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In the matter of arbitration between:

The Lapeer County Board of
Commissioners
and
American Federation of State
County and Municipal
Employees (AFSCME), Local No.
1421, Michigan Council 55

4/20/71
ARB

1970-71 Wage Reopener

Decision Rendered:
April 20, 1971

Lapeer County of Board of Commissioners

Under Act No. 312
Michigan Public Acts of 1969

Arbitration Panel:

Hilton W. Tibbits, Delegate representing Lapeer County Board of
Commissioners

Dale D. Latta, Delegate representing AFSCME, Local No. 1421,
Michigan Council 55

Daniel H. Kruger, Chairman

Opinion and Award of Arbitration Panel

Background

The Union, Local 1421, American Federation of State County and Municipal Employees, AFL-CIO represents the bargaining unit for the employees of the Sheriff Department, Lapeer County, Michigan. There are 18 members within the bargaining unit as follows: 2 clerks, 11 deputies, 2 corporals, 2 sergeants, and 1 detective. The employer is both the Sheriff's Department and the Board of Commissioners, Lapeer County.

The current contract is for two years, January 1970 - December 31, 1971. There is provision for a wage reopener for 1971, Article XXXVIII. The Union

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sought to establish dates for first meeting with employer on October 9, 1970 (Union Exhibit #2).

The Union initially sought a wage adjustment of \$2,000 for each of the members in the bargaining unit. At the second bargaining session, it reduced its demand to \$1,100 across the board increase.

An impasse developed and on December 15, 1970 the Union requested the Michigan Employment Relations Commission to assign a mediator (Union Exhibit #7). On December 18, 1970, the Commission assigned a mediator, Charles Sanders (Union Exhibit #8). On December 21, 1970, the County Board of Supervisors offered to increase the wages as follows (Union Exhibit #9):

Deputy Clerk I	\$300 per year
Deputy Clerk II	300 per year
Deputy Sheriff	500 per year
Detective	500 per year
Sergeant	500 per year
Corporal	500 per year

On December 30, 1970 the Union informed the Board of County Commissioners that it was submitting the matter to compulsory arbitration under Act No. 312 (Union Exhibit #10). Also on December 30, 1970 the Union notified the Michigan Employment Relations Commission that it was submitting their dispute to compulsory arbitration (Union Exhibit #11). The parties were unsuccessful in agreeing on a chairman of the Arbitration Panel and requested the Michigan Employment Relations Commission to designate a chairman (Union Exhibit #14). Accordingly the Employment Relations Commission designated Dr. Daniel H. Kruger as chairman

(Union Exhibit #15). Mr. Hilton W. Tibbits was selected by the County to be its representative on the panel and Mr. Dale D. Latta was designated by the Union to be its panel member. The hearing was held by the Arbitration Panel on March 10, 1971 at Lapeer, Michigan.

Mr. Mitchell Gradowski, Staff Representative represented
Local 1421, AFSCME

Mr. Richard J. Bahls, Esq., represented the Lapeer County
Board of Commissioners

Witnesses:

For the Union: Karl Moldenhauer, President Local 1421

For the County: Harold A. Wilhams, County Commissioner
Arnold Goodrich, County Treasurer
Paul Herpolsheimer, Chairman, Board of Commissioners

Discussion of the Wage Issue

The Union pointed out that its wage demand of \$1,100 for each member of the bargaining unit was justifiable in view of other salaries being paid by sheriff departments of other counties in the area. Testimony and subsequent exhibits were submitted on the salaries of personnel in sheriff departments in the following counties in addition to Lapeer: Tuscola, Shiawassee, Livingston, Genesee, Oakland, St. Clair and Macomb. The starting salary of deputy sheriffs in these counties is presented in Table I.

Table II shows the salary classification schedule under the old contract and the number of employees at each step on the schedule.

Table I
Comparison of Starting Salary for Sheriff
Deputy for Select Michigan Counties

<u>County</u>	<u>Starting Salary For Sheriff Deputy</u>	<u>Effective Date</u>	<u>Hours Worked</u>
Lapeer	6,700	old contract	45
Tuscola	6,650	1/1/71	40
Shiawassee	7,370	1/1/71	40
Livingston	7,660	1/1/71	44
Genesee	8,829	1/1/71	40
Oakland	9,500	1/1/71	?
St. Clair	7,228	1/1/71	?
Macomb	8,800	1/1/71	40

Table II

Position of Bargaining Unit Members
on 1970 Classification and Rate Schedule

Deputy Clerk I -

Starting:	\$3,850.00
One Year:	4,250.00
Two Years:	4,650.00
Three Years:	5,050.00 (1 clerk)

Deputy Clerk II -

Starting:	\$4,650.00
One Year:	5,050.00
Two Years:	5,450.00
Three Years:	5,850.00 (1 clerk)

Deputy Sheriff -

Starting:	\$6,700.00 (4 deputies)
One Year:	7,100.00 (1 deputy)
Two Years:	7,500.00 (1 deputy)
Three Years:	8,000.00 (5 deputies)

Detective -

Starting:	\$7,100.00
One Year:	7,500.00
Two Years:	8,000.00
Three Years:	8,400.00 (1 detective)

Sergeant -

Starting:	\$7,200.00
One Year:	7,600.00
Two Years:	8,100.00
Three Years:	8,500.00 (2 sergeants)

Corporal -

\$8,250.00 (2 corporals)

Source: Classification and Rate Schedule from Appendix A Agreement; Number of Employees at various steps provided through exhibits.

Table III shows the current salary of members of the bargaining unit, the county offer, the percent increase represented by the county offer, the Union demand, and the percent increase represented by the Union demand. The county offer represents an average percent increase in salary of 6.4 percent. By comparison, the Union demand represents an average percent increase in salary of 15.04 percent.

The Union demand of a \$1,100 increase in salary for all members of the bargaining unit represents \$19,800 additional costs in salaries to the county over the total salary cost for these employees in 1970. This is calculated as follows: $18 \times 1,100 = \$19,800$. The county offer of \$300 for clerks and \$500 for officers represents \$8,600 additional salary costs to the county over the total salaries of these employees in 1970. This is calculated as follows: 16 employees at \$500 = \$8,000 and two employees at \$300 = \$600.

The principal thrust of the county's position on its wage offer was its inability to pay more. Testimony was presented showing that Lapeer County had a state equalized valuation of \$180 million. Table IV presented by the county shows the state equalized valuation for eight counties in the area, population of these counties in 1970, state equalized valuation per person, budget of sheriff and jail operation and county allocated millage. The table shows that Lapeer has a population of 52,000. Only Tuscola County has a smaller population of 48,000 of the eight counties compared. Lapeer has a state equalized valuation of \$3,461. ^{per capita.} Shiawassee has a lower per capita evaluation of \$3,317. All the other counties have a higher per capita evaluation. Lapeer

Table III

Current Salary, County salary adjustment offer,
and Union proposal, both in dollars and percent increases

<u>Position</u>	<u>Current Salary</u>	<u>No.</u>	<u>County Offer</u>	<u>% Increase of County Offer</u>	<u>Union Demand</u>	<u>% Increase of Union Demand</u>
Deputy Clerk I	\$5,050	1	\$300	5.94	\$1,100	21.78
Deputy Clerk II	5,850	1	300	5.13	1,100	18.80
Deputy Sheriff						
Starting:	6,700	4	500	7.46	1,100	16.42
1 year:	7,100	1	500	7.04	1,100	15.49
2 years:	7,500	1	500	6.67	1,100	14.67
3 years:	8,000	5	500	6.25	1,100	13.75
Detective						
3 years:	8,400	1	500	5.95	1,100	13.09
Sergeant						
3 years:	8,500	2	500	5.88	1,100	12.94
Corporal	8,250	2	500	6.06	1,100	13.33

Average % increase in salary represented by County offer - 6.4%

Average % increase in salary represented by Union demand - 15.04%

Table IV

Comparison of Valuations - Population, Tax Effort,
Sheriff Department Budgets - For Select Counties, Michigan

County	Oakland	Macomb	Genesee	St. Clair	Livingston	Shiawassee	Tuscola	Lapeer
State Equal- ized Value 1970 STC (in millions)	4,738-M	2,747-M	2,100-M	618-M	278-M	209-M	188-M	180-M
Population 1970	906,000	625,000	441,000	120,000	58,000	63,000	48,000	52,000
State Equal- ized Valua- tion Per Person	\$5,242	\$4,395	\$4,761	\$5,150	\$4,790	\$3,317	\$3,910	\$3,461
Sheriff Bud- gets and Jail Operation	2,481,172 ?	2,352,138 inc. meals & jail operation	1,377,366 inc. meals & jail operation	453,420 inc. meals & jail operation	292,600 inc. meals & jail operation	262,100 inc. meals & jail operation	215,757 inc. meals and jail operation	225,430 15,000 meals & jail operation 240,430 TOTAL
County Alloca- ted Millage	5.17	5.19	5.50	5.15 actual county	4.79	5.55	4.20	5.75

Source: County Exhibit

has the highest county allocated millage of any of the eight counties, 5.75.

The County pointed out that it was a rural county and did not have the tax base behind each resident which some of the more urban industrialized counties have. It submitted in testimony its budget for both 1970 and 1971 (County Exhibit #3). Mr. Williams, County Commissioner, pointed out that the County had experienced large increases in welfare as a result of the strike and downturns in the economy. The 1971 budget calls for a \$190,000 expenditure for welfare, as compared with \$130,000 in 1970. Another significant increase was in the expenses for the District Court. There will be two such courts in the County and this will cost \$100,485 in 1971; one court in 1970 had expenditures of \$67,524. The 1971 budget totalled \$1,571,768.50, whereas the 1970 budget was \$1,339,099.37.

The Award

After giving serious consideration to the positions of the parties on the wage issue, the Arbitration Panel awards a nine percent increase in salary for all members of the bargaining unit. Thus, the starting annual salary of a Deputy Sheriff will be \$7,303. This salary compares favorably with the starting salary for deputies in the Shiawassee and St. Clair Sheriff Departments, two of the counties for which salary data were presented. This \$7,303 starting salary is higher than the starting salary of a deputy in Tuscola County and lower than the deputy salary in Livingston (see Table I).

The actual salary adjustment of all members of the bargaining unit represented by a 9 percent increase is presented in Table V.

Table V

Analysis of Panel's Award

<u>Position</u>	<u>Current Salary</u>	<u>Percent Increase</u>	<u>Salary Increase</u>	<u>New Salary</u>	<u>No. at Salary</u>	<u>New Money</u>
Deputy Clerk I	\$5,050	9	\$454.50	\$5,504.50	1	\$454.50
Deputy Clerk II	5,850	9	526.50	6,376.50	1	526.50
Deputy Sheriff						
Starting:	6,700	9	603.00	7,303.00	4	2,412.00
1 year:	7,100	9	639.00	7,739.00	1	639.00
2 years:	7,500	9	675.00	8,175.00	1	675.00
3 years:	8,000	9	720.00	8,720.00	5	3,600.00
Detective						
3 years:	8,400	9	756.00	9,156.00	1	756.00
Sergeant						
3 years:	8,500	9	765.00	9,265.00	2	1,530.00
Corporal	8,250	9	742.50	8,992.50	<u>2</u>	<u>1,485.00</u>
					18	12,078.00

This award is retroactive to January 1, 1971 in accordance with provisions of Article XXXVIII of the agreement.

Employees in the bargaining unit who are eligible will also receive a step increase in salary on the anniversary dates of their employment in accordance with their years of service. Table II shows that six deputies are eligible for step increases since 12 employees in the bargaining unit are already at the maximum salary in their respective classifications. The two corporals are at the maximum in their classification.

This award is slightly higher than the salary increase recently passed by the State Legislature for the state's classified employees. This action of the State Legislature was taken into account by the Panel because one of the largest employers in the county is the Lapeer State Home and Training School. The state employees will receive an 8.3 percent increase in salaries on July 1, 1971.

Another factor considered by the Arbitration Panel was the rising cost of living during 1970 and the increases since January 1, 1971. The U. S. Department of Labor Consumer Price Index, commonly referred to as the cost of living index increased from 113.3 in January 1970 to 119.2 in January 1971. This represented an index point change of 5.9 and a percent increase of 5.2 percent. Between January 1970 and February 1971, the index rose from 113.3 to 119.4, an index point change of 6.1 which represented a 5.5 percent increase. Between January 1971 and February 1971, the index rose 0.2 percent from 119.2

to 119.4. Employees need to improve their economic position in terms of real income during periods of rising prices of goods and services.

The Arbitration Panel awarded a percent increase rather than an across-the-board increase in order to preserve the existing differentials between and within the various grades in the classification system. In our view a percentage increase maintains equity in the classification system. By comparison, an across-the-board pay adjustment creates inequities. An examination of Table I shows that with across-the-board increases, the Deputy Clerks and the Deputy Sheriffs will receive a higher percentage increase than the corporals, sergeants and detectives. The latter classifications have longer years of service and will not be treated equitably by a flat sum increase given to all employees under both the County and Union proposals.

As indicated in Table V, a nine percent increase in salaries for the 18 members of the bargaining unit will cost the county a minimum of \$12,078 in "new money." Put another way, this award will cost the County an additional \$12,078 in salaries for members of the bargaining unit. The total money difference between the County's offer and the Panel Award is \$3,478 calculated as follows:

The cost of the Panel Award	\$12,078
The cost of the last County offer	<u>8,600</u>
Difference	\$ 3,478

The amount of new money cited above does not take into account the fact, as we have noted, that six deputies will be eligible for step increases in

salary on the anniversary dates of their employment. When they reach the anniversary dates, they will receive the salary for their new rates. The additional costs of these employees moving to new rates were not calculated because their anniversary dates were not known to the Panel.

The Arbitration Panel is aware of the financial condition of the County. The award of the Panel is fair and reasonable. It is not the intent of this Panel to suggest ways for the County to find the necessary monies to finance this award. The County, by law, determines its budget. If the awarded salary increase of 9 percent cannot be paid out of the County 1971 budget as it now stands, the County must reconsider its budget and reassess its priorities. Obviously the County has the power to do this. Moreover, the Sheriff is charged with the responsibility of managing his allocated resources more effectively.

In this connection the Panel did take notice that there are several law enforcement agencies operating in the county. In addition to the Sheriff's Department, there is the State Police and the Police Departments of Lapeer, Imlay City, Almont, and Dryden Township. Testimony was also given that Metamora and Hadley Townships also have at least one police officer (p. 43 transcript). The County is served by two State Police Posts. There is one located in the city of Lapeer and one in Romeo. The Panel understands that the Romeo post covers the eastern side of the County and the Lapeer post the western portion of the County.

In view of the number of law enforcement agencies operating in the county, it would seem to the Panel that economies for the County's Sheriff Department could be achieved if all these agencies worked more closely together. There appears to be possible duplication of effort which is costly. By working more closely together, the law enforcement agencies could more effectively utilize their manpower resources.

Conclusion

Although the Panel's authority to hold the hearing was challenged by the County on constitutional grounds, namely that Act 312 of the parties of 1969 is unconstitutional, nevertheless, it is our sincere hope that the County will accept this award without resort to the courts. Employee-employer relations are best conducted at the bargaining table rather than in the courts or through compulsory arbitration. Moreover, it is hoped that the parties learned from this experience in compulsory arbitration which will be beneficial in future collective bargaining.

Arbitration Panel:

Daniel H. Kruger
Daniel H. Kruger, Chairman

Dale D. Latta

Dale D. Latta, Union Representative

Hilton W. Tibbits

Hilton W. Tibbits, County Representative