

CITY OF GROSSE POINTE WOODS

- and

GROSSE POINTE POLICE OFFICERS ASSOCIATION

MERC CASE # D 83-F-1763

Arising Pursuant to Public Act

312, Public Acts of 1969 as

Amended

Michigan State University

LABOR AND INDUSTRIAL

RELATIONS LIBRARY

INTRODUCTION

Pursuant to Section 3 of Public Act 312 a petition for arbitration was filed by the above named Union dated July 14, 1983. In the petition the Union stated they had engaged in good faith bargaining and mediation and the parties to the contract had not succeeded in resolving the disputed matter.

The one issue remaining, in dispute between the parties, is the matter of wages for the last year of the contract which is currently in effect. The wage provisions were open to negotiations in accordance with a provision in the contract for a wage reopener; the contract (Joint Exb I) provides for an effective date for any agreed upon increase to be no earlier than July 1, 1983.

Dawson J. Lewis was appointed by MERC to serve as Chairman of a Panel of Arbitrators to hear and render an award regarding the matter in dispute. The two other members of the Panel selected by the respective parties were Mr. Michael P. Somero for the Union and Mr. Chester Petersen for the Employer.

A pre-hearing conference was held October 27, 1983, to allow the parties the opportunity to acquaint the Panel with the issue and to determine if there was agreement between the parties that the sole issue to be submitted to arbitration were the wage rates for the public safety officers below the rank of sergeant (all sworn members of the above named bargaining unit) for the year beginning July 1, 1983, and ending, June 30, 1984.

The parties so stipulated there was only one issue: The wage rates for the public safety officers below the rank of sergeant to be in effect during the year beginning July 1, 1983 and ending June 30, 1984.

The positions of the parties regarding the matter in dispute were at the time of hearing:

UNION POSITION

Effective 7/1/83: Increase yearly base rate from \$26,208 to \$27,000.

Effective 1/1/84: Increase yearly base rate from \$27,000 to \$29,500.

CITY POSITION

Effective 7/1/83: Increase yearly base rate from \$26,208 to \$26,600.

Effective 4/1/84: Increase yearly base rate from \$26,600 to \$27,600.

The hearing on the matter in dispute was held November 14, 1983. The hearing was conducted in accordance with the provisions of Act 312 of Public Acts of 1969 as amended. A written transcript of the proceeding was made. The prescribed oath was taken by the Chairman of the Panel at the opening of the hearing. All witnesses were sworn and all testimony was taken under oath.

JAN 28 1984

Lewis, Dawson J.

Grosse Pointe Woods, City of

APPEARANCES

FOR THE UNION

John A. Lyons, Attorney
Steven E. Backlund, Witness
John Albrecht, Witness

FOR THE EMPLOYER

George B. Catlin, Attorney
Chester E. Petersen, Witness
Jack E. Patterson, Witness

EXHIBITS

The following exhibits were introduced and admitted into evidence:

Joint Exb. #1 - Contract effective 7/1/81 to and including 6/30/84.

Union Exhibits 1(a) through 1(d)

- 1(a) Population Comparable
- 1(b) Percent of Workers - Population - Public Sector
- 1(c) Households, Median Age - Median Family Income
- 1(d) 1982 State Equalized Value of Total Real and Personal Property.

The above exhibits contained data pertaining to communities the Union contended were comparable to Grosse Pointe Woods which were:

PUBLIC SAFETY DEPARTMENTS (Combined Police & Fire):

- (1) Oak Park
- (2) Berkley
- (3) Fraser
- (4) Grosse Pointe Shores
- (5) Grosse Pointe City
- (6) Centerline
- (7) Beverly Hills
- (8) Bloomfield Hills
- (9) Huntington Woods
- (10) Grosse Pointe Woods

POLICE DEPARTMENTS:

- (11) Grosse Pointe Farms
- (12) Grosse Pointe Park
- (13) Harper Woods
- (14) St. Clair Shores

Union Exhibits 2(a) through 2(d):

- 2(a) Mean Computations - Median Computations (cited communities)
- 2(b) Comparison of Pay (cited communities)

- 2(c) Comparison of Economic Value of Base Pay and Longevity (cited communities)
- 2(d) Comparison of Wages and other Benefits (cited communities)

Union Exhibits 3 through 3(E):

- 3 Crime Statistics - Years 1981 - 1982
- 3(A) Crime Statistics showing difference between 10 year average and 1982
- 3(B) Incident Reports - 10 year average (bar chart)
- 3(C) Moving Violations - 10 year average
- 3(D) Crime Statistics - Years 1981, 1982, 1983
- 3(E) Crime Statistics - Percentage of difference between October 1981 and October 1983

Employer Exhibits 1(a) through 1(d):

- 1(a) Detroit Metro Salaries of cited cities
- 1(b) Northeast Detroit Metro Communities - salaries and percentages
- 1(c) Grosse Pointe Communities and Harper Woods - Comparison
- 1(d) Comparison of COLA: fiscal year 8/1/82 and 8/2/83 - cited communities

DISCUSSION

"Section 9 of Act 312 lists the eight areas upon which the Arbitration Panel shall base its final opinions and orders as follows:

- (a) The lawful authority of the Employer.
- (b) Stipulation of the parties.
- (c) The interests and welfare of the public and the financial ability of the unit of government to meet those costs.
- (d) Comparison of the 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 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 the 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 the parties, in the public service or in private employment."

As stated in the Union's position paper:

"Section 10 of Act 312 indicates that the decision of the Arbitration Panel must be supported by competent, material and substantial evidence on the whole record. The onus is on the parties to introduce supporting evidence, within the evidentiary guidelines as detailed in Section 9 of the statute. The Panel is required to make written findings of fact and to promulgate a written opinion and order based upon the record developed by the parties. In effect, then, any finding, or opinion, or order of the Panel on any issue must emanate from a consideration of the eight listed Section 9 factors as applicable."

Relative to the above eight (8) areas listed in Section 9 of Act 312:

- a) There was no question of the lawful authority of the Employer.
- b) The parties stipulated there was only one issue in dispute - the wage rates for the period 7/1/83 through 6/30/84 for the public safety officers represented by the F.O.P.
- c) The Employer stated the "ability to pay" was not being raised as a defense.
- d) Comparison of wages, etc. of other employees performing similar services in public employment in comparable communities is the primary area upon which the Arbitration Panel based its final opinion and orders.
- e) The COLA factor is a consideration that was reviewed as a major part of overall wages.
- f) The overall compensation received by the employees was reviewed by the Panel and considered to be, on the whole, relatively equal and therefore was not a major factor in the determination of base wages.
- g) No changes occurred during pendency of arbitration proceedings.

The parties were basically in agreement that the communities listed above were reasonably comparable but the Chairman of the Arbitration Panel after consultation with other two members of the Panel was not in agreement that all the listed communities were comparable when the provisions Section 9(d) of Act 312 are carefully examined. Section 9(d) states:

"Comparison of the 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 performing similar services and with other employees generally.

- (i) In public employment in comparable communities.
- (ii) In private employment on comparable communities." (Emphasis added.)

It is the opinion of the Chairman that the communities that have police departments and not public safety officers (combination police and fire fighting duties) are not comparable as those employees are not performing similar services. Those communities are:

Grosse Pointe Farms
Grosse Pointe Park
Harper Woods
St. Clair Shores

Further it is the opinion of the Chair that considering the population of Grosse Pointe Woods - 18,886 the following communities are not comparable:

Oak Park - 31,537
Bloomfield Hills - 3,985
Grosse Pointe City - 5,901
Grosse Pointe Shores - 3,012
Huntington Woods - 6,937

Therefore the remaining communities which, in the opinion of the Chair, are most comparable are:

Berkley - 18,637
Fraser - 14,560
Centerline - 9,243 (borderline)
Beverly Hills - 11,598

However, only one of the above communities has reached settlement of basic wage rates for 1983: Berkley.

The Union's information regarding Fraser is that a settlement has been reached on wages effective 7/1/83, but a check by the Employer, made at the request of the Chair, indicates there has not been an agreement on wages at this time.

Centerline and Beverly Hills are currently in negotiations with the latter apparently headed for arbitration.

Based on the information obtained by the City Administrator, Mr. Chester Petersen, (information sought at the request of the Chair) following is the status of the three communities relative to negotiations on wages:

1. Centerline
 - a) Current contract expired 6/30/83.
 - b) Top base rate now in effect - \$24,507.
 - c) City's last informal offer to be retroactive to 7/1/83 - \$25,732 plus \$940 COLA.
 - d) Union's last informal offer to be retroactive to 7/1/83 - \$26,468 plus \$940 COLA.

2. Fraser
 - a) Contract expired 6/30/83.
 - b) Current base salary is \$27,800 plus \$940 COLA. (Note: Union's information is that settlement on wages has been reached on base wages of \$29,357 - COLA amount not available.)
3. Beverly Hills
 - a) Current contract expired 12/31/82.
 - b) City's last informal offer on wages to be effective 1/1/84 is \$27,694 plus \$940 COLA.
 - c) Union's last informal offer on wages is \$30,055 plus \$940 COLA.

The base wage paid in Berkley is not absolutely certain as the Union's Exhibit 2(d) shows the rate paid to public safety officer to be \$29,528 and the Employer shows (in Employer Exb. 1A), the rate to be \$28,992. The difference is that the Union reported the rate paid the classification of Public Safety I which includes an incremental payment for E.M.S. certification (according to the Berkley labor agreement) and the Employer used the rate paid P.S. II, as more comparable in that Grosse Pointe Woods does not have a supplemental payment for E.M.S. certification.

The Berkley contract shows (p. 28) the description of Public Safety II to be:

"Employees who are trained and serve in a law enforcement and fire fighting capacity as the situation at hand requires."

The description of Public Safety I reads:

"Employees who are trained and serve in a law enforcement, fire fighting, and certified emergency medical technician capacity as the situation at hand requires."

This contract also provides:

"Wage rates in effect as of July 1, 1983, shall be based on a minimum increase of 4% on base wages and a maximum increase of 8%. The actual percentage increase shall be equal to the actual percentage change in the national consumer price index between February 1, 1982, and February 1, 1983, provided such percentage change falls within a range between the stated minimum and maximum."

According to the subject contract if the percentage change reaches 8% or above the rate for Public Safety II would be \$30,107, however, there was no evidence offered by either party as to what the actual rate that is being paid Public Safety II as of now.

Considering the above it is the opinion of the Chairman that the rate of \$28,992 shown for Public Safety II classified employees to be the more compatible and should be used for comparison purposes in the instant matter.

Therefore if an average is taken of the comparable cities job classifications:

- a) The salary shown in the Berkley contract for Public Safety II employees is \$28,992, effective 7/1/83.
- b) The Centerline informal offer is \$25,732 to be effective 7/1/83.
- c) The Fraser salary (as stated by the Union) is \$29,357.
- d) The Beverly Hills informal offer effective 1/1/84 is \$27,694.

The average then shows as \$27,944.

Using the respective Unions last offers:

- a) The Centerline negotiations of \$26,468 effective 7/1/83.
- b) The rate paid in Fraser of \$29,357, which is now in effect according to the Union.
- c) The Union's last offer in the Beverly Hills negotiations of \$30,055 effective 1/1/84.
- d) The Berkley rate of \$28,992.

The average of these rates is \$28,718.

The "last best offers" of the respective parties made pursuant to the provisions of Act 312 is as follows:

UNION - Fraternal Order of Police:

WAGES - One Year

Effective 7/1/83:

P.S.O.

Start	22,033 to 22,698.99
12 months	22,783 to 23,471.00
24 months	23,783 to 24,501.00
36 months	24,983 to 25,381.00
48 months	26,208 to 27,000.00

CORPORAL

28,042 to 28,889.00

Effective 1/1/84:

P.S.O.

Start	22,698 to 24,780.00
12 months	23,471 to 25,644.00
24 months	24,501 to 26,770.00
36 months	25,381 to 27,731.00
48 months	27,000 to 29,500.00

CORPORAL 28,889 to 31,564.00

EMPLOYER - City of Grosse Pointe Woods:

SALARY SCHEDULE FOR PUBLIC SAFETY OFFICER

<u>Effective July 1, 1983</u>	<u>Base Salary</u>
Beginning Salary	22,033 to 23,355 per year
Step A - 12 months	22,783 to 24,150 per year
Step B - 24 months	23,783 to 25,206 per year
Step C - 36 months	24,983 to 26,482 per year
Step D - 48 months	26,208 to 27,780 per year

SALARY SCHEDULE FOR PUBLIC SAFETY CORPORAL

Effective July 1, 1983 28,042 to 29,725 per year

ARGUMENTS

Union's position in support of the Union's "last best offer":

The Union contends only public safety departments should be considered for comparison purposes based on the following reasons:

1. All public safety departments have a combined function (Tr, P 14).
2. Generally, they receive higher wages than non-public safety departments (Tr, P 55).
3. When the taxing power of Grosse Pointe Woods is considered, it is clearly shown they are the unquestionable leader (Union Exhibit #1d).
4. When all demographics are considered, it is more appropriate to compare only public safety departments (Union Exhibit #1).

The City has, in their last proposal, suggested a six (6%) percent, or \$1,572.00, increase to the base of the top paid public safety officer. The union suggests that the City's proposal does not "more fully comply with the applicable factors in Section 9 of Act 312" and, therefore, should not be adopted because:

- a. The "real" comparables are much higher (see Union Exhibit #2).

<u>CITY</u>	<u>BASE</u>	<u>EFFECTIVE DATE</u>
Oak Park	31,304	7/1/83
Berkley	29,528	7/1/83
Fraser	29,357	7/1/83
Grosse Pointe Shores	29,201	7/1/83
Grosse Pointe City	27,870	7/1/83

<u>CITY</u>	<u>BASE</u>	<u>EFFECTIVE DATE</u>
Centerline	24,507	7/1/82*
Beverly Hills	26,374	1/1/82*
Bloomfield Hills	29,200	7/1/83
Huntington Woods	27,985	1/1/84

Average 28,369

Grosse Pointe Woods 26,208

Difference 2,161 (below average)

- b. Likewise, when the "real" comparables are considered with what is actually known, excluding the unknown (Centerline and Beverly Hills have not settled yet) the difference is even greater.

From the evidence (Union Exhibit #2, contracts), those effective July 1, 1983, and January 1, 1984:

Oak Park	31,304
Berkley	29,528
Fraser	29,357
Grosse Pointe Shores	29,201
Grosse Pointe City	27,870
Bloomfield Hills	29,200
Huntington Woods	<u>27,985</u> (1/1/84)

Average 29,206

Grosse Pointe Woods 26,208

Difference 2,998 (below average)

- c. a) and b) above compared with the City offer:

a) City offer	27,780
average a)	<u>28,369</u>
	421 (below average)

b) City offer	27,780
average b)	<u>29,206</u>
	1,572 (below average)

- d. From the comparables it is noted that at least six of the known amounts (contracts) will expire with the collective bargaining agreements on June 30, 1984.
- e. If the Panel adopted the last offer of the Union, Grosse Pointe Woods would be placed number three in comparative base wage for six months until the other comparable units enter new negotiations.

CONCLUSION

Grosse Pointe Woods has been, and is currently, well below the average when compared to other public safety departments. The Union is suggesting a wage increase whereby they would gain, in 1984, a bit of an advantage for the first six months.

Obviously, they cannot ever recoup the spending power lost in 1983. However, the adoption of the Union's last offer will help toward this goal and also will bring the wage rates more in line with the comparables. Likewise, it is urged that the Union's last offer is more in conformity with the applicable factors in Section 9.

Lastly, it should be noted that the City has not made ability to pay an issue. Thus, we must assume, based on their offer and this fact, that the City can, without doubt, pay the Union's proposal without hardship.

Therefore, it is requested that the Panel adopt the Union's last offer.

Employer's position in support of the Employer's "last best offer":

"The maximum base salary for a PSO with two years or more of service with the City is \$26,208.00 which is the amount paid during the 2nd year of the existing contract. Longevity and COLA are not included in the base salary figure.

The Union's Last Best Offer involves a proposal to increase the \$26,208.00 base salary to:

- a) \$27,000.00 effective 7/1/83
- b) \$29,500.00 effective 1/1/84

Converting the Union's proposal to percentage increases of the base salary existing as of 6/30/82, of \$26,208.00, we find that the proposal involves percentage increases as follows:

- 7/1/83 increase of 3.02%
- 1/1/84 increase of 12.56%

Combined average increase for the 12 months - 7.79%.

The City has submitted its last best offer which, when converted to a percentage of base salary existing on 6/30/82, amounts to:

7/1/83 to 6/30/84 - 6%

The only issue is which of the proposals is the most reasonable in light of comparable base salaries in effect in similar communities.

The two tier structured proposal of the Union which results in effectively building into the base salary an increase of 12.56% from whence the

bargaining for salary increases will begin for the next year of the labor agreement, beginning 7/1/84, does not appear to be reasonable.

Even the combined average increase requested by the Union for the 12-month period (7/1/82 to 6/30/83) of 7.79% appears excessive in light of the average of 6.49% for the Detroit Metro Comparable Base Salaries (City Exhibit 1A) and the average increase of 4.88% for the North East Comparable Salaries shown on the City Exhibit 1B.

It is, therefore, urged that the City's six per cent increase in base salary be adopted by the panel."

OPINION

In reviewing the above comparisons it is the opinion of the majority of the Panel of Arbitrators that the "last best offer", on the matter of the salary schedule for the Public Safety Officers, made by the Employer - City of Grosse Pointe Woods should be adopted for the following reasons:

- a) The increases proposed by the Employer of 6% for each of the salary steps of the PSO classification and for the classification of Corporal are more reasonable and more in line with the average percentage increases granted in the Detroit Metro area than the 7.79% increase proposed by the Union (based on the amount of increase for the first six (6) months i.e. \$792 per month for six (6) months and \$3,292 per month for six (6) months for a total of \$24,504.)
- b) The Union's "last best" offer would, while providing less actual dollars the first six (6) months of the period, would still represent a quantum leap forward when the increase proposed to be effective 1/1/84 was applied; this increase, as the City shows, is a 12.56% increase in the base salaries and would place the top salary of the public safety officers of the City the highest of all the communities cited by both the Union and the City (with the exception of Oak Park and possibly Beverly Hills if the Union there prevails in negotiations).
- c) If the salary schedule proposed by the City is adopted the average top salary for PSO employees paid by the four (4) communities cited above and Grosse Pointe Woods would be (if the Employer's offers in Beverly Hills and Centerline are accepted) \$27,862.

If the top salary for PSO employees in the same four communities (those proposed by the respective Unions) plus the salary proposal of Grosse Pointe Woods are made effective, the average salary would be \$28,249.

- d) If the increases proposed by the Union were made effective, the average salary for the top classification of PSO would be (considering the Employer's positions) \$28,722 and the average salary if the Union's

proposals are accepted would be \$29,019, thus the Grosse Pointe Woods officers would be paid above the average in either case and in fact would be well above the average rate paid in the surrounding communities (see Employer Exb. 1A and 1B).

THE ORDERS OF THE ARBITRATION

PANEL

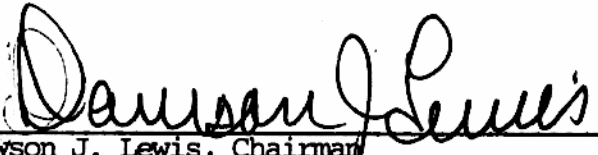
The "last best" offer of the Employer shall be adopted. The salary schedule for Public Safety Officer for the City of Grosse Pointe Woods shall be as follows:

Effective July 1, 1983


Beginning Salary	22,033 to 23,355 per year
Step A - 12 months	22,783 to 24,150 per year
Step B - 24 months	23,783 to 25,206 per year
Step C - 36 months	24,983 to 26,482 per year
Step D - 48 months	26,208 to 27,780 per year

SALARY SCHEDULE FOR PUBLIC SAFETY CORPORAL

Effective July 1, 1983 28,042 to 29,725 per year



Dawson J. Lewis, Chairman

DATE: January 3, 1984


Chester E. Petersen

DATE: January 3, 1984

Chester E. Petersen
City of Grosse Pointe Woods


Michael P. Somero
Grosse Pointe Woods Police Officers Association

DATE: January 3, 1984