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between

THE COUNTY OF MONTMORENCY

and

MICHIGAN FRATERNAL ORDER OF POLICE
LABOR COUNCIL

ACT 312 CASE NO. L87-J-692

ARBITRATION PANEL

John B. Coyle, Chairman
Richard Hermanson, County Delegate
Paul Kanopa, Union Delegate

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- APPEARANCES -

For The County

John F. Kowalski
Attorney
Paul Goode
County Coordinator

For The Union

John A. Lyons
Attorney

This matter was brought to arbitration in accordance with the provisions of the Police-Firefighters Arbitration Act of the Public Acts of 1969, as amended.

The proceeding arises out of an impasse in contract negotiations between the County of Montmorency and the Michigan Fraternal Order of Police.

A preliminary hearing was held on August 15, 1988, and a formal hearing was held on November 7, 1988. Post-hearing briefs were filed by both parties as of January 16, 1989.

For the edification of all concerned, the unresolved issues, the positions of the parties and their last best offers, and the findings, opinions and orders of the Panel are set forth in the balance of this report.

Pursuant to requirements of the statute, the Panel has based its findings and opinions and its order upon the statutory criteria, as applicable, and has supported either the last best offer of the Union or the last best offer of the County as to each economic issue in dispute. Decisions were reached by majority vote of members of the Panel.

BACKGROUND

The parties entered into negotiations over a successor contract effective January 1, 1988.

During those negotiations, which included mediation efforts by the Michigan Employment Relations Commission, an impasse was reached, and the matter was accordingly brought to arbitration pursuant to the statute.

At the conclusion of the arbitration hearing the issues that remained in dispute were (1) Wages, (2) Increased Vacation Days, (3) Longevity, (4) Hospitalization Insurance Benefits for Retirees and Spouse at retirement, (5) Life Insurance, and (6) Snow Days and Half Holidays on Christmas Eve and New Years Eve.

Subsequently, the last three issues were remanded to the parties and were resolved by them.

By mutual stipulation of the parties, their agreement on these three issues is set forth below.

1. Hospitalization for Retirees and Spouse:

The County of Montmorency agrees to provide, for bargaining unit retirees, the same hospitalization insurance coverage as presently offered to employees not in the bargaining unit. That coverage is Blue Cross/Blue Shield coverage during the lifetime of any retiree, at least sixty-five (65) years of age and who were full time employees with eighteen (18) years of service. Retiree dependent coverage may be obtained by retirees reimbursing the County for cost.

2. Life Insurance:

The County of Montmorency offers to pay the full premium for life insurance coverage of \$10,000 for all employees in this bargaining unit.

3. Half Days Christmas Eve/New Year's Eve/Snow Days:

The County offers to provide time off or payment thereof on the half days of Christmas Eve and New Year's Eve at such times as the Board of Commissioners, or its agent, grants said half days to other County employees.

The last best offers of the parties on the issues of wages, longevity and vacations are set forth below.

WAGES

The last best offer of the County is for an across the board increase for all positions in the bargaining unit of 20¢ per hour effective January 1, 1988 through December 31, 1988, and 10¢ per hour effective January 1, 1989 through December 31, 1989.

The last best offer of the Union is for an across the board increase for all positions within the bargaining unit of 45¢ per hour effective January 1, 1988 through December 31, 1988, and 55¢ per hour effective January 1, 1989 through December 31, 1989.

LONGEVITY

The last best offer of the County is to maintain this benefit at the current level which provides \$120.00 after two years of service, \$240.00 after three years of service, \$360.00 after four years of service, and \$480.00 after five or more years of service.

The last best offer of the Union is for an increase of \$50.00 at five years of service, and each year thereafter an additional \$50.00 to the level of 20 years of service, effective January 1, 1988.

INCREASE VACATION DAYS

The last best offer of the County is to maintain this benefit at the current level which provides for five days after one full year of service, ten days after two to four years of service, and fifteen days after five years of service.

The last best offer of the Union is to increase the vacation benefit to 20 days after ten years of service and to 25 days at eleven or more years of service, effective January 1, 1989.

POSITIONS OF THE COUNTY

The County holds that employees in this bargaining unit already receive a package of benefits that are competitive with and comparable to the same benefits received by other employees in comparable counties.

Additionally, the County contends, recognizing actual expenses and revenues during 1988, and the probability of less than a \$40,000.00 carry over into 1989, the County is already faced with the choice of operating at a deficit of \$132,000.00 or making reductions in operations and/or programs and services that are mandated by law.

Under these circumstances, the County holds, the combination of the County's last best offer on wages, vacations and longevity is all that the County can afford.

POSITION OF THE UNION

The Union contends that the County can, without moving into a deficit in 1989, afford the increases in wages and longevity and vacations set forth in the Union's last best offer.

Moreover, the Union contends, based on the statutory criteria, they should be granted.

Additionally, the Union observes that all other county employees have already received an increase of 20¢ per hour effective January 1, 1988, and many of them received additional increases under a new wage and salary program effective July 1, 1988.

Specifically, the Union notes, on July 1, 1988, under the revised program, employees with five or more years of service received an additional ten cents per hour for each consecutive year of service added to their base rate. Obviously, the Union observes, this represented

more than an additional 20¢ per hour for many employees on July 1, 1988. Indeed, some received up to an additional fifty cents per hour based on their length of service and one employee received an increase in excess of seventy cents per hour.

In effect, the Union contends, the last best offer of the County limiting an increase in wages for public safety officers to 20¢ per hour in 1988 constitutes discrimination against them because they are members of a Union.

In support of its last best offer on longevity the Union notes that the longevity benefit granted to other County employees is already significantly greater than the longevity benefit provided to employees of the bargaining unit.

Specifically, the Union contends, they receive \$110.00 at eleven months of service, \$240.00 at twelve months, \$360.00 after two years of service, and \$480.00 after three years of service, whereas a bargaining unit employee must work five years for a longevity benefit of \$480.00.

Here again, the Union contends, based on internal comparables, members of the Union have been discriminated against.

On the issue of vacations, the Union cites the vacation benefits provided by other comparable counties and notes that Montmorency is the only county that does not provide additional vacation time for employees with ten or more years of service, and notably, the Union observes, all of them allow at least twenty days of vacation after varying lengths of service and some even provide for more than twenty days.

In summary, the Union notes that the function of public safety

officers is inherently a dangerous occupation that this fact must be recognized in establishing equitable internal relativity in wages and benefits, and holds that its last best offer is supported by the evidence submitted in this matter on both internal and external comparables.

OPINION

Since one of the factors to be considered in resolving these issues is the level of wages and benefits paid to employees performing similar services in comparable communities, the comparable communities must be identified.

For purposes of this comparison the Union identifies ten other counties which, along with the County of Montmorency are located in the northern part of the lower peninsula.

Specifically, these include Alcona, Alpena, Antrim, Charlevoix, Cheboygan, Crawford, Emmet, Oscoda, Otsego, and Presque Isle counties.

While there are variances among these eleven counties (including Montmorency) in terms of population, state equalized evaluation, square mileage and other characteristics, they are all located within the same geographical area, and are otherwise sufficiently comparable to be considered in implementing the comparison mandated by the statute.

Based on the evidence submitted in this case, the 1987 wage rates for most bargaining unit classifications in Montmorency County are substantially below the average paid for comparable work in comparable counties, and wage increases granted to many other county employees in 1988 substantially exceed the wage increase offered by the County to bargaining unit employees in 1988.

It is also clear that other comparable counties offer more vacation

time for long service employees, notably after ten or more years of service.

Although the evidence does demonstrate a more generous longevity benefit for other county employees, it also demonstrates that the longevity benefit provided to bargaining unit employees substantially exceeds the average provided by comparable counties for comparable classifications.

In deliberating over this matter the Chairman offers the following observations and conclusions.

Given the opportunity to do so, based on the statutory criteria, and full consideration of the evidence and arguments presented in this case, particularly evidence of the increases granted to other County employees in 1988, the Chairman would be awarding more in wage increases than is offered by the County, but less than is demanded by the union for 1988 and 1989.

However, limited to a forced choice between the last best offer of the County and the last best offer of the Union the Chairman must support the last best offer of the Union on the issue of wages.

The average annual wage for a Deputy in comparable counties was approximately \$21,000.00 in October of 1988.

As of that date the annual wage of a Deputy in Montmorency County was \$18,304.00.

That is approximately \$3,000.00 per year less than the average and that is approximately 69¢ per hour less than the average.

There is often a severe tension between the revenue of a public employer, the public interest, legally mandated expenses, and the payment of comparable wages for comparable work in comparable

communities, and balancing these considerations could result in a reduction in police manpower in the County.

However, the last best offer of the County in this case is to increase the wage rates of Deputies by only \$416.00 per year in 1988, and then by only \$208.00 per year in 1989.

Based on a 40 hour work week and a 2,080 hour work year this is an increase of a little over 2% in 1988 and a little over 1% in 1989.

That would bring the Deputy annual rate to only \$18,928.00 by January 1, 1989 and at that rate on that date the Deputies of Montmorency County would still be approximately \$2,000.00 per year below what the average annual salary in comparable communities was in October of 1988.

The last best offer of the Union would bring the rate of the Deputies to \$19,240.00 for 1988 which is approximately \$1,800.00 below the 1988 average rate, and to \$20,380.00 for 1989 which would still be approximately \$1,400.00 below the average in October of 1988.

This is an increase of a little less than 5% in 1988 and a little less than 6% in 1989.

Under these circumstances the Chairman must support the last best offer of the Union.

While there is some difference between the longevity benefits offered to the bargaining unit and the longevity benefit offered to other Montmorency County employees, the difference is minimal and the longevity benefit offered to bargaining unit employees far exceeds the longevity benefit offered to public safety officers in other comparable communities.

Under these circumstances the Chairman must support the last best offer of the County on this issue.

The increase in vacations demanded by the Union does not constitute a substantial additional expense in 1988 or 1989 and is warranted by the evidence presented on vacation allowances for public safety officers in comparable communities.

On this ground the Chairman must support the last best offer of the Union on this issue.

In summary, the Chairman supports the last best offer of the County on longevity and the last best offer of the Union on wages and vacations.

The Union Delegate to the Panel concurs with the decision of the Chairman on the issues of wages and vacations and dissents from the decision of the Chairman on the issue of longevity.

The County Delegate to the Panel concurs with the decision of the Chairman on the issue of longevity and dissents from the decision of the Chairman on the issues of wages and vacations. A copy of the dissent is appended hereto.

Dated: 3/14/89
Gaylord, Michigan

John B. Coyle
John B. Coyle
Chairman

Dated: 3-22-89

Dated: 3-15-89

Richard E. Hermanson
Richard E. Hermanson
County Delegate

Paul Konopa
Paul Konopa
Union Delegate

Richard E. Hermanson
PO Box 185
Lewiston, MI 49756

February 23, 1989

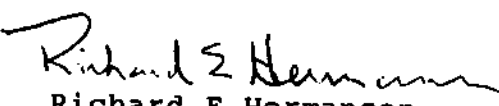
Mr. John B. Coyle
Rochester Centre - Suite 129
134 W. University Drive
Rochester, Michigan 48063

Mr Chairman: RE: 312 CASE # L87-J-692 Montmorency County/FOP

In reply to your letter of February 9, 1989, addressed to Mr. Konopa and the undersigned, I offer the following:

1. A meeting of the Panel at the Holiday Inn in Gaylord is not required to develop the final award. I feel your draft, if approved as is or amended, is satisfactory for a final award.
2. The undersigned (County delegate) concurs with the Chairman with supporting the last best offer of the County on longevity.
3. The undersigned (County delegate) non-concurs with the Chairman with supporting the last best offer of the Union on Wages. Non-concurrence is based on raises being awarded of a little less than 5% in 1988 and 6% in 1989, when Federal government employees were given raises of only 4% in each of the years. In addition, Oscoda County, which is comparable in size, population and SEV are at almost the same rate in wages.
4. The undersigned (County delegate) non-concurs with the Chairman in supporting the last best offer of the Union on vacations. Non-concurrence is based on the fact that 5 of the comparable counties have maximum vacation benefits of 20 days and the union is requesting up to a maximum of 25 days.
5. The above comments may be noted in or appended to the final award.

Sincerely,


Richard E Hermanson
County Delegate