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STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

In the Matter of:

CITY OF SYLVAN LAKE, MICHIGAN

and

AMERICAN FEDERATION OF STATE,
COUNTY AND MUNICIPAL EMPLOYEES
Council No. 23

Local No. 1445
Unit No. 6

STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
DETROIT OFFICE

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FINDINGS OF FACT, OPINION AND AWARD
Pursuant to Act 312, Public Acts of
1969 as Amended

ARBITRATION PANEL

LEON J. HERNAN, Impartial Chairman
ALLEN J. KOVINSKY, City Designee
HOWARD DRAFT, Union Designee

Issued November 29, 1977

This is a proceeding in arbitration pursuant to Act 312 of Public Acts of 1969 as amended. Allen J. Kovinsky was named by the City as its designee to the Panel. Howard Draft was appointed by the Union as its designee. On July 28, 1977 the undersigned, Leon J. Herman, was appointed and duly sworn in as Impartial Chairman of the Arbitration Panel.

A joint statement of the issues to be arbitrated was prepared and stipulated by both parties. The parties have waived formal hearing and have waived a transcript. The matter was submitted to the Panel upon exhibits, written final offers and briefs. Thereafter conferences between the members of the Panel of arbitrators were held on November 3 and November 29, 1977.

No issue of arbitrability was raised. No question was raised as to the legality or authority of the Arbitration Panel to determine the issues presented. Time limits were extended as required to meet the restrictions of the statute.

Unit 6 of Local No. 1445 of American Federation of State, County and Municipal Employees, affiliated with Council No. 23, has been the bargaining agent for the police of the City for a substantial number of years. It claims the right of representation for four members of the Department up to but not including the classification of Chief. For 1977-1980 the parties have agreed upon all issues with respect to wages, hours and other terms and conditions of employment, with the exception of the

issues presented by stipulation to this Panel for determination.

The unresolved issues to be decided are the following:

- Issue No. 1 Clothing Allowance
- Issue No. 2 Funeral Leave
- Issue No. 3 Holidays
- Issue No. 4 Wages
- Issue No. 5 Hospitalization for Retirees
- Issue No. 6 Personal Leave Day

The statute pursuant to which this proceeding came into being and under which this Panel functions poses certain specific criteria which the Panel must consider in arriving at a conclusion:

- 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.

That a City may negotiate wages, hours, and working conditions of its employees with a recognized bargaining agent has been established by the Public Employee Relations Act. The Association has been duly recognized as the bargaining agent for all Department employees, up to but not including the grade of Chief, for a number of years. Both the City and the Union have agreed to statutory arbitration of the items remaining in dispute in their current negotiations in accordance with Act 312 of the Public Acts of 1969, as amended.

The City agrees that it has the lawful authority and obligation to negotiate and conclude an agreement in consonance with the award of this Panel.

The parties have stipulated that the Panel may consider the issues above listed and render an award thereon which both will accept; that all proceedings of this Panel of Arbitrators

have been properly taken in compliance with the governing statute, and that this award is duly processed and is binding upon the parties.

The interest and welfare of the public and the financial ability of the City to meet the increased costs resulting from implementation of this award have been considered and determined.

Comparison of wages, hours and conditions of employment, in both the private and public local sectors, as well as in comparable communities, is discussed hereinbelow, as are increases in cost of living as a factor in the determination of this Panel.

By mutual agreement the 1974-1977 agreement has been continued in full force pending receipt of this award. Relations between the parties have continued in status quo. No objectionable practice has been charged against either party.

Other factors considered by the parties and the Panel are listed in the opinion.

It should be emphasized at this point that all comments, opinions and interpretations of factual evidence stated herein are solely and exclusively the responsibility of the Impartial Arbitrator, unless specifically attributed to another member of the Panel.

The City of Sylvan Lake, as of 1977, had a population of 2,070. In 1970 the population was 2,219. With the decline in population has come a decline in available tax income. The City

of Sylvan Lake consists mainly of approximately 750 homes, many populated by retirees and persons in the middle to lower income brackets. It has no industry and very few commercial establishments. The latter consist mainly of small restaurants and gas stations.

ISSUE NO. 1 CLOTHING ALLOWANCE

The police officers are currently paid \$225 annually for clothing allowance. They ask that it be increased to \$250 per annum. It is pointed out that Pontiac, Southfield, Troy, Utica and Bloomfield Township pay \$250. West Bloomfield Township pays \$275. Bloomfield Hills and Madison Heights allow \$300. Hazel Park pays \$385, Beverly Hills \$475, while Keego Harbor and Ferndale pay \$200.

The City has, in its last best offer, indicated its willingness to pay the officers the sum of \$250 per year clothing allowance.

Accordingly, the Union request is granted and the officers awarded a clothing allowance of \$250 per annum during the term of the proposed collective bargaining agreement.

ISSUE NO. 2 FUNERAL LEAVE

The Union proposes that employees be granted a maximum of three days leave to attend the funeral of a spouse, child, mother, father, sister, brother, parent-in-law, grandparent, or other relatives residing in the employee's household.

The City has concurred in the Union's request, and as its last best offer states its willingness to grant the Union's demand.

Funeral leave of a maximum of three days as herein indicated is awarded.

ISSUE NO. 3 HOLIDAYS

The Union notes that Birmingham, Bloomfield Township, Utica, Orchard Lake, Walled Lake and Wolverine Lake all allow 12 holidays per year to its police officers. Hazel Park allows 12 1/2. Troy and the County of Oakland each allow 13. Only Keego Harbor is lower with ten holidays.

The police officers in the City currently receive 12 holidays every other year and 11 paid holidays in the off year, the difference being the inclusion of the general election day as a holiday. Christmas Eve and New Year's Eve are allowed as half days. The Union proposes to make Christmas Eve a full day holiday, bringing the total for 1977-78 to 11 1/2 holidays. In the year 1978-79 New Year's Eve should be increased to a full day's holiday, making a total of 12 holidays as of that year.

The City concurs in the Union's request, and as its last best offer concedes the two half holidays as requested.

The Panel therefore awards an additional half day holiday on Christmas Eve, making a total of 11 1/2 days for the year 1977-78, and awards an additional half holiday for New Year's Eve

in 1978, bringing the total number of holidays for 1978-79 to 12.

ISSUE NO. 4 WAGES

The Union believes the wage rates of patrolmen are inadequate. The current salary of patrolmen is \$13,975 per annum. The Union points out that salaries in neighboring municipalities are considerably higher. The salary rate in Rochester is \$15,800, in Bloomfield Township, \$17,400, and in Clawson, \$17,000. West Bloomfield pays \$18,269, while Walled Lake pays \$14,744 and Orchard Lake pays \$15,336. The comparable salaries in Hazel Park are \$19,513, in Troy, \$18,125, and in Utica, \$17,100. Birmingham pays \$18,081, Wixom, \$16,900, and Wolverine Lake, \$15,048. It is noted that Oakland County deputy sheriffs receive \$16,800.

Police officers in these cities and in Sylvan Lake face the same rising cost of living, have the same duties, and work in areas socially and economically similar. The pay scales in the larger cities are thus comparable to Sylvan Lake and can be used as applicable standards. To maintain a reasonable living and to be comparable with the cities listed the officers request an 18% increase in base pay to \$16,500, effective July 1, 1977, six and one-half percent increase effective July 1, 1978, and six percent increase effective July 1, 1979. The rank differential between sergeant and patrolman of \$700 should be maintained.

The City strongly objects to the Union's proposed 18% wage rate as of July 1, 1977. In the previous three year contract

the yearly salary raises which the officers received amounted to \$975, equivalent to seven and one-half percent, reaching a maximum of \$13,975 as of July 1, 1976.

Historically, the parties have relied upon the cities of Keego Harbor and Orchard Lake to arrive at comparable salaries and fringe benefits. The Union now seeks to depart from its historical comparables by comparing with rate wages in other cities not socially or economically similar to the City of Sylvan Lake.

The City further notes that in 1970 an officer living in Sylvan Lake was paid \$8,800. In the past seven years officers have received a gross increase in the amount of \$5,975, approximating 68% over that period. They have averaged better than nine percent a year in wage increases alone, not to mention additional increases in fringe benefits and costs of maintaining such benefits, such as officers' pensions, life insurance, and Blue Cross-Blue Shield benefits. The Union now asks for an increase of \$2,525 in the first year of the proposed three year contract. Nowhere in Michigan have officers in a single community ever received such a great wage increase. The proposal is unrealistic and should be rejected.

The wage increase offered by the City of Sylvan Lake is comparable to that negotiated in the City of Orchard Lake, which has a current population of 1,550. The City of Sylvan Lake has neither the commercial nor the industrial base of such communities

as Hazel Park, Troy, Utica, Birmingham, West Bloomfield, Bloomfield Township, Rochester and Wixom. Nowhere in any community has the police unit received a wage rate as exorbitant as is here demanded.

The City has made a last best offer of nine and one half percent for the fiscal year beginning July 1, 1977, which would give the officers an effective wage as of that date of \$15,302. A six and one half percent increase in the second year of the contract, and a six percent increase in the third year would bring the salary of a three year patrolman to \$16,297 and \$17,275, respectively. The rank differential of \$700 between sergeant and patrolman should be maintained.

The Impartial Arbitrator is strongly of the opinion that the demands of the Union are excessive. I find the City's proposal to be reasonable and therefore vote that it be accepted. Mr. Kovinsky concurs. Mr. Draft dissents as to the first year and consents to the remainder.

ISSUE NO. 5 HOSPITALIZATION FOR RETIREES

The Union has taken no position on this matter, agreeing to accept the City offer. The City has proposed to continue Blue Cross-Blue Shield benefits for retirees who retired pursuant to the provisions of the Municipal Employees Retirement System, but with the cancellation of master medical coverage, effective as of July 1, 1977. This is a benefit to retirees not previously offered.

The Panel unanimously agrees that Blue Cross-Blue Shield coverage without master medical coverage shall be granted as proposed by the City in a letter which has been sent to the Union representative and the terms thereof accepted by him.

ISSUE NO. 6 PERSONAL LEAVE DAY

The Union proposes that its members receive one personal leave day per year. It understands that other City employees receive this same benefit. It asks that the proposal become effective with the year commencing July 1, 1978.

The City objects on the ground that these employees have 12 days of holiday and 12 days of sick leave per year. The latter may accumulate to 100 days. Clearly they have enough days off during the year to take care of personal business so that the request is not justifiable. It asks that the proposal be rejected.

It is to be noted, however, that personal business can rarely, if ever, be transacted on a holiday, or while the employee is confined to bed by illness. Accordingly, I am of the opinion that one personal leave day per year is a reasonable demand and that it should be granted, effective July 1, 1978. Mr. Draft concurs. Mr. Kovinsky dissents.



LEON J. HERMAN, Impartial Chairman

Southfield, Michigan
November 29, 1977

A W A R D

The Panel of Arbitrators duly appointed herein, unanimously or by majority vote as indicated in the accompanying opinion, DO HEREBY AWARD AS FOLLOWS:

Issue No. 1: Police officers shall be paid a clothing allowance of \$250 per year, effective with the 1977-78 fiscal year.

Issue No. 2: Police officers shall be granted a maximum of three days leave to attend the funeral of a spouse, child, mother, father, sister, brother, parent-in-law, grandparent, or other relatives residing in the employee's household.

Issue No. 3: In addition to holidays currently allowed police officers shall be granted an additional half day holiday beginning with Christmas Eve, 1977 and an additional half day holiday beginning with New Year's Eve, 1978.

Issue No. 4: Wages of police officers shall be increased to \$15,302 on July 1, 1977, plus a six and one-half percent increase on July 1, 1978 and a six percent increase on July 1, 1979. Sergeants shall be paid a rank differential of \$700 over patrolman rate.

Issue No. 5: Blue Cross-Blue Shield coverage, less master medical coverage, shall be provided to retirees under the following conditions: retirees who had been employed with the City of Sylvan Lake for a period of ten or more consecutive years

will be entitled to full family Blue Cross and Blue Shield; those having seven years of consecutive service will be entitled to Blue Cross and Blue Shield for themselves only, and then will be allowed to pay the City of Sylvan Lake their spouse's share, for full-time employees retiring under the Michigan Municipal Employees Retirement System of which the City of Sylvan Lake is a member.

Issue No. 6: One personal leave day per contract year shall be allowed to each police officer.


LEON J. HERMAN, Impartial Chairman


ALLEN J. KOVINSKY, City Designee


HOWARD DRAFT, Union Designee

Southfield, Michigan
November 29, 1977