

2/2/72
ALB

Sylvan Lake, City of

IN THE MATTER OF ARBITRATION BETWEEN THE AMERICAN FEDERATION OF
STATE, COUNTY AND MUNICIPAL EMPLOYEES, METROPOLITAN COUNCIL NO.
23, LOCAL 1445, AND THE CITY OF SYLVAN LAKE.

2/2/72

In the matter of Arbitration between the American Federation of State, County and Municipal Employees, Metropolitan Council No. 23, Local 1445, (hereinafter referred to as "Local 1445") and the City of Sylvan Lake, (hereinafter referred to as the "City"), the Arbitration Proceedings were conducted pursuant to the provisions of Act 312 of the Public Acts of 1969, as amended.

At the hearing, Howard Draft appeared on behalf of Local 1445. Appearing on behalf of the City was Robert V. Parenti. The members of the arbitration panel are, Lewis Doyle, a delegate of Local 1445, Glen M. Dick, the delegate of the City and Robert P. Allen, Chairman, appointed by the delegates of the parties.

The parties agreed by stipulation that the arbitration panel had jurisdiction pursuant to said Act 312. Meetings were held on December 13, 1971 and January 5, 1972, at which time court reporters were present, a verbatim record was made and evidence and witnesses were introduced by each party. At the conclusion of the hearing on January 5, 1972, each party agreed to submit to the panel a written memorandum of its position. The memoranda were received and have been reviewed by the panel.

At a meeting of the panel held on January 24, 1972, it was agreed that the Chairman should prepare the written findings of fact and the opinion of the panel. The panel members agreed that because

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Allen, Robert P.

of the extensive notes taken by each panel member, it was not necessary to have a transcript of the proceedings to reach a finding of fact and opinion. Four issues were submitted to arbitration by the parties:

1. Life Insurance
2. Drug Rider to Blue Cross
3. Service Increment
4. Wages

Local 1445 introduced exhibits indicating the salaries being paid to police officers in surrounding municipalities and an outline of their demands, including the four items subject to this arbitration proceedings. Local 1445 also introduced as exhibits, several existing or proposed contracts from surrounding municipalities. The thrust of the testimony of Local 1445 emphasized that police officers were paid higher salaries in other municipalities. Therefore, the City should pay equally high salaries. The rationale for this argument was that police in all communities were exposed to equivalent dangers regardless of the physical characteristics of the community. The panel believes that the character of the community is quite important in determining the degree of danger. The exposure to danger in highly residential suburban areas may not be compared to "core cities" or areas of high commercial, industrial development. The panel does however recognize that the duties of any police officer anywhere are more dangerous than they were five years ago.

The panel took notice of the fact that the standards for employment as police officers for the City are extremely low in

comparison to surrounding municipalities. The panel believes that if the City intends to develop a professional police force, the employment and/or training standards must be upgraded. The panel believes that it is important that police officers be properly trained in their profession.

The City, through its exhibits and testimony, produced evidence of its current financial condition and revenue and expenditure comparisons for the last several years. Although the City's General Fund has a surplus of some \$13,549.00, it cannot be assumed that the City is in a strong financial condition. The previous year's operations have reduced the former surplus by \$16,796.00, and a continuation of that trend will soon place the City in a deficit financial position.

The panel, in its deliberations, recognized that the City was justifiably concerned with its financial obligations and responsibilities of maintaining adequate financial reserves.

The panel, in determining the award, is aware that the Contingent Fund of the current budget year will, for all practical purposes, be reduced to a zero balance, and should unforeseen emergencies arise, it will be necessary for the City to use its General Fund surplus for financial aid.

The panel recognizes that salaries and fringe benefits in the police department should not be raised without regard to the financial obligations of other City departments. Although the police function is necessary and important to the City, the priorities of the various City departments must be determined by the elected members of the City Council. The panel did consider the City's

ability to pay within the confines of the current budget, and in relation to the salary and fringe benefits of police offers in other comparable surrounding municipalities. It will be noted that the maximum pay step in this award is lower than that being contemplated for the police officers in the adjacent community of Keego Harbor. It should also be noted that the City of Keego Harbor does not provide a retirement system for its police department as does the City of Sylvan Lake. The value of such retirement system is estimated to be well over \$900.00 per year per man.

The Economic Stabilization Program dictates that salary and fringe benefit increases do not exceed 5.5 per cent. The panel's award is within the 5.5 per cent requirement. The decision of the panel is based primarily, however, on the criteria as set forth in Section 9 of said Act 312, and in particular, the criteria of the interest of the public and the financial ability of the City to meet those costs, and in comparison of the wages, hours, and conditions of employment of the employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally in public employment in comparable communities. The panel also considered the cost of living factor as being of extreme importance.

The City of Sylvan Lake maintains that the Arbitration Panel does not have the authority to make an award, part of which would be retroactive. The panel finds this position to be without merit as Section 10 of said Act 312 specifically provides for retroactive payments commencing with the fiscal year of the City.

FINDINGS OF FACT

The panel finds that the budget of the City of Sylvan Lake, as submitted, does permit the payment of the award as hereinafter set forth.

The panel further finds that based on the criteria set forth in Section 9 of said Act 312, that Local 1445 is entitled to an award greater than that offered by the City.

These Findings of Fact are based upon and after a review of the exhibits, testimony and memoranda submitted by the parties.

In view of the foregoing Findings of Fact, the panel has determined the issues and makes the following award:

1. LIFE INSURANCE:

The City of Sylvan Lake is ordered to procure a term life insurance policy for each police officer in the amount of \$10,000.00.

2. DRUG RIDER TO BLUE CROSS:

The request for the Drug Rider to the hospitalization insurance is denied for the reason that it is too expensive in the overall economic package.

3. SERVICE INCREMENT:

The panel orders that a Service Increment scale for police officers be established as follows:

<u>AFTER COMPLETION OF</u>	<u>PER CENT TO BE ADDED TO SALARY</u>
5 years	1%
8 years	2%
11 years	3%

After completion of the required years of service, the City will add to the police officers current salary, an amount equal to the proper percentage multiplied by his current salary step amount. The total of salary plus service increment shall then be divided by the number of payroll periods in the payroll year to determine the total salary payment for each pay period.

4. WAGES:

Base wage (in using the term "base wage" the panel defines it to mean starting salary). The panel orders that the salary of Patrolman be as follows:

<u>Base</u>	<u>6 Months</u>	<u>1 Year</u>	<u>2 Years</u>	<u>3 Years</u>	<u>4 Years</u>
7,400	7,800	8,200	8,600	9,000	9,400

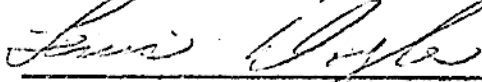
The panel further orders that each patrolman shall immediately be placed at the maximum rate of the class.

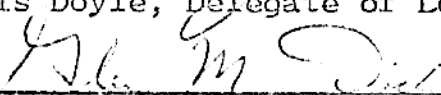
The panel further orders that the salary of Sargeant be a flat rate of \$9,900.00 per year.

The panel further orders that the wages be retroactive to July 1, 1971, exclusive of the period from August 14, 1971 through and including November 14, 1971.

Respectfully submitted,

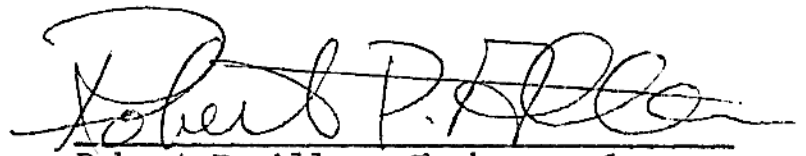

Robert P. Allen, Arbitrator


Lewis Doyle, Delegate of Local 1445


Glen M. Dick, Delegate of City of
Sylvan Lake

Dated: February 2, 1972

I hereby certify that the foregoing written Opinion and Order is a true copy of the original Opinion and Order, dated February 2, 1972.

A handwritten signature in cursive script, appearing to read "Robert P. Allen", written over a horizontal line.

Robert P. Allen, Chairman of
Arbitration Panel

Dated: February 2, 1972