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ARB

COMPULSORY LABOR ARBITRATION

Pursuant to Michigan Act 312, Public Acts 1969, as Amended.

In the Matter of:)
)
)
City of Munising)
)
and)
)
Munising Police Officers Association)
)
MERC No. G78 H - 1135)
)

Report of Finding, Conclusions, and Award

Arbitration Panel Members:

Carmen L. DelliQuadri - Arbitrator
Mr. Charles M. Wolf - Management Delegate
Mr. William Mazzali - Union Delegate

Court Reporter: Hollis M. Harriman

Representation:

City: Mr. David Bass, Manager
John C. Dean, Charles Minner and Associates

Union: Nino E. Green, Attorney

Meeting: February 15, 1979, 10:00 A.M.

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Background

The present contract expired on July 1, 1978.

With the gallant efforts of Walter H. Quillico, State Mediator, the parties to the contract agreed to resolve their impasse in bargaining, by agreeing to an extension of the present contract for one year, with all the provisions remain-in force.

The apparent short-term agreement was rejected by the Village Council by a vote of 3 to 2.

This action by the Council necessitated the institution of the compulsory arbitration provisions of Public Act 312.

Economic Issues

The economic issues were the only consideration before the panel. As stated in the statute, the panel is limited in their choice of alternatives. We must accept what we consider the most reasonable last offer of the parties.

The four issues before the panel:

1. Cost of Living
2. Annual Improvement
3. Mandatory Shift Strengths
4. Length of Contract
1. Cost of Living:

"The present provision calls for a 1¢ per hour increase for every .4 raise in the Bureau of Labor Statistics Index of July 1, 1972, base."

Management position: Abolish this provision in contract.

Union Position: Retain the present contract.

2. Annual Improvement:

Management position: No increases whatsoever. The Council wants a total wage freeze.

Union position: No increase in the first year of the contract, and a 10¢ per hour increase in the second year.

3. Mandatory Shift Strength:

"On Tuesday through Saturday, a minimum of two (2) officers will be assigned to patrol duties during the hours 7:00 P.M. to 3:00 A.M. in accordance with present practice."

Management position: Delete this provision in the contract.

Union position: Retain this provision in the contract.

4. Length of Contract:

Management position: 1 year.

Union position: 2 years.

Panel Analysis and Conclusions

The panel appreciated the efforts of the negotiating parties to the contract, and the strategy of holding the contract to the present conditions as well as understand the fears of the City Council in terms of the uncertainty of revenue in the upcoming year.

But our assignment is to pick the most reasonable last offer of the parties.

A. Length of Contract: The panel was in total agreement that the extension of the contract would be for one year.

Concur - DelliQuadri, Wolf, and Mazzali.

B. Annual Improvement: The only item to consider was the union's last offer of 10¢ per hour in the second year of the contract. The panel was unanimous in this decision, rejecting the union position.

Concur - DelliQuadri, Wolf, and Mazzali.

C. Cost of Living: The arguments for wage increase were along conventional lines, all accepted under the criteria of guidelines under the statute - cost-of-living, comparable wage rates in the area, ability to pay.

Management position was to retain the line in cost, because their rates of pay were in line with the designated comparative cities, and that the fringe package of the local policemen were superior to the comparable cities. A great deal of effort was also spent to convince the panel of the cities inability to pay, especially in line with the uncertainty of Carter's national policy, Michigan's new referendum law, and the general tax paying revolt against new millages.

The panel felt that the City's holding the line, and wage freeze could best be sustained if Management could prove inability to pay, and plead, as well as prove, poverty. The panel felt that with only 4 patrolmen and 1/2 metermaid involved that Management was hard pressed to prove its financial need, since the budget adopted by the City already allocated money in this area.

The panel was interested in the cost of extending the cost-of-living provision for one year. Projecting what the inflation rate will be in one year is a hazardous venture, but we assumed a 9% overall increase in cost-of-living, hoping that the Carter program might do better than that.

The contract provisions call for a 1¢ increase for each .4 raise in the C of L Index. We can also assume CPI for July 1978 as 186.2 increasing 9% to 202.9. Under these assumptions the overall increase to the policemen would be about 7 1/2%.

With no annual improvement feature, and no new fringes, this wage increase does fall within the Carter guidelines, but is higher than the 5% recommendations of Governor Milliken.

The City's position is to hold the line on all wages for the police force, but not for other employees in the City, as well as delete the cost-of-living provision. So that the end period of the contract, the police force would actually be losing the real cost-of-living factor with a minus 7.5% effect.

Two members of the panel felt that an extension of the contract for one year was the best of the two alternatives and so recommend the retention of this provision.

Concur - DelliQuadri and Mazzali.

Non-Concur - Wolf.

D. Mandatory Shift Strength: Article XIV Safety: calls for a safety committee to insure safe working conditions. Two members of the panel feel that this committee should have greater flexibility in scheduling the work force, and not be hampered by contract language that restricts their action. We therefore recommend the deletion of the mandatory shift provision of Article XIV.

Concur - DelliQuadri and Wolf.

Non-Concur - Mazzali.

Summary

The committee recommends the extension of the contract for one year as presently constituted, including the cost-of-living provision, with only the deletion of the mandatory provision of Article XIV.

Arbitrator's Reflection

The cost-of-living provision does have a folding-in aspect each quarter that does play havoc with the way premium pay is calculated. But he feels that Management does have the options of not giving overtime, or to hire more men to do the job. One fact that in the present police force the cost in overtime pay is excessive is in part due to this factor in the contract.

The cost-of-living provisions emulated from the auto industry in the late forties, certainly should not be applicable to State - City - Municipal employees, unless they really understand the various ramifications that are involved - coping, folding-in, etc.