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4/27/72

ARB

In the Matter of Arbitration between
Fraternal Order of Police
Saginaw Lodge No. 105
- and -
City of Saginaw, Michigan

Arbitration Proceeding

Pursuant to Act No. 312

Michigan Public Acts of 1969

4/27/72

Opinion

This arbitration proceeding has been conducted pursuant to Act No. 312, Michigan Public Acts of 1969, and upon initiation of Fraternal Order of Police, Saginaw Lodge No. 105 (hereinafter called F.O.P.). The members of the Arbitration Panel are: Mr. Hamed W. Suffety, Delegate of F.O.P.; Mr. Henry G. Marsh, Delegate of the City of Saginaw (hereinafter called City): and Dallas L. Jones, Chairman. Mr. Edward P. Joseph, Attorney, Joseph, Roach, O'Rourke, Goldstein and Goetzke, appeared on behalf of F.O.P. Mr. Charles E. Keller, Attorney, Keller, Thoma, McManus, Toppin and Schwarze, appeared for the City.

Procedural Matters

By letter dated June 25, 1971 to the Michigan Employment Relations Commission, the F.O.P. requested that arbitration proceedings under Act No. 312 between the F.O.P. and the City be initiated as the result of the parties' inability to reach agreement upon a new collective bargaining agreement to replace the two year agreement then in effect and due to expire on June 30, 1971. On August 12, 1971, the Chairman was notified of his appointment by the Michigan Employment Relations Commission.

The Panel met in executive session on August 25, 1971 to discuss procedural matters. (The parties agree that this meeting constitutes the initiation of hearings in this matter.) On

Jones, Dallas L.

LABOR AND INDUSTRIAL
RELATIONS COMMISSION
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August 27, 1971, the Chairman informed the parties that hearings would be held on September 23 and October 26, 1971. This letter reads in part:

"The purpose of the first hearing is to permit the parties to present their demands to the Board. The Board has agreed that these demands should be accompanied by written explanations and other supporting documentary evidence. Hopefully, the parties will enter into any stipulations possible; that is stipulations regarding comparisons, etc. Each party will be given the opportunity to explain its position by such testimonial evidence as is necessary.

"The purpose of the second hearing on October 26 is to permit such cross examination as is necessary and to introduce such additional evidence as may be required. Both parties will be given the opportunity to submit post-hearing briefs.....

"It is the hope of the Board that the parties will continue their collective bargaining efforts to reach an agreement even though this proceeding has been initiated. The Board agrees that the efforts of the parties will be considered privileged information."

At the hearing on September 23, 1971, the City questioned whether the dispute was arbitrable because of alleged procedural defects. First, the City contended that the F.O.P. had not submitted the dispute to binding arbitration within 30 days of the submission of the dispute to mediation; and second, there had not been meaningful and good faith negotiations. After hearing the arguments concerning these matters the Panel adjourned the hearing.

On October 26, 1971, the City indicated it did not wish to pursue the time limits objection but would reserve its rights on the second question. At the request of the Panel, the parties entered into negotiations and reached a tentative agreement. However, they were later unable to finalize the agreement, and by letter dated November 5, 1971, Mr. Joseph requested that the hearing be re-convened.

A hearing was held on December 2, 1971. At the conclusion of the hearing, the parties agreed to submit certain additional information. It was further agreed that after each party had sufficient time to study this information and cross examination was not required, the hearing would be closed and a date set for submission of briefs. Subsequently, the date of March 6, 1972 was established for submission of briefs. Briefs were received as scheduled and the hearing was closed.

The Panel met informally with the parties on March 25, 1972. Thereafter, the Panel met in executive session. An executive session was also held on April 15, 1972.

This Opinion has been written by the Chairman of the Panel, but full account has been taken of the suggestions of the other members of the Panel; their assistance has been of great value throughout this proceeding. Concurrence by the other members of the Panel in the Award does not necessarily indicate agreement with everything stated in the Opinion.

Standards for Decision

Section 6 of Act No. 312 states that "proceedings shall be informal" and that "Technical rules of evidence shall not apply and the competency of the evidence shall not thereby be deemed impaired." Section 9 sets forth the criteria upon which "the arbitration panel shall base its findings, opinions and order." These criteria 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.

Section 10 provides in part that "A majority decision of the arbitration panel, if supported by competent, material and substantial evidence on the whole record, shall be final and binding upon the parties....."

In reaching its conclusions on the issues in dispute, the Panel has endeavored to adhere to the criteria set forth above. It should be noted that the Panel considers the briefs of the parties to be part of the "whole record." At the hearing on December 2, 1971, it was stipulated that only a brief explanation of the issues in dispute would be presented, and the arguments and/or rationale supporting the demands would be presented in the briefs.

Arbitrability

The preliminary question is whether or not there has been good faith bargaining. The Panel concludes that it does not have the authority to inquire into this matter but must abide by the decision of the Michigan Employment Relations Commission. Thus in the letter dated August 12, 1971 to the Chairman of the Panel, Mr. Robert G. Howlett, Chairman, Michigan Employment Relations Commission stated: "There has been both collective bargaining and mediation which, under the statute, are conditions precedent to arbitration." Inasmuch as the Commission has certified that the conditions precedent to arbitration have been met, which seemingly includes the element of good faith bargaining, the Panel accepts the decision of the Commission and holds that the dispute is arbitrable.

Issues in Dispute

The F.O.P. has submitted some 18 issues for decision; in addition, it has requested other contractual changes. The City also seeks changes in certain of the provisions. The Panel understands that those provisions of the expired collective bargaining agreement which are not in dispute will be continued without change in the new agreement.

No attempt will be made to set forth in full detail the arguments of the parties in regard to each of the issues in dispute; this will be done only where necessary.

1. Length of Contract:

(1)

The City requests a three year agreement; the F.O.P. seeks a two year agreement. The City urges that inasmuch as it has

concluded two year agreements with some of its employee groups, a three year agreement would stagger negotiations, provide the City with greater stability for a greater period of time and permit the City to plan its budget and allocate its funds in an orderly manner. The F.O.P. contends that in the present economic situation, without the inclusion of a cost-of-living provision, a three year agreement is impracticable and would work a hardship upon its members.

(2)

A three year agreement would undoubtedly have certain advantages; however, given the uncertain economic conditions which now face the nation a three year agreement without a provision to compensate for any increases in the cost-of-living does not appear equitable. The Panel does not believe that it should require the inclusion of a cost-of-living provision for reasons which will be set forth below. While there has been some trend toward a three year agreement in other cities, the majority of cities operate under a two year agreement. Inasmuch as the prior agreement was a two year agreement and for the reasons noted, the Panel believes and so holds that the agreement shall be for two years or from July 1, 1971 to June 30, 1973.

2. Wage Increase:

(1)

The present salary scale for Patrolmen is \$8,566.00 minimum and \$10,004.00 maximum. The maximum salary is based upon a four year progression; it does not include longevity payments. The F.O.P., as set forth in its last offer to the City, requests a 17½% increase the first year and 15% the second year,

exclusive of fringe benefit increases. The City offers 8% the first year, 3½% the second year and 3½% the third year (assuming a three year agreement), inclusive of fringe benefits. The percentage increases proposed by both parties would be applied in like fashion to other classifications.

The F.O.P. urges that its proposal is fair for the following reasons. First, it notes that the present Saginaw salary scale for policemen places Saginaw 61st among the 82 Michigan cities with population in excess of 10,000. Second, the F.O.P. notes that a 17½% salary increase would provide a four year Patrolman with a base salary of \$11,573.00. This amount is comparable to increases recently granted fourth year Patrolmen in Warren (\$12,000.00), Jackson (\$11,618.00), Grand Rapids (\$12,000.00), Flint (\$12,240.00) and Lansing (\$12,000.00). On the other hand, the increase proposed by the City would leave Saginaw Patrolmen far behind these cities. Third, the F.O.P. urges that while the increase it proposes may appear at first excessive, Saginaw Patrolmen have considerable "catching-up" to do as compared to Patrolmen in other cities and with skilled tradesmen in the private sector. The F.O.P. also urges that past gains have been eroded by inflation.

The City has not pleaded inability to pay provided the wage increase granted is that proposed by the City; it considers the proposal of the Union excessive and to grant it would raise a question of inability to pay. The City also urges that wages of skilled tradesmen should not be used for comparison; not only have such comparisons been rejected by other arbitrators, but in addition the F.O.P. provided no justification for

such a comparison. The City also urges that the list of cities used by the F.O.P. for comparative purposes is inadequate in terms of coverage, lists only cities larger than Saginaw and includes one city, Warren, which should not be included because it is a "bedroom community" adjacent to Detroit.

In support of its position, the City offers the following cities for comparison:

<u>City</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Years to Maximum</u>
Bay City	\$ 8,755.00	\$ 9,385.00	2 years
Flint	10,641.00	12,629.00	4 years
Midland	9,020.00	11,135.00	3 years
Lansing	8,013.00	12,000.00	4 years
Grand Rapids	9,000.00	12,000.00	4½ years
Kalamazoo	8,777.00	10,931.00	5 years
Pontiac	10,044.00	13,051.00	5 years
Dearborn	10,249.00	11,700.00	4 years
Ann Arbor	9,800.00	12,200.00	3 years
Jackson	9,267.00	11,268.00	4 years
Battle Creek	9,411.00	10,381.00	2 years

The City notes that the average salary of these cities is \$9,381.00 compared to the \$8,566.00 presently paid Saginaw Patrolmen; therefore, the increase proposed by the City would place Saginaw near the average.

Finally, the City urges that the Panel's finding must fall within the guidelines established by the Federal Pay Board; this is required by Section 9 (a) of Act No. 312. The F.O.P. urges, on the other hand, that the Panel should not give consideration to these guidelines while recognizing its responsibility to obtain approval for its proposed demands.

(2)

The Panel does not believe that the Act requires it to reach a finding which falls within the guidelines of the Federal Pay Board. While the City may not lawfully pay without

approval an increase that exceeds these guidelines, the Panel must take into account the other factors set forth in Section 9 in reaching a "just and reasonable" decision. While the Panel does not have to consider every factor, it must consider those which are applicable. A "just and reasonable" decision may require exceeding the guidelines and indeed the necessity to do so may be recognized by the Pay Board. The Pay Board has approved wage increases in excess of its guidelines when good and substantial reasons are present.

The Panel agrees with the City that in reaching its decision the wages of skilled tradesmen should not be used. The work of a policeman is substantially different than that of skilled tradesmen. There is also no justification on the record for such a comparison. The Panel further agrees that even though the City may be ranked 61st among the 82 cities with a population of over 10,000, this fact in itself has little probative weight for comparative purposes.

The two factors which the Panel believes should be given considerable weight in determining the salary scale are comparisons with other communities and ability-to-pay. The ability-to-pay criterion must also take into account the total wage cost and not just the increase in salary.

The communities listed by the F.O.P. for comparative purposes include four listed by the City; these cities, however, are all larger than Saginaw and one of them, Flint, has greater minimum education or experience requirements. Because of its proximity to Detroit, Warren does not provide a good comparison. The list of cities proposed by the Company provides, therefore, a more suitable basis for comparison.

This list includes twelve cities with a range in minimum salaries from \$8,013 to \$10,641 and in maximum salaries from \$9,385 to \$13,051 with averages of \$9,381 and \$11,423. The time required for reaching the maximum ranges from two to five years. In the former category are Battle Creek and Bay City, ranked sixth and eleventh in terms of minimum salary and eleventh and twelfth in terms of maximum salaries. Kalamazoo and Pontiac are in the latter category; they rank tenth and third in terms of minimum salaries and ninth and first in terms of maximum salaries.

If the total compensation increase which the City proposes were used exclusively for salaries, the minimum salary of Saginaw Patrolmen would be increased to \$9,261.00 for the first year of the Agreement and the maximum salary to \$10,804.00. This would still leave the Saginaw Patrolmen \$100.00 below the minimum average of all cities and \$600.00 below the maximum average. The City's proposal would increase salaries the second year by 3½% or \$9,585.00 and \$11,181.00 respectively, again using all monies for direct increases in salaries.

The F.O.P.'s proposal of 17½% increase the first year would increase the minimum salary to \$10,065.00 and the maximum to \$11,754.00. The second year, with a 15% increase, the minimum would increase to \$11,574.00 and the maximum to \$13,517.00. These increases would place Saginaw near the top for all cities in terms of both minimum and maximum salaries for the first year. This does not include the substantial increases in fringe benefits sought by the F.O.P.

It is the Panel's opinion that the total money increase

proposed by the City, especially in the second year, is not adequate. If all of the money were used for salaries it would still leave Saginaw below the average of all communities which the City has used for comparative purposes. It is only \$130.00 above the average of the five smaller cities or those with a population of less than 50,000. It is \$275.00 below the average of the three cities with population between 84,000 and 100,000 (the grouping into which Saginaw falls), and it is \$200.00 below that of the larger cities, two of which have very low rates. Moreover, it does not take into account differences in fringe benefits. Adoption of the City's proposal would mean that Saginaw Patrolmen would fall well behind those in other cities.

The Panel is equally of the opinion that the F.O.P.'s proposal cannot be justified. It would mean that Saginaw Patrolmen would become one of the leaders in terms of both minimum and maximum salaries. The second year, there would be even more upward movement. The F.O.P. has not demonstrated the need for such an increase. Nor can the cost of such an increase which does not take into account improvement in fringe benefits be justified.

There is no question, in the opinion of the Panel, that a reasonable increase in salary is required in both the first and second year of the agreement, as well as some improvement in fringe benefits. This is required not only in order to maintain parity but also to recognize the requirements placed upon the Saginaw police. Clearly, the job of a policeman is more difficult in Saginaw than in the neighboring cities of Bay City and Midland. One can query whether it is as difficult as its

other neighbor city, Flint. Salaries should reflect these differences. Ability-to-pay must also be taken into account.

Upon the basis of all considerations, the Panel believes there should be an increase of 10% in salaries the first year and 8% the second year. The first year minimum salary is thus increased to \$9,422.00 and the maximum after four years to \$11,004.00. This will mean that the Saginaw minimum will approximate the average salary for all cities and it will give Saginaw a parity position in terms of both larger and smaller cities as well as reflect an appropriate difference with neighboring cities. This salary increase is exclusive of certain improvements in fringe benefits. The second year increase, which will increase the minimum to \$10,222 and the maximum to \$11,939, should maintain this parity position.

The Panel believes that this increase in salary is fair and equitable. It recognizes the fact that much of the salary increase which the Saginaw police received under their expired agreement has been eroded by inflation because this agreement did not have a cost-of-living provision. It provides a parity relationship with police in other cities, both larger and smaller, whose agreements were consummated before the Federal economic stabilization program became effective, and it will continue that relationship in the second year. It is unfair to deny Saginaw police a justifiable increase because these proceedings were not completed prior to the advent of the economic stabilization program.

The evidence submitted into the record also indicates that the City should be able to absorb the salary increases here

proposed. The City did not plead inability to pay except to the extent that the increase was "excessive." The City did not provide evidence to the Panel to indicate the extent of its ability to pay. In any event, the Panel does not believe its finding falls into the category of "excessive" even with the increase in fringe benefits which will be noted below.

The Panel further holds that the ^{percentage} increases which have been given to Patrolmen shall be given to the other police classifications. This is necessary not only on the basis of equity, but it is also necessary in order to maintain the differentials between classifications which have been established by the parties.

The Panel has considered at length whether this salary increase should be made retroactive. The City has urged that it should not for understandable reasons. The F.O.P. has urged that it should for equally understandable reasons.

The Panel believes that to deny retroactivity would be inequitable. The delay in this Award is not the sole responsibility of any one person or party; therefore, it would be unfair to employees to deny them this increase at a time other than that which it would have normally begun.

The Panel finds that the salary increase for the first year, 10%, shall be retroactive to July 1, 1971; employees shall be paid the back wages due them. The second year increase of 8½% shall become effective on July 1, 1972.

In order to help avoid the problem of retroactivity, the Panel suggests that as the time for the expiration of the current agreement approaches, the parties initiate their bargaining

efforts earlier than heretofore with an impasse date established earlier than the contract expiration date. If, and hopefully this will not be the case, agreement cannot be reached, the parties can then proceed to arbitration. The time between the Award and the contract expiration date could then be reduced.

3. Longevity Ceiling:

(1)

The prior agreement between the parties provided longevity increases of 2% upon completion of 5 years continuous service, 4% after 10 years, 6% after 15 years, and 8% after 20 years. These increases were computed only on the first \$9,000.00 of base salary.

The F.O.P. proposes that the \$9,000.00 ceiling be removed and longevity pay be computed on total salary. The F.O.P. urges that longevity pay is of benefit to the City as well as to the employee; it adds to the attractiveness of the job, thus helping to retain experienced men as well as helping in the recruitment of new men. Thus, urges the F.O.P., there is no sound or logical reason for the \$9,000.00 ceiling.

The City urges that it has one of the best longevity plans of the comparable cities; it has one of the highest base salaries and the highest percentage increments. The City contends that in reality the benefits to the City from such a plan are minimal and do not justify the great increase in costs which would be incurred if the ceiling were eliminated.

(2)

Longevity increases do add to the attractiveness of the job inasmuch as they reward continuous service. Because they

do make the job more attractive, longevity increases aid in the retention of men. At the same time, however, longevity increases are only part of a total package of fringe benefits and should not be given undue importance.

The City's present longevity plan is one of the best of the comparable cities. The F.O.P.'s proposal would establish a benefit far in excess of that provided by any of the comparable cities. It would add a considerable amount in costs. The question is whether the money required to grant the F.O.P.'s request would benefit the F.O.P. and the City more than using the money elsewhere; while each benefit may be desirable itself, each must be considered in relation to others and the amount of money available.

It would seem that inasmuch as there is no evidence that the present plan is inadequate, either in terms of its purpose or in relation to the plans of other comparable cities, there is no basis for granting the F.O.P.'s request. The money necessary to grant this request can better be used for other benefits where the need is more demonstrable.

4. Fully-Paid Blue Cross - Blue Shield Master Medical (MVF-2) Drug Program:

(1)

The prior agreement between the parties provided for the MVF-1 plan; it was fully paid for the employee and the City paid \$14.50 per month toward the cost of this program for each dependent. The F.O.P. is requesting that the City adopt the MVF-2 plan and pay the full costs for the employee and his dependents. The City proposes that the MVF-1 be continued with

the City paying the full cost for the employee and his family; however, a \$50.00 deductible provision would be added.

The F.O.P. urges that there are many good and substantial reasons for the adoption of its proposal, three of which are: this type protection is required in the face of soaring medical costs; such a plan is standard in private industry; and there is growing acceptance of it among public employees. The City advances the following arguments against such coverage: first, there is no general acceptance of such extensive coverage by the comparable cities; second, it would provide different coverage than that granted to other of the City's employees; third, requiring the employee to share in the costs makes him more aware of the costs and thus helps prevent abuses; and fourth, because the police are among the best paid city employees, their need is not as great as other lower paid employees.

(2)

While it cannot be denied that the MVF-2 fully-paid plan would be of great benefit to employees, the Panel believes that it should not grant the F.O.P.'s request. The Panel's reasons are as follows:

First, to grant this request would give the police a clear advantage over other City employees. While this would not be sufficient reason in itself to deny the request - there has to be a leader in everything - it is a factor which must be taken into account. Second, only two of the comparable cities have such plans. Third, this request, if granted, would have a considerable impact upon costs; the City estimates that the increase would be 2.3% the first year. The cost of the MVF-2

plan becomes prohibitive when the entire economic package is taken into account.

The Panel notes, however, that the clear trend among the comparable cities is to provide the MVF-1 fully-paid plan for both the employee and his dependents. The City also provides this plan to other of its employees. The cost to the City of providing this plan is much less than for the MVF-2 plan.

The Panel finds that the City, in order to maintain parity, shall provide the Saginaw police with the MVF-1 plan fully paid for both the employee and his dependents. The Panel does not believe that this benefit should be made retroactive. The Panel directs that this change become effective May 1, 1972.

5. Clothing Allowance - Non-Uniform Employees:

(1)

The expired agreement between the parties provided a clothing allowance of \$150.00 per year (\$12.50 per month) for non-uniformed (plainclothes) employees. The F.O.P. requests that this amount be increased to \$300.00 per year.

The F.O.P. urges that the original granting of a clothing allowance recognized the need for it; however, increasing costs of clothing now make the \$150.00 allowance unrealistic. The nature of police work is such that clothes are likely to be damaged in the line of duty and require repair or replacement. The amount it seeks, urges the F.O.P., is reasonable in terms of increased costs. The F.O.P. notes the City provides the necessary clothing for uniformed officers.

The City's position is that the present sum is adequate. The City notes that other of its employees are required to

make a presentable picture and no clothing allowance is given. While the City does provide uniforms, the cost is some \$60 per year for each employee. Finally, the City notes that none of the comparable cities approach the amount requested by the F.O.P.; the average is \$150.00 to \$160.00.

(2)

While it is true that other City employees have to make a presentable appearance, the greater possibility of damage to clothing must also be taken into account. The work of a policeman constantly involves possibility of such damage. It would obviously be unfair to require policemen to shoulder the full cost of clothing under such circumstances. This was recognized in granting the allowance originally.

In view of this consideration, it is also unfair to make employees bear a larger share of their clothing costs simply because of an increase in prices; to do so would mean a salary decrease. There is no doubt that prices have increased; therefore, an adjustment in the clothing allowance is in order.

The Panel notes that of the comparable cities, only two pay less than \$200.00. Six cities pay \$200.00, two pay \$250.00 and one pays \$300.00. The "going" allowance thus appears to be \$200.00. Inasmuch as this amount appears to meet the reasonable needs of plainclothes employees and would maintain parity with the comparison cities, the Panel finds that the clothing allowance shall be increased from \$150.00 per year to \$200.00 per year.

6. Double Time for Holidays:

(1)

The expired agreement between the parties did not provide for extra compensation for holiday work. The F.O.P. requests that work on the following holidays be paid at a double time rate: New Years Day, Good Friday, Memorial Day, Fourth of July, Labor Day, Veterans Day, Thanksgiving and Christmas.

The F.O.P. urges that double time for holidays is not a new or rare concept; premium pay for working on holidays is standard throughout industry and is paid by the City to other of its employees. The City does not argue that extra remuneration for work on holidays is not justified, but asserts that such remuneration is paid in terms of extra vacation days. In rebuttal, the F.O.P. urges that the City's argument in regard to vacation days is not valid; other City employees receive holidays off in addition to their vacations. Moreover, if a holiday falls within the vacation time of a policeman, he does not receive an extra day of vacation.

(2)

The evidence indicates that in the early years of their employment, the police do have an advantage over other City employees (excluding fire) in terms of vacation days. After six years, however, this advantage begins to dissipate. This is shown by the following table:

<u>Police</u>	<u>Other</u>
20 days for 1-10 years	10 days for 1-5 years
23 days for over 10 years	15 days for 5-10 years
	17 days for 10-15 years
	20 days for over 15 years

Thus a policeman with six to ten years of service receives 20 days of vacation, but he does not receive premium pay if he works a holiday. Although he is not likely to work every holiday, he will work some of them. Other employees with six to ten years of service receive 15 days of vacation and eight paid holidays for a total of 23 days; if they are required to work a holiday, they receive double time. A policeman with ten years of service receives 23 days while other employees enjoy 25 days including holidays. After 15 years of service the policeman still receives 23 days of vacation while other employees receive 20 days of vacation and eight paid holidays.

If the request of the F.O.P. is granted without any reduction in vacation days, the position of the police would be reversed. There would be an even greater advantage for a policeman with one to six years; he would receive 20 vacation days and eight paid holidays compared to ten days and eight paid holidays for other employees. After 15 years of service, the policeman would still have a slight advantage over other employees.

It can be argued that the best plan is one which would place all employees on an equal basis throughout their careers. The F.O.P. proposal would not accomplish this objective, and it would increase costs. While there are various alternatives to the F.O.P. proposal that might accomplish this purpose - i.e., placing police on the same vacation-paid holiday basis as other employees - the Panel is reluctant to order such a drastic change in the present arrangement without evidence as to the manner in which it would be received by the parties. The only

alternative open to the Panel is to deny the F.O.P.'s request and order that the present arrangement in regard to vacation time in lieu of holiday pay be continued in the new agreement without change.

7. Sick Leave - Payment Upon Retirement:

(1)

The prior agreement between the parties (Article XVIII, Section 1) provided a sick leave of twelve days per year. If not used, sick leave was permitted to accumulate; however, the total accumulation could not exceed 180 days. Article XVII provided for an attendance incentive plan. Under this plan, an officer received 24 hours' pay in cash, additional sick leave days or additional vacation days if he did not use, during the year, any of his sick leave days, 20 hours if he used one day, 16 hours if he used two days, and 8 hours if he used three days. Unused accumulated sick leave was not paid upon retirement.

The F.O.P.'s position is that there should be pay for all unused sick leave up to 180 days upon retirement; the officer has earned this benefit and is entitled to it upon retirement. The City urges that sick leave is similar to an insurance policy and should not be used as a salary supplement if not used. The City also notes that none of the comparable cities pay 180 days; most cities permit only 120 days accumulated sick leave and pay only one-half upon retirement. The City also urges that while it is willing to pay a share of unused sick leave, its position is that it has to be done in lieu of the incentive plan presently in practice because the two plans are inconsistent.

(2)

There is no doubt that with the possible exception of Flint, the City has the most generous plan in terms of the number of sick leave days which can be accumulated; most cities permit an accumulation of 120 days. Only two cities - Ann Arbor and Flint - pay 100% of the accumulated sick leave days upon retirement. Three cities do not pay any and the others pay 50%. Thus, there is a clear trend among the comparable cities toward paying unused sick leave upon retirement. There are good reasons for doing so - it clearly provides an incentive for attendance and tends to prevent abuse of sick leave. It is also a valuable benefit to employees upon retirement and helps in the retention of personnel.

The Panel believes, however, that the request of the F.O.P. goes too far. Not only would a 100% payment exceed the general trend in terms of percentage of days to be paid, but it also becomes excessive because of the larger number of sick leave days which can be accumulated in Saginaw. The Panel believes that a fair arrangement is that followed by most of the comparable cities - 50% of the accumulated sick leave days. The Panel holds, therefore, that upon retirement, an officer shall receive pay for 50% of his accumulated sick leave days. The total number of days for which the officer shall receive pay cannot exceed 90 days (one-half of 180 days).

The Panel agrees with the City that the payment of unused sick leave days upon retirement makes the incentive attendance program unnecessary. Article XVII shall, therefore, be eliminated from the Agreement.

8. Amend Grievance Procedure to Permit Arbitration of Grievances:

(1)

Article VI of the expired agreement provided for a five-step grievance procedure. The final step provided for a complete report of the facts of the grievance by the Personnel Director (obtained through the fourth step hearing) to the City Manager, who then tendered a final decision. The F.O.P. requests that the final step end in binding arbitration by an impartial arbitrator. The City objects to this proposal and urges that its need has not been demonstrated; only 13 grievances were submitted during the life of the expired agreement and only one of these was carried to the final step.

(2)

Arbitration of grievances has long been accepted in the private sector of the economy and it has growing acceptance in the public sector. The Federal Government, under the latest Executive Order, permits the use of final and binding arbitration of grievances by an impartial arbitrator. This has been done even though there has not been an avalanche of grievances. The reason for so doing is obvious; employees are assured of a fair and impartial hearing of their grievances. This does not necessarily mean they were not receiving such a hearing; it means only that their confidence is increased that this is so. Thus, the use of arbitration can increase the morale of employees and improve attitudes of people toward their superiors.

The Panel believes that provision for the compulsory arbitration of grievances arising out of the interpretation and application of the terms of the Agreement should be included in

upon this issue among the comparable cities.

(2)

There is clearly merit in the positions of both parties on this issue. The desire of senior men to work the more preferable shifts is understandable. The need of the City is equally apparent; indeed, the F.O.P. recognized this need and voluntarily agreed to abandon the practice when the interests of the City and its own members required it.

It is the opinion of the Panel that the interests of both parties could be served if the shifts were balanced with experienced and lesser experienced men. While the City attempts to do this in an informal manner, the Panel believes that this should be formalized in a manner satisfactory to both parties. The Panel does not believe, on the basis of the evidence before it, that it should determine what the appropriate ratio should be. Therefore, the Board remands this issue to the parties for the purpose of negotiating the proper ratio. The Board will hold jurisdiction of this matter for 90 days to resolve any differences which may arise between the parties in carrying out the Board's finding.

10. Payment for Working in Higher Classification:

(1)

The expired agreement between the parties did not provide that an employee who works in a higher classification be paid the rate of that classification. The F.O.P. requests that the new agreement contain such a provision; the F.O.P. urges that equity demands it. The City's position is that a Sergeant never actually takes over the full responsibilities of a Lieutenant,

that such occurrences are of short duration and are the result of unexpected absences. The City points out that most of the comparable cities do not have such a provision and those that do are not under the jurisdiction of Act No. 78.

(2)

If the use of Sergeants to replace Lieutenants were as rare as the City alleges, there would be more merit in its position. The evidence indicates, however, that the use of Sergeants to replace Lieutenants occurs frequently, if not regularly. (This is especially so on week-ends.) There is also no evidence to indicate that the Sergeant is not expected to assume full responsibility. The Panel believes that equity requires there be compensation for this added responsibility.

The Panel holds, therefore, that the new Agreement include a provision compensating Sergeants for working in the Lieutenant's classification; provided, however, that such replacement is for more than two hours on one shift.

11. Three Personal Leave Days:

(1)

The F.O.P. seeks a provision which will grant three paid personal leave days to be taken at the officer's option. The F.O.P. points out that if an officer has a personal matter which requires his attention, he must request a vacation day; this request must then be sent through the chain of command. The City's position is that this request is merely a means to obtain additional vacation time, the vacation time enjoyed by police officers is adequate for this purpose, no other City employees have personal leave days, and only three of the comparable cities grant such a privilege.

(2)

Personal leave time is not a specious demand. Personal needs which require absence from work can arise unexpectedly and vacation time may not be possible to obtain upon short notice; moreover, vacation time serves a completely different purpose. Employees may also have an understandable reluctance to discuss with their supervisors the reasons for requesting time off; personal leave days relieve them of such an obligation.

On the other hand, the Panel must take into account the full range of demands requested by the F.O.P. in terms of the City's ability to pay. As the Panel noted above, choices must be made even though each request in itself has merit. The Panel believes, therefore, that because of the cost of the total package which the panel is recommending, this request must be denied.

12. Two-Man Cruisers:

(1)

The City utilizes, with certain exceptions, one-man cruisers. This has been done since approximately 1967. The F.O.P. requests that the City return to the former practice of two-man patrol cars. The City's position is that this is not an arbitrable issue and that in any event, a return to the two-man cruiser is not justifiable. In support of their respective positions, the parties have submitted lengthy exhibits.

(2)

The Panel held during the course of the hearing that this was an arbitrable matter because it involved a working condition. The Panel reaffirms that decision.

The Panel has carefully studied the documents presented by the parties. It fully understands the concern of the F.O.P. on this matter - a very understandable concern, it might be added. A study of this evidence, however, does not fully substantiate the F.O.P.'s contentions. While it may be surmised that two-man cruisers provide greater safety for the policeman than two-one man cars working as a team, the evidence does not indicate that this is necessarily so. Most police authorities recommend the use of one-man patrol cars except where circumstances dictate otherwise. (The City continues to use two-man patrol cars in certain situations.) The trend throughout the country is in the direction of one-man patrol cars; the concept is used in the comparable cities. There is no indication that it has resulted in greater accidents to policemen and the evidence does indicate that it is a more effective means of combating crime.

The Panel believes, therefore, that it should not limit the City's discretion in the use of one-man cruisers. This does not mean that the F.O.P. is prohibited from calling to the City's attention and for its consideration instances where it believes a one-man cruiser may be inappropriate. This should be done through the proper channels.

13. Shorten Period of Available "Summer" Vacation Time:

(1)

The present rule requires that vacation time must be divided between the summer and winter months. (No vacations are permitted during December and during the week of the Saginaw Fair; the latter usually occurs during the second week of September.) Policemen must now select a "summer" vacation

between April and October. The F.O.P. requests that the "summer" vacation period be defined as May 15 to September 15 in order that its members can truly enjoy a summer vacation. The F.O.P. also notes that many of its members have children in school and these are the only months in which family vacations can be taken.

The City's position is that it has to provide a vacation for every man on the force; all men cannot take vacations in the most desirable months without the necessity to add manpower. The City points out that police protection must be provided at all times and manpower must be scheduled to meet this need.

(2)

The Panel does not disagree with the F.O.P. that a shorter summer vacation period would be desirable. The Panel does not believe, however, that it is justified in granting this request if it results in an increase in costs. The evidence indicates that in order to grant the F.O.P.'s request, additional manpower would be required. The Panel finds, therefore, that this request must be denied.

14. Post Shift Schedule by 15th of Month:

(1)

The F.O.P. requests that shift schedules be posted by the 15th of the month. The F.O.P. notes that it recognizes the occasional need for schedules to be changed after they have been posted but asserts that it is only fair to the men that they be posted by the 15th of the month so that they can accommodate their personal schedules to their work schedules.

(2)

The evidence indicates that schedules are generally posted

by the 15th of the month. The City admits that it is to its own advantage to post schedules as early as possible; its major objection is that it does not want a failure to do so to become a "contract violation" if caused by unforeseen circumstances. It also wants the right to change schedules if circumstances dictate the need for it.

The Panel does not believe the objections of the Company warrant a finding against the F.O.P. The inclusion of such a provision will simply mean that the City must give more priority to the posting of schedules than heretofore. It should be recognized by the parties, however, that there may be occasions when posting of the schedule by the 15th of the month cannot be accomplished, and there may be occasions when, for good reason, the schedules must be changed. The Panel holds, therefore, that schedules shall be published by the 15th of the month.

15. Length of Lunch Period:

Article VII, Section 1 of the expired agreement provided for a 20 minute lunch break; the F.O.P. requests that this period be extended to 30 minutes.

The Panel believes that there is good reason for some extension of the lunch period time; the evidence indicates that officers do have some difficulty in meeting the time limit, especially on the night shift. The need for a one-third increase in time, however, was not fully demonstrated; clearly, no more time should be allowed than is necessary. The Panel believes that an extra five minutes may well be sufficient; the lunch period shall be increased, therefore, to 25 minutes.

The Panel takes note of the City's plea that if the lunch

period time is increased, the current practice of officers quitting ten to fifteen minutes early should be abandoned. The evidence indicates that this time is used for submitting reports, etc., before going off duty; while some officers may complete this process early, others do not. It does not seem proper to require officers to perform this function on their own time and especially so since they are now required to report fifteen minutes early. The request of the City is, therefore, denied. This does not preclude the City, however, from taking measures to minimize this time.

16. Cost-of-Living Provision:

The Panel, as indicated herein above under Section 1, does not believe that it should grant the F.O.P.'s request for a cost-of-living provision. The Panel's reasons are as follows:

The Panel recognizes the legitimate fears of the F.O.P. that increases in salary may be eroded if the inflationary trend in the country continues. Indeed, much of the salary increases of the past few years have suffered such a fate. However, while the country still faces a great deal of economic uncertainty, the Federal Government is taking more positive actions to combat this inflation. These actions are exhibiting some signs of success.

Rather than incorporating a cost-of-living provision in the agreement, the Panel believes it is better to provide a salary increase of sufficient magnitude that will enable Saginaw police to maintain a parity relationship with the salaries of policemen in the comparable communities. This the Panel has done. This increase reflects losses from past inflationary

increases and also provides a catch-up in terms of comparative salaries. The increase which the Saginaw police will receive the second year should accommodate the losses which might be suffered through increases in cost of living (assuming the anti-inflationary measures enjoy a modicum of success) during the second year in addition to a real gain in wages.

The Panel also believes that it is better for the City's planning and budgeting that it be reasonably certain of its salary costs. A cost of living provision introduces a measure of uncertainty.

Finally, the Panel notes that only two of the comparable cities provide a cost-of-living allowance. While this alone should not determine whether a cost-of-living provision should or should not be included, it does indicate substantial agreement that such a provision is not appropriate. Because the Panel does not believe a cost-of-living provision is appropriate, it has decided in favor of a two-year agreement rather than a three-year agreement with the salary increases noted above.

The Panel denies therefore, the F.O.P.'s request for a cost-of-living provision.

17. Retirement System Amendments:

(1)

The present pension plan provides that an officer may retire at age 55. In addition, he may retire prior to age 55 upon completion of 25 years of service; however his pension is actuarially reduced. The F.O.P. requests that an employee be allowed to retire at normal benefits after 25 years of service regardless of age with mandatory retirement at age 62.

(2)

There is perhaps no matter within the collective bargaining realm which presents more complexity than does a pension plan. It is also true that there is no other matter of greater long run interest and importance to employees or to the City. For these reasons alone, the Panel is reluctant to make changes to a well established plan unless the need for such changes is clearly evident.

In addition, no member of the Panel considers himself an "expert" in the pension area. While the Panel members have carefully studied the actuarial reports submitted by the parties, these reports leave many important questions unanswered. The Panel does note that both reports agree as to the basic soundness of the present pension plan in terms of such matters as funding and projections, although the F.O.P. report believes that the assumptions upon which the present plan are based are too "conservative." This may be true, but the Panel does not wish to take a step which would endanger the plan or, in order to avoid that possibility, require great increase in costs. There is no doubt that the F.O.P.'s request would increase costs; the F.O.P. estimates the increased cost, even with a one per cent contribution from the employee, at 4%. The City believes, of course, that the cost may be greater.

The Panel believes that a cost increase of this magnitude, assuming that 4% is correct, in itself cannot be justified in view of the entire package which the Panel is recommending. In addition, there are the problems noted above; the Panel does not wish to make a recommendation of such importance upon

evidence that is not clear and complete as to its future impact. The Panel finds, therefore, that the request of the F.O.P. should be denied. The Panel does recommend, however, that the parties establish a study committee to review the F.O.P.'s request in order that the parties may have all of the facts before them at the bargaining table during the next negotiations.

The City has requested that any increase in the cost of funding the present pension plan be borne by the employees. The Panel finds that the City should bear this cost as part of the total economic package.

18. Shift Hours: (1)

The present shift hours are: 4:00 a.m. to 12:00 noon; 12:00 noon to 8:00 p.m.; and 8:00 p.m. to 4:00 a.m. The F.O.P. requests that these hours be changed to 6:00 a.m. to 2:00 p.m.; 2:00 p.m. to 10:00 p.m.; and 10:00 p.m. to 6:00 a.m.

The F.O.P. claims that this demand is supported by a majority of its members who believe the present hours are inconvenient, especially for those with families. The City's position is that shift hours should be a management decision, determined by specific needs to effectively utilize manpower and such hours should be subject to change as requirements change.

(2)

There was no specific evidence submitted by the City to indicate that a change in shift hours would have an adverse effect upon the operation of the Police Department. Nor would a change in shift hours have any impact upon costs. On the other hand, there appears to be widespread sentiment among the officers that the change proposed would be more advantageous from

their standpoint. The Panel finds, therefore, that the change in shift hours, as indicated above, should be granted. The Panel believes, however, that the shift schedules should be considered the "normal" schedule and should not prevent the Department from making changes in this schedule when conditions require it.

Contractual Changes

Both parties have submitted several changes in contractual language. Many of these changes do not involve costs; others do. The changes proposed will be discussed in contractual order.

Article I. Management Prerogatives

The City proposes a substantial revision in this provision and has submitted a draft of the proposed language. The F.O.P. objects to the draft language proposed by the City on the grounds that it contains items governed by the agreement, contains some items governed by Act No. 78, and the language is simply an attempt to be all inclusive.

The Panel finds no reason to deny the City the right to more carefully set forth its rights not abridged by the agreement or law. The Panel does find, however, merit in some of the objections raised by the F.O.P. This matter is, therefore, remanded to the parties for negotiation and clarification. The Panel shall retain jurisdiction of this matter for 90 days to resolve any dispute which may arise.

Article III. Dues and Deductions

The F.O.P. proposes the following language to replace that of the present provision:

The City shall deduct from the pay of each employee within the bargaining group such dues, fees and or assessments as shall be imposed by the Lodge. In the event that said employee is a member of the Lodge said sum so deducted shall be forwarded by the City to the officer designated by the Lodge to receive the same. In the event the employee is not a member of the Lodge said sum so deducted shall be paid over to the City Employees Scholarship Fund.

The City objects to this provision for the following reasons: (1) it is illegal to deduct dues without the employee's authorization and the City should not be forced to do so; (2) it would require the City to collect fines as well as normal dues and fees; (3) it would require non-members to pay the equivalent of dues and fees to a separate fund; and (4) it does not have a "save harmless" clause.

The F.O.P.'s proposal is, in effect, a modified "agency shop" provision. While the law in this area is not fully resolved, the Panel does not believe that it should reject the proposal upon this basis. The clear trend in both private and public employment is to incorporate such provisions in the agreement. The Panel finds that the F.O.P. is entitled to an agency shop provision.

The Panel does believe, however, that the objections of the City to the proposed language are well taken; it is doubtful that this language could stand the test of legality. Moreover, the City is clearly entitled to a "save harmless" clause. The Panel remands this issue to the parties for negotiations. The resulting language should take into account the objections raised by the City and be so framed as to meet the test of legality. The Panel shall retain jurisdiction of this matter for 90 days to resolve any differences which may arise.

Article IV. Section 2. Bargaining and Grievance Time

Paragraph A: The F.O.P. proposes the elimination in the present provision of the phrase, "provided that they have the prior approval of the Chief of Police or his designated representative." There is nothing in the record to indicate that such approval has been withheld arbitrarily or that this phrase has been troublesome. The Panel finds no justification for this request; it is, therefore, denied.

Paragraph B: The F.O.P. proposes that the present paragraph B become paragraph C and visa versa. The Panel believes this is the more logical order. There is no objection from the City. The Panel finds that this request should be granted.

Paragraph C (former Paragraph B): The F.O.P. proposes that the word reasonable be deleted from the sentence reading: "Members of the Lodge Negotiating Committee shall be paid their regular pay for reasonable [emphasis added] time lost during their regularly scheduled working hours at their regular rate of pay..." The removal of the word reasonable would require the City to pay all time off that the employee wishes to take. The City has raised a legitimate objection to this proposal in terms of cost and abuse. Again, there is nothing in the record to justify the F.O.P.'s request. The Panel rejects this proposal and directs that the present language be retained.

Article IV. Section 3. Lodge Meeting

The F.O.P. proposes language which would remove the requirement from the present provision that the F.O.P. receive prior approval from the Chief of Police to schedule meetings on City property. The City objects to this change and urges that it be permitted to retain the right to schedule events.

The Panel believes that the City has a right to retain control of the scheduling of events, although this right should not be exercised arbitrarily. There is no indication in the record that this matter has been troublesome to the parties. For this reason, the Panel denies the change requested by the F.O.P.: the language of the expired agreement shall be carried over to the new agreement without change.

Article VII. Section 1. Hours of Employment

The F.O.P. proposes the following language to replace the language of the expired agreement:

"The work schedule for all employees within the bargaining unit shall be five, eight consecutive hour work days for a total of 40 hours each week. Such employees shall be entitled to a 30 minute lunch hour break per eight hour shift. Said 30 minute lunch break shall be included in and considered part of said eight hour day."

This language would make the following changes in the present provision: (1) require that the work day consist of eight consecutive hours; (2) extend the lunch period from 20 to 30 minutes; and (3) deny the Chief of Police the right to modify work schedules for good cause. It is also possible to interpret this language to mean the work week must consist of five consecutive days.

Some of the proposed changes have been discussed herein above; that is, the length of the lunch period and the right of the Chief of Police to modify work schedules for good cause. In the former instance, the Panel has held that the lunch period shall be 25 minutes, and in the latter instance the Panel has held that the Chief of Police shall have the right to modify or change work schedules for good cause.

The Panel believes that police should be entitled to a

work day of eight consecutive hours. It is not fair to require them to work split shifts or odd hours simply for the convenience of the City or to avoid overtime. While the Panel agrees with the City that it cannot always foresee developments, this is not sufficient reason to make employees suffer onerous conditions that are not generally imposed upon other employees. The Panel does not believe, however, that it is feasible at this time to require the City to schedule five consecutive work days.

The Panel remands this issue to the parties to develop clear language incorporating the changes noted: a work day consisting of eight consecutive hours and a lunch period of 25 minutes. Otherwise the language of this section shall remain unchanged. The Panel shall retain jurisdiction of this matter for 90 days to resolve any disputes which may arise.

Article VII. Section 2. Overtime

The F.O.P. proposes that the language of this section in the expired agreement be replaced by language which will require the payment of overtime (time and one-half) for all hours worked in excess of eight hours in one day. The former language required such payment for work in excess of 40 hours during the work week.

The Panel believes that this is a reasonable request and is in line with its holding above - it is not fair to employees to impose onerous conditions in order to avoid overtime. Time off is not proper compensation for long hours of work. The Panel does not believe, however, that there should be overtime payments when more than eight hours is worked as the result of

a shift change either at the employee's option or as a regularly scheduled shift change.

The Panel remands this matter to the parties to develop suitable language incorporating the above finding. The Panel shall retain jurisdiction of this matter for 90 days to resolve any disputes which may arise.

Article VII. Section 3. Call-In-Pay

The F.O.P. proposes to amend this section to provide four hours call-in-pay rather than the two hours which were granted under the expired agreement. The City urges that two hours is sufficient. In addition, the City proposes to amend the section so as to place upon the officer an obligation to collect the witness fee to which he is entitled if the call-in involves a court appearance and transmit this fee to the City.

The evidence indicates that most call-ins involve a court appearance and that the time required is of short duration. Because such call-ins are at overtime rates (the officer has to be off duty to be called-in), he receives a minimum of three hours pay. If the call-in requires more than two hours, he is paid for the necessary time. If the call-in involves a court appearance, the officer is entitled to a witness fee. Frequently, this fee is not collected.

The Panel is of the opinion that upon the basis of the evidence, the two hour minimum pay for a call-in is equitable. This is so because most call-ins require much less than two hours time. The request of the F.O.P. for a four hour minimum is denied.

The Panel finds that the request of the City to require

the officer to collect the witness fee is a reasonable demand. Whether the money thus collected should be transmitted to the City or deducted from the pay otherwise due the officer, is a matter the parties can best determine. This matter is, therefore, remanded to the parties, with the Panel retaining jurisdiction for 90 days, to make this decision and to develop contractual language effectuating it.

The Panel notes that both parties agree that an officer should not receive call-in pay if the call-in is for the purpose of disciplinary action. Language to this effect shall also be included.

Article VIII. Section 1. Rules and Regulations

The F.O.P. proposes to amend this section so as to include the following phrase: "provided however, that no such rules or regulations shall be inconsistent with any of the provisions herein."

The Panel finds no reason for the inclusion of this phrase. If a rule or regulation is promulgated that is believed to be inconsistent with the terms of the agreement, the F.O.P. has the right to appeal such action through the grievance procedure. If the rule or regulation is found to be inconsistent with the terms of the agreement, it will become unenforceable.

Article X. Uniforms and Equipment

Under the expired agreement, this Article consisted of one section. The F.O.P. proposes to enlarge this Article into five sections as follows:

Section 1. Uniforms and Equipment. This section as proposed is simply a repetition of the language of the first

paragraph of the present section. The City has no objection to this proposal; the Panel, therefore, accepts it.

Section 2. Motorcycle Officers. This section as proposed enumerates certain articles of equipment and clothing to be furnished motorcycle officers. The record does not disclose whether this equipment is either needed or is now being furnished. In the absence of such evidence, the Panel has no basis for granting the F.O.P.'s request; the request is, therefore, denied.

Section 3. Vehicles. This section as proposed enumerates certain equipment which will be provided in each vehicle. As was true for proposed Section 2, the record does not disclose whether this equipment is either needed or is now being furnished. For this reason, the Panel finds that this request be denied.

Section 4. Cleaning Allowance. The F.O.P. proposes the following language:

"All employees within the unit shall keep their uniforms and/or clothing in a clean and neat condition at all times and to that end each employee within the bargaining unit shall receive the sum of \$150.00 annually."

This proposal reflects the present requirement that officers, both uniformed and plainclothes, are expected to keep their clothing in a clean and neat condition. They now do so at their expense. This proposal would shift the cleaning cost to the City.

The Panel does not believe that the normal cost of maintaining clothes in a neat and clean condition should be assumed by the City. Other City employees are expected to maintain a

good appearance and the Panel does not believe that officers should receive preferential treatment in this respect. The Panel does recognize that the nature of police work is such that the cost of maintaining clothing in a neat and clean condition can result in greater expense for officers than for other employees; that is, the officer in making an arrest can have his uniform excessively soiled because there is resistance. The Panel does not believe the officer should have to bear the burden of cleaning costs in this type of situation. It would seem that this goes beyond his normal responsibility for maintaining a clean and neat appearance and could become, because of particular duty assignments, a heavy expense.

There are various ways of dealing with this problem; the Panel does not wish to foreclose the parties from developing the approach which best meets the need. Therefore, the Panel remands this issue to the parties to develop language which will relieve the officer of the expense of cleaning his uniform when it is unduly soiled in the course of performing his duty but will not relieve him of his normal responsibility for maintaining a clean and neat appearance. The Panel shall retain jurisdiction of this matter for 90 days to resolve any disputes which may arise.

Section 5. Clothing Allowance. This section repeats the language of the second paragraph of the present provision, except that it proposes a clothing allowance of \$25.00 per month or \$300.00 per year. This matter has been decided by the Panel in Item 5 above.

Article XIV. Section 1. Annual Leave

This section shall be revised to take into account the Panel's finding in Item 6 above.

Article XIV. Section 2. Emergency Leave

This section provides for an emergency leave with pay for a period not to exceed three days when there is a death in the "immediate family." The F.O.P. proposes to add grandparents as members of the "immediate family." The Panel believes that this is a reasonable request; grandparents can clearly be considered as members of the immediate family. The Panel finds that this section shall be amended so as to include grandparents as members of the immediate family.

Article XV. Section 2. Life Insurance

The City has proposed certain changes in the language of this section. The F.O.P. does not object to these changes. The City's proposed changes will be effectuated in the new agreement.

Article XVI. Section 2. Retirement Gift

The City proposes the elimination of this section. The F.O.P. does not object. This section will be eliminated from the new agreement.

Article XVIII. Section 1. Sick Leave and Injury Time

The City proposes to add to Paragraph A. Sick Leave of this section the following language: "No sick leave shall be paid for the first day of any period of absence after three such sick periods in the fiscal year."

The City urges that this amendment is necessary to discourage current abuses of employees in using sick leave in lieu

of vacation time; in so doing, they subvert the purpose for which sick leave benefits are extended. The F.O.P. objects to this change.

The Panel agrees with the City that sick leave benefits should be utilized for the purpose intended. The proposed language, however, could work a hardship upon employees who are truly ill and who would be denied the benefits to which they are entitled. The Panel remands this issue to the parties to develop suitable language which will minimize abuses of the sick leave benefit but which will not work a hardship upon those employees who are rightfully entitled to the benefits. The Panel will retain jurisdiction of this matter for 90 days to resolve any disputes which may arise.

The F.O.P. proposes substantial revisions of Paragraph B, Injury Time, of this section. While the full import of these proposed revisions is not clear, they would require, at the very least, that injured employees receive 100% of gross pay rather than the 75% of take home pay to which they are now entitled. (Under certain circumstances they can receive 100%.) It is also conceivable that the F.O.P.'s proposals would eliminate the City's right to set-off Workmen's Compensation payments.

The Panel finds that the City's objections to the F.O.P.'s proposal are well taken with but one exception. One of the problems to which the F.O.P.'s proposal is addressed is the case of an officer who is forced to retire because of an injury and is at the time receiving injury pay. Retirement benefits are computed on the best three out of the last ten years of

service. The last year of employment is likely to be the year in which an officer receives the greatest salary. This would not be true if he had received only 75% of his take home pay for a portion of the year in which he retired. It is clearly unfair to deny an officer who is injured in the line of duty to accept a lower pension because he received 75% of his take home pay during the year in which he otherwise would have received a greater pay. If the officer is forced to retire because of an injury, he should be able to use his final year at full salary in computing his pension if this is to his advantage.

The Panel finds that the present provision shall be amended to provide for such a contingency; otherwise there shall be no changes. The Panel remands this matter to the parties for the purpose of developing language to effectuate this finding. The Panel shall retain jurisdiction of this matter for 90 days to resolve any dispute which may arise in carrying out this mandate.

Article XX. Educational Assistance Program

The City has proposed that the educational incentive be computed by salary steps rather than on a percentage basis. The F.O.P. offers no objection. The City's proposal will be effectuated in the new agreement.

Article XXI. Outside Employment

This section in the expired agreement provided that an "employee engaged in outside employment involving "police work" shall, during such periods of employment, be considered to be on duty and entitled to all benefits given by the Workmen's Compensation Act as amended...." In order to be eligible for

such benefits, the outside employment had to be approved by the City and the employee had to notify the City when he started and ceased such work.

The City proposes to amend this provision so as to remove the City's liability for Workmen's Compensation. The type of work the employee could perform would still be controlled by the City and presumably he would still be bound by the notification requirement.

The reasons underlying this proposal are not clear. However, on the basis of the evidence the Panel has no objection to an amendment which will remove the City's responsibility for Workmen's Compensation when an employee is engaged in outside employment. At the same time, the Panel queries whether the City can continue to regard the employee as "on duty" and exercise the same controls over him as it has done in the past. This does not seem fair to the employee.

It is the Panel's opinion that this matter requires further discussion and clarification; it is, therefore, remanded to the parties for further negotiation within the framework set forth above. The Panel shall retain jurisdiction of this matter for 90 days to resolve any dispute which may arise.

Article XXII. Liaison Committee

The City has proposed certain changes in the language of this section to clarify the role of the Liaison Committee. The Panel agrees with the City that this Committee should not be a grievance committee and that its role should be clarified. The Panel believes, however, that the language of the section as proposed could be troublesome. The Panel remands this matter

to the parties for further negotiation. The Panel shall retain jurisdiction for 90 days to resolve any dispute which may arise.

Salary Step for Provisional Patrolmen

The City proposes a separate beginning salary for the new classification of Provisional Patrolman. The F.O.P. offers no objection. This proposal will be effectuated in the new agreement.

Probationary Period

The City proposes that the probationary period shall start when a Patrolman is permitted by law to perform the full duties of a Patrolman. The F.O.P. offers no objection. This proposal will be effectuated in the new agreement.

F.O.P. Contribution to Educational Fund

The City proposes that a provision requiring the F.O.P. to make a contribution to the scholarship fund be included in the new agreement. The Panel has some question of its authority to grant this request inasmuch as it is an internal union matter. In addition, the record does not disclose fully the manner in which such funds are accumulated and how they are distributed. The Panel finds, therefore, that such a provision is not justified at this time.

Auxiliary Police:

The City proposes a new section dealing with the City's right to use auxiliary police. This proposed section, inter alia, proposes that the F.O.P. and its members will not interfere with the use of such voluntary organizations and individuals, that the F.O.P. will not request the City to displace such

organizations or individuals, or that the functions of these organizations or individuals be changed. The F.O.P. objects to this proposal.

The reasons behind this proposal were not fully disclosed. The Panel notes that the City does have the right at the present time to utilize auxiliary police. There is nothing in the new agreement which will restrict that basic right. (The use of auxiliary police is, of course, subject to the provisions of law and the express provisions of the agreement.) The F.O.P. and its members have no right to interfere, directly or indirectly, with the use of auxiliary police; if the F.O.P. believes that there is a violation either of law or contract in the City's use of such organizations or individuals, the proper forums are available to the F.O.P. to voice such complaints. The Panel concludes, therefore, that the request of the City should be denied.

Property Responsibility Section

The City proposes the following section be added to the agreement:

"When an employee is found negligent by the appropriate Accident and Safety Committee in the damaging of an automobile, or is responsible for damaging other city property or other private property, he shall be held liable for a percentage of the repair or replacement, or a fine for such damage. The employee shall also be subject to disciplinary action through the regular departmental and city procedures."

While the F.O.P. has objected to this proposal on the basis that the City has the authority to discipline employees for negligence, the Panel believes that language such as this can be useful in reducing negligence by employees. The Panel believes, however, that the proposal should be amended to include

the word grossly. The first sentence will then read: "When an employee is found grossly negligent...." [Emphasis added.]

Employees on Workmen's Compensation Report Periodically and Remain in City

The City has proposed a new section requiring employees to remain in the city and report periodically. The Panel finds that the request of the City is justified; however, the Panel concludes that the provision should be amended as follows:

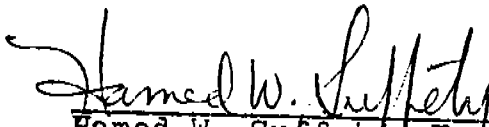
"When an employee is on Workmen's Compensation it is agreed that this employee will not leave the City for a period of more than three days without prior notice to the proper authority and will be available for physical examination at the request of the City."

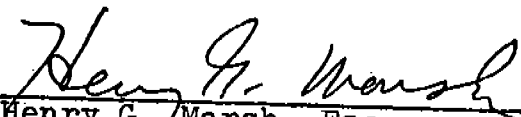
Qualifications for Entrance, Promotions and Residence

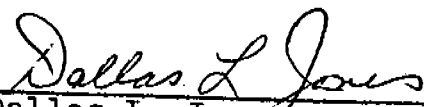
The need to seek means to improve the quality of the police force is a matter of concern to the entire community. The parties agree that they should work toward this goal. The Panel directs the parties to negotiate enabling language and include it in the agreement as a means of working toward this goal.

Award

The findings of the Panel as set forth in the Opinion herein above shall be executed by the City and the F.O.P. as directed therein. The Panel reserves jurisdiction for 90 days to resolve any dispute which may arise concerning the interpretation or implementation of this Award.


James W. Suffety, Esq.
Delegate of the F.O.P.


Henry G. Marsh, Esq.
Delegate of the City of Saginaw


Dallas L. Jones
Chairman of the Panel

Dated: April 17, 1972 /