

ARBITRATION UNDER PUBLIC ACT 312
PUBLIC ACTS OF 1969

IN THE MATTER OF STATUTORY ARBITRATION BETWEEN

CHARTER TOWNSHIP OF MERIDIAN MICHIGAN
-and-
POLICE OFFICERS ASSOCIATION OF MICHIGAN
M.E.R.C. CASE #L84E-420

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The arbitration was conducted in accordance with the provisions of Public Act #312, Public Acts of 1969, as amended, which provides for binding arbitration of unresolved contractual issues in municipal police and fire departments.

The parties stipulated that collective bargaining had taken place and when all the issues were not resolved, the remaining issues in dispute were submitted to mediation in accordance with the provisions of Act 312. Upon failure to resolve the remaining issues in mediation, the Police Officers Association of Michigan (P.O.A.M.), hereinafter known as the Union, petitioned for arbitration of the matters in dispute in accordance with the provisions of Public Act #312; the petition was filed September 19, 1984.

As the result of the petition for arbitration, Dawson Lewis was appointed impartial Arbitrator and Chairman of the Arbitration Panel by the Michigan Employment Relations Commission (M.E.R.C.) by letter dated November 5, 1984. The Charter Township of Meridian appointed Richard Conte as the Employer member of the Panel and the Union appointed William Birdseye as the Union member of the Panel.

In the petition for arbitration under Act #312, Public Acts of 1969, as amended, filed by the Union, the unresolved issues in dispute were listed as:

1. Duration - 2 years 1/1/84 to 12/31/85
2. Retroactivity
3. Wages - increase
4. Holidays - Time and one half for holidays worked
5. Holidays - Time of payment
6. Longevity - improvement
7. Vacation - improvement
8. Dental Insurance - improvement

In response to the petition, the Charter Township of Meridian, hereinafter known as the Employer, stated that in addition to the above list of unresolved issues, there were two other issues that were not resolved, namely:

1. Union Leave
2. Educational Bonus

These were added to the list as:

9. Union Leave
10. Educational Bonus

A pre-hearing conference was held January 11, 1985. As a result of the conference, three (3) of the issues were resolved.

1. Duration. The parties agreed the duration of the contract would be from 1/1/84 to 12/31/85.
2. Holidays. Time of payment.
3. Union Leave.

The remaining issues were:

1. Retroactivity
2. Wages - increase
3. Holidays - Time and one half for holiday worked
4. Longevity - improvement
5. Vacation - improvement
6. Dental Insurance - improvement
7. Educational Bonus

Subsequently questions were raised by the parties as to whether certain letters of understanding that had been incorporated in the previous agreement were to be continued in the new agreement; the Union contending there was an understanding that these memorandums were to be continued and the Employer arguing that there had been no agreement to that effect; three (3) agreements were in dispute.

According to the Employer these letters of understanding terminated when the master agreement terminated and since the question regarding the status of the agreements was not raised by the Union during negotiations nor had they been discussed by the parties during the negotiation nor had there been any question raised during the pre-hearing conference. However, the petitioner did include in the petition for arbitration the statement "all contract language from prior contract to continue in full force and effect."

In view of the fact there had been no negotiations on the status of the three (3) letters of understanding, the Chairman of the Panel of Arbitrators remanded the case (184-E-420) to the parties for further bargaining in accordance with the provisions of Act 312, Section 7C. Two of the three issues were resolved by the parties leaving one of the issues in dispute; the parties stipulated they had bargained to an impasse on the question. The remaining issue in dispute was whether the following letter of understanding would be incorporated into the successor agreement:

"The parties mutually understand and agree that the 10/4 shift will continue during the life of this Agreement."

This issue was then added to the list of issues in dispute. The parties stipulated that all provisions of the expired agreement which were not before the Panel and the tentative agreements reached during the negotiations would become a part of the 1984-1985 Agreement.

The issues remaining to be decided by the Panel of Arbitrators are:

1. Retroactivity (Both parties agreed the question of retroactivity would be a part of each party's position on the issues in the last best offer.)

2. Wages - increase
3. Holidays - Time and one half for holidays worked
4. Longevity - improvement
5. Vacation - improvement
6. Dental Insurance - improvement
7. Educational Bonus
8. Letter of Understanding

The Arbitration Panel derives its authority from Act 312, Section 9, which establishes the criteria to be applied by the Panel in resolving the disputed issues and formulating its orders:

- 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 employers 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.

The parties stipulated that all the outstanding issues in this proceeding were economic except the issue of the letter of understanding; the Union contending this issue was an economic one and the Employer arguing the issue was non-economic.

The Panel was guided primarily by Section 8 of Act 312 which provides that each economic issue be decided by the Panel selecting the last best offer which more nearly complies with the applicable factors in Section 9.

The evidence considered in this case, by the Panel, consisted of testimony, taken under oath, and exhibits introduced by the parties in the course of the hearing; the Panel based its findings, opinions and awards solely upon the material evidence submitted by the parties guided by the specific statutory standards set forth above.

BACKGROUND

The Charter Township of Meridian is primarily a residential community in Ingham County adjacent to the City of East Lansing with a population of approximately 28,754 (1984 figures). There are four other townships contiguous to the Township: Bath, Alledin, Delhi and Williamston, two of which do not have a police department (Alledin and Williamston rely on the Sheriff's Department for police protection). Bath Township has a small force of six employees and Delhi has a full-time department under the jurisdiction of the Sheriff's Department; essentially these officers are Sheriff Deputies.

The Township Police Department consists of thirty-four (34) employees, nineteen of which are represented by the Police Officers Association of Michigan (P.O.A.M.). The Department roster includes: one (1) Chief of Police, one (1) Secretary, five (5) Clerk Typists, eight (8) Command Officers (represented by the Fraternal Order of Police - F.O.P.), nineteen (19) Uniform Officers (represented by the Police Officers Association of Michigan).

COMPARABLES

In accordance with the provisions of Act 312 relative to the applicable factors to be considered as set forth in Section 9, the Panel considered the economic benefits paid in comparable communities when deciding economic issues. The parties did not agree on the communities to be considered. The Employer contending that the following communities should be utilized as more comparable (Emp. Exb. 4):

1. Saginaw Township
2. Kentwood
3. Holland
4. Genesee Township
5. Grand Blanc Township
6. Mount Pleasant

The Employer based their argument that the above listed communities were comparable to Meridian Township on:

- A. Population. The range being from 23,1736 (Mt. Pleasant) to 33,668 (Saginaw Township). Meridian Township's population is approximately 28,754.

- B. State Equalized Valuation (S.E.V.). The range being from \$125,996,255 (Mt. Pleasant) to \$463,278,155 (Saginaw Township). Meridian Township - \$371,760,200.
- C. Municipal Budget. Budgets ranged from \$1,897,000 (Genesee Township) to \$5,571,000 (Saginaw Township). Meridian Township - \$5,139,925.
- D. Police Budget. Budgets showed a range from \$8,245,000 (Holland) to a low of \$500,000 (Genesee Township); the latter budget was disregarded because the Genesee Township police department is very small and is under the jurisdiction of the Sheriff's Department. Meridian Township - \$1,133,868.
- E. S.E.V. x Millage (used for General Operations and Department Retirement). The range being \$1,398,142 (Genesee Township) to \$2,613,399 (Meridian Township).
- F. The number of non-command employees.
- G. The number of command officers.

The Union claims there is one community that is comparable - East Lansing.

In support of this contention, the Union submitted exhibits which show the comparative population figures (Union Exb. 1). The exhibit shows that Meridian Township increased in population between 1980 and 1982 twenty-one percent (21%); whereas East Lansing decreased five percent (5%).

Exhibit 2 on per capita income shows that in 1981, the P.C.I. in Meridian Township was \$11,215 as compared to East Lansing \$7,162.

Exhibit 4 shows that Meridian Township ranked above East Lansing in the 1984 assessed valuation, S.E.V. total, S.E.V. per capita, S.E.V. commercial real property, S.E.V. industrial real property, S.E.V. residential real property and S.E.V. personal property and in total taxes (Exb. 5), Meridian in 1983 had \$23,328,894 and East Lansing had \$20,879,336.

In reviewing the data submitted by both parties, it is the opinion of the Chairman of the Panel that the communities submitted by the Township were more comparable, with the exception of Holland and Genesee Township, in population, police budget, general operating and debt and size of the police department (see Emp. Exb. 4); however, East Lansing's wages and fringe benefits were taken into consideration due to the proximity of East Lansing and the close working relationship of the police departments. A further factor was the transient population of East Lansing, due to the number of Michigan State University students living in the city, therefore, while the population of East Lansing is greater (51,392) than that of Meridian Township (28,754) as shown on Union Exb. 4 and the police department of East Lansing has 51 police officers compared to the Township's 19 officers (Union Exb. 6), the wages and benefits are quite comparable.

POSITION OF THE PARTIES RELATIVE TO
THE REMAINING ISSUES IN DISPUTE

I. WAGES

The Union Position

The present wage schedule for the non-command officer is as follows:

	Effective January 1, 1983
Start - 1 Year	\$ 15,273.05
1 Year - 2 Years	\$ 16,329.76
2 Years - 3 Years	\$ 17,771.20
3 Years - 4 Years	\$ 20,282.35
4 Years - 5 Years	\$ 22,854.77
5 Years and over	\$ 24,069.87
Corporals and Detectives 5% over top paid Patrolman	\$ 25,273.37

The Union's last best offer on the issue of wages for the first year of the Agreement is:

	(3.5%) Effective January 1, 1984	(3.0%) Effective July 1, 1984
Start - 1 Year	\$ 15,808	\$ 16,282
1 Year - 2 Years	\$ 16,901	\$ 17,408
2 Years - 3 Years	\$ 18,393	\$ 18,945
3 Years - 4 Years	\$ 20,992	\$ 21,622
4 Years - 5 Years	\$ 23,654	\$ 24,364
5 Years and over	\$ 24,912	\$ 25,659
Corporals and Detectives 5% over top paid Patrolman	\$ 26,158	\$ 26,943

The Union's last best offer on the issue of wages for the second years of the Agreement is:

	(3.5%) Effective January 1, 1985	(4.0%) Effective July 1, 1985
Start - 1 Year	\$ 16,852	\$ 17,526
1 Year - 2 Years	\$ 18,017	\$ 18,738
2 Years - 3 Years	\$ 19,608	\$ 20,392
3 Years - 4 Years	\$ 22,379	\$ 23,274
4 Years - 5 Years	\$ 25,217	\$ 26,226
5 Years and over	\$ 26,557	\$ 27,619
Corporals and Detectives 5% over top paid Patrolman	\$ 27,885	\$ 29,000

The Union cites the provisions of Section 9(d) of the Act which states:

- "d. Comparison of 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.

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."

According to the Union, regardless of the comparables initially advanced by each party, one fact clearly emerged: the only municipality that was ever used by the parties as a comparable in prior negotiations was East Lansing; none of the comparables offered by the Employer have any history of use by the parties and the same is true of the two comparables offered by the Union, Jackson and Ypsilanti, both of which were withdrawn by the Union.

The Union argues that the record shows that on numerous past occasions both parties "considered", "contemplated", "made reference of", and otherwise compared East Lansing to Meridian Township on a voluntary basis.

The Union contends, if Act 312's purpose is to closely as possible replicate the process which would occur in voluntary settlement, it is clear that there is only one comparable that can be considered by the Panel - East Lansing. According to the Union, this fact is borne out by a review of the salary data shown in Union Exhibits 15 and 16 which show that the two bargaining groups have followed closely in the payment of wages to police officers.

The Union states (p. 2 of the post-hearing brief): "Considering the record as a whole, there is no valid evidence or persuasive reason which will permit the Panel to dictate a radical change in the philosophy of the bargaining relationship between the parties such as would occur should the Panel attempt to claim that communities such as Kentwood and Holland, on Lake Michigan, have suddenly and without foundation acquired pseudo comparability."

The Union claims to adopt the Employer's proposed increases for the two year period would not be equitable as the percentages are too small - 3.25% in 1984; 3.25% in 1985. As compared to the percentage increase granted by East Lansing effective January 1, 1985 - 10.37%. The Union further points out that the percentage increases granted by the communities cited by the Employer are more than the proposed percentage increases offered by the Employer over the same period, i.e., Kentwood - 9.24%; Holland - 7.17%; Mt. Pleasant - 11.30% (the only available figures).

The Employer Position

The Employer's last best offers on wages are as follows:

	Effective 1/1/84 - 12/31/84
Start - 1 Year	\$ 15,769.42
1 Year - 2 Years	\$ 16,860.48
2 Years - 3 Years	\$ 18,348.76
3 Years - 4 Years	\$ 20,941.53
4 Years - 5 Years	\$ 23,597.55
5 Years and over	\$ 24,852.14

Corporals and Detectives
5% over top paid Patrolman \$ 26,094.75

	Effective 1/1/85 - 12/31/85
Start - 1 Year	\$ 16,281.93
1 Year - 2 Years	\$ 17,408.45
2 Years - 3 Years	\$ 18,945.09
3 Years - 4 Years	\$ 21,622.13
4 Years - 5 Years	\$ 24,364.47
5 Years and over	\$ 25,659.83

Corporals and Detectives
5% over top paid Patrolman \$ 26,942.83

In support of their position on wages, the Employer cites the provisions of Section 9(d) of Act 312 (quoted above).

The Employer asserts that the following communities are most comparable within the meaning of MCLA 423.239(d); MSA 17.455 (39) (d):

1. Saginaw Township
2. Kentwood
3. Holland
4. Mr. Pleasant
5. Grand Blanc Township
6. Genesee Township

According to the Employer, while Act 312 is silent as to the criteria to be utilized in determining comparability, reference to prior awards and published commentary suggest that factors to be analyzed are: population, S.E.V., S.E.V. times millage, municipal budget, police budget, size of department, duties of bargaining unit members, geographic proximity, mutual agreement, per capita income, form of government, bonded debt, and number of arrests. In the opinion of the Employer, population, S.E.V., municipal budget, police budget, S.E.V. times millage, size of department and duties of the employees are the most significant factors in determining comparable communities.

In selecting comparable communities, the Employer selected communities with a population between 20,000 and 40,000 within a geographic proximity; the first selection netted 27 communities for analysis. The analysis, based on the above criteria, narrowed the comparables to 12 and then due to lack of current information regarding wage information and further study of the above named factors, the number of communities which the Employer felt were most comparable was reduced to six (6): Saginaw Township, Kentwood, Holland, Mt. Pleasant, Grand Blanc Township, and Genesee Township.

The Employer contends the Union's claim that East Lansing is the only community that should be considered for comparison purposes fails when the fact that the population of East Lansing is almost double that of Meridian Township; the number of sworn police officers is greater: 51 in East Lansing to 19 in Meridian. Further, according to the Employer, the Union's claim that a bargaining history has been established between Meridian Township and East Lansing, and East Lansing has been recognized as a comparable community for collective bargaining purposes is not supported by the testimony given by the Union's witness who stated in reply to the question as to whether there had been any agreement between the Township and the Union that the Employer would be bound by whatever East Lansing negotiated with its police officers that: "We have not reached an agreement like that. No." (I-68).

The Chief Negotiator for the Township, Richard Conti, also testified that while the question of contract terms granted by East Lansing was raised several times in negotiations, there had not been any agreement reached that Meridian Township would follow East Lansing in granting contractual benefits. The Employer points out that East Lansing negotiators do not consider the two communities to be comparable citing the testimony of the East Lansing Personnel Director (IV-62). The Employer believes East Lansing is not a comparable and should be disregarded by the Panel.

The Employer contends their offer, on the issue of wages, compares favorably to the wages paid by the comparable communities which they claim are most comparable, i.e., comparing the wages paid senior police officers by the comparable communities with the Employer's wage offer made, to be effective January 1, 1984, shows that the proposed wages of \$24,852.14 would place the Township well above the median of \$24,270.17 paid by the comparables and above the average paid of \$24,370.17. In addition, even if the wages paid by East Lansing were included (\$24,066), the revised average would be lowered to \$24,241 and the median would be lowered to \$24,257, thus, the Employer's offer even when wages paid by East Lansing are included are well above the average and the median of wages paid by the comparable communities.

The Employer also believes the educational bonus paid all but one of the police officers must be considered when comparisons are made of wages paid by the comparable communities in that officers who have an Associate's degree are paid \$720 in addition to their regular salary and those with a Bachelor's degree are paid \$1200 (the latter figure based on Employer's proposal to cap the education bonus).

Considering the wage offer made for 1985 the Employer proposes a wage of \$25,659.83; the Union proposes a schedule of \$26,557 effective January 1, 1985, and effective July 1, 1985, a wage of \$27,619 for an actual annual salary in 1985 of \$27,088, a 14% increase in the base. The Employer contends the factors cited in Section 9 of the act do not support such an increase as proposed by the Union. Further, the average wage paid by the comparable (Employer's) were as of January 1, 1985, \$24,964 and the median was \$25,443; the Employer's proposal would raise the salary level of senior offices well above both the average and the median, and even including the wages paid by East Lansing, the average would be \$25,064 and the median \$25,470 placing the Employer's offer above the average and above the median.

II. HOLIDAYS

The Union Position

The Union's position as to the final offer of settlement on this issue:

"27.2 If an officer is required to work on a holiday the officer will be compensated at time and one half (1-1/2) rate in addition to his holiday pay.

All other sections of Article XXVII to remain unchanged.

Holiday's worked to be retroactive to January 1, 1984."

Basically the Union's position is that all the communities cited as comparables, including those listed by the Employer, pay time and one half (1-1/2) plus holiday pay for hours worked on a holiday regardless of whether it is a scheduled day of work or an "off" day for a police officer. In view of the fact the Union believes the Panel should accept the Union's position on this issue.

The Employer Position

The Employer's last best offer on the issue of holidays is that the language of Article XXVII, Holidays:

Section 27.1 (A), (B), (C)
Section 27.2
Section 27.3 (A), (B)
Section 27.4

remain the same and be incorporated in the new agreement.

The Employer's position is that the practice of paying straight time plus holiday pay on those days an officer is regularly scheduled to work and paying time and one half (1-1/2) plus holiday pay when an employee is called in to work on his/her "off" day is fair and equitable and in addition this benefit is essentially the same for all Township employees

rendering essential services: police officers, police supervisors and fire fighters. The Employer argues it would be inequitable to award the police officers represented by P.O.A.M. time and one half (1-1/2) pay for all holidays worked plus holiday pay when other employees in police and fire work are receiving straight time plus holiday pay.

The Employer believes the holiday provision as it now exists treats all employees the same.

III. LONGEVITY

The Union Position

On the issue of Longevity the Union's last best offer is:

"18.1 The Township agrees to pay longevity according to the following schedule.

Five (5) through nine (9) years	2% of base salary
Ten (10) through thirteen (13) years	4% of base salary
Fourteen (14) through sixteen (16) years	6% of base salary
Seventeen (17) years of more	8% of base salary

All other sections of Article XVIII to remain unchanged."

The Employer Position

The Employer's last best offer on the issue of longevity effective January 1, 1984 through December 31, 1984 and effective January 1, 1985 through December 31, 1985 is:

"18.1 The Township agrees to pay longevity according to the following schedule.

Five (5) through nine (9) years	2% of base salary
Ten (10) through thirteen (13) years	4% of base salary
Fourteen (14) through sixteen (16) years	6% of base salary
Seventeen (17) years of more	8% of base salary

provided, however, that the maximum base salary upon which longevity payments may be based shall not exceed \$14,000.

Balance of Article XVIII to remain same."

The present cap of \$12,000 would be removed allowing higher paid employees to materially increase the longevity payments made to them each year.

The Employer believes its offer should be adopted as it more nearly conforms to the criteria established in Section 9 of Act 312:

1. An internal comparison shows all of the other units of employees: clerical, public works, professional firefighters, non-union employees, with the exception of police supervisory unit, have the longevity payment capped at \$12,000; the police supervisory unit is capped at \$16,000.
2. The external comparisons show the present longevity schedule to be competitive without raising the salary cap. Even the Union's only comparable, East Lansing, has the same longevity schedule as is now in effect in the Township.

IV. VACATIONS

The Union Position

On the issue of vacations, the Union's last best offer is:

"23.1 Each officer shall become eligible for a vacation with pay, in accordance with the following schedule. Accumulation of vacation shall be in increments of one-twelfth (1/12) on an annual basis:

1 - 3 years	=	100 hours
3 - 6 years	=	140 hours
6 - 10 years	=	160 hours
11+ years	=	180 hours

All other Section of Article XXIII to remain unchanged."

The Employer Position

The Employer's last best offer on the issue of vacations effective January 1, 1984 through December 31, 1984 and effective January 1, 1985 through December 31, 1985 is:

"23.1 Each officer shall become eligible for a vacation with pay, in accordance with the following schedule. Accumulation of vacation shall be in increments of one-twelfth (1/12) on an annual basis:

1 - 3 years	=	100 hours
3 - 6 years	=	120 hours
6 - 10 years	=	150 hours
11 - 15 years	=	160 hours
16 plus years	=	180 hours

Balance of Article XXIII to remain same."

The Employer's proposal retroactive to January 1, 1984, is to add a fifth level of benefits: 180 hours of vacation accumulation for officers with 16 or more years of service.

The Employer believes its vacation proposal conforms more closely to the criteria set forth in MCLA 423.239; MSA 17.255 (39) and should be accepted

by the Panel. This contention is based on the internal comparison which shows the Township employees all receive essentially the same level of vacation benefits. The external comparison shows that the offer would place the Township vacation schedule in a very favorable position in relation to all the comparable communities; in fact, the vacation benefit is better than most of the other communities including East Lansing in all but the 10+ level.

V. DENTAL PLAN

The Union Position

The Union's last best offer on the issue of Dental Plan is:

"15.4 Dental Plan. The Township will make available the following family dental plan: Blue Cross/Blue Shield Comprehensive Preferred Plan CR 50-50-50, MBL \$800 or equivalent.

- A. The above plan to be effective July 1, 1982. Effective next premium payment date following award, the Employer shall pay full premiums for employee and family.

All other sections of Article XV to remain unchanged."

The Union proposes in the first year of the contract (January 1, 1984 through December 31, 1984, that the premium for the schedule of coverage be paid entirely by the Employer. At present the premiums are 50-50 co-pay. The Employer would pay the full premium for the employee and family effective the next premium payment date following the award. All other Sections of Article XV to remain unchanged.

The Union's last best offer of settlement of the Dental Plan for the second year of the contract is:

"15.4 Dental Plan. The Township will make available the following family dental plan: Blue Cross/Blue Shield Comprehensive Preferred Plan CR 100-50-50, MBL \$800 or equivalent.

- A. The above plan to be effective July 1, 1982. Effective next premium payment date following award, the Employer shall pay full premiums for employee and family.

All other sections of Article XV to remain unchanged."

The Employer Position

The Employer's last best offer on the issue (Dental Plan) effective January 1, 1984 is:

"15.4 Dental Plan. The Township will make available the following family dental plan: Blue Cross/Blue Shield Comp, Preferred Plan, CR 50-50-50, MBL \$800 or equivalent.

- A. The above plan to be effective July 1, 1982. Premiums to be shared 50%/50% between employee and Township.

15.5 If the Union can arrange for employee-paid orthodontia in connection with the present Blue Cross/Blue Shield dental plan, employer agrees to deduct all costs from employees and send to Blue Cross."

The Employer's last best offer on the issue Dental Plan effective January 1, 1985 is:

"15.4 Dental Plan. The Township will make available the following family dental plan: Blue Cross/Blue Shield Comp, Preferred Plan, CR 50-50-50, MBL \$800 or equivalent.

- A. Premiums to be paid 100 percent by the Township."

The Employer proposes to leave the dental plan as it is for the first year of the agreement but effective the second year of the contract the premiums would be fully paid by the Township.

The Employer contends, based on the external comparison, the offer is more than fair in that the non-supervisory police unit is the only group of employees in the Township that has a dental plan other than the police supervisors unit which now has a self-funded \$200 per employee per year contribution; 80/20 co-pay on dental bills for employee and family.

As to the external comparisons, the Employer contends from an "average/median" standpoint the current dental plan would appear to be average or above average and the Union's proposal would place the Township's plan tied for the best dental program of all the comparables.

VI. EDUCATIONAL BONUS

The Union Position

The Union's position is the present plan remain as is; the Union rejects any changes, additions, or deletions to present language and or practices regarding this issue.

The Employer Position

The Employer's last best offer on the issue Educational Bonus effective January 1, 1984 through December 31, 1985 is:

"ARTICLE XIX

Educational Incentive Pay

Section 1: Any officer holding a two-year Associate's degree, or who has accumulated 60 semester (90 term) hours toward a Bachelor's degree, both of which must be in law enforcement or a related field, shall receive an educational bonus of three percent (3%) of base salary.

Section 2: Any officer holding a Bachelor's degree in law enforcement, or related field, shall receive an educational bonus of five percent (5%) of base salary.

Effective 1/1/84 - The education bonus is capped at \$1,200 per calendar year for a qualifying Bachelor's degree and capped at \$720 per calendar year for a qualifying Associate's degree or number of semester/term hours.

The educational bonus hourly rate will be removed from the base wage for all wage adjustments and thus will not be effected by any future wage increases.

Section 4: The educational increments specified above shall commence upon receipt by the Township of a certified transcript of hours, or receipt of a transcript indicating award of a qualifying Bachelor's degree.

Section 5: If an officer desires to attend an institute of higher learning and enrolls in the law enforcement field, or a related field, he/she shall submit in writing to the Chief his/her preference for a shift in order to continue to attend classes. The employee will be given due consideration depending upon seniority and/or manpower limitations with such a request.

Section 6: An officer may, within thirty (30 days' advance notice, take an educational leave for one (1) term or semester (without pay and without loss of Township benefits) provided the officer signs a letter of understanding to remain in the employ of the Township for one year from the date he/she returns from his educational leave.

Section 7: The Township reserves the right to credit outside experience in determining placement of a new officer on the salary schedule. Any placement outside the normal shall be revealed to the Union."

The Employer argues that because the educational bonus was calculated on a percentage of base salary, as salaries increased, the bonus increased and since it is a part of salary, the bonus is utilized in computing an officer's hourly rate and becomes a factor in overtime computation and all other benefits based on wages. The cost of the bonus has escalated over the years; as it is calculated as a percentage of salary it rises each time a pay increase is granted or an officer receives a step increase in salary.

Further the Employer contends that considering internal comparisons, it is clear a cap on the educational bonus is warranted in that only the firefighters unit and the police supervisors have an educational bonus and while the firefighter bonus is uncapped, the police supervisors' bonus is capped at \$875 for an Associate degree and \$1475 for a Bachelor degree.

The Employer also points out that the external comparisons support the Township's proposal in that four of the six comparables selected by the Employer provide no educational bonus and the other two pay a flat amount per year, not a bonus based upon percentage of salary, and even the Union's comparable, East Lansing, pays only \$165 annually for an Associate's degree and \$275 annually for a Bachelor's degree.

VII. LETTER OF UNDERSTANDING

The Union Position

On the issue Letter of Understanding the Union's last best offer is:

"The Union proposes that the subject of the present Letter of Understanding regarding the 10/4 shift on page 36 of Joint Exhibit 1 shall be contained within the collective bargaining agreement as new Article 31.11 which shall read as follows:

31.11 The parties mutually understand and agree that the 10/4 shift shall continue until a new schedule is negotiated by the parties.

All other Sections of Article XXXI to remain unchanged."

The Union's position is that the Letter of Understanding, as it is worded above should be incorporated into the new Agreement. Their reasoning is that it has been a very workable arrangement that has given the police officers time off from a demanding and stressful job and by including it in the Agreement the officers can be assured of the policy being continued.

The Employer Position

The Employer's last best offer on the issue Letter of Understanding Effective January 1, 1984 through December 31, 1985 is:

"12.3: 4-10. The Township has implemented the four (4) day, forty (40) hour week schedule, but reserves the right, as hereinafter stated, to change said schedule. The Township may adopt different schedules for different members of the bargaining unit. The Union fully realizes that while the four (4) day, forty (40) hour week schedule creates certain department efficiencies, it also results in an additional fifty-two (52) days off for the employees.

(The Letter of Understanding regarding the 10/4 shift found on page 36 of the 1983 collective bargaining agreement would be deleted in its entirety.)"

The Employer's position is that this side letter which required that the Township maintain a 4 day, 10 hour shift, for the police non-supervisors during the term of the 1982-83 contract was not incorporated into the body of the expired agreement and by its terms was limited in duration to the term of expired agreement.

The Employer argues that the scheduling of work shifts has been a Township prerogative and should continue as such citing the provisions of Article IX, Management Rights, 9.2:

"Article IX - Management Rights.

9.2: The Township, on behalf of its electors, hereby retains and reserves, solely and exclusively unto itself, all powers, rights, duties, and responsibilities conferred upon and vested in it by its charter and the laws and the constitutions of the State of Michigan and the United States. Such rights, by way of illustration, but not limitation, being partially set forth as follows:

H. To establish work schedules."

The provisions of Article XII, Hours of Work, 12.1:

"Article XII - Hours of Work.

12.1: Workday - Workweek Officers may be required to be on duty either a minimum of eight (8) consecutive hours during each scheduled workday for a total of five (5) consecutive days of eight (8) hours each or a minimum of ten (10) consecutive hours during each scheduled duty day for a total of four (4) consecutive days of ten (10) hours each, excepting as excused by the chief. Any time in excess of the minimum duty hour day, to be established by the Township according to the above alternative, shall constitute overtime.

The provisions of 12.3: 4-10:

"12.3: 4-10 The Township has implemented the four (4) day, forty (40) hour work schedule, but reserves the right, as hereinafter stated, to change said schedule. The Township may adopt different schedules for different members of the bargaining unit. The Union fully realizes that while the four day, forty hour work schedule creates certain department efficiencies, it also results in an additional fifty-two (52) days off for the employees.

The Employer contends that flexibility in scheduling hours of work is important to the Township and the Township must retain the right to change work schedules as the need arises.

The Employer included in the last best offer of settlement the following:

"All contract provisions appearing on pages 1 through 32 of the expired collective bargaining agreement to remain the same, with modifications as to dates where appropriate, all tentative agreements (as to sick leave pay, PT test, and personal car mileage) to carry forward from the date of the arbitration award, and tentative agreements as to the letters of understanding regarding the Police Auxiliary, detective compensation, and payment of overtime to be included in 1984-85 contract."

ARBITRATION PANEL FINDINGS AND CONCLUSIONS

After careful analysis and review of the positions of the parties on the issues presented to the Panel for an Opinion and Award, the Panel Chairman finds on each of the issues as follows:

I. WAGES

The Union's proposal for the increased wage scale for the period from January 1, 1984 through December 31, 1985, is justified and will be awarded as follows:

"The following base wage rates shall be effective for all classifications covered by this Agreement on the dates listed below:

	(3.5%) Effective January 1, 1984	(3.0%) Effective July 1, 1984
Start - 1 Year	\$ 15,808	\$ 16,282
1 Year - 2 Years	\$ 16,901	\$ 17,408
2 Years - 3 Years	\$ 18,393	\$ 18,945
3 Years - 4 Years	\$ 20,992	\$ 21,622
4 Years - 5 Years	\$ 23,654	\$ 24,364
5 Years and over	\$ 24,912	\$ 25,659
Corporals and Detectives		
5% over top paid Patrolman	\$ 26,158	\$ 26,943

In the opinion of the Chairman of the Panel the above recommendation is justified on the following basis:

1. Pursuant to Section 9(d) of the Act the Panel must consider "the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally."
2. "Section 9(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."
3. "Section (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 the analysis of the comparable communities submitted by both parties, it was the opinion of the Chairman that the communities that were comparable were:

1. East Lansing
2. Saginaw Township
3. Kentwood
4. Holland
5. Grand Blanc Township
6. Mt. Pleasant

Although the Employer objected to the inclusion of East Lansing because of the size of the bargaining unit (51) as compared to the unit in the Township (19) and the larger population in East Lansing, it was felt because of the close proximity and the use of dispatcher service provided by East Lansing, there were good reasons to include East Lansing in the comparables. By the same token the Chairman did not agree with the Union's position that East Lansing was the only valid comparable nor does he agree with the Union's contention there has been a recognized close and controlling relationship between the two communities with respect to wages, benefits, and conditions of employment.

The Chair also dropped Genesee Township from consideration on the basis the police (non-supervisory) were under the jurisdiction of the Sheriff's department and this seemed to eliminate the Township from the comparable community list.

Using the top rate for police officers in the unit (officers with 5 years or more service) \$24,912 as a benchmark, the increases proposed by the Union effective January 1, 1984, would place the Meridian Township police officers slightly below the average of \$25,035 and slightly above the median of \$24,836 and the increase to \$25,659 effective July 1, 1984, would place the officer's salary above the average of \$25,479 and above the median of \$25,535.

The Union's proposals for the wage scale increase to be effective January 1, 1985 and July 1, 1985, are denied on the basis the increases effective January 1, 1985, would place the Meridian officers above the average of \$26,103 and above the median of \$26,112. Further, the increases proposed of \$27,619 to be effective July 1, 1985, would place the Meridian wage scale above the average of \$27,522 and the median of \$27,053; it also must be noted that only three other wage comparisons were available: East Lansing, Kentwood and Grand Blanc so the results are questionable. However, it was worthy of note that the increase proposed for Meridian officers would place the senior officer wage scale over \$1,000 above that of East Lansing and if the Union's contention that there was a close relationship in wages between the two communities is valid, and an examination of the Union's exhibits numbers 15 and 16 would seem to bear that out, during the periods between July 1, 1977 and January 1, 1984, then this increase would not meet that test as the wages paid during the period were very close.

The increases awarded constitute a 3.5% increase for the first six months and a 3% increase for the second six months of 1984, for a total of 6.60%.

A comparison of increases given other units of employees in the Township during 1984, show a range of 3% effective January 1, 1984, and 1% effective July 1, 1984, for police supervisors to 5% for non-union AFSCME clerical and AFSCME public workers. The average increase, including benefit improvements, was approximately 5%.

The Township offer of the following wage scale is denied:

	Effective 1/1/84 - 12/31/84
Start - 1 Year	\$ 15,769.42
1 Year - 2 Years	\$ 16,860.48
2 Years - 3 Years	\$ 18,348.76
3 Years - 4 Years	\$ 20,941.53
4 Years - 5 Years	\$ 23,597.55
5 Years and over	\$ 24,852.14
Corporals and Detectives 5% over top paid Patrolman	\$ 26,094.75

The above increases (again using the top rated officers wage) would be below the average of \$25,027 and below the median of \$24,980. While admittedly not unreasonable, but the internal comparison of other employee units indicates, while the average increase was approximately 5%, the increase proposed by the Township for 1984 would be 3.25%.

The Township offer for the following wage increases to be effective January 1, 1985 is granted:

	Effective 1/1/85 - 12/31/85
Start - 1 Year	\$ 16,281.93
1 Year - 2 Years	\$ 17,408.45
2 Years - 3 Years	\$ 18,945.09
3 Years - 4 Years	\$ 21,622.13
4 Years - 5 Years	\$ 24,364.47
5 Years and over	\$ 25,659.83
Corporals and Detectives 5% over top paid Patrolman	\$ 26,942.83

Using the same criteria as above the increase offered would be below the median of \$25,729 and below the average of \$25,975. While this position may seem somewhat inconsistent with the reasoning given for granting or denying the offers made by both parties, the Chair's judgement was influenced by the second increase proposed for July 1, 1985, by the Union.

To have granted the Union's proposal for wage increases for 1985, would have meant the police officers in the unit would have received an increase

of 14.75% in wages over a two year period and considering the increases in wages being granted generally, increases of 6½% the first year and over 7½% the second year seems excessive.

Another factor that must be considered is the Educational Bonus.

When one considers the mandate of Act 312 that "the Arbitration Panel shall base its findings, opinion and order upon the following factors as applicable."

"(f) The overall compensation presently received by the employees including direct wage compensation, etc." The impact of the education bonus cannot be ignored as the educational bonus becomes a part of the base wages and is computed for overtime purposes, vacations, holidays, pensions and all other benefits based on wages.

It is an unusual method of paying an educational bonus as obviously no other communities surveyed, who grant such bonuses add the bonus to the base wages paid, but pay the bonus in a lump sum periodically. It would appear that the police officers in Meridian Township have enjoyed a unique and beneficial benefit but in considering overall compensation paid, it becomes a very important factor.

The fact the bonus is added to the base wages puts it in a different category than a bonus paid in a lump sum separately and apart from wages. Considering the increases granted the impact of the educational bonus can readily be seen, i.e., using the top rate wage effective January 1, 1984, an employee with an Associate's degree will receive a total salary of \$26,835 and an employee with a Bachelor's degree will receive \$27,312; the average compensation paid by those communities that pay an educational bonus would be \$26,257 and the median would be \$26,224 for those employees with an Associate degree and for those with a Bachelor's degree the average would be \$26,377 with a median of \$26,780 paid as compared to a salary of \$27,312.

II. HOLIDAYS

The Union's proposal that the non-supervisory police officers be paid one and one half time (1-1/2) the base hourly wage for all hours worked on a recognized holiday is granted effective January 1, 1984.

The Township's proposal that the language in the previous contract remain unchanged is denied.

The justification for this decision is based on the fact that all the comparable communities presented by both parties pay time and one half (1-1/2) for all hours worked on recognized holidays.

III. LONGEVITY

The Union's proposal that the payment schedules for longevity remain as it is in the expired contract and the language remain the same is denied.

The Township's proposal on longevity:

"18.1 The Township agrees to pay longevity according to the following schedule.

Five (5) through nine (9) years	2% of base salary
Ten (10) through thirteen (13) years	4% of base salary
Fourteen (14) through sixteen (16) years	6% of base salary
Seventeen (17) years or more	8% of base salary

provided, however, that the maximum base salary upon which longevity payments may be based shall not exceed \$14,000.
is hereby granted.

A review of the comparables shows that the offer made by the Township on longevity compares favorably with the longevity payment schedules of the other communities. Further, there are only two exceptions above the proposed cap of \$1,400: Grand Blanc and Mt. Pleasant; in the latter case the Employer negotiated a cap of \$1,400 for employees hired after January 1, 1983.

The Union proposal, considering the fact Meridian Township's longevity pay calculation is based on a percentage of base pay, and the other communities surveyed have a flat rate of payment based on years of service, would make the longevity payments accelerate at a very rapid pace.

IV. VACATIONS

The Union's offer on vacations, which reads:

"23.1 Each officer shall become eligible for a vacation with pay, in accordance with the following schedule. Accumulation of vacation shall be in increments of one-twelfth (1/12) on an annual basis:

1 - 3 years	=	100 hours
3 - 6 years	=	140 hours
6 - 10 years	=	160 hours
11+ years	=	180 hours

All other Section of Article XXIII to remain unchanged."
is hereby denied.

The Township's offer on vacations, which reads:

"23.1 Each officer shall become eligible for a vacation with pay, in accordance with the following schedule. Accumulation of vacation shall be in increments of one-twelfth (1/12) on an annual basis:

1 - 3 years	=	100 hours
3 - 6 years	=	120 hours
6 - 10 years	=	150 hours
11 - 15 years	=	160 hours
16 plus years	=	180 hours

Balance of Article XXIII to remain same."
is granted.

The Township's offer on vacations compares very favorably with all the communities surveyed and should be accepted; whereas the Union's proposal would place the Township's vacation schedule well above the average for employees with ten (10) years or less seniority.

V. DENTAL PLAN

The Union's final offer of settlement which reads for the first year of the contract:

"15.4 Dental Plan. The Township will make available the following family dental plan: Blue Cross/Blue Shield Comprehensive Preferred Plan CR 50-50-50, MBL \$800 or equivalent.

- A. The above plan to be effective July 1, 1982. Effective next premium payment date following award, the Employer shall pay full premiums for employee and family.

All other sections of Article XV to remain unchanged."

is hereby accepted to be effective 1/1/84, however, as stated above, the premium payments to be made by the Township will not be effective until the next premium payment date following the date of the Award.

The Union's offer of settlement for the second year of the contract which read:

"15.4 Dental Plan. The Township will make available the following family dental plan: Blue Cross/Blue Shield Comprehensive Preferred Plan CR 100-50-50, MBL \$800 or equivalent.

- A. The above plan to be effective July 1, 1982. Effective next premium payment date following award, the Employer shall pay full premiums for employee and family.

All other sections of Article XV to remain unchanged."

is here by accepted.

The Township offer on the Dental Plan to be effective the first year is denied. This offer read:

"15.4 Dental Plan. The Township will make available the following family dental plan: Blue Cross/Blue Shield Comp, Preferred Plan, CR 50-50-50, MBL \$800 or equivalent.

- A. The above plan to be effective July 1, 1982. Premiums to be shared 50%/50% between employee and Township.

15.5 If the Union can arrange for employee-paid orthodontia in connection with the present Blue Cross/Blue Shield dental plan, employer agrees to deduct all costs from employees and send to Blue Cross."

The Township offer on the Dental Plan to be effective in the second year is denied. This offer read:

"15.4 Dental Plan. The Township will make available the following family dental plan: Blue Cross/Blue Shield Comp, Preferred Plan, CR 50-50-50, MBL \$800 or equivalent.

A. Premiums to be paid 100 percent by the Township."

The review of the comparables showed that without exception the premium for dental coverage was paid by the Employer and on the issue of coverage here again the majority provided greater coverage than the Township's offer.

VI. EDUCATIONAL BONUS

The proposal made by the Township for a cap of \$1,200 per calendar year for a qualifying Bachelor degree and a cap of \$720 for a qualifying Associate degree on the educational bonus is granted.

The educational bonus offered by the Township is so far above the comparable communities that give such a bonus that there is little comparison; only three of the comparable communities offer an educational bonus: East Lansing, Saginaw Township and Kentwood, with the highest bonus paid by Saginaw Township of \$600. More importantly, all pay a lump sum which is not included in the base pay as is the case of Meridian Township.

There can be no justification for granting the Union's proposal that the education bonus payments be continued without a cap on the amounts paid.

VII. LETTER OF UNDERSTANDING

The Union's proposal that the Letter of Understanding which reads: "The parties mutually understand and agree the 10/4 shift will continue during the life of this Agreement" is hereby denied.

To continue this language in the Agreement would create an ambiguous situation and cause conflict if the Township found it necessary to change the schedule of the police officers. The contract, in the Management Rights Clause (quoted above), clearly gives the Township the right to set schedules and this right is reinforced by the language of Section 12.3 in the previous Agreement. The question would then arise as to which contract language would prevail: the contract language or the Letter of Agreement. It is the opinion of the Chair that it would be in best interests of both parties if this letter was excluded from the Agreement.

All contract provisions appearing on pages 1 through 32 of the expired collective bargaining agreement to remain the same, with modifications as to dates where appropriate, all tentative agreements (as to sick leave pay, PT test, and personal car mileage) to carry forward from the date of the arbitration award, and tentative agreements as to the letters of understanding regarding the Police Auxiliary, detective compensation, and payment of overtime to be included in 1984-85 contract.

POSITION OF THE PANEL MEMBERS REGARDING THE ISSUES IN DISPUTE

ISSUE #1 - WAGES

A. Wage schedule effective 1/1/84:

Agree *Union - P.O.A.M*

Dissent

*Meridian Twp
R.N. Lantz*

B. Wage schedule effective 7/1/84:
Agree *Union - POAM*

Dissent *Meridian Twp, R.N. Conti*

C. Wage schedule effective 1/1/85:
Agree *Meridian Twp, R.N. Conti*

Dissent *Union - POAM*

ISSUE #2 - HOLIDAYS

Holiday pay computation effective 1/1/84:
Agree *Union - POAM*

Dissent *Meridian Twp, R.N. Conti*

ISSUE #3 - LONGEVITY

Longevity - Cap on Payment:
Agree *Meridian Twp, R.N. Conti*

Dissent *Union - POAM*

ISSUE #4 - VACATIONS

Vacations:
Agree *Meridian Twp, R.N. Conti*

Dissent *Union - POAM*

ISSUE #5 - DENTAL PLAN

A. Dental Plan - premium payment:
Agree *Meridian Twp, R.N. Conti*
Union - POAM

Dissent *Meridian R.N. Conti*

B. Dental Plan - coverage:
Agree *Union - POAM*

Dissent *Meridian Twp, R.N. Conti*

ISSUE #6 - EDUCATIONAL BONUS

Educational Bonus - cap:
Agree *Meridian Twp, R.N. Conti*

Dissent *Union - POAM*

ISSUE #7 - LETTER OF UNDERSTANDING

Letter of Understanding:
Agree *Meridian Twp, R.N. Conti*

Dissent *Union - POAM*

Richard N. Conti

Richard Conti
CHARTER TOWNSHIP OF MERIDIAN

William Birdseye
POLICE OFFICERS ASSOCIATION OF MICHIGAN

Dawson J. Lewis
Dawson J. Lewis
CHAIRMAN OF ARBITRATION PANEL

DATE September 23, 1985