

9/28/73
ARB

Muskegon City of

IN THE MATTER OF:

CITY OF MUSKEGON

-and-

MUSKEGON FRATERNAL ORDER
OF POLICE, LODGE No. 99

ARBITRATION
OPINION AND ORDER

Pursuant to Act No. 312,
Michigan Public Acts of 1969,
as amended.

9/28/73

For the City:

Michael M. Knowlton, Attorney
(Street, Stevens, Schuler, Johnson, Hipkiss, Piasecki & Knowlton)

For the F.O.P.:

Darryl R. Cochrane, Attorney
(McCroskey, Libner, VanLeuven Kortering, Cochrane & Brook, P.C.)

Before the Arbitration Panel of:

Professor John H. Stamm, Impartial Chairman
Mr. Nathan R. Tubergen, City Designee
Mr. Joseph Steinhauer, F.O.P. Designee

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AUG 2 1976

OPINION and ORDER

The Arbitration Panel in this matter was convinced pursuant to Act No. 312, Michigan Public Acts of 1969, as amended, to hear and decide interest issues in dispute between the City of Muskegon and the Muskegon Fraternal Order of Police, Lodge No. 99. Arbitration hearings were conducted before the Panel on March 27, 1973, April 12, 1973, and May 1, 1973 during which the parties were afforded full opportunity to present testimonial and other evidences and to cross-examine witnesses. Post hearing briefs were filed by May 22, 1973 and the transcript of the hearings was received July 9, 1973. The Panel was convened on July 13, 1973, considered the issues in dispute and rendered opinions and orders regarding said issues based upon the record made at arbitration.

This opinion has been written by the Impartial Chairman of the Arbitration Panel based upon the opinions and orders rendered on July 13, 1973. Panel members by concurring in the disposition of the issues in dispute thereby indicate general agreement with the expressed opinion of the Panel. However, this does not necessarily indicate complete agreement with all the Impartial Chairman may say with respect to the issues in dispute.

Brief Procedural Account

The City of Muskegon and the Muskegon Fraternal Order of Police, Lodge No. 99 (F.O.P.) had concluded a two-year collective bargaining agreement for the years 1971 and 1972. During the last year of that agreement and prior to its expiration on December 31, 1972, the parties began negotiation of a new contract. Agreement was reached on a number of issues in dispute. However, the City and Lodge No. 99 were unable to agree on all issues, the parties became deadlocked and an impasse was reached in negotiations.

On November 14, 1972 the FOP informed the Michigan Employment Relations Commission (MERC) of the deadlock and requested mediation. Mediation efforts were pursued with the aid of Robert Mason of MERC but the impasse was not resolved. The FOP subsequently requested arbitration under Act No. 312, Michigan Public Acts of 1969, as amended. Correspondence designating the parties' respective appointees to the Arbitration Panel indicated that the arbitration request was made in a timely manner. In any event the parties stipulated that procedural defects would not be raised.

The City's appointee, Nathan R. Tubergen, and the FOP's appointee, Joseph J. Steinhauer, to the Arbitration Panel jointly requested on February 26, 1973 that MERC appoint the chairman of the Panel. Professor John H. Stamm was appointed to serve as chairman of the Panel of Arbitrators by letter dated March 5, 1973.

Hearings were scheduled and conducted on March 27, 1973, April 12, 1973 and May 1, 1973. Post hearing briefs were filed by May 22, 1973 and the transcript of the hearings was received on July 9, 1973. The Panel was convened on July 13, 1973, considered the issues in dispute and rendered its opinion and orders before the representatives of the City and the FOP. This document is a record of the opinions and orders concerning the disputed issues.

Prior to the first hearing the attorney for the City of Muskegon, Michael M. Knowlton and the attorney for the Muskegon Fraternal Order of Police, Darryl R. Cochrane, Lodge No. 99 jointly drafted a stipulation regarding the issues in dispute and forwarded same to the chairman by letter dated March 12, 1973. That letter stated that the parties had reached agreement on several of the original issues; that all conditions provided for in the prior two-year agreement have been maintained; and that seven issues remain to be arbitrated. The seven issues in dispute were enumerated as follows:

- 1) Wages
- 2) Insurance
- 3) Uniform allowance
- 4) Dry cleaning allowance
- 5) Holidays
- 6) Longevity pay
- 7) Vacations

The last respective positions of the parties were also indicated with respect to each of the above issues.

ISSUES IN DISPUTE

Pursuant to Act No. 312, Michigan Public Acts of 1969, as amended, the Panel proceeds to make its findings of fact and promulgates its opinions and orders upon the issues presented to it and the record made before it as follows:

1. Wages

The parties have agreed that an across-the-board annual increase will be granted for the calendar year 1973. The parties disagree as to the amount of that increase; the City has offered \$400 increase; the FOP asks for \$600 increase.

The City argued that recent settlements in the County of Muskegon and the City of Muskegon Heights should not be given weight by the Arbitration Panel. These settlements became relevant only because of the time involved in the mediation and arbitration process. In addition these settlements became effective on July 1, 1973--not January 1, 1973.

However, the City did point out that there appeared to be a tendency toward equalization or common level of salary and benefits among the City and the County and Muskegon Heights and perhaps Norton Shore as well. Specialized

services are being centralized among these departments and they share similar characteristics because of their contiguous locations.

The City also denied any claim that it is unable for financial reasons to extend pay and benefit increases as requested by FOP. The City believed that the better philosophical choices or priorities were made by the City Commission and that the Panel should grant an annual increase of \$400.

The FOP took issue with a number of the priorities established by the City Commission and stressed the significant improvement in crime prevention realized by the City. The FOP indicated the highly skilled nature of the work of a police officer.

The historical relationship between rates paid by the City and those of the County of Muskegon and the City of Muskegon Heights was emphasized. The Union pointed out the leadership position which Muskegon has maintained both in service and compensation. The increases in cost of living was also raised. Lastly the FOP stated that its request for a \$600 increase was based on a total economic package - and that between \$600 and \$750 should be considered.

The Panel, having considered those arguments enumerated above as well as others of record, is of the opinion that a wage increase of \$600 is justified. The historical relationship of police departments in the area as well as the tendency toward equalization requires an increase of this amount. The Panel believes that a \$600 annual increase meets the criteria established in Act No. 312.

An increase in the wage rate for police officers in the amount of \$600 per year is ordered effective calendar year 1973.

Panel Vote: Unanimous

2. INSURANCE

The City of Muskegon has attempted to provide universal benefits for all city employees, including health insurance.

During 1973 the City made substantial improvements in the health insurance provided city employees through the Great West Life Insurance Company. The major improvements consisted of increasing the hospital per diem room rate from \$38 to \$50 and of adding major medical coverage. The City argues that improvements in health insurance for police officers should be identical to those provided other city employees. The City also points out that it is not in the best interest of either the City or the police officers to consider plans other than the Great West Life Insurance Company plan, for both economic and benefit structure reasons.

The City raised strong objection to the Panel requiring the purchase of a health insurance plan from any particular carrier such as Blue Cross-Blue Shield. The City also argues that additional increases to the present insurance package should be left to future negotiations.

The FOP requested the Arbitration Panel to award a level of health insurance benefits comparable to the Blue Cross-Blue Shield level of full family semi-private room rate and master medical benefits. The Union argued that the City's offer requires police officers to pay a good proportion of medical expenses when incurred especially the less expensive illnesses which constitute the great bulk of the claims. The proposed increase in the per diem rate to \$50 fell short of the semi-private rate in the area hospitals.

The Muskegon FOP contended that comparable police departments in the area enjoyed better coverage under Blue Cross-Blue Shield. They requested a level of benefits which would bring them substantially to the level of Blue Cross-Blue Shield, including master medical.

The Arbitration Panel is reluctant to require the City of Muskegon to purchase a specific health insurance plan. A comparison between the current Great West Life Insurance Company Plan and the Blue Cross-Blue Shield plan indicates advantages and disadvantages in one compared to the other. The

Panel is not unmindful of the increase in cost resulting from the establishment of a number of different health insurance plans for different segments of city employees.

The Panel, therefore, accepts the City's position with regard to the purchase of a health insurance plan. However, after considering the per diem charge of area hospitals and the trend toward more comprehensive coverage the Panel believes that the per diem rate should be increased to \$60. This is the only increase in the coverage provided by Great West Life Insurance Company which the Panel is ordering.

The Arbitration Panel orders the City of Muskegon to increase the per day hospital room rate coverage to \$60 for police officers party to this dispute. It is understood that this increase is the only change in benefits of the current Great West Life Insurance Company Plan. Retroactivity of this increase is limited to 60 days prior to the City's institution of this change due to the policies of Great West Life. The City has agreed to institute this change in good faith and as quickly as possible.

Panel Vote: Unanimous

3. UNIFORM ALLOWANCE
and

4. DRY CLEANING ALLOWANCE

The FOP argued that the cost of uniforms and the cost of cleaning same have increased substantially. Uniforms are worn out rapidly in this line of work and officers are expected to maintain their appearance. The Union requests a \$100 increase in uniform allowance to \$300 for plainclothesmen and \$250 for uniformed officers. The FOP also requests the cleaning allowance be increased from \$50 per year to \$100.

The City recognized that the provision of basic equipment and uniform is a recognized obligation of the City. It realizes its police officers should

be able to dress in clean and respectable uniforms. However, the City believed that this is not solely its responsibility and that officers should be financially accountable to a reasonable degree for uniform maintenance. The City offered a \$50 per man increase for both uniform allowance and dry cleaning allowance and argued that these offers are fair and reasonable.

The Arbitration Panel orders uniform allowance be increased \$50 per man and orders dry cleaning allowance be increased \$50 per man, effective calendar year 1973.

Panel Vote: Unanimous

5. HOLIDAYS

Seven holidays are recognized for police officers of the City of Muskegon.

The City offers no increase in the number of holidays provided in the agreement. It stresses that this is a continuous operation and no justification exists for a comparison with employees who are not required to work on holidays.

The FOP contends that County deputies receive ten holidays and Muskegon Heights police receive eleven and one-half holidays. The Union requests the addition of two holidays in order to bring Muskegon in line with other police departments in the area.

The Arbitration Panel orders the number of holidays to be increased from seven to eight adding Good Friday to the seven listed in the parties 1971-1972 agreement.

Panel Vote: Unanimous

6. LONGEVITY PAY

Longevity pay is now provided on the basis of \$100. per year for each 5 years of service with a maximum of \$500. This was first provided about 1956 or 1957 when annual salaries ranged between \$4,000 and \$5,000 and the amount of longevity pay has not been increased since it was first introduced.

The FOP argues that longevity pay is a basic wage issue, that other police departments in the area have better plans and that the amount should bear some relationship to the annual salaries. The Union requests an increase to bring Muskegon police officers in line with other departments and one based upon a percentage of annual salary - that percentage increasing with longevity.

The City offers no increase in the longevity pay provided in the 1971-1972 agreement which was described briefly above. The City argues that the intent of this benefit is that of a service bonus and not a salary supplement and that salary schedules do provide higher salaries for more senior employees during the first four years of employment. The City rejects the Union's contention that this benefit should be considered a salary supplement and believes that the same 17 years of identical benefit while salaries were increasing is indicative of such a view.

The Panel agrees with the City on the matter of longevity pay. The history of the benefit would appear to support the service bonus concept. Over the course of 17 years this benefit has assumed a relatively decreasing importance in the compensation of police officers and the Panel believes that this trend should not be disturbed. Therefore, the FOP's longevity pay increase request was denied.

Panel Vote:

Concurring - Stamm, Tubergen

Dissenting - Steinhauer

7. VACATIONS

The FOP requests additional vacation time amounting to an additional

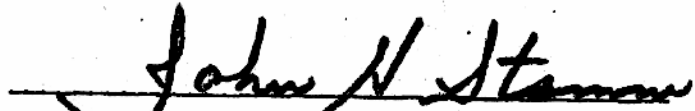
week for police officers with 5 or more years service. The Union contends that because of the demands of shift work, irregular days off and days in court police officers should be granted additional vacation time. The FOP argues that the City could implement the additional vacation time without incurring additional cost by altering the scheduling of vacations. A number of options were presented including use of extra men assigned to cover for men off duty; "single-up" the officers in cars; and switch to a lower-number car plan coverage. The Union contends the City now utilizes such coverage alternatives during the "high call" months and expansion of such alternatives during "lower-call" months would enable the City to provide additional vacation without cost to the City.

The Panel does not agree with the Union concerning the justification for increase in the vacation benefit. The evidence produced at hearing and the established criteria do not support such liberalization at this time. An increase in vacation time would involve a cost to the City - either directly in the cost of covering the additional vacation time or indirectly in the quality of service. The Panel believes the improvements in protection service provided in the recent past would be affected by increasing vacations and not providing additional manpower. In light of these considerations, the FOP's request for additional vacation time is denied.

Panel Vote: Concurring - Stamm, Tubergen
 Dissenting - Steinhauer

This concludes the Panel's decisions concerning the ISSUES IN DISPUTE

The parties are directed to effectuate the orders rendered on July 13, 1973, and promulgated in the above Opinion and Order of the Arbitration Panel.


John H. Stamm, Impartial Chairman

Nathan R. Tubergen, City Designee

Joseph Steinhauer, F.O.P. Designee

September 28, 1973