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IN THE MATTER OF THE
ARBITRATION BETWEEN:

CITY OF JACKSON

and

COMMAND OFFICERS
ASSOCIATION OF MICHIGAN
_____ /

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STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
DETROIT OFFICE

MERC Case No. L93D 1008

COMPULSORY ARBITRATION

Pursuant to Act 312,

Michigan Public Act of 1969, as amended.

OPINION AND AWARD

Arbitration Panel

William E. Long
Arbitrator/Chairman

Michael F. Ward
City Delegate

James DeVries
Union Delegate

Date: May 18, 1995

INTRODUCTION

These proceedings were commenced pursuant to Act 312 of the Public Acts of 1969 as amended. The arbitration panel was comprised of the Chairman, William E. Long, City Delegate, Michael F. Ward, and Command Officers Association of Michigan (COAM) Delegate, James DeVries.

A prehearing was held on May 9, 1994 and hearings were held on October 12 and November 30, 1994. The City of Jackson was represented by Attorney Michael Ward. COAM was represented by its business agent, William Birdseye. The record consists of 396 pages of recorded testimony and a total of 52 exhibits. After submission of last best offers on December 19, 1994, the panel met in executive session on January 9, 1995. The parties forwarded post-hearing briefs on February 13, 1995. The duration of the contract between the parties is the three (3) year period from July 1, 1992 through June 30, 1995.

By stipulation, the parties waived all time limits applicable to these proceedings, both statutory and administrative. The arbitration petition filed by the union listed four issues for resolution:

- 1) Wages—Class grade increases for sergeants;
- 2) Wages—Class grade increases for lieutenants;
- 3) Wages—Across the board increases for sergeants;
- 4) Wages—Across the board increases for lieutenants.

See Joint Exhibit 1(B).

During the prehearing conference, the City of Jackson objected to Issues #1 and #2 as being improper since the contract provided only that wages be reopened. On May 31, 1994, the union withdrew Issues #1 and #2, i.e., class grade increases for sergeants and lieutenants, from arbitration.

The parties stipulated that the outstanding issue in this matter was the unresolved issue of wages for the second year reopener in the three year contract commencing July 1, 1992 through June 30, 1995; i.e., for the time period July 1, 1993 through June 30, 1994 only. Wages for July 1, 1994 through June 30, 1995 will be subject to further negotiation and mediation/arbitration if necessary. Since the single issue in this matter was economic, the panel was guided by Section 8 of Act 312. This section provides that each economic issue must be decided by the panel selecting the last best offer which more nearly complies with the applicable factors in Section 9.

The applicable factors to be considered as set forth in Section 9 are as follows:

- (a) *The lawful authority of the employer.*
- (b) *Stipulations 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 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.*
 - (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.*

Where not specifically referenced, the above factors were considered but not discussed in the interest of brevity.

BACKGROUND

The City of Jackson is a residential community located in South Central Michigan. It has total land area of approximately 11 square miles and a population in the 1990 census of 37,446. Its 1993 general fund budget was approximately \$19 million (City Exhibit 1).

COMPARABLE COMMUNITIES

As noted earlier, Section 9(d) of Act 312 directs the panel to consider and compare 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 in public and private employment in comparable communities. In this matter, the parties put forth arguments for comparable public employment only. The parties agreed on the comparable communities of: Battle Creek, East Lansing, and Jackson County. In addition to those three communities, the City argued that the communities of Adrian, Bay City, Blackman Township, Holland, Muskegon, Owosso, and Traverse City were comparable. The Union asserted that in addition to the three communities agreed upon, the communities of Ann Arbor, Lansing, Meridian Township, and Ypsilanti were comparable. After a complete review of all of the data, the Chairman was convinced that in addition to the three communities agreed upon by the parties, those being Battle Creek, East Lansing, and Jackson County, the following communities urged by the City would be considered as comparable: Bay City, Holland, and Muskegon. The following communities from those advanced by the Union would be considered as comparable: Meridian Township and Ypsilanti. A review of City Exhibit 1 reveals that the City's argument that the communities of Adrian, Blackman Township,

Owosso, and Traverse City as comparable communities should be rejected for the following reasons:

- 1) Each of these cities' populations are substantially lower than those of the City of Jackson;
- 2) Each of these cities' general fund budgets are less than half of the general fund budget for the City of the Jackson.

Similarly, the communities of Ann Arbor and Lansing that were advanced by the Union as comparable are rejected. Each of those communities' populations far exceed the population of the City of Jackson and their general fund budgets for 1993 are more than three times the size of the general fund budget for the City of Jackson. Additionally, the communities of Adrian, Owosso, and Traverse City advanced by the City are also rejected by the panel because they are generally of a more rural nature and the cities of Ann Arbor and Lansing that were advanced by the Union are rejected by the panel because they are more urban in nature than the City of Jackson.

Therefore, the panel chose the following communities as comparable to the City of Jackson: Battle Creek, East Lansing, Jackson County, all stipulated to by the parties; and the communities of Bay City, Holland, and Muskegon, advanced by the City; and the communities of Meridian Township and Ypsilanti, advanced by the Union.

ISSUE

The parties have agreed that the single issue is that of wages for the period of July 1, 1993 through June 30, 1994, the second year of the three year contract.

City's Last Best Offer

The City's last best offer proposed a 3% across the board wage increase for sergeants and lieutenants for the period commencing July 1, 1993 through June 30, 1994.

Union's Last Best Offer

The Union's last best offer proposed a 3% wage increase for both the sergeant and lieutenant classification. However, the Union urges that, in effect, the sergeant class grade should be moved from a class grade 85 to a class grade 86 and that the lieutenant's class grade should be upgraded from the current class grade 87 to a class grade 88. After this reclassification, the Union would apply a 3% across the board increase. The result of this reclassification and a 3% increase would have the effect of a total wage increase for sergeants and for lieutenants of approximately 8.15%. Therefore, the panel must consider that the Union's last best offer urges a wage increase for lieutenants and the sergeant classifications of 8.15%.

The panel has decided to award the City's last best offer on wages. This results in a 3% wage increase for sergeants and lieutenants within the bargaining unit effective July 1, 1993 through June 30, 1994. In reaching this conclusion, the panel considered the applicable factors set forth in Section 9 of Act 312. A brief synopsis of those considerations follow:

- a) There is no dispute regarding the lawful authority of the employer.
- b) The parties did stipulate to the applicable issues in this proceeding and the panel did take into consideration the comparable communities stipulated to by the parties. As to the scope of this proceeding, the panel notes that Article 14 of the current labor agreement (Exhibit J-2) states:

"This agreement shall be reopened for the purpose of negotiating wages and prior service credit only for the years beginning July 1, 1993 and July 1, 1994; otherwise, it shall remain in full force and effect..."

The Union put forth extensive testimony in this proceeding pertaining to the responsibilities of sergeants and lieutenants in the City of Jackson compared to similar responsibilities of other personnel in other comparable units of government. The panel believes that this argument was not an appropriate issue for this proceeding based on the language contained in Article 14 of the agreement. Additionally, as the City properly noted in its post-hearing brief, the original Act 312 petition filed by the Union had as Issues #1 and #2, class grade increases for sergeants and lieutenants and Issues #3 and #4, across the board increases for sergeants and lieutenants.

The City objected to Issues #1 and #2 at the prehearing conference and the parties were directed to present a written brief on the issue of reclassifications for sergeants and lieutenants. Prior to the parties' submission of briefs on the issue, the Union, by letter dated May 31, 1994, withdrew Issues #1 and #2 dealing with the reclassifications for sergeants and lieutenants. Of course, the Union argues that it is not urging a reclassification of these positions, but merely urging pay for these positions comparable to pay provided to other employees performing similar services in comparable communities. The panel views this approach as an attempt to at least enter the side door, if not the back door, on the reclassification issue. Nevertheless, the panel will address the issue of comparable wages.

(c) The financial ability of the unit of government was not a significant issue in this proceeding. However, it is clear that there would be significantly higher costs to the unit of government by accepting the Union's last best offer instead of the City's last best offer.

(d) The panel has previously identified the comparable communities considered in this proceeding, those being the communities of Battle Creek, East Lansing, Jackson County, Bay City, Holland, Muskegon, Meridian Township, and Ypsilanti. The panel has reviewed City Exhibits 6-9 to compare wages and salaries of

these communities for these positions with the City of Jackson. The panel has identified the annualized salaries for the period July 1, 1992 through June 30, 1993 for both sergeants and lieutenants in these communities. The panel then added three percent to that average salary for both sergeants and lieutenants and has determined that in both cases the average salary for the City of Jackson sergeants and lieutenants, if increased by 3% beginning July 1, 1993, would be slightly more than the average salaries in these comparable communities if they were to receive a three percent increase beginning July 1, 1993. The City's last best offer is more closely aligned with the wages of employees in comparable jurisdictions than is the Union's.

As was stated previously, the Union put forth extensive testimony from Sergeant Bachman pertaining to the duties and responsibilities of sergeants and lieutenants in the City of Jackson compared to the duties and responsibilities of sergeant and lieutenant classified positions in comparable communities. Sergeant Bachman's testimony relevant to the actual responsibilities of other communities, however, was based primarily on phone conversations and the submissions of organization charts from these other communities. The panel finds it difficult to determine with any certainty the actual responsibilities being performed by sergeants and lieutenants in the comparable jurisdictions. Obviously, direct testimony from individuals in those jurisdictions as well as specific job position descriptions would provide a more solid basis upon which to make comparisons.

In addition, testimony from both Sergeant Bachman and Police Chief Robert Johnson revealed that the organization of the Department had not significantly changed during the period of this contract. The only change which did occur during this contract period was the elimination of a lieutenant position in the Staff Operations Division and the assignment of those functions to the chief's and captain's office. The panel did not consider that this change had any significant

impact on the duties and responsibilities of the remaining sergeants and lieutenants.

(e) The panel examined the Consumer Price Index for goods and services which revealed that the CPI rose approximately 2.4 % from the period June 1993 through June 1994. The City's last best offer is more closely aligned with the rise in the Consumer Price Index than is the Union's last best offer.

(f) Using City Exhibits 14-17 the panel compared the overall compensation, including holidays and other benefits, of the comparable communities to the City of Jackson's employees in this bargaining unit. The panel finds the City of Jackson's overall compensation to be comparable, and that in any event, these issues were not at issue in this proceeding.

(g) The panel decided there were no substantial changes in circumstances during the pendency of the arbitration proceedings. As noted earlier, the only significant change during the period of this contract was the modification in the organization of the unit, but that did not have a significant impact on the responsibilities of the sergeants and lieutenants.

(h) This provision allows the panel to consider other factors which are normally or traditionally taken into consideration through voluntary collective bargaining, mediation, fact finding, arbitration or otherwise between the parties in the public service or in private employment. On this point, we merely point out again that much of the testimony taken in this proceeding related to the particular job responsibilities and duties of the sergeants and lieutenants in the City of Jackson compared to those in other comparable communities. The panel observes that this is a more appropriate issue for discussion and bargaining in negotiations at the time the contract expires rather than at the time of a wage reopener only in the middle of the contract period. Such practice would seem more appropriate in keeping with the traditions of collective bargaining.

SUMMARY

The panel's decision on the issue is as follows:

Wages:

The panel accepts the City's last best offer of settlement.

The City of Jackson's last best offer of settlement on the issue of wages for the contract year dating July 1, 1993 through June 30, 1994 is a 3% across the board wage increase effective July 1, 1993 for sergeants (85) and a 3% across the board pay increase for lieutenants (87).

This 3% wage increase would be established in Appendix A of the existing contract and said Appendix would read as follows:

SEE ATTACHED APPENDIX A

Agree _____
Union

Dissent _____

Union

Agree _____

City

Dissent _____

City

Date: May 18, 1995

William E. Long
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Arbitrator/Chairman

Michael F. Ward
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APPENDIX A

COAM SALARY SCHEDULE

Effective Retroactive to July 1, 1993 - 3%

Class Grade	Pay Basis	<u>BASE RATES</u>						<u>LONGEVITY</u>	
		(Step 1) Minimum 1st Year	(Step 2) Next Year	(Step 3) Next Year	(Step 4) Next Year	(Step 5) Next Year	(Step 6) Maximum After 5 Years	(1L) 12 Years Service*	(2L) 18 Years Service*
85	Annual	33,162	34,733	36,139	37,633	39,218	40,893	42,241	43,296
	Bi-weekly	1,275.47	1,335.89	1,389.96	1,447.42	1,508.38	1,572.80	1,624.65	1,665.24
86	Annual	34,733	36,139	37,633	39,218	40,893	42,651	44,353	45,464
	Bi-weekly	1,335.89	1,389.96	1,447.42	1,508.38	1,572.80	1,640.43	1,705.88	1,748.62
87	Annual	36,468	37,948	39,515	41,181	42,937	44,784	46,568	47,733
	Bi-weekly	1,402.62	1,459.54	1,519.79	1,583.88	1,651.44	1,722.45	1,791.08	1,835.88
88	Annual	38,291	39,845	41,491	43,241	45,084	47,024	48,897	50,121
	Bi-weekly	1,472.72	1,532.49	1,595.80	1,663.10	1,733.99	1,808.63	1,880.64	1,927.75

85 = Sergeant

87 = Lieutenant