STATE OF MICHIGAN

MICHIGAN EMPLOYMENT RELATIONS COMMISSION

IN THE MATTER OF THE ARBITRATION BETWEEN

THE CITY OF ALLEN PARK (THE CITY)

AND

THE ALLEN PARK POLICE LIEUTENANTS & SERGEANTS (THE UNION)

MERC ACT 312 ARBITRATION

CASE NO. D91 K-1984



OPINION AND AWARD

Submitted by:

Donald L. Reisig, Chairperson SINAS, DRAMIS, BRAKE, BOUGHTON, McINTYRE & REISIG, P.C. 520 Seymour Avenue Lansing, MI 48933 (517) 372-7780

Richard A. Huebler, City Panelist Arnold Koller, Union Panelist



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INTRODUCTION

The Allen Park Police Lieutenants and Sergeants Union (hereinafter the Union), through counsel, filed its Petition for Arbitration pursuant to § 3 of Act 312 of 1969 on February 12, 1992. Thereafter, on March 12, 1992, the Employment Relations Commission duly appointed Donald L. Reisig as the impartial arbitrator and chairperson of the arbitration panel. The City of Allen Park (hereinafter "the City") duly designated Richard A. Huebler, its City Administrator, as the City's delegate to the panel, and the Union delegated Arnold Koller as its representative to the panel.

Parties and Participants

The City is a Michigan municipal corporation subject to the provisions of 1969 PA 312. It has been represented throughout the course of these proceedings by Kenneth D. Kruse of the law firm of Pagnucco, Kruse, Tamsen & Labadie, P.C., 7000 Roosevelt Avenue, Suite 100, Allen Park, Michigan 48101-2566. The Allen Park Police Lieutenants & Sergeants is a duly recognized bargaining unit for all police lieutenants and sergeants within the City of Allen Park Police



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ELEPHONE (517) 372-7780 FAX (517) 372-7311 Department. The Union has been represented by Alison L. Paton of Webb, Hildebrandt & Paton, P.C., 3100 David Stott Building, Detroit, Michigan 48226-1975, throughout the course of these proceedings. The Allen Park Police Lieutenants & Sergeants Association has been the exclusive representative of the Allen Park Police Lieutenants and Sergeants since 1980.

The Proceedings

After receipt of notice of the appointment of the Chairperson, prehearing conferences were held by telephone between the representatives of the parties and the Chairperson, and a schedule for submission of exhibits, witnesses and other information was determined, and a tentative hearing schedule was determined. All hearings were held at the request of the parties at the Holiday Inn, Dearborn, near the City of Allen Park, and <u>four full-day</u> hearings were held on August 6, August 10, and August 13, 1992 (the transcript indicates August 15, which is in error), with the proceeding concluding on September 21, 1992. The delay in completion of the proceedings was necessitated by the illness of the Controller for the City, Leo W. O'Connell, a witness on behalf of the City. Pursuant to the direction of the Chairperson, the parties submitted last best offers on or about October 2, 1992. Preparation of the record was completed on October 9, 1992 and the parties agreed to submit briefs by November 11, 1992. Thereafter, briefing was further extended by stipulation of the parties, and the final briefs were submitted November 24, 1992.

Witnesses and Exhibits

The following witnesses were called by the Union: Dale Covert, Arnold Koller, David Tringer, Charles Monroe, and Ronald P. Tank, CPA.

The following witnesses were called by the City: Kevin Welch, Daniel Cassidy, Denise Jones, Richard A. Huebler, and Leo W. O'Connell.



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Because the parties preferred to proceed issue by issue, various witnesses were recalled from time to time through the course of the hearing so that their testimony could be taken independently on each issue as the issue was presented.

The Union offered 65 exhibits, many of them multi-page, which were admitted. The City offered and had admitted 24 multi-page exhibits with numerous subparts. Because of the number of exhibits, they will not be enumerated herein. For the purposes of this opinion and award, Union exhibits will be designated (U-Ex-No.) City exhibits will be designated (C-Ex-No).

The Record

The record, in addition to exhibits, consists of 776 pages of transcript. In addition, counsel for the Union submitted an 87 page brief and counsel for the City submitted a 61 page brief.

References to the transcript will be associated by date of the hearing, i.e. the August 6, 1992 hearing will be referred to as Tr I, the hearing of August 10, 1992 will be referred to as Tr II, etc.

ISSUES

The parties have framed 21 issues (or sub-issues) for resolution in this matter, subject to the provisions of § 9 of 1969 PA 312 (MCL 423.239). The 16 issues framed by the Union are as follows:

- 1. Pension-FAC (final average compensation).
- 2. Pension-sick leave roll-in.
- 3. Cleaning allowance.
- 4. Clothing allowance.
- 5. Step-up pay (acting pay).



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- 6. Dental insurance.
- 7. Longevity pay.
- 8. Shift differential pay.
- 9. Optical insurance.
- 10. Residency.
- 11. Gun allowance.
- 12. Holiday pay.
- 13. Soft-body armor.
- 14. Life insurance for employees.
- 15. Life insurance for retirees.
- 16. Expenses on City business.

The issues framed by the City are as follows:

- 1. Insurance for new employees (health insurance).
- 2. Detective expense allowance.
- 3. Call-in time.
- 4. Patrol car replacement.
- 5. Paychecks.

Basic wages are not an issue in this proceeding, that issue having been resolved by agreement between the parties.

HISTORY AND BACKGROUND

The parties to this matter have had a continuous bargaining relationship for a number of years. The Allen Park Police Lieutenants & Sergeants had been included until 1980 within a bargaining unit affiliated with the Police Officers Association of Michigan (POAM). In 1980, the



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Lieutenants & Sergeants formed a separate unit within the POAM, and in 1981, decertified from the POAM, and have been an independent employee association since that time.

The last three-year collective bargaining agreement between the parties expired on June 30, 1991 (U-Ex-1). The agreed term of the contract at issue in this proceeding is July 1, 1991 through June 30, 1994 (Tr I, p 19). There are currently three bargaining units within the Allen Park Police Department, which include the Patrol Officers Association representing patrol officers, corporals and dispatchers (Tr I, p 52). There are currently 31 members of that unit. The COAM representing the inspectors, a four-member unit. The sergeants and lieutenants unit, consists of a total of 16 officers, 6 lieutenants and 10 sergeants. The Patrol Unit has an existing agreement in effect for the period 1990 through 1993. The Inspectors Unit, however, has an expired contract, and their negotiations have been suspended pending the outcome of this Act 312 arbitration (Tr II, p 35).

The Allen Park Police Department consists of three divisions or bureaus--patrol, the detective bureau, and records (Tr I, p 51). The patrol division is staffed on a three platoon basis (days, afternoons and midnights), with each platoon comprising of one inspector, one lieutenant, one sergeant and nine patrol officers (Tr I, p 51). At the time of the hearing in this matter, there was an extra sergeant and extra lieutenant on the platoons--positions which will soon be lost through agreed upon attrition (Tr I, p 51).

The Detective Bureau of the Allen Park Police Department consists of one inspector, one lieutenant and five sergeants. As indicated the total number of sergeants and lieutenants at the time of the hearing was sixteen; however, that number will be reduced to fourteen after the above-referenced attrition.



SINAS, DRAMIS, BRAKE, BOUGHTON, McINTYRE & REISIG, P.C. 520 SEYMOUR AVENUE LANSING, MICHIGAN The total number of sworn personnel in the Allen Park Police Department has in fact decreased in numbers since 1979, there being a high of 57 at that time (Tr I, p 53).

GENERAL DISCUSSION

Comparables

The parties have agreed to the "comparability" pursuant to § 9(d) of Act 312 of five other down-river or suburban Detroit communities. The comparable communities and their 1990 populations are: Allen Park, 31,092; Eastpointe, 35,283; Garden City, 31,846; Southgate, 30,771; Trenton, 20,586; Wyandotte, 30,938 (U-Ex-2).

It would appear to this Chairperson that the parties selection of comparables is eminently reasonable. The communities share many similarities with reference to demographics and have a common "middle class" residential base. For example, U-Ex-3 demonstrates a range of average housing values of the five comparables and Allen Park from \$49,400 (Wyandotte) to 81,400 (Trenton), with Allen Park being at \$67,400. In turn, U-Ex-4 demonstrates similar comparability with reference to per capita income, with Wyandotte at \$13,885 and Allen Park at \$20,673 (highest).

U-Ex-6 demonstrates an SEV per capita of \$11,705 for Wyandotte (low) to a high of \$25,267 for Trenton, with Allen Park being at \$17,350. A generalized review of this information would indicate that Allen Park ranks relatively high amongst the comparables in "community prosperity," which may have some overall bearing on the issues of ability to pay, which will be hereafter discussed.

It is also to be noted that throughout the record there are other indications of areas of "comparability" between the communities, including police department size and historical wage



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patterns and scales. These issues will be addressed as discussion is engendered with reference to the various items to be considered and determined in this opinion and award.

Ability to Pay

The parties have paid a great deal of attention, through testimony, exhibits and briefing, to the issue of ability to pay. (Act 312, § 9(c)). For example, the City has submitted a number of exhibits in an effort to indicate projections of increases in City expenses, the "leveling off" of the City's tax base and the flattening out of tax revenues and decreases in state revenues. The City maintains that at the end of the current fiscal year, the City of Allen Park could be in a deficit situation. The testimony of the City Administrator Huebler included testimony that certain capital improvements have had to be postponed, that certain projected expenditures had come-in higher than anticipated, and that the contingency fund had been materially reduced (Tr IV, pp 71-79).

The Union emphasized that even if some legitimacy to the City's "ability to pay" argument was recognized, full weight and credence could not be given to such a contention with reference to the economic issues involving this matter. The Union contends that ability to pay is only one factor which must be considered by the panel, and it is not to be treated as a controlling or dominant factor, citing City of Hamtramck v Hamtramck Fire Fighters Assn, 128 Mich App 457, 464-467, lev den'd 419 Mich 871 (1984); Detroit v DPOA, 408 Mich 410, 483-484 (1980); as well as numerous decisions of other distinguished Act 312 arbitrator/arbitrators. In addition, the Union contends that the City has enjoyed a steadily increasing SEV or tax base (U-Ex-9), and that the City anticipates an increase in property tax revenues for the current year. The Union also contends, through the use of U-Ex-10 that the City of Allen Park spends the lowest percentage of its general fund expenditures for police purposes of any of the comparables.



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Ability to pay, of course, can have crucial impact upon an Act 312 arbitration. Financial shortfalls suffered by individual communities have a vital impact upon wages and benefits to be received by employees, and this is a fact that should not be disregarded. However, evidence adduced in this matter is at best inconclusive that any true inability to pay exists on the part of the City of Allen Park; at worst, the evidence would indicate that although the City of Allen Park, like many others, is attempting to live within a tight budget and perhaps having to defer some capital expenditures that it might desire to make, it has the ability to make those benefit improvements to be hereafter discussed in this arbitration award, which are supported and justified by the comparables and other information submitted.

A brief further elaboration may be helpful. U-Ex-21 demonstrates that historically Allen Park has lived within its revenue and expenditure budget. For the periods 1989-91, the actual revenues exceeded its budgeted revenues. In turn, its <u>budgeted</u> expenditures exceeded its actual expenditures. (For example, in fiscal year 1990-91, its budgeted expenditures exceeded its actual expenditures by over \$1 million). While, this capacity of "underestimating" revenues and "overestimating" expenditures may not continue indefinitely, there is no reason to believe that the excellent and conservative management of Allen Park's fiscal affairs will necessarily end. City Administrator Huebler has clearly indicated that numerous fiscal restraints have been put into place and that, in essence, "fat" has been taken out of the budget and savings effectuated by reducing the number of positions. The record also demonstrates that new revenues can reasonably be anticipated from such activities as to and on new developments (Tr IV, pp 117, 119) and the addition of a one percent administrative fee for tax collections (Tr IV, pp 92-93).

This proceeding, too, had its "battle of the experts." The City Accountant, Leo O'Connell, presented some projections demonstrating potential losses by the City in future years.



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(C-Ex A-2, prepared in January 1991). That projection was predicated on the results of the actual fiscal year 1990-91, and projections for the then current year 1991-92, as well as for the fiscal year 1992-93. The Union expert, Ronald Tank, utilizing the O'Connell projections, presented competing assumptions which tended to demonstrate an increase in potential fund balances in future years. (C-Ex-24).

Both the O'Connell and the Tank approach have merit; at the same time both are flawed. Both are predicated upon assumptions that may or may not prove true. Both O'Connell and Tank were in need of additional information upon which to calculate <u>current</u> revenues and expenditures. This Arbitrator is persuaded that the best evidence of current fund balances and revenue projections would be information available upon the completion of the Allen Park fiscal year on June 30, 1992. Recognizing that final audit reports might not usually be finalized for a period of from three to six months after the completion of the fiscal year, there is no reason why preliminary information could not have been available for submission by the City to the expert witnesses and the Arbitrator. This information could have either verified the City's "doomsday" analysis, i.e. supported the City's contentions, or provided additional information upon which a more complete judgment of the City's current financial situation could have been made.

From the evidence submitted, there is simply a lack of any competent and credible evidence that the City does not have the ability to pay the benefits sought by the Union, and hereafter awarded in this matter.



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SPECIFIC ISSUES--LAST BEST OFFERS AND AWARDS

1. PENSION--FINAL AVERAGE COMPENSATION

Background and Discussion

The current pension benefit for Allen Park Lieutenants & Sergeants is 2.5 percent of final average compensation (FAC) for each year of service, up to a maximum of 70 percent. FAC is calculated on the average of the highest five consecutive years out of the last ten years of service (U-Ex-47). (Note: For employees hired after 1985, the formula is one percent of FAC for the first five years of service, and thereafter 2.5 for each year of service percent up to the maximum of 70 percent.) The calculation of FAC currently does not include the lump sum payment for unused sick leave which an employee is paid pursuant to Article XVII, Section 2 of the current contract upon retirement, death or separation.

The parties have agreed that in the calculation of FAC for retirement purposes, final average compensation should be computed on the average of the highest three consecutive years of service out of the past ten years. At issue between them is the commencement date of this new provision shifting the calculation from the average of the highest five years to the average of the highest three years. The City maintains that to remain consistent with other bargaining units, the commencement date of this new provision should not begin until July 1, 1993, the final year of this three-year contract. The Union, in turn, contends that this provision should commence effective July 1, 1992.

There was much discussion during the course of the hearing, and further elaboration in the briefs, with reference to both the financial stability of the pension plan per se, as well as the "comparability" of the pension programs of the other comparable cities, the true cost of this increased benefit and the total overall cost of the various plans, as well as the level of employee



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contributions. Pension plans of this type and nature are difficult to compare because of numerous variables. For example, Garden City (FAC equals the highest four years out of ten) and Trenton (FAC highest three years out of ten) only make payments of two percent for the first 25 years of service and one percent thereafter. Allen Park makes a pension payment of 2.5 percent of FAC for each year of service up to a maximum of 70 percent. Employees of Allen Park also receive Social Security predicated upon their City employment, whereas some of the other communities do not. These types of fundamental differences in program and approach made it difficult to obtain true comparability.

Opinion

Recognizing the Union's contention that there are no patrolman adversely impacted by the fact that their new FAC period does not begin until July 1, 1993, the comparables in this matter would not appear to justify making that change until such a time as the patrol bargaining unit employees are also impacted. Administratively, this would, of course, make calculation easier, particularly for those who may change rank and bargaining unit. It is also supported by the comparables.

Award

The commencement period for the modification in the FAC calculation shall commence July 1, 1993, pursuant to the City's last best offer. The award designated Award #1 attached to this opinion and award is incorporated herein.

2. PENSION SICK LEAVE ROLL IN (PENSION RETIREMENT INCENTIVE PLAN)

Discussion

The Union argues that the "rolling in" of up to 170 days of compensation for unused sick leave into the calculation of final average compensation is justified by the comparables. Four out



SINAS, DRAMIS, BRAKE, BOUGHTON, McINTYRE & REISIG, P.C. 520 SEYMOUR AVENUE LANSING, MICHIGAN 48933-1192 of the five comparable cities permit such a roll in (U-Ex-49), i.e. Eastpointe, Southgate, Trenton and Wyandotte. Adding to their contention, they point out that while Garden City does not permit the roll in, Garden City has an automatic post-retirement escalator provision built into its pension plan.

The Union also supports its contention by asserting that the Allen Park sergeants and lieutenants have one of the highest employee pension contribution rates of six percent (only Southgate has a higher rate); that the pension system is in excellent financial condition; that the current employer contribution rate is low; that the cost of the improvement amortized over 40 years will result in a new employer contribution rate that will still be lower than the rate now paid by three out of the five comparables; and that the Allen Park pension formula is not in any other way or respects so superior to the comparables as to warrant denial of the Union's last best offer. Finally, the Union points out that in the four of the other comparable cities, the pension plans permit the roll in of unused vacation pay as well as sick leave pay.

The City counters these contentions primarily on a cost basis. Is points out that the cost of this pension improvement amortized over 40 years is 8.7 percent of lieutenants and sergeants payroll (Tr II, pp 119-120), according to the Union's own actuary. The City's actuary, Denise Jones of Gabriel, Roeder and Smith, projected a higher annual cost to the roll in (Tr II, p 70-80; C-Ex-B-3). Unfortunately, her costs cannot be isolated from the costs of the modification to a three-year FAC referred to in Issue 1 above. However, she estimates the combined cost to be 9.9% of payroll. The City contends that such a cost increase is simply not justified by any other consideration, in light of the total wage/benefit package payable to members of the Union.



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Opinion

There is unquestionably comparable precedent for the sick leave payout roll-in in four of the five comparables communities as the Union contends. Unfortunately, for an item of this cost to the City, and ultimate benefit to the impacted employees, one cannot analyze comparability solely on a direct comparison of "benefit for benefit." Although it is not ascertainable from this record whether or not the availability of this benefit in four of the comparables was a) a bargained benefit, b) an administrative determination, c) an historical anomaly, or d) other, it is clear to this Arbitrator that the cost of this benefit alone approaches twice the percentage cost of basic wage increases currently being paid under some public sector contracts, (in those limited instances where increases have been granted) and would be justified only in lieu of foregoing of one or more annual wage increases by the Union.

As noted earlier, it is difficult to compare total compensation packages for different communities because of the variety of the forms that the compensation may take. The City has attempted to do so, for example, in C-Ex-C1. However, even therein, pension costs in any given year are not necessarily reflective of the level of the pension benefits. Pension costs can be high in one city, which may be currently funding previously unfunded liabilities, or low to another city because it has a lowered actuarial calculation of its costs.

Another illustration of disparity is in the area of costs for worker's compensation. The various exhibits illustrate that in order to be able to measure true comparability, one needs to know something about loss experience and whether the worker's compensation rate is a melded rate based upon total city employees or merely based upon the experience in the work unit in question. These forms of vagaries in accounting and/or evaluation methods, create unusual problems in ascertaining true comparability.



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LANSING, MICHIGAN 48933-1192 ELEPHONE (517) 372-7780 Even allowing for the variances, however, C-Ex-C1 when taken in conjunction with U-Ex11 sub 1 and sub 2, and U-Ex-12, demonstrate that Allen Park's basic wage scale is not out of line with the other comparable cities so as to "justify" such a marked increase in pension remuneration as sought by the Union. (Also, see U-Ex-13 through 17). Although in light of the significant contribution made by Allen Park Police Officers to their pension, as well as and other disparities in compensation, (some of which will be discussed and possibly rectified in future sections of this award), the issue of inclusion of either sick leave accumulation payout or vacation payout in calculation of FAC may be an issue that has merit for future negotiation, the cost of the Union's last best offer in this arbitration simply is not justified either by the facts presented or the comparables, and would clearly impact upon the City's ability to pay. (The arbitration panel recognizes that the Union's last best offer provides that a six percent Union contribution will be made on the amount of the sick leave payout; unfortunately, that "one shot" contribution does not materially assist in funding the future liabilities created by the inclusion of unused vacation payout in the calculation of final annual compensation).

Rolling vacation pay into pensions raises somewhat different issues. Vacations, in my view, are something designed to be used during the work life of the employee. The concept of vacation is that each individual needs refreshment by diversion. Simply put, he or she needs to get away from the workplace and enjoy life, family, etc. Creating artificial economic inducements to the non-use of vacation by rewarding its non-use by increasing retirement benefits would appear counterproductive, and neither in the interest of the employee, or in the long-range interest of the employer--who also benefits from a mentally/physically fit workforce.



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This Arbitrator is aware that sick leave and vacation payouts are oftentimes included in the governmental calculations of pension, and that under the right set of facts, I would have no hesitancy in including them in an award. However, I am conceptually bothered by the fact that two given individuals equally situated in the same department and approaching retirement, might have their pension benefits materially impacted by the fact that one individual had a major illness prior to retirement using up accumulated sick leave time where his healthy compatriot was able to "escape" that negative and costly impact. By mere "roll of the dice" one individual's pension could be materially reduced over the other for the balance of the pension period.

Award

The Union's request for pension sick leave roll-in is rejected, and the City's last best offer entitled "Pension Retirement Incentive Plan," maintaining the status quo on this issue is attached hereto as Award #2 and is incorporated herein.

3. CLEANING ALLOWANCE

Discussion

The Union and the City's last best offers are identical with reference to the cleaning allowance for the first two years of the contract. They diverge only with reference to year number three, commencing on July 1, 1993, wherein the Union requests a \$50.00 increase. The Union justifies this increase, predicated upon the cost of dry cleaning of the departmental uniform. The City, in turn, resists this increase in compensation predicated upon the general assertion that it would unjustifiably increase the "total cash compensation" paid to the officers.

Opinion

The Union's request in this regard seems eminently reasonable, and is in basic comport with the comparables submitted. Costs of proper dress and attire (and the cleaning thereof) should be adequately reimbursed.

Award

The Union's proposal on cleaning allowance attached hereto is incorporated as the award of the arbitration panel. (See Award number 3).

4. CLOTHING ALLOWANCE

Discussion

The same basic issue and differences between the Union and the City exist with reference to clothing allowance. The Union wants a \$50.00 increase for each year of the contract, and the



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City resists for the final year effective July 1, 1993. Southgate and Wyandotte clearly provide for a higher comparable payment for clothing allowance. (Eastpointe has a combined cleaning and clothing allowance which for 1993 will be \$900.00).

Opinion

The record supports the contentions and arguments submitted by the Union. On-the-job uniform (as well as some other equipment) must be purchased by the officers. Items include the following: Pants, shirts, caps, jackets, emblems, ties, raincoats, namebars and tags, belts, cuff cases, holsters, dress blouses, shoes, buttons, whistles, pins, clipboards, briefcases, and carriers for soft body armor for uniform personnel. In turn, detective personnel are required to purchase work clothing adequate to meet their responsibilities, i.e. suits, sport coats, dress shirts, ties, etc. Some police departments purchase necessary uniforms for their personnel—even going so far as to mandate the wearing of certain blazers and slack combinations by detectives. Allen Park has chosen to leave the individual responsibility for appropriate and proper dress (although prescribing the uniform) to their individual officers. By so doing, there is a loss of any savings by group purchase, etc. The expense in question is supported by the evidence and the comparables.

Award

The Union's clothing allowance last best offer is accepted and is incorporated as Award number 4 attached hereto.

5. STEP-UP (ACTING) PAY.

Discussion

The Union contends that the comparables support a reduction in the "waiting period" to obtain a "step-up" (acting) pay for filling in for a higher ranking officer. The Union requests a



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reduction from a five-day waiting period (commencement of step-up pay to begin on the sixth day) as provided in the current contract, to a four-hour waiting period.

The Union emphasizes that two of the five comparables, Garden City and Trenton, use a four-hour minimum, paying acting pay for all time worked once the four-hour minimum is met. Southgate imposes no time requirement whatsoever, paying acting or step-up pay immediately upon assumption of the higher position. The Union also points out that the patrol officers' contract provides for acting pay after eight hours.

The City resists this proposal by emphasizing that under the current working arrangement in Allen Park, if the Union proposal were accepted, such a change would mean increases in pay for lieutenants and sergeants for two days each week, i.e. for two days each week lieutenants fill in for inspectors, and sergeants fill in for lieutenants. The City further argues that the purpose of step-up pay was to take care of special circumstances when the higher ranking officers were not present for lengthy periods of time, and the total responsibility for performance of the higher office fell upon their subordinates. The City contrasts this situation to one where the lower ranking officers were merely filling in temporarily for their superiors during periods of the regular work week. The City also points out that with reference to the patrol officers', although the patrol officers' contract requires only an eight hour minimum fill in on a "regular" basis does not exist for patrolmen, but is performed only on an ad hoc basis. Additionally, for a patrolman or corporal to receive step-up pay, not only must the officer be filling in, but two higher ranking command officers must also be absent from duty.



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Opinion

It is to be noted that two of the comparables, Eastpointe and Wyandotte, provide for even longer periods of serving in any "acting" capacity then provided in the current Allen Park contract (Eastpointe - 14 days and Wyandotte - 11 days). Although a argument can be made that overall the comparables call for some reduction in the five-day minimum acting period, in choosing between the last best offers submitted, the City's contentions seem to be better supported. To reduce the minimum to four hours would create an unanticipated "windfall" to officers who have historically performed these responsibilities and duties while their immediate superiors are taking their usual leave days each week. We believe that compensation for this additional responsibility is already built in to the Allen Park compensation system.

Award

The City's last best offer entitled "Step-up Pay," calling for the status quo in this matter is adopted and incorporated as a part of this award (Award number 5).

6. DENTAL INSURANCE.

Discussion

The Union argues that all five comparables have higher maximum annual dental benefits than the Allen Park Police Department. Eastpointe has an \$800 maximum benefit, Garden City and Wyandotte have \$1000 maximums, Southgate has a \$1500 maximum and Trenton provides for no maximum. The Union contends that based upon the comparables alone, modification is needed. There has been no increase in this benefit since 1979.

The City resists the proposed modification, arguing that the status quo should be maintained, i.e. a \$600 maximum benefit level. They argue that other cities have PPO's in effect which reduce the cost of the overall health care package.

Opinion

As will be pointed out in item 17 hereunder (Health Insurance), the City of Allen Park, through its health insurance provider, does have significant health insurance costs which appear



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to exceed the other comparables (C-Ex-C1). Whether or not these cost "excesses" are an aberration, or are the result of a more extensive health care program for the Allen Park Police Department, however, is not directly at issue. Modification of existing health insurance plans to effectuate cost savings are legitimate and a commonly seen collective bargaining issue; however, in light of the comparable dental care plans that exist in the other communities, it would appear than an improvement in the dental insurance program for the Allen Park Lieutenants and Sergeants is justified.

Award

The Union's last best offer, entitled Dental Insurance is adopted as the award of the panel (see Award number 6).

7. LONGEVITY PAY.

Discussion

The Union seeks to modify the longevity pay from its present \$30.00 per year for the first ten years, \$35.00 for each year of service over ten years, to an escalating percentage formula: 1 percent of the employee's base pay for the first 14 years, 1.5 percent of the employee's base pay after 15 years of service, 2 percent after 20 years of service, and 2.25 percent after 25 years of service.

A practical application of this formula would result in a material increase in the longevity to be paid to officers in their early years of service, with lesser increases in later years. For example, a 10-year sergeant with a base wage of \$42,765.00 would receive a longevity check of \$428.00 under the proposal as contrasted to \$360.00 presently. In turn, a 25-year sergeant with a base wage of \$42,765.00 in 1992, would under the Union's formula receive longevity pay of \$962.00 as contrasted to the maximum of \$850.00 presently, and a lieutenant earning a base wage



SINAS, DRAMIS, BRAKE, BOUGHTON, McINTYRE & REISIG, P.C. 520 SEYMOUR AVENUE LANSING, MICHIGAN 48933-1192 of \$45,876.00 would receive a longevity payment of \$1,032.00 contrasted to \$850.00 under the present system.

The City is quick to point out <u>both</u> the increased cost <u>presently</u> of the Union proposal, as well as the <u>future</u> cost increases that would be reflected by a percentage based longevity payment, i.e. as base wages are increased, longevity payments would also increase. The City, of course, is also concerned with reference to the impact of this modification upon other contracts for other City employment units.

Opinion

The proposed increases are simply not justified by the comparables. Although Eastpointe has such a percentage based formula capped by a \$1600.00 a year maximum (\$1700.00 effective 7/1/93), it is the only one of the comparables that utilizes a percentage formalization. Certainly, longevity is a factor to be considered in employment relations and historically has been so acknowledged in public sector employment, and although a modification of the "X dollar per annum formula" to a percentage based recognition of continuous service may have merit, the Union's proposal in this matter is not supported by the comparables, or any other rationale permitted under Act 312. In addition, the Union has not provided for a "cap" upon payments, further adding to the cost of the proposal.

Award

The last best offer submitted by the City entitled "Longevity Pay," and providing for the status quo, is accepted and incorporated as the award of the panel. (Award number 7).



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8. SHIFT DIFFERENTIAL.

Discussion

The Union seeks to increase the existing shift differential from 25 to 50 cents per hour for afternoon shifts and from 50 cents to one dollar per hour for the midnight shift. The Union contends, through their witness, Sergeant Covert, that the disruption of family life that exists because of working the afternoon and midnight shifts justifies additional compensation. U-Ex-36 demonstrates the comparables from other communities.

The City resists the Union's efforts to "double" the shift differential, pointing out that the comparables do not justify the increase, and that only Eastpointe would appear to have approached the 50 cent/one dollar level. Other than Eastpointe, the only other city to exceed the present level of shift differential paid in Allen Park is Southgate which pays 37 cents for afternoons and 62 cents for midnights.

Opinion

Recognizing that the burden of working an afternoon or midnight shift can be onerous, (the arbitrator notes, however, that most officers prefer steady shifts as contrasted to "swing shifts," wherein their shift assignments rotate), the proposed change would benefit a relatively small number of Allen Park officers and would have cost implications which do not appear to be justified by the comparables or other evidence produced at the hearing.

Award

The last best offer submitted by the City in this matter entitled "Shift Differential" is accepted and incorporated as the award of the panel. (Award number 8).



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9. OPTICAL INSURANCE.

Discussion

The Union seeks an "upgrade" in paid optical insurance from their current "co-op" optical plan D, to a co-op optical plan B. This change, as set forth in U-Ex-40 would, in essence, provide for an \$18.00 increase in the amount of credit toward frames and a \$40.00 increase in the cost of contacts. The Union maintains that the "improvement" is justified by the comparables and by the fact that there has been no improvement in the basic benefits for optical insurance since 1979.

The City resists the requested improvement and seeks maintenance of the status quo. It argues that no other Allen Park police unit has the plan sought by the Union and that the change is not justified.

Opinion

The City's AFSCME Unit has optical Plan B. In addition, Garden City has the Plan B, and Southgate, Trenton and Wyandotte have plans which are appreciably better than even the requested plan. The sought after modification is justified by the comparables and the evidence presented.

Award

The Union's last best offer is accepted and incorporated in this award as Award Number 9.



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10. GUN ALLOWANCE.

Discussion

As evidenced by Article XIII, Section 3 of the expired contract (U-Ex-1), in 1984 the parties struck a theretofore existing provision for gun allowance, rolling the allowance into base wage. The Union now seeks to "reactivate" the concept of gun allowance, which the City resists.

Policies with reference to the carrying of firearms and off-duty status vary between jurisdictions. At one point in time cities encouraged off-duty officers to carry firearms as an additional means of providing public protection. Recently, however, some communities have sought to discourage the carrying of firearms off-duty because of concern with reference to potential municipal liability therefor. Some cities have done so far as to forbid the carrying of firearms off duty by their officers.

The expired contract provides that the City will not longer require, as a condition of employment, that an employee carry a weapon while off duty, and further provides that the police officer will not be considered to be on duty unless working an assigned shift, or called in for overtime or special assignment.

Opinion

It is clear that the bulk of the comparables, to-wit: Garden City, Southgate, Trenton and Wyandotte all pay a gun allowance, thus, adding support for the Union's position. However, it could be argued that the Union's proposed language (attached hereto as Award 10) does not provide the City with sufficient basis to "disavow" actions of an off-duty policy officer who utilizes his firearm. Although this may be an issue that the parties may wish to address, in the future, it does not give sufficient justification to ignore the comparables and to deny the benefit to the police officers.



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Award

The Union proposal on gun allowance is adopted and incorporated as the award of this arbitration panel (Award number 10).

11. RESIDENCY.

Discussion

The Union proposes language in its last best offer which would permit officers having five or more years of seniority to move out of the City of Allen Park as long as remaining within a radius of 25 miles of the police station. The Union proposal, however, would require that any officers so moving would forfeit their gun allowance, an allowance which the officers have not heretofore had (See item 10, supra).

The City proposal on this issue would also permit officers with five year's seniority to live outside the boundaries of the City (25 mile radius); however, the City's proposed forfeiture would be \$365.00 from the clothing and/or cleaning uniform allowance. The amount of the forfeitures are identical.

There is, of course, logic to the respective positions of the parties with reference to what should be forfeited for moving out of the City; the Union would forfeit a gun allowance, which is not currently being received by any officer; the City desires to invoke a more tangible "penalty" for a residency move outside of the City limits by taking away a portion of existing clothing and cleaning allowances.

The former contract was silent on the issue of residency; however, the City Attorney represents that the City Charter requires residency, although the City Attorney recognizes that residency is a mandatory subject of bargaining (the Charter provision was not submitted as an Exhibit). The issue of residence is often divisive. This arbitrator has some very strong personal



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experiences that requiring residency by City employees, including police officers and firemen, within the municipal confines is within the best interest of the community; this value system, however, cannot be imposed in this proceeding. The subject is a legitimate topic of bargaining. It is to be noted that the City does not resist movement out of the City per se, but seeks only to invoke a "penalty" for such non-residency. The Union, in turn, is prepared to accept such a penalty concept. The question then becomes: "What is the appropriate price to be paid for the right to remove residency outside the City limits?".

It is to be noted that the Union has denominated this issue as non-economic, while the City has remained silent thereon. Although normally the issue of residency would not be an economic issue, because both parties have keyed the residency issue to a concept of an "economic sacrifice" on the part of the employee if the employee is not a resident of the City, for the purposes of this arbitration, the arbitrator will treat the residency issue as an economic issue and will choose between the parties' last best offers, rather than fashion a "compromise" award which may not be agreeable to either party.

Opinion

As indicated, the personal proclivity of this arbitrator would be to provide contract language which would require residency; however, since that decision has been effectively preempted by the parties' LBO's, the choice must be between the two options provided by the parties. It would appear that the gun allowance for carrying the firearm off-duty, has a much more direct relationship to the officer's residency than does the quality or cleanliness of the officer's dress, i.e. carrying a firearm off duty is of much more importance to the City with reference to an officer who was living in that city and can provide a modicum of protection to citizens during off-duty hours. In turn, the City may not wish its officers to carry firearms when



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Award

The last best offer of the Union (Award number 11--Residency) is accepted and incorporated in this award. See Award number 11.

12. HOLIDAY PAY.

Discussion

The LBO's of the parties on this issue are to a great extent identical and differ in only three respects. Both parties are proposing to increase the number of holidays from nine to twelve, and provide time and a half for holidays actually worked, as well as double time for hours worked beyond a regular shift on a holiday. The areas of difference are as follows:

- 1. The Union's LBO contains an effective date of November 1992 for the holiday pay lump sum improvement under subparagraph A of Article XIII, section 6 of the proposed contract, whereas, the City's LBO contains no effective date.
- 2. With respect to elimination of the eight-hour requirement in subparagraph B, the Union proposal contains an effective date of January 1, 1993, while the City's LBO contains a retroactive effective date of July 1, 1991.
- 3. The City's LBO seems to suggest that the City's double time provision would also reach back until July 1, 1991.

Opinion

The semantical differences between the proposals may have some hidden significance that this arbitrator is unable to surmise. It makes little sense, however, to have to reach back and recalculate benefits for holidays already earned, as is at least suggested by the City's proposal.



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The Union has pointed out that if confusion on this issue is not avoided, then ambiguity can do nothing but lead to discord and to grievances. It would appear that the Union's LBO provides greater clarity and precision in language, and is less ambiguous.

Award

The Union's proposal upon this issue is adopted and incorporated, and made the award of this panel. (Award number 12).

13. SOFT BODY ARMOR.

Discussion

The parties have apparently agreed upon the language submitted by the Union in this regard, attached hereto and made a part of this award (Award number 13). Some editorial comment, however, is necessary. Without the agreement of the parties, if this arbitrator were to have exercised his own judgment upon this issue, (the issue being a non-economic issue), he would have required all <u>field officers</u> to wear soft body armor at all times when exposed to normal police officer assignments, whether patrol or detective! Having been intimately exposed to instances where the wearing of soft body armor would have saved the life of an officer, the slight discomfiture caused by wearing body armor overrides any "personal preference."

Award

The soft body armor language proposed by the Union and agreed to by the City is incorporated and adopted as the award of this panel (Award number 13).

14. LIFE INSURANCE FOR EMPLOYEES.

Discussion

The Union seeks an increase in life insurance from \$25,000 to \$30,000 (double indemnity for accidental death, riot or civil disorder). The City resists this modification.



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U-Ex-42 reflects the comparables. Eastpointe has \$40,000.00 worth of coverage, Trenton provides to the nearest \$1,000.00 of the employees base wage, and Wyandotte \$30,000.00 annually. Only Garden City is lower than Allen Park with Southgate being equivalent thereto (\$25,000.00). The City resists this change solely on the basis that only its Allen Park Command Officers Unit (Inspectors) receives a \$30,000.00 insurance benefit.

Opinion

In today's market, term insurance is an extremely inexpensive benefit. A great number of corporate employers, as well as most public sector employees, provide life insurance benefits ranging from one to two times annual compensation. The Union proposal is supported by the comparables

Award

The Union's last best offer on this issue is accepted and incorporated in the award (Award number 14).

15. LIFE INSURANCE FOR RETIREES.

Discussion

The Union seeks to extend and improve life insurance for future retirees from the current \$7,500.00 to \$10,000.00. The City takes the position that this increase is not justified. As indicated in the discussion under Issue 14, Life Insurance for Employees, term life insurance benefits for retirees is a relatively inexpensive fringe benefit. It is to be noted, however, that most programs provide an "age cap" beyond which the benefit will not be provided. This provision, however, is not contained in existing contracts, nor was it contained in either party's proposal. It may be something that the parties wish to give consideration to, however, in future negotiations.



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Opinion

Although the only comparable that provides \$10,000.00 worth of retiree life insurance is Southgate, the City presently provides this same benefit to the Police Inspectors Unit, the AFSCME Unit and to its non-union employees. The coverage is available, and in light of the relatively low level of cost, the benefit is justified.

Award

The life insurance for retirees proposal submitted by the Union is adopted and incorporated as the award of the arbitration panel (Award number 15).

16. EXPENSES ON CITY BUSINESS.

Discussion

The Union seeks an improvement in expense reimbursement for incurred expenditures incurred for city business, and in particular meal expenses. The City agrees that the meal allowance needs to be improved over the existing formula, but wishes to place restrictions and restraints upon those expenditures by requiring "pre-authorization," and by requiring that reimbursements for meals be made only for meals purchased while on City business "outside the City." The Union argues that the language proposed by the City effectively negates existing language which permits detectives to be paid for all expenses incurred while on City business when such expenses exceed the monthly detective expense allowance (see Article XIII, section 8, p 17 of former contract). The Union also contends that certain meal expense should be reimbursed even if incurred within the City.

Opinion

There is merit to the Union's position. Both parties recognize that the existing meal allowance is inadequate to realistically cover the cost of meals on City business. The Union's



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Award

The Union's last best offer is adopted and incorporated in this award (Award number 16).

17. HEALTH INSURANCE.

Discussion

The City proposes a modification in Article XIV, of the former Collective Bargaining Agreement, which would permit the City to provide health coverage through the auspices of an HMO, with the same coverage as the Blue Cross/Blue Shield policy presently applicable to other members of the unit, for all employees hired after 12/1/91. The City maintains that this change would impact upon no present members of the bargaining unit since none have been hired since December 1, 1991 to date. It predicates its bargaining position on this issue on the rising cost of health care coverage and the potential forfeiture cost savings. C-Ex-E-1 demonstrates that the City of Allen Park spends \$6,908.00 a year for a full family coverage, approximately \$1,300.00 a year more than the five comparables. The City also points out that the HMO concept for new employees has previously been accepted by its AFSCME, POAM, and Fire Bargaining Units.

The Union resists the efforts upon the part of the City to impose an HMO (Health Maintenance Organization) on new employees, in contrast to continuing the traditional Blue Cross/Blue Shield coverage. It does so primarily upon the argument of "choice." Under most Blue Cross/Blue Shield plans, employees have a relatively free range of choices of medical care providers; however, under an HMO plan, the employees are required to utilized predesignated



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physicians and health care facilities. The Union also objects to the "two-tier" system of benefits predicated upon date of hire. They argue that such a two-tier system is divisive. The Union maintains that none of the comparables have a "mandatory" HMO (U-Ex-58), although some of the providers have optional HMO's.

Opinion

Because of the great number and variety of health care programs that exist in the market place, it is very difficult to obtain an accurate comparison of health care programs. The growing costs of health care, however, is a major issue impacting not only public sector employment costs and public sector bargaining, but has now become a national "political" issue. Both in the private sector and public sector bargaining, the issue is constantly being confronted, as ways and means are sought to control health care costs, eliminate unnecessary duplication of services and insure appropriate health care.

The City's proposal, particularly since it does not impact upon any existing employee within the bargaining unit (or, for that matter, employees who have any real potential of entering the bargaining unit within the next few years), potentially offers to the city some long-term savings. The City's proposed language would impose the HMO only upon employees hired by the City after 12/1/91. The only possible impact upon any existing City employee would be a patrol officer who was hired after that date who sometime in the future is promoted to the rank of sergeant or lieutenant. For all intents and purposes, the proposal would only impact upon future hires.

The Union's argument of "choice" at one time could have been given significant credence; however, today when most forms of medical care are delivered by specialists with whom the patient may only have limited contact, the "choice" argument is less compelling. More



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importantly, however, the "choice" argument pales in the face of cost issues impacting upon not only all municipalities, but indeed all employers and all citizens! Realistically, "choice" may have to give way to hard "economics."

With reference to the question of whether a "two-tiered" health care system may be "divisive," this consideration must also give way to economics. It is not unusual in many forms of benefit programs, particularly pensions and insurance, for there to be two-tiered systems, with applicability of the program depending upon the commencement date of employment. The new employee, who is hired and provided a program with less benefits than the older employee, does have a choice--although a distasteful one. He or she can refuse to accept the employment offer! The fact remains that there is little reason for the employee to be resentful of senior employees, who may have a "richer" benefit program.

Award

For the reasons indicated, the last best offer presented by the City is adopted and incorporated as the award of the panel. (Award number 17).

18. DETECTIVE EXPENSE ALLOWANCE.

Discussion

The City seeks to eliminate a benefit providing \$60.00 per month to detectives for somewhat "discretionary" money to be utilized by the detectives for basically their own business purposes. The City contends that this allowance should be done away with, with the detective receiving a reimbursement for necessary expenses including a meal allotment for meals purchased when on City business when outside the city (Section 16).

The Union contends that the expense allowance that detectives receive is put to many uses.

It not only buys meals when the detectives are doing business outside the City, but it also gives



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them sums to "pay a snitch," pay for parking, make telephone calls, buy cigarettes for suspects or prisoners, and attend meetings of the detectives association, etc. Although the full history of the allowance is not set forth, it has existed since at least July 1, 1985.

Opinion

Although the detective expense allowance may be an anachronism and merely obviates the need for paperwork and bookkeeping (the allowance could easily simply be folded into the detective's pay), in view of the long, historic existence of this benefit, the panel sees no reason to eliminate it. The uses for which these funds are put are legitimate and are not subject to simple accounting; whether it be putting quarters in parking meters or in pay phones, or having lunch with a detective from an adjoining city when you are talking about a case of mutual interest, such expenses are a fact of life. INDEED, STRONG ARGUMENT COULD BE MADE THAT IF THESE LEGITIMATE EXPENSES WERE REIMBURSED, REGARDLESS OF WHERE INCURRED, (INSIDE OR OUTSIDE OF THE CITY), REIMBURSEMENT WOULD BE MORE EXPENSIVE TO THE CITY BOTH IN TERMS OF ACTUAL DOLLARS AND IN TERMS OF ACCOUNTING.

Award

The City's request for modification of the detective expense allowance provision is rejected and the Union's proposal that the present language be maintained is made the award of this panel and incorporated herein. (Award number 18).

19. CALL IN TIME.

Discussion

The City seeks to modify the provisions of Article V, section 2, of the previous contract which provides that when an employee is called into court or other unscheduled duty, the



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The Union contends that the call-in time provision is "historical" and was given in acknowledgment of the fact of the inconveniences of the travel (normally into the City of Detroit to Recorder's or Circuit Court).

The Union points out that the 1970-72 agreement between the parties contained a four hour provision which was increased to five hours in 1972-74 contract for out of city/call-ins and increased to six hours in 1978-80. The Union also points out that the current agreement with the patrol officers contains the same language as the previous agreement with the sergeants and lieutenants.

Opinion

The City has submitted no relevant evidence with reference to either the cost of the existing language, or the potential savings that would be effectuated by this provision, nor has it attempted to quantify the instances where a four-hour minimum has been applicable compared to the time and a half for actual time spent. It is to be noted that six hours of regular time is equivalent of four hours of time and half. Most court appearances outside of the City of Allen Park, unless upon arrival the officer learns that the matter has been adjourned, would take a four hour minimum suggested by the City. In light of the historical precedence for this provision, the City has not produced evidence demonstrating that change is necessary.



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Award

No modification in the call-in time provisions of Article V, section 2 are awarded, and the language of the present contract is incorporated in the award. (Award number 19).

20. PAYCHECKS.

Discussion

This, to say the least, is an unusual issue! The Union asserts that a past practice exists between the parties wherein paychecks dated for Thursday are issued on Wednesday afternoons. Apparently, the City is concerned because officers who pick up checks on Wednesday afternoon have attempted to cash the checks with local merchants before the date on the checks. Apparently, there is a difference of opinion between the City Treasurer and the City Administrator with reference to the authority of the City Administrator to order the checks not to be delivered before 12:01 a.m. on the day they are dated. The Union maintains that the present practice, unless modified by agreement, of by Act 312 arbitration, is protected by Article VII, section 10 of the present contract, i.e. Maintenance of Conditions.

Opinion

Although neither party briefed this issue, a strong argument can be made that the method and timing of handing out paychecks, if not explicitly covered by contract, is a matter for the exercise of managerial prerogative. Recognizing the assertion that a past practice may exist which should not be modified by unilateral action of the City, the concept of issuing a paycheck prior to its date does have the potential of creating both financial confusion and embarrassment for the City. After all, we are dealing with a police unit! Attempting to cash a "post-dated" check may not be a crime, but a merchant should not be placed in a position where his refusal to accept a



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check "early" could place him in a position of conflict with a law enforcement officer. The Union has provided no legitimate rationale for receiving the potential wind-fall of early payment.

<u>Award</u>

The City's last best offer on this issue is incorporated as the award of the panel. (Award number 20).

21. PATROL CAR REPLACEMENT.

Discussion

The City seeks to amend Article XII, section 10 of the previous agreement by extending patrol car life by an additional 10,000 miles, i.e. to require the City to solicit bits for new patrol cars only when the old patrol car reaches 60,000 miles. The Union resists this effort, claiming that the present 50,000 mile requirement forces the City to start the bid solicitation process earlier. It contends that the language does not mandate the non-use of patrol car after 50,000 miles, but that additional delay would mean a greater likelihood of mechanical problems with the "more mature" automobiles.

Opinion

No evidence was adduced by either party of the proper life of a police patrol vehicle. Proper and appropriate equipment and patrol car maintenance are a legitimate safety issues and should be of concern both to the City and to the Union. The record before the arbitration panel, however, is devoid of any incidents of accidents or other circumstances indicating that the safety of patrol officers has in any way been negatively impacted by the age or the car of the number of miles driven it. This fact, coupled with the fact that automobiles today are generally safer, generally have longer lives, and can be better maintained, all gravitate to the conclusion that the



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extension of patrol car life is an eminently reasonable request. (It is to be note that no comparables were produced on this issue).

Award

The City's last best offer providing for an amendment of Article XII, section 10, extending the time for the solicitation of bids for new patrol cars to 60,000 is adopted and incorporated as the award of the panel. (Award number 21).

CONCLUSION

Other than the specific awards made in this Opinion and Award, it is ordered that existing wages, benefits and conditions of employment, and other provisions of the present agreement, which have not been modified by the parties through collective bargaining negotiations and where the issues have been satisfactorily adjusted, or where tentative agreement has been reached by the parties, will remain in effect, and are to be included in the new agreement between the parties.

The members of the arbitration panel are not in unanimous agreement on all of the orders and awards included herein, and by their signature hereto, have not assented to each and every item. The following dissents are noted:

1. Arnold Koller, Union Representative, dissents on the following:

Award number 1 - Pension FAC (commencement date)

Award number 2 - Pension Retirement Incentive Plan

Award number 5 - Step-up Pay

Award number 7 - Longevity Pay

Award number 8 - Shift Differential

Award number 17 - Insurance for New Employees



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Award number 20 - Paycheck

Award number 21 - Patrol Car Replacement

2. City Administrator and City Panelist, Richard Huebler, dissents upon the following issues:

Award number 3 - Cleaning Allowance

Award number 4 - Clothing Allowance

Award number 6 - Dental Insurance

Award number 9 - Optical Insurance

Award number 10 - Gun Allowance

Award number 11 - Residency

Award number 12 - Holiday Pay

Award number 14 - Life Insurance for Employees

Award number 15 - Life Insurance for Retirees

Award number 16 - Expenses on City Business

Award number 18 - Detective Expense Allowance

Award number 19 - Call-in Time

In accordance with Act 312, § 8, the arbitration Chairperson and each of the panelists, in their best judgment, adopted the last best offers on each of the issues before it, which in their opinion, more nearly complied with the applicable factors prescribed in section 9, of Act 312. The last best offers awarded by the panel are numbered consecutively consistent with this opinion, are incorporated herein and attached hereto.



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This opinion and award is executed by the Chairperson and the panelists on the dates indicated.

Donald L. Reisig

Chairperson

Dated: $\frac{12}{15} \frac{192}{92}$

Richard Huebler For Employer

Dated: 12/17/92

Arnold Koller For Union

Dated: 18-21-92



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PENSION FAC

Add new section to Article X (will modify existing Charter provision that provided five (5) year FAC).

Employees who retire on or after July 1, 1993, will have their final average compensation computed on the average of the highest three (3) consecutive years of service out of the last ten (10) years.



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PENSION RETIREMENT INCENTIVE PLAN

City offers status quo, no change, no additional items to be included in FAC.



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CLEANING ALLOWANCE

Modify Article XIII, Section 5 to provide as follows:

Each employee will receive an annual cleaning allowance as follows:

Effective July 1, 1991	\$450
Effective July 1, 1992	\$500
Effective July 1, 1993	\$550

One-half of the cleaning allowance shall be paid in the first week of August each year; one-half shall be paid in the first week of February each year.



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CLOTHING ALLOWANCE

Modify Article XIII, Section 4 to provide as follows:

Each employee will receive an annual clothing allowance as follows:

Effective July 1, 1991	\$500
Effective July 1, 1992	\$550
Effective July 1, 1993	\$600

One-half of the clothing allowance shall be paid in the first week of August each year; one-half shall be paid in the first week of February each year.



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STEP-UP PAY

Article XVI, Section 1 to provide as follows:

City proposes status quo, no change, and offers current Contract language.

Section 1 - <u>Step-up Pay</u>. Effective July 1, 1988, whenever a Lieutenant or Sergeant is required to perform the duties of a higher rank, because of an absence in that rank, for more than five consecutive days paid on 6th he/she will be compensated, at the starting level rate of pay of the higher position, for all days in which he/she performed such higher classification duties.

Employees shall not be rotated in the higher grade (grade/rank, rate) position in order to circumvent this section.



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DENTAL INSURANCE

The Union proposes that the first paragraph of Article XIV, Section 3 be modified to provide as follows, to be effective 90 days after issuance of the award:

Section 3 - <u>Dental Insurance</u>. The City shall provide for employees and eligible members of employee's family: Delta Dental Plan, Full Family Coverage, Class I & II, 70% - 30% co-payments, with maximum benefit payable in any one contract year not to exceed \$1,000.00 per person.

[Remainder of provision status quo.]



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LONGEVITY PAY

Article XIII, Section 7 to provide as follows:

City proposes status quo, no change, and offers current contract language.

Section 7 - Longevity Pay. Effective July 1, 1988, each employee shall be paid an Annual Longevity Pay at the rate of \$30.00 for each year of service, commencing with one year of service, up to ten (10) years and \$35.00 per year of service for each year over ten (10) years. Longevity pay shall be computed on November 1 of each year and payment shall be made on or before November 15 of each year. Employees receiving their first longevity pay shall receive a prorated pay computed from their date of employment to November 1.



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SHIFT DIFFERENTIAL

City proposes status quo to Article XIII, Section 9 to provide as follows:

Effective July 1, 1991, employees who work between the hours of 4:00 p.m. and midnight shall receive 25 cents additional for each hour worked, and employees who work between the hours of midnight and 8:00 a.m. shall receive 50 cents additional for each hour worked. (Prior agreement eliminated 650 hour maximum).

- A. Shift Differential Pay shall be paid in the first week of August each year.
- B. This section shall not in any way be interpreted or construed as being any alteration or abridgement of any of the provisions of Article XIII, Section 1, of this Agreement.



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OPTICAL INSURANCE

Modify Article XIV, Section 4 to provide as follows, to be effective 90 days after issuance of the award:

Section 4 - Optical Insurance Benefit. The City shall provide for employees and eligible members of employee's family Optical Plan B as provided by the Coop Optical Service. Copies of the plan will be given to the Union.

Added by unanimous agreement of Panel.

(Remaining paragraphs of Article XIV, section 4 shall remain status quo.)



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GUN ALLOWANCE

Modify Article XIII, Section 3 to provide as follows:

Effective August of 1992, all employees shall receive a gun allowance of \$365 each year, to be paid the first week of August. Employees may be required by the City to carry a weapon while off duty.



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RESIDENCY

The Union proposes that a new article be added to the contract providing as follows, to be effective upon issuance of this award:

Employees having five (5) or more years seniority may live anywhere within the State of Michigan within a 25-mile radius of the police station. However, employees electing to live out of the City of Allen Park will be subject to the following:

- A. They will forfeit their gun allowance.
- B. They will not be called in for unscheduled overtime unless determined necessary by the Officer in Charge. It is understood that you go on payroll when you report to the station. Unscheduled overtime is defined as overtime for which the City has less than a four (4) hour advance notice.

It is understood and agreed that if legislation is adopted which in any way renders residence restrictions illegal, void, invalid, or otherwise unenforceable, such legislation shall supersede the existing residency restrictions. However, employees who reside outside the City shall still be subject to forfeiture of their gun allowance.



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HOLIDAY PAY

Modify Article XIII, Section 6 to provide as follows:

- A. Effective November of 1992, in lieu of any other Holiday Pay, on November 15 of each year the employee shall be paid a lump sum Holiday Payment equal to eight (8) hours pay of his/her base rate multiplied by twelve (12) holidays. The designated holidays are as follows: New Years Eve and New Years Day, Washington's Birthday, Easter Sunday, Memorial Day, Independence Day (July 4th), Labor Day, Veterans Day, Thanksgiving Day and the day after Thanksgiving, Christmas Eve and Christmas Day.
- B. Employees who call in sick on a designated holiday shall have the sick time deducted at the rate of time and one-half. Effective January 1, 1993, employees who work on a holiday shall receive time and one-half pay for the hours worked that day (i.e. the 8 hour minimum requirement shall be eliminated). Employees who work beyond a regular shift on a holiday will be paid double time for hours worked beyond a regular shift.
- C. Upon retirement or separation for any reason, an employee shall be paid his/her pro-rata share of the annual holiday pay due him/her, based on the number of designated holidays.



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SOFT BODY ARMOR

Add a new article to the contract, providing as follows, to be effective upon issuance of the award:

The City shall provide soft body armor in accordance with the following provisions:

- A. The soft body armor to be provided will be Point Bank Model 20, Class 2. Officers will be able to select the soft body armor style of their choice from the applicable styles of the aforementioned model and class (e.g., standard, contour or side panel style). Female officers will be provided with the "female style" armor.
- B. All safety vests purchased by the City of Allen Park pursuant to the provisions of this agreement will meet and be maintained in accordance with the manufacturer's standards and life expectancy. The City will be responsible for incurring the costs of repair or replacement of vests which do not meet manufacturer's standards and life expectancy as a result of normal wear and tear or other damage incurred in the course of the employee's duties.
- C. Officers will be responsible for properly maintaining safety vests assigned to them. Said vest will be replaced at no cost to the officer, unless it can be shown that said officer did not properly maintain the vests. Replacement will be made under the following conditions: As the manufacturer advises in accordance with said manufacturer's recommendations on life expectancy and effectiveness, including those situations where, due to significant trauma, said soft body armor has lost its effectiveness (i.e., protection level of the armor is diminished beyond manufacturer recommendation levels).
- D. Any officer who elects not to receive and wear a safety vest must sign a waiver releasing the City from any liability based upon said officer's refusal to accept a safety vest. However, this waiver may be rescinded at any time that the officer elects to receive and wear a safety vest.
- E. Officers who elect to be provided with a safety vest must wear said vest while on uniform patrol duty. Officers will not be required to wear the safety vest when, for example, they are assigned to desk or station duty, while on plain clothes assignments (unless the nature of said duty requires the use of a safety vest), while assigned as a liaison officer or range officer, or with the Chief's permission.



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- F. Any officer who elects to be provided with a safety vest may be disciplined if he/she fails to wear said safety vest when required to do so as prescribed above.
- G. Officers may rescind their acceptance of the vest only after the life expectancy of the vest (as stated by the manufacturer) has been reached, or if the officer for any reason no longer wishes to wear the vest, the officer may sign the waiver in paragraph D of this section, keep the vest, and pay the City a pro-rated amount based upon the following formula:

X = A/B (B-C)

Where

A = cost of vest

B = months of life expectancy as stated by the manufacturer

C = number of months officer accepted the vest

X = officer's payment to the City



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LIFE INSURANCE FOR EMPLOYEES

Modify the first sentence of Article XIV, Section 2 to provide as follows, to be effective 90 days after issuance of the award:

Each employee shall be covered by a \$30,000 term life insurance policy to be provided by the City, with double indemnity being paid in case of accidental death, riot, or civil disorder.

Also, to eliminate the third sentence of Article XIV, Section.



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LIFE INSURANCE FOR RETIREES

Modify the second sentence of Article XIV, Section 2 to provide as follows, to be effective 90 days after issuance of the award:

For employees retiring on or after December 31, 1992, a life insurance policy in the amount of \$10,000 shall be paid for by the City for each retiree.



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EXPENSES ON CITY BUSINESS

Modify Article XVI, Section 6 to provide as follows, to be effective upon issuance of the award:

Employees shall be paid for all expenses necessarily incurred while on City business. Detectives shall be paid for all expenses incurred while on City business if such expenses (including meals) exceed their Detective Expense Allowance each month.

For meals, employees shall be reimbursed up to the following maximum amounts, subject to increase if the City expense policy amounts increase:

Breakfast	\$ 5.00
Lunch	6.00
Dinner	17.00



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INSURANCE FOR NEW EMPLOYEES

Amend Article XIV, and (add) new section as follows:

Employees hired after December 1, 1991

All employees and eligible members of employee's family hired after 12/1/91 will be covered by an HMO with the same coverage as the Blue Cross/Blue Shield, cost sustained by the City. The City may at its option offer one or more plans. Employees who were hired after 12/1/91 who wish to upgrade to the Blue Cross/Blue Shield Plan may do so during enrollment period with not less than a ninety (90) day written notice to payroll office at the employee's own expense for the differential in premium cost (if any) via payroll deduction or direct payment to the City.

Retired employees who were hired after 12/1/91 shall be covered by an HMO plan with the same coverage as the Blue Cross/Blue Shield plan, cost sustained by the City, until the retired employee reaches age 65 or is eligible for Medi-Care, when the City will supplement with a "65 Plan." Should an employee, either active or retired, become deceased, said employee's spouse and eligible dependents under the plan shall continue to be covered, provided said spouse remains unmarried. If said retired employee and/or spouse intends to move out of the area covered by the HMO, he/she must give the City a minimum of 90 days prior notice of the location he or she intends to move to, and the City shall arrange for coverage by another HMO or other plan covering that area which provides the same or better coverage. If no said HMO is available, then the retired employee and/or spouse will be covered by the above-referenced Blue Cross/Blue Shield plan for retirees.



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DETECTIVE EXPENSE ALLOWANCE

The language of Article XIII, section 8 of the expired agreement is continued as follows:

Section 8-Detective Expense Allowance

Effective July 1, 1985, each detective shall be paid \$55.00 monthly, except effective January 1, 1986, each detective shall be paid \$60.00 monthly.

(Language clarification suggested by Arbitrator - Effective July 1, 1991, each detective shall be paid \$60.00 monthly).



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CALL-IN TIME

The language of Article V, section 2 of the expired agreement entitled "Call-In Time" is continued.



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PAY CHECKS

Article XIII, Section 1, Page 15, add:

Payroll checks will be given out after midnight on Wednesdays.



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PATROL CAR REPLACEMENT

Amend Article XII, Section 10 as follows:

The City shall solicit bids for a new patrol car whenever an old patrol car reached <u>60,000</u> miles.



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