

5/28/96

Sub.

In the matter of the arbitration between:

Charter Township of Canton

- and -

**Police Officers Labor Council
Captains Unit**

Case No.: MERC Act D93 K-1433

Act 312

Hearing Panel:

C. Keith Groty, Chairperson
Daniel Durack, Employer Delegate
Paul Konopa, Union Delegate

Attorney for Union:

Barton J. Vincent
John A. Lyons, P.C.

Attorney for Employer:

Andrew T. Baran
Cox, Hodgman & Giarmarco

Prehearing Conference: March 3, 1995

Hearing Dates: October 13, 1995	Time: 1:00 p.m.
December 18, 1995	Time: 10:00 a.m.

Final Offers: January 10, 1996

Post-Hearing Briefs filed: February 22, 1996

Reply Comments by Employer to Post-Hearing Briefs: Received March 6, 1996

Canton Township

Statement of the Issues

The parties submitted three (3) issues to the Arbitration Panel:

- (1) Wage Increases for the Years 1994, 1995 & 1996;
- (2) Longevity Pay;
- (3) Pension Contribution.

In their final offers of settlement, the parties submitted identical offers on Pension Benefit Contribution. Therefore, this matter is awarded per the parties final offers. The defined Contribution Retirement Plan contribution will be increased from 10% to 15%, effective January 1, 1994.

Wages

The Union proposes the following salary increases:

Effective January 1, 1994; 6% increase

Effective January 1, 1995; 3% increase, plus an increase of \$1,000 in base rate.

Effective January 1, 1996; 3% increase

The Employer is offering the following salary increases:

Effective January 1, 1994; 3% increase

Effective January 1, 1995; 3% increase

Effective January 1, 1996; 3% increase

Longevity

The final offer of the Union follows:

At three (3) years of service-1% of base salary;

At five (5) years of service-2% of base salary;

At ten (10) years of service-4% of base salary;

At fifteen (15) years of service-6% of base salary;

At twenty (20) years of service-8% of base salary

The final offer of the Employer's follows:

Effective January 1, 1994; after three (3) years-\$150;

Additional per year after three (3) years-\$75; maximum \$1,250;

Effective January 1, 1996; new hires \$300 (initial after 5 years of service);

Additional per year after five (5) years-\$75; maximum-\$1,400

Discussion

Act 312 of 1965 provides at Section 9 that the Arbitration Panel shall base its opinion and orders upon the following factors:

- (a) The lawful authority of the Employer;
- (b) Stipulation of the parties;
- (c) The interest and welfare of the public and 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 communities generally:
 - (i) in public employment in comparable committees;
 - (ii) in private employment in comparable committees;
- (e) The average consumer prices of 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 proceeding;
- (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 finding, arbitration or otherwise between the parties, in the public service or in private employment.

In considering the final offers of the parties in this case, the Panel considered each of these factors, and finds the Employer has the financial ability to meet the awarded wages and

benefits. Further, the awarded wages and benefits were compared with comparable communities and positions within those communities. The parties have agreed to the following comparables: Dearborn Heights, Madison Heights, Roseville, Royal Oak, Shelby Township and Waterford Township. Consideration was given to contractual arrangements with other employees within the employment of the Employer and the total overall compensation of the employees in this unit. Based on these comparisons and considerations, the panel majority awards the Employer's final offer for wage increases effective January 1, 1994, January 1, 1995, and January 1, 1996 of 3% each year. These increases are comparable to the increases given internally to other bargaining units for the years 1994 and 1995. It also compares generally with the awards given in 1994 and 1995 in the external comparable communities.

The Unions offer of 6% in the first year and a \$1,000 addition in the second year are excessive in comparison to both internal and external comparisons and when viewed in totality of the overall settlement of issues presented to this Panel.

Longevity Discussion

A review of the comparables in other communities finds some support for the Union's position of longevity pay based on percent of base salary. An internal comparison would place the captains bargaining unit in a comparable position with the firefighters. Other employee groups within the township have longevity programs less than proposed by the Union. In cases where a percentage of base salary has been established in comparable communities, there also has been the establishment of a two-tier system to mitigate the overall impact. This is not proposed in the Union final offer.

The Employer final offer presents a longevity schedule which increases maximum payout from the present \$800 a year to \$1400 a year in 1996. This is a significant increase in light of the general wage increases and the increase of an additional 5% of base wages being contributed to the pension program. For these reasons, the majority of the panel awards the Employer's final offer on longevity pay as best meeting the criteria of Section 9.

The Panel signatures for wages and longevity issues:

C. Keith Groty 5/28/96
C. Keith Groty, Ph.D., Chairperson Date

Daniel H. Durack 5-29-96
Daniel Durack, Employer Delegate Date

Dissenting on Issues —

Concurring on Issues 1, 2 & 3

Paul Konopa
Paul Konopa, Union Delegate Date

Dissenting on Issues

Concurring on Issues

The Employer final offer presents a longevity schedule which increases maximum payout from the present \$800 a year to \$1400 a year in 1996. This is a significant increase in light of the general wage increases and the increase of an additional 5% of base wages being contributed to the pension program. For these reasons, the majority of the panel awards the Employer's final offer on longevity pay as best meeting the criteria of Section 9.

The Panel signatures for wages and longevity issues:

C. Keith Groty 5/28/96
C. Keith Groty, Ph.D., Chairperson Date

Daniel Durack, Employer Delegate Date

Dissenting on Issues _____

Concurring on Issues _____

Paul Konopa 5/28/96
Paul Konopa, Union Delegate Date

Dissenting on Issues Wages & Longevity

Concurring on Issues Pension