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

MICHIGAN LAW ENFORCEMENT UNION,
TEAMSTERS LOCAL 129,

-and-

CHARLEVOIX COUNTY AND CHARLEVOIX
COUNTY SHERIFF.

MERC Case No: G81-326

Appearances:

Arbitrator

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Charlevoix County

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Teamsters Local 129

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Background:

The Michigan Law Enforcement Union, Teamsters Local 129, petitioned the Michigan Employment Relations Commission for compulsory arbitration under Act 312, Public Acts of 1969, as amended, on June 22, 1982. Sandra G. Silver was appointed by MERC as the neutral chairperson for the arbitration panel on October 15, 1982. A pre-arbitration meeting was held on November 17, with the representatives of the parties. Documents were submitted to the Arbitrator, and hearings were held on January 28, 1983. A pre-hearing brief was submitted by the Employer at hearing, and the Union filed a post-hearing brief on February 17, 1983.

Three economic issues were submitted to the panel. Those issues were the implementation date and amount of payment for Delta Dental Insurance, Longevity pay, and the wage scale. Both parties submitted information on six counties which they considered comparable to Charlevoix County in support of their last best offer. The bargaining unit is comprised of nine sheriff deputies and five dispatchers. The Collective Bargaining Agreement expired on June 30, 1981. Thus, the dispute over wages would include a pay scale retroactive to that date.

Delta Dental Insurance:

Charlevoix County has agreed to provide its employees with \$7,000 life insurance; \$7,000 accidental death/disability; long term disability at 60% of weekly earnings; Blue Cross/Blue Shield, and sick leave. The prior contract provided for dental insurance under the Teamsters plan at a current premium of \$13 per month. The County has offered to upgrade that plan to Delta Dental Plan "C", and to pay the premiums to a maximum \$26.81 per month, representing a 106% increase in the former premiums of \$13 per month. It should be understood, however, that the premium increase is per family, and that there would be a reduction in premium cost to the County for a single employee.

Of the six counties presented as comparables by the County, only three provide any dental insurance to their employees: Antrim County; Cheboygan County; and Crawford County. Two of those counties are also represented as comparables by the Union. The actual increase which the County would experience by providing Delta Dental Plan "C" is considerable. The increase, when added to the increase in benefits on life insurance and accidental death and disability, is a provision for fringe benefits in a ratio to wages considerably above that found in

comparable contracts. The evidence as submitted to the Arbitrator does not provide any real basis for meeting the Union's demand of 100% Employer payment of Delta Dental Plan "C" premiums, and immediate implementation. The County's offer is more fully supported by the evidence of what is being done in comparable counties as submitted by both the Union and the Employer. That offer of premium payment to a maximum of \$26.81 to be implemented July 1, 1983, is found to be acceptable.

Longevity Pay:

The Union has placed a demand of 1.7% longevity pay effective July 1, 1982, for those employees completing 10 years of service. The Employer has objected strenuously to any payment on such basis.

The primary reason for providing longevity pay is to encourage stability in an employer's work force, and recognize the added value experience can bring to any position. The County in this instance, does not feel that it derives any benefit in having employees for more than ten years on the job. Only one deputy in the Department has already accrued more than ten years on the job, although several others would become eligible within another year. Similarly, only one dispatcher under the Union's proposal would qualify for the longevity benefit,

Of the comparable counties submitted as evidence by the Union, three provide no longevity pay; three others provide some form on a flat rate basis rather than on a percentage of salary. The same ratio of half of the counties comparable as submitted by the County provide longevity pay, and half do not.

In using the comparable rates of the counties to decide the issue of longevity pay, the Arbitrator must also consider the pay of other County employees. It is significant that no other Charlevoix County employee receives longevity pay. In the counties submitted as comparables by the Employer, each county which provides longevity pay provides it for all other county employees. This information was not fully available as to the internal county proceedings in the Union submission.

Another consideration determining whether longevity pay as demanded by the Union is justified, is the wage schedule itself. Both the Employer and the Union have made offers on the wage schedule involving differentials which are, in part, based on the number of years in the position. This step scale thus incorporates recognition of time on the job from the original offers of salary at hiring, and a top salary after three years. The wage structure has, thus, built into it a partial longevity proposal. To then add another longevity increment would increase

the differential between the most senior employee and the beginning and one year employees. This was particularly an issue for the Union, which wished to close the gap created by the present salary steps. In a three year wage step procedure, as presented by the County and the Union, experience on the job is recognized and paid for. The top scale is recognized as occurring after three years. It is, thus, the opinion of both parties that a deputy or dispatcher reaches a full level of expertise on the job after three years. Again, there appears to be little evidentiary support submitted by the Union to support its demand for 1.7% in longevity pay. The Union demand on this issue is denied.

Wages:

Public Act 312 requires that the arbitrator consider certain factors in making a decision on wages. Among those factors are pay in comparable units for government; pay in industry for comparable types of work; the availability of funds; and the cost of living. Most of these factors have been submitted in some form of documentary evidence to this Arbitrator in presentation of the Employer's and the Union's demands for wages.

The parties are agreed on three counties being comparable to Charlevoix County; those are: Antrim; Otsego; and Crawford Counties. The Union also submitted the Counties of Alcona; Arenac; and Leelanaw; while the County submitted Emmet; Cheboygan; and Kalkaska. All of the counties as submitted are northern rural areas with taxes levied at an average 35 mills, and an average budget of approximately 2½ million dollars annually. Population ranges from 10 to 20 thousand residents. All of the counties submitted by both parties appear to be reasonable approximations of Charlevoix County to provide a basis of comparison.

The County has never argued throughout the negotiations, or at hearing before this Arbitrator, that it could not afford the wage increase demanded by the Union. Rather, the County's position has been based on responsible wage allocation within its budget. It is further the Employer's position that to compare Charlevoix County to others which pay greater wages is to reward "bad management" and punish those who have been able to obtain good employees at reasonable wages. The issue to be decided in this matter is not whether Charlevoix County is able to employ persons. This is an economic recessionary period and jobs are in short supply. The issue to be decided is rather one of whether the offer being made by the County is reasonable under all the circumstances as compared to the demand being

made by the Union for employees who cannot strike and must submit to the ruling of a third party.

Another consideration in this matter is whether the offers by each party accommodate the rate of inflation as reflected in the Consumer Price Index over the time of the contract, 1981 - 1983. The Employer argues that the rate of inflation has slowed, and that there has actually been a decrease in the Consumer Price Index in the last few months. However, this Contract also includes 1981 and the first part of 1982 wherein the Consumer Price Index rose from 260.7 to 292.4 which reflects a 12% increase in the cost of living. The years covered by the expired contract were years of high double digit inflation and this must also be considered. There is no cost of living benefit in the contract, and thus wages would, of necessity, be tied in some way to previous increases in the Consumer Price Index to protect the employees from a deteriorating position.

One of the problems which separated the parties is that several employees were hired at rates above the usual starting rate in the County. Thus, when attempting to work out a wage scale, these employees would accrue the added benefit of an increase for their next step on the scale creating what the County considered a windfall. However, the wage rate cannot be tied to a particular individual's problem, but should reflect a job classification for that period of time regardless of who

holds the position. The Union cannot be expected to reduce its demand for step differential because the County acted apart from the standard wage scale. This Arbitrator is in total agreement with that position, and feels that the County is now asking the employees to pay for its own original act. Charlevoix County's starting rate is approximately 50% lower than that of the six comparable counties submitted by the Union, 38% below the comparable counties for a one year rate, 22% below the comparables for a two year pay rate, and 15.4% below three year rates.

Of the comparables submitted by the County, only the top of the pay schedule was presented. At that level, Charlevoix County's offer appears to be well within the parameters presented. However, the wage rates for hiring scale, first and second year rates are not shown for the comparable counties. Charlevoix County, instead, has presented what its last offer was in regard to that scale only, and the Arbitrator is left without evidence as to how its last best offer compares with the six comparable counties at all other levels.

The Union appears to have provided full support for its wage demand on a salary step schedule from date of hire through 1983. The Union's offer also uses the date of contract renewal to implement the wage increases where the County wishes to use

the anniversary date of hire to avoid an employee receiving double increases within the same year. As explained above, that is an anomaly which will be solved after this Contract. Although it will create a windfall for a few employees, the Union offer will best serve to equalize the pay scale, reduce the step differential, and rationalize the procedure on which it is computed.

In actual affect, the total wage package offered by each party is not separated by any great amount in dollars for the Charlevoix County budget. The constant use of percentages sometimes clouds the fact of the dollars being considered. The County objected strenuously to the use of a newspaper article submitted into evidence by the Union showing County Commissioners receiving a huge percentile increase, but that increase only reflected a few dollars per meeting. Similarly, the actual dollars involved in this represent no great cost to the County under the last best offer of the Union. The total cost to the County for deputies would be approximately \$22,000 greater than the County's offer over a three year period. The dispatchers cost in the Union's offer, over that offered by the County, is only approximately \$7,000 for the three years of the contract.

For all the above reasons, including wages paid in comparable counties, the rate of inflation since the last contract, and the ability of the County to pay the wage increases within its

budget, the last best offer of the Union for a salary schedule in the Charlevoix County's Sheriff's Department is accepted as submitted to the Arbitration Panel on January 20, 1983. That offer is as follows:

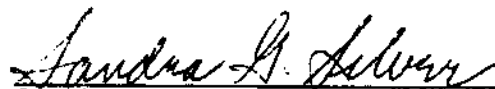
January 20, 1983
Union Last Best Offer

Present

6/30/81	7/1/81	7/1/82	7/1/83	Step Differences
3 Year: \$15,000	\$16,125	\$17,448	\$18,669	
2 Year: \$13,500	\$14,625	\$15,948	\$17,169	(\$1,500)
1 Year: \$11,500	\$12,625	\$13,948	\$15,169	(\$2,000)
Start: \$ 9,000	\$10,500	\$11,823	\$13,044	(\$2,125)
4 Year: \$12,150	\$13,325	\$14,648	\$15,869	
3 Year: \$11,000	\$12,175	\$13,473	\$14,694	(\$1,175)
2 Year: \$10,000	\$11,175	\$12,473	\$13,694	(\$1,000)
1 Year: \$ 9,000	\$10,175	\$11,473	\$12,694	(\$1,000)
Start: \$ 8,000	\$ 9,175	\$10,473	\$11,694	(\$1,000)

All Employees shall be entitled to that rate of pay applicable to their level of seniority attained on the effective dates of the agreement: 7/1/81; 7/1/82; 7/1/83.

If an employee was hired above the minimum rate of pay, the Employer shall move from the rate at which he/she was placed upon hire to the next higher rate on the scale on the effective dates of the agreement: 7/1/81; 7/1/82; 7/1/83.



Sandra G. Silver
Arbitrator

P26115



Larry D. Gregory
Panel Representative
Teamsters Local 129

Peter Patterson
Panel Representative
Charlevoix County

DISSENT

The Opinion of the neutral Chairperson for the Arbitration Panel improperly evaluates pertinent factors relating to wages in the following manner:

(a) Cost of Living. The neutral Chairperson's reference to the Consumer Price Index increasing from 260.7 to 292.4, a 12% increase, creates a gross misimpression as the Consumer Price Index relates to the negotiations for the current contract. The Index of 260.7 was the Index of January, 1981 and the Index of 292.4 was the Index of August, 1982, a period of nineteen (19) months. This nineteen (19) month period includes two dates, July 1, 1981 and July 1, 1982 upon which salary levels will be adjusted. More appropriately, it is known that the Consumer Price Index increased from July, 1981 through June, 1982, the first year of the contract at issue, a total of 6.3%. Further, it is known that from July, 1982 until the current date, a period of seven (7) months into the second year of the contract, the Consumer Price Index is increasing at an annual rate of approximately 2 1/2%. The County's offer of wage increases for the 1981-82 contract year ranged from 7.5% to 16.6%, substantially greater than the increase in the Consumer Price Index. The County's offer for the second year also substantially exceeded the annualized change in the C.P.I. at every salary level. Notwithstanding the substantial decline in economic conditions of the State of Michigan, reflected in the extraordinarily modest change in the C.P.I. from and after July 1, 1982, the Award by the neutral Chairperson, will result in a 13% increased cost to the County for dispatchers and a 11.4% increase in cost to the County for deputies' salaries. These increased costs are even greater beginning July 1, 1983, the third year of the contract. The Award will result in an increase of 16.6% in salaries of dispatchers and 12.5% in salaries of deputies.

The neutral Arbitrator commits substantial error by considering changes in the Consumer Price Index during the now expired contract. The issue of Cost of Living adjustments is an appropriate subject of bargaining. The Union had every opportunity to negotiate a Cost of Living adjustment clause not only in the just recently expired contract but also in prior contracts. Further, not being able to achieve such an adjustment clause on a voluntary basis, Public Act 312 was available to it in order to achieve such a clause. Such a Cost of Living adjustment clause was neither negotiated nor pursued through Act 312 Arbitration. Therefore, by agreement of the parties, changes in the Consumer Price Index were agreed not to be considered. The neutral Arbitrator's consideration of changes in the Consumer Price Index during prior contracts not containing a Cost of Living adjustment clause, effectively incorporates a Cost of Living adjustment despite the fact that the parties had agreed that there would be no such adjustment. Essentially, the neutral Arbitrator has reflected a retroactive Cost of Living adjustment even though such adjustment is properly a subject of collective bargaining and was not agreed to by the parties.

(b) Wage Differential. The neutral Chairperson's reliance upon the differentials in wage rates at the start, one year, two year and three year levels is also inappropriate. The salary levels for the employees of the Charlevoix County Sheriff's Department were not established unilaterally by the County but, rather, were the result of negotiations conducted in good faith by the parties and mutually agreed upon. As with the Cost of Living adjustment factor, were the Union not agreeable to the wage rates now viewed as too low, it had the option of pursuing higher wage rates through Act 312. Therefore, it may be fairly concluded that the salaries for deputies and dispatchers in the Charlevoix Sheriff's Department were acceptable to both the Union and to the County. In her Opinion, the neutral Chairperson has now, with 20/20 hindsight, apparently determined that the agreement of the Union in prior years was "unfair". Interestingly, the neutral Chairperson provides no explanation why the agreement reached between the County of Charlevoix and its Sheriff's Department employees was "unfair" to the employees rather than conclude that the County governments in comparable Counties were "unfair" to the taxpayers of those Counties.

(c) Comparables. The neutral Chairperson's observations that the County failed to produce evidence regarding comparable salary levels at the start, one year and two year levels fails to acknowledge that the explanation was clearly presented to her, i.e. as of April 13, 1982, the last date of negotiations between the parties, the County and the Union were in disagreement as to only one deputy salary and two dispatchers' salaries for the 1981-82 year, the County and the Union were in disagreement as to only three deputies and two dispatchers and for the 1982-83 contract year and the County and the Union had agreed upon a 7% increase for the 1983-84 contract year. The disagreements existing between the County and the Union at that time pertained only to the highest paid dispatchers and the higher paid deputies. Therefore, there being agreement between the County and the Union as of April 13, 1982, there was no necessity to provide comparable information from other Counties.

Finally, as is evident from the "Union Last Best Offer" at page 11 of the neutral Chairperson's Opinion, it is apparent that some deputy salary increases will be as high as 32.8% from July 1, 1981 to July 1, 1982 and as high as 32.8% from July 1, 1982 to July 1, 1983. Under current economic conditions, it is difficult, if not impossible to justify such increases.

Dated: March 21, 1983

By


Peter A. Patterson