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ACT 312 COMPULSORY  
ARBITRATION PANEL

In the Matter of Arbitration

Between:

City of Lansing

and

Lansing Supervisory Police Officers,

Fraternal Order of Police,

Lodge 141

MERC Case No. L84-G-525

Arbitration Panel

Dr. Benjamin W. Wolkinson, Impartial Chairman

Mr. Jerry Lawson, Union Panel Member

Dr. Edward Callaghan, City Panel Member

Representing the City

Mr. W. Scott Szpara, Esquire

One Michigan Avenue

Lansing, Michigan 48933

Representing the Union

Mr. R. David Wilson, Esquire

600 American Bank and Trust Building

Lansing, Michigan 48933

## BACKGROUND

A pre-arbitration conference was held in Lansing on January 14, 1985. The hearings took place on May 3, 6, and 20, 1985 and June 14, 1985 in Lansing, Michigan. Additionally, the panel met in executive sessions on October 11 and 25, 1985 in Howell, Michigan to examine and discuss drafts of this award. This final award represents the chairman's consideration of the input and critical observations of the two delegates.

Prior to the hearing the Union withdrew its demands for (1) increased administrative leave days, (2) increased vacation, (3) implementation of a four-day ten-hour work week, (4) shift premium, (5) increased Delta dental benefits, (6) increased sick leave buy back, (7) increase in gun allowance, and (8) shift premium.

Additionally, the Union accepted the City's position on longevity that longevity be increased to \$14,000 as of January 1, 1985 with all other provisions of this section remaining the same. The City withdrew its humanitarian clauses from consideration.

The parties also agreed that the new agreement would run from July 1, 1985 through January 31, 1986.

There are two main subjects presented to the panel for consideration: (1) wages for Sergeants, Lieutenants IV, Lieutenants V, and Captains for the period July 1, 1985 through June 30, 1985 and between July 1, 1985 through January 31, 1986, and (2) holidays.

## WAGE ISSUE

On the issue of wages, the Union's and City's final offers are as follows:

### July 1, 1984 to June 30, 1985

<u>Rank</u>	<u>Annual Wage</u>	
	<u>City</u>	<u>Union</u>
Sergeant	\$29,832	\$31,820
Lieutenant IV	31,622	33,730
Lieutenant V	33,519	35,754
Captain VII	36,703	39,151

### July 1, 1985 to January 31, 1986

<u>Rank</u>	<u>Annual Wage</u>	
	<u>City</u>	<u>Union</u>
Sergeant	\$30,876	\$33,411
Lieutenant IV	32,729	35,417
Lieutenant V	34,692	37,542
Captain VI	37,986	41,109

In considering the proofs of both parties, the panel must apply the eight criteria identified in Section 9 of Act 312.

These eight factors are as follows:

1. The lawful authority of the employer.
2. Stipulations of the parties.
3. The interest 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 the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with employees generally:
  - (a) Public employment in comparable communities.
  - (b) In private employment 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 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.

The Union has contended that its wage proposal is justified by the need to increase the wage spread between supervisory and non-supervisory ranks in order to encourage the upward movement of officers into supervisory positions. It maintains that a reduction in the number of personnel participating in competitive promotional examinations for the position of sergeant and lieutenant can be attributed to the relatively low increases in salary earned by supervisors. In rebuttal the City has argued that the Lodge's proposal could result in a twenty percent (20%) differential between the non-supervisory and supervisory ranks and there is no showing that a 20% is necessary or justified to stimulate upward mobility. Furthermore the City maintains that if there has been declining interest it was due to a previously negotiated change in seniority system whereby individuals being promoted would have a reduced chance of being assigned to favorable shifts.

On review of this evidence the panel finds that there has been a reduction in the number of personnel taking the examinations for sergeant and lieutenant position. Decline is most precipitous for the position of sergeant with 63% of all eligible police personnel taking the examination in 1980 and only 35% taking it in 1984. Similarly, the percentage of eligible sergeants who took the lieutenant examination declined from 74% in 1980 to 54% in 1984.

It is however difficult to identify the exact reasons for this decline. Sergeant Cook and Assistant Chief Rifsnyder have both testified that they heard other officers indicate that the current differential between supervisory and non-supervisory officer is one factor in the decline of the number of personnel taking competitive promotional examinations. Other factors may also be responsible for the decline. Lieutenant Bower has testified that seniority was first used as a factor in shift selections after the promotional exams had occurred in 1982. Since these promotional exams have been given every other year, the effect of using seniority in shift selections upon the rate at which officers seek promotion would first be evidenced in 1984. Significantly, the largest decline in the number of officers seeking promotion occurred in 1984, with 55% of all eligible patrolmen seeking promotion in 1982 but only 35% of them in 1984. That the largest reduction in the percentage of patrolmen seeking promotion occurred after seniority was used in shift assignments suggests that non-supervisory officers may be disinclined to seek promotion because of the concern that the

application of seniority to shift assignments would result in a promoted officer having a smaller chance to obtain a favorable shift.

On balance, the panel finds that the shift differential promotional incentive argument does not support the position of either side. To the degree that the current differential does play some role in declining percentage of officers taking the competitive examination, the panel observes that the City's wage offer would not correct this situation. Thus the City's wage offer for the first year would only increase the differential from ten to eleven percent. At the same time the panel does not find that the decline in the number of personnel seeking promotion supports the Union's wage position either. There is no showing that a wage differential of twenty percent (20%) and not one of a significantly smaller magnitude is necessary to provide non-supervisory personnel with the necessary economic incentive to compete for higher level positions in the police department.

Much of the record compiled at the hearing concerns the parties' efforts to support their respective position on wages by reference to supervisory police wages in other communities. The comparables agreed to were the cities of Ann Arbor, East Lansing, Flint, Grand Rapids, Jackson, Saginaw and Wyoming. There is a ninth city--Kalamazoo--which the Union contends is comparable while the City maintains that less serious consideration be given to it because of the introduction of a public safety concept in that community which has changed the nature of

police work and hence compensation.

Another major difference between the parties is that the Employer has applied different weights to each city when making wage comparisons. The cities of Flint, Saginaw, Grand Rapids and Kalamazoo the City has been assigned a weight of three; East Lansing and Jackson a weight of two; and Ann Arbor and Wyoming a weight of one. When making comparisons the Union has assigned an equal weight to all cities. Additionally, in tabulating wage comparisons the City has utilized data for the period January 1984 while the Union has used wage information indicating wages in existence as of July 1984. Finally, when tabulating longevity, the City used the longevity base in effect as of January 1, 1985 while the Union used the longevity base in effect in January 1984.

The City's wage proposal based upon wages and longevity being received by policemen in the communities is shown below according to the City's calculations.

Sergeant's Weighted Average Wage As of January 1984

<u>Comparable City</u>	<u>Wage and Longevity</u>	<u>Weight</u>	<u>Weighted Average</u>
Ann Arbor	37,055	1	37,055
East Lansing	30,380	2	60,760
Flint	30,957	3	92,871
Grand Rapids	28,178	3	84,534
Jackson	29,817	2	59,634
Kalamazoo	31,865	3	95,595
Saginaw	31,483	3	94,449
Wyoming	32,093	<u>1</u>	<u>32,093</u>
		18	556,991
Weighted Average		\$30,943.94	
Employer's Proposal		\$30,612.00	

Lieutenant's Weighted Average Wage as of January 1984

<u>Comparable City</u>	<u>Wage and Longevity</u>	<u>Weight</u>	<u>Weighted Average</u>
Ann Arbor	38,915	1	38,915
East Lansing	32,482	2	64,964
Flint	33,222	3	99,666
Grand Rapids	30,948	3	92,844
Jackson	32,873	2	65,796
Kalamazoo	35,214	3	105,692
Saginaw	35,527	3	106,581
Wyoming	33,755	<u>1</u>	<u>33,755</u>
		18	608,113
Weighted Average		\$33,784.05	
Employer's Proposal			
Lieutenant IV		\$32,402.00	
Lieutenant V		\$34,299.00	



Captain's Weighted Average Wage As of January 1984

<u>Comparable City</u>	<u>Wages and Longevity</u>	<u>Weight</u>	<u>Weighted Average</u>
Ann Arbor	41,047	1	41,047
East Lansing	37,494	2	64,988
Flint	N/A	-	-
Grand Rapids	34,704	3	104,112
Jackson	36,243	2	72,486
Kalamazoo	38,530	3	115,590
Saginaw	39,981	3	119,943
Wyoming	36,646	<u>1</u>	<u>36,646</u>
		15	554,812
Weighted Average		36,987.46	
Employer's Proposal		37,483.00	

The Lodge has presented the following calculations based on its estimate of salaries and longevity pay in effect in July of 1984.

<u>Sergeant</u>	Ann Arbor (\$37,055)
	Saginaw (\$33,035)
	Flint (\$32,900)
	Lansing (\$32,600)
	E. Lansing (\$32,460)
	Wyoming (\$32,093)
	Kalamazoo (\$32,015)
	Jackson (\$30,413)
	Grand Rapids (\$29,282)

Lieutenant

Ann Arbor (\$38,913) exp.  
Saginaw (\$37,277)  
Lansing Lt.V (\$36,534)  
E. Lansing (\$34,707)  
Lansing Lt.IV (\$34,510)  
Wyoming (\$33,755) exp.  
Flint (\$33,222) exp.  
Jackson (\$32,873)  
Grand Rapids (\$32,169)

Captain

Saginaw (\$41,890)  
Ann Arbor (\$41,047)  
Flint (\$40,940)  
Lansing (\$39,931)  
E. Lansing (\$39,033)  
Kalamazoo (\$38,759) exp.  
Wyoming (\$36,646) exp.  
Jackson (\$36,243)  
Grand Rapids (\$36,075)

Not unsurprisingly, the different approaches to computing wages has led to very different results. In such a case it is the panel's responsibility to review the data carefully and determine the reasonableness of the factors used by both parties when making comparisons. To begin with the panel feels that a weighting formula used by the City is appropriate. It was

used by Chairman St. Antoine in an earlier Act 312 proceeding involving the city and non-supervisory police. Furthermore, a review of an Act 312 award involving the city and the supervisory unit adjudicated by Arbitrator Chiesa indicates that both Union and Management have continued to apply this weighting formula during wage negotiations. Additionally, at the outset of this hearing counsel for the Employer indicated without challenge from the Union that the comparisons used will be those basically utilized in prior Act 312 negotiating sessions. The clear inference is that both parties have recognized that a weighting formula is appropriate.

Concerning the weight be given the city of Kalamazoo the City has contended that less weight be given to it because of its introduction of a public safety concept. The panel however has received inadequate support for this contention. Nothing in the record has been specifically introduced that the wage pattern in that community has been influenced by a change in the composition of police duties. Significantly, there is nothing in the record to even indicate the percentage of officers whose duties have actually changed. Significantly, while making this contention the City itself has assigned a weight of three when tabulating wage information. For these reasons the panel will continue to assign the historical weight of three to the city of Kalamazoo.

Reviewing the data it is the panel's conclusion that the conclusions drawn from the City's wage comparisons are not persuasive. The first year proposed for this unit spans the period

July 1, 1984 through June 30, 1985. Notwithstanding the City has relied on wage information of an earlier time period, specifically wages in existence in January 1984. In so doing the City has ignored available wage information from comparable communities for the time periods exactly paralleling the time period for which the new agreement in Lansing must be set. As a result the average wage for comparable communities obtained by the City is artificially low.

A few examples illustrate this conclusion. The City has ignored the fact that for the city of East Lansing for the period July 1, 1984 through June 30, 1985 sergeants received \$32,460.00 and lieutenants \$34,707.00. Similarly the City has failed to record the higher wages prevailing in the cities of Grand Rapids, Jackson and Flint during the period July 1, 1984 through June 30, 1985. The City's calculations do not satisfy the statutory requirement of comparability whereby one community can reasonably be viewed as comparable with the other if the wages that are being considered are in effect during parallel time periods. For the same reason comparability is not obtained when the City calculated Lansing longevity increases on the basis of the rate prevailing in January 1, 1985, while using January 1, 1984 figures for longevity increments being paid police in other communities.

At the same time the Lodge figures are not above reproach. It has failed to accord historical weights to the comparable communities. Additionally, the city of Saginaw wage figures includes an educational supplement. Since this is a benefit

never bargained for nor apparently received by Lansing Police its incorporation is not warranted.

In an effort to objectify the wage information the panel has identified the wages that were in effect in the comparable communities during the time period which is as close as possibly coextensive with July 1, 1984 through June 30, 1985 time period for which the panel must decide wages in Lansing. In computing an average the panel has accorded each community the weights historically assigned them. Additionally, for the cities of Grand Rapids and Saginaw the panel observed that the contracts provided one wage for the period July 1, 1984 through December 30, 1984 and a second wage for the period January 1, 1985 through June 30, 1985. In these two cases the panel took a weighted average to obtain the wage level that would have been in existence in these communities for the period July 1, 1984 through June 30, 1985. In this manner, wages for Grand Rapids and Saginaw covered the exact same time period for which the panel must establish wages in Lansing. When computing wages, the panel did so on the basis of wages and longevity that would be received by police in all units. This was done as well by the parties in their briefs and during the course of the hearing to provide a more accurate perspective as to the net economic advantage enjoyed by police in the comparable communities. However, in calculating longevity, the panel used January 1984 data for the City of Lansing because only longevity data for that period was provided to the panel by the parties during the hearing for all the other comparable communities. Below are the

figures compiled by the panel for the wages and longevity pay received by sergeants, lieutenants and captains in the comparable communities as compared with the wage and longevity pay that would be received by these personnel in Lansing under the final offer of both parties.

Sergeant's Wages and Longevity Pay

<u>Relevant Time Period/or Contract Expiration</u>	<u>City</u>	<u>Wages &amp; Longevity</u>	<u>Weight</u>	<u>Weighted Average</u>
Contract Expired 6-30-84	Ann Arbor	35,055	1	37,055
7-1-84 to 6-30-85	East Lansing	32,460	2	64,920
7-1-84 to 6-30-85	Flint	32,900	3	98,700
Wtd. Ave. 7-1-84 to 6-30-85	Grand Rapids	29,859	3	89,577
7-1-84 to 6-30-85	Jackson	30,413	2	60,826
Contract Expired 12-30-84	Kalamazoo	31,865	3	95,595
Wtd. Ave. 7-1-84 to 6-30-85	Saginaw	32,259	3	96,777
Contract Expired 6-30-84	Wyoming	<u>32,093</u>	<u>1</u>	<u>32,093</u>
		575,543	18	31,974
Weighted Average:		\$31,974		
Lodge's Proposal:		\$32,600 (+626)		
Employer's Proposal:		\$30,612 (-1362)		

Lieutenant's Wages and Longevity

<u>Relevant Time Period/or Contract Expiration</u>	<u>City</u>	<u>Income</u>	<u>Weight</u>	<u>Weighted Average</u>
Contract Expired 6-30-84	Ann Arbor	38,915	1	38,915
7-1-84 to 6-30-85	East Lansing	34,707	2	64,414
Contract Expired 6-30-83	Flint	(33,222)	(3)	N/A
Wtd. Ave. 7-1-84 to 6-30-85	Grand Rapids	32,804	3	98,412
Contract Expired 6-30-82	Jackson	(32,873)	(2)	N/A
Contract Expired 12-31-84	Kalamazoo	35,376	3	106,128
Wtd. Ave. 7-1-84 to 6-30-85	Saginaw	36,401	3	109,203
Contract Expired 6-30-84	Wyoming	<u>33,755</u>	<u>1</u>	<u>33,755</u>
		450,827	13	35,064

Weighted Average: \$35,064

City Proposal:

Lt. IV \$32,402 (-2662)

Lt. V \$34,299 (-765)

Union Proposal:

Lt. IV \$34,510 (-554)

Lt. V \$36,539 (+1470)

Captain's Wages And Longevity Pay

<u>Relevant Time Period/or Contract Expiration</u>	<u>City</u>	<u>Income</u>	<u>Weight</u>	<u>Weighted Average</u>
Contract Expired 6-30-84	Ann Arbor	41,047	1	41,047
7-1-84 to 6-30-85	East Lansing*	39,033	2	78,066
7-1-84 to 6-30-85	Flint*	40,940	3	122,820
Wtd. Ave. 7-1-84 to 6-30-85	Grand Rapids	36,788	3	110,364
Contract Expired 6-30-82	Jackson	(36,243)	(2)	N/A
Contract Expired 12-31-84	Kalamazoo	38,759	3	116,277
7-1-84 to 6-30-85	Saginaw	40,905	3	122,715
Wages being negotiated for period after 1-84	Wyoming*	<u>36,646</u>	<u>1</u>	<u>36,646</u>
		627,935	16	39,245

\*Non-bargaining unit

Weighted Average:	\$39,245
City Proposal:	\$37,483 (-1762)
Lodge Proposal:	\$39,931 (686)



A review of the data indicates that the Employer's last offer will result in salaries for Lansing supervisory police being significantly below the average salary for the comparable communities. For Sergeants the negative differential would be \$1,362; for Lieutenants IV the negative differential would be \$2,662; for Lieutenants V \$765; and for Captains \$1,762. At the same time it is also true that the Union's last offer would result in Lansing officers receiving salaries generally above the average for the comparable communities. For Sergeants and Lieutenants the positive differential is rather modest; that of \$626 and \$686 respectively. However, the positive differential for the position of Lieutenant V is significant, amounting to \$1,470; for the position of Lieutenant IV acceptance of the Union's wage offer would still result in personnel within that classification receiving less than the average salary in the comparable communities.

While the Employer's last offer would result in salaries below the average for the comparable communities and the Union's last offer would result in salaries above the average it is evident that when viewing the factor of comparability alone the Union's last offer is more reasonable for several reasons. First, the deviation from the average would be much greater through application of the Employer's final offer than the Union's averaging approximately \$557 for the Union and nearly thrice that amount for the Employer. Additionally, calculations for the weighted average were based on income and longevity figures for the cities of Ann Arbor, Wyoming and

Kalamazoo which did not yet have at the time of this hearing settled contracts covering the same time period under review by this panel. Based on historical experience (see Employer Exhibits 10, 11 and 12) it is reasonable to conclude that police in these communities will be getting increases for the period July 1, 1984 through the period June 30, 1985. Consequently the overall weighted average is going to be larger than it appears in the figures that the panel has examined. This feature in effect reduces the actual gap between the Union's last offer and the average wage in a comparable communities while at the same time intensifying and widening the already significant gap between the average for the comparable communities and the City's wage position based on its last offer.

In an effort to reduce the significance of the adverse wage comparison between Lansing and other communities, the Employer has commented that when analyzing wages in terms of the relative ranking among comparable cities it is not the current position of one city vis-a-vis the other which is important but the relative historic position of that city vis-a-vis comparables especially when this has been the outcome resulting from the parties reaching a negotiated settlement.

The Employer has presented evidence consisting of an historical comparison of the relative ranking of all comparable cities including the city of Lansing for the ranks of Sergeant, Lieutenant and Captain for the period July 1978 through July 1985. Pursuant to this historical relationship analysis the City maintains that in terms of wages the city of Lansing has

maintained for the last seven years a virtually unchanged relationship with respect to the other eight comparable cities for each of the three ranks. This historic relationship between the city of Lansing and the comparable communities has been the result of a voluntary wage agreement reached between the parties and should be respected by this panel.

The panel has reviewed the historical data presented by the City. The following table which is based on Employer Exhibits 10, 11 and 12 shows the relative ranking of Lansing police in terms of salaries as compared with the eight other comparable cities for the period July 1978 through January 1984. In contrast to the Employer's statement there is no one unbroken period of historical continuity. The data instead indicates a definite slippage into the relative pay being received by Lansing for the Sergeants, Lieutenants and Captains qualifications. What is clear is that over the last four years Sergeants, Lieutenants and Captains have ranked near or at the bottom in terms of their pay as compared with the salaries being received by police in other communities.

If the panel were to adopt the Union's last offer, the panel would substantially be restructuring the wage relationships that has previously existed between Lansing and the other communities for the last four to five years. Thus, according to the Union's own calculations instead of being at the bottom of the pay ladder Sergeants would be raised to fourth ranking; Lieutenants IV the fifth; Lieutenants V third; and Captains fourth among the nine communities.

COMPARATIVE RANKING OF PAY OF LANSING  
SERGEANTS, LIEUTENANTS AND CAPTAINS WITH OTHER COMMUNITIES  
BETWEEN 1970 AND JANUARY 1984

	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>January 1984</u>
Sergeants	4	4	3	8	9	9	6
Lieutenants IV	7	7	8	8	9	9	8
Lieutenants V	5	4	4	6	9	9	6
Captains	6	5	5	7	8	9	8

This panel is sympathetic to the effort of Lansing police to be paid adequately and competitively with police from other comparable communities. Additionally, considerations of historical continuity do not justify the permanent locking in of wage patterns that are clearly inequitable. At the same time the Employer's contention that the results of voluntary wage agreement should be respected cannot lightly be ignored, for Act 312 was not designed to overturn agreements repeatedly made by the parties themselves. In this case there is nothing in the record to indicate that the salaries negotiated by Lansing police from 1980 through 1984 which were embodied in several collective bargaining agreements were anything other than the product of free and unrestrained choices made by the parties themselves. For this reason the panel must react cautiously to the Union's last offer as it in a somewhat precipitous manner modifies wage relationships developed by the parties through their own bargaining efforts.

Under Act 312 weight must also be given to evidence concerning comparisons with other employee groups within the same city as is the unit involved in the Act 312 proceeding. In this connection the City has argued that its last best offer is supported by an examination of data concerning the wage agreements it has negotiated with other employee groups. Here the evidence indicates that for the period July 1, 1984 through June 30, 1985 the City granted increases of five percent (5%) to the two Teamster bargaining units and to employees represented by the Lansing Employees Independent Union. Additionally, it

granted a seven percent (7%) increase to the firefighters. Furthermore, while the other FOP units had not yet reached agreement, the evidence in the record indicates that the non-supervisory police had sought a wage increase of approximately 5.6% for the July 1, 1984 through June 30, 1985 period and that the FOP sought for the park police a 6% and 7% increase for each year of an agreement. Finally, the record discloses that the City offered the FOP wage increases of 5% for each year for both the non-supervisory police and the park police units.

The evidence on internal comparability strongly supports the City's position. The Employer's last offer which amounts to a 5% increase for July 1, 1984 through June 30, 1985 parallels the increases generally granted to or offered all other units. In contrast, the Union's final offer which represents a 12% across the board wage increase would provide supervisors with a wage package which is twice as large as what nearly all other units have obtained. Significantly, the FOP's final offer for the supervisors would result in their receiving wage increases that are even twice as large on a percentage basis then it has sought for its other units.

The panel has noted that the City did grant the firefighters a 7% increase, while offering the FOP only 5%. At the same time the evidence also indicates that the larger increase afforded the firefighters was due to economic concessions that this Union made in the area of staffing and in the reduction of the number of hours in the work week which generated a significant cost saving to the City and which there-

by allowed for a higher wage increase for the firefighters.

Furthermore, it is also important to note that in terms of new money allocated the FOP supervisory unit the benefit package offered the supervisors is greater than 5%. Thus, the record indicates that during the 1982-84 contract negotiations the City agreed to modifications and improvements in the pension plan of the supervisory police which allowed police to retire after 25 years of service regardless of age. This increased benefit which became effective June 30, 1984 has resulted in the City's cost for this unit increasing annually by approximately three percent (3%) of total police payroll. This represents new money that the City must allocate for the supervisory police. Significantly this benefit was not one afforded any other non-police group and when figured into the overall compensation being received by the police suggests that the overall compensation package of the supervisory police is in fact greater than that being received by other units with the possible exception of the firefighters during the period July 1, 1984 through June 30, 1985.

In this connection the Union delegate to the Panel has maintained that it is unreasonable to give any evidentiary weight to the pension increases as they were an outcome of 1982 negotiations and the context in which these increases were given was not identified in the record. The Chairman has considered this contention but nevertheless feels that the data on pensions warrants consideration. While the agreement on pensions was apparently reached during the 1983 wage reopener negotiations,

the benefit increases themselves first came into effect on June 30, 1984, the period coterminous with the first year under review by the panel. Pension increases under review represents economic benefits afforded this unit and no other non-police unit. In determining wages, the panel cannot ignore information on pensions, as the panel is obliged to examine the overall level of benefits received by the police as compared with other bargaining units within the City of Lansing. Furthermore, while the panel would have benefited had the record identified the full context in which the pension improvement was granted, all parties had the opportunity in both direct and cross-examination to present a complete record on that subject. The panel has no choice but to give weight to that unrebutted evidence which was presented, and which exists before it.

This panel without the most compelling evidence would be reluctant to afford one group a wage package twice as costly as any other city group for in doing so the panel would be placing a premium on reliance upon the Act 312 process rather than encouraging the parties to settle disputes on their own. Furthermore, by affording one group such favorable treatment the panel would be creating the risk of promoting serious problems of morale among employees in other units.

The City has also argued that the Union's final offer is unreasonable, as it is based upon a 12% wage increase which would undermine long-standing wage differentials between the troopers and the supervisory unit. The record indicates that between the period 1969 and 1984 the salary differential between



position of sergeants and police officers averaged 9.9%. Were the Union's last offer to be implemented this differential would increase to 20%. In contrast the differential would remain generally constant under the City's last offer. This consideration also supports the City's last offer. Thus, the panel has found no evidence to support such a drastic increase in the wage differentials between the non-supervisors and supervisory police. As previously indicated there was no showing that an increase of this magnitude is necessary to encourage patrolmen to seek promotional opportunities. The panel is reluctant to suddenly destroy wage differential that the parties themselves have agreed to over a 16 year period, as such an outcome would likely have a destabilizing effect on the collective bargaining relationships between the non-supervisory police and the City and perhaps create as well a conflict between the various units represented by the FOP.

In making these observations, the panel has noted the evidence presented by the Union that over the past fifteen years the percentage differential between Chiefs and Sergeants has been growing. At the same time the panel feels that reliance on these comparisons is not as relevant. To begin with, the Chief of Police is only one position and the overall effect of any change between that position and others is rather limited as compared with the effect of any changes in differentials between groups of employees in different bargaining units.

Furthermore, no evidence has been presented as to the size of any wage differentials existing over the years between supervisors and non-supervisory police and those holding the

positions of deputy chief and assistant chief. For this reason there is no firm basis for the Union's conclusion that top officials aside from the chief are gaining ground over bargaining unit employees.

In summary, the evidence on the current average wage in the comparable communities strongly supports the Union's final offer on wages for the period July 1, 1984 through June 30, 1985. At the same time the weight given this factor is mitigated to some degree by the recognition that the current wage level in Lansing is a product of the parties' voluntary negotiations which merits some respect by the panel. Additionally, the City's final position is itself strongly supported by considerations of internal comparability and the inequities that would be produced by offering the supervisors a wage package twice as large as that received by nearly every other unit for the period July 1, 1984 through June 30, 1985. Furthermore, the Union's final proposal would have the destabilizing effect of undermining long-standing wage differentials between the troopers and the supervisory unit. Taking all these factors into consideration the panel concludes that the City's final offer is the more reasonable one and votes by two to one with member Lawson dissenting to accept it.

The panel will now consider the final offer to be implemented for the sergeant, lieutenant and captain job classification for the period July 1, 1985 through January 31, 1986. On this issue neither side presented wage data for comparable communities for either sergeants, lieutenants or

captains for the relevant time period. Consequently, this criteria cannot be considered. The panel, however, has at its disposal arguments concerning intra-city of Lansing wage comparisons and must also consider the effect of any wage increases adopted by this panel in the first year of the agreement. On the basis of these considerations the panel will make its decisions.

Sergeants', Lieutenants' and Captains Pay For the Period  
July 1, 1985 through January 31, 1986

The panel observes that implementation of the City's final offer in the preceding time period will result in sergeants, lieutenants and captains receiving wage and longevity pay that is below average pay in the comparable communities. Additionally, the City's wage offer for the last seven months of the agreement is below the 5% increase it has offered all other city groups for the same time period. For these reasons both external and internal considerations of equity dictate acceptance of the Union's 5% wage offer for the period June 30, 1985 through January 31, 1986. This decision is taken by a panel vote of two to one with member Callaghan dissenting.

Before proceeding to the last issue of holidays, the panel feels that some general comments on the deliberations underlying the preceding award are appropriate. The panel was surprised and dismayed at the large gap that existed between the final offer of both parties on the wage issue for the first year of the agreement. It strongly felt that both parties final positions were unjustified. The City offered a wage

package that did not adequately consider the fact that Lansing Police are underpaid as compared with supervisory police in other communities. At the same time, it concluded that the FOP sought to rectify this wage disparity through demands that themselves would have produced inequitable results in view of the agreements reached between the city of Lansing and all other units as well as anticipated agreements between the city of Lansing and the two other FOP units. The record indicates that a more vigorous and effective effort at compromising the considerations of external and internal comparability should have been more thoroughly explored and an appropriate agreement reached. The panel's authority and capability to fashion a package which best harmonizes and promotes the collective bargaining interest of both sides is limited by the panel's statutory duty to select the final offer of either side with regard to each issue. At the same time, the panel has exercised whatever discretion it has under the statute to fashion as equitable an award as possible. More importantly, however, the panel observes that this award will result in a collective bargaining agreement which will expire very shortly on January 31, 1986. Both parties will be meeting each other soon at the collective bargaining table to discuss a new agreement. The panel strongly encourages both parties to consider the results of this award, the sentiments of the panel, and during negotiation, to fashion an agreement that will begin to redress the disparities in pay between Lansing police and supervisory officers in other communities, but in a manner that gives some recognition to other City of Lansing bargaining patterns.

The second economic issue concerns the number of holidays to be granted the supervisory police. The Lodge's position at the time of the hearing was that the number of holidays be increased from nine (9) to eleven (11) by adding Martin Luther King Day and the Employee's Birthday, effective July 1, 1984. The Lodge's new position, as reflected in their last best offer, is that they receive the two additional holidays effective January 1, 1986 instead of July 1, 1984. The City's position at the hearing and as manifested in its last best offer is that there shall be no change in the number of holidays to be granted members of this bargaining unit.

In support of its position the Lodge has presented evidence that as of January 1, 1986 five (5) other employee groups within the city of Lansing will have twelve (12) holidays off. Thus, even if the panel were to grant the Union's request, Union supervisory police would still have one (1) less holiday off than most other city workers.

Additionally, in examination of comparable communities indicates that on the average supervisory police are afforded 10.43 holiday days which roughly equals the number of days off sought by the Union.

In rebuttal the City maintains that the evidence presented by the Union is faulty as it failed to consider the total amount of paid leave time afforded supervisor police officers and that no additional holidays are warranted as currently supervisory officers are given significant more paid leave time than supervisory officers in comparable communities. Additionally,

even when comparing only the total number of holidays given officers in the comparable community Lansing officers are not under-privileged as they currently receive the average number of holidays off provided elsewhere. Finally, the City presented evidence suggesting that within the city of Lansing supervisory police officers are compensated for holidays at a significantly higher level than any other city group.

Upon review of the record the panel finds that the City's proofs are far more meritorious than the Union's. To begin with, the Lodge's computation of the average number of holidays enjoyed by supervisory police in other comparable communities is faulty. Thus the Lodge's computation ignored the fact that Saginaw police do not obtain special leave for holidays. When this fact is incorporated in the Union's computation it becomes evident that the average number of holidays enjoyed in comparable communities is 9.125 which approximates the number of paid holidays currently enjoyed by officers in this unit.

Additionally, the panel agrees that when evaluating the net benefit employees received from holidays it is only appropriate to consider the total paid leave granted employees, for whether time off is due to a holiday, a vacation, paid personal leave, or administrative leave, the benefit to the worker is his receipt of time off. Using this approach which comprehends the receipt by employees of vacation leave, holidays, personal business leave and administrative leave days the evidence indicates that supervisory police in Lansing received a greater amount of paid leave time than any other comparable group.

Furthermore, even excluding administrative leave days which the Union has contended should not be counted as it represents compensation for supervisory police having to report early to their shifts, it is not evident that Lansing supervisory police officers receive an inadequate amount of leave. When we exclude administrative leave from the calculations the record still reveals that supervisory police in Lansing obtain an above average amount of paid leave time. Finally, the panel finds without merit the suggestion by the Union that the computation on holiday leave should have omitted from consideration the cities of Ann Arbor, Flint and Kalamazoo and that we consider only cities with time off for holidays. This approach would clearly distort the entire analysis by omitting the fact that there are cities unlike Lansing which either do not accord their supervisory police holiday pay or when in doing so do not grant their officers compensatory time off for work they performed on the holiday.

As with the issue of wages, the panel feels that the comparative compensation approach is to be afforded very significant weight as it represents the best test of what employees would have obtained in unrestrained collective bargaining. However, even when examining holidays received by other city of Lansing employees the Union's argument for additional amount of holidays is not supported by sufficient evidence. Thus while it is true that as of January 1986 other groups of workers will be receiving greater number of holidays, the evidence also reveals that the compensation received by

supervisory police for holidays worked is significantly greater than that received by any other city employee. Thus only supervisory police receive the equivalent of two and a half times one's normal pay for working a holiday.

On the basis of these considerations the panel upholds the Employer's position on the issue of holidays with a vote of two to one with member Lawson dissenting.

Below are the signatures of the Panel members. Their signatures indicate that this is the Award of the Panel on economic issues. It does not indicate that the Panel members concur on all the awards contained in this document. The vote of the Panel members on each issue has been recorded.

Edward Callaghan, City Delegate

Edward Callaghan

Jerry Lawson, Union Delegate \*

Jerry Lawson

November 5, 1985

Benjamin W. Wolkinson, Chairman

Benjamin W. Wolkinson

\* In signing this document I am assenting to the panel's decision as to the issue of the award of wages for the period July 1, 1985 through January 31, 1986. I dissent as to the panel's decision regarding Holidays and wages for the period July 1, 1984 through June 30, 1985. I adopt as the reasons for my dissent regarding wages, the reasons set-out in the arbitrator's original decision dated October 3, 1985, the text of which I hereby incorporate by reference and make a part of my dissent.



MICHIGAN STATE UNIVERSITY

UNION DISSENT

SCHOOL OF LABOR AND INDUSTRIAL RELATIONS  
SOUTH KEDZIE HALL

EAST LANSING • MICHIGAN • 48824

October 3, 1985

Mr. Jerry J. Lawson  
Executive Director  
Capitol City Lodge #141  
P.O. Box 141  
Mason, Michigan 48854

Dr. Edward Calahan  
Director of Personnel  
Wayne County Community College  
801 West Fort Street  
Detroit, Michigan 48226

Gentlemen:

Please find enclosed a draft of the Act 312 Award between the City of Lansing and the F.O.P. I would appreciate your reviewing it and will give consideration to your critical observations before issuing a final award. Hopefully we can meet soon to review the draft award together, and I will be calling you to schedule such a meeting.

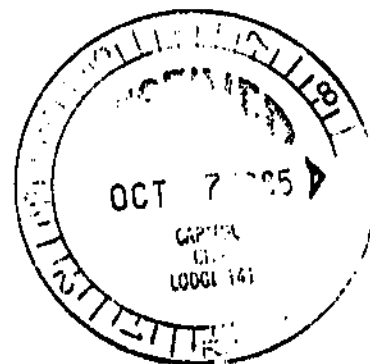
Thank you for your cooperation.

Sincerely yours,

*Benjamin Wolkinson*

Benjamin Wolkinson  
Act 312 Chairman

w  
Enclosure



DRAFT

ACT 312 COMPULSORY  
ARBITRATION PANEL

In the Matter of Arbitration

Between:

City of Lansing

and

Lansing Supervisory Police Officers,

Fraternal Order of Police,

Lodge 141

MERC Case No. L84-G-525

Arbitration Panel

Dr. Benjamin W. Wolkinson, Impartial Chairman  
Mr. Gerald Lawson, Union Panel Member  
Dr. Edward Calahan, City Panel Member

Representing the City

Mr. W. Scott Szpara, Esquire  
One Michigan Avenue  
Lansing, Michigan 48933

Representing the Union

Mr. R. David Wilson, Esquire  
600 American Bank and Trust Building  
Lansing, Michigan 48933

## BACKGROUND

A pre-arbitration conference was held in Lansing on January 14, 1985. The hearings took place on May 3, 6, and 20, 1985 and June 14, 1985 in Lansing, Michigan.

Prior to the hearing the Union withdrew its demands for (1) increased administrative leave days, (2) increased vacation, (3) implementation of a four-day ten-hour work week, (4) shift premium, (5) increased Delta dental benefits, (6) increased sick leave buy back, (7) increase in gun allowance, and (8) shift premium.

Additionally, the Union accepted the City's position on longevity that longevity be increased to \$14,000 as of January 1, 1985 with all other provisions of this section remaining the same. The City withdrew its humanitarian clauses from consideration.

The parties also agreed that the new agreement would run from July 1, 1985 through January 31, 1986.

There are two main subjects presented to the panel for consideration: (1) wages for Sergeants, Lieutenants IV, Lieutenants V, and Captains for the period July 1, 1985 through June 30, 1985 and between July 1, 1985 through January 31, 1986, and (2) holidays. During the hearing there was no specific agreement by the parties that the panel was to address the Union and Management's final offer on the wage issue on a single package basis. Indeed, the proofs presented recognized that the issue of wages was stratified by (1) the different levels of compensation to be received by the various supervisory police

ranks and (2) by the multi-year nature of the agreement during which wages would be adjusted at different levels in the final offers of both the Union and the Employer. Given that the wage question in reality raises a number of different issues and in the absence of any stipulation by the parties as to how these issues were to be addressed by the panel, the panel has decided that greater equity can be achieved by separate rulings on the wage issue with regard to what wages shall be within each year of the contract and with regard to the level of compensation to be received by each classification within the police supervisory unit.

#### WAGE ISSUE

On the issue of wages, the Union's and City's final offers are as follows:

##### July 1, 1984 to June 30, 1985

<u>Rank</u>	<u>Annual Wage</u>	
	<u>City</u>	<u>Union</u>
Sergeant	\$29,832	
Lieutenant IV	31,622	\$33,730
Lieutenant V	33,519	35,754
Captain VII	36,703	39,151

##### July 1, 1985 to January 31, 1986

<u>Rank</u>	<u>Annual Wage</u>	
	<u>City</u>	<u>Union</u>
Sergeant	\$30,876	\$33,411
Lieutenant IV	32,729	35,417
Lieutenant V	34,692	37,592
Captain VI	37,986	41,109

In considering the proofs of both parties, the panel must apply the eight criteria identified in Section 9 of Act 312.

These eight factors are as follows:

1. The lawful authority of the employer.
2. Stipulations of the parties.
3. The interest 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 the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with employees generally:
  - (a) Public employment in comparable communities.
  - (b) In private employment 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 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.

The Union has contended that its wage proposal is justified by the need to increase the wage spread between supervisory and non-supervisory ranks in order to encourage the upward movement of officers into supervisory positions. It maintains that a reduction in the number of personnel participating in competitive promotional examinations for the position of

sergeant and lieutenant can be attributed to the relatively low increases in salary earned by supervisors. In rebuttal the City has argued that the Lodge's proposal could result in a twenty percent (20%) differential between the non-supervisory and supervisory ranks and there is no showing that a 20% is necessary or justified to stimulate upward mobility. Furthermore the City maintains that if there has been declining interest it was undoubtedly due to the change in seniority whereby individuals being promoted would have reduced chance of being assigned to favorable shifts.

On review of this evidence the panel finds that there has been a reduction in the number of personnel taking the examinations for sergeant and lieutenant position. Decline is most precipitous for the position of sergeant with 63% of all eligible police personnel taking the examination in 1980 and only 35% taking it in 1984. Similarly, the percentage of eligible sergeants who took the lieutenant examination declined from 74% in 1980 to 54% in 1984.

It is however difficult to identify the exact reasons for this decline. Sergeant Cook and Assistant Chief Rifsnyder have both testified that they heard other officers indicate that the current differential between supervisory and non-supervisory officer is one factor in the decline of the number of personnel taking competitive promotional examinations. Yet the evidence also indicates that the largest decline occurred in 1984 after seniority was used to determine shift assignments. It is possible that sergeants are disinclined to seek promotion

because of the concern that the application of seniority to shift assignments would result in a promoted officer having a smaller chance to obtain a favorable shift.

On balance, the panel finds that the shift differential promotional incentive argument does not support the position of either side. To the degree that the current differential does play some role in the declining percentage of officers taking the competitive examination, the panel observes that the City's wage offer would not correct this situation. Thus the City's wage offer for the first year would only increase the differential from ten to eleven percent. At the same time the panel does not find that the decline in the number of personnel seeking promotion supports the Union's wage position either. There is no showing that a wage differential of twenty percent (20%) and not one of a significantly smaller magnitude is necessary to provide non-supervisory personnel with the necessary economic incentive to compete for higher level positions in the police department.

The City has relied on intra-Lansing comparisons to justify its proposal for five percent (5%) for the period July 1, 1984 through June 30, 1985. It notes that in negotiations with the Lansing Employees Independent Union and two Teamster bargaining units it negotiated contracts providing for wage increases of only five percent (5%). Furthermore, while it agreed to a seven percent (7%) increase for firefighters for this time period this larger increase was due to the economic concessions in the area of staffing and in the reduction of the number of hours in the

work week which generated significant cost savings to the city and allowed for a higher wage increase for the firefighters.

A comparison of the settlements received by other units provides some support for the City's wage position of five percent (5%). At the same time conclusive weight cannot be given this factor because the City could provide no evidence as to the wage settlement achieved by City employees most comparable with the supervisory police. Thus the police non-supervisory unit and the park security unit have not negotiated for time period under review by this panel a settlement with the City but were in Act 312. Consequently the panel has no basis for assuming the nature of any increase that would be implemented in these units. Furthermore the City's contention that police supervisors ought to obtain the same increase as other units loses its persuasiveness by the City's own failure to apply the standard to supervisor officers for the period July 1985 - January 1986. In this connection, the City's final offer on a percentage basis is at least thirty percent (30%) below what it is scheduled to give to the other units.

Much of the record compiled at the hearing concerns the parties' efforts to support their respective position on wages by reference to supervisory police wages in other communities. The comparables agreed to were the cities of Ann Arbor, East Lansing, Flint, Grand Rapids, Jackson, Saginaw and Wyoming. There is a ninth city--Kalamazoo--which the Union contends is comparable while the City maintains that less serious consideration be given to it because of the introduction of a public



safety concept in that community which has changed the nature of police work and hence compensation.

Another major difference between the parties is that the Employer has applied different weights to each city when making wage comparisons. The cities of Flint, Saginaw, Grand Rapids and Kalamazoo the City have been assigned a weight of three; East Lansing and Jackson a weight of two; and Ann Arbor and Wyoming a weight of one. When making comparisons the Union has assigned an equal weight to all cities. Additionally, in tabulating wage comparisons the City has utilized data for the period January 1984 while the Union has used wage information indicating wages in existence as of July 1984. Finally, when tabulating longevity, the City used the longevity base in effect as of January 1, 1985 while the Union used the longevity base in effect in January 1984.

The City's wage proposal based upon wages and longevity being received by policemen in the communities is shown below according to the City's calculations.

**Sergeant's Weighted Average Wage As of January 1984**

<u>Comparable City</u>	<u>Wage and Longevity</u>	<u>Weight</u>	<u>Weighted Average</u>
Ann Arbor	37,055	1	37,055
East Lansing	30,380	2	60,760
Flint	30,957	3	92,871
Grand Rapids	28,178	3	84,534
Jackson	29,817	2	59,634
Kalamazoo	31,865	3	95,595
Saginaw	31,483	3	94,449
Wyoming	32,093	<u>1</u>	<u>32,093</u>
		18	556,991
Weighted Average		\$30,943.94	
Employer's Proposal		\$30,612.00	

**Lieutenant's Weighted Average Wage as of January 1984**

<u>Comparable City</u>	<u>Wage and Longevity</u>	<u>Weight</u>	<u>Weighted Average</u>
Ann Arbor	38,915	1	38,915
East Lansing	32,482	2	64,964
Flint	33,222	3	99,666
Grand Rapids	30,948	3	92,844
Jackson	32,873	2	65,746
Kalamazoo	35,214	3	105,642
Saginaw	35,527	3	106,581
Wyoming	33,755	<u>1</u>	<u>33,755</u>
		18	608,113
Weighted Average		\$33,784.05	
Employer's Proposal			
Lieutenant IV		\$32,402.00	
Lieutenant V		\$34,299.00	

**Captain's Weighted Average Wage As of January 1984**

<u>Comparable City</u>	<u>Wages and Longevity</u>	<u>Weight</u>	<u>Weighted Average</u>
Ann Arbor	41,047	1	41,047
East Lansing	37,494	2	64,988
Flint	N/A	-	-
Grand Rapids	34,704	3	104,112
Jackson	36,243	2	72,486
Kalamazoo	38,530	3	115,590
Saginaw	39,981	3	119,943
Wyoming	36,646	1	36,646
		15	554,812

Weighted Average                      36,987.46

Employer's Proposal            37,483.00

The Lodge has presented the following calculations based on its estimate of salaries in effect in July of 1984.

Sergeant

Ann Arbor (\$37,055)

Saginaw (\$33,035)

Flint (\$32,900)

Lansing (\$32,600)

E. Lansing (\$32,460)

Wyoming (\$32,093)

Kalamazoo (\$32,015)

Jackson (\$30,413)

Grand Rapids (\$29,282)

Lieutenant

Ann Arbor (\$38,913) exp.  
Saginaw (\$37,277)  
Lansing Lt.V (\$36,534)  
E. Lansing (\$34,707)  
Lansing Lt.IV (\$34,510)  
Wyoming (\$33,755) exp.  
Flint (\$33,222) exp.  
Jackson (\$32,873)  
Grand Rapids (\$32,169)

Captain

Saginaw (\$41,890)  
Ann Arbor (\$41,047)  
Flint (\$40,940)  
Lansing (\$39,931)  
E. Lansing (\$39,033)  
Kalamazoo (\$38,759) exp.  
Wyoming (\$36,646) exp.  
Jackson (\$36,243)  
Grand Rapids (\$36,075)

Not unsurprisingly, the different approaches to computing wages has led to very different results. In such a case it is the panel's responsibility to review the data carefully and determine the reasonableness of the factors used by both parties when making comparisons. To begin with the panel feels that a weighting formula used by the City is appropriate. It was

used by Chairman St. Antoine in an earlier Act 312 proceeding involving the city and non-supervisory police. Furthermore, a review of an Act 312 award involving the city and the supervisory unit adjudicated by Arbitrator Chiesa indicates that both Union and Management have continued to apply this weighting formula during wage negotiations. Additionally, at the outset of this hearing counsel for the Employer indicated without challenge from the Union that the comparisons used will be those basically utilized in prior Act 312 negotiating sessions. The clear inference is that both parties have recognized that a weighting formula is appropriate.

Concerning the weight be given the city of Kalamazoo the City has contended that less weight be given to it because of its introduction of a public safety concept. The panel however has received inadequate support for this contention. Nothing in the record has been specifically introduced that the wage pattern in that community has been influenced by a change in the composition of police duties. Significantly, there is nothing in the record to even indicate the percentage of officers whose duties have actually changed. Significantly, while making this contention the City itself has assigned a weight of three when tabulating wage information. For these reasons the panel will continue to assign the historical weight of three to the city of Kalamazoo.

Reviewing the data it is the panel's conclusion that the conclusions drawn from the City's wage comparisons are not persuasive. The first year proposed for this unit spans the period

July 1, 1984 through June 30, 1985. Notwithstanding the City has relied on wage information of an earlier time period, specifically wages in existence in January 1984. In so doing the City has ignored available wage information from comparable communities for the time periods exactly paralleling the time period for which the new agreement in Lansing must be set. As a result the average wage for comparable communities obtained by the City is artificially low.

A few examples illustrate this conclusion. The City has ignored the fact that for the city of East Lansing for the period July 1, 1984 through June 30, 1985 sergeants received \$32,460.00 and lieutenants \$34,707.00. Similarly the City has failed to record the higher wages prevailing in the cities of Grand Rapids, Jackson and Flint during the period July 1, 1984 through June 30, 1985. The City's calculations do not satisfy the statutory requirement of comparability whereby one community can reasonably be viewed as comparable with the other if the wages that are being considered are in effect during parallel time periods. For the same reason comparability is not obtained when the City calculated Lansing longevity increases on the basis of the rate prevailing in January 1, 1985, while using January 1, 1984 figures for longevity increments being paid police in other communities.

At the same time the Lodge figures are not above reproach. It has failed to accord historical weights to the comparable communities. Additionally, the city of Saginaw wage figures includes an educational supplement. Since this is a benefit

never bargained for nor apparently received by Lansing Police its incorporation is not warranted.

In an effort to objectify the wage information the panel has identified the wages that were in effect in the comparable communities during the time period which is as close as possibly coextensive with July 1, 1984 through June 30, 1985 time period for which the panel must decide wages in Lansing. In computing an average the panel has accorded each community the weights historically assigned them. Additionally, for the cities of Grand Rapids and Saginaw the panel observed that the contracts provided one wage for the period July 1, 1984 through December 30, 1984 and a second wage for the period January 1, 1985 through June 30, 1985. In these two cases the panel took a weighted average to obtain the wage level that would have been in existence in these communities for the period July 1, 1984 through June 30, 1985. In this manner, wages for Grand Rapids and Saginaw covered the exact same time period for which the panel must establish wages in Lansing. When computing wages, the panel did so on the basis of wages and longevity that would be received by police in all units. This was done as well by the parties in their briefs and during the course of the hearing to provide a more accurate perspective as to the net economic advantage enjoyed by police in the comparable communities. However, in calculating longevity, the panel used January 1984 data for the City of Lansing because only longevity data for that period was provided to the panel by the parties during the hearing for all the other comparable communities. Below are the

figures compiled by the panel for the wages and longevity pay received by sergeants in the comparable communities as compared with the wage and longevity pay that would be received by sergeants in Lansing under the final offer of both parties.

Sergeant's Wages and Longevity Pay

<u>Relevant Time Period/or Contract Expiration</u>	<u>City</u>	<u>Wages &amp; Longevity</u>	<u>Weight</u>	<u>Weighted Average</u>
Contract Expired 6-30-84	Ann Arbor	35,055	1	37,055
7-1-84 to 6-30-85	East Lansing	32,460	2	64,920
7-1-84 to 6-30-85	Flint	32,900	3	98,700
Wtd. Ave. 7-1-84 to 6-30-85	Grand Rapids	29,859	3	89,577
7-1-84 to 6-30-85	Jackson	30,413	2	60,826
Contract Expired 12-30-84	Kalamazoo	31,865	3	95,595
Wtd. Ave. 7-1-84 to 6-30-85	Saginaw	32,259	3	96,777
Contract Expired 6-30-84	Wyoming	<u>32,093</u>	<u>1</u>	<u>32,093</u>
		575,543	18	31,974
Weighted Average:		\$31,974		
Lodge's Proposal:		\$32,600 (+626)		
Employer's Proposal:		\$30,612 (-1362)		

A review of the comparative wage figure strongly supports the Lodge's position. The City wage position would result in a wage which is \$1,300 below the average. Furthermore, when we considered that the figures for sergeants include wage information for cities whose contracts are to be renegotiated for all or part of the July 1, 1984 through June 30, 1985 period (Ann Arbor, Wyoming and Kalamazoo) it is reasonable to presume that the overall average will be higher for the comparable



communities. Consequently the city's below average wage will most likely be even lower.

The panel recognizes that the Union's final offer will result in sergeant's pay being somewhat above the comparable average. Yet the differential is moderate. Furthermore, some if not all of the significance of this differential is lost when considering that three cities used in the calculations did not have current rates because they did not have settled contracts covering the time period under review by the panel. Consequently the average comparable average is likely to be higher than indicated.

In an effort to reduce the significance of the adverse wage comparison between Lansing and other communities the Employer has commented that when analyzing wages in terms of the relative ranking among comparable cities it is not the current position of one city vis-a-vis the others which is important but the relative historic position of that city vis-a-vis comparables especially when this has been the outcome resulting from the parties reaching a negotiated settlement.

The Employer has presented some evidence consisting of an historical comparison of the relative ranking of all comparable cities including the city of Lansing for the ranks of sergeant, lieutenant and captain for the period of July 1978 through July 1985. Pursuant to this historical relationship analysis the City maintains that in terms of wages the city of Lansing has maintained for the last seven years a virtually unchanged relationship with respect to the other eight comparable cities

for each of the three ranks. This historic relationship between the city of Lansing and the comparable communities has been the result of a voluntary wage agreement reached between the parties and should be respected by this panel.

The panel has reviewed the historical data presented by the City and concludes that it does not warrant rejection of the strong probative value that must be afforded the comparative wage data which currently has Lansing supervisory sergeants under the City's last offer significantly below the comparable average. The panel's review of the record indicates that there has not been one continuous relationship over the past seven years wherein Lansing wages for supervisory police personnel have been consistently less than that received by other officers, a result that would be accomplished by the acceptance of the City's proposal. Indeed, the evidence indicates that a different situation existed for a significant number of years. Thus, for the period 1978-1980 among comparable communities the city of Lansing was ranked number three or number four in terms of the wages being paid sergeants. The final position of the Lodge would place sergeants in the relative position they occupied during the period 1978 through 1980. At the same time acceptance of the City's position would place sergeants at the bottom of the wage scale prevailing in all communities, a result not consistent with wage patterns prevailing in Lansing throughout the 1978-84 period.

Reviewing all the arguments on wages for sergeants, the panel finds that the evidence supports the Lodge's final offer.

The panel has found that the Lodge's wage offer is much closer to the comparable wage average than that obtained through the implementation of the City's final offer. Absent countervailing evidence this finding merits significant probative value for a new agreement should reflect as closely as possible the agreement that would have been reached if the parties could have concluded an agreement on their own. As other panels who have dealt with these same parties have indicated, the best measure of the hypothetical settlement is the actual contracts that have been concluded in comparable communities. Thus, traditionally in collective bargaining the criteria heavily used by parties whether in the public or private sector in determining the appropriate wage rate where ability to pay is not a serious consideration are the wages being received by employees in the same industry working in the same job classifications. Thus employers must normally maintain competitive wages externally to insure that the employer can recruit qualified employees and retain productive ones. In this case ability to pay was not an issue. Additionally, other internal city of Lansing wage agreements negotiated by the employer were previously found by the panel not to be controlling. Given these considerations the panel adopts by a vote of 2 to 1 with the City delegate dissenting, to accept the Lodge's final offer for sergeants for the period July 1, 1984 to June 30, 1985.

### WAGES FOR LIEUTENANTS

It should also be noted that when tabulating comparable averages the panel did not consider wage data from a comparable community if it was extremely obsolescent. Thus wage figures for the lieutenant position for the city of Flint where that agreement has expired in June of 1983 and for that same position in the city of Jackson where the agreement had expired in June of 1982 were ignored as they provide no meaningful measure of the wage levels that ultimately will be negotiated in these communities for the time period under review by this panel.

Below are the figures compiled by the panel for wages and longevity pay received by lieutenants in the comparable communities, compared with the wages and longevity pay that would be received by lieutenants in Lansing under the final offer of both parties.

Lieutenant's Wages and Longevity Pay

<u>Relevant Time Period/or Contract Expiration</u>	<u>City</u>	<u>Income</u>	<u>Weight</u>	<u>Weighted Average</u>
Contract Expired 6-30-84	Ann Arbor	38,915	1	38,915
7-1-84 to 6-30-85	East Lansing	34,707	2	64,414
Contract Expired 6-30-83	Flint	(33,222)	(3)	N/A
Wtd. Ave. 7-1-84 to 6-30-85	Grand Rapids	32,804	3	98,412
Contract Expired 6-30-82	Jackson	(32,873)	(2)	N/A
Contract Expired 12-31-84	Kalamazoo	35,376	3	106,128
Wtd. Ave. 7-1-84 to 6-30-85	Saginaw	36,401	3	109,203
Contract Expired 6-30-84	Wyoming	<u>33,755</u>	<u>1</u>	<u>33,755</u>
		450,827	13	34,679
Weighted Average		\$34,679		

City Proposal:

Lt. IV \$32,402 (-2277)

Lt. V \$34,299 (-380)

Union Proposal:

Lt. IV \$34,510 (-169)

Lt. V \$36,539 (+1855)

The Union's proposal for the Lieutenant IV position closely approximates the weighted comparable average, while the City's proposal is several thousand dollars below it. The negative differential generated by the City's last offer is even greater when considering that the comparable average included computations for three cities whose rates for the period July 1, 1984 through June 30, 1985 are not available. The Lodge's final offer for the Lieutenant IV position is thus strongly supported by reference to the statutory criteria of comparability. Additionally the panel notes that acceptance of the Lodge's offer restores that group to the relative position it maintained

during the 1978 to 1980 period. As with the sergeants, the absence of the ability to pay issue and the fact that intra-Lansing comparisons were not viewed as controlling, the panel by a vote of two to one, with panel delegate Callahan dissenting, accepts the Lodge's final offer for the Lieutenant IV job classification on wages for the period July 1, 1984 to June 30, 1985.

At the same time the panel finds that the Union's final offer on wages for the Lieutenant V position is excessive when compared to the comparable average while the City's final offer is nearly identical to it. Consequently the panel votes by two to one with Union delegate Lawson dissenting to accept the Employer's final offer on wages for the Lieutenant V classification for the period July 1, 1984 through June 30, 1985.

#### WAGES FOR CAPTAIN POSITION

Below are wages and longevity pay received by captains in the comparable communities, compared with wages and longevity pay received by captains in Lansing under the final offer of both parties.

Captain's Wages And Longevity Pay

<u>Relevant Time Period/or Contract Expiration</u>	<u>City</u>	<u>Income</u>	<u>Weight</u>	<u>Weighted Average</u>
Contract Expired 6-30-84	Ann Arbor	41,047	1	41,047
7-1-84 to 6-30-85	East Lansing*	39,033	2	78,066
7-1-84 to 6-30-85	Flint*	40,940	3	122,820
Wtd. Ave. 7-1-84 to 6-30-85	Grand Rapids	36,788	3	110,364
Contract Expired 6-30-82	Jackson	(36,243)	(2)	N/A
Contract Expired 12-31-84	Kalamazoo	38,759	3	116,277
7-1-84 to 6-30-85	Saginaw	40,905	3	122,715
Wages being negotiated for period after 1-84	Wyoming*	<u>36,646</u>	<u>1</u>	<u>36,646</u>
		627,935	16	39,245

\*Non-bargaining unit

Weighted Average:	\$39,245
City Proposal:	\$37,483 (-1762)
Lodge Proposal:	\$39,931 (686)

The Lodge's position is supported by reference to the statutory requirement of comparability. A review of the data indicates that while the Lodge proposal for captains approximates the weighted average for the comparable communities the Employer's last proposal is significantly below it. Again, the Employer's deviation from the comparable average resulting from its final offer is increased when considering the several communities who will be renegotiating the wages to be received by captains for the period under review by this panel.

This finding also reduces the significance of the fact that the Lodge's final offer increases the relative ranking of captain's pay in Lansing as compared with its ranking against comparable communities in the recent past. Thus the Lodge's final offer will result in Lansing's captain pay ranking number four among the comparable communities. Yet possible changes in the pay of captains in Kalamazoo and Wyoming, who will be renegotiating the pay of captains for the period under review by this panel, could conceivably reduce Lansing's ranking to the number five or six position, a standing that Lansing occupied in the period between 1978 and 1980.

Again, in the absence of ability to pay considerations and the finding that intra-city of Lansing comparisons did not merit controlling weight, the panel finds that because of the weight to be afforded the statutory criteria of comparability with the wages being received by employees performing similar services, the panel by a vote of two to one with member Calahan



dissenting, accepts the Union's final offer on wages for the position of captain for the period July 1, 1984 through June 30, 1985.

The panel will now consider the final offer to be implemented for the sergeant, lieutenant and captain job classification for the period July 1, 1985 through January 31, 1986. On this issue neither side presented wage data for comparable communities for either sergeants, lieutenants or captains for the relevant time period. Consequently, this criteria cannot be considered. The panel, however, has at its disposal arguments concerning intra-city of Lansing wage comparisons and must also consider the effect of any wage increases adopted by this panel in the first year of the agreement. On the basis of these considerations the panel will make its decisions.

SERGEANT'S PAY FOR THE PERIOD JULY 1, 1985 THROUGH JANUARY 31, 1986

The panel observes that implementation of the Union's final offer in the preceeding time period will result in sergeants receiving wage and longevity pay that is somewhat above the comparable average in other communities. Additionally, the wage increase implemented by this panel is significantly above what other groups in the city of Lansing have obtained. For this reason both external and internal considerations of equity dictate acceptance of Employer's 3.5% wage offer for the period June 30, 1985 through Jan. 31, 1986. This decision is taken by a panel vote of two to one with member Lawson dissenting.

LIEUTENANT'S PAY FOR THE PERIOD JULY 1, 1985 THROUGH JANUARY 31, 1986

The implementation of the Union's last offer would result in Lieutenants IV receiving the average pay earned by lieutenants in comparable communities. At the same time the percentage increase for the period July 1984 through June 30, 1985 is substantially higher than what other city groups have obtained through negotiated settlements. Consequently, considerations of internal equity are best achieved by implementing the Employer's final offer of 3.5% for the Lieutenant IV job classification for the period July 1, 1985 through January 31, 1986. This decision is taken by a vote of two to one with member Lawson dissenting.

LIEUTENANT V PAY FOR PERIOD JULY 1, 1985 THROUGH JANUARY 31, 1986

The panel observes that acceptance of this panel's award incorporating the City's final offer for the preceeding year has resulted in officers in the Lieutenant V category receiving pay which is somewhat less than the average earned by similar policemen in comparable communities. Additionally, the 3.5% offer of the City is on a percentage basis approximately 30% less than what the City will be affording other city groups for the relevant time period. Consequently, considerations of internal equity justify acceptance of the Union's final offer of 5% which matches what other city groups will be receiving. Consequently the panel by a vote of two to one with member Calahan dissenting has endorsed the Union's final offer of 5% for the position of Lieutenant V for the period July 1, 1985 through January 31, 1986.

CAPTAIN'S PAY FOR PERIOD JULY 1, 1985 THROUGH JANUARY 31, 1986

Implementation of the panel's award in the first year of the agreement would result in captains receiving approximately \$700 more than the average wage received by policemen of this rank in comparable communities. Additionally, as a result of this panel's award in the first year the percentage increase that this job group has received is significantly higher than that afforded other units in Lansing. Consequently, to better achieve both the standard of external and internal comparability, the panel has decided by a vote of two to one to adopt the city of Lansing's final offer of 3.5% for the Captain's position for the period July 1, 1985 through January 31, 1986.

The second economic issue concerns the number of holidays to be granted the supervisory police. The Lodge's position at the time of the hearing was that the number of holidays be increased from nine (9) to eleven (11) by adding Martin Luther King Day and the Employee's Birthday, effective July 1, 1984. The Lodge's new position, as reflected in their last best offer, is that they receive the two additional holidays effective January 1, 1986 instead of July 1, 1984. The City's position at the hearing and as manifested in its last best offer is that there shall be no change in the number of holidays to be granted members of this bargaining unit.

In support of its position the Lodge has presented evidence that as of January 1, 1986 five (5) other employee groups within the city of Lansing will have twelve (12) holidays off. Thus, even if the panel were to grant the Union's request, Union supervisory police would still have one (1) less holiday off than most other city workers.

Additionally, an examination of comparable communities indicates that on the average supervisory police are afforded 10.43 holiday days which roughly equals the number of days off sought by the Union.

In rebuttal the City maintains that the evidence presented by the Union is faulty as it failed to consider the total amount of paid leave time afforded supervisor police officers and that no additional holidays are warranted as currently supervisory officers are given significant more paid leave time than supervisory officers in comparable communities. Additionally,

Furthermore, even excluding administrative leave days which the Union has contended should not be counted as it represents compensation for supervisory police having to report early to their shifts, it is not evident that Lansing supervisory police officers receive an inadequate amount of leave. When we exclude administrative leave from the calculations the record still reveals that supervisory police in Lansing obtain an above average amount of paid leave time. Finally, the panel finds without merit the suggestion by the Union that the computation on holiday leave should have omitted from consideration the cities of Ann Arbor, Flint and Kalamazoo and that we consider only cities with time off for holidays. This approach would clearly distort the entire analysis by omitting the fact that there are cities unlike Lansing which either do not accord their supervisory police holiday pay or when in doing so do not grant their officers compensatory time off for work they performed on the holiday.

As with the issue of wages, the panel feels that the comparative compensation approach is to be afforded very significant weight as it represents the best test of what employees would have obtained in unrestrained collective bargaining. However, even when examining holidays received by other city of Lansing employees the Union's argument for additional amount of holidays is not supported by sufficient evidence. Thus while it is true that as of January 1986 other groups of workers will be receiving greater number of holidays, the evidence also reveals that the compensation received by

supervisory police for holidays worked is significantly greater than that received by any other city employee. Thus only supervisory police receive the equivalent of two and a half times one's normal pay for working a holiday.

On the basis of these considerations the panel upholds the Employer's position on the issue of holidays with a vote of two to one with member Lawson dissenting.

Below are the signatures of the Panel members. Their signatures indicate that this is the Award of the Panel on economic issues. It does not indicate that the Panel members concur on all the awards contained in this document. The vote of the Panel members on each issue has been recorded.

Edward Calahan, City Delegate

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Gerald Lawson, Union Delegate

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Benjamin W. Wolkinson, Chairman

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