

5/82 ARB

353

MAY 1982

STATE OF MICHIGAN  
MICHIGAN EMPLOYMENT RELATIONS COMMISSION  
PUBLIC ACT 312 ARBITRATION

IN THE MATTER OF THE ARBITRATION OF:

CITY OF HIGHLAND PARK,

Employer

and

PERA D 80-C-1755

HIGHLAND PARK POLICE OFFICERS  
AND MICHIGAN LAW ENFORCEMENT  
UNIT #129

Union

*Highland Park, City of*

These proceedings were held on July 21 and 22, 1981 in the hearing room of the Michigan Employment Relations Commission, Detroit, Michigan.

Panel Members

Herbert V. Rollins, Chairman  
Sam J. Merigian, (City designee)  
James W. Allen, (Union designee)

Representatives

For the City, David H. Greenspan  
For the Union, Billy D. Mendenall

Michigan State University  
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## EXHIBITS

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## BACKGROUND

This case arises at a time of a bleak financial crisis in Michigan. Unemployment is spiraling somewhere approaching 15%, costs of government keep rising spurred on by inflation, and at the same time, revenues are dropping precipitously. In addition to the financial problems of the state, almost all local governments in Michigan, townships, cities and counties are suffering identical problems. The one city with probably the most horrendous accumulation of desperate financial problems, is the City of Highland Park.

This city's conditions continue to deteriorate without even a hint of reasonable expectation of every improving. With an ever steady declining population, vanishing businesses to generate tax revenue, loss of state and federal aid, the survival of this city with a viable government is at a dangerously low point.

The record shows that the city must continue to borrow money in order to keep operating, that its deficit as of July 1, 1981 was in excess of 2 million dollars, and that all employees except police and firemen have taken a 20% cut in wages.

Nothing would be served by continuing to describe this financial quagmire in any more detail. The picture is dismal and there is nothing to indicate that it will improve in the remote future. Any increases granted here of substantial sums would dangerously overburden an already impossible situation.

Before proceeding with the specific issues, it should be noted for the record that the City of Highland Park has a long standing pension system under which benefits being paid to former retirees would increase proportionately should certain benefits be increased for the present policemen. For example, if the clothing allowance should be increased by \$75.00 (as the union asks) then the pension benefits would be increased by \$37.50 for each retiree. Thus for many of the benefit increases that the union requests, an additional corresponding percentage amount goes into the retirees' pension fund. Such a program sets off a dangerous chain reaction that in most instances puts a deserving increase into a classification of a calamitous operating burden.

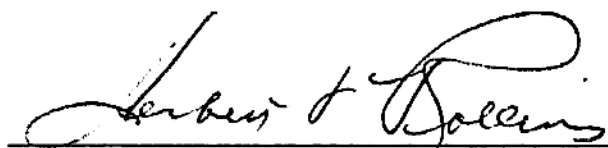
Thus while the chairman is inclined, in some instances, to lean in favor of the petitioners, an increased benefit of a relatively modest amount, then becomes unmanageably larger because of the pension formula. The setup is unrealistic and places the chairman in a difficult position. Accordingly, our actions must be made with fiscal restraint.

The chairman is aware of the 10 factors which he should apply in making his decision. While many of the factors (for example, comparison of wages and conditions of employment in public and private employment) weigh heavily in favor of the union, they quickly dissipate when the record proves conclusively that there are no available funds to use in order to comply with every union request.

Even prior to any increases, the city is committed to pension fund contributions equal to 57% of payroll. Thus if an increase of \$1.00 is awarded, an additional 57¢ is paid into the pension fund for the employee, plus an additional contribution for some retirees. Thus for every dollar that Highland Park pays for increases, they could conceivably cost it some \$2.00.

Accordingly, while the comparables show that the policemen are deserving of pay increases and other greater benefits, we must in view of the city's present situation, limit any improvements to a modest amount.

The following are the comments of each item as approved by the majority of the panel.

A handwritten signature in cursive script, reading "Herbert J. Hollins". The signature is written in dark ink and is positioned above a horizontal line.

Chairman

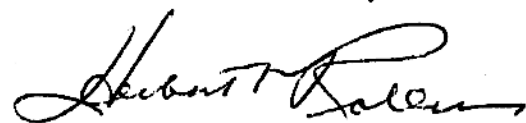
Issue #1

The union requests an increase in the plain clothes officers' clothing allowance, effective July 1, 1980, from \$150.00 per year to \$225.00 per year.

The city offers no increase in the clothing allowance for plain clothes police officers, effective July 1, 1980.

DECISION

The comparables indicate that the uniform allowance for these officers are appreciably below those given to officers in comparable cities. The average allowance in union comparable cities is \$398.00 per year. However, in view of the city's abysmal financial plight, its total inability to pay the requested increase and the fact that it is in this proceeding offering some help to those officers who are assigned to plain clothes duties, the Union's offer is rejected and the offer of the city is accepted.

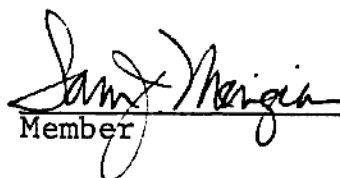


Chairman



Member

(concur-dissent)



Member

(concur-dissent)

Issue #1 continued

Regarding uniform allowance for police officers assigned to plain clothes duties, the city offers to add a new section to Article XI to commence July 1, 1981, viz:

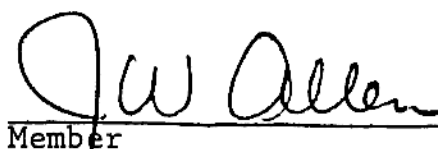
ARTICLE XI ( Section 2b-New)

Employees assigned to plain clothes duties for period of 90 or more consecutive work days shall be paid a pro-rated amount for clothing. This pro-rated amount shall be based on 1/261 of \$150.00 for each work day of such assignment. Payment shall be made at the conclusion of such assignment.

The offer of the city is accepted.

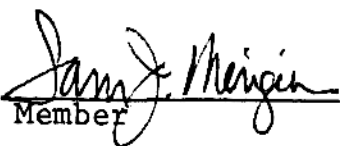


Chairman



Member

(concur-dissent)



Member

(concur-dissent)


Issue #2 Holiday

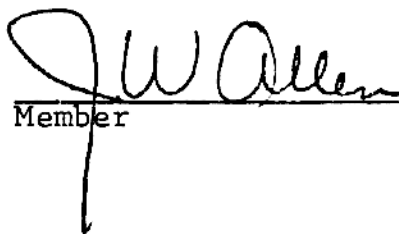
The union requests that officers receive 8 hours of compensatory time for Christmas Eve and the same for New Year's Eve.

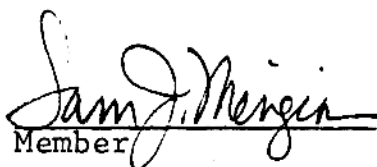
The city rejects the demand and offers no changes.

DECISION

The evidence indicates that the Highland Park police officers now receive 9 paid holidays. This is less than the number of holidays given to police officers in 15 comparable cities furnished by the union. However, since this demand, according to the exhibits, is reasonable and does not represent a burden of providing new money, the offer of the union is accepted.

  
Chairman

 (concur-dissent)  
Member

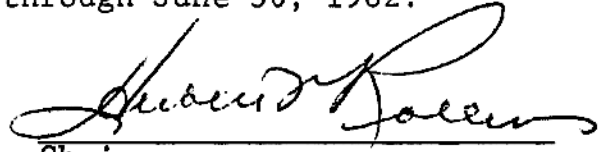
 (concur-dissent)  
Member

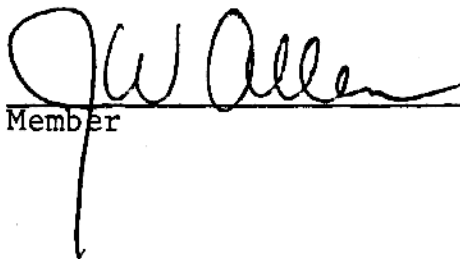
Issue #3 Shift Premium

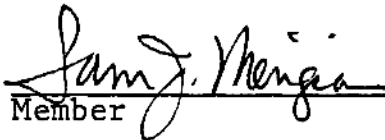
It appears that union is seeking to continue the same shift differential payments existing in the prior contract (July 1, 1979 to June 31, 1979).

DECISION

The shift differential payments provisions contained in the prior contract (July 1, 1979 to June 30, 1979) shall be included in the contract for July 1, 1980 through June 30, 1982.

  
Chairman

 (concur-~~dissent~~)  
Member

 (concur-~~dissent~~)  
Member

Dated: March 12, 1982



Issue #4 Roll Call

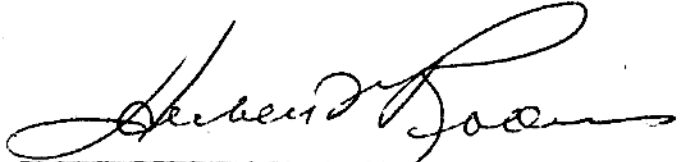
The union seeks either payment for the 20 minutes of roll call time or elimination of the 20 minute non-paid roll call. (The police officers presently receive no payment for roll call time prior to the commencement of their shift.)

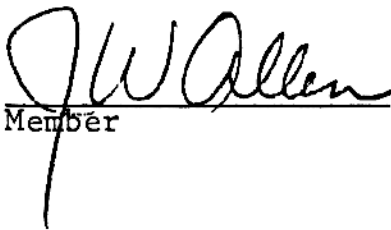
The city rejects the demand.

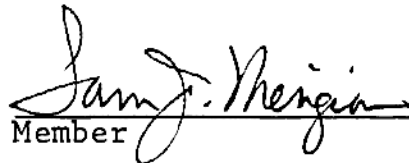
DECISION

Since the alternative of eliminating the 20 minute roll call prior to the commencement of each shift seems fair and represents no burden of new money, that alternative is accepted. The request for payment for the 20 minutes prior to the shift is denied.

The city requests the right to stagger shifts and that is granted.

  
Chairman

  
Member (concur-dissent)

  
Member (concur-dissent)

Issue #5 Equipment Maintenance

ALLOWANCE

The union seeks an equipment maintenance allowance of \$150.00, effective July 1, 1981. Presently the officers receive their uniforms and weapons from the city but no maintenance or repair costs.

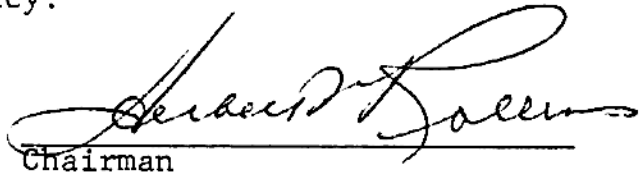
The city offers nothing.

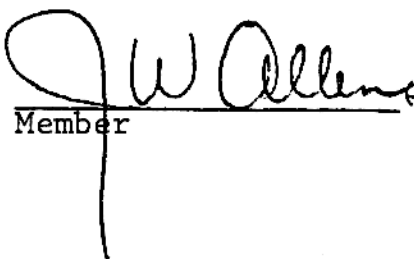
DECISION

In view of the city's abysmal financial conditon, and its total inability to pay, the offer of the union is rejected and the offer of the city is accepted.

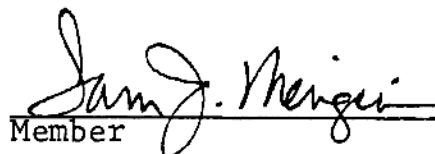
The comparables furnished by the union refer principally to uniform cleaning and gun allowances. The amount requested by the union would exceed the maintenance benefits paid by other communities, including many with a higher tax bases and greater source of income.

However, it is ordered that the city should continue its present weapons replacement policy.

  
Chairman

  
Member

(concur-dissent)

  
Member

(concur-dissent)

Issue #6 Hospitalization

The union is requesting that the city pay for semi-private room coverage, the cost of which the officers are presently paying.

The city claims the present Blue Cross-Blue Shield coverage is adequate and that it will continue the same coverage even though the premium rates have increased by 20%.

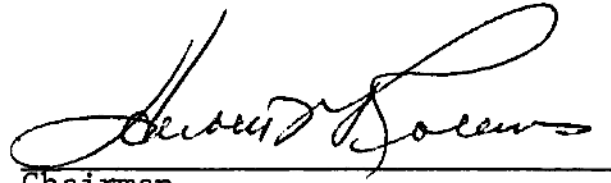
The comparables show that a majority of the communities provide a substantially better hospitalization plan than the city of Highland Park.

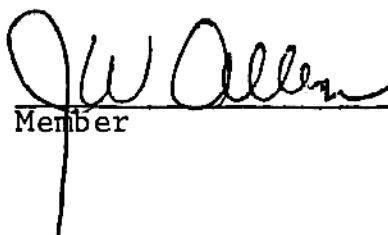
The cost of the union's request is approximately \$38.76 per officer per year.


Decision

This is an expense that is essentially necessary for the welfare of the police officers and their families. There is no valid reason why they should be subjected to being hospitalized under ward conditions. Accordingly, the offer of the union is accepted.

The panel will retain jurisdiction for 60 days to rule on any problems in the type of available insurance or the selection of the carrier.

  
Chairman

 (concur-~~dissent~~)  
Member

 (concur-~~dissent~~)  
Member

Issue #7 - Blue Cross

For Officers Retiring After January 1, 1981

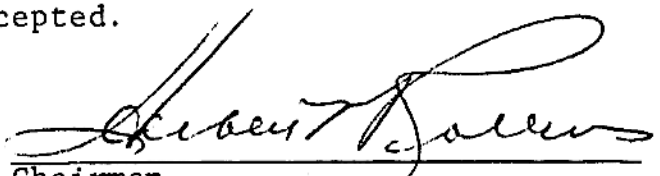
The city rejects the demand. The city presently keeps the retirees in the group coverage with the retiree paying the premium. In this way the retiree obtains the advantage of a lower rate instead of purchasing coverage on an individual basis.

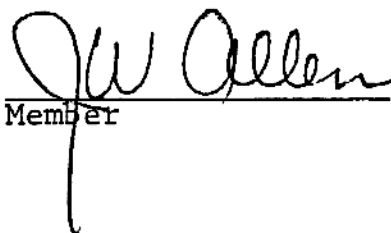
Decision

While I agree philosophically with the union's offer, I find that paying the costs of additional benefits is, unfortunately, a luxury that this city cannot presently handle. Those benefits shown by the union's comparables, are dwarfed by this city's poor financial condition and its inability to pay for such improvements in benefits for its work staff. It would be totally unfair to increase benefits for retirees while most everyone else in the city's work staff is receiving a 20% cut.

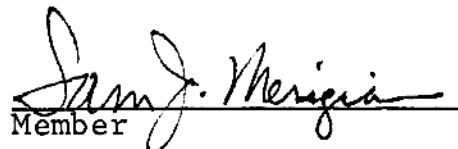
The estimated cost of \$225,000 is a totally unrealistic burden for a potentially bankrupt city like Highland Park to assume.

The offer of the city is accepted.

  
Chairman

  
Member

(concur-dissent)

  
Member

(concur-dissent)

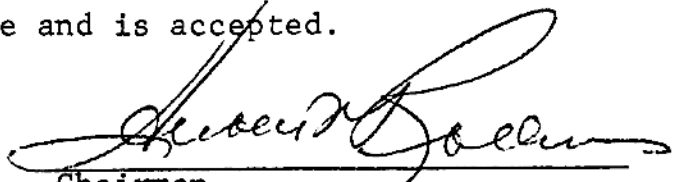
Issue #8 Dental Insurance

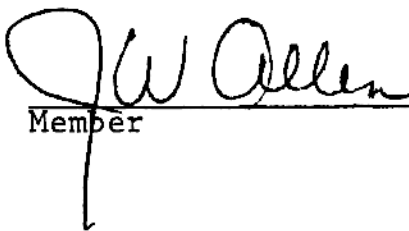
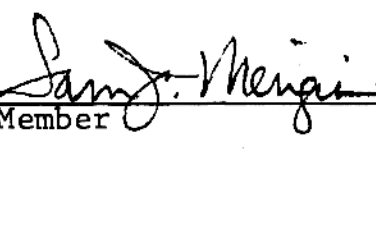
Under the present plan the city pays 1/2 of the premium and the other 1/2 is paid by the officer. The union asks that the city pay the entire premium for an 80/20 plan, one that offers 80% of the services at no cost to the patient and 20% of the services paid by the patient.

The city offers no change.

Decision

In view of the change in the requested plan, the offer of the union seems fair and reasonable and is accepted.

  
Chairman

 (concur-~~dissent~~)  (concur-~~dissent~~)  
Member Member

Issue #9 Wages

The union asks for a 7.778% increase during the contract's first year and 9.09% increase in the second year. The demand for a COLA provision was dropped.

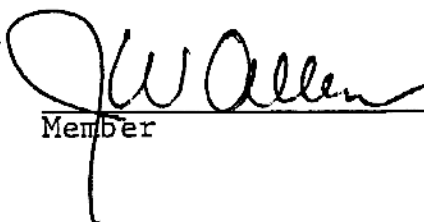
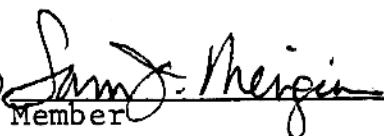
The city offers no raises.

Decision

In view of the city's poor financial condition, a condition which is becoming worse each month, the fact that all other city employees have been given a 20% reduction in pay, and because of the city's unrealistic pension program (where increased benefits to present employees impact the pension fund), the offers of the union (as a package) appear unreasonable. The union's request for the first year of the package is rejected as being unreasonable under the circumstances.

The union having reduced its offer to 8% for the second year, the offer of 8% for the second year is accepted. This only applies to patrolmen and corporals.

  
Chairman

 (concur-~~dissent~~)  (~~concur~~-dissent)  
Member Member