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Lyman Oak Township of

STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

In the Matter of Act 312 Arbitration
Between:

TOWNSHIP OF GREEN OAK

- and -

GREEN OAK TOWNSHIP POLICE DEPARTMENT
LAW ENFORCEMENT DIVISION, LOCAL 214,
INTERNATIONAL BROTHERHOOD OF
TEAMSTERS, CHAUFFEURS, WAREHOUSEMEN
AND HELPERS OF AMERICA

G.T. Roumell

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ARBITRATION PANEL'S FINDINGS OF FACT,
OPINION AND ORDERS AS TO MERITS
(Act 312, P.A. 1969 - Compulsory Arbitration)

On March 24, 1976, this Act 312 Arbitration Panel caused to be issued certain findings of fact, an opinion and order concerning a preliminary issue raised by the Township of Green Oak as to the question of whether any economic increases or benefits ordered by the Panel would be retroactive to April 1, 1975. The Panel ordered that said economic increases or benefits would be so retroactive and ordered the parties to present to the Panel their respective last best offers covering the 1975-1976 fiscal year and the 1976-1977 fiscal year. Last best offers were presented by the parties. The parties then met and agreed to go back to the parties concerning further last best offers. Finally, on May 18, 1976, the Township advised the Panel of its final position as to a last best offer. Thus, the date that this opinion and order pursuant to the statute is on or before June 18, 1976.

Roumell, George T

There are seven issues before the Panel, to-wit: (1) wages; (2) equipment; (3) continuation of agreement; (4) legal assistance; (5) optical and dental insurance; (6) pensions, and (7) cost of living.

Before analyzing the last best offers of the parties, comment should be made about Green Oak Township, the development of its Police Department, and the financial ability of the Township.

Green Oak Township is situated in Livingston County, Michigan. It is experiencing the population growth associated generally with Livingston County because of its proximity to the Metropolitan area of Detroit. However, it is still basically a bedroom community and, thus, it does not have an extensive tax base.

The Township, in recent times, decided to establish the fifth police department in Livingston County. These departments include the sheriff's department and the police departments of the Cities of Fowlerville, Howell and Brighton. The police force consists of seven officers: A Chief, three full-time officers and three part-time officers. In regard to the three full-time officers, none have more than two years of service with the Township. It is a rather new police force.

From a financial standpoint, one notes that the Township in the 1974-1975 fiscal year (April 1, 1974 through March 31, 1975), budgeted \$258,500.00 for all expenditures. The revenue it received during this 1974-1975 fiscal year, was \$217,488.00. The Township actually spent \$6,248.00 over and above its budget. In terms of actual revenue, the Township spent \$47,260.00 more than it received. The fund balance of the Township on April 1, 1974 was \$47,406.00.

As a result of a prior period adjustment of \$1,756.00 and the over-expenditure (expenses over revenue), including the \$6,248.00 budget overrun, the Township's fund balance as of March 31, 1975 was a negative \$1,610.00.

It becomes quite clear that the Green Oak Township has been experiencing growing pains as a unit of government and, because of inflation, has been caught in the spiraling costs of performing services for its citizens. The point is that the Township is experiencing some financial difficulties. These difficulties were pointed out in the annual audit report of the Township Auditors, Blossfeld & Co., Certified Public Accountants. If the Township is to continue services, its tax base and sources of revenue must be increased. Furthermore, as pointed out at pages 57 and 58 of the audit report, there must be internal corrections as to its methods of accounting.

The Chairman has spent some time reviewing the Township's financial situation because, clearly, under Act 312, Section 9(C) "financial ability of the unit of government to meet those costs", is a factor to be considered by the Panel as well as comparisons. See Section 9(d).

One of the difficulties in comparison, particularly in a community on the fringes of a metropolitan area, is just what comparison should be made. For example, the figures referred to in either of the last best offers certainly do not compare with the rates of pay in the Detroit Police Department, the Southfield Police Department or the Wayne County Sheriff's Department. It would be unfair to compare Green Oak Township with these metropolitan police departments, because the nature of the work varies and because the Township has limited financial ability. A proper comparison would obviously be

within the County of Livingston itself because this is where the Township is situated and it is well recognized that the entire County is experiencing some growth which is reflected in the expansion of their respective police departments. The comparisons as to 1975 wages among the five police departments and the South Lyon Police Department, as compared by the Union, and which are the comparisons that the Union is suggesting should be made, are as follows:

1975 Wage Breakdown of Law Enforcement Agencies
Surrounding Green Oak Township.

	<u>START</u>	<u>6 MONTHS</u>	<u>1 YEAR</u>	<u>2 YEARS</u>	<u>3 YEARS</u>	<u>4 YEARS</u>
Livingston County	\$ 8,900.	\$9,200.	\$10,000.	\$10,700.	\$11,500.	\$12,500.
Brighton Police Dept.	10,000.	10,700.	12,616.			
Cowlerville Police Dept.	9,420.	9,724.	10,332.	11,243.	12,155.	
South Lyon Police Dept.	12,190.	13,178.. (PLUS COST OF LIVING)				
Howell Police Dept.	9,453.	9,749.	10,043.	10,487.	10,988.	11,515.
Green Oak Township	7,900.	8,500.	9,000.	10,000.	10,500.	10,500.

The Township agrees that these are the comparisons with the exception of the City of South Lyon. The Township's position, as to why the City of South Lyon should not be included, is set forth in a letter from the City's Council, Joseph Brennan, dated April 5, 1975, setting forth the Township's last best offer. Mr. Brennan says:

"The Township has not included the City of South Lyon in its computation of averages because South Lyon is not in Livingston County but lies in the extreme southwest corner of Oakland County, has very little Livingston County influence, has a combined fire and police department rather than just a police department and has a salary schedule completely unrelated to Livingston County departments and indeed unique when compared to the salary schedules of any other police department anywhere."

The majority of the Panel agrees with the Township. South Lyon is not completely within Livingston County, has very little Livingston County influence and, in effect, is a combined fire and police department, which brings in other economic factors that are not present in Green Oak Township or the other police departments in Livingston County. A more accurate comparison would be with the Livingston County Sheriff's Department and the police departments of the Cities of Brighton, Fowlerville, and Howell. If the South Lyon Police Department is eliminated, then the 1975 averages among the Livingston County Police Departments are as follows:

\$9,443.25	(starting)
\$9,843.00	(6 months)
\$10,744.00	(1 year)
\$11,261.50	(2 years)
\$11,814.00	(3 years)
\$12,196.50	(4 years)

There is a point to be made about this average. The Brighton Police Department officers reach their top salaries at the end of one year. Thus, the two, three, and four year averages include the Brighton one-year figure. Two departments require four years to

reach the top salary, i.e., the Livingston County Sheriff's Department and the Howell Police Department. In Green Oak Township, three years are required to reach the top salary.

Against this background, the parties have made their last best offers as to wages. Beginning April 1, 1971, Local 214 would propose the following scale going up to four years:

<u>Start</u>	<u>6 Months</u>	<u>1 Year</u>	<u>2 Years</u>	<u>3 Years</u>	<u>4 Years</u>
\$9,992.60	\$10,510.00	\$11,233.80	\$11,644.80	\$12,087.00	\$12,393.00

Beginning April 1, 1976, Local 214 proposes a 6% increase over the 1975 offer. In addition, Local 214 proposes that the contract contain the cost-of-living to be as follows:

"It is the position of this Local Union and its last and best Offer, based on All Cities Index, '67-'69 point 4 = 1¢ per hour, would apply to the base hourly rate effective April 1, 1976. The Index would start January 1, 1976, payable April 1, 1976, with a 15¢ per year Cap."

The Township proposes that there be no cost of living, and as to direct wages, proposes the following:

1. <u>Wages</u>	<u>4/1/75 - 3/31/76</u>	<u>4/1/76 - 3/31/77</u>
Start	8,570	9,400
After six months	9,200	9,800
After one year	9,750	10,700
After two years	10,850	11,250
After three years	11,400	11,800

As noted above, and pursuant to directional to Panel, the parties presented last best offers based upon each of two years. The parties well knew that the Panel very well could chose the last best offer of one party for one year and the last best offer of the other party for the second year.

The majority of the Panel has signed an order for each of the two years. The majority shifts from year-to-year, but the point is, that there is a majority order for each of the years.

Furthermore, in neither year has the majority of the Panel ordered a cost-of-living. The reason why there will be no cost-of-living is that it has not been shown that cost-of-living is prevalent in Livingston County among police departments. The fact of the matter is, the only police department that has it is the South Lyon Police Department.

In the first year of the contract the majority of the Panel has ordered the proposal of the Township. This represents an 8% increase for the officers over their fiscal 1974 wages. The majority of the Panel has accepted the 6% offer of Local 214 for the second year of the contract, i.e. from April 1, 1976 through Marh 31, 1977. The two increases represents a 14% increase over two years.

Thus, the majority order for wages for April 1, 1975 through March 31, 1976 is as follows:

<u>Wages</u>	<u>4/1/75 - 3/31/76</u>
Start	\$ 8,570
After six months	9,200
After one year	9,750
After two years	10,850
After three years	11,400

The majority order for wages for April 1, 1976 through March 31, 1977 is as follows:

<u>Wages</u>	<u>4/1/76 - 3/31/77</u>
Start	\$ 9,084
After six months	9,752
After one year	10,335
After two years	11,501
After three years	12,084

The latest comparisons set forth above with the Livingston County Police Departments are based on the 1975 wage breakdown. The first year offer of the Township extends through March 31, 1976. But some of the comparisons, although made in 1975, presumably began at the beginning of the fiscal year of the County in those cities which could very well extend until June 30, 1976. Thus, the wages are proper comparables. There is no question that an \$8,570.00 starting salary will be the lowest in the County, and below the County average. But at the six month level the Township would equal the Livingston County Sheriff's Department. At the one year level, the Township is somewhat low, below the average and perhaps lowest in the County. However, at the two year level, the Township would be above at least two other departments, i.e, the Livingston County Sheriff's Department and the Howell Police Department. At three years, it would still be above the Howell Police Department, although at four years they would be the lowest in the County. Nevertheless, when one examines the scale which the Township has come from, which traditionally has been the lowest in the County because of the newness of the department and the Township's financial ability, there has been substantial improvement.^{1/}

^{1/} 1974-19-5 rate is as follows: Start, \$7,900; six months, \$8,500; one year, \$9,000; two years, \$10,000; three years, \$10,500.

In the second year of the contract, at least for a period of time, the starting rate will be higher than the Livingston County Sheriff's Department. At six months, the rate will be higher than the three departments in the County: The Livingston County Sheriff's Department, the Fowlerville Police Department, and the Howell Police Department. After one year, the rate will again be higher than the three departments just listed. Likewise, at the end of two years, it continues to be higher than those three departments. At three years, it will still be higher, although, if compared with the fourth year, it will only be higher than Howell. The Chairman of the Panel is aware that sometime after the Green Oak Township Police Agreement will be executed, the rate of pay of the other police departments will be negotiated. This will change comparables. In some cases there is an overlap. In some cases Green Oak Township will be nine months behind. But what the orders do is to begin to make the Green Oak Township Police Department comparable with other departments in the county. In less than a year, the parties will again be negotiating. If the comparables result in too large of a spread between Green Oak Township and the other townships, this matter can be taken care of at that time.

Presumably, the Township will then have its financial matters in such order as to meet the realistic costs of operating a township government, including a police department. The Township must recognize that it must be prepared to pay a salary to its police comparable with other Livingston County Departments, and though the Department tends to be the lowest paid department in the County, these officers and this Union will not tolerate a continued increasing spread between, for example, the Howell Police Department and the Green Oak Township Police Department.

This should be a word of caution to the Township, for though these officers may not be able to be paid the rate of the Brighton Police Department because of more financial ability there, certainly the Howell and Fowlerville Police Departments, both organized by the same Local, should be guides for the future.

2. Equipment:

As to the question of equipment, the parties were bargaining concerning the installation of shotguns, shotgun holders and safety shields in its police cars. The Township initially resisted this. However, in its last best offer on the point, the Township has offered as follows:

"The Township will install shotguns, shotgun holders and safety shields in its police cars."

The last best offer of Local 214 as to the equipment issue is set forth by the Local as follows:

"It is the position of this Local Union and its last and best Offer, that the Township provide for a Screen to be placed between the front and back seats of each Police Vehicle and further provide for one (1) Electric Lock for the Officer's Shotgun."

Clearly, these two offers are almost identical. The only difference is that Local 214 would have the Township provide one (1) electric lock for the officer's shotguns.

The majority of the Panel agree that this is reasonable and will, therefore, adopt the last best offer of Local 214 as to equipment.

3. Continuation of Agreement.

On the issue of continuation of the agreement, both parties are in agreement that the contract should contain a provision concerning continuation of the agreement. The Union proposal on this point, which the Township has acquiesced in, will be ordered.

4. Legal Assistance.

The parties were in dispute as to what legal assistance should be given to officers. The last best offer of Local 214 is as follows:

"It is the position of this Local Union and its last and best Offer, that an adequate Legal Assistance Program be instituted in behalf of these Officers. It is the obligation of the Township to provide such coverage for the Officers. Legal representation and protection against judgments of this nature are not frivolous considerations in so far as a Police Officer is concerned, but could be the difference between solvency or complete ruin. A Police Officer earns little more than ordinary living wage and cannot be expected to have the resources to pay for Attornies or to settle judgements arising from incidents which can arise at any time as part of his work. To the knowledge of this Union Representative there does not exist Insurance protection such as Malpractice Insurance an Officer could afford, therefore, this Issue is of critical importance to the Officer."

The last best offer of the Township is as follows:

"The employer shall provide to the employees such legal assistance as shall be required or needed as a result of acts occurring when and while said employee is in the proper performance of his police duties and responsibilities. With respect to criminal charges which may be brought against an employee, the employers obligation under

this paragraph shall cease when a warrant is issued or other official action taken directly accusing the employee of the commission of a crime."

It seems that there is little difference between the two offers. The provision that the Township proposed makes sense and seems to be fair to the officers. Therefore, the last best offer of the Township on the question of Legal assistance will be adopted and ordered to replace the present language appearing in Section 1003 of the Contract.

5. Pension.

There is no pension plan, as of yet, between Local 214 and Green Oak Township. Local 214 would provide for a supplemental pension plan with the Township contributing \$4.00 per week per employee. The Township's last best offer is no contribution.

The emphasis in this Award has been to correct a wage inequity. The majority of the Panel has attempted to follow the suggestion of the Chairman to bring up the Green Oak Township wages to Livingston County Police Department wages. This costs money. There is a limit to how much money the Township has available. When one considers that this is a young department, where the employees have a very limited seniority, it becomes clear that the issue of pension can wait until future bargaining. Each contract has its key point and here the key point is to establish a new wage pattern. It is for this reason that the last best offer of the Township, i.e., no supplemental pension plan, will be adopted.

6. Eye and Dental Care.

The Teamsters have asked that the Township provide optical and dental insurance coverage for each member of the bargaining unit effective April 1, 1976. A review of the comparables discussed herein indicates that eye and dental care insurance coverage does not now exist in any other Livingston County police department. The City's last best offer of providing none; therefore, should be accepted because the comparables do not justify giving this benefit.

Effective Date:

As set forth in the Opinion of the majority of the Panel dated March 24, 1976, the effective date of this agreement will be April 1, 1975 with the expiration date being March 31, 1977.

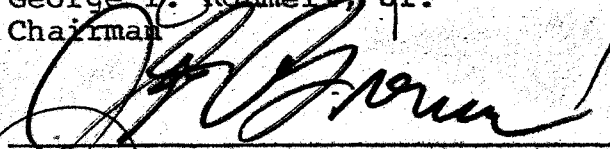
ORDERS


The following Orders are hereby entered by the majority of the Panel as indicated by their signatures after each Order:

1. The wages to be set forth in the collective bargaining agreement between Green Oak Township and Teamsters Law Enforcement Division, Local 214 affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, for the period of April 1, 1975 through March 31, 1976 shall be as follows:

<u>Wages</u>	<u>4/1/75 - 3/31/76</u>
Start	\$ 8,570
After six months	9,200
After one year	9,750
After two years	10,850
After three years	11,400


George T. Roumell, Jr.
Chairman


Joseph T. Brennan
Panel Member


Joseph Valenti
Panel Member Dissenting

2. The wages to be set forth in the collective bargaining agreement between Green Oak Township and Teamsters Law Enforcement Division, Local 214 affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, for the period of April 1, 1976 through March 31, 1977:

<u>Wages</u>	<u>4/1/76- 3/31/77</u>
Start	\$ 9,084
After six months	9,752
After one year	10,335
After two years	11,501
After three years	12,084

~~George T. Roumell, Jr.~~
George T. Roumell, Jr.
Chairman

~~Joseph T. Brennan~~
Joseph T. Brennan
Panel Member ~~Dissenting~~

~~Joseph Valenti~~
Joseph Valenti
Panel Member ~~Dissenting~~

3. The Township will provide in the contract that it will install shotguns, shotgun holders, safety shields, and one electric lock for the officer's shotgun in each of its police cars.

~~George T. Roumell, Jr.~~
George T. Roumell, Jr.
Chairman

~~Joseph Valenti~~
Joseph Valenti
Panel Member

~~Joseph T. Brennan~~
Joseph T. Brennan
Panel Member ~~Dissenting~~

4. Cost-of-Living.

There shall be no cost-of-living provided in the contract.


~~George T. Roumell, Jr.~~
George T. Roumell, Jr.
Chairman

~~Joseph T. Brennan~~
Joseph T. Brennan
Panel Member

~~Joseph Valenti~~
Joseph Valenti
Panel Member ~~Dissenting~~

6. Pension.

There shall be no supplemental pension plan provided in the contract.


George T. Rounell, Jr.

Chairman


Joseph T. Brennan

Panel Member


Joseph Valenti

Panel Member Dissenting

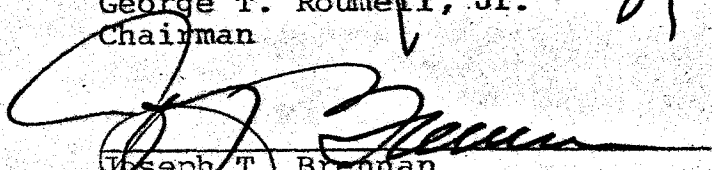
7. Legal Representation Issue.

The contract shall provide the following provision replacing Section 1003 of the contract.

"The employer shall provide to the employees such legal assistance as shall be required or needed as a result of acts occurring when and while said employee is in the proper performance of his police duties and responsibilities. With respect to criminal charges which may be brought against an employee, the employer's obligation under this paragraph shall cease when a warrant is issued or other official action taken directly accusing the employee of the commission of a crime."


George T. Rounell, Jr.

Chairman


Joseph T. Brennan

Panel Member

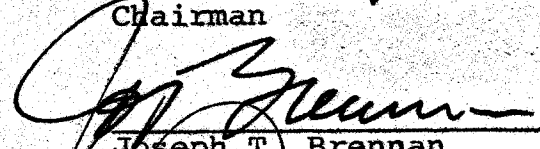

Joseph Valenti

Panel Member Dissenting

7. Continuation of Agreement.

The contract shall provide a section which will contain the continuation of agreement language requested by the Union.


George T. Rounell, Jr.
Chairman

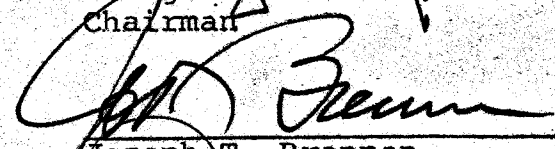

Joseph T. Brennan
Panel Member

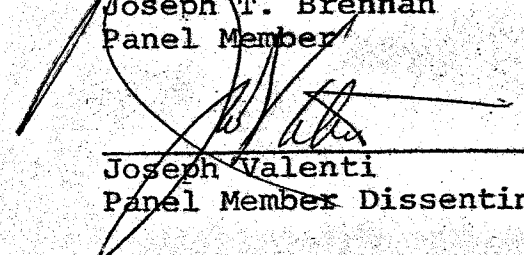

Joseph Valenti
Panel Member

8. Insurance.

The contract shall not provide optical and dental insurance coverage.

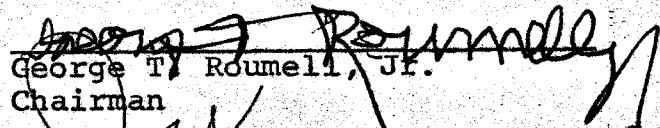

George T. Rounell, Jr.
Chairman

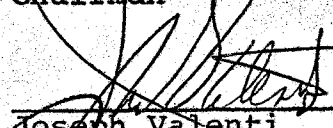

Joseph T. Brennan
Panel Member

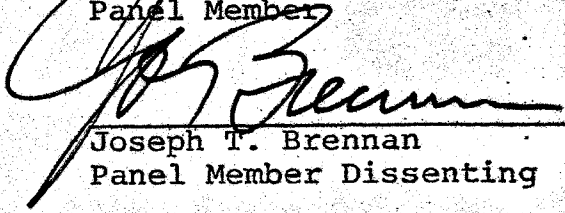

Joseph Valenti
Panel Member Dissenting

9. Effective Date.

The contract shall become effective April 1, 1975 and expire March 31, 1977. All provisions provided herein except the equipment order shall be retroactive to April 1, 1975. The equipment provision shall be effective within two weeks of this order.


George T. Roumelli, Jr.
Chairman


Joseph Valenti
Panel Member


Joseph T. Brennan
Panel Member Dissenting

Dated: June 14, 1976