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Pontiac
City of

STATE OF MICHIGAN

ARBITRATION UNDER ACT NO. 312

PUBLIC ACTS OF 1969 AS AMENDED

In the Matter of the Statutory Arbitration between
PONTIAC POLICE SUPERVISORS ASSOCIATION

-and-

CITY OF PONTIAC,
A MUNICIPAL CORPORATION
PONTIAC, MICHIGAN

Alan Walt /

11/19/73

ARBITRATION OPINION AND ORDERS

This arbitration is pursuant to Public Act No. 312, Public Acts of 1969, providing binding arbitration for the determination of unresolved contractual issues in municipal police and fire departments.

Arbitration was requested by the Pontiac Police Supervisors Association, hereinafter called the Association, by letter dated October 16, 1972. Mr. Samuel Baker and Mr. Hugh Stimson were designated as City and Association delegates, respectively, to the Arbitration Panel with Alan Walt appointed chairman. Pursuant to

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Walt, Alan

notice duly given, hearings were held April 27, May 22, July 16, 19 and 23, 1973. On September 27, 1973, counsel for the City submitted a stipulation of remaining unresolved issues in which the Association concurred by letter dated October 1, 1973.

THE STIPULATED ISSUES

Following completion of the hearings, the parties entered into a written stipulation reducing the number of issues initially submitted to the panel. In its entirety, that stipulation reads:

STIPULATION BETWEEN CITY OF PONTIAC AND PONTIAC POLICE SUPERVISORS ASSOCIATION

The Act 312 arbitration award (1972-73) for the Pontiac Police Officers Association (P.P.O.A.) shall apply to the Pontiac Police Supervisors Association (P.P.S.A.) for the year July 1, 1972-June 30, 1973 in its entirety except for items not in common, for example,

- ruling on stewards
- ruling on time off for union officers
- ruling on salary differential

The parties further agree that the P.P.S.A. shall receive for the year July 1, 1973-June 30, 1974 the items of the settlement or award for the P.P.O.A. that are in common.

Any dispute between the parties as to the application of this provision may be subject to the grievance and arbitration procedures.

The parties agree that the only items to be presented to the chairman of the Act 312 arbitration panel for ruling shall be numbers 1, 4, 6, and 9 as found in the document entitled "Association Exhibit #1, P.P.S.A., Revised 7-16-73".

The parties finally agree that no briefs shall be submitted, and the panel's ruling on these four issues shall be based upon only the record made between the parties and set forth in the official transcripts as prepared by Raymond J. Marcoux.

PONTIAC POLICE
SUPERVISORS ASSOCIATION

CITY OF PONTIAC

/s/ Herbert C. Cooley

/s/ Samuel A. Baker

9-21-73

DATE

Item Numbers 1, 4, 6 and 9 of the Association Exhibit No. 1, revised to 7-16-73, designated as unresolved issues for determination of the Arbitration Panel under the preceding stipulation, are:

1. Wages

The City agrees to change the salary differentials over the maximum base salary of Senior Patrolman from the current differentials to those shown below over a two year period, commencing July 1, 1972.

<u>Duration</u>	<u>Sergeant</u>	<u>Lieutenant</u>	<u>Captain</u>
July 1, 1972 through June 30, 1973	20%	35%	45%
July 1, 1973 through June 30, 1974	22%	37%	47%

4. Captains shall be entitled to drive unmarked cars to and from their places of residence during off-duty hours.
6. All officers shall receive the rate of their respective ranks effective upon the date of their promotions to a higher rank.
9. Two (2) hours shall be paid for all official home calls to supervisory personnel.

Although other issues were submitted to the panel in the course of the hearings, they will not be considered here, in accordance with the stipulation of the parties.

THE STATUTORY STANDARDS

Section 9 of Act 312 establishes the criteria to be applied by the Panel in resolving disputed questions and formulating its Orders. These are:

- (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.

A substantial amount of evidence introduced consisted of testimony and documentation obtained by interview, telephone contact, surveys based on published data, and other forms of evidence

generally unacceptable in a court of law. Technical application of the rules of evidence was avoided to permit each party to fully present its case. Notwithstanding, the Arbitration Panel has based its findings, opinions, and orders solely upon competent and material evidence, guided by the specific statutory standards above set forth, and after a thorough review of the record and all the exhibits presented by the parties.

POLITICAL AND FINANCIAL STRUCTURE OF THE CITY

In the course of the proceedings, the parties stipulated that evidence submitted in the course of the Act 312 arbitration between the City and the Pontiac Police Officers Association, the record of hearing for which was declared closed July 11, 1973, should be incorporated by reference in these proceedings. The Arbitration Panel has done so and a portion of the opinion issued September 12, 1973 in the Police Officers Association proceedings and deemed applicable in the instant case will now be set forth:

"The City of Pontiac, a municipality with a population of 85,279, is governed under a Commission - Manager Plan with the 7 member Commission appointing the City Manager. The City Manager is the chief administrator and appoints all department heads except the Director of Law and the Director of Finance.

By vote of the people, the City's fiscal year was recently changed from a January 1 - December

31 calendar year to a July 1 - June 30 fiscal year, effective July 1, 1973. For the 6 month period from January 1 to June 30, 1973, the City operated under a 6 month interim budget. The City Charter, adopted in 1920, imposes a 10 mill tax limitation. Although the maximum tax levy can be doubled to 20 mills by vote of the people, a millage increase was sought in 1972 but rejected by a 2 to 1 margin. Through the year 1967, the maximum millage was taxed but with the adoption of a city income tax in 1968, the millage levy for that year was reduced to 7. For 1969, revenues exceeded expenditures by approximately \$250,000 and in 1970, 8.5 mills were levied. Notwithstanding, the City's first deficit in the amount of \$923,000 was incurred for that year and even with a millage increase to 9 in 1971, a deficit in excess of \$1,000,000 was realized. In 1972, another mill was assessed, raising the levy to a maximum of 10, and the carry-forward deficit from 1971 was thereby reduced by approximately \$536,000, for a deficit as of December, 1972, in the approximate amount of \$557,000. Under the City's projections, the earliest this deficit can be expunged is June 30, 1974, even with the inclusion of federal revenues.

In addition to property and income tax, other revenues are realized through sales and state income tax rebates, license fees, court fines and federal revenue sharing. For the year 1973, it is anticipated the City will receive between 2 and 2½ million dollars in federal revenue sharing funds. About \$1,000,000 thereof must be utilized in accordance with federal guidelines calling for recreational and environmental projects and may include a police or fire station. The remaining 1½ million dollars is reflected in the 1973-74 budget. Special funding previously received under the Emergency Employment Act will expire June 30, 1974, and beginning June 1, 1973, the City embarked on a scheduled phase out of positions underwritten by such funds. As a re-

sult, part of the revenue sharing proceeds budgeted for 1973-74 will be utilized to absorb positions previously funded under EEA.

The City has been engaged in efforts to gain approval of a sports stadium and has expended almost \$200,000 in general fund monies for that purpose. When and if the project gains approval and bonds are sold, that money will be repaid to the general fund."

THE POLICE DEPARTMENT AND THE BARGAINING UNIT

The Chief of Police is the principal administrative officer of the Police Department and is responsible to the City Manager for the operations of the department. There are approximately 170 police officers and 28 civilian employees in the department. The Association represents supervisory ranks only, consisting of 4 captains, 8 lieutenants, and 19 sergeants.

There have been two prior collective bargaining agreements between the parties, the first dated November, 1970 and the second effective May 25, 1971. In addition, a supplemental agreement was executed May 12, 1971, effective July 1, 1971 to June 30, 1972.

In accordance with the stipulation of the parties, the following orders shall apply for the year July 1, 1972 through June 30, 1973. Those items designated as "in common" with Orders entered in the Pontiac Police Officers Association arbitration proceedings will not be reviewed or ordered into effect hereunder since they

are specifically provided for under said stipulation.

WAGES

At present, the following annual salaries are received by members of the bargaining unit: sergeants -- \$15,000; lieutenants -- \$16,380; captains -- \$18,876. For the year ending June 30, 1972, the salary of a senior patrolman was \$13,051. During the same wage period, the differential between the wages of senior patrolman and sergeant was 14.93%; between senior patrolman and lieutenant, 25.5%; and between senior patrolman and captain, 44.63%. Within the supervisory ranks, the differential between the salary of sergeant and lieutenant was 10.57%, and between lieutenant and captain was 19.13%.

The wage demands of the Association continue to be based on the differential between the current salary paid the senior patrolman and the supervisory ranks. Specifically, a 20% differential is sought for sergeants, a 35% differential for lieutenants, and a 45% differential for captains. It is the contention of the Association that area-wide comparisons reflect significantly lower wage rates in Pontiac than in other surrounding communities. In Detroit, the percentage between senior patrolmen and sergeant is 22% for 1973, the Association submitting that job duties for this rank are similar

in both cities. By comparing the relative positions for supervisory ranks in Pontiac with those in surrounding communities, the Association submits that Pontiac has dropped substantially; specifically, sergeants have dropped from tenth to thirteenth place.

The City believes the present wage differentials should remain in effect. These differentials were initially established in 1970 following an independent survey. Thereafter, some slight adjustments were made -- the percentage differential for sergeants was increased slightly in 1971 so that this rank would be able to obtain increased life insurance coverage available to employees earning \$15,000 or more -- and the basis of the differential was transposed from the detective's wage rate to the senior patrolman's salary. Otherwise, the parties have consistently applied a rational approach to wages as established under the survey. When wages and other benefits received by members of this bargaining unit are considered, it is immediately apparent that the 14.93% differential for sergeants, the 25.5% differential for lieutenants, and the 44.63% differential for captains, above the new wage rate set for senior patrolmen, will result in members of this bargaining unit being placed at or near the top for benefits paid to supervisory ranks in those surrounding communities consistently used by the parties for comparative purposes.

FINDINGS

Under the September 12, 1973, arbitration Award between the City and the Pontiac Police Officers Association, senior patrolmen received a 5.9% wage increase, resulting in an annual salary for the year July 1, 1972 through June 30, 1973, in the amount of \$13,821. In determining wages for the supervisory ranks for the same year, the Arbitration Panel will adhere to the position of the parties and apply percentage differentials to the senior patrolman wage rate.

In its presentation, the Association thoroughly developed the job duties and requirements of sergeants, showing that officers in this rank are first line supervisors charged with responsibility for conducting line-ups, assignment of duties and equipment, supervision of street or patrol activities, dissemination of bulletins and special orders, completion of reports in cases of damage to departmental vehicles and equipment, assisting in the grading of officers, responsibility for building security, and other duties requiring both direction of manpower and the completion of reports. Considering these job functions together with comparative data adduced in the course of the hearings, the Arbitration Panel believes the pay differential between senior patrolman and sergeant should be increased to 17%, with the resultant annual wage of \$16,171. This

amounts to a 7.76% increase over the salary previously paid to sergeants.

The Panel also believes the spread between the supervisory ranks should be maintained because of differing degrees of supervisory responsibility required of each. By maintaining the 10.57% spread between the wage rates of sergeants and lieutenants, the rank of lieutenant will receive an annual salary for the 1972-73 contract year of \$17,631, or a 7.64% increase over the prior salary for this grade.

The existing percentage differential between lieutenants and captains is 19.13%, and in maintaining that spread for the 1972-73 fiscal year, captains will receive an annual salary of \$20,275, or a percentage increase of 7.41 over the prior wage rate.

ORDER

The members of this bargaining unit shall receive the following annual salaries for the year July 1, 1972 through June 30, 1973:

Sergeant -- \$16,171

Lieutenant -- \$17,631

Captain -- \$20,275

RATE OF PAY ON PROMOTION TO HIGHER RANK

The pay plan for supervisory police officers currently in effect provides the following pay range for each grade:

<u>CLASS</u>		<u>PAY RANGE</u>				
		<u>START</u>	<u>1 yr.</u>	<u>2 yrs.</u>	<u>3 yrs.</u>	<u>4 yrs.</u>
Sergeant	Annual	12,213	12,841	13,525	14,262	15,000
Lieutenant	Annual	13,424	14,157	14,889	15,621	16,380
Captain	Annual	15,621	16,380	17,140	18,008	18,876

It is the policy of the City that in awarding promotions, an employee must receive a monetary increase over the position previously held and the increase must be above the salary earned by his highest paid subordinate. In practice, a sergeant at the 4 year level who earned \$15,000 will, on promotion to lieutenant, be placed at the 3 year level earning \$15,621 (under the prior salary plan) and would not be placed at the starting level of \$13,424. In promotion from lieutenant to captain, the officer will be placed at the two year level receiving a \$760 pay increase (under the prior wage plan).

Demand No. 6 of the Association is that "All officers shall receive the rate of the respective ranks effective upon the date of their promotion to a higher rank." As argued in the course of the

hearing, the Association submits there should be no intermediate pay grades for supervisory officers; they should receive the full pay rate for the grade immediately on promotion. The Association contends that since the officer is immediately responsible for the duties of the grade to which promoted and since there is a 6 month probationary period on promotion, its demand is reasonable.

The City responds that the pay ranges in effect resulted from the independent survey previously conducted and are necessary to insure growth, development, and proficiency in the rank to which promoted. The steps are automatic; they are not based on merit considerations and do not require approval. Again, the utilization of pay ranges is the result of a rational approach to salary concepts and reflects the reality that upon promotion, it is still necessary for a police officer to be trained and learn the job functions and responsibilities of his new grade.

FINDINGS

The Arbitration Panel believes that for most supervisory grades, officers promoted thereto have had long tenure in the department and are, in general, familiar with departmental regulations and operations, as well as the responsibilities of the new grade to which promoted. An exception may exist on promotion to sergeant since that rank

is the first truly supervisory position in the department. Testimony established that in the City of Detroit, officers promoted to supervisory grades immediately receive the full salary of that rank.

The Panel finds that in cases of promotion to lieutenant and captain, police officers should immediately be placed at the full wage rate ordered hereinbefore and that pay ranges should be abolished for these positions. For the rank of sergeant, however, the Panel finds that maintenance of a lower pay level for one year at the same differential presently existing between the 3 year and the 4 year levels under the pay plan will insure sufficient training time in the supervisory duties of this rank. The Panel is cognizant that on promotion to any of the supervisory ranks, a 6 month probationary term must be served, and such fact has been considered in these findings.

ORDER

That on promotion to any of the ranks in this bargaining unit, officers shall receive the full rate of pay of the rank to which promoted. Pay ranges for each such rank shall be abolished, provided that officers promoted to the rank of sergeant may be placed at a lower pay level for one year at the same percentage differential presently existing on the pay scale between the 3 year and 4 year levels for that rank.

FURNISHING UNMARKED CARS TO
CAPTAINS DURING OFF-DUTY HOURS

Demand No. 4 of the Association is that captains be provided with unmarked vehicles during their off-duty hours for use in driving to and from work and for retention over weekends. The Association recognizes this demand is a fringe benefit; however, it submits that if captains are provided with unmarked vehicles on off-duty hours, it will benefit the department in that this rank -- the highest supervisory grade in the department under the chief -- can be contacted by radio in traveling to and from work, or when in the vehicle on off-duty hours. Furthermore, departmental vehicles will be maintained in better condition because the necessity for repairs will be indicated immediately by the captains utilizing them.

The Association also submits that since captains have been severely restricted in obtaining overtime duty, in contrast to other ranks, this demand is a morale factor as well as an economic benefit. Some officers in lower ranks currently earn as much or more than some captains. The Association submits that there are sufficient unmarked vehicles in the department -- 33 or 34 -- which are not utilized in off-duty hours to meet this demand.

The City opposes the use of departmental vehicles in any broader manner than presently available. In the police department, only the chief has the unlimited use of a vehicle, and the City has

adopted a written policy severely restricting the use of vehicles; only those specified individuals whose functions require the possession of a vehicle on other than regular duty hours qualify. In addition to the effect of this demand on other departments, the City believes it would be required to purchase 4 additional vehicles at a cost of approximately \$28,000, if this demand is granted.

FINDINGS

— In reviewing the respective positions of the parties on this issue, the panel is cognizant that captains have been granted a wage increase in excess of that initially demanded, in order to maintain the differential between the ranks of lieutenant and captain at 19.13%. Without specifically passing on the merits of the respective arguments, the Arbitration Panel believes the wage increase ordered is sufficient to offset the economic arguments for granting unmarked cars to captains.

ORDER

The Association's demand that captains be furnished unmarked vehicles for use during their off-duty hours is denied.

PAYMENT FOR TELEPHONE CALLS
TO OFF-DUTY SUPERVISORY OFFICERS

It is the demand of the Association that whenever a member of this bargaining unit is called at home while off duty on any matter of departmental business, he will receive two-hours pay. It submits there are many instances where supervisors receive telephone calls at home after 5:00 p.m., on weekends, and even while on vacation. One captain received 72 calls from the beginning of 1973 through June "for some type of decision or information", and such calls were received at all hours of the night. When supervisors are so "disturbed" for official business matters while off duty, the Association submits they should be compensated therefor.

The City opposes this demand, submitting that supervisors are part of the management team and the compensation fixed for each rank contemplates the necessity for telephone contact during off duty hours on certain occasions. It is part of the supervisors duties to respond when a telephone call is received on official matters and it should be noted that whenever a supervisor is called into work, he is paid at call-in rates. No other community provides compensation for answering telephone calls.

FINDINGS

For those reasons set forth under the preceding issue and without further comment on the merits of the demand or the validity of the City's opposition to it, the Arbitration Panel finds that fair and adequate compensation has been awarded to all supervisory ranks under other Orders and accordingly, does not believe this demand should be granted.

ORDER

That the Association demand for two hours' pay for each telephone call pertaining to official business received while off duty is denied.

ARBITRATION OPINION AND ORDERS

This Opinion has been prepared by the Arbitration Panel chairman and represents his analysis of the record and exhibits. The Panel has met in executive session to review and discuss the transcript, the exhibits, and the respective arguments of the parties.

The City and the Association panelists concur or dissent in the foregoing orders as set forth hereinafter.

The Arbitration Panel chairman and the City delegate concur and the Association delegate dissents on the following Orders:

Furnishing Unmarked Cars to Captains
During Off-Duty Hours

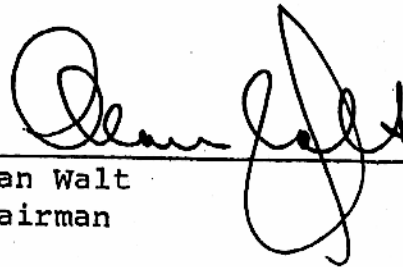
Payment for Telephone Calls to Off-
Duty Supervisory Officers

The Arbitration Panel Chairman and the Association delegate
concur and the City delegate dissents on the following Orders:

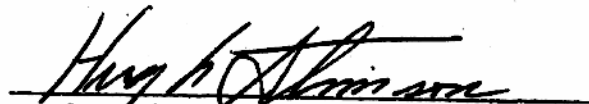
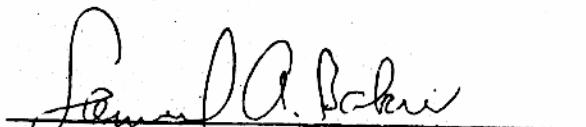
Wages

Rate of Pay on Promotion to Higher
Rank

Each panelist has appended his signature to this page indicat-
ing his concurrence or dissent to each of the preceding Orders.



Alan Walt
Chairman


Hugh Stimson
Association Panelist
Samuel A. Baker
City Panelist

DATED: November 19, 1973