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STATE OF MICHIGAN
FACTFINDING ARBITRATION

In the Matter of:

CITY OF EAST LANSING,
Employer

Case No. L94 C-4031

-and-

PACE OFFICERS
CLERICALS

CAPITOL CITY LODGE NUMBER 141,
FRATERNAL ORDER OF POLICE,
Union

FACT FINDING ARBITRATION

AWARD

Arbitration Panel

Peter D. Jason
Arbitrator/Chairman

Michael Benedict
City Delegate

Denise Barowicz
Union Delegate

East Lansing, City

STATE OF MICHIGAN

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Union

These proceedings were commenced pursuant to a stipulation of the parties. The fact finding panel was comprised of the Chairman, Peter D. Jason, City Delegate, Michael Benedict and Capitol City Lodge No. 141 Delegate, Denise Barowicz.

A Prehearing was held on March 21, 1996 and hearings were held on June 20, 21, October 24, November 21, 1996; June 24, September 4, October 24 and December 11, 1997. The City of East Lansing was represented by Mr. Theodore J. Tierney of Counsel to the firm of Vedder, Price, Kaufman, and Kammholz of Chicago, Illinois. Capitol City Lodge No. 141, Fraternal Order of Police was represented by R. David Wilson of the firm of Wilson, Lawler & Lett, PLC. The record consists of 1,004 pages of recorded testimony and a total of 169 exhibits. After submission of last best offers on January 19, 1998, the parties forwarded written briefs on February 23, 1998. The panel met in executive session on December 12, 1996 and April 15, 1998. The duration of the contract between the parties is the four (4) year period from July 1,

1994 to June 30, 1998.

The bargaining unit involved in these proceedings consists of three classifications. They are dispatchers, clericals and parking and code enforcement (PACE) officers. Although they are in the same bargaining unit, the dispatchers are the only employees covered by Act 312. When the parties failed to reach agreement on their collective bargaining agreement, the Capitol City Lodge #141 filed for compulsory arbitration. Because the clericals and PACE officers were not eligible, the parties stipulated to the appointment of Peter D. Jason to act as Chairman of the Act 312 panel for the dispatchers and as fact finder for the non eligible employees. Since the issues were the same for all the employees, common hearings were held.

The issue of external comparability did not arise for the PACE officers and the clericals. The parties were not able to find any other communities who use PACE officers. In short, there were no comparables. With regard to the clericals, there are other city bargaining units that include clericals and clericals at the court within the same building at City Hall. These internal comparisons were thought to be the most relevant comparisons by the parties and the Chairman agrees.

BACKGROUND

The City of East Lansing is a university and residential community located in Ingham County in south central Michigan. It has a total land area of 9.4 square miles and a population of approximately 51,000. Michigan State University is located within the City and accounts for 3.4 square miles of the land area and approximately 20,000 of the population. Approximately two-thirds of East Lansing's land area is devoted to educations, residential or recreational use and one-third is commercial property. Industrial land use is virtually non-existent. Michigan State

University has its own police department but during the pendency of these proceedings the City of East Lansing has become responsible for police dispatching at the university.

Fraternal Order of Police, Capitol City Lodge No. 141, is the recognized exclusive bargaining representative for the bargaining unit consisting of eight clericals, nine PACE officers and thirteen dispatchers.

ISSUES

The parties agree that the issues that are dealt with by the panel in this award are the only issues currently in dispute.

On August 12, 1996 the parties signed a **Stipulated Arbitration and Factfinding Interim Award and Order** relative to wages, etc. See Appendix 1.

During the bargaining process, the parties also resolved issues concerning Compensatory Time, Clerical Overtime Distribution, Family and Medical Leave Act, Dental and Long Term Disability Insurances, and Article 14, Other Leave, Section 14.2 Funeral Leave. See Appendix 2.

Further, the union withdrew the longevity "Me Too" issue in its Last Best Offer so that issue is resolved. The remaining issues are:

1. Holidays
2. Shift Premium
3. No Cost Health Insurance Benefits to Retirees at Age 50
4. Retirement
5. Health Insurance

The Chairman believes that common sense requires that the party demanding a change in the status quo has the burden of persuading the panel that a change is warranted. With this ground rule the remaining issues will be considered.

ISSUE 1 - HOLIDAYS

City's Last Best Offer: The City proposes no change to the current contract regarding the number of holidays granted to PACE Officers and clerical staff.

Union's Last Best Offer: The Union amends its original proposal and now proposes to add New Years Eve Day, as a holiday, effective December 31, 1996. In lieu of cash payment for the holiday compensation that would be for a retroactive period, each employee is to be credited with 16.0 hours of holiday time in the current holiday bank already in existence (pro-rated for part-time employees). Future holiday compensation for this holiday is to be as originally proposed during the arbitration proceedings.

The Chairman has selected the Union's Last Best Offer on this issue. In reviewing the external comparables, there is support for granting an additional holiday. Battle Creek provides fourteen (14) holidays and Eaton County provides twelve (12). In reviewing the internal comparables, the courts and the police and fire departments all provide at least twelve (12). Thus, I was convinced that one (1) additional holiday should be granted.

ISSUE 2 - SHIFT PREMIUM

City's Last Best Offer: The City proposes no change to the current contract and that no shift premium be granted.

Union's Last Best Offer: Effective the date of the arbitration award, the following shift premium proposal represents the Lodge's Last Best Offer and final proposal concerning this issue: Hours worked between 6:00 p.m. and 6:00 a.m. shall receive a shift premium of \$.35 per hour.

The Chairman has selected the City's Last Best Offer on this issue. This issue has arisen before in the parties' bargaining and has been consistently rejected by the City. The question is whether circumstances have changed. The Chairman notes that this is essentially a wage issue and the parties have agreed to wages at a level above the level of changes in the cost of living. Also in this agreement, the dispatchers have received an additional increase to compensate them for the extra work they do dispatching for the police department at MSU. Thus, the Chairman finds that the compensation package is fair and an additional premium is not warranted. This judgment is bolstered when reviewing the external comparables. Although some communities provide a shift premium others do not so this information was not decisive. However, when the internal comparables are reviewed only one City bargaining unit has a shift premium. This convinced me that a shift premium was not justified in this case.

**ISSUE 3 - NO COST HEALTH INSURANCE BENEFITS TO RETIREES AT
AGE 50**

City's Last Best Offer: The City proposes no change to the current contract regarding Retiree Coverage for PACE Officers and clerical staff.

Union's Last Best Offer: The union sought to add a provision to benefit all retirees in

the bargaining unit, that retire at age 50 with 25 years of service with paid medical insurance for the retiree and the option to purchase the same medical coverage through the City for the retiree's spouse.

The Chairman has selected the union's Last Best Offer on this issue and recommends its implementation. The City has already agreed that this benefit should be granted to the dispatchers who are part of this bargaining unit. Given that, the Chairman finds that there is a sufficient community of interest that requires that these employees also receive this benefit. Absent evidence that justifies why these employees should be treated differently, these employees should also receive this benefit.

ISSUE 4 - RETIREMENT

City's Last Best Offer: The City proposes no change to the current contract regarding retirement benefits for members of this bargaining unit.

Union's Last Best Offer: The Lodge proposes that the proposed B-4 improvement be effective for all members of the bargaining unit as soon as it can be implemented by MERS after receiving the arbitration award with the Employees of the bargaining unit contributing one percent (1%) of wages toward its cost and the Employer paying the remainder of the cost of this benefit improvement.

The Chairman has selected the City's Last Best Offer on this issue. The union's argument

in support of this demand was that it did not cost much and that its members would contribute 1% of their salary to allay that cost. However, in reviewing the comparables there was little evidence to support this demand. Using the external comparables, the union admitted the data did not support its demand but using the internal comparables the union suggested that other groups have improved these benefits especially when they have helped pay for the increased cost. After careful consideration, the Chairman finds that the current retirement benefit package in conjunction with social security benefits, is fair and no improvement is warranted. The Chairman would also like to make clear that he regards retirement benefits as deferred compensation. Since I found that the compensation package is fair, I rejected the union demand. I do not mean to suggest that the demand was inappropriate or that the employees should not have improved benefits at some future time.

ISSUE 5 - HEALTH INSURANCE

City's Last Best Offer: The City proposes to extend to the PACE officers and clerical staff in this bargaining unit the same health insurance benefits now in effect for all other City employees and future retirees.

Union's Last Best Offer: The Lodge will accept the Employer's proposed health plan effective July 1, 1998, without the automobile provision making the employee's automobile insurance the primary insurance coverage and without the spouse coverage limitation clause.

The Chairman has selected the City's Last Best Offer on this issue. In an effort to control

costs, the City has purchased two health care plans to provide services for its employees. All City employees, except the ones in this bargaining unit, are now members of one of these plans.

Recognizing this, the union has agreed that this bargaining unit will accept these new plans but rejected the City's demand that auto insurance becomes the primary health care insurance for injuries due to auto accidents. The union also rejected the City's other demand that members spouse's insurance is primary when it is provided at no cost. However, since all other City employees have the same plan, I was convinced that the evidence did not justify a change for this bargaining unit. There was credible testimony that the two health care plans are being administered with very few problems and this system has been effective in cutting costs.

SUMMARY

The Chairman's decisions on the issues are as follows:

ISSUE 1 - HOLIDAYS

One additional holiday should be granted.

CITY:	<input type="checkbox"/>	AGREE	<input type="checkbox"/>	DISAGREE
UNION:	<input checked="" type="checkbox"/>	AGREE	<input type="checkbox"/>	DISAGREE

ISSUE 2 - SHIFT PREMIUM

A shift premium is not justified.

CITY:	<input type="checkbox"/>	AGREE	<input type="checkbox"/>	DISAGREE
UNION:	<input type="checkbox"/>	AGREE	<input checked="" type="checkbox"/>	DISAGREE

ISSUE 3 - HEALTH INSURANCE FOR RETIREES AT AGE 50

This benefit is granted.

CITY:	<input type="checkbox"/>	AGREE	<input type="checkbox"/>	DISAGREE
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UNION: ☒ AGREE ☐ DISAGREE

ISSUE 4 - RETIREMENT

There will be no change on current retirement benefits.

CITY: ☐ AGREE ☐ DISAGREE

UNION: ☐ AGREE ☒ DISAGREE

ISSUE 5 - HEALTH INSURANCE

This bargaining unit will receive the same health care plans currently in effect for all other City employees.

CITY: ☐ AGREE ☐ DISAGREE

UNION: ☐ AGREE ☒ DISAGREE

5/18/98

DATED

5/21/98

DATED

5/21/98

DATED

Peter D. Jason

Peter D. Jason
Arbitrator/Chairman

Michael Benedict

Michael Benedict
City of East Lansing Delegate

Denise Barowicz

Denise Barowicz
Union Delegate