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IN THE MATTER OF ARBITRATION

Between

CITY OF HILLSDALE, Employer

- and -

MICHIGAN STATE FIRE FIGHTERS' UNION #961, Union

Pursuant to Act No. 312,

Michigan Public Acts of 1969

Arbitration Panel

Kenneth Grinstead, Chairman  
Lewis Loren, City Designee  
George Brannick, Union Designee

JUNE 30, 1984

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Hillsdale, City of

IN THE MATTER OF ARBITRATION

Between

City of Hillsdale, Employer

- and -

Michigan State Fire Fighters' Union #961

Case No. L82 C-247

MICHIGAN EMPLOYMENT RELATIONS COMMISSION

Under Act No. 312, Michigan

Public Acts of 1969

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## OPINION

### Procedural Matters

This is a compulsory arbitration matter pursuant to Act 312 of the Public Acts of the State of Michigan, 1969 as amended, MSA 17.455 (31) et. seq.; MCLA 423.231 et. seq., (hereinafter Act 312) better known as the Michigan Policemen and Firemen Compulsory Arbitration Act. The members of the Arbitration Panel are Kenneth Grinstead, impartial chairman, George Brannick, Union delegate, and Lewis Loren, Employer delegate.

This dispute involves contract negotiations between the City of Hillsdale (hereinafter City) and the Michigan State Fire Fighters' Union, #961 (hereinafter Union). The City and the Union have a collective bargaining relationship and their most recent collective bargaining contract expired on June 30, 1982.

Prior to the expiration of their collective bargaining agreement, the parties attempted to negotiate a new contract. Despite their best efforts, a large number of issues remained unsettled and an impasse occurred. Subsequently, the Union invoked the provisions set forth in Section 3, Act 312. By letter petition to the Employment Relations Commission and dated May 25, 1982, the Union, through its President William Warfield, initiated arbitration proceedings. President Warfield stated that the entire contract was still open. This petition did not indicate that mediation meetings had been held.

A second letter petition dated December 30, 1982, and submitted by the Union's attorney, George J. Brannick, was filed with the Employment Relations Commission. This petition revealed that mediation meetings had been held on July 14, July 28, September 8, and November 16, 1982. The following issues were listed on the petition as unresolved:

1. Holidays
2. Wage increase
3. Dental and/or vision allowance
4. Pay for unused sick leave
5. Membership on any committee, organization, or otherwise relative to public safety.
6. Vacation increase
7. Minimum manning
8. Acceptance of all items tentatively agreed to and retroactivity of all other items
9. Term of contract

Following receipt of the second petition, the Employment Relations Commission appointed Dr. Kenneth Grinstead to serve as impartial chairman of the arbitration panel and directed him to contact the parties and arrange for the hearing.

#### The Pre-Hearing Conference

A pre-hearing conference in this matter was held on March 30, 1983, in Jackson, Michigan, for the purpose of clarifying the outstanding issues and scheduling the arbitration hearing. At this meeting, the Union withdrew issue number 5 from the above list leaving eight (8) issues outstanding. The arbitration hearing was scheduled for two days -- May 24 and 25, 1983 -- to be held in the Hillsdale City Hall Council Chambers commencing at 10:00 A.M. on the 24th.

#### The May 24, 1983, Hearing

At the opening of the hearing on the 24th, the parties requested permission to engage in further negotiations for the purpose of resolving some or all of the outstanding issues.

After about two (2) hours the parties reported to the Chairman they had successfully settled several of the issues. The remaining open issues were:

1. Wages for July 1, 1983 to June 30, 1984 inclusive
2. Holiday issues
3. Minimum manning
4. Maintenance of standards
5. Term of contract.

At the meeting on the 24th, the parties also agreed to postpone arbitration for sixty (60) additional days to permit negotiations to continue with regard to the remaining unresolved issues. These negotiations proved to be unsuccessful and after several postponements, the arbitration hearing was finally held on April 10 and 30, 1984.

#### The April 10 and 30, 1984 Hearings

At these hearings each party was given full opportunity to present testimonial and documentary evidence in support of the positions taken on bargaining issues claimed to be in existence. A verbatim reportorial transcript of the proceedings was taken. A typed transcript was ordered by the Panel and the written findings, opinion and order on the issues presented have been made with benefit of a transcript.

No post hearing briefs were filed with the Panel.

This opinion has been written by the Chairman of the Panel, but the valuable suggestions of the other members of the Panel is acknowledged. Concurrence by the other members on any of the issues under submission does not necessarily signify that they agree with everything stated in the opinion.

#### Standards for Decision

Section 9 of Act 312 provides that a panel's "majority action and rulings shall constitute the actions and rulings of the arbitration panel." Under Section 8, a Panel "shall make written findings of fact and promulgate a written opinion and order upon the issues presented to it and upon the record made before it", and "the findings, opinion and order shall be just and reasonable and based upon the factors prescribed in Section 9." Section 9 provides:

Where there is no agreement between the parties, or when 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 upon the following factors, as applicable:

- (a) The lawful authority of the employer.
- (b) Stipulations 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 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 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.

It is the judgment of the Panel, (1) that it base its findings, opinions and order upon the factors stated in Act 312, Section 9, as applicable, and (2) that the Panel retain jurisdiction in this matter to interpret its opinion and award, and adjust the award, if necessary.

#### The Hillsdale Fire Department and the Bargaining Unit

The City of Hillsdale is located in Hillsdale County, in south-west lower Michigan. The City has a population of slightly more than 7,000 of which approximately 900 are students at Hillsdale College. The community has a number of small factories and commercial enterprises.

The Fire Department consists of six employees: one Chief and five engineers (an Assistant Chief and four fire fighters). The Chief is not a member of the bargaining unit. The Department is supported by twenty volunteers who respond when a fire is reported.

Fire fighters are on duty for twenty-one and one-half hours and off forty-eight hours. Off duty fire fighters are called out when needed to fight a fire. For benefit of the Panel, fire fighter Thomas Stiverson described the work schedule and primary duties and obligations of fire fighters in Hillsdale. Stiverson testified to the need for the fire fighters to maintain continual contact with community industries in regard to the use of new chemicals and to the location of all chemicals. He described the work schedule of fire fighters and the utilization of volunteers.

Issue: Wages July 1, 1983 to June 30 1984

In making its award on wages the Panel reviewed data related to several of the criteria as set forth in Act 312 standards for decision.

Cost of Living

The Employer submitted an article from the Wall Street Journal, dated January 25, 1984, (Employer Exhibit No. 13) that describes the rise in the consumer price index for calendar 1983. The article cites the U.S. Labor Department as its source for



establishing an increase in the cost of living for all of 1983 of 3.8%.

Consumer price increases for 1983 are not appropriate for this arbitration because the last pay increase received by the Hillsdale fire fighters was effective on July 1, 1982. The parties are seeking to settle their salary differences in this arbitration matter for the period July 1, 1983 to June 30, 1984. Consequently the focus should be on consumer price increases for the period from July 1, 1982 to July 1, 1983.

The Panel takes judicial notice of the Consumer Price Index as reported by the U.S. Labor Department, Bureau of Labor Statistics for all urban consumers. This index is widely used as an escalator in collective bargaining agreements. On July 1, 1982, the CPI stood at 291.8, and on July 1, 1983 had risen to 298.2. This was increase of slightly more than 2% for fiscal year 1983.

#### Ability to Pay

The City submitted considerable evidence related to its ability to pay. Information was presented to the Panel on 1) state equalized valuation of property per capita (SEV/PC), and 2) median family income. The City contends these factors express a community's ability to pay and will reflect that community's wage levels for employees. The City also submitted an article from the Wall Street Journal depicting the financial plight of cities.

1. State equalized valuation of property per capita. The City argues that SEV/PC is related to the ability of a community to generate revenue. Table I (appendix) shows how Hillsdale SEV/PC compares with eight Michigan cities of similar size that are also located in southern lower Michigan.

2. Median Family Income. The City submitted information regarding median family income for Hillsdale. These data are also shown in Table I (appendix).

The right hand column in Table I shows a combined ranking of the ranking for SEV/PC and the ranking for median family income. It can be seen that Hillsdale ranks in eighth place on all three rankings.

Data in Table II shows that Hillsdale ranks lowest among the comparable cities on median family income and state equalized valuation per capita combined, and on fire fighter salaries and patrolmen salaries.

#### Wall Street Journal Article

The City submitted an article from the Wall Street Journal dated Monday, November 28, 1983, captioned "Cities are Still Facing Fiscal Problems Despite Economic Recovery, Survey Finds." The article cites a survey by the National League of Cities which suggests that, 1) municipal revenues in fiscal 1984 will grow more slowly than during 1983, 2) cities are likely to incur deficits, 3) about one-half of the cities plan to reduce deficits, and 4) cities cannot expect a bail out from federal or

state sources. The following is a quote from the article.

The survey suggests that the most serious problems facing city officials are high interest rates, local unemployment, energy costs, inadequate revenue sources, inability to attract new jobs to the community and lack of housing for low and moderate income families.

The Wall Journal article depicts nation-wide problems of cities but does not describe the impact of the recession on the financial ability of the City of Hillsdale. The fiscal history of the City of Hillsdale is more adequately portrayed in its audit for fiscal 1983 and its fiscal 1984 budget. These items were submitted to the Panel for review and consideration.

#### City's Fiscal Health

During fiscal 1983, the City received General Fund revenues of \$1,685,055 compared to revenues of \$1,774,338 in fiscal 1982. This was a decline of \$89,283 over the one year period.

Expenditures from the General Fund during fiscal 1982 were \$1,532,498 and for \$1,343,441 during fiscal 1983. The City's General Fund expenditures declined \$189,057.

On June 30, 1982, the City reported a General Fund balance of \$479,688 and on June 30, 1983, a balance of \$473,536. The City Manager testified that he estimates the June 30, 1984, General Fund balance will be "in the five hundred to six hundred thousand dollar range." (Transcript at 117, Vol. 1). The City has estimated that it will earn \$52,000 on note investments

during fiscal '84.

During fiscal 1983 the City spent \$216,228 under the audit category of FIRE. The budget for fiscal 1984 shows an allocation for FIRE of \$240,408. This is an increase of \$24,180 or 11.2%. If fire fighters' salaries are increased by 7.5%, fiscal 1984 expenditures will increase less than \$9,000 for fire fighters' salaries.

It is the opinion of the Panel that the City has the ability to pay the union's demand of a 7.5% wage increase for fiscal 1984.

#### Comparables

The City submitted contracts and financial data from the following nine (9) Michigan Cities for comparison with Hillsdale: Cadillac, Coldwater, Greenville, Hastings, Ionia, Marshall, South Haven, Sturgis, and Three Rivers. From a review of the State map of Michigan and the population counts for the submitted list of cities, it is apparent that the City has selected some communities that are reasonably close to Hillsdale, has chosen several cities that are not nearby geographically, and ignored several other cities. The City stated that it selected cities that were isolated from large city influence.

The City's selection of Cadillac as a comparable with Hillsdale while ignoring cities that are much closer, i.e., Dowagiac and Charlotte, renders the inclusion of Cadillac suspect. Cadillac is too distant to be used for comparison

purposes. It is doubtful that collective bargaining in Cadillac has had any influence on collective bargaining in Hillsdale. Accordingly, the Panel has determined that Cadillac should be deleted from the list of comparables for which information has been provided.

#### Comparables--With Other Employees Generally

Section 9 (d) of Act 312 provides that wage comparisons are to be made "with other employees generally". The City offered into evidence a summary page from a "Wage and Benefit Survey of Area Manufacturers" dated May, 1983, that was prepared by the Hillsdale County Industrial Development Commission. The summary page showed the minimum, median, maximum and average wages paid for beginning employees, and for employees who had reached the maximum wage level. The survey reported data for union and non-union employees.

The City suggests that a reasonable hourly wage for union and non-union Hillsdale area employees in private industry would be \$7.91. This figure was obtained by weighting the 1,324 union and the 966 non-union employees hourly average maximum wage. At \$7.91 per hour an employee working 2,080 hours annually could earn \$16,452.

In the Panel's opinion, the most useful data are hourly wages paid to union employees in private industry who are at the hourly maximum wage. Fifty-eight per cent of the Hillsdale employees are unionized while only forty-two percent are

non-union. Union employees are more comparable to the Hillsdale fire fighters.

The median wage paid to union employees in private industry at the time of the report (May, 1983) was \$8.90 per hour. If an employee worked a full year of 2,080 hours he/she would have earned wages of \$18,512. A Hillsdale fire fighter at his current salary earns \$16,887. The City' offer of 3.5% increase would provide \$17,478, and the Union's demand of 7.5%, \$18,154.

The average hourly wage paid to union employees in Hillsdale area private industry who were at the maximum was \$8.79. If an employee worked a full work year of 2,080 hours at \$8.79 per hour he/she would have earned \$18,283.

It is the opinion of the Panel that the Hillsdale County Industrial Development Commission supports the fire fighters demand for a 7.5% increase in wages.

#### The Question of Parity

It is the contention of the Union that as a result of collective bargaining, the parties in Hillsdale have attempted to maintain salary parity of the fire fighters with the police. It is the Union's position that past practice has established that the fire fighters have received, at the maximum salary level, 95 % of the police patrolmen's wages.

Data in Table III (see appendix) shows this history since July 1, 1978. Table III shows that the fire fighter's maximum salary during the period from July 1, 1978, through July 1, 1982, has ranged from a low of 88.8 percent of the police patrolmen's maximum to a high of 95.4 percent. The median and average percentage differences are 92.0 percent.

Some of the variations in percentages shown in Table III can be attributed to the fact that contract settlement dates and salary increase dates have not been simultaneous for the two bargaining units. For example, it can be seen from Table III that the fire fighters received a pay increase on January 1, 1982, but the patrolmen did not.

The City's final wage offer of a 3.5% increase for the period July 1, 1983 to June 30, 1984, would increase the fire fighter's maximum pay to \$17,478 which would be 91.0 percent of the maximum police patrolmen's salary (\$19,202) effective July 1, 1983.

The Union's final wage demand of 7.5% increase effective July 1, 1983, would increase the fire fighters' maximum pay to \$18,154. This would be 94.5 percent of the maximum police patrolmen's salary effective July 1, 1983.

The Union's demand of 7.5% is identical to the pay increase received by the police for the same period and retains the same parity of 94.5 percent as established on July 1, 1982, when wage increases for both bargaining units were concurrently implemented.

Data from eight (8) cities show the relationship in each city of maximum salaries for fire fighters and patrolmen during the 1984 fiscal year. Table IV (see appendix) shows this data from the eight cities.

Data in Table IV (see appendix) do not reveal a consistent pattern of difference in pay, or parity, for police patrolmen and fire fighters in the eight selected cities. The range is from a -1.7% to a high of 15.3 %. The average difference is 6.3%. The sample of eight neighboring and comparable cities does not show sufficient consistency to establish a differential in pay for fire fighters and police in Hillsdale.

The purpose of Table V (see appendix) is to show how Hillsdale police patrolmen's salaries compare with police salaries in seven comparable cities and the relationship of that comparison to Hillsdale fire fighters' salaries.

Table V (see appendix) shows that effective July 1, 1983, maximum salaries for police patrolmen in Hillsdale were 95.36% of the average of the selected cities. The City's offer of a 3.5% increase in the salary for Hillsdale's fire fighters' would provide a salary that is 92.16% of the seven city average. The Union's demand of a 7.5% increase would raise the fire fighters' salaries to 95.71% of the seven city average.

It is the opinion of the Panel that the above data reveal that the the most appropriate salary for the Hillsdale fire fighters is an increase of 7.5% effective July 1, 1983.



Issue: Minimum Manning

There are four engineers (fire fighters), one assistant chief, and one chief in the Hillsdale Fire Department. Excluding the chief, there are five members of the bargaining unit. The Union has demanded that the City employ one more engineer.

Starting in 1975, the City employed five engineers, an assistant chief and a chief. This staffing arrangement provided two engineers for each shift. (The assistant chief is considered a fire fighter). In March, 1983, an engineer retired and the City did not fill the position. Except for vacations, sickness, bonus days, personal leave days, and holidays, two engineers are on duty for two-thirds of the shifts, and one engineer for the other one-third of the shifts. It is the Union's contention that the present staffing arrangement constitutes insufficient manning and demands that an additional person be employed to return the manning level to six fire fighters.

The Union argues that the safety of the fire fighters, and the community, is jeopardized by the five person manning. In addition, the Union contends that the City has changed the conditions of employment without negotiating the "impact" of its decision not to fill the vacancy caused by the March, 1983, retirement of a fire fighter.

The Union is not requesting that the City be required to have two fighters on duty at all times. It only asks that the manning level that existed until March, 1983, be restored.

The City argues that it has the managerial right to make policy decisions as to the allocation of resources, to determine where the City's dollars are to be spent, and the appropriate staffing level for the fire department. The City contends that its decision not to fill the vacancy was based on economics. The City also asserts there has never been a provision in a contract with the fire fighters that included minimum manning. In addition, the City believes that its decision not to fill the vacancy in 1983 did not increase the work load of the fire fighters nor was the safety of the fire fighters compromised by its decision.

Minimum manning is within the scope of a 312 arbitration panel. In Alpena v Alpena Fire Fighters Ass'n, 56 Mich App 568; 224 NW2d 672 (1974), the Michigan Court of Appeals determined that a manpower award was within the subject matter and jurisdiction of the arbitration panel because safety is a "condition of employment". The Court stated:

The union representative testified that the number of firemen on duty affected not only the public safety, but also the firemen's safety. This position was supported by extensive testimony concerning fire fighting practices and procedures. A safety practice is a condition of employment... We hold, therefore, that the manpower award was within the subject matter and jurisdiction of the arbitration panel.

In a similar case, the Rhode Island Supreme Court found that the minimum manpower requirement affected both the workload and safety of the fire fighters and therefore was a mandatory subject of bargaining and arbitrable. Narrangansett v.

International Ass'n of Fire Fighters, AFL-CIO, Local 1589, 119 RI 506; 380 A2d 521 (1977).

The issue of minimum manning is properly before this Arbitration Panel for determination.

At the Hearing, Union President Warfield testified that the failure of the City to staff the engineer position in March 1983, due to the vacancy created by a retirement, added substantially to the duties of the remaining fire fighters (Transcript Vol. I at p. 69). Engineer Stiverson testified, as shown below, that it is normal practice that fire fighters will not enter a building to fight a fire unless accompanied by a "buddy".

Q. In performing the duties of a fireman, is it not an established rule that a fireman does not enter a building unless with a buddy?

A. That is a normal practice; yes. In the city of Hillsdale, it is our practice to normally work with a buddy system, or if you are going to enter a building, you enter with another partner, so that there are two people. We pretty much adhere to that. (Transcript Vol. I at p 14)

The present manning practice in Hillsdale is two men on duty for two, twenty-four hour shifts, and one man on duty for one shift except for vacations, bonus days, illness, and personal leave days when more than the one shift will be manned by one person. Present practice is a factor "normally and traditionally taken into consideration (criterion [h]). The practice that existed at the commencement of this arbitration was five (5) engineers and an assistant chief.

Failure of the City to fill the unstaffed fire fighter position has increased the duties and the danger of the Hillsdale fire fighters. The manning practice of five engineers and an assistant chief that existed at the time this arbitration was initiated (December 30, 1982) is to be restored.

Issue: Holidays

Under the present contract provisions, Hillsdale fire fighters receive one paid holiday during each four-month period. A holiday consists of a single, twenty-one and one-half hour period free of duty. The paid holiday is granted to the fire fighters because of their schedule which requires them to report for duty at an assigned time regardless of the day on which the duty day falls, including holidays. Because a duty day for fire fighters constitutes approximately three, eight hour periods, the three holidays are equivalent to about nine, eight hour days. Other City employees receive 9 1/2 paid holidays.

It is the position of the Union that fire fighters are scheduled for duty for 2,808 hours (52 weeks times 54 hours each week) while regular city employees are required to report for duty only 2,080 hours. Thus, the Union argues, other City employees receive .0346 hours of holiday time off for every hour of duty time. (The correct number of hours should have been .0365). The Union asserts that fire fighters who are on duty 54 hours each week and 2,808 hours per year receive only .0256 hours (72 hours divided by 2,808) of holiday time off for every hour

worked. (The more correct number of hours off for holidays for each hour of duty is .0229).

The Union has demanded that holiday time for the fire fighters be increased by one additional duty day (twenty-four hours). This increase would provide .0341 hours off for holidays for each hour of duty time.

It is the position of the City that an increase in holiday time for the fire fighters is not warranted because of the total vacation, personal leave, and bonus days received by the fire fighters. In exhibit No. 18 the City demonstrated that a Hillsdale fire fighter receives a total of 365.5 hours of paid time for vacation, holidays, and bonus days. The police receive 228 hours for these same days; the street workers receive 236 and clerical receive 196.

The Union has not shown that the number of paid holidays received by the Hillsdale fire fighters is less than that received by other employees in Hillsdale.

The Union submitted a report, extracted from contracts of four private employers in the Hillsdale area to show the number of paid holidays received by employees of those companies. Essex International, Inc. employees received eight paid holidays; F.W. Stock and Sons, Inc. employees received ten paid holidays; Allied Products Corp. employees received fourteen paid holidays; and, employees at Vaco Products Company, under an expired contract, received ten paid holidays. The average number of holidays received by employees of the four Hillsdale employers is

10.5.

It is the opinion of the Panel that an increase in Holidays is not justified when the total number of days the fire fighters receive for vacations, bonus days, holidays, and personal leave is compared to those received by other city employees.

Issue: Term of the Contract

It is the Unions's position that the arbitration award should extend the expiration date of the contract to either June 30, 1985 or June 30, 1986, except for economics, which should be "piggy-backed" to the economics obtained by the police in their negotiations. The Union demands that the fire fighters retain, over the next year or two years, the parity relationship that has been established with the police. In the alternative, the Union requests that the contract be extended, except for economics, which would be negotiated.

The rationale for the Union's position is as follows: This arbitration will conclude about June 30, 1984, for a contract which will expire at the same time. The parties will be required to resume negotiations immediately for a new contract to cover the next two years. The Union believes that extending the contract will promote labor peace, save time and money, enhance the parties' public image, and improve the fire fighters morale.

The City objects to an award that would extend the contract beyond June 30, 1984, because two-year contracts have been traditional in Hillsdale and this arbitration completes a two-year contract. In addition, the City would like the opportunity to renegotiate some of the provisions of the contract which have been operational for a number of years. An arbitration award that would extend the contract one or two more years prohibits consideration of non-economic items which the City may want to change in the contract. The City also strongly objects to any provision that would "piggy-back" the economic provisions of the fire fighters to the police contract.

The justification for continuing the non-economic items in the collective bargaining agreement past June 30, 1984, for either one or two years, has not been established. The issues upon which this arbitration matter were premised were identified nearly two years ago. All other matters were settled through collective bargaining. The City has stated that it is concerned about some of the items in the contract to which it has already agreed to. To extend the contract provisions for one or two more years, would have the effect of denying the City, as well as the Union, the opportunity to select certain objectionable items from the contract for renegotiations.

The Panel has not accepted the Union's argument that parity with the police on salaries has been established. Nor does the award provided in this decision create a parity relationship on salary or any economic item. The Panel will not

extend the contract past June 30, 1984 or enforce a parity relationship for fiscal 1985 or 1986.

Issue: Maintenance of Standards

The collective bargaining contract between the City and the Union provides that the conditions of employment in effect at the time of the execution of the agreement, not otherwise covered by the agreement, shall be maintained during the term of the agreement.

The City demands that this provision be eliminated.

It is the City's position that the Union has not demonstrated the need for a continuation of the Maintenance of Standards provision in the collective bargaining agreement. The City argues that any items the Union had a concern about when collective bargaining was initiated have already been incorporated into the agreement thus rendering the provision unnecessary. When collective bargaining commenced, the City contends, there might have been a necessity for the parties to include a Maintenance of Standards provision because of their inexperience and the possibility of overlooking something important. The purpose of the provision was to cover those items that might have been forgotten. However, the provision has now outlived its usefulness.

The City believes the Union can use the provision as a potential "club" and hold the City to some nebulous, vague condition of employment based on unfounded accusations or



hearsay. In addition, the City argues, agreements have been reached with other City bargaining units to exclude maintenance of standards provisions.

The Union objects to the elimination of the Maintenance of Standards provision from the collective bargaining agreement for several reasons. The Union attributes the "dissatisfaction" in the police department to the elimination of the Maintenance of Standards provision from the police contract. The Union points out that during the time the provision has been in the collective bargaining agreement there has never been a grievance arbitration arising out of the fire fighters' contract.

It is the Panel's decision that the City has not demonstrated sufficient reason for the Panel to excise the Maintenance of Standards provision from the collective bargaining agreement. Only speculation of potential future problems, rather than real problems, have been cited by the City as justification for elimination of the provision. Because the City and the Union have been able to administer their collective bargaining agreement over a period of several years without significant controversy, the Panel has determined that the Maintenance of Standards provision should remain in the contract.

Summary of the Award

The Panel awards the Union's last offer of a 7.5% increase in wages for the period July 1, 1983 through June 30, 1984.

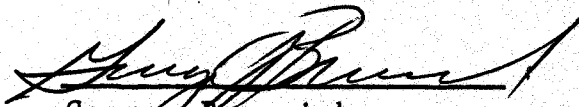
The Panel awards the Union's last offer of one additional fire fighter for the purpose of restaffing an engineer position that has not been staffed since March, 1983.

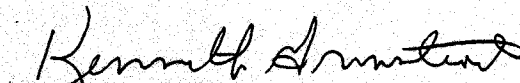
The Panel awards the City's last offer of a term of contract with an expiration date of June 30, 1984.

The Panel awards the the City's last offer of no change in the number of holidays.

The Panel awards the Union's last offer of no change in the contract language pertaining to Maintenance of Standards.

June 30, 1984

  
George Brannick  
Union Delegate

  
Kenneth Grinstead  
Impartial Chairman

\_\_\_\_\_  
Lewis Loren  
City Delegate

# APPENDIX

TABLE I  
STATE EQUALIZED VALUATION PER CAPITA  
and  
MEDIAN FAMILY INCOME  
HILLSDALE AND SELECTED CITIES

<u>CITY</u>	<u>STATE EQUALIZED VALUATION PER CAPITA</u>		<u>MEDIAN FAMILY INCOME</u>		<u>COMBINED RANK</u>
	<u>AMOUNT</u>	<u>RANK</u>	<u>AMOUNT</u>	<u>RANK</u>	
Coldwater	\$ 7,827	7	\$ 18,043	7	14
Greenville	9,647	2	18,732	.6	8
Hastings	8,886	6	19,281	2	8
Hillsdale	7,579	8	16,922	8	16
Ionia	6,523	9	19,221	3	12
Marshall	9,691	1	20,755	1	2
South Haven	9,255	5	19,132	4	9
Sturgis	9,504	4	18,722	5	9
Three Rivers	9,608	3	16,689	9	12

TABLE II  
CORRELATION  
COMBINED RANK  
STATE EQUALIZED VALUATION PER CAPITA  
and  
MEDIAN FAMILY INCOME  
with  
POLICE AND FIRE FIGHTERS' SALARIES

STATE EQUALIZED VALUATION PER CAPITA and MEDIAN FAMILY INCOME <u>COMBINED RANK</u>	RANK FIRE FIGHTERS' <u>SALARIES</u>	RANK POLICE <u>SALARIES</u>
Marshall	Marshall	Hastings
Hastings	Sturgis	Marshall
Greenville	Coldwater	South Haven
South Haven	Greenville	Ionia
Sturgis	Hastings	Greenville
Ionia	South Haven	Coldwater
Coldwater	Ionia	Sturgis
Hillsdale	Hillsdale*	Hillsdale

\*The present maximum salary for Hillsdale fire fighters is \$16,887. The City's offer of a 3.5 per cent increase would raise the maximum salary to \$17,477. This would change the Hillsdale fire fighters to seventh place ahead of Ionia. The Union's demand is 7.5 per cent and would raise the maximum salary to \$18,152. This would also change the Hillsdale fire fighters ranking to seventh place. Both the City's offer and the Union's demand leave Hillsdale in seventh place. The Panel's award of 7.5 percent increase brings the fire fighter's salary into line with how the police salaries compare with the same selected cities.

Table III  
HILLSDALE  
COMPARISON  
of  
FIRE FIGHTER AND POLICE PATROLMAN  
MAXIMUM SALARIES

<u>DATE</u>	<u>FIRE FIGHTER'S MAXIMUM</u>	<u>POLICE PATROLMAN'S MAXIMUM</u>	<u>PERCENTAGE FIRE FIGHTERS' SALARY OF POLICE SALARY</u>
July 1, 1978	11,818	13,300	88.8%
January 1, 1979	12,245	13,300	92.0
July 1, 1979	13,045	13,965	93.4
January 1, 1980	13,045	14,523	89.8
July 1, 1980	13,697	15,249	89.8
January 1, 1981	14,382	16,200	93.2
July 1, 1981	15,101	16,616	90.8
January 1, 1982	15,856	16,616	95.4
July 1, 1982	16,887	17,862	94.5
Average			92.0%

TABLE IV  
HILLSDALE  
DIFFERENCE BETWEEN  
POLICE OFFICER AND FIRE FIGHTERS  
MAXIMUM BASE SALARY  
for  
EIGHT SELECTED CITIES  
1984 FISCAL YEAR

<u>CITY</u>	<u>FIREFIGHTERS' MAXIMUM SALARY</u>	<u>POLICE MAXIMUM SALARY</u>	<u>PERCENT DIFFERENCE</u>
Coldwater	\$ 19,726	\$ 19,726	0.0
Greenville	19,507	20,013	2.5
Hastings	18,482	20,763	11.0
Ionia	17,000	20,060	15.3
Marshall	19,856	20,475	3.0
South Haven	18,342	20,400	10.0
Sturgis	19,835	19,510	-1.7
Three Rivers*	18,450	19,945	7.5
Average	\$18,899	\$20,111	6.3 %

\* Data for Three Rivers is for fiscal 1983.

TABLE V  
HILLSDALE  
COMPARISON  
POLICE AND FIRE FIGHTER'S SALARIES  
SEVEN SELECTED CITIES

<u>CITY*</u>	<u>7/1/83 POLICE SALARIES</u>	<u>7/1/83 FIRE FIGHTERS' SALARIES</u>
Coldwater	\$ 19,726	\$ 19,726
Greenville	20,013	19,507
Hastings	20,763	18,482
Ionia	20,062	17,000
Marshall	20,475	19,856
South Haven	20,400	18,342
Sturgis	19,510	19,835
Average	\$ 20,135	\$ 18,964
Hillsdale	\$ 19,201	(City Offer) \$17,477 (Union Demand) \$18,152

Percent Hillsdale Police are of average Police salaries for seven comparable cities: 95.36%

Percent Hillsdale City offer for fire fighters would be of average fire fighter salaries for seven comparable cities: 92.16%

Percent Hillsdale Union demand for fire fighters would be of average fire fighter salaries for seven comparable cities: 95.71%

\* Three Rivers not included in this table because of incomplete data.