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STATE OF MICHIGAN

COMPULSORY ARBITRATION

In the Matter of:

COUNTY OF LENAWEE,

Employer,

-and-

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

Case No: L00L-8004

POLICE OFFICERS LABOR COUNCIL,

Union.

INTERIM ORDER ON COMPARABILITY

PANEL

Mark J. Glazer, Arbitrator David Gunsberg, Employer Delegate Jerry Caster, Union Delegate

Date of Order: June 9, 2002

APPEARANCES

David B. Gunsberg Attorney at Law 322 North Old Woodward Birmingham, MI 48009 Mark P. Douma Attorney at Law 675 E. Big Beaver Suite 105 Troy, MI 48083 A hearing on comparability was held on April 5, 2002. Section 9(D) of Act 312 provides for

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.

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Testifying were: Nancy Ciccone and Jerry Caster for the POLC, and Amy Sullivan and Larry Gould for the County of Lenawee. Comprehensive post-hearing briefs were submitted by the parties.

BACKGROUND

Ms. Ciccone testified that the union is proposing the following counties as comparables:

Allegan, Barry, Bay, Calhoun, Clinton, Eaton, Lapeer, Midland, St. Joseph, Shiawassee and Van Buren. The employer concurs with this list except that it would add Cass County and delete Bay and Midland counties. Ms. Ciconne indicated that the union comparables met the criteria of being within 50 percent above or below of the taxable value and population of Lenawee County. She feels that Cass County is outside of the 50 to 150 percent parameter on taxes by slightly less than one percent...

Amy Sullivan also utilized a methodology of finding counties within 50 to 150 percent of Lenawee County on the criteria of population and taxable value. However, she also considered the millage rate:

I took a look at the taxable value. I took the taxable value divided by 1,000 times the millage rate which is how the property tax dollars that are generated and came up with a ratio of property tax dollars that were available from the millage rate and taxable value and again did a ratio to Lenawee County.

Ms. Sullivan concluded that Bay County should be rejected as a comparable because its millage rate is considerably higher than Lenawee's. This was also true of Midland County. In other words, the two counties were rejected by the employer because of their ability to generate considerably more tax revenue than Lenawee County. Lenawee County had the lowest millage rate of all the potential comparable counties. Calhoun County was accepted by the employer as a comparable even though its millage rate was 1.54 times that of Lenawee County.

POSITION OF THE EMPLOYER

The County argues that Cass County should be considered as a comparable because its population is .52 of Lenawee County and its taxable value is .50 of Lenawee County. When rounded off to two places, it is argued that Cass County is properly considered. It is further noted that Cass County was included by the union during collective bargaining.

Regarding Bay and Midland Counties, it is maintained that their available tax dollars are significantly higher than Lenawee County's. The employer asserts that both counties have nearly double the number of available tax dollars because of the their higher millage. It is maintained that it is unreasonable to include Bay and Midland Counties as comparables.

POSITION OF THE UNION

It is contended that Cass County should be rejected because it falls outside the of the 50 per cent criteria for taxable value. Midland and Bay Counties should be included, according to the

union, because the decision to set a low millage rate rests with the voters of Lenawee County. Under the union's view, Bay and Midland should be considered because they fall within the applicable range.

DISCUSSION

From a statistical point of view, the number of comparables should be at least ten to create an average, and as the number increases, there is less of an opportunity for the results to be skewed in either direction by an atypical comparable. Therefore, a larger group of comparables is preferable

Further, it is reasonable from a statistical standpoint, to round off the population and taxable value of Cass County. When this is done, it meets the union's criteria, and as a result, Cass County should be included as a comparable.

Bay and Midland Counties should also be included as comparables. The County agrees with Calhoun County as a comparable although it has tax dollars available at rate of 1.54 times that of Lenawee County. From a labor relations and a statistical perspective, it is reasonable to accept Bay and Midland Counties along with Calhoun County. The difference between Calhoun and the other two counties is not so great as to require them to be rejected; moreover, Bay and Midland Counties meet the principal criteria used by the parties of population and taxable value between 50 and 150 percent of Lenawee County.

¹See Blalock, Social Statistics. (Mcgraw Hill, 1968).

INTERIM ORDER ON COMPARABLITY

The entire list of comparables proposed by the employer and the union are accepted as compararables; that is, Allegan, Barry, Bay, Calhoun, Cass, Clinton, Eaton, Lapeer, Midland, St. Joseph, Shiawasee and Van Buren counties.

Mark J. Glazer, Arbitrator

Date: June 9, 2002