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STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

ARBITRATION PURSUANT TO ACT 312
PUBLIC ACTS OF 1969, AS AMENDED

IN THE MATTER OF ARBITRATION
BETWEEN:

MERC CASE
NO. D78B220

CITY OF TAYLOR (City)

-and-

FRATERNAL ORDER OF POLICE
LODGE 123, (Corporals,
Detectives and Patrolmen)
(Union)

OPINION AND AWARD

APPEARANCES:

ARBITRATION PANEL

Mario Chiesa, Impartial Chairman

Joseph Clark, Union Delegate

John P. Jacobs, City Delegate

APPEARING ON BEHALF OF UNION

John A. Lyons, P.C.

By: John A. Lyons, Esq.

1441 East Maple

Suite 301

Troy, Michigan 48084

APPEARING ON BEHALF OF CITY

Plunkett, Cooney, Rutt & Peacock

By: John Potvin, Esq.

1000 Guardian Building

Detroit, Michigan 48226

Taylor, City of

INDUSTRIAL
RELATIONS LIBRARY

INTRODUCTION

A pre-arbitration conference was held on January 29, 1979. The actual hearing commenced on May 29, 1979 and continued on September 12, 1979, concluding on September 13, 1979. The location of the hearing was the Department of Public Works Conference Room in Taylor, Michigan.

The executive meeting was held at the Michigan Employment Relations Commission offices in Detroit, Michigan, on November 30, 1979.

The parties waived all of the time limits contained in the statute and further agreed that all statutory prerequisites had been followed and the matter was properly before the panel for an adjudication of its merits.

The parties further agreed that the total award in this matter would be comprised of: the awards issued by the panel regarding the specific issues in dispute, all settlements and tentative agreements, and prior contract language which was not modified by the panel's awards, tentative agreements and/or settlements.

This matter was strung out over a substantial period of time because of certain unavoidable and unforeseen incidents.

ISSUES

The parties have agreed that the Collective Bargaining Agreement concerned with herein will have a duration of two years running from July 1, 1978 to June 30, 1979, and July 1, 1979 to June 30, 1980.

The first issue in contention regards the wage rate which shall exist during the two years of this Collective Bargaining

Agreement. The parties have agreed that the issue shall be designated economic and that any wage award shall be retroactive to the date the prior Collective Bargaining Agreement terminated.

The second issue regards the time necessary to receive top pay. It has been termed the "progression to top pay" and the parties have agreed that any award changing the status quo shall be effective at the time the award is issued. The parties have also agreed that the issue should be designated as economic.

Hospitalization is also in contention and the parties have agreed that it is an economic issue. They have further agreed that changes, if any, shall become effective as soon as possible after the award is rendered.

Dental is another issue which the parties have labelled as economic. The parties have also agreed that any change in the dental insurance provision shall be effective as soon as possible after the award is issued.

Longevity pay is the next issue and the parties have agreed that it shall be economic. They have also agreed that any change in the longevity pay provision shall be retroactive to the date the prior Collective Bargaining Agreement expired.

Military buy Back pension is another economic issue. The parties have agreed that if the military buy back provision sought by the Union is granted, it shall become effective at the time the award is issued.

Shift differential is an economic issue which the parties have agreed that any change therein shall be retroactive to the time the prior Collective Bargaining Agreement expired.

Uniform allowance is another economic issue wherein the parties have agreed that any change therein shall be retroactive to the date the prior Collective Bargaining Agreement expired.

The final issue is educational allowance. The parties have agreed that it shall be designated an economic issue and any changes therein shall be retroactive to the date the prior Collective Bargaining Agreement expired.

COMPARABLES

As is commonplace and expected in this type of proceeding, the parties addressed a substantial portion of their proofs towards establishing the wages, hours and other conditions of employment that existed in comparable communities employing comparable employees.

The first step of any analysis regarding comparable communities must be a determination of which communities shall be considered comparable to the community involved in the hearing. In this case we are concerned about communities which are comparable to the City of Taylor.

The Union submitted the communities of Allen Park, Ann Arbor, Dearborn, Dearborn Heights, Lincoln Park, Riverview, Southgate, Wayne County Sheriff, Westland and Warren. It is true that in some of the exhibits the Union listed other communities, but nevertheless, the overwhelming amount of comparable data was built upon the ten communities listed.

The City offered the communities of Allen Park, Dearborn, Dearborn Heights, Lincoln Park, Riverview, Royal Oak, Southgate, Trenton, Warren and Wyandotte.

As can be seen from an examination of the list, there are communities which are offered by both the City and the Union. There being no dispute regarding the comparability of Allen Park, Dearborn, Dearborn Heights, Lincoln Park, Riverview, Southgate, and Warren, the panel will adopt same as comparable communities for the purposes of this hearing.

In addition the Union has offered Ann Arbor, Wayne County Sheriff and Westland, while the City has offered Royal Oak, Trenton and Wyandotte.

In addressing the Union's offerings first, the panel rejects Ann Arbor. While it is true, as the Union suggests, that Ann Arbor has a population and physical size which is comparable to Taylor, it is also true that Ann Arbor is quite some distance from Taylor and is located in another county. Frankly, the similarity of size and population does not offset the uncertainty created by the distance existing between Taylor and the City of Ann Arbor. It is impossible to conclude that the economic setting and the pressures exerted upon Ann Arbor are sufficiently equatable with those concerned with in the City of Taylor.

The Union has also offered Wayne County Sheriff and the City of Westland. The panel is willing to accept both. Westland is extremely close to the City of Taylor in geographical terms and has a physical size and population which is surely comparable to Taylor. The Wayne County Sheriff's Department presents a slightly different picture, but not so different as to completely negate its influence on the decisions made herein. It is true that the Sheriff's function may be slightly different than the function assumed by the Police Department in the City of Taylor, but nevertheless, the police officers in the City of Taylor perform in a jurisdiction which is also the jurisdiction enjoyed by the Wayne County Sheriff. There are certainly differences between the entities, but the geographic similarities cannot be ignored.

Of the City's offerings, the panel rejects Royal Oak. While Royal Oak is similar in size to Taylor, it is rejected for

the same basic reason that Ann Arbor was rejected. While perhaps it is more likely that Royal Oak sits within a similar economic environment and is subject to similar wage pressures than Ann Arbor, Royal Oak is still geographically distant from Taylor and is located in a different county.

The panel accepts the two remaining contested cities of Wyandotte and Trenton. There is no question that in physical size, both Wyandotte and Trenton are much smaller than the City of Taylor, but then so is the City of Riverview and the parties agreed that the City of Riverview is comparable. Additionally, both Wyandotte and Trenton border on the City of Riverview and both are only a very short distance from the City of Taylor.

Thus, the final list of comparable communities which will be utilized by this panel will be: Allen Park, Dearborn, Dearborn Heights, Lincoln Park, Riverview, Southgate, Trenton, Wayne County Sheriff, Warren, Westland and Wyandotte.

ABILITY TO PAY

EVIDENCE, DISCUSSION AND FINDINGS

The City has made a very extensive effort to establish the allegation that it lacks the ability to pay any additional benefits or wages and, thus, cannot afford any changes in the prior Collective Bargaining Agreement.

The evidence regarding this point is comprised of the testimony given by Richard Davies, the City Controller, and a vast amount of financial documents.

A careful analysis of the testimony and documents placed in the record establishes certain highlights which should be considered.

According to the testimony given by Mr. Davies, if the City continues spending at its current rate, it will create a three

million two hundred thousand deficit at the end of the fiscal year. At any rate, it is anticipated that there will be an eight hundred thousand deficit on June 30, 1979.

Apparently a contributing factor to this dilemma includes a decline in federal revenue sharing funds and CETA allocations. Intertwined with the federal problems is the decreased evaluation of the assessments upon which the City bases its levy.

Floating upon the already foreboding financial setting is the notorious "Sajydk" judgment which, according to the testimony, was going to be paid in December of 1979. The liability is the result of a judgment entered against the City for illegal sewer tap charges and amounts to over one million dollars.

However, in spite of the many facts stated above, there are other considerations which must be acknowledged.

The City has applied for an extension on its CETA funds and the probability is that it will be granted. Of course, this will relieve a portion of the financial crunch.

The "Sajydk" judgment must be carefully considered because it is rather incredible that with other options open, the entire judgment is to be paid, or at least at the hearing, it was to be paid in December of 1979. According to the testimony given by Mr. Davies, the payment of the judgment could have been spread over ten years. While it is true that the people voted not to issue judgment bonds in order to pay for the judgment, the testimony seems to establish that other arrangements could have been made by the City Council without voter approval.

Since this is so, the panel is hard-pressed to facilitate the Council's decision by causing this bargaining unit to suffer by absorbing a substantial portion of the lost revenue. If the Council wishes to pay the entire judgment in December, that's fine, but the Chairman is not going to consider the cost of paying

that judgment when other means would have been available to lessen the impact on the City and of course on this bargaining unit.

Another fact which exists which makes the assessment of the City's financial condition especially difficult is the practice both past and present, of developing written budgets without making allocations for any wage increases. The testimony establishes that in the past, the proposed budgets were created and the monies allocated without making any adjustment for anticipated wage increases. Then, when the wage increases came along, the budgets were adjusted in order to absorb same. Thus, the budgets that were placed in this record and examined by this panel do not contain any allocations for wage increases.

While the panel cannot judge the merits of budgeting in such a fashion, and while perhaps it is an extremely prudent way to proceed, the budgets presented herein are of very little help to this panel.

In the final analysis and after carefully considering all of the testimony and the documents placed in this record, the panel has come to the conclusion that the City of Taylor is indeed suffering from substantial financial difficulties. This being so, and since the ability to pay is one of the considerations that must be acknowledged under the Act, the panel has carefully kept in mind the City's lessened financial status when it formulated the awards contained herein.

EVIDENCE, DISCUSSION AND FINDINGS

ISSUE - WAGES

The first issue that will be considered is the wage rate which will exist during the contract year of 7/1/78 to 6/30/79 and 7/1/79 to 6/30/80.

The City's position is to continue the language contained in the prior Collective Bargaining Agreement.

The Union seeks to increase the wage rate for the first year of the Collective Bargaining Agreement by eight percent, while it seeks to increase the second year wage rate by seven percent.

In examining all of the evidence contained in the record, it must be kept in mind that the comparisons were made utilizing a top paid patrolman.

The salary scheme which exists in the City of Taylor is rather unique, at least when compared to that which exists in the comparable communities. In Taylor it appears that cost of living adjustments play a much larger part in establishing the amount of money taken home by the officers, than cost of living adjustments do in the other communities, if indeed COLA is present at all. This will become much more apparent as the evidence is examined.

While the City has proceeded on the basis of the total dollars received by an officer, and the Union has discussed the issue from the aspect of base wage, a careful analysis of the problem would suggest that the only fair method of comparing the City of Taylor to the other comparable communities would be to compare both the base salary and the COLA payments received in the City of Taylor to the base salary and COLA payments, if any, paid by the other communities to its officers.

The current wage rate received by a top paid officer in the City of Taylor is \$17,540.00. The evidence also establishes that during the year of 1978-1979, an officer received \$2,974.00 of COLA for a total dollar take home amount of \$20,514.00.

The City does not offer any additional income for 1978-1979.

For 1978-1979 as aforesated, the Union seeks an eight percent in base wage. If this is granted, the base wage would become \$18,943.00. When the \$2,974.00 of COLA is added thereto, the total amount received by a top paid officer would be \$21,917.00.

For 1979-1980, the City suggests a continuation of the status quo. According to the record, the estimated COLA payments for 1979-1980 would be \$4,000.00. Frankly, in light of the \$2,974.00 paid in 1978-1979, the \$4,000.00 estimate for 1979-1980 certainly does not seem unreasonable and, thus, will be utilized throughout this opinion. Nevertheless, when the \$4,000.00 is added to the \$17,540.00, the anticipated wage rate for 1979-1980 becomes \$21,540.00.

The Union is seeking a seven percent wage increase in the second year of the Collective Bargaining Agreement and if it is assumed that its first year wage increase is granted, the seven percent increase would result in a base wage of \$20,269.00. When the \$4,000.00 in anticipated COLA is added thereto, the total anticipated wage would be \$24,269.00.

There was nothing in the record which precluded the panel's ability to choose one party's offer for the first year of the contract, and the other party's offer for the second year. If the City's position is adopted for the first year of the contract and the Union's position for the second year, the wage rate for the first year would remain at \$20,514.00, while the anticipated wage rate for the second year would be \$22,768.00. If the Union's last offer were accepted for the first year of the contract, and the City's for the second, the first year wage

rate would be \$21,917.00, while the anticipated second year wage rate would be \$22,943.00.

Keeping all of the above in mind, a thorough analysis of the wages and COLA paid by the comparable communities is essential in order to arrive at a just decision.

The Collective Bargaining Agreement in Allen Park contains a wage schedule for employees hired before July 1, 1978 and for those hired after July 1, 1978. In this analysis, only the prior was utilized.

The Allen Park Collective Bargaining Agreement establishes that the maximum salary received by a patrol officer for July 1, 1978 thru June 30, 1979 was \$19,655.00. For the same period COLA is payable which is capped at \$157.32 per quarter and which is not rolled into the base salary. Thus, in 1978-1979, the highest paid Allen Park patrol officer receives \$19,665.00 plus \$629.00 in COLA for a total of \$20,294.00. The Collective Bargaining Agreement provides for a salary increase payable on July 1, 1979 thru December 31, 1979. The figure for that period of time is \$20,315.00. From January 1, 1980 thru June 30, 1980, the figure is \$21,000.00. A fair method of ascertaining the yearly salary would be the average of the two, which calculates to be \$20,658.00. For the same period of time, the contract also provides for a COLA payment payable when the CPI increases over 1.4 percent per quarter up to a maximum of 2.3 percent. Taking the maximum of 2.3 percent and apply it to the \$20,658.00 times four quarters gives a yearly COLA payment of \$1,900.00. When added to the base salary rate, this gives a total salary for 1979-1980 of \$22,557.00.

The Collective Bargaining Agreement in the City of Dearborn provides that the highest paid patrol officer receives \$19,133.00

from July 1, 1978 thru June 30, 1979. There is no COLA for that year. Effective July 1, 1979, the highest paid patrol officer receives \$20,281.00. Additionally, COLA becomes effective July 1, 1979. It provides a per hour increase which cannot exceed one percent of the patrol corporal rate in effect on July 1, 1979. The police corporal rate effective on July 1, 1979 is \$21,493.00. This calculates to an hourly rate of \$10.33. One percent of \$10.33 is 10.3 cents per hour. When this is multiplied by 2,080, the maximum payable COLA becomes \$214.00. When added to the \$20,281.00 rate, this establishes a total wage for 1979-1980 of \$20,495.00.

For the fiscal year 1978-1979, the contract in the City of Dearborn Heights shows that a top paid officer received \$20,280.00. When this is combined with the \$442.08 payable as cost of living, the total amount of dollars received by an officer in Dearborn Heights for 1978-1979 is \$20,722.00. For 1979-1980, the top paid figure becomes \$21,630.00. When the \$442.08 cost of living is added thereto, the total dollars received by the top paid officer in 1979-1980 is \$22,072.00.

The Collective Bargaining Agreement in Lincoln Park provides a top paid officer with a salary of \$19,444.00 in 1978-1979. The cost of living is capped at 16 cents per hour per annum and, thus, the total dollar figure cap is \$333.00. When this is combined with the \$19,444.00 in wages, the total amount of dollars received by top paid officers is \$19,777.00. For the year 1979-1980 the total amount received is \$20,944.00, being comprised of a salary of \$20,611.00 and \$333.00 in COLA.

The Riverview Collective Bargaining Agreement has an expiration date of June 30, 1979 and, thus, data is available only for the contract year of 1978-1979. The contract indicates

that a top paid patrolman receives \$19,059.00 in 1978-1979. The contract does not provide for a cost-of-living adjustment.

Southgate's contract provides a salary in 1978-1979 of \$19,175.00 for a top paid patrolman. In 1979-1980 the figure is \$21,000.00. The contract does not provide for a cost-of-living adjustment.

In 1978-1979 a top paid patrolman in the City of Trenton received a salary of \$19,973.00. In 1979-1980, that figure increased to \$21,171.00. There was no cost-of-living adjustment provided in the Collective Bargaining Agreement.

The Collective Bargaining Agreement regarding the Wayne County Sheriff's Department shows that from July 1, 1978 until June 30, 1979, a top paid police officer received \$20,469.00. There was also a COLA provision in the contract which is uncapped and the actual COLA figure received by the officers was unknown. From July 1, 1979 until November 30, 1979, a top paid police officer received \$21,493.00. Again, there was a COLA allowance but the amount paid pursuant thereto is unknown.

Warren's contract provides a top paid police officer with a 1978-1979 salary of \$20,102.00. For the year 1979-1980 the salary becomes \$21,370.00. The Collective Bargaining Agreement contains a cost-of-living allowance which provides for a eight cent cap per quarter. It also provides that there should be a roll-in of six cents per hour for certain periods of time. The figures of \$166.00 and \$291.00 were used to express the cost-of-living adjustment for the years 1978-1979 and 1979-1980. In all probability the two figures are extremely inaccurate. Nevertheless, when utilizing the estimated COLA figures, the total amount of dollars received by a top paid officer in 1978-1979 was \$20,268.00, while in 1979-1980 it was \$21,661.00.

There was no data available for the City of Westland.

Wyandotte's contract provided a top paid officer with a salary of \$19,698.00, effective October 2, 1978. Effective April 1, 1979, that salary became \$19,864.00, and effective October 1, 1979, the salary became \$21,050.00. The figures of \$19,698.00 and \$21,050.00 were used for comparisons herein. The Wyandotte contract did not provide for a cost-of-living allowance.

Thus, keeping in mind the inherent inaccuracies in the data, the comparable communities paid an average salary of \$19,926.00 for 1978-1979, and \$21,383.00 for 1979-1980.

A graphic display of the statements made above appear as follows:

COMPARISON OF SALARY PLUS COLA

<u>CITY</u>	<u>1978-1979</u>	<u>1979-1980</u>
<u>Taylor</u>		
City	\$17,540+\$2,974 (\$20,514)	\$17,540+\$4,000* (\$21,540)
Union	\$18,943+\$2,974 (\$21,917)	\$20,269+\$4,000 (\$24,269)
City/Union	\$17,540+\$2,974 (\$20,514)	\$18,768+\$4,000 (\$22,768)
Union/City	\$18,943+\$2,974 (\$21,917)	\$18,943+\$4,000 (\$22,943)
<u>Allen Park</u>	\$19,665+\$629 (\$20,294)	\$20,658+\$1,900 (\$22,557)
<u>Dearborn</u>	\$19,133+none (\$19,133)	\$20,281+\$214 (\$20,495)
<u>Dearborn Heights</u>	\$20,280+\$442 (\$20,722)	\$21,630+\$442 (\$22,072)

<u>CITY</u>	<u>1978-1979</u>	<u>1979-1980</u>
<u>Lincoln Park</u>	\$19,444+\$333 (\$19,777)	\$20,611+\$333 (\$20,944)
<u>Riverview</u>	\$19,050+none (\$19,050)	-
<u>Southgate</u>	\$19,875+none (\$19,875) (1/1/78 to 12/31/78)	\$21,000+none (\$21,000) (1/1/79 to 12/31/79)
<u>Trenton</u>	\$19,973+none (\$19,973)	\$21,171+none (\$21,171)
<u>Wayne County Sheriff</u>	\$20,469+unknown (\$20,469)	\$21,493+unknown (\$21,493)
<u>Warren</u>	\$20,102+\$166 (\$20,268)	\$21,370+\$291 (\$21,661)
<u>Westland</u>	-	-
<u>Wyandotte</u>	\$19,698+none (\$19,698)	\$21,050+none (\$21,050)
<u>AVERAGE</u>	\$19,926	\$21,383

The comparison of base salary and COLA, utilizing either the City's or the Union's last offer of settlement, or any combination thereof, indicates that the average salary paid in the comparable communities for the year 1978-1979 is less than any of the last offers of settlement offered by the parties herein. Further, if the \$4,000.00 estimated COLA figure is accurate, the amount of base salary and COLA received by a top paid Taylor police officer for 1979-1980, utilizing either of the last offers of settlements or a combination thereof, will exceed the average salary plus COLA paid in the comparable communities.

The Chairman is well aware that there are problems in calculating the COLA in the other communities, nevertheless, he is confident that the comparisons stated above are acceptably accurate.

As aforestated, the salary and COLA picture in Taylor is rather unique because a large portion of the take-home dollars are provided by a COLA payment. This is unlike other communities. Nevertheless, the record does not indicate that the police officers have attempted to change this situation, aside from their request for a higher base salary.

Another aspect of this analysis concerns the work load placed upon a Taylor patrolman. The evidence clearly indicates that police officers in the City of Taylor certainly earn their pay. In the categories examined, the performance of and the work load placed upon a Taylor police officer has always been at the top, or at least near the top of the scale.

There was other evidence contained in the record suggesting that when compared to other employees in the City of Taylor, police officers did not fare very well. Frankly, after examining all of that evidence, your Chairman is not prepared to state that the police officers in the City of Taylor are disadvantaged from an internal viewpoint.

After considering all the available evidence, the panel must take the position that for the year 1978-1979, the City's last offer of settlement must be accepted. The proofs regarding the City's ability to pay have already been discussed. The comparable data certainly establishes that the City's last offer of settlement and the Union's last offer of settlement clearly exceed the average salary plus COLA paid in the comparable

communities. The City's last offer of settlement exceeds the average COLA and salary figure by approximately \$600.00. The Union's last offer of settlement exceeds the average figure for salary and COLA by approximately \$2,000.00. It is apparent that the City's last offer of settlement is much more acceptable.

The second year of the Collective Bargaining Agreement, 1979-1980, presents more concern. The COLA figure utilized in evaluating the data is an estimate. It is known that the prior year produced a COLA payment of \$2,974.00, while the current estimate for 1979-1980 is \$4,000.00. It is known that in the first quarter the COLA payment was equal to \$1.74 per hour, while in the second quarter, it was equal to \$1.93 per hour. This certainly indicates that it will live up to its estimate. If it does, the City's last offer of settlement would provide for a dollar take-home of \$21,540.00, which is approximately \$200.00 over the average. The Union's last offer of settlement, when considered in light of the first year award, would provide a dollar take-home of \$22,768.00. This would be approximately \$1,400.00 more than the average dollar take-home in the comparable communities. This is unacceptable.

In the final analysis, the panel must also adopt the City's last offer of settlement for the second year of the Collective Bargaining Agreement. The panel is aware that there is a certain amount of risk involved because of the unknown COLA payment. However, if there is a drastic change in the economic situation, it certainly can be addressed very shortly for the current Collective Bargaining Agreement shall expire on June 30, 1980.

ISSUE - WAGE PROGRESSION

The current Collective Bargaining Agreement provides that an officer in the City of Taylor receives his or her maximum

salary after 39 months of service.

The Union's last offer of settlement seeks to reduce this top paid progression to 24 months of service.

The City's last offer of settlement suggests a continuation of the status quo.

In Allen Park, an officer reaches top pay at 48 months. In Dearborn Heights, the time is 24 months, while in Riverview, it is 36 months.

In Dearborn, those officers who are working in the department on 6/30/78, reached top pay at 24 months. For those hired after 7/1/78, top pay was reached at 36 months. In Lincoln Park, the time to top pay is 48 months as it is in Warren. Southgate provides top pay at 24 months, while in Wyandotte it is 36 months.

The Wayne County Sheriff's contract shows a five-step wage progression, but the time to top pay is unknown. In Trenton, an officer receives steady increases up until 24 months of service. However, an officer receives another increment at the eighth year of service. So, perhaps technically an officer receives top pay in Trenton after eight years. Nevertheless, the 24-month figure was used for the calculations herein, even though the eight-year figure was used in the prior salary calculations.

The Westland contract provides an economic re-opener for the year July 1, 1978 until June 30, 1979. The wages, hours and other conditions of employment negotiated under that re-opener are unknown and, thus, the time to top pay in Westland is unknown.

The average time to top pay, utilizing the smallest figures where there are alternate figures, calculated to be 35 months.

Using the larger figures, when alternates were given, the calculation established the average time to top pay as being 36 months.

Keeping in mind all of the evidence which is relevant to this issue, there can be no finding made which would indicate that the current 39 months progression should be condensed to the 24 months sought by the Union.

Thus, the City's last offer of settlement must be accepted.

ISSUE - HOSPITALIZATION

The evidence seems to indicate that currently police officers in the City of Taylor are provided City-paid insurance to the tune of Blue Cross/Blue Shield, MVF1 with master medical and a \$2.00 co-pay drug rider. The coverage includes the employee, employee's spouse and children.

The Union is seeking to add an emergency room rider (F.A.E.), a pre and post natal care rider (P.P.N.) and a out-patient psychiatric care rider (O.P.C.).

The Employer seeks a continuation of the status quo.

While the evidence seems sketchy and confusing, it appears that as of May, 1979, the total cost of the F.A.E. rider for a 12-month period was \$328.32. For the P.P.N. rider, the 12-month cost was \$2,367.36, while for the O.P.C. rider, the 12-month cost was \$2,626.56.

A careful examination of the Collective Bargaining Agreements contained in the record, along with other evidence, resulted in the information contained in the following schedule:

<u>CITY</u>	<u>HOSPITALIZATION</u>
Allen Park	MVF2 Master Medical with Drug and Reciprocity Riders
Dearborn	MVF1, Rider ML, Master Medical, Drug Rider - \$2.00 co-pay
Dearborn Heights	MVF1, P.D.R. (\$1.00 deductible), Master Medical N-4, 1MB-OB, DCCR, \$12.24/month contributed for VST and FAE with N710 Reciprocity Rider
Lincoln Park	MVF2, Master Medical-Option III, with a \$2.00 deductible prescription rider, FAC-RC and Reciprocity Agreement with Medical First Aid Rider
Riverview	MVF1 with \$2.00 Drug Rider - contract expired 6/30/79
Southgate	MVF1 with \$2.00 Drug Rider
Trenton	MVF1, D45M, Master Medical, ML and \$2.00 Drug Rider, Family Continuation Rider
Warren	MVF1, Master Medical, \$2.00 Drug Rider, ML, 1MB-OB, OPC-OPPC Riders
Wayne County Sheriff	MVF2, \$2.00 Drug Rider, and Equitable Major Medical Benefits or Community Hospital Association
Westland	No current data
Wyandotte	MVF1, FAE Rider, Master Medical Option 2

At first glance it would appear that most of the comparable communities provide a hospitalization insurance program which is superior to that offered by the City of Taylor. However, without specific evidence regarding the contents thereof, it is extremely difficult to analyze the comparative worth of each of the different plans. It is noted, however, that only two other communities, Wyandotte and Dearborn Heights, specifically provide the F.A.E. rider. Only one other community, Warren, provides the specifically designated O.P.C.-O.P.P.C. rider.

Further confusing the issue is the fact that the evidence does not clearly establish the psychiatric benefits which are available under the present hospitalization program. The O.P.C. rider, as it is termed by the Union, is relatively expensive when compared to the other riders and in order to justify the cost, the amount of improvement over the existing plan must be known.

The P.P.N. rider, as designated by the Union, does not specifically appear in the hospitalization programs offered by any of the comparable communities. The benefits provided thereunder may very well be provided by some other type of rider or program, but that is unknown at this point. The F.A.E. rider, as designated by the Union, does exist in at least two other communities and its cost certainly seems negligible. If the statute allowed the panel to sever the F.A.E. rider from the rest of the Union's last offer of settlement, there would be no question that the rider would be granted.

However, the Union's last offer of settlement cannot be fragmented and must either be rejected or accepted in total. This being the case, the panel must find that the evidence is insufficient to warrant the adoption of the Union's last offer of settlement.

ISSUE - DENTAL

The current Collective Bargaining Agreement provides for Delta Dental Insurance Class I and II, full-family coverage with \$600.00 maximum per person per year. It is a 50/50 plan.

The Union seeks to improve the current 50/50 plan by substituting a 60/40 plan. There is no mention of increasing the maximum payable per person per year. The City's last offer

of settlement seeks a continuation of the status quo.

The evidence surrounding the cost of this proposal is extremely vague. Apparently a 75 percent, 25 percent Class I and 50/50 Class II plan with benefits limited at \$600.00 per person per year would increase the cost to the City by \$8.72 per month per employee. However, the cost figures that are contained in the record are for a plan other than that now sought by the Union.

A careful analysis of the record indicates that the dental programs available in the comparable communities appear as such:

<u>CITY</u>	<u>DENTAL PROGRAM</u>
Allen Park	Delta Dental Full Family, Class I & II, 7/30, \$600 maximum per person per contract year.
Dearborn	100% of cost for preventive, diagnostic, (except radiographs) and emergency palliative (Class I services) and 80% of the balance of Class I benefits; 50% Class II - \$600 maximum/person/contract year and 50% Class III \$500 maximum/lifetime.
Dearborn Heights	75/25 Class I & II maximum \$750/person/contract year.
Lincoln Park	City pays \$18/month/employee towards dental plan - City Exhibit 5 shows actual cost as \$19.64.
Riverview	None, but contract expired 6/30/79.
Southgate	\$10/month/employee towards plan chosen by Union.
Trenton	80% of reasonable and customary fees; 50% for restorative work - \$50 deductible/year per individual, \$150 maximum/family.
Warren	75/25 Delta Dental Insurance Program.
Wayne County Sheriff	Existing program - whatever it is.
Westland	No current data.
Wyandotte	50/50 Class I and Class II.

The evidence establishes that where the data can be compared to the delta program contained in the Taylor Collective Bargaining Agreement, the programs offered by the comparable communities generally exceed that contained in Taylor's contract. Additionally, it seems that currently Taylor is paying approximately \$12.27 per employee per month for delta coverage. Lincoln Park pays \$18.00 per employee per month, while Southgate pays \$10.00 per employee per month.

When judged by the level of benefits provided, the City of Taylor is on the low side, while when judged by the amount of cost incurred, the City of Taylor is still on the low side.

After carefully examining all of the data surrounding this issue, including the City's ability to pay, the panel finds that the Union's last offer of settlement is much more acceptable than the last offer of settlement tendered by the City.

ISSUE - LONGEVITY PAY

Currently the City of Taylor provides a longevity benefit of \$2.00 for each month of continuous service to a maximum of \$500.00. The benefit is paid on the first payday subsequent to December 1 of each year.

The Union seeks to increase the rate of payment to \$3.00 per month and the maximum to \$850.00. The City seeks a continuation of the status quo.

An examination of the record indicates that the comparable communities have the following longevity programs:

<u>CITY</u>	<u>LONGEVITY PROGRAM</u>
Allen Park	\$25 each year of service to 10 years; then \$30 a year for each year over 10 years. 5 = \$125; 10 = \$250; 15 = \$400; 20 = \$550; 25 = \$700.
Dearborn	5-9 = \$250; 10-14 = \$350; 15-19 = \$450; 20-24 = \$550; 25+ = \$650.

CITYLONGEVITY PROGRAM

Dearborn Heights

5+ = 2%; 8+ = 3%; 10+ = 4%; 12+ = 5%;
15+ = 6%; 17+ = 6.5%; 20+ = 7% (using
79-80 base)
5 = 0; 10 = \$865; 15 = \$1,082; 20 = \$1,514;
25 = \$1,514

Lincoln Park

5-9 = \$120; 10-14 = \$240; 15-19 = \$360;
20-24 = \$480; 25+ = \$600.

Riverview

After 5 years \$50; then 50/year, maximum \$500
(contract expired 6/30/79)
5 = 0; 10 = \$300; 15 = \$500; 20 = \$500;
25 = \$500.

Southgate

5 years = \$100; \$25 each year to \$500 max.
5 = \$100; 10 = \$225; 15 = \$350; 20 = \$475;
25 = \$500.

Trenton

5 years = \$100; \$25 each year to max. of
\$600.
5 = \$100; 10 = \$225; 15 = \$350; 20 = \$475;
25 = \$600.

Warren

5+ = 2%; 10+ = 4%; 15+ = 6%; 20+ = 8%;
25+ = 10%; base has \$15,000 cap.
5 = 0; 10 = \$300; 15 = \$600; 20 = \$900;
25 = \$1,200.

Wayne County
Sheriff

5+ = \$200; 10+ = \$350; 15+ = \$500; 20+ = \$650.

Westland

No current data.

Wyandotte

6+ = \$120 (\$20/year) + \$20/year cap to \$500.
5 = 0; 10 = \$200; 15 = \$300; 20 = \$400;
25 = \$500.

Taylor

City

5 years = \$120; 10 years = \$240; 15 years =
\$360; 20 years = \$480; 25 years = \$500

Union

5 years = \$180; 10 years = \$360; 15 years =
\$540; 20 years = \$720; 25 years = \$850.

The City has pointed out that Taylor's longevity program is unique from those existing in the comparable communities because Taylor's program provides a payment from the first year of employment. It appears that only one other community does so. Nevertheless, when measured in a dollar amount, the \$2.00 per month payment currently provided for in the contract would give an officer \$24.00 in the first year; \$48.00 in second year; \$72.00 in the third year and \$96.00 in the fourth year. If the Union's last offer of settlement were accepted, the payments would increase to \$36.00 for the first year; \$72.00 for the second year; \$108.00 for the third year and \$144.00 for the fourth year. An officer certainly isn't going to become wealthy from those payments.

By the same token, however, the current longevity program existing in the City of Taylor does compare favorably with those which exist in the comparable communities. It is true that some communities provide substantially more benefits, i.e., Dearborn Heights, Warren, but in the overall comparison, it can't be said that Taylor's present longevity program is substantially lacking.

It is true that the \$500.00 cap places the program in the lower tier of communities, but nevertheless, an adoption of the Union's last offer of settlement would place Taylor third behind Dearborn Heights and Warren.

Thus, in the final analysis, the panel must hold that the City's last offer of settlement is more acceptable than the Union's.

ISSUE - MILITARY BUY BACK - PENSION

The current pension program does not contain a provision which allows the accumulation of service credits for active military service acquired prior to employment.

The City wishes a continuation of the status quo, while the Union seeks to provide a so-called "Buy Back" program wherein a maximum of three years of active military service can be turned into service credit.

The only evidence existing regarding the comparable communities suggests that the sole community providing for such a conversion is the City of Dearborn.

The testimony offered by Union witnesses, along with documentary evidence in the record indicates that based on June 30, 1978 actuary evaluation, and based upon the premise that all eligible employees would apply, the total increase in liability would be \$475,855.00. The estimated employee contribution would be \$92,800.00, while the increase in Employer liability would be \$383,055.00. The increase in the Employer's contribution in first year dollars would be \$18,504.00.

While the overall cost of the provision seems substantial, the first year cost is not unreasonable. Yet, the evidence suggests that with the exception of Dearborn, the benefit does not exist in any other community.

This type of arbitration is often been criticized because innovation is stifled by reliance placed upon the wages, hours and conditions of employment that exist in comparable communities. To a degree that criticism is valid.

In the present case, even in light of the reasonable first-year cost, the panel cannot accept the Union's last offer of

settlement. The absence of the benefit in the comparable communities, with the one exception, suggests that this benefit is not necessary in order for the police officers in the City of Taylor to maintain an equitable position in relation to the police officers employed by the comparable communities.

Thus, the panel must accept the City's last offer of settlement.

ISSUE - SHIFT DIFFERENTIAL, UNIFORM ALLOWANCE
AND EDUCATIONAL ALLOWANCE

Shift differential, uniform allowance and educational allowance are the last three issues to be discussed. They are being discussed jointly rather than severally because prior to the time the arbitration took place, the Union and the City had tentatively agreed to the shift differential, uniform allowance and educational allowance language contained in Union Exhibit 1A.

When the panel originally met on Tuesday, May 29, 1979, Union Exhibit 1A, along with Union Exhibit 2A, contained the tentative agreements reached by the parties. The agreements had not been ratified by the Council. Thus, the panel ordered that the arbitration be adjourned until the City Council had an opportunity to ratify the tentative agreements. Apparently the City Council ratified all the agreements, except the three areas now under consideration.

The City position for each of the areas now in dispute states: "The City makes no offer as to this provision in light of Council's refusal to ratify this provision." The Union's last offer of settlement seeks a shift differential of 25 cents per hour afternoons, and 35 cents per hour midnights, a clothing allowance the value of which amounts to \$550.00 and educational bonus language the heart of which provides \$250.00 for an

Associate Degree; \$500.00 for a Bachelor Degree; \$1,000.00 for a Master's Degree; \$1,500.00 for a Double MA/MS; \$2,000.00 for a Pre Doctrate or \$2,500.00 for a Doctrate.

Aside from the evidence regarding the general ability to pay, the only evidence contained in the record regarding these three issues is the evidence establishing the historical acceptability of the Union's position and the data concerning the comparable communities.

A summarization of the data contained in the record regarding the comparable communities indicates the following:

<u>CITY</u>	<u>SHIFT DIFF.</u>		<u>CLOTHING ALL.</u>		<u>ED. BONUS</u>	
	78-79	79-80	78-79	79-80	78-79	79-80
Allen Park	.20,	.30 same	\$350	\$375	Tuition	
Dearborn	.25-	.30	\$300 furnish 1st uniform		none	
Dearborn Hts.	none	none	\$450 plus 1st issue	\$550	Tuition & Books	
Lincoln Park	.10,	.15.20	\$370 plus 1st issue	\$400	Tuition for required attendance	
Riverview	\$200/yr.		\$500	\$500	Tuition	
Southgate	.15,	.25	\$545	\$570	Tuition-books	
Trenton	.25,	.30	\$650	\$675	none	
Warren	3%, 4%, 5%; using max. rate & 2080 hrs. .29, .37, .48; .41, .51, .62	4%, 5% 6%	\$400 1st issue	\$450	Cert. - \$200 Assoc. Degree = \$400	
Wayne Ct. Sheriff	.50		\$500 1st issue	\$550	Costs reimb. limit \$400/yr.	
Westland	No data					
Wyandotte	None		\$500	\$550	Tuition & costs if directed	

	<u>SHIFT DIFF.</u>	<u>CLOTHING ALL.</u>	<u>ED. BONUS</u>
	78-79 79-80	78-79 79-80	78-79 79-80
<u>City</u>	no offers		
<u>Union</u>	.25-.35	\$200 allowance \$350 cash	Assoc. \$250 Bachelor \$500 Master \$1,000 Double MA/MS \$1,500 Pre Doctrate \$2,000 Doctrate \$2,500

Dealing first with shift differential, it must be noted that some communities have none. Those that do offer varying rates with the prior tentative agreement being exceeded by at least two communities. The difference between the shift differential sought by the Union herein, and the shift differentials which are lower, is rather insignificant.

Regarding the clothing allowance, the evidence makes it extremely clear that the Union's position is very comparable to that provided by the comparable communities.

The Union's request regarding the educational allowance, with the exception of the payments in recognition of attaining certain degrees, does not necessarily place additional economic burden upon the City. The language gives the Chief of Police the right to deny tuition reimbursement, depending upon, inter alia, the availability of funds in the City budget.

While the amounts paid for the achievement of certain degrees may seem excessive, especially for the last three listed degrees, it should be understood that the increase in the Associate Degree area only represents a \$50.00 change, while the Bachelor Degree and Master's Degree areas represent a \$100.00 and \$200.00 change. While the amounts and in fact the last

Thus, in all three areas the panel must accept the Union's last offer of settlement.

1. The panel awards the language contained in the prior Collective Bargaining Agreement except as modified by the tentative agreements existing between the parties, and the awards specifically issued herein.

18 Sec 1
CITY DELEGATE

CITY DELEGATE

3. The panel adopts the City's last offer of settlement for the issue of Wages for both the first and second year of the Collective Bargaining Agreement.

CHAIRMAN

UNION DELEGATE

CITY DELEGATE

4. The panel adopts the City's last offer of settlement for the issue of Wage Progression.

CHAIRMAN

UNION DELEGATE

CITY DELEGATE

5. The panel adopts the City's last offer of settlement for the Hospitalization issue.

CHAIRMAN

UNION DELEGATE

CITY DELEGATE

6. The panel adopts the Union's last offer of settlement for the Dental issue.

CHAIRMAN


UNION DELEGATE

CITY DELEGATE

7. The panel adopts the City's last offer of settlement for the Longevity issue.

Henry Chin 2-10-80
CHAIRMAN

UNION DELEGATE

Ed Seal
CITY DELEGATE

8. The panel adopts the City's last offer of settlement regarding the Pension issue.

Henry Chin 2-10-80
CHAIRMAN

UNION DELEGATE

Ed Seal
CITY DELEGATE

9. The panel adopts the Union's last offer of settlement for the Shift Differential, Uniform Allowance and Educational Allowance issues as contained in Union Exhibit 1A.

Henry Chin 2-10-80
CHAIRMAN

Joseph B. Chin
UNION DELEGATE

CITY DELEGATE

A panel member's signature on the above awards does not indicate that the panel member agrees with the logic used to arrive at the award, but agrees only with the final award.



FRATERNAL ORDER OF POLICE
STATE LODGE OF MICHIGAN
LABOR COUNCIL

G-3136 W. PASADENA AVE.
FLINT, MICHIGAN 48504
PHONE (313) 732-5070

January 28, 1980

Mario Chiesa, Chairman
428 N. Gulley Road
Dearborn, Michigan 48128

RE: City of Taylor -and- Fraternal
Order of Police, Lodge 123

Dear Mr. Chiesa:

Attached you will find the requested tentative award. I have affixed my signature to those items where appropriate. The lack of signature signified dissent not only in the logic but the award as it relates to the issue not signed.

On behalf of the Fraternal Order of Police, I hereby most strenuously dissent. Perhaps one could agree with the observations, for the sake of argument, regarding the 1978-79 contract year; however, in light of all the testimony regarding ability to pay and the obvious lack of weight given to the "Sajydk" judgment, the CETA situation, and the budgets presented, I can not and will not agree that the City has established an inability to pay. Especially in light of the practice of the City regarding the non-budgeting of monies for wages and Mr. Davis' clear testimony that the City could pay an increase but that could result in a reduction in force. Moreover, as I understand the law, the panel must consider the cost-of-living in the community. Testimony of Mr. Davis indicated that the COLA received amounted to a 5% "increase". Yet the expected government figures establish a 1979 rate of inflation of over 15% for the Detroit area. The Chairman is suggesting a severe economic blow to the members I represent.

Chairman Chiesa
January 28, 1980
Page Two

More importantly, the moral of the members who have waited almost two years will be at an all time low, which could prove to be the understatement of the year. Likewise, the non-offer position presented by the City apparently has become an offer to be considered. This proposed award presents a most dangerous situation as far as the effectiveness of the compulsory arbitration process is concerned, in my judgment.

The officers I represent have attempted to comply with the law, unlike some groups of public employees who withdraw services to effect settlement of labor disputes. Again, with the issuance of this award, the procedure has become suspect - this is unfortunate. It is more than disappointing. I, therefore, dissent.

Respectfully,

Joseph P. Clark /dlm
JOSEPH P. CLARK, Director
F.O.P. State Labor Council
Panel Member - Lodge 123

JPC:dlm
Encl.

cc: John Lyons, Esquire
Officer Larry Fields