

In the Matter of Factfinding Between  
Royal Oak Township  
and  
Metropolitan Council 23, AFSCME,  
AFL-CIO, Case No. A76D K-3552

Royal Oak Township

*Edward Simpkin*

The undersigned factfinder was appointed to act under the authority of the Michigan Employment Relations Commission as the hearing officer in the above dispute with the authority to recommend to the parties after certain findings of fact a basis for resolving the matters of disagreement between them. The hearing was convened on March 10, 1977 at the offices of the Michigan Employment Relations Commission. The parties were respectively represented by:

Union	Employer
Gaylen C. McDonald, Council 23's Staff Representative	Dr. Louis L. Friedland, Chief Negotiator
James E. Sanders, Pres., Local 1370	Elijah Burt, Treasurer and Superintendent, DPW
Wayne E. Haib, Vice Pres., Local 1370	
Clyde A. Oldham, Chief Stewart, Local 1370	
Linda Tennant, Secretary, Local 1370	

Michigan State University  
LABOR AND INDUSTRIAL  
RELATIONS LIBRARY

STIPULATIONS

The parties stipulated that the differences between them were exclusively economic. In this year's contract negotiations the unresolved matters involve (1) an increase in wages, (2) provision for dental care in the contract, and (3) provision for optical care in the contract.

The employer proposed as a settlement of the dispute between the parties a three percent adjustment on the salary schedule for the hourly wage rate and four days additional leave. The Union maintained demands for paid optical and dental care as well as a fifteen percent increase in pay.

#### ARGUMENTS BY UNION

There are seventeen members in the bargaining unit which is a party to the factfinding. The Union argued that employees in this unit are subsidizing the Township's ability to pay its debts. It based its arguments in part on an award by arbitrator, Keith Grote. Grote awarded increases to public safety officers who are also employees of Oak Park Township. (See Union Exhibit 3.)

The Union also made a comparability argument. It pointed out that the Township of Avon, Oakland County, Michigan agreed to pay its employees who are also members of Council 23 of the American Federation of State, County and Municipal Employees, a twenty-eight cent per hour wage increase. In addition Union Exhibit 4, while affirming the twenty-eight cent increase in the hourly rate, also reflects that each employee under the Avon agreement will receive cost of living payments. Continuing with these arguments on comparability, the Union pointed out that employees affiliated with Council 23 and working for the City of Oak Park also receive wages for comparable work that is higher than the wages received by employees who work for Royal Oak Township. (See Union Exhibit 6, Appendix B and Union Exhibit 7.)

The Union then argued that the Township has been using federal monies allowable under CETA (Comprehensive Employment Training Act) to effect savings in other areas. It expressed the belief that the Township could use these

extra monies to close the gap which exists between employees in Royal Oak Township and employees in Avon Township, Waterford Township, and Oak Park City. By way of example, James E. Sanders testified for the Union that there were once two sanitation trucks owned by the District. He went on to point out that since CETA monies were made available there are four trucks. According to his testimony, the Township acquired three new trucks after the CETA monies became available. Sanders also testified that the Township has bought new equipment including lawn mowers since the CETA monies became available. The Union expressed the belief that the release of monies from the general funds because of the availability of CETA monies enabled the employer to purchase vehicles and equipment which would not otherwise have been available to it. Instead of purchasing equipment the employer should have used whatever monies were available to it to make adjustments in wages and salaries for its employees, argues the Union.

Clyde Oldham, a mechanic, testified on behalf of the Union that despite the fiscal difficulties in which Royal Oak Township finds itself, under the mandate of the Grote Award public safety officers have been paid under the terms of the 312 Arbitration. Oldham testified to having actually seen the pay stubs of officers. The Union closed by arguing for a fifteen percent increase in salary or wages and for additional improvement of dental and optical care for its members.

#### ARGUMENTS BY THE EMPLOYER

Speaking for the employer, Louis Friedland argued that Oak Park Township presently faces a \$475,000 deficit despite the CETA funds which have been made available. Friedland went on to argue that if it were not for the CETA monies the deficit would be greater. He pointed out that the monies ordered for payment to public safety officers

under the Grote Award have not been paid although the Circuit Court did enjoin the Township from laying off employees. Public safety officers, contrary to testimony by the Union, he added, had not yet received the increases in pay which were awarded under the 312 Arbitration. Testifying for the employer, Friedland pointed out that the ability to pay is critical. Oak Park Township, he argued, has a population which ranges somewhere between 6,200 and 6,500. Its tax base is in the neighborhood of 30 million dollars. All of the districts, Waterford, Avon and Oak Park, upon which the Union bases its argument have a larger tax base and also larger employee units, Friedland testified. Avon, he pointed out, has a tax base of between 150-180 million dollars; Waterford has a tax base of approximately 250 million dollars, and Oak Park has a tax base of 450 million dollars. The Township argued that these communities are not comparable to Royal Oak Township in their ability to pay. It argued further that voter millages permit certain purchases that are not from the general fund. Because of this the Township cannot provide monies for salaries that are not earmarked for such purposes.

Also testifying for the Township was Elijah Burt, Treasurer and Superintendent of the Department of Public Works. He explained that when he became director there were three sanitation trucks owned by the Township. Only one was in running order. The Township owned a dump truck which did not run and had been barred from the road. That summer, Burt testified, the Township purchased a used dump truck for \$1,800. Repair bills on the truck ran so high that it was necessary to hire a mechanic. Out of a block grant which the Township received, it was able to purchase lawn mowers and to repair certain equipment, Burt testified. Without a mechanic, he pointed out, the Township

would have had to lay off men whose jobs were to operate that equipment, hence it was necessary to hire a mechanic to keep all of the equipment in repair and under operations. In addition the mechanic kept the repair bills low. This combination of efforts prevented the need for lay offs. The source of funds for the purchase of these trucks were millage monies earmarked for the Department of Public Works, he further testified. Two mills out of the total 4.46 mills allowable under State law for municipal services go to the DPW. Of the 9.41 total mills available for operating expenses and salaries, the DPW gets 2 mills. These monies which are controlled and spent by the Township are kept in special accounts. CETA monies are for additional salaries and not for those salaries which are generally chargeable against millage monies.

#### FINDINGS

The City was persuasive in arguing that it has made capital purchases in a manner that suggests both frugality and care. For example, the new truck which the Township purchased cost \$45,000. It balanced this by purchasing a used truck for \$1800. It made the second purchase of a used truck through a bidding procedure. To the factfinder the decision to hire a mechanic to keep all of the equipment in good repair was a wise one, attesting once again to the frugality and care with which Township officials have operated.

Furthermore, it is generally the case that public monies are earmarked for operational expenses in such a manner that they cannot be spent to increase personnel benefits as the Union has suggested in its presentation.

The Union argues persuasively on the other hand that the average differences in wages for employees who do similar work in other municipalities resulted in a wage

scale that is inequitable when comparisons are made across Township lines. (See Chart below.)

Wage Comparisons  
1976 Rates  
Per Hour

Classifications	Royal Oak Township	Avon Township	Waterford Township	Oak Park City
Foreman	5.10		Crew Leader 6.65	
Equip. Op.	6 Mo. 2 yr. 3.95 4.72	Light Heavy 5.11 5.27	*	Maint. IV 6.52 6.85
Labor	3.95 4.72	4.25 4.83	Maint. 4.98	Maint. I 6.17 6.48
Sr. Clerk	4.06 4.46	4.41	Steno clerk 5.20	N/A
Typist	3.57 4.34	3.99	4.08	N/A
Current Cola & Retirement	None	.30 4% eff. 4/1/76	.63	.30

\*Waterford Township Equipment is operated by the Foreman.

The factfinder is persuaded that the Township of Royal Oak is, indeed, in a different fiscal situation. He has no doubt but that the tax base is sufficiently small in Royal Oak Township as to make the Township unique. Yet he finds the Union's comparability arguments somewhat appropriate and equally persuasive. The cost of living index, which the Union also uses as a basis for presenting its case, is a fixed standard against which an equity argument may


reasonably be applied. That standard does show the request for an increase of 15% to be unreasonable but a request for a percentage of approximately one half that amount to be reasonable, not so much in terms of the employer's ability to pay as in terms of the cost to the employees to maintain their standard of living.

The factfinder is further persuaded that the employer had not at the time of this hearing begun to implement the payment of the 312 Arbitration Award to public safety officers. The testimony to this effect was rebutted by Friedland. Nevertheless the factfinder is mindful that the 312 Award, after taking into consideration the Township's ability to pay, nevertheless provided for increases to certain employees. Comparability in treatment of employees who work for the same employer is necessary and desirable. Since the employer, under the mandate of a 312 Arbitration Award will attempt to close the gap which exists between its public safety officers and public safety officers who work for other municipalities, it seems reasonable to assume that the employer will wish to make no less an effort on behalf of those employees who belong to Council 23 AFSCME. Hence the factfinder recommends the following:

#### AWARD

1. That the employer not be required to provide the dental and optical benefits requested by the Union.
2. That the employer adjust the salaries or wages of the effected employees by providing an increase of 7%.
3. The employer will provide each member of the unit with two additional leave days.

4. The contract under which these benefits are awarded will have an effective life of one year.

  
Factfinder