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STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
ACT 312 ARBITRATION

SANILAC COUNTY BOARD OF
COMMISSIONERS and the SANILAC
COUNTY SHERIFF
and

MERC Case No. D04 I-1220

POLICE OFFICERS ASSOCIATION
OF MICHIGAN

INTERIM OPINION AND ORDER ON COMPARABILITY

APPEARANCES

For the Employer:

For the Association:

Bonnie G. Toskey

William Birdseye

INTRODUCTION

Section 9 of Act 312 PA 1969 states:

Where there is no agreement between the parties, or where there is an agreement but the parties have begun negotiations or discussions looking to a new agreement or amendment of the existing agreement, and wage rates or other conditions of employment under the proposed new or amended agreement are in dispute, the arbitration panel shall base its findings, opinions and order on the following factors, as applicable:

(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.

I have reviewed the parties' submissions and also a book, MICHIGAN COUNTY ATLAS (Michigan State University Press 1989) ("County Atlas"). The County Atlas contains very clear maps of each county in Michigan, along with square miles, populations per the 1980 census, and a thumb-nail description of each county. I have rounded a number of my measurements below.

FINDINGS AND OPINION

The Association has proposes the following communities:

Huron County
Tuscola County
St. Clair County
Lapeer County

The Association argues that these Counties are proper because they are the four counties which abut Sanilac County, and geographic proximity is a key factor in determining comparable communities.

The Employer proposes the following communities:

Huron County
Tuscola County
Mecosta County
Branch County
Hillsdale County
Newaygo County

By earlier letter, the County also proposed Barry and Cass Counties, but not Tuscola County. The Employer relies primarily on population and taxable value. It relies on geographic proximity to the extent that all of its proposed counties are within the southern half of Michigan's lower peninsula (and with Tuscola County, its proximity to Sanilac County).

Sanilac County is located in Michigan's "thumb." It abuts Huron County to the North; Lake Huron to the East (with 40 miles of shoreline); St. Clair County to the South; Lapeer County to its Southwest corner; and Tuscola County to the West.

Sanilac County is 961 square miles. Its 2005 estimated population was 44,752 (only five more persons than its 2000 census). In 2005, its population density was 47 persons per square mile.

Sanilac County's 2005 taxable value was \$1.259 billion. Its taxable value per capita is \$28,000.

Sanilac County has much agriculture. The County Atlas (at 164) states: "[In the 20th century] Agriculture continued to expand throughout the county, which has become a state leader in the production of oats, hay, cattle, winter wheat, beans, sugar beets, and turkey. The fertile farmland is the mainstay of Sanilac's economy today."

Because both parties have proposed the abutting Counties of Huron and Tuscola (and I am accepting their agreement as to these two counties), the following information about them is pertinent (although surprising in some ways).

Huron County abuts Sanilac County's northern border. It has 90 miles of shoreline on Lake Huron.

Huron County is 822 square miles. Its 2005 estimated population was 34,640, which is 4% less than its 2000 census. In 2005, its population density was 42 persons per square mile.

Huron County's 2005 taxable value was \$1.408 billion. Its per capita taxable value is \$40,000.

The County Atlas (at 70) states of Huron County: "[I]t's strength lies in agriculture. Huron County ranks first of all Michigan counties in the production of dry beans, wheat, and cattle. It is the second highest producer of oats, sugar beets, poultry and milk. The majority of the world's supply of navy beans are grown in Huron County."

Tuscola County abuts Sanilac County's western border. It has several miles of shoreline on Lake Huron.

Tuscola County is 816 square miles. Its 2005 estimated population was 58,428, which is 162 people or .0028 more than its 2000 census. In 2005, its population density was 71 persons per square mile.

Tuscola County's 2005 taxable value was \$1.27 billion. Its taxable value per capita is \$22,000.

The County Atlas (at 170) states of Tuscola County: "As the logging era gradually declined it was replaced by farming, with crops such as wheat, corn, and oats. Tidy farms grace the rural countryside today, producing sugar beets, beans, corn, potatoes and grains. There is some dairying and turkey-raising. . . . Tuscola County has seen no sudden bursts of activity, no dazzling schemes."

In sum, Sanilac, Huron and Tuscola Counties share far more than common borders. They share largely agricultural economies, recreational access to Lake Huron, large size, static or declining populations, and relatively low populations per square mile (especially in Huron and Sanilac Counties). The one statistical oddity is the vast disparity between Huron County and Tuscola County in per capita taxable value. Of all the counties proposed for inclusion by the parties, Tuscola County (\$22,000) has the lowest per capita taxable value, and Huron County (\$40,000) has the highest. However

(and for what it's worth), when the combined taxable value of Tuscola and Huron Counties is divided by their combined population, the per capita taxable value becomes around \$25,500 (which is far closer to Sanilac's per capita taxable value than when Tuscola and Huron Counties are viewed separately).

For the following reasons, I find that **St. Clair County** is **not** comparable to Sanilac County despite its satisfying the important factor of geographic proximity. It significantly differs from Sanilac County in population, taxable value, and economic character. St. Clair County's 2005 estimated population was 171,426, which is almost four times the population of Sanilac County. In addition, St. Clair County's population is growing. Between 2000 and 2005, it increased by 7,191 people, or 4.2%. In 2005, its population density was 232 persons per square mile, which is about 5 times Sanilac County's density. St. Clair County's 2005 taxable value was \$5.87 billion which is more than 4 ½ times greater than Sanilac County's. In addition, it is far more urbanized and industrialized than Sanilac County: It includes the City of Port Huron, international commerce at the Blue Water Bridge site and the St. Clair River, and two interstate highways. Finally, its per capita taxable value is \$34,000, which is 21.4% higher than Sanilac County's.

The County Atlas (at 160) states: "St. Clair County's many diverse industries have kept it an economically active and growing community. Leading industries are boats and shipping, metal products, paper, salt, gas, peat, and cement. General farming includes sugar beets, cattle, milk cows, oats, and hay."

For similar reasons, I find that **Lapeer County** is **not** comparable to Sanilac County despite its satisfying the factor of geographic proximity at Sanilac County's

southwestern corner. It, too, differs from Sanilac County in population, taxable value, and economic character. Lapeer County's 2005 estimated population was 93,361, which is more than twice the population of Sanilac County. In addition, Lapeer County's population is growing at an even faster rate than St. Clair County's population. Between 2000 and 2005, it increased by 5,457 people, or 6.2%. In 2005, its population density was 132 persons per square mile, or almost three times the density of Sanilac County. While Sanilac County's population is stagnant, Lapeer County's population is growing. A reason appears to be that it is more centrally located in relation to large population and employment areas, with Genesee County to its West, St. Clair County to its East, and Oakland and Macomb Counties to its South.

Lapeer County's 2005 taxable value was \$2.8 billion which is more than 2 1/4 times greater than Sanilac County's. In addition (as mentioned above), it is more developing and centrally located than Sanilac County. The County Atlas (at 170) states of Lapeer County: "In the 1970's the county's population increased 34%, mostly due to the arrival of residents who commute to work in Flint [Genesee County], Romeo [Macomb County] and Pontiac [Oakland County]. Though farming is still important, only half as many farms exist there today as in 1904. Small industry in Lapeer include[s] metalworking, boat building, and sand and gravel." I note that Lapeer County shares a major interstate highway – I-69 – with Genesee and St. Clair Counties. I-69 directly connects the cities of Flint, Lapeer, and Port Huron. Finally, its per capita taxable value is \$30,000, which is more than 7% higher than Sanilac County's.

For the above reasons, St. Clair County (more evidently) and Lapeer County (somewhat less evidently) are not comparable to Sanilac County.

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I think that (absent the parties' stipulation) two comparable communities – Huron and Tuscola Counties – are inadequate to provide sufficient data in an Act 312 proceeding.

Therefore, I will now consider all the counties proposed by the Employer (other than Huron and Tuscola, which I already have accepted). Here, I am considering the counties cited in the Employer's briefs and also the counties cited in the Employer's earlier letter. I recognize that none of these counties are within a reasonable commuting distance from Sanilac County.

All of the additional counties proposed by the Employer (in its letter and briefs) comply with (a) the Employer's measure of location within the southern half of Michigan's lower peninsula, (b) taxable values +/- 20% of Sanilac County's taxable value, and (c) populations +/- 30% of Sanilac County's population. In Act 312 cases, formulas of this sort are necessary where (as here) there are insufficient nearby communities which are comparable.

In viewing these communities, the one thing they most clearly have in common is that they satisfy the Employer's standards, which are a reasonable attempt to provide rationality to a challenging task. Also, like Sanilac County, all are largely rural.

Within the taxable value and population limits proposed by the Employer, a somewhat more precise picture of ability to pay is each county's per capita taxable value.

My estimates for these Counties follow:

<u>County</u>	<u>Per Capita Taxable Value</u>
Sanilac	\$28,000
Cass	\$28,000
Berry	\$27,500
Hillsdale	\$26,000
Mecosta	\$25,000
Branch	\$24,000
Newaygo	\$24,000

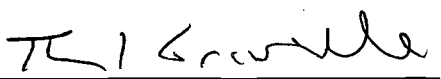
The per capita taxable values of Cass, Berry and Hillsdale Counties equal (Cass) or fall between Sanilac County's \$28,000 and \$25,500 (the combined per capita taxable value of Huron and Tuscola Counties). Therefore, on this important factor, Cass, Berry and Hillsdale Counties are comparable.

CONCLUSION

For all the above reasons, the following are the comparable communities in this case:

Huron County
Tuscola County
Cass County
Berry County
Hillsdale County

September 30, 2006



Thomas L. Gravelle, Panel Chair