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9/8/95

Sub.

STATE OF MICHIGAN
COMPULSORY ARBITRATION

IN THE MATTER OF

CANTON TOWNSHIP

Employer

-and-

POLICE OFFICERS LABOR COUNCIL

Union

Arising pursuant to
Act 312, Public Acts
of 1969, as amended

Case No. D93 J-1386

* * * * *

ACT 312 AWARD

* * * * *

APPEARANCES

FOR THE COMPULSORY ARBITRATION PANEL

Mark J. Glazer, Chairman
Daniel Durack, Employer Delegate
Michael Somero, Union Delegate

FOR THE EMPLOYER

Andrew T. Baran

FOR THE UNION

Barton J. Vincent

BACKGROUND

This eight person command unit consisting of four lieutenants and four sergeants filed for arbitration on base wages for the contract years of 1994 and 1995 on April 20, 1995. The filing was pursuant to a wage reopener in the current 1/1/93 - 12/31/95 collective bargaining agreement. Appendix A of the contract on wages states:

APPENDIX A - WAGES

The following wage schedule shall be in effect for the term of this agreement.

Effective and Retroactive to 1/1/93 (6%):

	<u>Start</u>	<u>After 6 Months</u>
Police Sergeant	\$44,333	\$46,239
Police Lieutenant	\$47,395	\$48,548

Contract Reopener - Only for Wages for 01/01/94
01/01/95.

Retroactivity - Retroactivity shall apply only to base wages, overtime hours and cashed out compensatory time, but not to any other hours, premiums or other fringe benefits. Retroactivity applies only to employees who are employed on the date of ratification by both parties.

The Union submitted for its last best offer a 5% across-the-board increase for both 1994 and 1995. See Union's Last Best Offer, Exhibit "1". Additionally, the Union requested retroactivity.

The Employer offered 3% for both years, with a \$1,000.00, one time increase for lieutenants in 1994. The Employer opposes retroactivity, but in no event does it believe that there should

be more retroactivity then that provided in Appendix A. See Employer's Last Best Offer, Exhibit "2".

An arbitration hearing was held at the Township offices on May 3, 1995. The parties agreed to the following communities as comparables: Madison Heights, Roseville, Royal Oak and Shelby Township. Additionally, the Union proposed Clinton Township and Waterford Township; the Employer proposed Dearborn Heights and West Bloomfield Township. These communities were proposed in a prior Act 312 proceeding in 1992: at that time, Arbitrator Kovinsky accepted Dearborn Heights and Waterford Township, but rejected West Bloomfield Township and Clinton Township.

The arbitral criteria for Act 312 are found in Section 9. They are:

- a. The lawful authority of the employer;
- b. Stipulation of the parties;
- c. The interests and welfare of the public and financial ability of the unit of government to meet those costs.
- d. Comparison of 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 communities 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, continuity and stability of employment, and all other benefits received;
- g. Changes in any of the foregoing circumstances presented 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 determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact findings, arbitration or otherwise between the parties, in the public service or in private employment.

Pursuant to City of Detroit v. DPOA, 408 Mich 410 (1980) the panel need not afford equal weight to all of the Section 9 factors.

COMPARABILITY

The Union strongly argues that the panel should adopt Clinton Township, insofar as it is a rapidly growing community like Canton Township. Further, it is noted that non-union Canton employees compared their salaries to Clinton Township and Waterford Township. Dearborn Heights is rejected by the Union on the basis that it represents a declining community. West Bloomfield Township is said to lack Clinton Township's growth and to otherwise represent a dissimilar community.

Clinton Township is rejected by the Employer because it has never been used in a 312 before in the Township. Also, Clinton Township is seen as being much larger than Canton Township. West Bloomfield Township is argued to be comparable and similar to Canton Township. It is further noted that Dearborn Heights and West Bloomfield Township were accepted in a 312 proceeding involving the firefighters. West Bloomfield Township is also contended to be similar to Canton Township in terms of community characteristics.

Arbitrator Kovinsky in his 1992 award, which immediately preceeded this collective bargaining agreement, chose Waterford Township and Dearborn Heights, and rejected Canton Township and West Bloomfield Township as follows:

A careful review of the comparable factors leads the Panel to the conclusion that in some areas each of the communities which are in dispute are comparable to Canton Township and in other areas each of the communities are not comparable to Canton Township. The real and personal state equalized valuation of West Bloomfield Township and the SEV per capita of West Bloomfield Township as well as its average home value leads the Panel to the conclusion that West Bloomfield Township should be excluded as a comparable community.

The population of Clinton Township and the state equalized real and personal property value of Clinton Township has also led the Panel to the conclusion that it must be excluded.

The comparables in terms of population, real and personal state equalized valuation, SEV per capita, and proximity to Canton Township has led the Panel to the conclusion that Dearborn Heights should be included as a comparable community.

The population of Waterford Township, its SEV per capita, and its departmental budget, along with other facts has led the Panel to the conclusion that it should be included as a comparable community.

Factor H of Section 9 of Act 312 requires the Panel to consider issues that are normally considered in arbitration and collective bargaining. It would be expected that comparables previously used in a recent, prior Act 312 proceeding would be used in a subsequent one in order to further labor stability and to enable the parties to engage in meaningful preparation for either collective bargaining or an Act 312 proceeding. Of course

if circumstances changed subsequent to a prior award, a reason for changing the comparables could exist. On the present record, however, I find that factor 9 (h) favors continuing the prior Act 312 comparables which are the stipulated communities of Madison Heights, Roseville, Royal Oak and Shelby Township, and the arbitrator-designated communities of Dearborn Heights and Waterford Township.

WAGES AND RETROACTIVITY

In regard to sergeants, the Union argues that they are near the bottom of the comparables in pay, and that the situation is even worse for lieutenants. The Union also notes that Canton Township Command Officers have a higher ratio of supervision than the comparables. Further, it is pointed out that the commanders have recently received increased responsibilities. The Union argues that Township directors received significant increases in 1994, and that other groups within the Township have also received increases justifying the Union's last best offer.

The Township contends that command officers received the largest cumulative wage increase in the Township in the first year of the contract. Also, the percentage increase offered by the Township meets the comparables or exceeds the comparables except in one instance. The sergeants are said to be above the average by \$1,000.00 in 1993 and the Employer's offer is argued to maintain that situation. With the extra money offered for lieutenants, parity with the comparables is argued to have been achieved.

ANALYSIS

The Township's offer in 1994 is split: sergeants are offered 3%; lieutenants are offered 3% plus \$1,000.00 added to the base. The effect of the \$1,000.00 is slightly greater than 2%. Therefore, the lieutenants are offered approximately 5% in 1994 and the sergeants 3%. Insofar as there are an equal number of sergeants and lieutenants (four each), the overall effect of the Township's offer in 1994 is approximately 4%.

Coupled with a 3% offer in 1995, the Township's total package is approximately 7%. The Union offers 5% in both 1994 and 1995 for a total package of 10%. As a result, there is overall difference of 3% in the offers, and 2% when just the lieutenant-ants are considered.

A review of internal comparability reveals that Canton Township patrol officers received 3% in 1994 and 1995. This would favor the Employer's offer. Additionally, non-union employees received 7% over two years which is the approximate value of the Employer's total package for the two years at issue. Again, this would favor the Employer's offer. The departmental directors did receive larger increases, but their compensation is not as directly relevant as the other internal groups, insofar as command officers are not directors of the department.

Turning to the external comparables, the percentage increases in 1994 were as follows:

Dearborn Heights	3%
Madison Heights	2.5/4.0% (sergeants/lieutenants)
Roseville	3%
Royal Oak	3%
Shelby Township	5%
Waterford Township	0%

Therefore, Canton Township's approximate 4% package in 1994 would place it above all of the comparables except Shelby Township. It would also continue Canton sergeants' place among the comparables at number four with essentially the sergeants staying even with their comparables following 1993. The Canton sergeants would also receive wages that exceeded the average by \$969.00.

The lieutenants were at number five in 1993, notwithstanding their 6% increase. A wage increase to \$51,004.00 or approximately 5% pursuant to the Employer's offer, moves them up a notch to number four, and very close to Royal Oak, which is at \$51,059. 00. The increase also takes the Canton lieutenants from \$1,247. 00 below the average in 1993 to \$334.00 below the average in 1994.

The Township's 1994 offer to lieutenants is slightly superior to the Union's, and the lieutenants need more assistance than the sergeants in relation to the comparables. When all the Section 9 factors are considered, the Township's 1994 offer most nearly meets the statutory criteria.

In 1995, only three of the six comparable communities have settled contracts. The percentage increases for these communities are:

Dearborn Heights	3%
Madison Heights	2.5%
Waterford Township	2%

This means that the average increase to date is 2.5%. For the average increase to equal the 5% sought by the Union in 1995, the remaining communities would have to average increases of

7.5%. This is highly unlikely considering the historical increases of the remaining communities.

Of the settled communities, Madison Heights ranked at number three in 1994. Therefore, a 3% increase for Canton Township in 1995 will represent a net improvement since Madison Heights received 2.5% in 1995. Waterford Township and Dearborn Heights are below Canton Township, but 3% will improve Canton Township's advantage over these communities.

A 5% increase for the Canton sergeants in 1995 isn't supported by the comparables at this time. Even if the unsettled communities receive the same percentage as they did in 1994, the average increase for all comparables would be 3%, with only Shelby Township exceeding 3%.

For lieutenants, if the comparables average a 3% increase in 1995 the average wage in 1995 for lieutenants will be \$52,878.00: the Canton Township lieutenants will receive \$52,534.00 or \$344.00 below the average, which is roughly the same place they were in 1994.

A 5% increase for the lieutenants would place them at \$53,544.00 or \$676.00 ahead of the average. While it would be reasonable to move the lieutenants to the projected average, 5% places them ahead of it. Moreover, 5% in 1995 pushes sergeants far ahead of the projected average.

Therefore, the last best offer of the Employer should be accepted. The key factor is an examination of the internal and external comparables, which favor the Employer on the present facts.

This should not be viewed as a loss by the bargaining unit: the lieutenants have gained as a result of this proceeding, and the sergeants have been treated the same as other law enforcement officers in the township. The improvements for the lieutenants was required by the external comparables. When the overall wage package is considered, the command officers have done better than the patrol officers, and as well as the non-union employees.

Regarding retroactivity, Appendix A deals with that issue as follows:

Retroactivity - Retroactivity shall apply only to base wages, overtime hours and cashed out compensatory time, but not to any other hours, premiums or other fringe benefits. Retroactivity applies only to employees who are employed on the date of ratification by both parties.

The panel's jurisdiction pertains only to wages, and retroactivity should therefore follow the provisions of Appendix A.

AWARD

The Employer's last best offer is awarded. Retroactivity shall be pursuant to Appendix A of the contract.

9-8-95



MARK J. GLAZER, Chairman

CONCURS:

By:

DANIEL DURACK, Employer Delegate

DISSENT:

By:

MICHAEL SOMERO, Union Delegate

AWARD

The Employer's last best offer is awarded. Retroactivity shall be pursuant to Appendix A of the contract.

MARK J. GLAZER, Chairman

CONCURS:

By:

Daniel J. Durack
DANIEL DURACK, Employer Delegate

DISSENT:

By:

MICHAEL SOMERO, Union Delegate

AWARD

The Employer's last best offer is awarded. Retroactivity shall be pursuant to Appendix A of the contract.

MARK J. GLAZER, Chairman

CONCURS:

By: _____
DANIEL DURACK, Employer Delegate

DISSENT:

By: Michael Somero 9-5-95
MICHAEL SOMERO, Union Delegate

STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

In the Matter of:

CANTON POLICE COMMAND OFFICERS
ASSOCIATION (LIEUTENANTS &
SERGEANTS), POLICE OFFICERS LABOR
COUNCIL,

Union,

-and-

Act 3i2 Arbitration
Case No: D93 J-1386

CHARTER TOWNSHIP OF CANTON,

Employer.

----- /
MARK GLAZER, Chairperson
MICHAEL SOMERO, Union Delegate
DANIEL DURACK, Employer Delegate
----- /

UNION'S LAST BEST OFFER

1. **WAGES** (Appendix A)

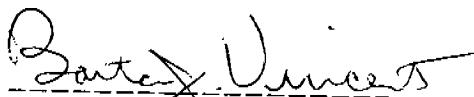
The Union is requesting the following base wage increases:

Effective 1/1/94: 5% across-the-board ✓
Effective 1/1/95: 5% across-the-board ✓

The Union is requesting retroactivity for these wage increases.

Respectfully submitted,

JOHN A. LYONS, P.C.



Barton J. Vincent (P49808)
Attorney for Union
675 E. Big Beaver, Ste. 105
Troy, MI 48083
(810) 524-0890

Dated: May 12, 1995

EXHIBIT "1"

COX,
HODGMAN &
GIARMARCO

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May 11, 1995

Mark J. Glazer, Arbitrator
3705 West Maple
Bloomfield Hills, MI 48301

RE: Canton Police Command Officers Association (Lts. & Sgts)
Police Officers Labor Council -and- Canton Township
Act 312 Arbitration
MERC Case No. D93 J-1386

Gilbert C. Cox, Jr.	Joseph F. Page, III
William D. Hodgman	Stephen J. Hitchcock
Julius H. Giarmarco	Larry W. Bennett
Timothy J. Mullins	Bruce W. Halfey
William H. Horton	MaryAnn Ceravolo
Brian J. McMahon	Thomas J. Mohan
Carl Mitself	Daniel J. Kelly
John F. Noonan	Bradley S. Mitself
Barry L. King	Linda M. Watson
William L. Hooth	David P. Sutherland
Marsha M. Woods	Eric Bean
Gilbert Gugin	Michael R. Turco
Charles E. Murphy	Thomas H. Walters
Peter J. Bill	Paul G. Wakefield
Andrew T. Baran	Bryan Kallen
Mary Elizabeth Barnes	
Wallace G. Long	
Douglas C. Dahn	
Kenneth J. LaMotte	
John P. Baril	

Of Counsel
Dennis O. Cawthorne
Fred H. Keidan

Dear Arbitrator Glazer:

This correspondence sets forth the Last Best Offer of the Charter Township of Canton in the referenced Act 312 arbitration proceeding.

The Petition in this matter states that there is only one issue between the parties - the base wage rate for bargaining unit employees for 1994 and 1995. At the hearing in this matter, the Union asserted that the issue of retroactivity is also before the Arbitrator. It remains the position of Canton Township that the issue of retroactivity is not before the arbitrator since it was not listed as an issue on the Petition, and because the current collective bargaining agreement specifically deals with the issue of retroactivity at Appendix A, page 26. In the event the arbitrator determines that retroactivity is an issue to be resolved, it is the position of the Township that this issue be resolved on the basis of the retroactivity language set forth at Appendix A, page 26 of the current collective bargaining agreement between the parties.

With respect to the issue of base wages, the Last Best Offer of Canton Township is:

Effective 1/1/94:

- * Police Sergeant = 3% wage increase (\$47,626)
- * Police Lieutenant = 3% wage increase, plus a one-time increase of \$1,000 in the base rate (\$51,004)

Effective 1/1/95:

- * Police Sergeant = 3% wage increase (\$49,055)
- * Police Lieutenant = 3% wage increase (\$52,534)

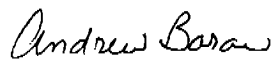
EXHIBIT "2"

Mark J. Glazer, Arbitrator
May 11, 1995
Page 2

It is the position of the Township that a difference between the amount offered to the sergeants and lieutenants is warranted on a one-time basis only in light of the disparity reflected between the wage rates of the lieutenants and the blended wages of the comparable communities used by the parties in the previous Act 312 arbitration or the blended wages of the Township-proposed comparables.

Sincerely yours,

COX, HODGMAN & GIARMARCO

A handwritten signature in cursive script that reads "Andrew Baran".

Andrew T. Baran

ATB/hb