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MICHIGAN EMPLOYMENT RELATIONS COMMISSION

In the Matter of the Arbitration Between:

CITY OF PORTAGE, MICHIGAN

and

PORTAGE POLICE OFFICERS ASSOCIATION

Pursuant to Act 312, Public Acts of  
1959, as amended

Hearings held November 12, 13; December  
8, 1973

Before Richard I. Bloch, Esq.,  
Panel Chairman

John J. Peters, Panel Member on  
Behalf of the City

Larry Eggerding, Panel Member on  
Behalf of the Association

Appearances:

For the Portage Police Officers Association

John F. Foley, Esq.  
Gergely, Foley & Domeny

For the City of Portage

Darrel D. Jacobs, Esq.  
Huston, Jacobs & Ward

OPINION

Facts

The Portage Police Officers Association is the exclusive collective bargaining representative for all patrolmen, youth officers and detectives, excluding command officers and dis-

Bloch, Richard I

patchers, of the Porgage, Michigan Police Department. The bargaining unit includes 28 patrolmen and four detectives. The parties having been unable to agree to the terms of a new contract, and the statutory prerequisites to arbitration having been satisfied, the Chairman of the Panel was appointed pursuant to the provisions of Section 5 of Act 312, Public Acts of 1969, as amended. Hearings were commenced on November 12, 1973. On November 13, the Chairman remanded the parties to further bargaining. This, however, produced no resolution and the hearings were reconvened for an additional day on December 8. What follows are the findings of fact and awards concerning the issues remaining in dispute.

Certain areas of the dispute were included either in the City's or the Association's final briefs, but not both. Upon careful review, the Panel has determined that these elements were not addressed during the hearings. As such, requests for change therein or modification, whether made by City or Association, are denied.

Except where specifically noted, this award shall be applied retroactively to July 1, 1973, and shall apply to a two-year contract commencing then and terminating June 30, 1975.

Panel Member Eggerding notes his dissent as to the basic wage provision of this award. Panel Member Peters dissents, noting the City's objection to the cost-of-living adjustment.

## ECONOMIC ISSUES

### Wages

The Association proposes a schedule of wage increases representing an overall average increase of approximately 11% on a two-year basis. The Association also requests a cost-of-living adjustment in the second year. In response, the City proposes a two percent across-the-board increase effective the first year of the contract, with an additional five percent increase for the second year. The City also proposes a minimum promotion increase of at least \$200.00.

On the one hand, the City's offer is undeniably low. Even applying the two percent increase retroactively to July 1, 1973, which the Panel orders, a two percent across-the-board increase fails to successfully accommodate the inflationary problems which affect public employees no less than those in the private sector. On the other hand, on the basis of comparison evidence both within and outside the City of Portage, the majority of the Panel, notwithstanding the forceful arguments of the Association's representative, believes the City's offer to be the more palatable of the two. Accordingly, the Panel orders a two percent across-the-board wage increase during the initial year of the agreement, with a five percent increase effective July 1, 1974 for the second year of the contract.

### Cost-of-Living Adjustment

Whether by advocate or arbitrator, recommending or awarding

a wage settlement is difficult business in these times. On the one hand, a nation facing an energy crisis and predictable business slowdown must be increasingly cognizant of the impact of unrealistic wage settlements in both public and private sectors. On the other hand, the Bureau of Labor Statistics reports that the Consumer Price Index rose by a seasonally adjusted 0.5 percent in December alone last year, with over one-third of the advance attributable to the energy shortage. Compared with a year earlier, the all-items CPI was up 8.8 percent in December -- the fastest year-to-year gain in 27 years. A majority of the Panel believes, therefore, that a cost-of-living adjustment during the second year of this agreement, particularly considering the low award in the first year, will serve the interests of fairness and economic reality. Therefore, employees of the bargaining unit shall be granted, during the 1974-75 contract year, a cost-of-living allowance based upon the geographic cost-of-living index established by the United States Bureau of Labor Statistics for the Kalamazoo area, or the nearest geographical region for which such figures are available. Adjustments shall be made quarterly. The Association suggests a standard cost-of-living adjustment formula, whereby for each .4 increase in the CPI index average, the employee shall receive \$ .01 per hour as a cost-of-living allowance for each hour worked during the period in question. The Panel recommends this method, although the parties may, by mutual agreement, establish such other adjustment system as will approximate, without exceeding, the results obtained by application of this procedure. Upon failure to so agree, however,

this method shall be applied.

#### Tuition Reimbursement

The Association requests that the City pay tuition costs incurred by officers for police-related courses. Its proposal in this respect concerns an important facet of employee development -- the ability to take job-related courses. Such enrichment is of unquestioned value to both employee and employer. However, the Panel has before it no proposed guidelines which would discuss, among other things, (1) criteria by which both parties could be advised as to the type of training which will qualify for tuition reimbursement, (2) suggestions as to prior approval by appropriate administrators, and (3) applicable limitations on the amount of reimbursement available to individual employees. These issues are basic and, while it is recommended that discussions be held concerning establishment of such program, the Association's request for its inclusion at this time is denied.

#### Pension Plan

The Association here requests that the Panel adopt and award the relevant portions of the report of the Pension Study Committee presented to the Porgage City Council in March of 1973. Agreement having been reached prior to issuance of this award, the stipulation is hereby incorporated. Accordingly, the report of the Pension Study Committee (a committee composed of both City and Fire and Police members, among others) is adopted, but modified to read as follows:

A retirement plan based on 55 years of age and 25 years of service (referred to as a 55/25 Plan) is to be implemented. The full benefit at normal retirement date would be equal to 50% of Final Average Salary. However, an offset will be included, so that when Social Security "kicks-in" at the earliest date (presently age 62), the maximum payable would be 75% of F.A.S.

An employee who had earned 25 years of credited service, but who had not reached age 55, could continue to work and add 2% per year to his final replacement percentage. The maximum additional credit would be 10% (five additional years). An employee who had earned less than 25 years of service would be eligible for a pension in the amount of 2% for each year of service prior to age 55.

It is understood that the employer will pay all costs of changing the pension plan to provide for retirement at age 55 and 25 years of service. Accordingly, the 55/25 Plan as described above, shall be implemented on a non-contributory basis.

### Vacations

The Association requests that employees be entitled to three weeks of vacation after five years service, effective July 1, 1973.

In response, the City notes that other City employees, including those represented by the Teamsters and AFSCME units, receive three weeks of paid vacation after six or more years of continuous employment.

On the basis of comparison data from within and outside

the City of Portage, the record does not justify granting the Association's request in this regard. It is therefore denied.

#### Holiday Leave

The Association originally requested that holiday leave days be increased from ten to twelve days, effective July 1, 1973. Prior to completion of these proceedings, however, this demand was withdrawn. The City, for its part, proposes to exclude detectives from the present provision of ten extra leave days per year (in lieu of scheduled holidays) and, instead, grant them the same scheduled holidays as other city employees.

The Panel sees no particular merit in distinguishing detectives from patrolmen in this regard. The employer finds it necessary to avoid having detectives disrupting peoples' homes on holidays, but such problem is not apparent from the evidence. The City's request is denied. Thus, patrolmen and detectives shall continue to receive ten annual leave days in lieu of scheduled holidays. The leave days shall be scheduled at a time mutually convenient to employee and employer, as has been the case in the past.

#### Health Insurance

As stipulated by the parties, effective immediately, the City shall pay the present cost of full coverage for an employee with one dependent (\$45.81) and the cost for full family coverage of \$48.27. Rate increase after this date shall be borne by the employee.

### Life Insurance

The parties agree that the full cost of a \$10,000 life insurance premium shall be borne by the City, effective immediately.

### Paid Roll Call

The Association requests that, effective July 1, 1974, roll call time of fifteen minutes daily shall be paid by the City. The employer contends that unpaid roll call is traditional with police departments throughout the state. However, such tradition, if indeed existing, can scarcely be justified. If additional time is necessary for the various functions performed during roll call, the employees should be paid for it. The Panel finds no inherent logic in requiring donation of such time by the affected officers. Should the City desire to continue the practice of Roll Call as of July 1, 1973, the officers must be paid accordingly.

### Clothing Allowance

The parties are agreed that, effective immediately, there shall be a clothing allowance increase of \$75.00 per year for plainclothesmen.

### Longevity

The Association requests longevity pay of \$10.00 for each year of service after five years, and \$20.00 for each year of service after ten years, effective July 1, 1974. There are presently no allowances for longevity.



The Panel believes that the citizens of Portage will benefit greatly, particularly in the area of public service employment, from the existence of trained and knowledgeable personnel, familiar with and dedicated to the city they serve. The Association's request is granted.

#### Shift Differential

The Association requests a 2-1/2% premium payment for the third shift and 5% for the first shift, effective July 1, 1974. Considering the comparison evidence, however, as required by Section 9 of Act 312, the Panel does not believe that inclusion of the shift differential would be appropriate. Accordingly, the request for its inclusion is denied.

#### NON-ECONOMIC ISSUES

##### Agency Shop

The City maintains that numerous city residents do not believe in unions, and therefore requests that the Panel not order inclusion of an Agency Shop provision. However, notwithstanding firm convictions, religious or otherwise, collective bargaining in Michigan is authorized by public statute, and the agency shop and dues check-off provisions are not only legal, according to the 1973 action of the Michigan legislature, but, in the opinion of the Panel, an appropriate manner of requiring employees to support their collective bargaining representative without mandating union membership. The parties are ordered to

incorporate an Agency Shop provision into the contract.

Manning

The Association here requests addition of one patrol car to each shift and one additional detective, both to be added effective July 1, 1974. However, notwithstanding the Panel's recognition that manpower shortages are not uncommon in public employment, the evidence is not sufficient to justify imposition of this Panel's authority upon the will of the taxpayers and their elected representatives. The request is denied.

Sick Leave

Presently, the collective bargaining agreement provides for a 100-day limit on accumulation of sick leave days. The Association proposes that officers be allowed unlimited accumulation of sick leave credits, 1/2 to be paid upon retirement or death at the rate of their then-current rate of pay.

The Panel finds no evidence in this case that unlimited accumulation is necessary, and while recognizing the benefit of accumulating sick days to provide for the eventuality of lengthy illnesses and avoid the necessity of an employee 'using' or 'losing' the days, nevertheless, the finding is that the present provision is sufficient. The Association's request in this regard is, therefore, denied.

Assessment for Patrol Car Damage

Article XXV, Section 7 of the City's proposal states that:

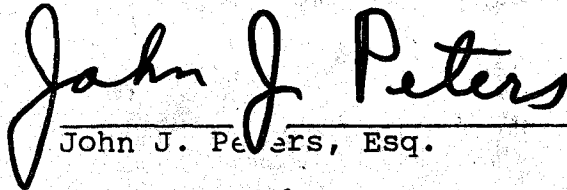
It is understood and agreed that an employee may be required to reimburse all or part of the damage or repair costs, up to \$100.00 either by monetary payment or by deducting accrued Leave Time. Any reimbursement shall be conditional on the negligence of the employee involved, as determined by the Safety Committee, for the following offenses:

- (a) Accidents involving City-owned vehicles.
- (b) Careless operation of City vehicle . . .

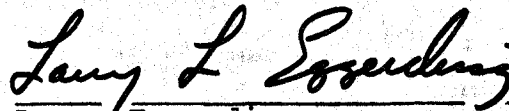
The Association requests this language be omitted from the contract. However, considering the fact that the program was instituted originally as an alternative to disciplinary action being taken against police officers, the fact that it is specifically conditioned on the negligence of the employee, and the fact that the Safety Committee is composed entirely of police officers from the City's department, the Panel finds the provision not unreasonable. The City's request for its inclusion is granted.



Richard I. Bloch, Esq.  
Chairman



John J. Peters, Esq.



Larry Eggerding

Date: February