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STATE OF MICHIGAN
ARBITRATION UNDER ACT 312
PUBLIC ACTS OF 1969, AS AMENDED
PETER D. JASON, CHAIRMAN

In The Matter of The Statutory
Arbitration Between

CHARTER TOWNSHIP OF LANSING

-AND-

FIREFIGHTERS ASSOCIATION OF MICHIGAN

RE: MERC NO. L90-0805

RECEIVED
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STATE OF MICHIGAN
EMPLOYMENT RELATIONS
BUREAU OF EMPLOYMENT RELATIONS
TO: HON. CHIEF OF BUREAU

COMPULSORY ARBITRATION

Pursuant to Act 312, Michigan Public
Act of 1969, as amended.

AWARD

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STATE OF MICHIGAN
EMPLOYMENT RELATIONS
BUREAU OF EMPLOYMENT RELATIONS
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INTRODUCTION

These proceedings were commenced pursuant to Act 312 of the Public Acts of 1969 as amended. The arbitration panel is comprised of the Chairman, Peter D. Jason; Township Delegate, John Daher; and Union Delegate, James DeVries.

A Pre-hearing was held on August 8, 1991 and hearings were held on January 8, 1992, March 23, 1992 and May 18, 1992. Lansing Township is represented by Mr. C. George Johnson of the firm of Thrun, Maatsch and Nordberg, P.C. of Lansing, Michigan. Lansing Township Firefighters are represented by William F. Birdseye of the Firefighters Association of Michigan. The record consists of 500 pages of recorded testimony and a total of 46 exhibits. After submission of last best offers on May 29, 1992, the Township filed a Motion to Strike issues or to Reopen Hearing on June 9, 1992. The panel met in executive session on August 31, 1992 and the union subsequently clarified its last best offer. The Township then withdrew its Motion on September 30, 1992.

Section 8 of Act 312 provides that each economic issue must be decided by the panel based upon the last best offer submitted by each of the parties. The relevant factors to be considered are set forth in Section 9 of the Act and include the following:

- (a) The lawful authority of the employer.
- (b) Stipulations of the parties.
- (c) The interests and welfare of the public and the 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 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 and 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.

Where not specifically referenced, the above factors were considered but not discussed in the interest of brevity.

BACKGROUND

Lansing Township is a charter township located in south central Michigan. It has a total land area of 4.9 square miles and a population of approximately 8900. Its boundaries are irregular and part of its original land mass has been annexed by other political units so that the Township is not one continuous area. Most of the Township is located adjacent to both the east and west boundaries of the City of Lansing. Significant General Motors facilities are located in the Township and G. M. is the largest taxpayer.

Firefighters Association of Michigan is the recognized bargaining representative of all employees of the Lansing Township

Fire Department. The Department consists of 15 members including, the Chief, 2 Deputy Chiefs, 3 Captains, 2 Lieutenants, and 7 Firefighters.

The Township has two stations, one next to the Township Hall on the west side of the Township and one located in the east side of the Township at 2701 Hopkins Street.

COMPARABLES

The parties did not agree on which communities were comparable to Lansing Township. The Union used a labor market concept and argued that the contiguous political units of government were proper for comparison. This approach produced Delta Township, City of East Lansing, the City of Lansing and Meridian Township as the comparable communities. The Township used a different approach. It selected townships of similar population in lower Michigan with full-time firefighters that had similar state equalized values. The Township reviewed state share revenues and population trends and finally selected nine (9) similar townships for comparison. These were Bangor, Buena Vista, Brandon, Fruitport, Hampton, Leoni, Muskegon, Niles and Superior.

These two approaches were fundamentally different so perhaps it is no surprise that they did not produce any area of agreement. In evaluating these approaches I had reservations about both. The union approach seems flawed because Lansing Township was being compared with larger units of government with larger fire departments and larger budgets. I agree these are similar jobs in

the same labor market but because of the size factor alone, I would expect that the Township's firefighters would be the lowest paid of this group and, of course, they were. This made comparisons difficult. On the other hand, by using population as a key factor, the Township approach generally started with population similarities. But Lansing Township's population is dispersed through only 4.9 square miles surrounding a larger city. The other townships were generally more rural and their populations were dispersed through a much larger geographical area. Because of these differences Lansing Township did not seem similar to this group. This impression was confirmed by the data that showed that Lansing Township Firefighters were paid more than firefighters in these communities. Again, this made comparisons difficult. In the end, I considered all the data on comparables submitted by the parties but did not find any of it particularly persuasive. This tended to make internal comparisons more relevant.

ISSUES

The parties reached agreement on all outstanding issues except the following two. Both of these are economic.

WAGES

Township's Position:

Years of Service	(3%) Effective 01/01/91	(4%) Effective) 01/01/92	(3.5%) Effective 01/01/93
0-1/2	\$22,318.67	\$23,211.42	\$24,023.82
1/2-1	\$25,348.92	\$26,362.88	\$27,285.58
1-2	\$26,325.50	\$27,378.52	\$28,336.77
2-3	\$26,878.27	\$27,953.40	\$28,931.77
3-4	\$27,366.57	\$28,461.23	\$29,457.37
4 or more	\$28,343.21	\$29,476.94	\$30,508.63
Lieutenant	\$29,460.49	\$30,638.91	\$31,711.27
Captain	\$30,101.13	\$31,305.18	\$32,400.86
Fire Marshall	\$30,350.36	\$31,564.37	\$32,669.12
Deputy Chief	\$31,077.77	\$32,320.88	\$33,452.11

Union's Position:

Wages to be retroactive to January 1, 1991 for all employees on the payroll date of award and for any persons retired since January 1, 1991.

Years of Service	Effective 1/1/91 (3.5%)	Effective 7/1/91 (2%)	Effective 1/1/92 (3%)	Effective 7/1/92 (2%)	Effective 1/1/93 (3%)	Effective 7/1/93 (2%)
0 - 1/2	22,427	22,876	23,563	24,033	24,754	25,249
1/2 - 1	25,472	25,981	26,761	27,296	28,115	28,677
1 - 2	26,453	26,982	27,792	28,348	29,198	29,782
2 - 3	27,009	27,549	28,375	28,943	29,811	30,407
3 - 4	27,499	28,049	28,891	29,469	30,353	30,960
4 - more	28,481	29,050	29,922	30,520	31,436	32,065
Lieutenant	29,604	30,196	31,101	31,723	32,675	33,329
Captain	30,247	30,852	31,778	32,413	33,386	34,053
Fire Marshal	30,498	31,108	32,041	32,682	33,662	34,335
Deputy Chief	31,229	31,853	32,809	33,465	34,469	35,158

The union argued that its last best offer was more reasonable because of the conditions that prevail in the local labor market. It pointed out that all its comparable communities pay more than Lansing Township. In addition, it contended that the CPI increase justified its position. Next it argued that relative to police officers, Lansing Township was underpaid when compared to the surrounding communities. Finally, it argued that in _____ the

firefighters turned down a wage increase to keep one of their member from being laid off while the police officers accepted a raise and suffered a layoff. It pointed out that a position was added back to the police department in a subsequent year, but the firefighters have never gotten back the wage increase. It argued relative to Lansing Township police officers it had not been treated fairly.

The Township argued that its last best offer was more reasonable because it was the same increase granted other Township employees. The Township argued that its financial outlook was poor because G.M., its largest taxpayer, has reduced its operations. The Township expressed fear that this downturn will continue with damaging effect on its revenues. Finally, the Township argued that its data on wages in comparable communities showed that the firefighters were adequately paid.

After reviewing the evidence and the arguments I have selected the Township's last best offer. As stated earlier, I did not find the comparable data persuasive nor did I find that the CPI increase made one offer more reasonable than the other. Given the financial circumstances that exist in the Township, I do not believe that this is an appropriate time to raise firefighter wages at a rate greater than the increase to other Township employees. In addition, the only rationale for doing so would be based on the internal inequity that occurred after the wage freeze of 1986. Although I was impressed by this argument, the record did not mention why this had not been addressed before and I have

reservations about whether it would be appropriate at this late date.

INSURANCE

Township's Position: The Township will pay 25% of the health insurance coverage set forth in Section 1 upon retirement for retired employees and spouses following employee's 50th birthday and 20 years of service. The Township payment will increase to 30% for retiring employees following the employee's 55th birthday and 25 years of service. The Township shall not be required to extend this benefit to surviving spouses of retirees.

Union's Position: Article XII - Effective December 31, 1993, the Township shall pay the following percentage amounts of premium cost of providing health insurance coverage for retiree and spouse upon the employee's normal retirement following the employee's 55th birthday.

Health insurance coverage shall be that as defined in Appendix B of the agreement as follows:

15 years of service = 40%

The Township shall contribute a dollar amount equal to 40% of the then-current Blue Cross rate for 2-party coverage.

25 years of service = 50%

The Township shall contribute a dollar amount equal to 50% of the then-current Blue Cross rate for 2-party coverage.

The Township shall not be required to extend this benefit to surviving spouses of retirees.

At any time that the retiree and/or spouse is eligible for Medicare, the liability of the Employer shall be limited to providing the Medicare filler at the same premium percentage amounts that was provided prior to employee and/or spouse becoming eligible for Medicare. The Medicare filler shall be defined as the amount of coverage necessary to fill the

difference between Medicare coverage and the level of coverage described in Appendix B of this agreement.

The Township resisted this improvement primarily because of cost. However, cost figures were not submitted because they are unknown at this time. These extra costs will not occur until retirees become eligible at a future time. At this point in time the Township has only one retiree and so it does not now appear the future costs for this benefit will be significant. Given the fact that a past inequity was not addressed in the wage issue, this modest increase appears justified. I select the union's last best offer on this issue.

SUMMARY

The Chairman's decisions on the issues are as follows:

WAGES

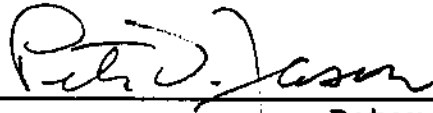
Adopt the wage proposal of the Township of Lansing as outlined above.

Twp CITY	<u>✓</u>	AGREE	<u> </u>	DISAGREE
UNION	<u> </u>	AGREE	<u>✓</u>	DISAGREE

INSURANCE

Adopt the insurance proposal of the Union as outlined above.

Twp CITY	<u> </u>	AGREE	<u>✓</u>	DISAGREE
UNION	<u>✓</u>	AGREE	<u> </u>	DISAGREE



Peter D. Jason
Arbitrator Chairman



John Daher
Employer Delegate



James DeVries
Union Delegate