

9/30/88 ARB

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STATE OF MICHIGAN
DEPARTMENT OF LABOR EMPLOYMENT RELATIONS COMMISSION
ACT 312 ARBITRATION

IN THE MATTER OF,

City of Gladstone, Michigan

and

Labor Council, Michigan Fraternal
Order of Police.

LABOR AND INDUSTRIAL
RELATIONS COLLECTION
Michigan State University

MERC File No. G88 E-493

OPINION AND AWARD

The Hearing was held at the conference room of the Law Offices of Butch, Quinn, Rosemurgy, Jardis and Valkanoff, P.C., 816 Ludington Street, Escanaba, Michigan, on Monday, August 29, 1988. The Hearing commenced at approximately 10:45 a.m. and ended at approximately 10:45 a.m. The official record of the Hearing was recorded by Patricia Wildey, CSR 2683. Testimony was of one witness. All other evidence was presented in documentation form through joint exhibits. Final Offers of both parties were given on the record at the Hearing. Briefs were received by this Arbitrator from both parties on September 3, 1988.

Arbitrator: David L. Poindexter, was selected as chairman of the arbitration panel by the parties through the MERC Act 312 procedures.

Employer
Delegate - Robert S. Rosemurgy
Attorney at Law
816 Ludington St.
Escanaba, Mi 49829

Union
Delegate - Nino Green
Attorney at Law
225 Ludington St.
Escanaba, Mi 49829

Present at the Hearing

Employer:
Howard Keeton, City Manager

Union:
Mark Haga, Public Safety Officer
Randall Carlson, Public Safety Officer
Dean Bouin, Public Safety Officer
Paul Konopa, Field Representative for MFOP.

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STATE OF MICHIGAN
DEPT. OF LABOR & INDUSTRY
BUREAU OF MEDIATION & CONCILIATION

Gladstone, City of

OPINION

In writing this decision the Chairman of the Arbitration Panel is well aware of the statutory criteria upon which an Act 312 Arbitration Award must be based. In the instant matter the most pertinent factors to consider are:

"(d) Comparison of wages, hours, and conditions of employment of the employees involved in the arbitration proceedings with the wages, hours, and conditions of employment of other employees generally:

(1) In public employment in comparable communities.

(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.

(h) Such other factors, not confined to the foregoing which are normally or traditionally taken into consideration in the determination of wages, hours and bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment." (MCLA 423.239)

The factors of (a) lawful authority the employer and (c) the employer's financial ability to pay were not disputed at the hearing, in the final offers or in the briefs submitted in support of the final offers.

The factors of (c) interest and welfare of the public, (e) the average consumer prices for goods and services commonly known as the cost of living and (g) changes in any of the foregoing circumstances during the pendency of the arbitration proceedings were duly noted and given what this Arbitrator believes is their proper weight.

With regard to factor (b) stipulations of the Parties; the Parties stipulated that the issues involved which remained to be addressed and settled by this panel are the issues of wages for the years 1988, 1989, 1990.

The Parties agreed at the hearing that the issue of Hospitalization would not be addressed for the reason that the matter had been resolved prior to the Hearing.

The Parties have also agreed to the comparables used and in fact all exhibits were entered as Joint Exhibits. (T-3,4)

ISSUE: WAGES

The Final Offer of both Parties was given at the end of the Hearing. In its Final Offer, the Union offers to accept wage increases of \$0.48 for the year beginning April 1, 1988, \$0.50 for the year beginning April 1, 1989 and \$0.52 for the year beginning April 1, 1990. The City offers wage increases of \$0.40 \$0.42 and \$0.44 respectively.

As pointed out in the Union brief, "Their dispute involves a total of approximately \$12,000 spread over three years. It would appear that neither party can persuasively argue that the position taken by the other is patently unreasonable. Inquiry must therefore focus on the question of which party is more reasonable." And, as pointed out in the City's brief, "Comparative wage information is difficult to assess because of the number of variables which are included within 'wages'."

Although each year is to be considered a separate issue, this Chairman believes it is best to address the "wage issue" as a whole since the same thought process and reasoning applies to all three years. Although the other factors have been taken into account, as noted above, the Chairman believes the factors of (d) comparison, (f) overall compensation and (h) other such factors, are the main points to be considered in the instant matter. Considering the comparables submitted, it is the opinion of the Chairman that although both offers seem reasonable, the City's offer is the more reasonable of the two when the total wage and compensation picture is taken into account.

This conclusion is based upon the relative position of the Gladstone unit with the units in the comparable cities and the increase of the unit's relative position in the city structure with regard to other bargaining units' compensation. As stated in the Employer's brief:

"Also to be considered is the 'companion unit' of Teamsters Local No. 328 which represents employees in

the Public Works Department, Electrical Department and Water Department of the city. Public Works employees received a \$0.20 per hour increase effective April 1, 1988 and will receive a \$0.25 per hour hourly rate increase effective April 1, 1989, the last year of the that contract. This constitutes a 2% hourly wage increase in 1988 and a 2.6% increase in 1989." (See City Brief, page 6)

In comparison to the "companion unit," under the Employer's last offer, the Union will receive a \$0.40 increase effective April 1, 1988, \$0.42 effective April 1, 1989 and \$0.44 effective April 1, 1990. This offer will mean a 4.37% increase for 1988 (\$0.40 divided by \$9.14 current hourly rate), a 4.4% for increase 1989 (\$0.42 divided by \$9.54) and a 4.4% increase for 1990 (\$0.44 divided by \$9.76). Even assuming one were to add the cross-qualification pay of \$175.00 to the base rate to come up with an hourly rate of \$10.15 per hour (i.e., \$9.14 + {\$175.00 divided by the number of hours in month = \$1.01 per hour} per Employer's brief, page 3-4) the raise offered by the Employer is well within the raises of comparable communities. The increase for 1988 would be 3.9% (\$0.40 divided by \$10.15), for 1989 the increase would be 4.0% (\$0.42 divided by \$10.45) and for 1990 the increase would be 4.0% (\$0.44 divided by \$10.87).

Considering the total compensation package of the city, e.g., the wage increases of \$0.40, \$0.42 and \$0.44, the \$175.00 per month cross-qualification pay, and the longevity benefit as well

as other fringe benefits, the City's offer is the more reasonable of the two final offers.

After reviewing the comparables submitted by the parties in the Joint Exhibits 1-17, it is the opinion of this Chairman that the City's final offer on wages shall be incorporated into the collective bargaining agreement. A review of the exhibits and the briefs submitted by the parties show that the wages of the Public Safety Officers of the City of Gladstone are well within the bounds for comparable cities. The wage proposal established by the City's final offer would maintain the relative position of its Public Safety Officers in those comparables, or in some instances, particularly Kingsford and Sault Ste. Marie, increase their relative position. The increase would also increase the Public Safety Officers' relative position within the city structure itself, since that unit would receive a substantially higher wage increase than the "companion unit."

Considering the above factors it is the Chairman's opinion that the City's offer on wages for the years 1988, 1989 and 1990 is the most reasonable of the two final offers and the one that more nearly complies with the applicable factors described in Section 9 of the Act.

CONCLUSION

Considering all the statutory criteria of Section 9 of Act 312, MCLA 423.238 and in particular 9 (d), 9 (f) and 9 (h), it is the opinion of the Chairman that the following shall be

incorporated into the collective bargaining agreement of the City of Gladstone and Labor Council, Michigan Fraternal Order of Police:

Wages: The agreement shall incorporate wage increases of \$0.40 effective April 1, 1988, \$0.42 effective April 1, 1989 and \$0.44 effective April 1, 1990.


The Chairman is well aware that the above is not the optimum agreement. However, as both Parties are well aware, the Arbitrator "shall adopt the last offer of settlement which in the opinion of the arbitration panel, more nearly complies with the applicable factors described in Section 9." Since no compromise can be made, the final contract is probably not the best product of the arbitration process or indeed the collective bargaining process. To this end, this Chairman would suggest that with the above knowledge in hand, the Parties may wish to re-evaluate their positions prior to the final award being entered. However, if the parties cannot reach agreement, the above represents this Arbitrator's opinions.

Dated 9/30/88


David L. Poindexter
Chairman

I concur in the above Opinion.

Dated 9-19-88


Robert S. Rosemurgy
City Delegate

I, Nino Green, FOP Delegate dissent from the Opinion .

Dated 9/19/88


Nino Green, FOP Delegate