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ARB

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LABOR AND INDUSTRIAL
RELATIONS LIBRARY

Compulsory Labor Arbitration
Pursuant to Michigan Act 312

In the Matter of:

City of Sault Ste. Marie
(Fire and Policy Department)

and

United Steelworkers of America
District 33

Report of Findings,
Conclusions, and
Award.

Arbitration Panel Members:

Mr. Leo Prusi - Union Delegate

Mr. Paul Frost - City Commissioner

Mr. Carmen DelliQuadri - Arbitrator

Court Recorder - Marvin R. Harris

February 4, 1977

Sault Ste. Marie.
City of

I

Proceedings

January 22, 1977

Hearing on arbitration case - City of Sault Ste. Marie (Fire and Police Department), and United Steel Workers of America - District 33.

Hearing convened at 9 a.m. in the City-County Building.

Presentation of Material:

1. Mr. Thomas G. Moher, Attorney for the City.
2. Mr. Thomas R. Bresh, Staff Representative, USA, District #33.

February 4, 1977

Arbitration award for the Police Department.

March 11, 1977

Settlement of contract between City and Policemen and Firemen.

April 7, 1977

Final written report of arbitration hearing.

II

Non-Economic Issues

The non-economic issues in dispute, as determined by the arbitration panel are as follows:

1. Leave days
2. Manning

III

Economic Issues

The only economic issue in the dispute dealt with a percent wage increase for the ensuing contract. The last best offer as evidenced at the time of the arbitration hearing on January 22, 1977, was as follows:

Management - 4 % increase
Labor - 6% increase

IV

Findings and ConclusionEconomic Issue

Section #8 of Michigan Act 312, Public Acts of 1969, provides that the "arbitration panel shall identify the economic issues in dispute and divert each of the parties to submit... its best offer of settlement on each economic issue..." "The arbitration panel shall adopt the last offer of settlement which in the opinion of the arbitration panel, more nearly complies with the applicable factors prescribed in Section 9" of the Act.

"...the arbitration panel shall base its findings, opinions, and order upon the following factors, as applicable:

- (a) lawful authority of the employer.
- (b) stipulation of the parties.
- (c) the interest and welfare of the public and the financial ability of the unit of government to meet those costs.
- (d) comparison of wages, hours and condition of employment... performing similar services and with other employees generally:
 - 1. public employment in comparable communities.
 - 2. private employment in comparable communities.
- (e) cost-of-living.
- (f) overall compensation received by the employees..."

Labors arguments were well documented and bore heavily in the arguments listed above under (d) 1. and 2., (e) and (f).

Managements basic thrust was primarily in the area of (c)., with materials also presented in the other areas of (d), (e), and (f).

V

Arbitrator's Reaction

(A) Collective bargaining broke down just within the final reach of a settlement. Both parties were not that far apart on their final economic package.

Managements final wage offer of 4% with an added 2 1/2% increase in pension represented a 6 1/2% increase in total wage costs for the City.

The union demand of 6% increase plus 2 1/2% pension increase would be an overall 8 1/2% increase.

The arbitrator was unable to treat the wage increases without the added 2 1/2 pension cost, as a practical measure. So his real consideration was one of 6 1/2% increase over against an 8 1/2% increase.

Using the Consumer Price Index for the period under consideration, July, 1975 to July, 1976, the overall increase was 5.4%.

Consumer Price Index:

July, 1975 - all items 162.3) 5.4% increase
July, 1976 - all items 171.1)

Using the C. of L. Index as the sole criteria - the union position would be closest, but when you add the total wage cost, managements presentation would be nearest to the increase.

In the Business Week, February 28, 1977, article, "Steel Molds the 1977 Pattern," page 26..."It points out that major agreements negotiated last year (1976) contained annual wage and benefit increases of 6.6% over the life of the pacts, compared with 8.1% increase in 1975."

Certainly managements offer fits closely with the national average.

Though both parties more than adequately use the comparable wage arguments effectively, the overriding consideration in arriving at my position was the critical consideration of Section 9, (c), "the interest and welfare of the public and the financial ability of the unit of government to meet those costs.

Unemployment rates are higher, with no prospects in sight for lowering it, alongside the spectrum of the closing of the Kincheloe Air Base as a definite possibility. State Equalization Value law with the possibilities that the County will be one of the few in the State of Michigan to have an overall decrease in evaluation when all other counties are beset with heavy taxes at the high increases in value. The City is rapidly approaching the debt limitation and millage available for operational purposes. Budget consideration continually causing frustration with expenditures outstripping income. Assessment rates of property going down.

Add any way that you would like - the financial picture of the City at this time is critical.

In light of the above picture the City is to be commended for maintaining a high level of employment in the police and fire department, as well as the financial offer to the union in the present negotiations.

(B) Non-Economic Issues:

Leave Days - the presentation was along the line of comparative examples. Management used examples where no leave days were present, and the union supplied information that showed the practice common in many contracts over the State.

The arbitrator was impressed with the overall presentation of labor's side and their charts in this area. The policemen in the Sault Ste. Marie area do not have any shift differentials, or longevity pay found in many comparable contracts along with leave days. In terms of the overall package, I felt that an improvement in this area of the contract was justified.

Manning - the issues are of critical importance both to the city and the policemen. The testimony was confusing and uncertain. I felt that arguments were presented that were not part of any previous bargaining sessions. I also strongly feel that a prior on-going study of the whole problem by management and the union would be helpful to a solution to their difficulties.

VI

Award

Pursuant to the authority vested in the Arbitration Panel by the State of Michigan under the provisions of Act 312, Public Acts of 1969, as amended, the Panel awards are as follows:

1. All personnel in the police department bargaining unit shall be granted an across-the-board increase in the amount of 4% of present base compensation, retroactive to July 1, 1976.
2. All personnel shall be granted a 2 1/2% increase for pensions to provide for 62.5% coverage.
3. Leave Days: "Each employee in the Police Department will be allowed two (2) personal leave days during each contract year. These personal days will be taken at the discretion of the department head or his designee. They shall be allocated in increments of not less than one-half day up to the full 2 days at a time.

If the employee requests a personal leave day off, the sole criteria for any refusal to allow the day off will be the fact that giving him the day off will result in overtime pay or other financial burden upon the employer."

4. Manning: The provisions of the present contract shall remain in force, and we recommend a joint management labor committee to study the issue and report recommendations to the next bargaining session for the parties in July of 1977.

Respectfully submitted,

Carmen L. DelliQuadri
Arbitrator

Concurring only as to awards 2-3-4 Leo Prusi

Concurring only as to awards 1-2 Paul Frost