

201

4/24/95
Ark.

STATE OF MICHIGAN
COMPULSORY ARBITRATION

In the Matter of
The Compulsory Arbitration
Between

CITY OF EAST GRAND RAPIDS

-and-

POLICE OFFICERS LABOR COUNCIL

Arising pursuant to
Act 312, Public Acts
of 1969, as amended

Case No. G93 B-4008

* * * * *

INTERIM AWARD ON COMPARABILITY

* * * * *

APPEARANCES

FOR THE COMPULSORY ARBITRATION PANEL:

Mark J. Glazer, Chairman
Jack R. Clary, Employer Designee
Fred LaMaire, Union Designee

FOR THE EMPLOYER:

Jack R. Clary
Peter H. Peterson

FOR THE UNION:

Barton J. Vincent

East Grand Rapids, City

On March 20, 1995 a hearing was held on external comparability. Previously, the parties had submitted a list of proposed comparables and written arguments in support of their positions. A conference call was then held, at which time it was requested that a formal record be made.

The Union submitted public safety communities from suburban Detroit that it believed were the most comparable to the East Grand Rapids Public Safety Department. The Employer submitted neighboring police departments in the Grand Rapids area.

The Union's proposed comparables are:

- Berkley
- Grosse Pointe Park
- Grosse Pointe City
- Grosse Pointe Farms
- Farmington
- Beverly Hills

The Employer's proposed comparables are:

- Grand Rapids
- Grandville
- Kentwood
- Walker
- Wyoming

Subsection 9 (d) of Act 312 provides for external comparability as one of the factors to be considered by the arbitration panel. It says:

Comparison of the wages, hours and conditions of employment of 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.

The Union asserts that this factor requires a comparison between public safety departments only. It feels, in effect,

there is a premium paid for public safety work that is in excess of the wages paid to either police officers or fire fighters. The Employer denies that such a premium exists, and it believes that public safety departments are paid the same as police departments; therefore, it argues that a comparison of East Grand Rapids and its neighboring police departments is appropriate.

The Union rejected geographic proximity as a criterion because only two public safety departments are close to East Grand Rapids; instead, it applied the following criteria to compare public safety departments throughout the state with East Grand Rapids:

- Population (growth, density, composition)
- Land area
- Department composition
- Officers per square mile
- Officers per capita
- State equalized valuation/SEV per capita
- Crime statistics
- Housing

When these criteria were analyzed, the Union produced its proposed comparables.

The Employer picked its comparables because they are in the same labor market as East Grand Rapids. The Employer suggests that the Employer's comparables were utilized in a prior Act 312 proceeding, which settled. The Union contends that public safety departments throughout the state were discussed in negotiations for this contract; however, there was no discussion that the Detroit area should be considered a comparable.

The Employer denies that the data supports that there is a premium for public safety departments. It suggests that greater resources is the reason that some cities pay their officers more

than others. The Employer does believe that there was an initial premium paid for cross training public safety officers, but that this premium hasn't continued. The City of East Grand Rapids also maintains that the Detroit area pays its officers significantly more than officers in the Grand Rapids area.

The Union believes that public safety departments must be matched, and that to do otherwise would defeat the intent of the statute. The Employer asserts that public safety departments are properly matched with police departments under the terms of Act 312.

DISCUSSION

I have carefully considered the extensive exhibits, testimony and arguments of the parties. A definition of comparable communities is not included within the statute.

It is clear that if this case were about the sufficiency of fire fighting apparatus carried in patrol cars, public safety departments would have to be the comparables; obviously, only public safety departments carry fire extinguishers in their patrol cars. Or, if this case were about certain working conditions, there might be a requirement to utilize only public safety departments.

However, this case is primarily about money. I must determine under the particular facts in evidence if only public safety departments can be compared on the issues of wages and benefits.

The data as presented by the Employer indicates that the Detroit area has a median home price that is 11.2% higher than the Grand Rapids area. The median household wage and salary

income is 14.8% higher in the Detroit area than it is in Kent County. The wage rate of selected suburban Detroit cities is 7.6% higher than East Grand Rapids. Most importantly, Detroit-area cities that are most similar to East Grand Rapids have a 4.5% higher wage rate than East Grand Rapids.

It should come as no surprise that wages and living expenses are higher in suburban Detroit than they are in the Grand Rapids area. As a result, the Employer's comparables more closely reflect the labor market for East Grand Rapids than the Union's.

If I were hearing a case for Grosse Pointe Park, a Union comparable, I would not expect the bargaining unit to be too happy with East Grand Rapids as an employer comparable. The officers would rightly complain that it is more expensive to live in the Detroit area and wages are higher in the Detroit suburbs than they are in the Grand Rapids area.

The Union points out that it would have offered Grand Rapids area public safety departments as comparables if they were available, which they are not. However, by using suburban Detroit as comparables, the Union has created a weighting in favor of higher wages than that found in the Grand Rapids market.

The response is that there is a "premium" for public safety work, which involves police and fire functions. The Employer denies that such a premium exists, after extensively reviewing comparable data between public safety and traditional police departments.

It is unnecessary to determine the "premium" issue for purposes of this interim award on comparability. That is because

any potential premium for public safety work is increased by the disparity between the Grand Rapids and suburban Detroit labor markets. A use of the affluent Detroit suburbs as comparables creates a premium over and above any potential premium existing for public safety departments.

Due to the present absence of public safety departments in the Grand Rapids labor market, the issue of a premium for the East Grand Rapids Public Safety Department is better considered under Section 9(h) of Act 312 which says:

- (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, factfinding, arbitration or otherwise between the parties in the public service or in private employment.

The Employer's comparables best reflect the market rate in the Grand Rapids area; a premium for public safety officers is best considered, if indeed a premium is appropriate, under Article 9 (h) of Act 312.

INTERIM AWARD

The Employer's comparables are awarded. The issue of a premium for East Grand Rapids public safety officers is more appropriately considered under Article 9 (h) of Act 312.



Mark J. Glazer, Arbitrator

Dated: April 24, 1995