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STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
DEPARTMENT OF LABOR

LINCOLN PARK POLICE OFFICERS
ASSOCIATION (FRATERNAL ORDER
OF POLICE, STATE LABOR COUNCIL),

Union

Act 312 Arbitration
Case No. D82 J-3942

-and-

CITY OF LINCOLN PARK,

Employer.

APPEARANCES:

ARBITRATION PANEL:

FATHER JOSEPH R. DEMPSEY, Chairman

ROBERT DEDMAN, City Delegate

STEVE VINCENT, Union Delegate

JOHN C. EIDT, ESQ.

JOHN A. LYONS, ESQ.

FILED
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MICHIGAN
STATE LABOR COUNCIL

BACKGROUND:

The contract dispute between the parties was submitted to an Act 312 Arbitration Panel. The Chairman of this panel was appointed by a letter dated December 16, 1981. The panel made its decision on the issues submitted dated June 21, 1982. The duration of the contract was to be the period of July 1, 1981 through June 30, 1983.

This award was final but it did provide that the issue of wages shall be subject to re-opening as of July 1, 1982. A number of meetings were scheduled to discuss the wage re-opener. When no resolution could be achieved, the association filed a Petition on the sole issue of the wage re-opener. Hearings were held on May 16, 1983 and June 6, 1983. Post hearing briefs and last best offer were submitted by the City on August 8, 1983 and by the Union on August 5, 1983. A reply brief from the Union came to the Arbitrator on August 20, 1983.

POSITION AND OFFER OF THE UNION:

A. Parity as follows:

1. 0-3 Patrolman same as Pipeman
2. 3 year Patrolman same as Engineer
3. Retroactivity on the above to be offset by pension contributions.

B. Patrol Unit to participate fully in Contributory Pension same as Police Command and Firemen.

C. Patrol Unit to receive same annuity treatment as Command.

The City comparables which showed that in fact the police officers were already at parity were unfairly presented. In

fact the the Union received a base wage freeze in the contract year 1981-1982. It was alleged that the police officers received a 6.5% increase in take-home money because the City was to pay their pension contribution. This action was supposed to bring the police officers to the level of increase that all other city employees received during the same period. However, the City incurred no cost increase because they did not make the pension contributions.

This 6.5% cost was used to inflate comparables with other communities. It was also used in the "last offer". Thus the City looked good on paper. No explanation was ever given why the differentials increased so drastically between firefighters and petrolmen and between patrolmen and police sergeants.

In addition the figures were "shuffled" to put the City's finances in the worst economic light. The City has been in a positive financial position for a number of years (T, p22, June 6). The controller testified that the City could break even financially. The Mayor testified that there would be a \$260,000 deficit in year 1982-83 (T,p54, May 16).

In addition the City has at least two possible sources of funds for wage increases: (1) additional millage and (2) Federal Revenue Sharing Funds. The City does not tax at the maximum millage rate.

The Union stated that internal cost comparisons were not done by the City because the police officers are way behind. Even dog catchers make more money that police officers.

CITY'S OFFER AND POSITION:

The City's last offer is as follows:

Starting Salary	\$18,890.00
One Year	22,600.00
Three Years (Top Pay)	24,110.00

The City's last offer contemplates that the L.P.P.O.A. members are receiving a benefit of 6.55% pension contribution and an increase of approximately 2% annualized which has been added to the pay steps. The 6.55% pension Contribution which no other bargaining units receive provides tax free amount of \$1,746.00 to the average 10 year patrolman. This means that the L.P.P.O.A. have top pay would be \$25,856.00 which is higher than the comparable rank of fire fighter (Pipeman) which is \$25,750.00.

The City's last offer further contemplates that members of the L.P.P.O.A. have already received \$1,000 in cash benefits pursuant to the previous arbitration award which no other bargaining units received.

This last offer contemplates that members are receiving wage adjustments which are equal to or greater than any bargaining unit in the City and which compare very favorably to the 16 other downriver Mutual Aid Task Force Communities.

The Comparisons include the 6.55% Pension Contribution paid by the City for the following reason. Since April 1, 1982 an Arbitration Award granted this benefit in lieu of an increase in base wages result in increases in federal taxes, state taxes and pension contributions, whereas by picking up to employees pension contributions, the employee has 6.55% added to his take-home pay tax-free.

Accordingly it would be inequitable to compare simply the base wage of a Police Officer to a Fire Fighter, Command Officer or Community Service Officer because the Police Officer has no contribution below 6.55% of base pay and the Fire Fighter, Command Officer and Community Service Officer are contributing the 6.55% to the pension fund.

Finally, the City demonstrated that it has an overall pay plan which has been applied uniformly to all classes of employees in city employment. The city's last offer to the Association reflects the pay plan by bringing them up to an 8 1/2% pay package for the two year period with concessions. It would will inequitable to compensate Lincoln Park Police Officers higher than that which all other employees have agreed to accept but it would undoubtedly "trigger" re-opener clauses in other contracts which would result in City-wide layoffs. Such a result would be contrary to the best interests of the public.

It was a major premise of the Union that federal revenue sharing funds could be used to pay wage increases for police officers. It is true that legally they could but to do so would deteriorate the capital acquisition plans of the City. At the present time such funds are only used for capital projects. To allow the capital acquisition funds to deteriorate would mean that there would be no police vehicles.

PANEL DISCUSSION:

The time period in question is July 1, 1982 to July 1, 1983.

The chairman of the panel accepts the City's last offer as the one which best fits the criteria for settlement as laid down in the law. The total amount of money received by the police in this period includes adjustments received from previous arbitration awards. It is true that these adjustments are one time changes and not permanent additions to base pay. But adding them to the base pay, it is clear that the total amount received by the police and firemen are substantially equal based on the city's last offer.

The reason for counting these adjustments is that the basis for comparison should be total compensation on a year by year basis. They are part of the income to the police officers which is comparable to total income of the fire fighters in the given year.

The City's assumption of the 6.55% pension contribution obligation was intended to be a benefit to the police officers and hence it is counted as such in the city's offer and is so accepted by the panel. The fact that the city has not as yet actually paid out the money does not affect the benefit received by the police officers. The 6.55% liability has been removed from the police officers personal budged liability. When the city will actually pay off its liability will depend on the law and the city's choice.

The City's ability to pay is clearly limited. For a city to operate without a contingency fund as it does is clearly risky. For a city to pay salaries on the basis of proposed increases in

millage to be voted on by the citizens would be equally unpredictable and risky. For the City to depend on collecting unpaid bills to find money for salary increases is again too uncertain to embark upon. As the Union suggests "Inter-fund" reserves again are too unpredictable for the City to take on a permanent commitment as the Union asks.

The City's last offer is accepted.

In Agreement:

J. R. Dempsey, S.J.
J. R. Dempsey, S.J.
Neutral Member
Dated: Sept 20, 1983

Robert F. Dedman
Robert Dedman
City Delegate
Dated: Sept 23, 1983

In Disagreement:

Steve Vincent
Steve Vincent
Union Delegate
Dated: 9-22-83