive modification the Panel can implement to place the City of Hastings' wages and benefits more in line with the comparable communities."

There is presently no shift differential paid by the City to any of its employees. Under Article X, Section 3, of the City's Agreement with the FOP, "Seniority shall be followed in shift preference." The City emphasizes that only Marshall among the comparable communities has a shift differential for its police officers. Thus, in the City's view, this Union proposal lacks support among the comparables and should be rejected.

The Chairman finds that a strong case has not been made for initiating a shift differential at this time. With the sole exception of Marshall, there is no shift differential in effect for police in the comparables or for employees in the City's other bargaining units. Seniority apparently functions as an acceptable means for accommodating shift preferences. I do not believe that a shift differential should be adopted to reduce the differential between Hastings and the comparables, especially where most of the comparables do not have a shift differential.

Such a reduction is better accomplished by wage increases, and this was a consideration in connection with Issues 1, 2 and 3 as well as some of the issues to be considered below.

Issue 5: Personal Leave

Under Article XVI, Section 8: "An employee may use up to two (2) days per year for personal business, said days to be deducted from sick leave." In the City's 1992-1995 agreement with the IAFF, the same option is retained in Article VII, Section 7. No such option is available in the City's agreement with AFSCME.

The Union now proposes to delete Article XVI, Section 8, and instead to add a new Article XIII, Section 3, that would retain two personal business paid leave days per year but with no charge against sick leave. The Union asserts that such a change is supported by practice among the comparable communities, all of which allow personal paid time and none of which deduct such time from sick leave.

The City, which favors the status quo, has a somewhat different view of the comparables. It points out that the two days of personal paid leave per year at Grand Ledge are expressly in lieu of two paid holidays, and it argues that at Marshall the personal days off are integrated with the sick leave provisions. In addition, its IAFF agreement matches the FOP status quo, and there is no paid personal leave in its AFSCME agreement.

Article 15, Section 2, of the 1991-1993 agreement between the City of Marshall and the FOP reads:

Section 2: Personal Leave. An employee is entitled to one (1) personal leave day per calendar quarter after reaching and maintaining sixty (60) or more days of accumulated sick leave in accordance with Article 11. Such employee may not accumulate more than four (4) such personal leave days per year.

An employee's eligibility for personal leave days (i.e., the number of his accumulated sick days) shall be determined on the first day of each calendar quarter.

This Marshall provision establishes a pre-condition of eligibility for personal leave days based on sick leave accumulation, and one effect of this pre-condition is that only Patrol Officers with at least five years of service can be eligible. Sick leave at Marshall is accumulated at the rate of one day per month. Once eligible, however, four personal leave days are available per year and are not deducted from sick leave. Under Article XIV of the 1989-1993 Allegan-POAM Agreement:

14.1: Personal Leave Days. Full-time employees shall be entitled to thirty (30) personal leave hours per year provided the employee further provides the Chief with five (5) days advance notice and provided further the granting of said leave day does not jeopardize the manpower requirements of said department.

The 1992-1995 Charlotte-FOP Agreement, in Article 16, Section 2, provides: "All full-time employees with at least one (1) year seniority shall be granted sixteen (16) personal leave hours with pay." Other adequate manpower must be available, and personal leave hours are credited on May 1 of each year.

The 1992-1994 Grand Ledge-FOP Agreement, in Article 23, Section A, Paragraph 2, indicates (although poorly punctuated) that two "administrative days off" are provided in lieu of two specific holidays (the employee's birthday and the day after

Thanksgiving Day). Grand Ledge otherwise provides only nine paid holidays, compared with eleven and one-half in the Hastings-FOP Agreement.

In any event, all of the four comparable communities provide their patrol officers with days off for personal business, one in lieu of holidays and none as a charge against sick leave. As between the status quo and the Union's LBO on this issue, I find that the LBO of the Union should be adopted.

Issue 6: Shoe/Boot Allowance.

Article XXVI of the Hastings-FOP Agreement contains in Section 12-a a list of uniform items "which shall be replaced by the Employer as needed". This list does not include boots or shoes. The Union's LBO seeks, effective July 1, 1993, an annual shoe/boot allowance of \$50.00. The City prefers the status quo.

All four comparable communities provide an annual shoe/boot allowance to their patrol officers: \$40 at Allegan, \$50 at Charlotte and Grand Ledge, \$55 at Marshall. The City points out that neither its Firefighters nor the members of its AFSCME bargaining unit receive a footwear allowance. Appropriate footwear is, as the comparables indicate, a recognized part of a patrol officer's uniform. I find that the Union's LBO should be adopted.

Issue 7: Holidays.

The Union's LBO seeks an additional half day of holiday by making Good Friday a full-day holiday instead of a half-day

holiday. Article XIII, Section 1, of the Hastings-FOP Agreement currently provides for eleven and one-half (11½) holidays. The comparable communities provide holidays as follows: Allegan and Charlotte, 10; Grand Ledge, 9; Marshall, 11. Good Friday is not among the holidays provided by Charlotte and Grand Ledge. Within Hastings, ten holidays are provided in the AFSCME and in the IAFF agreements.

Hence, more holidays are provided under the Hastings-FOP Agreement than at any of the internal or external comparables. Accordingly, the Chairman finds that the City's LBO, which is the status quo, should be adopted.

Issue 8: Health Insurance.

The City's LBO calls for replacing Article XI with group insurance identical to the coverage already in effect under the City's agreements with IAFF and AFSCME. Delta Dental 50/50 coverage is retained and Life Insurance is raised from \$25,000 to \$40,000 with double indemnity, both fully paid for by the City. Health insurance coverage will include a \$5.00 prescription drug copay in place of the previous \$2.00 (which is part of the FOP's LBO) and no increase in deductibles (the FOP LBO would raise the employee deductible from 50/100 to 100/200). See Appendix B for the full text of the City's Group Insurance LBO.

The City's LBO includes a formula under which, on a year-by-year basis, increases in the annual premium costs for health insurance, fully paid by the City until now, would be handled,

namely: any increase in premium costs up to 10% would be fully paid for by the City; any increase above 10% and up to 20% would be fully paid for by the employee; and any increase above 20% would be equally shared by the employee and the City. The City observes that three of the four external comparables have some kind of cost-sharing in effect, including an 80/20 copay and higher deductibles than at Hastings.

The Chairman has concluded that the City's LBO should be adopted. The formula for allocating future increases in health insurance premium costs is reasonable, in that rises of less than ten percent per year will be fully borne by the City. Employees will not share equally in such cost increases until those increases reach or exceed 20% in one year. The overall health insurance program is a good one that is already in place for other City personnel, and it is appropriate to assign substantial weight to these internal comparables.

Issue 9: Part-Time and Casual Employees.

At present, Article XXIV of the Hastings-FOP Agreement includes these provisions:

Section 3: Proviso. The Employer agrees that where overtime work is a continuation of a normal work shift, regular full-time employees shall be used rather than part-time.

Section 4: The Employer agrees that no part-time employees will be used in lieu of overtime payment.

The City proposes to replace these two sections by provisions to permit the use of part-time employees for overtime that extends a regular shift and for other purposes that would not cause the

layoff of regular full-time employees (see above, p. 6). The City points out that Charlotte's agreement contains no provision restricting the use of part-time employees instead of full-time employees in connection with overtime hours, and it wants similar flexibility. The Chairman would note that the Charlotte agreement contains no mention of part-time employees.

Allegan's and Marshall's contracts, like Hastings, require that all overtime be offered first to regular, full-time police officers before part-time personnel may be assigned. At Grand Ledge, the relevant contract provisions, Article 11 and Article 12, §1-(g), are not clear, in the Chairman's judgment, in relation to this issue. There is no evidence in the record as to the magnitude of the burden placed on the City by the current provisions. I find that the City has not established a sufficient basis for changing the status quo and that the Union's LBO should therefore be adopted.

Issue No. 10: Darkness.

Under present contract language, Article XXVI, Section 3, relating to hours of darkness, these constraints apply:

. . . If the command officer determines that it is necessary to assign two (2) employees to a patrol car, he may assign a part-time or reserve officer to ride with a regular officer or assign two (2) regular officers to patrol. The command officer shall not assign part-time or reserve officers to patrol alone . . .

Under the replacement language proposed by the City:

. . . If the Chief, or his designee, determines it is necessary to assign two (2) employees to a patrol car, he

may assign a reserve officer to ride with a sworn police officer. . . .

This change would permit a patrol car to operate at night with one part-time and one reserve police officer, or with two part-time police officers, neither of which is presently permissible, whenever the Chief or his designee has decided that a patrol car operating at night should contain two officers. The comparables do not provide a helpful guide on this issue, probably because the night-time use of two-officer patrol cars is not a common occurrence.

The Chairman has decided that the City's LBO presents a reasonable proposal for managerial discretion in connection with covering unusual night-time situations and should be adopted.

Concluding Comment

The Award of the Arbitration Panel, which appears below, (a) records the "tentative agreements" of the parties as requested; and (b) records which LBO has been adopted by a majority of the Panel on each of the ten issues (all "economic") placed before the Panel for decision. Except as modified pursuant to (a) and (b) above, the terms of the parties' 1989-1992 Agreement remain in effect during the life of their 1992-1995 Agreement.

The Chairman acknowledges the substantial assistance of each party's delegate on the Arbitration Panel. Although all Panel members signed the Award, it should be noted that each delegate did dissent to each rejection of an LBO submitted by his party.

AWARD OF THE PANEL OF ARBITRATION

I. The parties to this Act 312 Arbitration, the City of Hastings, Michigan, and the Labor Council, Michigan FOP, wish to have the following tentative agreements reached during their 1992 negotiations recorded in this Award:

1. Amend Section 7 of Article XVI, Sick Leave, to read:

Section 7. An employee may use up to three (3) days of sick leave per year for illness in his or her immediate family which is defined for this purpose as the spouse or children of the immediate employee or other relatives of the employee or the employee's spouse living in the employee's household.

2. Delete the last paragraph in Section 3 of Article XVIII, Court and Funeral Leave.
3. Amend Article XIX, Maintenance of Standards, to read:

ARTICLE XIX
MAINTENANCE OF STANDARDS

Section 1. The employer agrees that all conditions of employment not otherwise provided for herein relating to wages, hours of work, overtime differentials, and general working conditions shall be maintained at the standards in effect at the time of the signing of this Agreement.

4. Amend Section 5 of Article XXIV, Part-Time and Casual Employees, to read:

Section 5. Employees shall not, without prior written approval from the Chief of Police, engage in any other employment. Requests for outside employment shall not be unreasonably denied by the Chief.

5. Amend Section 6 of Article XXVI, General Provisions, to read:

Section 6. Liability Insurance. The City shall provide and maintain adequate liability coverage for all bargaining unit members.

6. Amend Section 14 of Article XXVI, General Provisions, to read:

Section 14. Ammunition will be furnished and replaced as needed as determined by the Chief of Police.

II. The Panel of Arbitration has determined that the following Last Best Offers on the ten issues in dispute shall be adopted. (The LBOs of the Union appear in Appendix A, attached. The LBOs of the City appear as Appendix B, attached.)

Issue 1. Wages. The **CITY** LBO (2.0% eff. 7-1-92) is adopted.

Issue 2. Wages. The **CITY** LBO (2.3% eff. 7-1-93 and the \$400 "signing bonus") is adopted.

Issue 3. Wages. The **UNION** LBO (5.0% eff. 7-1-94) is adopted.

Issue 4. Shift Differential. The **CITY** LBO (status quo) is adopted.

Issue 5. Personal Leave. The **UNION** LBO is adopted.

Issue 6. Shoe/Boot Allowance. The **UNION** LBO is adopted.

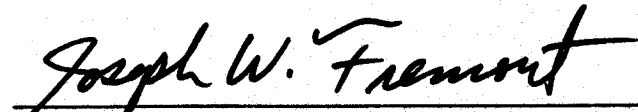
Issue 7. Holidays. The **CITY** LBO (status quo) is adopted.

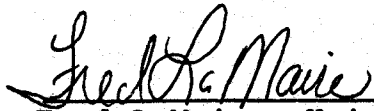
Issue 8. Health Insurance. The **CITY** LBO is adopted.

Issue 9. Part-Time and Casual Employees. The **UNION** LBO (status quo) is adopted.

Issue 10. Darkness. The **CITY** LBO is adopted.

By the PANEL OF ARBITRATION:


Joseph W. Fremont, City Delegate
(Dissenting on Issues 3, 5, 6 and 9.)


Fred LaMaire, Union Delegate
(Dissenting on Issues 1, 2, 4, 7, 8 and 10.)


Mark L. Kahn, Arbitrator and Chair

July 12, 1993

APPENDIX A

STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

In the Matter of:

LABOR COUNCIL, MICHIGAN
FRATERNAL ORDER OF POLICE,
HASTINGS POLICE OFFICERS,

Union,

-and-

MERC Act 312
Case No: D92 A-0157

CITY OF HASTINGS,

Employer.

MARK L. KAHN, Chairperson
FRED LA MAIRE, Union Delegate
JOSEPH W. FREMONT, Employer Delegate

**FINAL OFFER OF SETTLEMENT ON
BEHALF OF THE UNION**

1. Wages.

The Union is requesting the following across-the-board salary increases for all classifications:

Effective	7/1/92:	5% increase
Effective	7/1/93:	5% increase
Effective	7/1/94:	5% increase

2. Shift Differential. (Article XI/Section 4)

The Union is requesting the following language be added to the current collective bargaining agreement as Article XI, Section 4, Shift Differential:

Effective 7/1/92 employees assigned to any shift other than the day shift shall be entitled to a shift differential of twenty-five cents per hour for all hours worked, *ON SUCH SHIFT.*

3. Personal Leave.

The Union is requesting that the following language be deleted from Article XVI, Section 8:

An employee may use up to two (2) days per year for personal business, said days to be deducted from sick leave.

The Union is requesting a new Section 3 to Article XIII, Holidays, as follows:

An employee may use up to two (2) days paid leave per year for personal business.

4. Uniforms. (Article XXVI/ Section 12 A)

The Union is requesting the following changes in uniform benefits:

Effective 7/1/93 employees shall receive a fifty dollar (\$50.00) annual shoe/boot allowance.

5. Holidays. (Article XIII/Section 1)

The Union is requesting the following changes in holiday benefits:

Effective 7/1/93 increase holiday allowance for Good Friday from one-half day to one full day.

6. **Pension.** (Article XXVI/ Section 15)

The Union is withdrawing this issue.

7. **Vacations.** (Article XII/ Section 1)

The Union is withdrawing this issue.

City Issues:

1. **General Provision/Darkness** (Article XXVI/ Section 3)

The Union requests that this provision remain status quo.

2. **Part-time and Casual Employees.** (Article XXIV)

The Union requests that this provision remain status quo.

3. **Health Insurance.** (Article XXI)

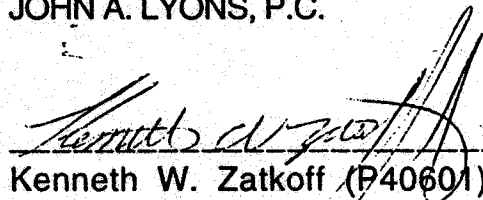
The Union proposes the following modifications in the current health care coverage:

A. Increase prescription drug rider from \$2.00 to \$5.00 co-pay.

B. Increase employee deductibles from 50/100 to 100/200.

Respectfully submitted,

JOHN A. LYONS, P.C.



Kenneth W. Zatkoff (P40601)

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(313) 524-0890

Dated: June 10, 1993

APPENDIX B

STATE OF MICHIGAN
STATUTORY LABOR ARBITRATION
(PURSUANT TO ACT 312, PA 1969 AS AMENDED)

IN THE MATTER OF THE ARBITRATION BETWEEN:

CITY OF HASTINGS ("HASTINGS"),

and

**LABOR COUNCIL MICHIGAN FRATERNAL
ORDER OF POLICE ("FOP").**

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P.O. Box 352
Grand Rapids, Michigan 49501-0352
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LAST BEST OFFERS
ON BEHALF OF
CITY OF HASTINGS

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INTRODUCTION

Pursuant to the Act 312 Hearing in this matter held at the Lansing offices of Varnum, Riddering, Schmidt & Howlett on Tuesday, June 8, 1993, the City of Hastings submits to the Arbitration Panel its Last Best Offers concerning the outstanding economic issues, as follows:

II. LAST BEST OFFERS OF THE CITY OF HASTINGS REGARDING THE CITY'S ISSUES

1. **Article XXI, Insurance.** Hastings' last best offer represents no change in its position as set forth on page 11 of its Pre-Hearing Brief. That position is to replace the present Article XXI with group insurance coverage identical to those provisions now in effect under labor agreements with the Department of Public Works unit represented by AFSCME and the Firefighters bargaining unit represented by the International Association of Firefighters. Article XXI would read as follows:

ARTICLE XXI GROUP INSURANCE

Section 1. Health Insurance. (a) Full-time employees and their eligible dependents shall continue to be covered by the City's health insurance. The Prescription Drug Rider shall be five dollars (\$5.00) co-pay rider. Premium increases after July 1, 1992, shall be paid by the City and the employees in accordance with the following: For each one-year period commencing on the effective date of this contract, the City will pay the first ten percent (10%) increase in the premium from the prior one-year period, the employee will pay the next ten percent (10%) annual increase, and if a premium increases more than twenty percent (20%) in any given one-year period, the increase in excess of twenty percent (20%) will be shared equally by the City and the employee. The employees' share of any such premium increases shall be cumulative, meaning that if there is a premium increase in excess of 10% in the first two years of this contract, the employees' share in the first year would carry over and be added to the employees' share the following year. The employees' share of the premium may be reduced by purchasing less expensive insurance coverage at the option of, and as specified by, the Union.

(b) Premiums for the Family Continuation Rider shall not be subject to the adjustment formula in paragraph (a), but shall be shared with the City paying ninety percent (90%) and the employee paying ten percent (10%) of such premiums.

(c) Further retirees and their eligible dependents may continue to be covered by the City's health insurance. Only those dependents who were the employees' dependents at the

time of retirement are eligible for any portion of their premium to be paid by the City. Premiums for such insurance for retirees and their eligible dependents shall be paid ninety percent (90%) by the City and ten percent (10%) by the retiree.

Section 2. Life Insurance. Employer shall maintain life insurance to its employees in the sum of \$40,000 with double indemnity and shall pay the premium cost of such insurance.

Section 3. Dental Insurance. Employer shall provide a 50/50 dental plan through Delta Dental Plan of Michigan, said Plan being Group No. 2171-0001, effective January 1, 1985, or a dental plan equivalent to that offered to other employees of the City.

Section 4. Insurance Companies. The City may choose to provide the coverages called for in this Article through self-insurance or through insurance carriers selected by the City, provided the coverage is reasonably equivalent to that specified in this Agreement. The Union shall be notified of any changes in the insurance program as soon as practical but at least ten (10) days prior to the effective date of the change, and upon request by the Union, the Union and the City will meet to discuss the change.

2. Article XXIV, Part-time and Casual Employees. Section 3 and Section 4 shall be changed to read as follows.

Section 3: Proviso. The Employer agrees that where overtime work is a continuation of a normal work shift, regular full-time employees or part-time employees may be used at the Employer's discretion.

Section 4: The Employer agrees that part-time employees will not be used to the extent that it would cause the layoff of regular full-time employees.

3. Article XXVI, General Provisions. Hastings' positions remains unchanged from its position on darkness as set forth in its Pre-Hearing Brief beginning on page 12. Section 3 regarding darkness will be modified to state:

Section 3: Darkness. During the hours of darkness, the Chief, or his designee, shall make the determination as to whether it is necessary that two (2) employees be assigned to ride in each patrol car. If the Chief, or his designee, determines it is necessary to assign two (2) employees to a patrol car, he may assign a reserve officer to ride with a sworn police officer. Reserve officers shall not have arrest powers over and above those of ordinary citizens and shall not be assigned to patrol alone except for purposes of surveillance or as a visible crime deterrent.

In an effort to maintain effective communications between bargaining unit employees and the management of the Police Department with respect to all matters regarding employee safety, there shall be a safety committee consisting of two (2) persons to be named by the union and two (2) persons to be named by the City, which shall meet and discuss safety problems, actual and potential.

III. FOP'S OUTSTANDING ISSUES AND HASTINGS' LAST BEST OFFERS

INTRODUCTION

Set forth below are the FOP's outstanding issues and Hastings' Last Best Offers as follows:

1. **Article XI, Wages** - Retain status quo (no shift differential).
2. **Article XIII, Holidays** - Retain status quo (one-half [1/2] day for Good Friday).
3. **Article XVI, Sick Leave** - Retain status quo (retain two [2] personal business days which are deducted from accumulated sick leave).
4. **Article XXVI, General Provisions** - Retain status quo (employees pay for their own boots/shoes).
5. **Article XXVI, General Provisions** - Retain status quo (MERS B-2 [2.0% times years of service]).

6. Schedule A (Wages) - Modify to provide wage increases as follows:

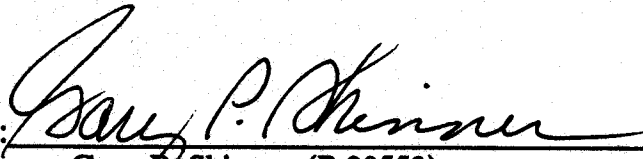
Effective July 1, 1992:	2.0% increase
Effective July 1, 1993:	2.3% increase
Effective July 1, 1994:	3.0% increase

Each member of the bargaining unit shall receive a one-time only, lump sum signing bonus of Four Hundred Dollars (\$400) as soon as is reasonably practical after the entry of the Arbitration Award.

Dated: June 15, 1993.

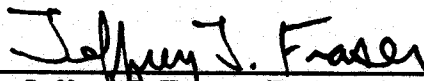
Respectfully submitted,
VARNUM, RIDDERING, SCHMIDT & HOWLETT

By:



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By:



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