

MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

MICHIGAN EMPLOYMENT RELATIONS COMMISSION

BUREAU OF EMPLOYMENT RELATIONS

POLICE OFFICERS LABOR COUNCIL,

Petitioner,

-and-

GRAND RAPIDS COMMUNITY COLLEGE

Respondent.

MERC Case No.: **L15 K-1264**

RECEIVED
2016 SEP 30 PM 3:47
BUREAU OF MICHIGAN
EMPLOYMENT RELATIONS COM.
DETROIT OFFICE

FACT FINDER'S REPORT

Fact Finder

Kathleen R. Opperwall

Advocates

Thomas R. Zulch, for Petitioner/Union

Katherine W. Broaddus and Margaret M. Hackett, for Respondent/Employer

Michigan Labor Mediation Act (P.A.176 of 1939 as amended)
MCL 423.1, et seq, and
Public Employment Relations Act (P.A.336 of 1947 as amended)
MCL 423.201, et seq

Petition filed: April 21, 2016
Fact Finder appointed: May 17, 2016
Pre-hearing conference held: June 7, 2016
Hearing date: August 22, 2016
Briefs filed: September 12, 2016
Report Issued: September 30, 2016

<u>Table of Contents</u>	page
1. Introduction and Background.....	2
2. Statutory Authority.....	2
3. Stipulations and Preliminary Rulings	3
4. Comparables.....	3
5. Issues before the Panel	
a. Salary Schedules (economic).....	3
b. Longevity (economic).....	6
c. Duration of Contract (non-economic).....	7
6. Summary of Award.....	8

Witnesses:

1. Lisa Freiburger, for the Employer
2. Tony Meyers, for the Union
3. Nancy Ciccone, for the Union

1. Introduction and Background

The Police Officers Labor Council (hereafter the Union or POLC) represents the Police Officers, Police Sergeants, and Dispatchers who are employed by Grand Rapids Community College (hereafter the Employer or the College.) The bargaining unit is generally referred to as the Campus Police bargaining unit. As of the time of the hearing there were 14 bargaining unit members, consisting of ten Police Officers, one Sergeant, and three Dispatchers. The parties' previous contract was a two year contract which expired on June 30, 2016.

2. Statutory Criteria

The purpose of the fact finding procedure is to provide factual findings and non-binding recommendations to assist the parties in reaching agreement on a new contract, MCLA 423.25.

2. Stipulations

The parties were able to settle most of the issues with tentative agreements, leaving the three issues covered by this Report.

4. Comparables

The parties agreed to the following as “comparables” for purposes of the fact finding proceeding:

Grand Valley State University
Lansing Community College
Macomb Community College
Oakland Community College

The parties reserved the right to argue that some were more comparable than others.

5. Issues before the Fact Finder

a. Salary Schedule Wages

Union’s Proposal: Step Increases and 2% on the Salary Schedule each year.

College’s Proposal: 2% “pool” each year, with any step increases to reduce the amount available for increases on the salary schedule.

Analysis: This is the main area of dispute between the parties. The data presented by both parties was in basic agreement in showing that the salaries at the present time are basically within the range of the “comparables.” Salaries have not kept up with inflation over the last 10 years which included an economic downturn. However, they have not drastically lost ground either. Union Exhibit 7 includes a summary showing that the top paid Police Officer’s base salary increased from \$47,333 in 2005 to \$55,996 in 2015, an overall 18.30% increase for the ten years. The CPI-U Midwest Urban Consumer Price Index increased by 19.88% over those same ten years.

Over the last few contracts, the Police Officers have agreed to forgo “step” increases for three out of the last five years. The Police Officers have a five step salary schedule, with each step adding about 5.5% to the base wage. Officers presently start at \$21.73 per hour at step 1, and progress to \$26.92 per hour at step 5. Presently, of the ten Police Officers, seven are at the top step, two at step 3 and one at step 1.

The Dispatchers have a seven step salary schedule, starting at \$16.71 per hour and progressing to \$21.77 per hour. Presently, of the three dispatchers, one is at step 7, one is at step 6 and one is at step 5 (Union Rebuttal Exhibit 5).

The one Police Sergeant has a salary differential set by contract of 9% over the top pay of the Police Officers.

The College has a fund balance of about \$11 million, which is about 10.3% of its annual revenues. This is adequate, but not excessive, and below the average of the comparables (College Ex. 1 & 40). The College did not argue “inability to pay.” It did present evidence that enrollment has been dropping since the 2010-2011 school year. This is normal in an economic upturn, and is affecting the other community colleges as much or more than the College (College Exhibit 19). The College relies on tuition fee revenue for the largest category of its revenue, for roughly 49% of its revenue (College Ex. 16). For the last few years, as enrollment has decreased, the College has implemented a wide variety of cost cutting measures.

The proposal which the College has made to this bargaining unit is similar to what it has negotiated with other bargaining units. Within the 2% “pools” offered by the College, the other bargaining units have chosen various options, which have included combinations of step increases, salary schedule increases, and off-schedule stipends.

Recommendation: 2016-2017: step increases, plus 1% on the salary schedules
2017-2018: step increases, plus 1.25% on the salary schedules
2018-2019 step increases, plus 1.5% on the salary schedules

Reasoning: As mentioned above, the Police Officers have not had step increases for three of the last five years. Most of the comparables are continuing to give step advancements each year (College Ex. 36). The Police Officers have a 5 step salary schedule. This is consistent with the comparables, which range from 3 to 7 steps. The step increases for the Police Officers here and with the comparables are quite significant, particularly in the first few years of employment (College Ex. 37).

In contrast, the College's CEBA bargaining unit (maintenance) and APSS bargaining unit (clerical support) have 10 steps on their salary schedules. Each step on those schedules is less significant. For example, a licensed electrician or plumber starting at step 1 of the CEBA schedule would be paid \$24.48 per hour, and get a \$.43 per hour increase to step 2, which amounts to a 1.8% increase. The concept of an overall "pool" which includes both step increases and salary schedule increases makes a certain amount of sense for the CEBA and APSS bargaining units. Their step increases are in the vicinity of cost of living increases and affect a large number of employees.

I do not think the "pool" concept works as well for this Campus Police bargaining unit. For one thing, the bargaining unit is small, just fourteen employees. Should the longer seniority Police Officers need to forgo cost of living increases because there are some new officers moving up the steps? Typically, police departments have had different salary structures than schools have had, with fewer and larger steps (College Ex. 37). A

new Police Officer here starting at step 1 is paid \$21.73 per hour, and gets a \$1.20 per hour increase at step 2 which amounts to a 5.5% increase.

The College's basic position is that wages for the bargaining unit should be fair but not excessive. I think this concept is better applied for this bargaining unit by providing step increases, and looking separately at whether salaries are keeping up.

For the first year, 2016-2017, a 1% increase on the salary schedules would put this bargaining unit in the middle of the comparables (Union Ex. 7 and College Ex. 31).

Neither the internal nor external comparables have contracts extending past 2016-2017, so it is not possible to benchmark this bargaining unit for later years. Wage re-openers would be possible, but would require both sides expending considerable effort for what will not be a large total dollar difference.

I am recommending that the step advancements be continued for both the second and third years of the contract, and that there be salary schedule increases of 1.25% the second year and 1.5% the third year. This may result in salaries ending up a little above or a little below comparables and/or benchmarks, but it should keep them within range and provide some buffer against inflation.

b. Longevity Issue

Union's Proposal: Maintain the status quo.

College's Proposal: Add language to longevity provision to tie advancement on the longevity scale to performance, similar to what has been done for step advancement.

Analysis. The current contract provides for longevity pay starting after completion of five years of service and progressing at five year intervals, as follows:

<u>Years of service</u>	<u>longevity pay</u>
5	\$500
10	750
15	1,115
20	1,337

The College's other collective bargaining agreements also provide for longevity pay.

The CEBA and APSS contracts provide similar amounts, but also provide some increase after 25 years. As of now, neither of those contracts has tied longevity pay to meeting performance criteria.

Of the external comparables, only Macomb Community College has longevity pay. It pays a flat \$1,186 after ten years, and does not tie this to performance.

Recommendation: maintain the status quo for longevity pay.

Reasoning: Advancement on the salary steps is already tied to meeting performance criteria. Longevity by its nature is designed to reward long service. The advancement on the longevity scale occurs once every five years. Adding a merit concept once every five years would not seem to be a very powerful way to address performance issues. It would detract from and complicate what is otherwise a positive way to reward long service.

c. Duration

Union's Proposal: three year contract.

College's Proposal: two year contract, or three year contract with a wage reopener for the third year.

Analysis: three year contracts are more common with both the internal and external comparables. The disadvantage of a three year contract is that it is hard to use with the College's approach of benchmarking the unit with comparables, because none of

the comparables have contracts extending that far into the future. The disadvantage of a two year contract is that it puts the parties back into negotiations too soon. A disadvantage from the employees' point of view is that wage increases cannot be made retroactive, so time spent between contracts is time when any increases are not actually in effect.

Recommendation:

I am recommending a three year contract.

6. Summary of Recommendations

Issue	Recommendation
Wages	2016-2017 Step increases and 1% on salary schedule 2017-2018 Step increases and 1.25% on salary schedule 2018-2019 Step increases and 1.5% on the salary schedule
Longevity	Status quo
Duration	Three years



Dated: September 30, 2016

Kathleen R. Opperwall, Fact Finder