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In the Matter of Statutory Arbitration between:

**JACKSON COUNTY BOARD OF COMMISSIONERS**  
and  
**THE JACKSON COUNTY SHERIFF,**

**PUBLIC EMPLOYER,**

-v-

**JACKSON COUNTY DEPUTIES' ASSOCIATION,**

**LABOR ORGANIZATION.**

MERC Case No. L95 <sup>J</sup> A-4011

Hearing: September 30, 1996

STATE OF MICHIGAN  
BUREAU OF EMPLOYMENT RELATIONS  
DETROIT OFFICE

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**FINDINGS, OPINION, AND ORDER**  
**OF ACT 312 PANEL**

BENJAMIN A. KERNER, NEUTRAL CHAIR  
PETER A. COHL, EMPLOYER DELEGATE  
JAMES J. CHIODINI, UNION DELEGATE

Dated: October 24, 1996

In the Matter of Statutory Arbitration between:

JACKSON COUNTY BOARD OF COMMISSIONERS

and

THE JACKSON COUNTY SHERIFF,

Public Employer,

-v-

JACKSON COUNTY DEPUTIES' ASSOCIATION,

Labor Organization.

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MERC Case No. L95 A-4011

Appearances:

For the Public Employer:

John R. McGlinchey

Cohl, Stoker & Toskey, P.C.

For the Labor Organization:

James J. Chiodini

White, Przybylowicz, Schneider & Baird, P.C.

**FINDINGS, OPINION, AND ORDER OF THE PANEL**

**I. BACKGROUND AND STATEMENT OF THE ISSUE.**

The parties have stipulated that wages, terms and conditions of work relevant to this bargaining unit currently composed of 37 deputy sheriffs and 9 sergeants have been settled with the exception of one issue. That issue is whether the County shall continue to provide, or shall not continue to provide longevity pay for new hires. The parties and the Panel treated this issue as an economic

issue, with the implication that the Panel must choose either the Employer's last best offer or the Union's last best offer.

A hearing was held on this issue on September 30, 1996, At that time, both parties were represented by counsel. Both parties presented evidence in the form of Exhibits and the following Exhibits were entered into the record:

Employer Exhibit #1: Longevity provisions for internal compensable units;

Employer Exhibit #2: Gross Compensation of Deputies at selected comparable sheriffs' deputies.

Employer Exhibit #2A: "An examination of Compensation at Maximum Levels on Comparable Counties."

Employer exhibit #3: Gross compensation of Sergeants at maximum levels in selected comparable counties.

Employer Exhibit #3A: "An examination of Compensation at Maximum Levels in Comparable Counties.

Employer Exhibit #4: Longevity Steps for deputies in selected comparable sheriffs' departments.

Employer Exhibit #5: Bureau of Labor Statistics Tables, including:

CPI-U, all city average (base= 1982-84)

CPI-W, all city average (base= 1982-84)

CPI-U, all city average (base= 1967)

CPI-W, all city average (base= 1967)

CPI-U. Detroit-Ann Arbor SMSA (base= 1982-84)

CPI-W, Detroit-Ann Arbor SMSA (base= 1982-84)

CPI-U, Detroit-Ann Arbor SMSA (base= 1967)

CPI-W, Detroit-Ann Arbor SMSA (base= 1967)

Union Exhibit #1: Composition of Bargaining Unit

Union Exhibit #2: The Economic Settlement

Union Exhibit #3: Bureau of Labor Statistics Tables,  
including:

CPI-U, all city average by expenditure category

CPI-U, all city average seasonally adjusted, by  
expenditure category

CPI-U, selected areas, all items

CPI-W, all city average, by expenditure category

CPI-W, all city average

CPI-U, selected areas, all items

Union Exhibit #4: Jackson County S.E.V. and  
Governmental Revenue/Expenditures.

Union Exhibit #5: Jackson County Long-Term Debt, Debt  
Margin.

Union Exhibit #6: Ratio of Bonded Debt to Assessed  
Valuation.

Union Exhibit #7: Ratio of Debt Service to General  
Expenditures.

Union Exhibit #8: Total Fund Equity.

Union Exhibit #9: Unreserved/ Undesignated Fund  
Equity.

Union Exhibit #10: News Clippings from the Citizen  
Patriot. [Public Employer objected to this exhibit.]

Union Exhibit #11: Comparable Counties' policies for new hires.

Union Exhibit #12: Step increases of Comparable Counties.

Union Exhibit #13: Longevity provisions of Comparable Counties.

Union Exhibit #14: Salary grid comparing wages of Jackson deputies with wages of deputies in comparable counties.

Union Exhibit #15: Salary comparison of wages of Jackson 10-year deputies with 10-year deputies in comparable counties.

Union Exhibit #16: Components of salary for Jackson 10-year deputies compared to salary components of 10-year deputies in comparable counties.

Union Exhibit #17: Pension multipliers in Jackson and comparable counties.

Union Exhibit #18: Longevity policies of other Jackson County units.

Union Exhibit #19: Step increases for other Jackson County units.

Union Exhibit #20: Policies of other Jackson County units on longevity.

Union Exhibit #21: Comparison of percentage increases of Jackson County deputies and Jackson County command officers.

Union Exhibit #22: Comparison of salary maximums for Jackson non-bargaining unit positions compared to Jackson County deputies.

The parties were afforded an opportunity to argue their respective positions. Shortly after the close of hearing, the parties presented their last best offers, as follows:

THE UNION: Maintain the status quo in regard to longevity pay for new hires.

THE EMPLOYER: Eliminate longevity pay for bargaining unit employees hired after January 1, 1996.

## II. STANDARDS FOR DECISION.

The applicable statute, MCLA 423.239, requires the Panel to examine the evidence presented to it in light of the following eight factors:

1. The lawful authority of the employer.
2. Stipulations of the parties.
3. The interests and welfare of the public and the financial ability of the unit of government to meet those costs.
4. Comparison of the wages, hours, and conditions of employment of 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 comparable communities].
5. The average consumer prices for goods and services, commonly known as the cost of living.
6. 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.

7. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
8. Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration [in collective bargaining].

### **III. POSITIONS OF THE PARTIES.**

**A.** The evidence here presented by the Employer appears to have focused on internal and external comparables, and a series of exhibits designed to show that Jackson County sheriffs' deputies are well-paid when overall compensation is compared with overall compensation of deputy sheriffs in other counties. The external comparables that both parties have utilized are: Allegan County, Bay County, Calhoun County, Eaton County, Ingham County, Midland County, Muskegon County, and Saginaw County.

With regard to these counties, the Employer has shown, for instance, that total compensation of deputy sheriffs [at maximum levels] is \$49,621 for 1644 hours worked [i.e., total compensation of \$30.18/ hour]. When recent settlements in Bay, Ingham, and Midland Counties are factored in, the average total pay of top-level deputies in the seven comparable counties is \$28.86/hour. That figure is obviously lower than the total compensation of \$30.18 paid to Jackson County deputies.

In addition, says the County, the pattern persists for sergeants employed by Jackson County [\$32.45 for all hours

worked] compared to sergeants employed by the seven comparable sheriffs' departments [\$32.40 for all hours worked].

Significant from the County's point of view are working conditions applicable to other employees including non-uniformed employees of this Employer. Most pointedly, the Dispatchers, starting on January 1, 1996, will be operating under an agreement that dispenses with longevity pay for all new employees. The County would like to extend that provision to the deputies here involved, essentially for the following reasons:

- That it saves money.
- That deputies are already well-paid by any external standard;
- That deputies are already well-paid by applicable internal standards of comparison.

**B. The Union,** by contrast, has presented a series of exhibits designed to show that Jackson County is well-off, currently has flush coffers, and will have no difficulty [no "ability to pay" problem] in regard to the cost of the requested benefit and the costs of already-negotiated pay and benefit increases. [The Union points particularly to the data on the County's non-reserved, non-designated fund.] Thus, according to the Union, Jackson County is not in a position to require cut-backs, "give-backs," or retrenchments of employee benefits.



On the contrary, the Union cites factor (3) above, "The interests and welfare of the public and the financial ability of the unit of government to meet those costs." The Union says that the "interests and welfare of the public" is separate and distinct from the financial ability of government to pay. Not only has the Public Employer failed to show that ability to pay is a factor here; but more affirmatively, the Union asserts that it has shown that the interests of the public support the maintenance of the status quo, i.e., continued payment of longevity payments to all current and new members of the bargaining unit.

Secondly, argues the Union, the external comparables indicate that the provision of longevity payments is the norm for uniformed sheriffs' deputies. In support of this position, the Union points out that the comparable communities with the exception of Bay County provide some form of longevity payments to deputies.

As to the amount of longevity payments, the Union says further that the level of Jackson County payments is entirely reasonable. The first step on the longevity ladder is 2%. This is equivalent to what Midland County deputies earn at the first step. In Eaton County, deputies earn a lump sum at the first step of \$200 [representing less than 1% of base salary]. Allegan County deputies earn a lump sum of \$300 at the first step [representing approximately 1% of base pay]. In Saginaw County, deputies earn a lump sum of \$350 [\$70 X 5 years, representing 1% of base salary].

At the upper end of the longevity ladder, the percentage increases attained after 12 to 25 years of experience range from 4% to 9% of base pay. In Jackson County currently, sheriffs' deputies are eligible for the maximum longevity payment after fourteen years of service and that payment is 4% of base pay.

Thus, at the first step of the longevity ladder, Jackson County deputies do quite well in comparison to the deputy sheriffs of other comparable counties. At the high rung of the longevity ladder, Jackson County deputies receive less than the average increase [however, the Jackson County deputies start receiving their maximum longevity increases at an *earlier seniority date* than average]. Thus, it could accurately be asserted that Jackson County deputies are "in the middle of the pack" of comparable communities.

The Union argues further that the continuation of longevity pay for Jackson deputy sheriffs is supported by internal comparables. The Union would interpret the data to indicate that some form of incremental pay tied to longevity of service is currently provided to employees in AFSCME Unit B [general County employees], AFSCME Unit C [Court employees], AFSCME Unit D [court and court-related employees], Probation Agents, Health Department Nurses, Assistant Prosecutors, and non-bargaining unit employees. The County would dispute whether pay increments provided by contract to some of these employees should be characterized as "longevity pay." In several cases, it appears that payments are at the

discretion of department heads, but that an employee is eligible only on the basis of overall length of service.

#### IV. DISCUSSION AND ANALYSIS.

The Panel notes that the statute does not provide any guidelines on which of the 8 itemized standards of decision in Act 312 should be considered preeminent; or which factors should be considered less important. The importance to be accorded any given factor is dependent, in part, on the presentation of evidence to the Panel; and, in part, on the panelists' own evaluation of what factors pertain most directly to the situation at hand.

The bargaining context is one factor of primary significance, and can be considered under factor (8). Certainly, bargaining context is one of the traditional factors taken into account in collective bargaining and, generally, in setting terms and conditions of employment. Here, it is the Public Employer, not the Union, which seeks to change the status quo in regard to longevity pay.<sup>1</sup> But the Employer offers little justification, in terms of the stan-

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<sup>1</sup> In the more usual case, the Union seeks a change in benefits going beyond the status quo. The Public Employer typically defends on the basis that (a) the public interest is served by holding the line, (b) because augmenting benefits goes beyond the Employer's ability to pay.

Here, contrary to the more customary Act 312 case, the Union does not seek to augment this benefit beyond the benefit currently provided. Furthermore, given the relatively sound fiscal status of this Public Employer, as agreed on all sides, it is beyond argument that the Public Employer can pay for continuation of the benefit currently provided to all deputies [plus those wage and benefit improvements that have been negotiated bilaterally]. Thus, neither "the interest and welfare of the public" argument nor "the ability to pay" argument avails this Public Employer anything, in these circumstances.

dards of decision in the Act, for changing or eliminating a condition of work that has been a traditional part of the sheriffs' contract.

Contrariwise, the Union seeks to preserve the status quo, and in support of its position cites factor (3), the interests and welfare of the public. How does this argument play out in the Union's scenario?

The interests and welfare of the public, according to the Union, includes the well-being of the uniformed forces. Their esprit de corps is important to their optimal performance, and is even recognized as part of the purpose of Act 312.<sup>2</sup> Here, the Public Employer proposes to delete a benefit that adds significant dollar income to the deputy sheriffs' paychecks after their first 5 years of service and that continues to augment their salary for the rest of their working lives in the Jackson County Sheriffs' Department.

The Public Employer proposes to do away with this income item for new hires only, thus creating two classes of sheriffs' deputies, those hired before January 1, 1996, who will continue to enjoy the benefit; and those hired after January 1, 1996, who [under the Public Employer's proposal] would be deprived of this pay item. Such a two-tiered wage system would, in the Union's eyes, have a negative effect on employee morale; a negative effect on the smooth and effi-

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<sup>2</sup> "It is the public policy of this state that in public police and fire departments..., it is requisite to the high morale of such employees and the efficient operation of such departments [to provide fast, final, and binding resolution of labor disputes]." MCL 423.231

cient functioning of the uniformed service; and ultimately, would undermine the public interest in efficient sheriff operations. The Panel is inclined to believe there is at least a kernel of truth to this argument; and, in the absence of any compelling reason why the down-shift recommended by the Public Employer should be adopted, tends to support the Union position.

In addition to the factors above reviewed, the Panel is persuaded that factor (4) applies and supports maintenance of the status quo. Comparable communities do generally pay some form of longevity pay. Furthermore, as is apparent from Union Exhibits #12 & 13, the level of longevity payments and their timing [the steps on the ladder at which employees receive payments] describe a range of benefits within which Jackson County falls very neatly. In view of the data on comparable communities presented at hearing, the request of the Union to maintain the status quo is the more reasonable position, as compared to the Public Employer's request to delete an existing benefit for new employees.

Internal comparables, though they play some role in defining appropriateness of benefit changes for a group of employees, do not really hold sway here, where the internal comparables are generally not other uniformed forces. In addition, there is some ambiguity on this record as to whether longevity payments which may be provided by contract to Probation Agents, Assistant Attorneys, and others, are

actually administered as longevity payments or as discretionary bonus payments.

Finally, the overall compensation paid to Jackson County employees is a factor which operates as a governor or limiting factor. Here, the evidence indicates that the overall compensation including the costs of all pay items, and the imputed cost of days off (pursuant to current contractual entitlement) is higher for Jackson County sheriffs' deputies [\$30.18] than the average for deputies in all other comparable counties [\$28.86]. Some comparable communities [Ingham, Midland, and Muskegon] provide more overall compensation to deputy sheriffs, while other comparable communities [Bay, Calhoun, and Eaton] provide less overall compensation. In any event, the Jackson County figure for overall compensation is in the same neighborhood as the overall costs of employment for deputy sheriffs in the other comparable communities.

## V. FINDINGS.

The Panel finds that the interests and welfare of the public supports continuation of the status quo, i.e., maintenance of longevity payments for deputy sheriffs and sergeants.

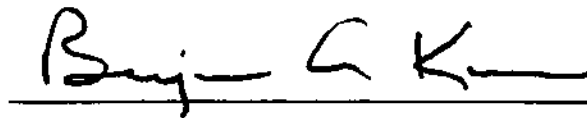
The Panel finds that the prevailing working conditions in comparable communities is for deputy sheriffs and sergeants to be paid longevity payments.

The Panel further finds that the amount, timing, minimal and maximal range of pay requested here is well within the norm established by comparable communities.


The Panel finds that the overall compensation of sheriffs' deputies and sergeants in Jackson County, including longevity payments, is within the range shown to be applicable for other comparable communities and is not excessive.

ORDER

Based on the foregoing evidence, and in view of the factors specified in 1969 P.A. Act 312, this Panel awards the Last Best Offer of the Union, namely, that the parties shall incorporate in their 1996-99 collective bargaining agreement a provision to continue longevity payments to bargaining unit members, on the same basis as they are currently paid.

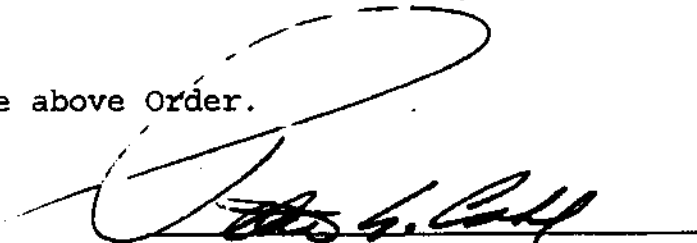


Benjamin A. Kerner  
Neutral Chair



James J. Chiodini  
Union Panel Delegate

I dissent from the above Order.



Peter A. Cohl  
Employer Panel Delegate

Dated: October 24, 1996