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5/18/78
ARB

STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

In the Matter of:

CITY OF LIVONIA, MICHIGAN

and

LIVONIA POLICE OFFICERS ASSOCIATION
and
LIVONIA POLICE LIEUTENANTS
AND SERGEANTS ASSOCIATION

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Livonia

City of

JOINT FINDINGS OF FACT, OPINION AND AWARDS
Pursuant to Act 312, Public Acts of 1969, as amended

In the case of

LIVONIA POLICE
OFFICERS ASSOCIATION

Leon J. Herman,
Impartial Chairman
George T. Roumell,
City Designee
C. Charles Bokos,
Association Designee

In the case of

LIVONIA POLICE LIEUTENANTS
AND SERGEANTS ASSOCIATION

Leon J. Herman,
Impartial Chairman
James L. Miller,
City Designee
Charles W. Withers,
Association Designee

Issued: May 18, 1978

I N D E X

<u>Issue</u>	<u>Page</u>
No. 1 - Pension Related Issues:	
(a) Voluntary Retirement Age	19
(b) Pension Annuity Formula	21
(c) Age 65/Social Security Formula	23
No. 2 - Retiree Blue Cross	24
No. 3 - Disability Retirement	26
No. 4 - Longevity Pay	27
No. 5 - Improved Dental Benefits	28
No. 6 - Sick and Accident Insurance	30
No. 7 - Sick Leave	31
No. 8 - Roll Call Compensation	32
No. 9 - Wages/COLA	34
No. 10 - Shift Differential	37
No. 11 - Hospitalization-Medical Coverage	39
No. C-1 - Overtime Pay	40
No. C-2 - Overtime for Public Speaking Engagements	41
No. C-3 - Rank Differential	42
No. C-4 - Breathalyzer Recertification	43

On February 14, 1977 the Michigan Employment Relations Commission named the undersigned, Leon J. Herman, as Chairman of a panel of arbitrators in a dispute involving contract negotiations between the City of Livonia and Livonia Police Officers Association, pursuant to Act 312, Public Acts of 1969 as amended. The City named George T. Roumell as its designee to the panel. The Association named C. Charles Bokos as its designee.

On July 13, 1977 the Michigan Employment Relations Commission appointed the undersigned, Leon J. Herman, to serve as Chairman of a panel of arbitrators in a dispute involving contract negotiations between the City of Livonia and Livonia Police Lieutenants and Sergeants Association. The City named James L. Miller as its designee to the panel. The Association appointed Charles W. Withers as its designee to the arbitration panel.

By mutual agreement of all parties in both proceedings, joint hearings were held in which all parties in both proceedings participated. All parties were represented in the conferences following the hearings and by agreement a joint statement of finding of facts and opinion was to be rendered by the Chairman. A joint award is to be appended to this joint opinion, with a separate award on the issues effecting only the LPLSA.

At the opening of the first hearing on June 18, 1977 and again on July 18, 1977 the undersigned took the following oath:

I solemnly swear 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

the Chairman of these arbitration panels under Act 84, Public Acts of 1976, according to the best of my ability.

Joint statements of the issues to be arbitrated were prepared and stipulated by both parties. Hearings were held and testimony taken on June 18, 25, July 13, 18, August 30, September 16, 23 and 26 at the Civil Service Center in Livonia, Michigan. A verbatim record of the proceedings was made and transcripts delivered to the panels. Thereafter conferences between the members of the panels of arbitrators were jointly held on March 1, 15, April 4 and May 11 and 12, 1978.

George T. Roumell, Jr., and Craig W. Lange represented the City of Livonia throughout the proceedings. C. Charles Bokos and Dale A. Jurcisin appeared on behalf of the Livonia Police Officers Association. Marc G. Whitefield appeared on behalf of the Livonia Police Lieutenants and Sergeants Association.

Testimony on behalf of the Associations was presented by Joy Hargrove, Dr. Saul Hymans, Russell Wolfram and Daniel Gil-martin. Witnesses appearing on behalf of the City were Norman Jones, James Miller, Alan Sonnanstine and Jack Dodge.

Full opportunity for examination, cross-examination and redirect examination was offered to all three parties. Eight days were spent in the course of the hearings with 116 exhibits submitted. The transcript consists of 1,089 pages.

All parties entered in good faith into these proceedings.

No issue of arbitrability was presented. No question was raised as to the legality or authority of the arbitration panels to determine the issues presented. Time limits were extended as required to meet the restrictions of the statute.

Livonia Police Officers Association and Livonia Police Lieutenants and Sergeants Association have been bargaining agents for the patrolmen and command officers of the City of Livonia for a substantial number of years. They claim the right of representation for 114 patrolmen and 39 command officers respectively, up to but not including the classifications of Captain or Chief. For the years 1976-1979 the parties have agreed upon all issues with respect to wages, hours and other terms and conditions of employment, with the exception of the issues presented by stipulation to these panels for determination. The unresolved joint issues to be decided are the following:

- Issue No. 1 - Pension related issues:
 - (a) Voluntary retirement age
 - (b) Pension annuity formula
 - (c) Age 65/Social Security formula
- Issue No. 2 - Retiree Blue Cross
- Issue No. 3 - Disability retirement
- Issue No. 4 - Longevity pay
- Issue No. 5 - Improved dental benefits
- Issue No. 6 - Sick and accident insurance
- Issue No. 7 - Sick leave accumulation
- Issue No. 8 - Roll call compensation

Issue No. 9 - Wages/COLA

Issue No. 10 - Shift differential

Issue No. 11 - Hospitalization-medical coverage

As to the Command Officers only, the following issues were submitted for resolution:

Issue No. C-1 - Overtime pay

Issue No. C-2 - Overtime for public speaking engagements

Issue No. C-3 - Rank differential pay

Issue No. C-4 - Breathalyzer recertification pay

The statute pursuant to which these proceedings came into being and under which these panels function poses certain specific criteria which the panels must consider in arriving at a conclusion:

- 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 those costs.
- d. Comparison of the wages, hours and conditions of employment 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.

That a city may negotiate wages, hours and working conditions of its employees with a recognized bargaining agent has been established by the Public Employee Relations Act. The City and the Associations have agreed to statutory arbitration of the items remaining in dispute in their current negotiations in accordance with Act 312 of the Public Acts of 1969, as amended. The City agrees that it has the lawful authority and obligation to negotiate and conclude an agreement in consonance with the awards of these panels.

The interest and welfare of the public and the financial ability of the City to meet the increased costs resulting from implementation of these awards have been considered and determined.

Comparison of wages, hours and conditions of employment in both private and public local sectors, as well as in comparable communities, is discussed hereinbelow, as are increases in cost of living as a factor in the determination by these panels.

By mutual agreement the 1974-76 agreements have been continued in full force pending receipt and implementation of these awards. Relations between the parties have continued in status quo. No objectionable practice has been charged against any party. The parties stipulate that these panels have the jurisdiction and authority to make this award retroactive. Accordingly, all issues contained herein are made retroactive to December 1, 1976 unless stated otherwise.

Other factors considered by the parties and the panels are listed in the opinion.

It should be emphasized at this point that all comments, opinions and interpretations of the factual evidence stated herein are solely and exclusively the responsibility of the impartial arbitrator, unless specifically attributed to another member of the panels.

Livonia is Michigan's third largest city in size and ranks sixth in population with approximately 115,000 residents. Its 36 square mile land area is nearing the \$2 billion net worth figure. This includes both business and residential buildings and property. One-sixth, or six square miles of Livonia's land

is zoned industrial. This area presently contains more than 450 individual companies which employ an approximate 33,000 workers.

During the past five years, more than 300 industrial firms have moved to Livonia. Livonia's industrial usages include manufacturing, assembly work, distribution, warehousing and offices.

During the past five years, Livonia's estimated building valuation -- including industrial, commercial and residential -- has been an approximate \$201 million. Industrial/commercial facilities, including additions and alterations, have accounted for \$121 million of this total five-year figure. Added to these is the \$300 million expansion to the Ford Motor Company's Transmission Plant. General Motors has four plants in Livonia; Ford Motor Company has two; Chrysler Corporation operates an automatic mechanic training school in Livonia. American Motors has two operations in Livonia.

Some 160 employees make up the Livonia Police Department. For the past 10 years, Police Officers have been required to be graduates of the Police Academy's Criminal Justice Institute. Newly-hired Police Cadets are required to have a two-year associate degree in Law Enforcement. Livonia not only patrols its beats in squad cars but also utilizes Police Cadets to walk assigned foot patrol areas. The department is generally regarded as highly qualified and professional.

Joy Hargrove is a professor at the University of Michigan, specializing in police psychology. She is a consultant to the Community Relations Division of the Saginaw and Flint, Michigan Police Departments. Her testimony was offered by the Associations to support their position that police have a much more difficult job than do fire fighters. It was sought, through her, to develop the stresses, strains and anxieties of police work as developed through her research and through her association with the Crisis Institute, conducted at Saginaw State College as a criminal justice program of the Department of Criminal Justice for the State of Michigan.

Ms. Hargrove emphasized that an individual's oriented behaviors are affected by stress, anxiety and frustration, resulting in loss of sleep and energy. The cost of anxiety is paid in alcoholism, suicide and divorce.

In preparation for her appearance on the stand Ms. Hargrove caused the police officers in Livonia to reply to a questionnaire seeking to determine the bothersome aspects of relations with supervisors, courts, administration, public apathy, shift rotation, wages and benefits, and other sources of individual distress. Her investigation concerned the afternoon shift only. Of 30 replies, the major sources of discomfort were court officers, violence, racial problems, relations with supervisors and others

of less ranking. With respect to the effect of police work on their private lives, the police officers complained primarily of "Unable to make many new non-police friends; wife's worry over their safety; the pressures of taking the job home; and a poor public image of police as it affected their spouses and children."

Of the group studied, she learned that 24 were married for the first time, seven single, eight divorced, four separated, and eight remarried. None were widowed. Six were in their second marriage and two in their third. Of those divorced, seven planned to remarry "some day."

Of 65 officers 13 were considered serious drinkers in a drinking category of five to seven drinks a day. The respondents estimated that six to ten percent of the police officers in the Department used alcohol to an excessive degree.

Ms. Hargrove referred to a national study by the United States Bureau of the Census which indicated that 75,276 per 100,000 people in the general population were married. Among the police 88,300 in 100,000 were married. The bases studied were 47,000,000 and 320,000, respectively.

The National Center for Health statistics has made a study of police suicide, published in 1975. In New York City, the suicide rate was 40.2% in 1960. This dropped to 6.8% in 1973, although the force increased from approximately 24,000 to approximately 30,000. The mean for the 13 years was 19.1%.

In a study entitled "Issues in Human Behavior," issued in 1975 by J. Fort, it was found that among police officers there was a high psychological dependence upon alcohol.

In summary Ms. Hargrove stated her conclusions with respect to police stresses in Livonia. The inability to plan personal affairs ahead was first. The inability to see children was second. A decrease in non-police friends was third, as against first in the public area generally. The fourth concern in Livonia was dislike of mates being left alone. Following this was the poor public image of police officers, job pressures taken home and inability to make new friends. The mate's concern about safety was low on the list.

I accept Ms. Hargrove's conclusions as accurate and informative, but I doubt greatly that they are helpful in this proceeding. Stresses are encountered in all forms of life. Alcoholism is not restricted to police officers. It is not necessarily related to the stresses which police officers suffer as distinguished from the general population. There is a substantial divorce rate among police officers, but it is not so clearly distinguishable from the rate occurring throughout the general population as to indicate any relationship between police stress and divorce. I find that the statistics on suicides are not particularly variant.

Ms. Hargrove has attempted to show the factors entering into loss of longevity to be genetic composition, occupation and

general psychological and physical life style. She found the police in Livonia to be engaged in an occupation of such high risk as to lead to loss of longevity.

Ms. Hargrove's conclusions, to my mind, are realistic and educational, but not directly pertinent to the within proceedings. Nothing in the catalogue of criteria of which the statute directs consideration by the panels includes the psychological trauma suffered by police as warranting a higher rate of compensation. Police officers have been compensated in the past in relation to the hazards of their duties. These panels may only determine whether improvements should be made in their wages and accompanying benefits. The policeman's lot may not be a happy one, but that factor is not an item to which these panels may address themselves.

Dr. Saul Hymans, called as a witness by the Associations, testified that he is a professor of economics and is Chairman of the Department of Economics of the University of Michigan. He teaches and does research in a specialized, esoteric area of economic forecasting known as econometrics. It uses statistical models to aid in economic forecasting and analysis. In addition, for 14 months Dr. Hymans was Senior Staff Economist and President of the Council of Economic Advisers. He has published a book in the area of forecasting and econometrics, covering econometric theory and business cycles, entitled "Probability Theory."

Dr. Hymans reported that in the fall of 1974 the Council forecast that the recession then in progress would give way to economic expansion in the spring of 1975. At the end of 1975 the Council forecast that the gross national product for 1976 would increase by 5.9%. It actually went up by 6.0%.

At the end of 1976 the Council forecast that the gross national product for 1977 would increase by 4.4%. It was actually 5.0%.

At the end of 1975 the Council forecast that Michigan State revenues from personal income and sales tax would amount to \$2,140,000,000 in the year 1976. The forecast was off by less than three percent. At the end of 1976 it forecast that State revenues would be \$2,735,000,000 for the fiscal year 1977. The estimate was in error by just over two percent. Dr. Hymans stated that as he was testifying in this hearing, during the fall of 1977, the Council was looking back at two and one half years of economic expansion, following the most severe recession to hit the United States since the 1930's. In the early spring of 1979, a year and one half away, the Council was looking to the consummation of four consecutive years of economic expansion.

Dr. Hymans predicted that inflation would continue to be troublesome in the next year and a half. It was expected that consumer prices nationwide would rise at the rate of 6-1/2% to

7% over the next one and one half to two years. The local inflation rate, measured by the Detroit CPI, might be 7% to 7-1/2% over that period.

Dr. Hymans vaticinated continued strength in the Michigan economy, with resultant improvement in revenue outlook for local units of government. The unemployment rate would remain at about 6-1/2% to 7% in the state over the next year and a half while personal income would rise.

Dr. Hymans explained that as a general rule a percentage of sales tax and income tax collected by the State reverts back to the local community in proportionate manner. If State revenues increase by 15%, local community revenues also increase by roughly 15%, through revenue sharing with the State treasury.

Dr. Hymans could offer little by way of relating the national and state inflation rates to the City of Livonia, except in general terms. He reported that a cost of living allowance which would lag behind the inflation rate would not protect the patrolmen against inflation, which he predicted would level at a seven percent rate for the next year and one half to two years.

Dr. Hymans declared what all persons present at the hearing already knew -- that inflation seriously maximizes the cost of living and that fixed incomes are depreciated by increasing inflation. Pensions are seriously eroded by increased living costs.

On the other hand, Dr. Hymans stated, "Most wage earners do better than just keep up with the rate of inflation. On the average in this country the wage rates rise by two or three percentage points more than the rate of inflation; that is, however, how our standard of living increases." (Tr. 126)

As with Ms. Hargrove, Dr. Hymans presented an authoritative exposition of the subject in which he is so well versed. His dissertation added impact upon the basic subject of these proceedings. The parties, their attorneys and the panel members were all fully cognizant of the inflationary pressures to which they have been subjected over the past years and were well aware that the pressure would continue into the future. The settlement proposals made by the parties took these matters into serious consideration.

The pension aspects of the Union's demands received coverage from a City witness, Norman Jones, who is a partner in Gabriel, Roeder, Smith & Co., consulting actuaries. The firm specializes in municipal pension plans. It is the consultant to the Livonia pension plan.

Mr. Jones explained the concept behind financing benefits in the Livonia plan. Its purpose is to accumulate enough money so that, upon people reaching retirement, the funds have been set aside to pay their benefits for as long as they are likely to live. The program involves making estimates concerning the

amount of benefits that are likely to be paid out under the plan. It is necessary to estimate the ages at which people are likely to retire, the length of time after retirement in which they are likely to receive benefits, the salary they are paid near retirement upon which benefits are based, the number who may continue in employment after reaching retirement age. In addition, it must be estimated how many will become disabled or die and the service and benefits which are paid on those accounts.

To project these various contingencies the firm determines what percentage of payroll will support the benefits, so that the percentage of payroll contributions will remain relatively constant from year to year. The employee contributions remain fixed while the City's contributions are open ended, fluctuating up and down slightly from year to year as actuarial conditions change.

The Livonia police pension plan, except as to retirement age, has had the same benefits as is allowed general employees. Retirement age is 55 for police officers, 60 for general employees. (These retirement ages were not yet affected by the recent national extension of retirement age to 70 years.)

Currently, the retirement pension is computed by multiplying two percent of the average final compensation times years of service up to 30 years. The benefit is coordinated with Social Security at age 65. Essentially, the 30 year member would receive

60% of pay from 55 to 65 years of age. Upon reaching the age of 65 he would receive 45% of his average final compensation, plus Social Security benefits.

At the time Mr. Jones was testifying the pension fund payment was 13.77% of payroll. In addition, 5.85% was paid toward Social Security.

Were the police to be able to retire at 50 years of age or 25 years of service the cost is estimated to be 6.85% of payroll in addition to the present City costs.

James Miller, Personnel Director of the City of Livonia, testified that the various economic settlements for the several units with whom the City dealt - the Police Officers Association, the Police Lieutenants and Sergeants Association, Local 192 of the American Federation of State, County and Municipal Employees, the Supervisory Association, and the Confidential Secretaries Association - were substantially uniform. This was true of the basic wage pattern except for the year 1973, when an arbitrator broke the pattern. The cost of living, the cost of living caps, longevity, Blue Cross-Blue Shield benefits, the dental program, life insurance, sickness and accident benefits, sick leave, holidays, Social Security coordination, cost of living for retirees and the disability program were all in conformity. In 1968 the firefighters negotiated an improvement in their retirement benefits which was extended to the other groups. The City has argued throughout

that this history of bargaining establishes that uniformity should continue in the formulation of the proposed policy contract.

Jack Dodge, Director of Finance of the City of Livonia, projected that the fiscal year, beginning December 1, 1976, would achieve a surplus of \$85,000, provided the police and firefighters settle on a two percent wage increase with a 25 cent maximum cost of living. The projection includes no increases for pension. The City is taxing 1.3 mills for the municipal refuse fund as against 1.7 mills allowed by law. Apart from that all millage charges are at maximum.

All these witnesses testified to various other details related to their various specialties, most of which I have omitted to avoid lengthening this opinion unduly. A number of other witnesses who testified are not here reported, although their testimony offered valuable contribution to this decision.

A discussion of the individual issues and their disposition follows:

PENSION RELATED ISSUES

Issue No. 1(a) - Voluntary Retirement Age

Section 2-705(22) of the present retirement ordinance of the City of Livonia provides that a police officer may retire at age 55. The Association asks that the 55 year age be reduced to 52 years.

The Associations have shown that 10 of the 17 Area 1 cities of over 50,000 population provide for voluntary retirement at age 50. In Lincoln Park and Taylor police officers may retire after 30 years and 25 years of service respectively. It is contended that the prevailing trend is to reduce the retirement age for police officers to age 52 as a reasonable and necessary adjunct to a sound pension plan.

The City has proposed that members of the Police Officers Association and the Police Lieutenants and Sergeants Association be permitted to retire at full pension benefits after ten years of service at age 55. Employees may elect to retire prior to that age provided that their 55 year retirement amount is reduced in accordance to a formula proposed by the City.

It is proposed by the Associations that the applicable section of the current Livonia retirement ordinance be amended to conform to their offer insofar as police members are concerned.

I am in agreement with the Associations that the current trend is to reduce the voluntary retirement age for police officers.

Accordingly, I recommend, as proposed by the Association, that the appropriate section of the Livonia Retirement Ordinance be revised as follows:

Section 2-705(22) of the Livonia Retirement Ordinance is to be amended effective December 1, 1978 to permit voluntary retirement of policemen members after age 52 years.

Mr. Bokos and Mr. Withers concur. Mr. Roumell and Mr. Miller dissent.

Issue No. 1(b) - Pension Annuity Formula

Section 2-721(1)(a) of the present Retirement Ordinance of the City of Livonia provides that a police officer, upon reaching voluntary retirement age, shall receive a pension equal to 2% of his average final compensation for each year of service up to 30 years, and 1% for each year of service thereafter. The Associations ask that the formula be increased from the current 2% to 2.25%, while the City's position is to maintain the status quo.

The Associations have shown that in 10 of the 17 Area 1 cities over 50,000 population, the pension formula is 2.3% or higher; 7 of these 10 utilize at least a 2.5% factor, with Ann Arbor having a 2.75% factor.

The City bases its argument on uniformity with the general City employees who are receiving the 2% formula. The City also places objections to the increased costs that would be incurred should the Associations' position be adopted.

I am in agreement with the Associations' position on this issue. Accordingly, Section 2-721(1)(a) shall be amended, effective December 1, 1978, to provide that the pension annuity formula be increased to 2.25% for each year of average final compensation for each year of service up to 30 years, and 1% for each year thereafter.

The Associations have proposed that in order to assist

in funding the above pension items, they would be willing to pay an additional 1% of their annual base wage. Accordingly, effective December 1, 1978, Section 2-730(a) of the Livonia Retirement Ordinance shall be amended to provide for an additional 1% of each police member's annual base compensation in order to assist in funding the aforementioned pension items. Instead of the current 4% of annual compensation that police members pay as the employee contribution to pension, employees shall pay 5% after December 1, 1978.

Mr. Bokos and Mr. Withers concur. Mr. Roumell and Mr. Miller dissent.

Issue No. 1(c) - Age 65/Social Security Formula

Section 2-721(1)(b) of the Livonia Retirement Ordinance provides that, at age 65, a police officer's pension formula is reduced to 1.5% of his average final compensation multiplied by the number of years of service up to 30 years plus 1% of average final compensation for each year in excess of 30 years of service.

The Associations propose to modify Section 2-721(1)(b) to provide that at age 65 the pension annuity formula will continue to be reduced, but only to 1.75% times years of service up to 30 years and 1% times years of service in excess of 30. The Associations contend that such a modification is in line with their other proposed pension changes. Further, Livonia police officers pay into both pension plans and argue that they should receive full benefit from both systems.

The City, on the other hand, contends that substantial modifications in the City's Retirement Ordinance for police officers have been proposed in this Act 312 arbitration proceeding by the Associations and that further modifications would be unreasonable in light thereof. Costs to the City would also be unreasonable.

The panels adopt the City's position on this issue. Section 2-721(1)(b) shall continue as is during the course of the collective bargaining contract, effective December 1, 1976 through November 30, 1979.

Mr. Roumell and Mr. Miller concur. Mr. Bokos and Mr. Withers dissent.

Issue No. 2 - Retiree Blue Cross/Blue Shield Payments

The Employer presently pays full premium for hospitalization-medical coverage, including master medical, for permanent full-time employees, their spouses and their dependent children up to age 19. Retirees below the age of 65 may participate in the hospitalization-medical program at reduced group rates, the entire cost of which is borne by the retirees.

The Associations propose that employees retiring after December 1, 1978 shall receive the same level of hospital and medical coverage as is granted to permanent full-time employees, with the entire cost borne by the City. It is further proposed that should any bargaining unit in the City be granted hospitalization-medical coverage to spouses and/or dependents of retirees, that the same benefit shall be automatically extended to the spouses and/or dependents of police retirees.

The City seeks to continue the present M-65 coverage which supplements Medicare at age 65. The City also proposes to continue to allow retirees prior to age 65 to participate in the City's hospitalization-medical program with the premiums paid by the retiree.

I believe the Associations' offer to be reasonable. If other bargaining units obtain coverage for retiree's spouses and/or dependents, the spouses and/or dependents of retirees of these Associations should also be covered to the same extent. I therefore

recommend that the Associations' proposals be accepted.

Mr. Bokos and Mr. Withers concur. Mr. Roumell and Mr.
Miller dissent.

Issue No. 3 - Disability Retirement

The Associations have proposed that Section 2-726 of the Livonia Retirement Ordinance be modified to provide that any department member who becomes mentally or physically totally incapacitated to perform duties and responsibilities normally and customarily performed by members of the police department, if it appears that such incapacity will probably be permanent, shall be retired.

The City proposes that the retirement option continue to be granted only to disabled police officers who are unable to perform other duties which the City might be able to offer in some capacity other than as police officers. The City contends that a disabled officer should not go into retirement when he is physically and mentally able to perform other work which the City can offer him.

I believe that the City's proposal is more than reasonable. While a disabled officer may not be eligible for involvement in police activities, he should be continued as an active member of the industrial society if he can perform other work which the City can offer him. I therefore propose that the City's offer be adopted.

Mr. Roumell and Mr. Miller concur. Mr. Bokos and Mr. Withers dissent.

Issue No. 4 - Longevity pay

The prior contracts between the City and the Associations provided that an officer, upon completion of five years of service, shall receive longevity pay equal to 1% of his base rate, not to exceed \$120. After seven years of service he shall receive 2-1/2% of his base rate or \$300, whichever is less. For 14-21 years of service, the officer shall receive an additional 5% of his base rate or \$600, whichever is less, and after completion of 21 years of service the employee is to receive an additional 7-1/2% of his base rate or \$900, whichever is less.

The Associations have proposed that longevity be payable at 2% of base pay after five years, 4% after 10 years, 6% after 15 years and 8% after 20 years. It points out that eight Area 1 cities receive longevity payments virtually identical to those proposed by the Associations. Only Taylor and Westland are lower.

The City has proposed that no change be made in the longevity formula.

In view of the additional benefits offered herein to the police officers, I am persuaded that the current longevity program is reasonable, fair and sufficient and accordingly recommend that it continue unchanged.

Mr. Roumell and Mr. Miller concur. Mr. Bokos and Mr. Withers dissent.

Issue No. 5 - Dental Benefits

The City of Livonia established a dental program in 1974 which reimbursed employees for \$150 in dental expenses.

The Associations propose that a \$175 reimbursement for family dental expenses be allowed for the first year of the contract and \$200 in each of the second and third years, with unclaimed amounts being cumulative until November 30, 1979. It points out that the City of Dearborn has a 50/50 plan with a \$600 maximum, Dearborn Heights has a 75/25 plan with a \$1,000 maximum, Grand Rapids has a 50/50 plan with a \$600 maximum, Pontiac and Taylor have \$600 maximums. The Associations argue that \$175 or \$200 per year on a non-cumulative basis is grossly inadequate.

The City has proposed a reimbursement of \$175 for family dental expenses in the first year of the proposed contract and \$200 in each of the second and third years. None of these sums are to be cumulative.

The City adds that no other bargaining unit in the city has a cumulative program. No evidence was presented to indicate that police officers and their families need greater dental care than is provided to other employees. It is true that some cities offer higher amounts, but these are co-pay plans in which the employee must pay 50% up to the maximum, as well as any expenses over the maximum, while in the Livonia plan the employee gets full reimbursement up to \$200 in the second and third years.

I agree that the City proposal is the more reasonable and therefore suggest that it be adopted.

Mr. Roumell and Mr. Miller concur. Mr. Bokos and Mr. Withers dissent.

Issue No. 6 - Sick and Accident Insurance

At the current time, the City pays premiums on insurance for life, accidental death, dismemberment and loss of sight. It provides sickness benefits up to \$42 per week for 12 weeks. It provides for an additional 40 weeks of sickness and accident benefit at \$100 per week.

The City offers \$125 per week for sickness and accidents for a period of 45 weeks to begin after the employee has exhausted all sick leave benefits and provided further that should the employee have 18 or more sick leave days available, the benefit shall begin upon exhaustion of all sick leave days. Should he have less than 18 sick leave days available, then the benefits herein shall not apply until after a 14 calendar day waiting period following exhaustion of all sick leave benefits.

The Associations have offered to maintain the present practice without change.

I agree with the Associations that the City proposal is somewhat cumbersome and that it discriminates against employees who have between 14 and 17 sick days available. I therefore propose that the sickness and accident insurance program be continued unchanged.

Mr. Bokos and Mr. Withers concur. Mr. Roumell and Mr. Miller dissent.

Issue No. 7 - Sick Leave

The current practice is to allow one day of sick leave per month with no cap. On death or retirement 60% of unused sick leave days is to be paid off in cash. The Associations have proposed that the current practice be continued unchanged.

The City has proposed that the sick leave accumulation payout at death or retirement be limited to a maximum of 270 sick leave days for current employees and 100 sick leave days for employees hired after the execution date of the contract, with a 60% pay off provision included.

I concur with the City that there should be a cap on sick leave day accumulation. It appears somewhat anomalous that an employee should receive payment for staying healthy and working on his job for which he is already paid. To my mind sick leave payout is no more than a duplication of wages for the same time. However, it has become an established practice imbedded in many governmental agreements with bargaining units. I do not suggest its elimination, but I agree with the City that a cap on the payments should be established. I therefore propose that the City's offer be accepted.

Mr. Roumell and Mr. Miller concur. Mr. Bokos and Mr. Withers dissent.

Issue No. 8 - Roll Call Compensation

A police officer attends a roll call which normally takes 10 minutes per day, for which the officers are compensated by payment for a maximum of 16 hours per year. Command officers are compensated up to 36 hours per year.

The Associations point out that 10 minutes per day equals 200 minutes per month or 40 hours per year, the equivalent of a week's work, for which only 16 hours are paid to patrolmen. These hours are not considered as overtime.

The Police Officers Association proposes that effective December 1, 1977 police officers be compensated by payment for a maximum of 24 hours per year. As of December 1, 1978 this sum should be increased to a maximum of 32 hours per year.

It is proposed that command officers be paid 44 hours per year effective December 1, 1977 and 52 hours per year effective December 1, 1978.

As the City sees it, roll call is a particularized requirement of police officers, based upon the necessity to provide information to the officers in order that they may be aware of current developments which might affect their actions in the course of their duties. Roll call is as much part of a policeman's employment as is his badge. Of the eight cities in the immediate area, only Livonia and Southfield compensate police officers for attendance at required roll call.

It appears that the loss of 10 minutes of personal time devoted to roll call is hardly a sacrifice requiring additional compensation. I consider the present compensation for roll call to be reasonable and recommend that it be continued without change.

Mr. Roumell and Mr. Miller concur. Mr. Bokos and Mr. Withers dissent.

Issue No. 9 - Wages/COLA

The maximum patrolman salary effective December 1, 1975 was \$17,846.40. The Associations propose that effective December 1, 1976 the City increase the maximum patrolman base salaries by 6% to \$18,928.

Effective December 1, 1977 the base increase should be 6.5% or \$20,155.20.

Effective December 1, 1978 the base salaries of police officers should be increased by an uncapped COLA plus 3%.

The command officers receive a differential over these base wages.

The City has proposed a maximum base patrolman salary effective December 1, 1976 of 5.1% or \$18,761.60.

The City offers, effective December 1, 1977 a 2% base increase, plus a 25 cent COLA cap which will provide a police officer, assuming maximum COLA, a salary of \$19,656.

The City's proposed salary for December 1, 1978 is equivalent to a 2% base increase plus a 25 cent COLA cap which will bring the salary, assuming maximum COLA, to \$20,571.20. The City proposes to maintain the present COLA payment practice, but seeks a 25 cent COLA cap.

The percentage increase beginning 1977 would be 4.76% and beginning December 1, 1978 would be 4.65%

The Associations point out that police officers' salaries

in Livonia have until now managed to keep up with the increase in cost of living. From 1971 until 1976 the wages of policemen in Livonia have consistently been 122%--127% over the consumer price index. Since 1971, however, police officers have remained at a relatively level plateau in relation to the consumer price index, indicating little or no increase in purchasing power over the past five years. It is estimated that Livonia police officers received an hourly wage of \$8.58 while inflation required an hourly wage of \$8.60. It is obvious that the police officers in Livonia need an increase which will protect them against the ravages of inflation.

In December, 1975 when police officers in Livonia received \$17,846.60, the salaries in Pontiac, Detroit and Southfield were slightly below Livonia, and in Royal Oak, Dearborn, Westland, Dearborn Heights, Ann Arbor, Redford Township, Taylor and Sterling Heights were approximately \$1,000 to \$1,500 below Livonia.

As of July 1, 1976, however, Pontiac, Detroit and Dearborn Heights were well above Livonia in base salary. Ann Arbor, Dearborn, Royal Oak, Westland, Warren, Redford Township and Southfield were only slightly below. Wage increases throughout the various cities in the area had increased from 2% to 10.8%.

The Associations recognize that their memberships have been among the highest paid in the area and believe that such a relative position should be continued unchanged.

The City points out that as of November 30, 1976, under the expired contract a patrolman at maximum received \$17,846.40. Sergeants were paid \$20,321.60 and lieutenants \$22,172.80

The City's proposed first year maximum annual salary rates with maximum COLA would be \$18,761.60 for patrolmen.

In the third year of the proposed agreement a patrolman would receive \$20,571.20 in salaries and COLA.

In view of the comparative salaries adduced by both parties, it would appear that the City offer is reasonable and in consonance with salaries paid in the Area 1 cities which have been offered as comparisons. Accordingly, I recommend that the City offer be adopted.

Mr. Roumell and Mr. Miller concur. Mr. Withers and Mr. Bokos dissent.

Issue No. 10 - Shift Differential

Police officers in Livonia rotate shifts. They currently receive no shift differential.

The Police Officers Association requests that a shift differential of 10 cents per hour be paid on afternoon shifts, 15 cents per hour on midnight shifts and 12-1/2 cents per hour on split shifts.

The Association has shown that 11 out of 17 Area No. 1 cities provide shift premiums. 15 of the 23 cities listed in the City's brief pay shift premiums.

The rotating shifts in Livonia contribute greatly to social disorientation experienced by the officers. A lifestyle which deprives an employee of normal family and social relationships and necessitates irregular and unnatural sleeping and eating habits, should be commensurately compensated. The Association feels its last best offer to be fair and reasonable.

The City protests that shift differential would cost it \$24,265.60 per annum. If the same differential were offered to all bargaining units the cost would be prohibitive. The City asks that a shift differential be rejected.

I am of the opinion that the salaries herein offered to the police are reasonable and adequate. They should not be bolstered by additional costs which are minor insofar as an individual officer is concerned but in total reach substantial

amounts. I recommend that no shift differential be allowed.

Mr. Roumell and Mr. Miller concur. Mr. Bokos and Mr.

Withers dissent.

Issue No. 11 - Hospitalization-Medical Coverage

The City proposes that the status quo be maintained with regard to this issue. Currently, Blue Cross/Blue Shield MVF-1 with Master Medical, Option 1, with a \$1 drug rider is maintained for active employees.

The Associations propose the addition of the ML and IMB-OB riders to the current coverage.

The Associations argue that 12 of 17 other Area 1 cities provide the ML rider and 10 of the 17 Area 1 cities provide the IMB-OB rider.

The City argues that no other City bargaining unit has these riders. Further, that the level of Blue Cross/Blue Shield coverage is totally uniform throughout the City.

I agree with and adopt the City's position maintaining the status quo.

Mr. Roumell and Mr. Miller concur. Mr. Bokos and Mr. Withers dissent.

SEPARATE ISSUES CONCERNING
LIVONIA POLICE LIEUTENANTS
AND SERGEANTS ASSOCIATION

Issue No. C-1 - General Overtime Pay

The City currently pays command officers one and one half their regular pay for overtime hours. The command officers ask that this practice be continued.

The City proposes that it pay one and one quarter the straight time pay rate for overtime work by command officers earning \$23,000 to \$25,000 annually, and straight time for overtime performed by command officers earning in excess of that amount.

To my mind the City proposal counters prevailing practice both in private and public employment. The status quo should be maintained. All command officers shall be paid one and one half straight time pay for overtime hours subject to any specific modifications set forth in the contract.

Mr. Withers concurs. Mr. Miller dissents.

Issue No. C-2 - Overtime for Public Speaking Engagements

It happens on occasion that a police sergeant or lieutenant is required to make a speaking engagement on his day off. He is paid time and one half for the overtime work or four hours compensatory time, whichever is greater. If he is required to make a public speaking engagement outside his regular eight hours on an on-duty day, he is paid straight time above the eight hours of his regular shift pay. The Association considers this to be a penalty which has no justification. It asks that command officers required to undertake public speaking engagements outside their regular eight hours on an on-duty day be paid at the rate of one and one half times their regular rate or four hours compensatory time, whichever be greater.

The City asks that the current practice be continued unchanged.

I am in agreement with the City's position. The status quo on overtime pay for public speaking engagements shall be maintained.

Mr. Miller concurs. Mr. Withers dissents.

Issue No. C-3 - Rank Differential

A sergeant currently receives a pay rate of 15% above the base rate of patrolman. A lieutenant receives a base rate of 10% above the base rate of a sergeant. The Command Officers Association asks that the differential between patrolman and sergeant be increased to 16%.

The City argues that the current rate is comparable with that paid in many other cities in the area. Furthermore, the command officers' rate is increased by the base amount of increase offered to patrolmen. In the circumstances, the rate of differentials should not be changed.

I agree with the Association that the salary differential of command officers has been eroded by the current inflation. The City itself concedes that "the fluctuation in the percentage of rank differential subsequent to the first year of the collective bargaining agreement will be continued as it has in the past." I am satisfied that the command officers should receive the requested increase.

Accordingly, I recommend that, effective December 1, 1976, the differential between patrolman and sergeant be increased to 16%. The differential between sergeant and lieutenant shall remain at 10%. The maintenance of the 16% rank differential between patrolman and sergeant should be adjusted in accordance with the practice currently in effect between the parties.

Mr. Withers concurs. Mr. Miller dissents.

Issue No. C-4 - Breathalyzer Recertification

Breathalyzer recertification is required annually of all sergeants and lieutenants in order to maintain current certification. It calls for annual attendance at classes and the passing of examinations.

Currently the officers do not receive extra compensation for breathalyzer training time if taken while on duty. Off duty time is compensated at straight time compensation for the first two hours and one and one half rate for any additional time.

The Association asks that all non-duty time be paid at time and one half.

I find this once a year obligation to be only a minor inconvenience and recommend that the prior practice be continued.

Mr. Miller concurs. Mr. Withers dissents.

A W A R D

The undersigned panels of arbitrators, having been duly appointed pursuant to Act 312, Public Acts of 1969 as amended, and having heard the testimony and examined the exhibits presented herein, do hereby, by majority vote as shown in the accompanying opinion, AWARD AS FOLLOWS:

Issue No. 1(a) - The panels direct that Section 2-705 (22) of the Livonia Retirement Ordinance be amended effective December 1, 1978 to permit voluntary retirement of police officers at age 52 after 10 years of service.

Issue No. 1(b) - The panels direct that Section 2-721(1) (a) of the Livonia Retirement Ordinance be amended to provide an annuity pension formula equal to 2.25% of the average final compensation for each year of service up to 30 years, and 1% thereafter.

Issue No. 1(c) - The panels direct that Section 2-721 (1) (b) shall continue unchanged during the course of the collective bargaining agreement through November 30, 1979.

The panels also direct that Section 2-730(a) of said ordinance be amended to provide that members of these bargaining units shall pay an additional 1.0% of annual compensation in order to fund the aforementioned pension changes.

Issue No. 2 - Retirees shall be covered by hospitalization-medical coverage to the same extent as active officers, effective December 1, 1978, with the premiums paid for by the City. Spouses and/or dependents of retirees shall be covered by said insurance to the same extent as and when granted to any other bargaining unit.

Issue No. 3 - Section 2-726 of the Livonia Retirement Ordinance shall remain unchanged

Issue No. 4 - The longevity pay program currently in effect shall be continued without change.

Issue No. 5 - The City's proposed dental program of \$175 reimbursement in the first year and \$200 reimbursement in the second and third years, for family coverage, non-cumulative, is approved.

Issue No. 6 - The panels direct that the current sickness and accident insurance program shall continue unchanged.

Issue No. 7 - Sick leave accumulation shall be capped for payment purposes at 270 days for current employees and 100 days for employees hereafter hired, with the 60% payment provision continuing.

Issue No. 8 - No change in roll call compensation is allowed.

Issue No. 9 - The City base wage proposal of \$18,761.60 in the first year, \$19,136 in the second year and \$20,051.20 in the third year is adopted plus the current COLA provision for the second and third years only with a 25 cent cap.

Issue No. 10 - No shift differential is allowed.

Issue No. 11 - The level of hospitalization-medical coverage for current employees shall be maintained.

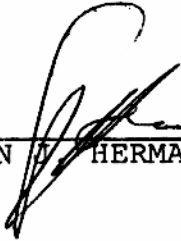
SEPARATE ISSUES CONCERNING
LIVONIA POLICE LIEUTENANTS
AND SERGEANTS ASSOCIATION

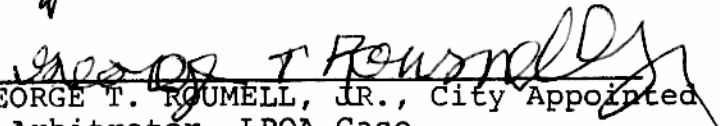
Issue No. C-1 - Command Officers shall continue to be paid at time and one half for overtime hours subject to specific modifications as set forth in the contract.

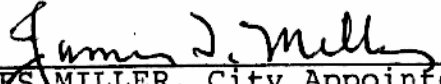
Issue No. C-2 - Pay for Command Officers engaged in public speaking shall remain unchanged from the current contract.


Issue No. C-3 - The rank differential between patrolman and sergeant is increased to 16%. The differential between sergeant and lieutenant is continued at 10%. Both percentages are applicable to base rates in accordance with the formula heretofore used.

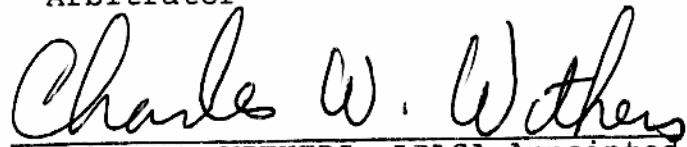
Issue No. C-4 - No change in compensation procedure is
allowed for breathalyzer recertification.



LEON T. HERMAN, Impartial Chairman

GEORGE T. ROUMELL, JR., City Appointed
Arbitrator, LPOA Case

JAMES MILLER, City Appointed
Arbitrator, LPLSA Case

C. CHARLES BOKOS, LPOA Appointed
Arbitrator

CHARLES W. WITHERS, LPLSA Appointed
Arbitrator

Southfield, Michigan
May 18, 1978