

IN THE MATTER OF THE
ARBITRATION BETWEEN:

CITY OF MONTAGUE

and

POLICE OFFICERS LABOR
COUNCIL

MERC Case No. G94 C-3023

1/3/96 MBU
C.2.
RECEIVED
96 JAN -3 11 0 56
STATE OF MICHIGAN
BUREAU OF EMPLOYMENT RELATIONS
TROMBLOFF OFFICE

COMPULSORY ARBITRATION

Pursuant to Act 312,

Michigan Public Act of 1969, as amended.

OPINION & AWARD

Arbitration Panel

William E. Long
Arbitrator/Chairman

John C. Schrier
City Delegate

Barton J. Vincent
Union Delegate

Date:

1/5/96

Montague, City of

INTRODUCTION

These proceedings were commenced pursuant to Act 312 of the Public Acts of 1969 as amended. The arbitration panel was comprised of the Chairman, William E. Long, City Delegate, John C. Schrier, and Union Delegate, Barton J. Vincent.

A prehearing was held by telephone conference call on April 26, 1995 and a hearing was held on October 3, 1995 at the City of Montague offices. The City of Montague was represented by Attorney John C. Schrier. The Union was represented by Attorney Barton J. Vincent. The record consists of 22 pages of recorded testimony and a total of 18 exhibits. Final offer of settlement was submitted by the Union on October 17, 1995 and by the City on October 19, 1995. The City submitted a post-hearing brief on October 31, 1995 and the Union submitted a post-hearing brief on November 6, 1995. The panel conducted post-hearing panel meetings by telephone conference call on November 17, 1995 and December 4, 1995. The duration of the contract between the parties is the three (3) year period from July 1, 1994 through June 30, 1997.

By stipulation, the parties waived all time limits applicable to these proceedings, both statutory and administrative. The arbitration petition filed by the union listed six issues by the Union and four issues by the City for resolution (see Joint Exhibit 1).

During the course of the prehearing conference, the hearing and the post-hearing panel meetings, the parties were able to resolve or withdraw from the petition all unresolved issues of dispute identified in the original petition (Joint Exhibit 1) except the issue of wages.

The parties stipulated that the outstanding issue in this matter was the unresolved issue of wages for the three year contract commencing July 1, 1994 through June 30, 1997. Since the single issue in this matter was economic, the panel

was guided by Section 8 of Act 312. This section provides that each economic issue must be decided by the panel selecting the last best offer which more nearly complies with the applicable factors in Section 9.

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

- (a) *The lawful authority of the employer.*
- (b) *Stipulations of the parties.*
- (c) *The interests and welfare of the public and the financial ability of the unit of government to meet those costs.*
- (d) *Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally:*
 - (i) *In public employment in comparable communities.*
 - (ii) *In private employment in comparable communities.*
- (e) *The average consumer prices for goods and services, commonly known as the cost of living.*
- (f) *The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.*
- (g) *Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.*
- (h) *Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.*

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

BACKGROUND

The City of Montague is a residential community located in Western lower Michigan. Its population in the 1990 census was 2,276. Its general fund budget is approximately \$954,000 (City Exhibit 2).

COMPARABLE COMMUNITIES

As noted earlier, Section 9(d) of Act 312 directs the panel to consider and compare the wages, hours, and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours, and conditions of employment of other employees performing similar services and with other employees generally in public and private employment in comparable communities. In this matter, the parties put forth arguments for comparable public employment only. The parties agreed on the comparable communities of: Cedar Springs, Coopersville, Freemont, North Muskegon, Roosevelt Park and Whitehall. In addition to those communities, the City argued that the community of Hart was also comparable. The City indicates that the community of Hart is as comparable to the City of Montague as the other communities that have been identified as comparable communities. The City points out that even though the community of Hart may have the lowest comparable population, municipal budget and SEV of those compared, the difference between these factors compared to the City of Montague is no greater than the difference between those factors for the City of Montague and those of many of the other communities used as comparables.

The Union objects to using the community of Hart as a comparable community not only because it has lower population, municipal budget and SEV, but also because the Union argues that Hart does not have 24-hour police coverage in its community as does the City of Montague and the rest of the comparable communities. However, it was revealed at the hearing that the police officers in the community of Hart do work 40 hours per week, comparable to Montague and other communities, but it has only one chief and three full-time patrol officers, and therefore, there is not coverage 24 hours a day.

After a complete review of the data, the chairperson is convinced that the community of Hart should be considered a comparable community. The differences

between the community of Hart's population, budget and SEV and that of the City of Montague is certainly of no greater difference than many of the other comparable communities. Also, the community of Hart does have three full-time police officers which is exactly what the City of Montague has.

Therefore, the panel chose the following communities as comparable to the City of Montague: Cedar Springs, Coopersville, Freemont, Hart, North Muskegon, Roosevelt Park and Whitehall.

ISSUE

The parties have agreed that the single issue is that of wages for the period of July 1, 1994 through June 30, 1997.

City's Last Best Offer

The City's last best offer proposed a 3.5% wage increase beginning July 1, 1994, 3.5% beginning July 1, 1995 and 3.5% beginning July 1, 1996 through June 30, 1997.

Union's Last Best Offer

The Union's last best offer proposed a 5% wage increase beginning July 1, 1994, 5% beginning July 1, 1995 and 5% beginning July 1, 1996 through June 30, 1997.

The panel has decided to award the Union's last best offer on wages for the period beginning July 1, 1994 through June 30, 1995 and the City's last best offer on wages for the period beginning July 1, 1995 and July 1, 1996 through June 30, 1997. In reaching this conclusion, the panel considered the applicable factors set forth in Section 9 of Act 312. A brief synopsis of those considerations follow:

- a) There is no dispute regarding the lawful authority of the employer.
- b) The parties did stipulate to the applicable issues in this proceeding and the panel did take into consideration the comparable communities stipulated to by the parties and one additional community proposed as a comparable community by the City.

(c) The financial ability of the unit of government was not at issue in this proceeding. The record does reflect that the City provided pay adjustment to some employees July 1, 1995 ranging from 2% to 19.23% (Tr. 5). This was in part in response to an evaluation of comparable positions in other municipalities.

(d) The panel has previously identified the comparable communities considered in this proceeding. The panel reviewed City Exhibits 4 and 5 and Union Exhibit 5 in comparing comparable communities to the City of Montague. Comparing the police officers' salaries at the top of the pay scale on July 1, 1994, even after applying the Union's last best offer for the period July 1, 1994 through June 30, 1995, reveals that four communities will have wages for comparable positions above that of the City of Montague and three will have police officers' wages below those of the City of Montague. The panel's adoption of the City's last best offer for the years 1995 and 1996 further reveals that beginning July 1, 1995, four comparable communities will have police officers' wages above those for the police officers in the City of Montague and two will be below. Beginning July 1, 1996, based on the information revealed in City Exhibit 4, two communities will have police officers' wages above those for police officers in the City of Montague and two will be below.

The panel's decision results in a reasonable progression of wages for Montague police officers compared with comparable communities.

An additional factor the panel has taken into consideration when reviewing comparable cities is the fact that City Exhibit 5 reveals that the officers in the city of Coopersville received a 7% increase in 1994 and officers in the city of Hart received a 6% increase in 1994. City Exhibit 4 reveals that the City of Hart paid its police officers the lowest wage among the comparable communities in 1993, followed next by the city of Coopersville, followed next by the City of Montague. In other words, the police officers for the City of Montague were the third lowest paid police officers in the comparable communities in 1993. It appears that the cities of Hart and

Coopersville recognized the relative position of their police officers' pay and did increase it substantially between the period 1993 to 1994. The panel has taken this into consideration and therefore sees this as a basis for accepting the Union's last best offer for the period July 1, 1994 through June 30, 1995.

At the same time, however, the panel does feel that accepting the City's final offers for the periods July 1, 1995 through June 30, 1997 is more appropriate than the Union's final offers in the context of both the comparable communities and the salaries of other employees within the City. A review of Union Exhibit 9 reveals that the City of Montague's police sergeant's base pay beginning July 1, 1995 is \$30,950. Accepting the panel's decision to increase the officer's pay by 3.5% beginning July 1, 1995 reveals that police officers at the top pay range will receive \$30,633. This is slightly below the pay that the City has established for the police sergeant position. On the other hand, if the panel were to accept the Union's final offer for this time period, the base pay for police officers would be \$31,078 which is more than the City is currently paying the police sergeant.

An additional factor the panel reviewed when considering the comparable communities is the information presented in Union Exhibit 10. That exhibit compared six of the seven cities to the City of Montague relative to the number of offenses and arrests committed within the comparable communities' jurisdictions per officer. Only one comparable community had fewer offenses per officer than the City of Montague and three out of the six had fewer arrests per officer than the City of Montague. The panel concludes that the working conditions for the officers in the City of Montague is not extensively greater than that of comparable communities, and in a number of situations, may be less stressful.

Overall, the panel believes that by accepting the Union's final offer for the period July 1, 1994 through June 30, 1995 and the City's final offer for the periods July 1, 1995 through June 30, 1996 and July 1, 1996 through June 30, 1997 results in the

most equitable resolution of wages in this matter and one that is the most consistent with the comparable communities.

(e) During the post-hearing panel meetings, it was acknowledged by the parties that a review of the transcript of the hearing conducted on October 3, 1995 revealed that neither party presented testimony or exhibits on the issue of the average consumer prices for goods and services, commonly known as the cost of living. The impartial arbitrator and chairperson of the panel suggested that, for purposes of addressing the average consumer prices, the panel stipulate to receiving into evidence information provided by the Bureau of Labor Statistics describing the percent of CPI change for all urban consumers for the period July 1994–July 1995 (2.8%) and the period September 1994–September 1995 (2.5%). The impartial arbitrator had obtained a copy of this material for entry into the record. The Union delegate objected to stipulating to the receipt of this information. The chairperson indicated that he felt he had the authority under Rule 10, R423.510 of the administrative rules governing these proceedings to reopen the hearing phase of this matter for the sole purpose of allowing the introduction of this information into the record, but felt that stipulation by the parties to receive this as part of the record, or acknowledgment by the panel that it could take judicial notice of this information under Rule 9(2)(a) and Section 9(h) of the act would be a more efficient way to address this issue. The chairperson did prepare such a stipulation and circulated it to the parties. That stipulation has been entered and is considered to be part of the record along with the CPI statistics cited above. While this information does tend to favor the City's last best offer, as noted previously, the panel has, in addition to considering the CPI, taken into consideration other factors revealed in the exhibits dealing with comparable communities to reach the conclusion it has.

(f) Using Union Exhibits 6 and 7, the panel compared the overall compensation, including holidays and other benefits, of the comparable

communities to the City of Montague's employees in this bargaining unit. The panel finds the City of Montague's overall compensation to be comparable, and that in any event, these issues were not at issue in this proceeding.

(g) The panel decided there were no substantial changes in circumstances during the pendency of the arbitration proceedings.

(h) This provision allows the panel to consider other factors which are normally or traditionally taken into consideration through voluntary collective bargaining, mediation, fact finding, arbitration or otherwise between the parties in the public service or in private employment. On this point, we merely point out again that the panel did examine the Consumer Price Index for the period July 1994 through September 1995 as it felt it was obligated to do under the act. There were no other factors outside of the information in the record considered by the panel in reaching its decision.

SUMMARY

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

Wages:

The panel accepts the Union's final offer of settlement for the period July 1, 1994 through June 30, 1995.

The panel accepts the City's final offer of settlement for the period July 1, 1995 through June 30, 1996 and for the period July 1, 1996 through June 30, 1997.

Therefore, the City of Montague police officers covered by this contract should receive the following wage increases for the contract year dating July 1, 1994 through June 30, 1995—5%; for the contract year dating July 1, 1995 through June 30, 1996—3.5%; for the period July 1, 1996 through June 30, 1997—3.5%.

The wage increase should be established in Appendix A of the existing contract and said Appendix should read as follows:

SEE ATTACHED APPENDIX A

DEC 29 1995

Re: City of Montague
Police Officers Labor Council
MERC Case No.: G94 C-3023

Agree _____
Union

Dissent BJV _____
Union

Agree ICS _____
City

Dissent _____
City

Date: 1/5/96

William E. Long
William E. Long
Arbitrator/Chairman

John C. Schrier
John C. Schrier
City Delegate

Barton J. Vincent
Barton J. Vincent
Union Delegate

APPENDIX A

WAGE SCHEDULE FOR POLICE OFFICERS

	<u>Start</u>	<u>6 month</u>	<u>1 year</u>	<u>18 months</u>	<u>2 years</u>	<u>30 months</u>	<u>3 years</u>	<u>42 months</u>	<u>4 years</u>
7/01/94	24,673.89	25,289.43	25,904.97	26,520.51	27,136.05	27,751.59	28,367.14	28,982.68	29,598.22
7/01/95	25,537.48	26,174.56	26,811.64	27,448.73	28,085.81	28,722.89	29,359.99	29,997.07	30,634.16
7/01/96	26,431.29	27,090.67	27,750.05	28,409.43	29,068.81	29,728.20	30,387.59	31,046.97	31,706.35