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*Traverse City, City of*

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IN THE MATTER OF A COMPULSORY ARBITRATION

(UNDER MICHIGAN ACT 312)

BETWEEN

CITY OF TRAVERSE CITY, (MICH.)

AND

INT'L BROTHERHOOD OF TEAMSTERS,  
CHAUFFEURS, WAREHOUSEMEN AND  
HELPERS OF AMERICA, LOCAL 214

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RE: POLICE OFFICERS AS DEFINED  
IN BARGAINING UNIT

9/17/71

REFERRAL OF DISPUTE

This dispute was referred to Compulsory Arbitration under the provisions of Michigan Act 312 after exhaustion of negotiations and mediation. The fact that mediation had been exhausted was reported by the Mediator to the Chairman of the Michigan Employment Relations Commission and upon request of the Union for Compulsory Arbitration under the above Act.

The Chairman of this Arbitration Panel was appointed by the Chairman of the Michigan Employment Relations Commission to hear and make an award concerning the matters in dispute relative to the bargaining unit in question. The parties were given proper notice in accordance with the Statute and were represented by counsel at the hearing which was held on August 5, 1971 in Traverse City.

The City designated Lawrence C. Savage as the Employer member and the Union designated Joseph Valenti as the Union member of the Arbitration Panel. Due to the incapacitation and subsequent hospitalization of Mr. Savage, who sat at the hearing, counsel for the City, Jack R. Clary was substituted as Panel member for the City and his name therefore appears as Employer Panel Member at the conclusion of this Award.

LABOR AND INDUSTRIAL  
RELATIONS LIBRARY  
Michigan State University

JUL 31 1976

*Dunne, James T.*

The panel met in Traverse City on September 7, 1971 to consider tentative recommendations by the Chairman and to attempt to resolve differences. The following Award is made pursuant and subsequent to that Meeting and is submitted, as required, for signature or dissent as to the various items of the Award by the Chairman. To be effective, each item of the Award must be signed by one or the other or both of the Panel Members aside from the Chairman.

Preliminary to a statement of the items of Award certain matters should be reported. This will be the first contract between these parties relative to Police officers covered by the bargaining unit. Previously the officers were represented by another labor organization. The Union in this proceeding was certified as bargaining representative prior to these negotiations. The bargaining unit comprises all police officers below the rank of Lieutenant and excludes only clerical employees and those of Lieutenant rank or above.

As is to be expected in a first contract everything was open for negotiation. Many matters were agreed to and initialed. At the hearing it was stipulated by the parties that all such matters which had been initialed by them were no longer matters in dispute to be considered by this Panel. These matters are therefore specifically excluded from this Award. The parties submitted exhibits which indicate what these matters are and no further mention will be made of them since they are not part of this Award.

It should also be pointed out that there are certain items which were in dispute, the importance of which, however, were related to how other items in dispute were disposed of. These will be indicated in the Award as dismissed where they have been rendered unimportant because disposed of by other Award items.

Finally, it should be stated that the hearing in this proceeding pre-dated

the issuance of the Presidential Executive Order of August 15, 1971, commonly known as the "Wage-Price Freeze" Order issued pursuant to the Economic Stabilization Act of 1970. However, that Order froze wages and fringe benefits economic in character, already in effect during the thirty day period ending August 14, 1971 for a period of 90 days beginning August 15, 1971. By reason of that Executive Order of the President it is necessary to state that all matters in this Award are subject to applicable federal law.

#### ITEMS OF AWARD

##### Item 1-The Management Clause

The Union's main concern is that the Management Clause contain highly restrictive language so as to prohibit absolutely so-called "subcontracting" of Police work to other entities of government or anyone else. The City is opposed to such restriction. All of this springs from the fact that the City in conjunction with the County of Grand Traverse have been and are exploring under the Urban Cooperation Act the feasibility of establishing some form of inter-local agreement which will make police work in the City and sheriff's work in the County more efficient, less costly, and with less overlapping and/or duplication of functions and more effective utilization of equipment. The Urban Cooperation Act permits this and provides funding for a feasibility study such as is presently under way. It is not at all clear that this study will have been completed and any inter-local agreement reached by or before the expiration of the contract between the City and the County. Nevertheless, the Union fears this eventuality and wishes to protect its bargaining unit and membership against it.

The City on the other hand does not want to put any present contractual limitations in the way of pursuing the study or making an agreement with the

County Sheriff's Department should it turn out to be possible and mutually advantageous.

The Chairman recognizes certain legitimate concerns of both parties. It is his view, however, that these concerns can best be resolved by an arrangement by which the City would be obligated to notify the Union in advance of entering into any such agreement and effectuating it and permitting the Union to bargain with the City concerning it insofar as such agreement would either result in or could reasonably foreseeably result in eliminating bargaining unit personnel from employment, laying them off, reducing their work hours or weeks, cause them to be transferred out of the bargaining unit or cause others to be transferred into the unit thus displacing bargaining unit employees, or reducing any of the City police wages, terms or conditions of employment secured for them by the Union. If such bargaining did not result in agreement between City and Union the Contract should be deemed open for purposes of referral of that dispute only to Mediation and, if necessary, Compulsory Arbitration under the provisions of Act 312. Such a resolution of this disputed item would eliminate conjecture and fears resulting therefrom at the same time providing a means for certain resolution of the issue binding on the parties when and if the eventuality occurred during the life of the contract.

The City has offered to accept the Kent County Road Commission management clause with necessary conformity changes to resolve this disputed item.

The Award then is that the Kent County Road Commission management clause shall be used, subject however to conformity changes and subject also to the limitations and specific recommendations of the Chairman above explicated. The parties shall jointly draft language consonant with this Award.

Item 2-Union demand for "Work Preservation Clause" (No Subcontracting)

The Award is that in view of resolution of item 1 above this demand is dismissed.

Item 3-Union demand for "Extra Contract Agreements" clause

The Union conceded at the hearing that this clause was "not fully necessary" if the subcontracting issue was resolved.

The Award is that this Union demand is dismissed in view of Award item 1 above.

Item 4-Union demand for "Work Jurisdiction Rules" clause

At the hearing it was conceded by the Union that since Police work was readily identified this clause was not really necessary. It suggested that this demand too had in part sprung from the subcontracting concern of the Union.

The Award is that this Union demand is dismissed.

Item 5-Grievance Arbitration and Procedure

The Union demands final and binding arbitration of grievances unsettled at the final step of the grievance procedure. It also asks that the American Arbitration Association be designated as the agency to submit panels of arbitrators for selection by the parties. The City does not disagree with grievance arbitration but does not want a grievant to "have two bites at the apple." In this connection the City refers to the Civil Service Commission and the possibility that a grievant could first exhaust contract grievance procedure including arbitration only to have the grievant, dissatisfied with his grievance disposition, then turn to the Civil Service Commission asking it to overturn the arbitration award. The City has no objection to the Union's proposed language defining a grievance. The City suggests that there be a waiver by employees of recourse to the Civil Service Commission and that those who do not choose to waive such recourse should not have the option of contract grievance arbitration. The City also



suggests that Federal Mediation and Conciliation Service be the agency to submit arbitration panels rather than American Arbitration Association because the FMCS service is free of cost to the parties. Finally, the City asks that there be a requirement upon the arbitrator, aside from the usual provisions that he not alter or amend any provision of the contract nor change any wage rate, that he take into account and read the contract in light of laws affecting municipalities.

The Award is that there be the normal arbitration clause as the terminal point of the grievance procedure, that the Union's proposed definition of grievance be accepted, that Federal Mediation and Conciliation Service be the agency for referring panels of arbitrators, that there be a clause in the contract grievance procedure language providing that the grievance form contain a statement immediately below the grievant signature line that the grievant "by signing this grievance specifically waives recourse to the Civil Service Commission for disposition of this grievance," that the language concerning the arbitrator's function include a statement to the effect that he is obligated in deciding a grievance to take into account and read the agreement in light of laws applicable to and affecting municipalities. The parties are to draft mutually satisfactory language reflecting the provisions of this item 5 of the Award.

#### Item 6-Union Security

The Union has demanded Agency Shop while the City has proposed Maintenance of Membership as the appropriate form of Union security. The City agrees, however, that the Oakland County Sheriff's decision by the Michigan Employment Relations Commission is controlling on this question. That decision is that Agency Shop

is legal under the Public Employment Relations Act while other forms of union security are not.

The Award is that the Union's demand for an Agency Shop clause is dispositive of this disputed issue and is therefore granted. The standard form Agency Shop language shall be incorporated in the parties' contract.

Item 7-Wages

The Union's demand on wages is related to an average of patrolman wages paid in 1971 in all cities in Michigan having a population of 10,000 to 25,000 as reflected in the 1971 Michigan Municipal League survey regardless of size of tax base or revenue. This would result in a maximum patrolman salary of over \$11,000 per year. The City, on the other hand, urges that the comparison should be among cities of that population in the area in which Traverse City is located. The Municipal League has traditionally divided the State into three areas. Area 1 includes metropolitan Detroit, Area 2 includes all other lower peninsula localities up to an east-west line just above Saginaw-Bay City and including the "Thumb" area and running directly across the State. Area 3 encompasses all of the rest of the State including the upper lower and the upper peninsulas. It divides all areas into population groups or ranges. There is no dispute that Traverse City falls in Area 3 of the League division and it is agreed that it also is in the 10,000 to 25,000 population range. The dispute is over whether for purposes of this wage dispute cities of the Traverse City population range should be compared to other cities of similar size in Area 3 or whether the comparison should also take into account similar sized cities in all areas. It can hardly be denied that the industrial area of the State is within Areas 1 and 2 of the Survey. It is likewise demonstrable that the larger tax base revenue localities are in these same two Areas. There is unfortunately a significant gap in tax base, revenue, industry, employment and wage rates generally

between cities of comparable size in Area 3 and those in Areas 1 and 2. This is traditional and, though indefensible on a socio-economic basis, is nevertheless a presently stubborn fact of life. It is clear that wage rate relationships within Area 3 are closer to each other than to those in Areas 1 and 2. It is only fair and accurate to say that Area 3 is a distinctly looser labor market area than are those of Areas 1 and 2.

The City properly, in the Chairman's judgment, asks for comparison with cities of comparable size in Area 3. Specifically it asks that Traverse City be compared to the following cities in Area 3: Alpena, Big Rapids, Escanaba, Marquette, Menominee and Sault Ste. Marie.

An average of the minimum patrolman annual salary paid in these six cities, excluding Traverse City, prior to July 1, 1971 was \$6464 per year, the average maximum was \$7381 per year. Effective July 1, 1971 only four of these cities had newly established rates. As of that date the average minimum patrolman annual salary for these four cities was \$6886, the average maximum, \$7791. By comparison the Traverse City minimum patrolman annual salary prior to July 1, 1971 was \$6676 and the annual maximum was \$7696. The above figures were furnished by the City, exhibit #29 of its presentation.

The U. S. Bureau of Labor Statistics study of average straight time earnings for all manufacturing industries in the U. S., excluding all premium pay for the period January 1, 1970 - January 1, 1971 showed a 6.9% increase (City Exhibit #30).

The chairman personally knows that the Alpena police rates were increased 7% for the 1970-71 year. There has been no settlement at Alpena for the current year but there is little reason to suppose that the increase will be much less for the current year. Current patrolman rates there are \$7,072 minimum and \$7717



maximum.

The Chairman observes that the Traverse City 1970-71 patrolman increase was 6% over the preceding year. (City Exhibit 29). While the Chairman agrees that comparisons should now be among cities in Area 3, he also believes that Traverse City rates should be the highest in that area. Examination of average family incomes and State Equalized valuation of property for tax base purposes compel such a conclusion.

However, the Chairman must reject as unrealistic from a tax base point of view the Union's insistence that all cities in Michigan with a population of 10,000 - 25,000 be taken into account for wage rate comparison purposes. This is so in both the public and private sectors of the economy. Wage rates are significantly higher in Areas 1 and 2 from those in Area 3 of the Municipal League Survey. The answer to this problem does not lie wholly or even in large part in collective bargaining especially in the public sector. It lies in improving the general economy of the region and in a greater share of revenues from public tax monies generally, both State and Federal, so that public services can be improved as well as wages for those performing such services.

The Award on wages is that all City police in the bargaining unit at each <sup>BASE INC. 584</sup> level of the currently existing pay scale shall be increased by 8 3/4%. This <sup>MAX INC. 673</sup> increase shall be effective beginning July 1, 1971 except for the period of the wage freeze and subject to applicable Federal law.

#### Item 8-Cost of Living Adjustment.

In view of the fact that this agreement is to run for no more than one year and also in view of the Award on wages, item 7 above, the Union's request for the Steelworker cost of living adjustment is not required.

The Award is that the Union's cost of living demand is rejected.

Item 8-Funeral Leave

The Union demand is that the present 3 days off with pay to attend the funeral of a member of the immediate family be increased to 5 days where the funeral is out of the State.

The Award is that the present 3 days off with pay for funeral leave in or outside the State is in line with or beyond what comparable cities in Area 3 provide. The Union's demand is therefore dismissed.

Item 9-Disability Insurance

The Union's demand for disability insurance was countered by a City offer of the difference between full pay and that which is provided by Workmen's Compensation plus sick leave pay accrual for the period of disability.

Since there is no maximum on sick leave pay accrual the City offer is reasonable especially since other comparable cities do not provide disability insurance.

The Award is that the City offer be accepted and the demand otherwise is dismissed.

Item 10-Uniforms and Uniform Maintenance

The Union is demanding five uniforms and cleaning allowance, plus a \$300 per year clothing allowance for plain clothes officers. The City provides 3 uniforms presently for uniformed officers but pays for their cleaning only in the event of "unusual duty." There is no clothing allowance for anyone including plain clothes officers.

The Chairman finds that all of the comparable cities in Area 3 provide

uniforms but no clothing allowance is indicated.

The Award is that the Union's demands for additional uniforms and maintenance beyond that presently provided, as well as a \$300 per year clothing allowance for plain clothes officers is dismissed.

Item 11-Life Insurance

The City presently provides group coverage of \$2,000 per employee and pays the cost. The Union demand is that this be increased to \$5,000 per employee in the bargaining unit and that the City pay the added premium.

The Chairman observes from the Municipal League Survey that all of the comparable cities in Area 3 except Menominee provide life insurance, but the Survey does not show the amount of the benefit. The Chairman knows that this type group coverage is quite inexpensive amounting to approximately \$1.60 per thousand per employee per month. Thus the cost per employee of the Union demand in the police bargaining unit per year would amount to about \$57.60, or less than \$750 per year for a 13 man police unit. This is less than 3/10¢ per hour per employee. The Union's demand is reasonable and the City should provide a \$5,000 benefit, especially for police.

The Award is that the Union's demand is granted for an increase in group life insurance coverage from the present \$2,000 to \$5,000 per employee in the Police bargaining unit, the added cost to be paid by the City.

Item 12-Health and Hospital Insurance

The City presently pays the full cost of the Blue Cross-Blue Shield MVF-1 Plan. The Union requests that this coverage be increased to the MVF-2 Plan and in addition that it contribute \$3.50 weekly for the Union's Eye and Dental care clinic. The City expresses concern at the alarming rate at which the cost of

of health insurance has been increasing in recent years and feels that the cost of any added coverage over the present plan should be borne by the employee.

The Chairman notes that among the comparable cities Menominee pays none of the dependent's cost and the 1971 Municipal League Survey indicates that Traverse City pays dependent cost but the percent thereof was not reported. If the Chairman's notes are correct that the City in fact pays 100% of the dependent's cost of the MVF-1 Blue Cross Plan, it is in line with all other comparable cities but Menominee which pays nothing and the Union's demand is excessive on this item at this time.

The Award is that the City shall pay the full premium cost of the MVF-1 Blue Cross-Blue Shield coverage including dependents and that otherwise the Union's demands on this matter are dismissed.

#### Item 13-Paid Vacations

The Union demand is that the present one week after 1 year be increased to two weeks of paid vacation; the present two weeks after two years be eliminated in favor of an increase to three weeks after five years instead of the present ten years; and finally that the present four weeks of paid vacation after 20 years be paid after 13 years of service. The Union did not attempt to rationalize this demand by reference to other vacation pay plans especially among the comparable cities in Area 3.

The Chairman observes that the City's present schedule is as good as if not better than other comparable cities in Area 3 of the 1971 Municipal League Survey.

The Award is that this Union demand is dismissed.

Item 14-Off Duty Court Appearance Pay.

The City presently pays 3 hours call-in pay for time required of an officer to appear in court outside his regular scheduled hours in a duty case in which he is required by the Court to be present. This is paid at time and one-half if it represents hours in excess of eight in a day or forty in a week under the overtime clause about which there is no dispute. There is no pyramiding of daily and weekly overtime hours.

The Union asks that this be increased to four hours for such reporting pay. It did not rationalize this on any basis, particularly that such reporting to Court required as a general rule more hours than three of the officer's time.

The Award is that the Union's demand beyond present practice is dismissed.

Item 15-Called to Duty Before Starting Time or After Quitting Time.

As stated in Item 18 above the City pays overtime for all hours beyond 8 in a day and 40 in a week, not pyramided. The Union demands the same.

The Chairman is therefore at a loss to understand the Union's demand for what it already has. It may be that Counsel did not understand that daily overtime is presently paid.

The Award is that the present practice meets the Union's demand and that the demand is therefore not necessary provided the City maintains the present practice of paying overtime for all hours over 8 in a day or 40 in a week whichever is greater, but not both and not pyramided.

Item 16-Shift Differential

The City presently pays 9¢ and 13¢ for second and third shifts respectively. The Union demand is that this be increased to 10¢ and 15¢ respectively.

The Chairman notes that Escanaba pays what the Union demands here. Moreover,



10¢ and 15¢ are quite commonplace second and third shift differentials, respectively. There is no reason the City should not meet this demand.

The Award is that the Union's demand on shift differential is granted. It shall be 10¢ per hour for second shift and 15¢ per hour for third shift.

Item 17-Holiday Pay

The City presently pays 2 1/2 times regular rate as holiday pay whether or not the holiday is worked. The Union demands 3 times regular rate without rationalization.

The Chairman notes that present City practice in this regard is beyond that in comparable cities.

The Award is that the Union's demand is dismissed.

Item 18-Duty Legal Assistance

This is a demand that the City pay the cost of legal assistance for defense of a police officer who is charged with civil liability for legal action taken by him in line of duty.

The City has an insurance policy to cover civil liability matters of this kind. The City believes the policy covers legal fees. If it does the Union's demand is redundant. If it does not, the Chairman's Award is that the City's policy should include such legal assistance.

Item 19- Dog Man Allowance

The present policy of the City is to pay \$300 per year plus food, medical costs and a chain link fence at the home of the officer who is responsible for the police dog. The City says its experience is that various officers have traded the dog responsibility around and that in each case a new chain link fence

has to be built for the officer who does not already have one. The result is that most officers have a fence.

The allowance of \$300 is adequate since in addition to this medical cost and food is paid for. The practice of trading the dog around for a new chain link fence is within the City's power to correct.

The Award is that the Union's request in this matter is dismissed.

#### Item 20-Pensions

The City has presently set aside in escrow an amount of money sufficient to make the required contribution for pensions under Michigan Act 345. This represents a very substantial amount of money in payment of past service credit which the City estimates to be 8.9 percent of salary per year of \$684.94 for the current year. The Union does not object to the pension being put into effect except that it feels that the City, which did not negotiate the Act 345 pension with the Union, is effectively using the amount of its contribution toward pensions to defeat an otherwise higher wage increase for police. Since the Union has no objection to the pension and the City has already committed itself and allocated funds for that purpose, the Chairman can find no basis for a dispute concerning this matter.

The Award is that the Act 345 Pension Benefit be put into effect as proposed by the City.

#### Item 21-Sick Leave Accumulation

The City's policy is to permit unlimited sick leave accrual and proposes to pay an amount equal to 1/2 of accrued sick leave upon death or retirement up to a maximum of 120 days accrual. In other words, the City proposes to pay the equivalent of 60 work days pay for an employee who has accrued 120 or more days of sick leave prior to his death or retirement. The City's current policy is

at or above the sick leave policies of other comparable cities in Area 3.

The Award is that there be no change in the current sick leave accumulation policy and payment upon death or retirement shall be as proposed by the City.

Item-22-Gun Allowance.

The City presently furnishes a gun to each police officer, The Union asks that in addition the City pay a gun allowance of \$1 per day (\$365 per year) to each officer. The Union offers no rationale for this demand other than that an officer whether on duty or not is required to respond to a law violation whenever he sees one happening and should be paid an allowance for carrying a gun at all times. The City does not require off duty officers to carry guns but they are privileged to if they wish. No other comparable city pays a gun allowance if it furnishes a gun.

The Award is that this demand is dismissed.

Item-23-Longevity Pay.

The City's present policy on longevity pay is at or above the level of comparable cities in Area 3.

The Award is that the demand for increase in longevity pay over present policy is dismissed.

Item-24-Manning of Police Cars.

The Union's demand is that during the hours of darkness patrol cars be manned by 2 men. This demand would cut across shift lines.

It is the Chairman's judgement that this is really a demand for increase in the size of the work force. This is a manning problem. The City should dispatch sufficient manpower to a trouble area to handle a problem whether it

be day or night. If it is not doing so the Chief should be instructed to advise the dispatcher to take proper precautions in this regard. Police cars have radios and if an officer finds he has a problem he should advise the dispatcher to send another car. This is both a safety matter for the officer and adequate manpower to do the job. It is the Chairman's understanding that the City is divided into three areas for patrolling. It should see that proper arrangements are made to provide back up assistance upon request of an officer or when the call indicates trouble at the outset.

The Award is that the City make arrangements in line with the above. There was no proof that 2 men in a patrol car are necessary in all cases even at night if this is not present practice. To the extent that the Union's demand is for an increase in normal patrolman personnel complement the demand is dismissed. The Chairman notes that the City is presently short of its normal patrolmen personnel complement.

#### Item-25-Paid Holidays

The Union demand is for an increase of 3 holidays over the present 8 paid holidays.

The Award is that eight paid holidays is in line with if not in excess of those granted in the comparable cities in Area 3 and therefore the demand is dismissed.

#### Item-26-Period of the Contract

The parties have been unable to agree on a period for this agreement longer than one year beginning July 1, 1971 and ending June 30, 1972. The primary difficulty is the difference in the Union's demands for wages for a two year contract and the City's offer for such a contract. Accordingly, it seems to the Chairman that the only sensible thing to do is find that the appropriate

period for the contract is the fiscal year July 1, 1971 through June 30, 1972.

The Award is that the agreement arising from these negotiations and this arbitration provide a one year contract between the parties beginning July 1, 1971 and ending June 30, 1972 with the same notice provisions as exist currently for negotiations for a new or amended agreement to take the place of this agreement.

Note to Panel Members

The arbitration Panel should note that the above Award is by Items, signed by the Chairman and such Panel member or members as are in agreement with the Items of the Award.

If a Panel member wishes to dissent from Items in this Award, signed by the Chairman, he may do so by recording below his signature the item numbers from which he dissents.

It will be necessary for each of the Items in this Award to be agreed to by at least one other Panel member aside from the Chairman for all Items to be effective.

James T. Dunne  
James T. Dunne  
Chairman  
September 17, 1971  
Date

Joseph Valenti  
Union Panel Member  
                      
Date

Jack R. Clary  
Jack R. Clary  
Employer Panel Member  
October 11, 1971  
Date