

STATE OF MICHIGAN  
ARBITRATION UNDER ACT NO. 312  
PUBLIC ACTS OF 1969, AS AMENDED

In the matter of the Statutory Arbitration between

City of Big Rapids

Employer,

-and-

Police Officers Labor Council  
(Sergeants Unit)

Labor Organization

Michigan Employment Relations commission  
Case No. L00-A-7013

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OPINION AND AWARD

Arbitration Panel:

Sheldon H. Adler

Chairperson

POLC Labor Representative  
Thomas Reed

Union Panelist

John H. Gretzinger, Esq.

City Panelist

Appearing on behalf of the Union:

Mr. Timothy J. Dlugos, Esq.  
Law Offices of John A. Lyons, P.C.  
675 E. Big Beaver Rd. Ste., 150  
Troy, MI 48083

Appearing on behalf of the City:

Mr. John H. Gretzinger, Esq.  
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Grand Rapids, MI 49546

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MICHIGAN EMPLOYMENT RELATIONS COMMISSION  
L00-A-7013

## INTRODUCTION – STATEMENT OF PROCEEDINGS

This decision resolved the remaining issues of comparability and wages between the city of Big Rapids and the Police Officers Labor Council, Sergeants Unit. The collective bargaining agreement between these parties becomes effective as of July 1, 2000 and expires as of June 30, 2003. The parties agreed that all other economic and non-economic issues were resolved well prior to the Act 312 hearing date of April 24, 2001.

For sake of history the sequence of events leading to this award is as follows:

- a. June 22 2000 - The petition for arbitration was filed by POLC Sergeants' Unit.
- b. The parties met on three (3) occasions after the petition was filed in an attempt to resolve matters and a mediation session was held on October 5, 2000.
- c. The city's final response to the petition by the union was filed on December 7, 2000.
- d. A pre Act 312 hearing conference was held December 7, 2000 by phone and the agreed to procedure was confirmed in writing on December 8, 2000.
- e. The Act 312 hearing was held on April 24, 2001 in the city of Big Rapids.
- f. The briefs and last best offer were submitted and exchanged in accordance with a prearranged time.
- g. On June 14, 2001 a meeting was held to discuss the last best offers and briefs. The delegate for the Police Officers Labor Council was Mr. Thomas Reed, the delegate for the city of Big Rapids was Mr. John H. Gretzinger, Esq. and the Act 312 arbitrator appointed by the Michigan Employment Relations Commission was Sheldon H. Adler.

As indicated there was only one economic issue, that being wages and the issue of comparability remaining at the time of the hearing. Those two issues have been decided after a careful review of the evidence, testimony and exhibits presented by the parties. The arbitration panel was cognizant of and recognized all criteria required in the legal standard as set forth by Section Nine (9) of Act 312, Public Act of 1969. The provisions of that section provide that the panel must consider the following:

Where there is no agreement between the parties, or where there is an agreement but the parties have begun negotiations or discussions looking to a new agreement or amendment of the existing agreement, and wage rates or conditions of employment under the proposed new or amended agreement are in dispute, the arbitration panel shall base its finding, opinion and order the following factors, as applicable:

- a) The lawful authority of the employer.

- b) Stipulations of the parties.
- c) The interests and welfare of the public and the financial ability of the unit of government to meet the costs.
- d) Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally.
  - i. In public employment in comparable communities.
  - ii. In Private employment in comparable communities.
- e) The average consumer prices for goods and services, commonly known as cost of living.
- f) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
- g) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- h) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between parties, in the public service or in private employment.

As chairperson, it is my pleasure to commend the parties, their advocates and the delegates for the efficient and professional way in which this matter was presented.

Because of this efficiency, the chairperson believes that the resolution of the two (2) issues is made easier and more equitable to all parties, the employer and the union.

### COMPARABLES

Going now to the issue of comparable communities, let us refer back to Section 9 subsection d) supra which refers to both public employment and private employment comparable communities. The statute itself does not define the standard to determine "Comparable communities". The parties in their briefs and in the arguments have quoted other Act 312 arbitration decisions in an attempt to create definitive criteria comparability. In addition in 1996 this city and this union while participating in an Act 312 arbitrator before Arbitrator Mark J. Glazer, in case number G94-A-3015 proposed the same dilemma to Arbitrator Glazer and Arbitrator Glazer issued an interim award on

comparability. In addition to the cities of Cadillac, Coldwater, Menominee, Mount Pleasant, Muskegon Heights and Traverse City, Arbitrator Glazer included Ferris State University and Mecosta County as second tier comparable Communities because they were in the same labor market as the city of Big Rapids. The parties were not entirely satisfied with that list and during the negotiations of this collective bargaining agreement, the parties agreed to six communities and each submitted communities, which were not agreeable to the other side.

The agreed-to communities were as follows:

- Alma
- Alpena
- Cadillac
- Coldwater
- Hastings
- Ludington

In addition to those communities the employer proposed:

- Greenville
- Ionia
- Manistee.

The Union proposed four additional communities:

- Charlotte
- Marshall
- Mt. Pleasant
- South Haven

In addition, the employer offered Mecosta County and Ferris State University as additional labor markets comparables. The city of Big Rapids is located in Mecosta County and Ferris State University is located in Big Rapids. After discussion and study of statistical evidence the following communities were added to the agreed-to six communities. Those communities were the employer's proposal of Manistee and the union's proposal of South Haven.

The exclusion of Greenville and Ionia which were proposed by the employer was for many reasons, however the most significant was that those communities although they are arguably within a reasonable range as to size, population, and household income and other important comparable criteria, they are public safety departments. It is therefore

the opinion of this arbitrator that they are not representative of a reasonable, comparable in the true sense of that term. It would unfair to use the criteria of public safety and consider it a true comparable to that of a traditional police department or for that matter, fire department. It is clear that the reasoning employed to establish a public safety department is different in significant respects then that reasoning used to either establish a traditional police or fire department or to remain a traditional police or fire department.

Going now to the exclusion of Mecosta County and Ferris State University, the parties during the Executive session agreed that these departments were used only because they are within the labor market. They would be defined as a second tier comparable. Having reviewed their criteria, having reviewed the arguments proffered for the inclusion or exclusion of these two departments, it is the opinion of this arbitrator that they bring nothing to the task at hand. They neither add nor detract from the arguments made by either party in any significant sense. Therefore they are rejected.

Going now to the communities proposed by the Union those being Charlotte, Marshall, Mt. Pleasant and South Haven. First, let me discuss Mt. Pleasant. Although Mt. Pleasant is a host community of a University as is Big Rapids; it is significantly larger and has a department almost twice the size of Big Rapids. It's population is two and a half times the size of Big Rapids and in the opinion of this arbitrator is not representative of a true comparable. Charlotte and Marshall, although somewhat larger, are closer in area to Big Rapids then is Mt. Pleasant. Although they both have approximately the same size department, their criteria were not as close as the criteria present by South Haven. South Haven's households' in poverty are much closer and in the opinion of this arbitrator is more of a significant factor. It is also important to note that Charlotte as a household income which is fifty percent (50%) larger then that of Big Rapids and is located in a fringe metropolitan county almost two and a half times the size of Mecosta County. Marshall also a bedroom community is located in a metropolitan community almost four and a half times as Mecosta County.

For the reasons stated above and as an overall review of all statistics this arbitrator believes that the addition of Manistee and South Haven to the existing six agreed to

comparables sufficiently aids the parties now and hopefully in the future in viewing other communities to assist these parties in reaching an agreement.

## WAGE RATES

(Section 11.1 Appendix A)

The parties agreed that this is a three (3) year collective bargaining agreement covering July 1, 2000 to June 30, 2003. The wage increases will be retroactive to July 1, 2000. The parties further agreed that each year of the agreement will be treated separately as to wages.

The union's last best offer is as follows: effective 7/1/00, a wage increase of 3.5% which would increase the Sergeants in the department from \$39,600 annually to \$40,986. For the second year, the union's offer is 3.6% beginning July 1, 2001, which would result in a wage for the Sergeants in that year of \$42,461. The final year, beginning July 1, 2002, the union has offered 3.7% increasing the wages to \$44,053.

The city's last best offer is as follows: the city proposes to fix the wages of Sergeants in the Big Rapids Police Department to 110% of the top police officer rate negotiated for the years of this contract. Therefore resulting in the following: on 7/1/00, a wage rate of \$40,852 for Sergeants, on 7/1/01, a wage rate of \$42,078 and the final year beginning 7/1/02, a wage rate of \$43,655. The city's proposal results in the following percentage increases: 3.16% for the first year, 3% increase for the second year and 3.75% increase for the third year.

It is interesting to note the total difference in dollars at the end of three (3) years resulting from the two last best offers is not a significant amount of money; less than a \$1000. per man. The point made by the parties is as follows: first, that the Union argues, that if the panel were to accept the employers' last best offer as to wages, the Police Officers' Unit would in fact be negotiating the Sergeants increase. Whatever the Police Officers' agreed to would be increased by 110%, that figure would be the Sergeants wages for that year. The Union points out that none of the comparable communities have agreed to a

contractually defined rank differential, which the Union considers the city's last best offer to be. The result, they argue, would be that Sergeants would be waving the right to collectively bargain over wages under the Public Employee Relations Act.

The Union, next argues that when compared to wage increases for Firefighters and their Supervisory units, i.e. Captains, the Union's last best offer is both fair and equitable. The Fire Captains did agree to a rank differential equally 110% of the top paid firefighters. The firefighters however, have a wage increase for this most current contract resulting in a figure equal to that wage increase received by patrol officers which result in a percentage difference for each year as follows: the first year 3.2%, the second year 3.2%, and the third year 4. %. The percentages of increase for Patrol Officers are 3 % for the first year, 3 % for the second year and 3.75% for the third year. Although the amounts are equal fire fighters are receiving higher percentages because the base wage for fire fighters for each year is considerably less then that of police officers for the same year. The total percentage received by fire fighters for the three years is 10.4% over that term of their contract as opposed to 9.75% for patrol officers. Fire Captains, the supervisory Unit over that same period receive a total increase of 10.875%.

Pointing out the differences the Union then argues that the job requirements and functions should determine the wage increase. The only way to accomplish this argues the Union is that the panel consider the percentage increases received by those employees with similarly situated functions therefore Sergeants being similar to Captains should receive a percentage increase comparable. Percentage increase requested by the Union is a total of 10.85% as compared to a 10.87% received by Fire Captains. The Union acknowledges that the difference in percentage between the city's offer and the Union's offer is slight, however the Union argues for consistency.

The Union then goes on to argue regarding external comparables. The first arguing that none of the comparables offered by the Union or those agreed to between the parties have contractually defined rank differentials. After averaging the Unions' comparables and comparing it to the Unions last best offer, it is the Unions conclusion that the Sergeants

are in a "respectable position amongst their comparables". The Union then goes on to argue, savings enjoyed by the city because other contractual agreements.

The Employer's analysis of the last offers is as follows: after comparing the figures dollar for dollar, the employer argues that the Act, Section 9 (e.) requires the panel to consider the offers in conjunction with the increase in the cost of living. The C.P.I. was 2.2% for the year that ended December 31, 1999 and 3.4% for the year that ended December 31, 2000. The total of 9.91% increase offered by the city compares favorable, argues the employer, with the increase in the Consumer Price Index. The Employer highlights the fact that the Police Officers' Unit agreed to a 9.75% increase, as should the Sergeants. The Employer then goes on to compare the demands with comparable communities.

I have along with the other panel members reflected on the arguments of both the Union and the Employer regarding wages. Having reviewed those arguments, I conclude that the Union's offers for the first and second years of the contract and the city's offer for the third year of the contract are supported by the relevant considerations under the Act and should be awarded. This award will result in the following wage rates to be paid to sergeants:

Effective July 1, 2000, the sergeant's wage rate will be increased from the current \$39,600 to \$40, 986.

Effective July 1, 2001, the sergeant's wage rate will be increased from \$40,986 to \$42,461.

Effective July1, 2002, the sergeants wage rate will increase from \$42,461 to \$43, 655.

## SUMMARY OF THE FINDINGS OF THE PANEL

### COMPARABLES

For the term of this contract the following communities are awarded as comparables:

Alma  
Alpena  
Cadillac  
Coldwater  
Hastings  
Ludington  
Manistee  
South Haven

City Panel Member

Concurs

Dissents

QWB

Union Panel Member

Concurs

Dissents

T. R.

### ISSUE TWO

### WAGE RATES

The following wage rates are accepted:

July 1, 2000, The Union's proposal is adopted.

City Panel Member

Concurs

Dissents

QWB

Union Panel Member

Concurs

T. R.

Dissents

July 1, 2001, The Union's proposal is adopted.

City Panel Member

Concurs

Dissents

QWB

Union Panel Member

Concurs

T. R.

Dissents

July 1, 2002, The City's proposal is adopted.

City Panel Member

Concurs

Dissents *q*

Union Panel Member

Concurs

Dissents

Respectfully submitted,

*Sheldon H. Adler*

Sheldon H. Adler  
Chairperson

*7/25/01*  
Date

*John H. Gretzinger*  
John H. Gretzinger, Esq.  
City Panelist

*7/5/01*  
Date

*Thomas Reed*  
Thomas Reed  
Union Panelist

*7-21-01*  
Date