

STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

8/23/74
ARB

Saginaw Township

In the Matter of:

TOWNSHIP OF SAGINAW, MICHIGAN

-and-

SAGINAW TOWNSHIP POLICE
OFFICERS ASSOCIATION

Affiliated with: Local 214, Teamsters Union

FINDINGS OF FACT, OPINION AND AWARD
Pursuant to Act 312, Public Acts of
1969, as amended

ARBITRATION PANEL

Leon J. Herman, Impartial Chairman
Merle W. Grover, City Designee
James Allen, Association Designee

Issued: August 23, 1974

LABOR AND INDUSTRIAL
RELATIONS LIBRARY
Michigan State University

AUG 3 1976

This is a proceeding in Arbitration pursuant to Act 312 of Public Acts of 1969, as amended. Merle W. Grover was named by the Township as its designee to the panel. James Allen was appointed by the Association as its designee. On April 25, 1974, the undersigned, Leon J. Herman was appointed by the parties as impartial chairman of the Arbitration panel.

A hearing was held and testimony taken on May 28, 1974, at the offices of Grover & Associates, 6165 Bay Road, Saginaw, Michigan. Thereafter conferences between the members of the panel of arbitrators were held on August 9 and 23, 1974. A verbatim record of the proceedings was made and a transcript delivered to the panel.

George L. Olson, supervisor, represented the Township of Saginaw. Joseph Valenti, President of Teamsters Local No. 214, appeared on behalf of the Association.

Testimony on behalf of the Association was presented by Joseph Valenti. George Olson, supervisor; Frank W. Jones, Township Manager; and Mr. Wazny, Township Clerk, testified on behalf of the Township. Full opportunity for examination, cross-examination and re-direct examination was offered to both parties. One day was spent in the course of the hearing, with nine exhibits submitted. The transcript consists of eighty-four pages.

Both parties entered in good faith into the proceeding. No issue of arbitrability was raised. No question was raised as to the legality or authority of the Arbitration panel to determine the issues presented. Time limits were extended as required to meet the restrictions of the statute.

Saginaw Township Police Officers Association, affiliated with Local 214 of the Teamsters Union, has been the bargaining agent for the City police for a substantial number of years. It claims the right of representation for approximately fourteen members of the department up to and including the classification of sergeant. For 1972 - 1975, the parties agreed upon all issues with respect to wages, hours and other terms and conditions of employment in a contract dated April 1, 1972. The contract permits reopening for wages only in 1974:

Section D.

II. SALARY SCHEDULES

A. The minimum salary schedule in effect during the first two years of this Agreement shall be as set forth in Schedule A attached to this Agreement and made a part hereof.

B. The parties agree that in the event the Cost of Living Index, as described below, increases to a percentage amount greater than the average salary schedule percentage increases for each year, from April to April, the excess, if any, shall be added to the employee's salary on the basis of the percentage (the amount greater than the average salary schedule percentage) of the employee's salary. The Cost of Living Index will be the Consumer Price Index for Urban Wage Earners and Clerical Workers (including single workers) published by the Bureau of Labor Statistics (1967=100). Each full 1.0 of the CPI shall equal one percent (1%).

C. The only exception to Section A or B above is that in March, 1974, the parties agree to re-negotiate the salary schedule as set forth in Schedule A attached hereto. The negotiations for this sole purpose shall commence on or about February 1, 1974.

Both parties have submitted post hearing briefs outlining their respective positions and reciting their final offers.

The statute pursuant to which this proceeding came into being and under which this panel functions poses certain specific

criteria which the panel must consider in arriving at a conclusion:

- 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.

That a municipality may negotiate wages, hours, and working conditions of its employees with a recognized bargaining agent has been established by the Public Employee Relations Act. The Association has been duly recognized as the bargaining agent for all the department employees, up to and including the grade of sergeant, for a number of years. Both the Township and the Union have agreed to statutory arbitration of the one item open for dispute in their current agreement, in accordance with Act 312 of the Public Acts of 1969,

as amended.

The Township agrees that it has the lawful authority and obligation to negotiate and conclude an agreement in consonance with the award of this panel.

The parties have stipulated that the panel may consider the issue herein and render an award thereon which both will accept; that all proceedings of this panel of arbitrators have been properly taken in compliance with the governing statute, and that this award is duly processed and is binding upon the parties.

The interest and welfare of the public and the financial ability of the Township to meet the increased costs resulting from implementation of this award have been considered and determined.

Comparison of wages, hours and conditions of employment, in both the private and public local sectors, as well as in comparable communities, is discussed hereinbelow, as are increases in cost of living as a factor in the determination of this panel.

By mutual agreement the wage pattern of the 1972 - 1975 agreement has been continued in full force pending receipt of this award. Relations between the parties have continued in status quo. No objectionable practice has been charged against either party.

Other factors considered by the parties and the panel are listed in the opinion.

It should be emphasized at this point that all comments, opinions and interpretations of factual evidence stated herein are solely and exclusively the responsibility of the impartial arbitrator, unless specifically attributed to another member of the panel.

The Association representative based his case in large measure upon public statements made by the Township Director of Public Safety, Kenneth P. Ott, in early 1974 in seeking a budgetary increase in the 1974 - 1975 allocation for police. He reminded the Township board that a 2.5 mill authorization for police millage was defeated by the Township voters in November, 1972. According to Ott, the Federal Bureau of Investigation had determined that the average police department should have 1.5 officers for ever 1,000 residents. The average in Michigan is 1.7 per thousand. Saginaw Township, with a population of about 33,000 and a 16 man police force, has about one-half policeman for every thousand.

Saginaw Township's police budget averages \$7.87 for every person residing in the Township. The Michigan average is \$23.44 and the National average is \$21.77. On this basis, the police budget should be over \$718,000.00 instead of the \$284,000.00 proposed in the budget for 1974 - 1975.

Six Township patrol cars cover more than 300,000 miles annually. The most serious crimes they face are larceny, vandalism and bicycle thefts. Breaking and entering, and armed robbery are steadily increasing. Accidents and the general run of police cases are increasing astronomically.

As against Saginaw Township's \$284,000.00 police budget, Buena Vista, with 14,100 residents, spends \$379,100.00 to maintain a full time staff of 22 officers. Saginaw Township's police force is particularly elite, since an incoming officer is required to have at least two years of college or two years of experience in addition to the State requirement of 256 hours of police training.

Township police officers are hired at a starting rate of \$9,400.00, increasing over ten years to \$10,946.00. Sergeants are paid \$10,448.00 to start, rising in five years to \$11,948.00. The Union points out that a Saginaw County sheriff's deputy reaches \$10,825.00 after three years, a Saginaw police officer is paid at \$13,306.00 in his fourth year, and a Michigan State police officer, \$12,152.00. The average is \$12,094.00.

At five years, the State police officer is paid \$13,509.00. At that stage a Saginaw Township officer receives \$10,356.00, yet only in the Township force is more than a high school diploma required for eligibility.

The Association, in compliance with the statutory provisions, has also shown the pay rates of a number of skilled and unskilled employees in the General Motors Corporation and other plants in private industry. Both the Township and the Association agree, however, that those salaries have no relevancy to what a patrolman should be paid. There is no way of measuring the value of the services of a shaper operator, for example, as against a patrolman.

In its brief, the Association demanded an increase of \$1,948.00 per annum effective as of April 1, 1974, the commencement of the Township's fiscal year. This was clarified before the panel met to discuss the offers. The Association asked that the sum of \$1,948.00 be treated as the increase requested for patrolmen at the ten year level. Such an increase would be equivalent to 17.81 percent. The Association asks that all other officers in the bargaining unit, at their various levels, be allowed a salary increase of 17.81 percent for the year beginning April 1, 1974.

The Township has increased the compensation of a number of its employees, such as building inspectors, clerical workers and the like, by

ten percent. It has offered the bargaining unit an increase of nine percent. In explanation, it points out that its proposed budget for 1974 - 1975 leaves no room for any further increase. Its gross estimated revenues are \$1,188,000.00. \$284,000.00 of this would be applied to Township police, primarily for salaries. The only unfirm spot in the budget is \$4,400.00 reserved for contingencies which it argues is a small amount in consideration of the total budgetary figures.

The Township contends that the comparison with such cities as Saginaw and the sheriff's department is unfair. The most prevalent crime in the Township is larceny, and breaking and entering, while in the City of Saginaw, as with the Michigan State police, the type and severity of crimes are entirely different. The City of Saginaw, for example, had 47 rape cases in the past year as against none in Saginaw Township. There were 13 rape attempts in the City and none in the Township, 441 armed robberies as against 9 in the Township, 136 strong armed robberies as against one in the Township, and 279 assaults with a gun as against 6 in the Township. In vandalism, the Township suffered 412 cases as against none in the City of Saginaw, and had 53 stolen property cases as against 11. Family and children cases totalled 117 in the Township, with only 54 in the City. In larceny cases over \$50.00, there was little difference between them. With the different problems and types of crimes, it is evident that Saginaw Township cannot properly be compared to city or State police departments.

The employer argues that it is unable to pay additional salaries. It is noted, however, that this contention has

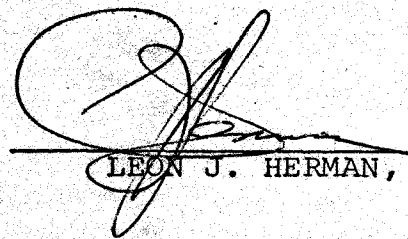
not been supported by any evidence except the Township's proposed budget. If that budget were to be accepted, it would mean that the Township could not even pay the nine percent it offered. Although the budget for Township police was increased from the 1973 - 1974 year, the increase was far less than the nine percent which the Township now offers. It is also conceded that the amounts appropriated in the general budget may be varied from time to time and place to place, as needs or contingencies arise. It has not been shown that the Township is in so desperate a position that it cannot afford to pay the officers a reasonable increase.

On the other hand, I should mention at this time that I think both Township and Association offers are unreasonable. The Township well knows that the cost of living in the past year has doubled digitized to about twelve percent. Had the Township made an offer in the neighborhood of twelve percent, I would have been strongly inclined to join the Township in approving such a settlement. I feel that the Association offer of 17.81 is excessive and inflationary. The statute, as currently worded, gives no discretion to the impartial arbitrator except to accept one offer or the other without modification. I cannot in good conscience accept the Township's offer because it does not meet the necessary living costs of their officers. It matters very little whether the officers in Saginaw Township are burdened with the same type of crimes that the City of Saginaw must contend with. What does matter is that these officers are required to work eight hours a day and five days a week, whatever the nature of the crimes they are engaged in handling. I do not believe that an officer seeking to solve an assault case is less fully occupied at his job than an officer working on a vandalism case. In either event, the

officer is worthy of his hire and should be paid a living wage under today's conditions.

Lacking authority to amend either offer, I concur with the Association appointed panel member that all members of the bargaining unit shall be paid an increase in salary of 17.81 percent, effective April 1, 1974.

Mr. Allen concurs. Mr. Grover dissents.



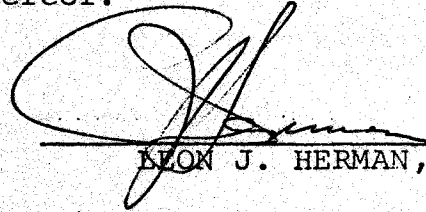
LEON J. HERMAN, Impartial Arbitrator

Southfield, Michigan
August 26, 1974

AWARD

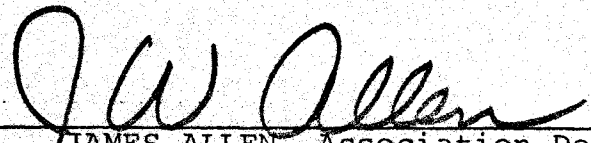
The panel of arbitrators herein, by majority vote, Mr. Grover dissenting, awards as follows:

All members of the bargaining unit shall be paid an increase in salary of 17.81 percent for the fiscal year April 1, 1974 through March 30, 1975. Retroactive payments due shall be paid within sixty days from the date hereof.



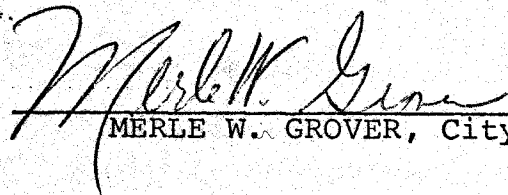
LEON J. HERMAN, Impartial Arbitrator

Concurring:



JAMES ALLEN, Association Designee

Dissenting:



MERLE W. GROVER, City Designee

August 23, 1974

DISSENTING OPINION

The Township Designee, Merle W. Grover, dissents from the majority opinion issued in this case for the following reasons:

Mr. Herman has pointed out in his majority opinion that it is virtually impossible to compare the duties of police officers in Saginaw Township with the duties of the City Police or the State Police. It is my opinion that a comparison of duties and risks covered by police officers is one proper and valid criteria in determining a proper salary proposal between the parties. While I recognize there is no legitimate way to evaluate all of these factors, it nevertheless seems obvious to me that there are substantial differences in the conditions of employment between such groups as the Saginaw Township Police Department and the Michigan State Police. It is obvious that employees working for the Michigan State Police stand the risk of being transferred to any district throughout the State of Michigan, which includes the City of Detroit, as well as Munsing or Escanaba in the Upper Peninsula. This, in itself, is a condition of employment that is substantial and leaves very little discretion to the police officers working for the Michigan State Police, however, it is not a factor shared by the Saginaw Township Police Officers, who know that their total jurisdiction is confined within a relatively small area of the state, and an area they have chosen to reside.

In regards to comparisons in the Township's officers and the City of Saginaw it certainly seems apparent that officers who are required by the City to patrol many of the high crime areas in the City of Saginaw are certainly subjecting themselves to a different risk factor than those involved by the Saginaw Township Police Officers.

It should be noted that in Township Exhibit 4 which made the comparisons of crimes, both for Saginaw Township and the City of Saginaw, that under the category "murder and non-negligent manslaughter", the City of Saginaw experienced 30, while Saginaw Township experienced 0. This certainly has to be one factor in comparing the duties of police officers between these two units.

In the same exhibit presented it should be noted that under the category "armed robbery", there were 441 cases in the City of Saginaw and again Saginaw Township showed a substantially reduced number by only having 9.

If one removes from the valid comparisons, the Michigan State Police and the City of Saginaw, as I believe they should, it is obvious that the Saginaw Township Police Department has been paid on a substantially better basis than either the Buena Vista Police Department or the Saginaw County Sheriff's Department, which is a valid comparison in my opinion.

As was pointed out by Mr. Herman, there are several factors required by the statute which must be compared; one of which is

the Cost-of-Living. It is my feeling that the majority opinion in this case has relied too heavily on the Cost-of-Living and virtually used that criteria as a sole determination of which of the two positions should be selected.

It should be noted that the parties themselves reached an agreement which has specific provisions to make adjustments for Cost-of-Living increases based on the parties desires. It does not seem to me that the third year wage reopener which we are faced with in this case, should properly rest solely on the Cost-of-Living Index as published by the Bureau of Labor Statistics, in that it had already been taken into account by the parties themselves in the drafting of their contract.

The majority opinion in this case seems to presuppose that all workers in America are, as a matter of right, entitled to a minimum increase equal to the Bureau of Labor Statistics, Consumers Price Index. I think it should be noted that the Consumers Price Index, while commonly referred to as the "Cost-of-Living", is just what it states it is, and that is an Index measuring specific items throughout the United States. The mechanical acceptance of a Consumers Price Index to establish minimum salary requirements does not take into consideration many of the realities of present day life. For example, the Consumers Price Index measures as one of the factors the cost of gasoline. If the theory of measurement contained in the Consumers Price Index is to assure all people the ability to

purchase today those items that they purchased a year ago, it would seem quite self-defeating that wage and salary increases should be improved to allow all individuals the right to purchase the same amount of petroleum products this year as was purchased a year ago, when in fact, there are some indications that such petroleum products do not exist and it is necessary for the total country to reduce its use of energy products. This then becomes a self-defeating argument to keep increasing salaries so that all employees can continue to bid on the available energy materials at the same rate as they were consumed in prior years.

It should further be noted that while the Cost-of-Living measured numerous items, it provides for no "choice" by the Consumer in determining substitutions for those items which have been increased in cost.

One of the exhibits presented at the hearing was a copy of the contract between the Saginaw Township Police Officers Association and Saginaw Township, which clearly pointed out that the Township has provided, during the term of this agreement, a Blue Cross - Blue Shield Plan whereby the Township pays the entire cost. Contained within the Consumers Price Index and one of the factors that effect its increase are several items relating to medical cost which are, in fact, covered under the Blue Cross - Blue Shield Plans in effect in Michigan. For the Employer to automatically pick up this increase cost as a part of his insurance program, and then have the same factors counted in the percentage increase of the Consumers Price Index, is to count twice those factors affecting

that portion of the Consumers Price Index. This, in itself, nullifies the validity of the measurement in the Consumers Price Index to determine wage increases under those agreements that have fully paid for medical plans by the Employer.

I do not, by any stretch of the imagination, wish to imply that inflation in this country has not been real and a substantial problem to all people throughout the United States. I do intend to point out, however, that the Consumers Price Index is not a magic guide which guarantees a minimum level of wage increases. It is obvious that while municipal governments have problems adjusting revenues to meet unknown expenses, even large corporations have to endure strikes over their inability to provide unlimited Cost-of-Living increases.

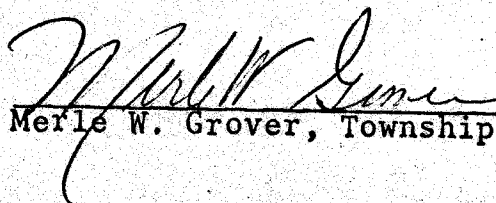
The majority opinion points out that many of the other classifications in the Township were offered a 10% increase, but only 9% was offered to the Police Officers. It should be noted that the increases in most cases came under a collective bargaining agreement with the International Brotherhood of Teamsters and were, at the time they were entered into, considered fair and just increases by the same International Union which now says the Police Officers are entitled to substantially more than that which was granted to other employees working for the Township. It should be noted that no evidence was offered by the Teamsters or the Township in regards to the other economic items provided those employees which would indicate that the 1% reduction for the Police Officers as a total package was an improper offer.

It is my opinion, that for any Panel of Arbitrators to recommend a 17% annual pay increase is excessive and inflationary and should not be granted.

It is my opinion that the 9% offer made by the Saginaw Township officials more properly reflects a fair and equitable increase, at this time, than does the 17% demanded by the Police Officers. It further should be pointed out that up until the hearing held on this case the demand by the Police Officers Association was approximately 30%. No change in the 30% demand was evident until the compulsory arbitration provisions of the Michigan statute was invoked by the Police Officers.

Had the Saginaw Township Police Officers reduced their demand in the preceding bargaining to a 17% increase, it might have been possible through good faith bargaining for both parties to reach an acceptable conclusion to this matter.

For these reasons I would award the 9% increase offered by the Saginaw Township as the proper alternative in this case.


Merle W. Grover, Township Designee