

7/16/71
Houliatt TRB
Meridian Township

MICHIGAN EMPLOYMENT RELATIONS COMMISSION

In the Matter of the Arbitration

- between -

MERIDIAN TOWNSHIP FIRE FIGHTERS
ASSOCIATION, LOCAL 1600,

Union

- and -

MERIDIAN CHARTERED TOWNSHIP,

Public Employer

RECEIVED
JUL 20 1971

STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
LABOR RELATIONS DIVISION

RECEIVED

JUL 21 1971

7/16/71

APPEARANCES:

For the Union:

RONALD R. HELVESTON, Attorney
EVERETT C. SMILEY, JR.
FRANK J. BOMAK
JOHN EVEY

STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
GRAND RAPIDS OFFICE

For the Township:

THOMAS R. ROBERTS, Attorney
GARY E. PRICE, Attorney
NOEL L. MILLER, Township Treasurer
WALT KYES, Township Superintendent

LABOR AND INDUSTRIAL
RELATIONS DIVISION
UNIVERSITY
JUL 27 1971

ISSUE

The Meridian Township Fire Fighters Association, Local 1600, hereinafter referred to as the Union, is the recognized exclusive bargaining representative for fire fighters employed by Meridian Township, hereinafter referred to as the Employer. On November 19, 1969, the Union entered into a collective bargaining agreement with the Employer which provided for wage negotiation regarding salaries for the calendar year 1971 if either party requested such. On November 13, 1970, the Union initiated binding arbitration proceedings in accordance with Act. No. 312, Michigan Public Act of 1969, which provides for compulsory arbitration for municipal police and firemen. Subsequent to the Union's demand for arbitration, the Union appointed Mr.

Gould, William B.

Gary Thomas to the Arbitration Panel and the Employer selected Mr. Eldon W. Sneeringer.

On January 7, 1971, Professor William B. Gould was appointed Chairman of the Arbitration Panel by Chairman Robert G. Howlett of the Michigan Employment Relations Commission. Hearings were held on March 2, 15, and 29, 1971, at which time both parties, Union and Employer, were given full opportunity to give testimony, introduce exhibits and other proofs, and to both examine and cross-examine witnesses. At the conclusion of hearings on March 29, both parties expressed a desire to file written briefs with the Panel. With the permission of the Panel and stipulation of counsel, the time for filing briefs was extended to May 24, 1971. Accordingly, the time within which the Arbitration Panel was to render an opinion was extended to June 24, 1971. Pursuant to written stipulation by counsel, this deadline was extended to July 16, 1971.

ISSUE

The only issue relates to what the salary for fire fighters will be for the calendar year 1971 (January 1, 1971 - December 31, 1971). The present wage is \$6,400 for the fire fighter with less than six months experience. The rate for Senior Fire Fighter and accordingly the rate most often cited by both parties -- is \$7,700. The rate for sargeant is \$8,000. The rate for lieutenant is \$8,400.

The Union proposes that the beginning rate be increased by 10 per cent, that the six-month fire fighter (presently being paid \$6,700) be increased by 20 per cent and that a 30 per cent wage increase be provided for all fighters in the bargaining unit with one year or more experience.

The Township's proposal at the hearings was that an 8 per cent salary increase be provided on an across-the-board basis.

STATUTORY MATERIALS

Sec. 9. Where there is no agreement between the parties, or where there is agreement but the parties have begun negotiation 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 interest and welfare of the public and the financial ability of the unit of government to meet these 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, 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 arbitrations.
- (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."

Section 9 of Act No. 312, 1969.

CONTENTION OF THE PARTIES

The Union argues that its request for a wage increase is supported by a number of considerations which are appropriate under Section 9. In the first place the Union states that one of the "other factors" which are "normally or traditionally" taken into consideration in collective bargaining should be the skills involved in the job and the hazards suffered by employees. In this connection, the Union notes that fire-fighters are exposed to the hazard of burns, smoke inhalation, toxic gases,

intense heat, and cold, collapsing walls and falling debris. The Union has introduced evidence to support the "grim record of accidental death, injury and fatal heart disease among firefighters." The Union also exhibited films of two recent major fires in Lansing which were fought, in part, by Meridian Township Fire Fighters.

Secondly, the Union has introduced testimony and exhibits relating to wages paid firefighters by communities that the Union regards as comparable to Meridian. Two of such communities focused upon by the Union are Lansing and East Lansing, the Union noting in connection with the former that Meridian firefighters have fought fires along side with Lansing employees "suffering the same risks and hazards." The Union notes that there is a substantial difference between what the full-year firefighters receive in each community -- \$7,700 in Meridian Township and \$10,337 in Lansing. Further, the Union notes that East Lansing, also a "contiguous" community with Meridian Township paid its firefighters \$9,215 in 1970. The Union introduced a supplemental exhibit subsequent to the close of the hearing which purports to show that this wage has been raised to \$10,585 as of July 1971. With regard to the supplemental exhibit, the Township objects to its inclusion in the record for a number of reasons. The Panel finds it unnecessary to resolve this issue inasmuch as the voluminous testimony and exhibits provided by both the Union and the Employer provide an adequate base for a award based on Section 9.

The Union contends its salaries are "the lowest or nearly the lowest of approximately 40 comparable communities in the State of Michigan." In this connection, the Union points to communities that have comparable population to Meridian Township and, more particularly, the Michigan Municipal League Area 1 Group No. 1 (10-25, 000 population). The Union also relies upon the average for Area 1 group 2 communities (25,000 - 50,000). In this connection the Union notes that the average wage for fully paid firefighters in area 1 communities is \$11, 221 as opposed to Meridian's \$7,700. In cities with a population between 25,000 and 50,000, the Union notes that the average is \$11, 340. Moreover, the Union notes that the average wage disparity between Meridian and employees employed by municipalities

ingroup 2 has grown from \$818 to \$1,946 in 1970. Thus, the Union states the following:

Accordingly, the Union contends that any wage increase awarded must take into account a catch-up formula to effect salary adjustments for Meridian firefighters in 1971.

The Union does not emphasize as heavily area 2 salaries - Group 1 averaging \$8,582 and Group 2 averaging \$9,088. In part, this is because the Union claims that the Municipal League's demarcation lines between Area 1 and 2 are arbitrary. Moreover, of course, the Union states that Municipal League statistics are generally out of date and do not reflect recent wage increases.

Further, the Union notes that, while Meridian compares unfavorably with other cities cited insofar as firefighters are concerned, the "elected and appointed officials of Meridian Township were invariably among the highest paid." The thrust of the Union's argument here is that budget trimming can easily be afforded insofar as other portions of Meridian's expenditures are concerned. The Employer's rejoinder to this is that the Union exhibits on this subject do not fully reflect a comparison between the responsibilities of the officials in Meridian and other communities which are cited by the Union.

The Union also argues that comparability dictates a consideration of the wage rates paid to tradesmen and industrial workers in the area at the local Oldsmobile and Fisher Body plants. For instance, the Union states that the Meridian firefighter earns \$2.64 an hour as opposed to \$7.93 an hour for a painter and \$7.28 for a millwright. An assembly line worker earns \$4.30 an hour compared to the Meridian firefighter at \$2.64 an hour.

In connection with the "interest and welfare of the public and the financial ability of the unit of government to meet those costs" as set forth in Section 9(c), the Union contends that since Meridian Township has experienced a phenomenal growth rate and the "largest" in the past ten years than any other community in Ingham County or the greater Lansing Metropolitan area, the substantially increased revenues due to taxation on property within its borders, puts Meridian in a comparatively better financial situation. In this connection, the Union notes that the 1970 census reveals that Lansing's

population increased 22 per cent while Meridian Township population increased from 13, 884 to 23, 817 or a rise of 71.5 per cent. The Union cites a statement by Noel Miller, acting superintendent for the Township, to the effect that in addition to increased valuation, the new census should produce approximately \$128,000 in additional state monies beyond what was budgeted for in 1970. In connection with property taxes, the Union notes that the equalized value of property on the tax rolls in Meridian Township has increased "tremendously" over the past ten years. The 1970 figure of nearly \$87,000,000 is 120 per cent more than the figures from 1960. The Union notes that the property tax accounted for approximately 90 per cent of local tax revenues and approximately 50 per cent of total tax revenues in 1970. Finally, the Union notes that Meridian Township decreased its millage and property tax because of its "unusually good financial situation." Acting Superintendent Miller recommended in September 1970 that the Township decrease its millage by .6 mills and this recommendation was adopted. The acting superintendent in 1970 stated that it would be possible to reduce the operating millage by .6 mills and receive more money than was received last year.

Finally, the Union points to the fact that there is an increase in total cash available and that there have been a number of surpluses in the budget. While the Township had a surplus of zero in 1967, it had a surplus of \$42,000 in 1968 and \$56,000 in 1969. Accordingly, the Union contends that the Township is in a position "of financial ability" to pay the wage request submitted by the Union.

The Employer, for its part, states that the comparisons made by the Union between Meridian Township and other communities are inappropriate inasmuch as such communities are significantly different in terms of size, population, geographic complexion, the nature of buildings and other structures and revenue producing capabilities. For instance, the Employer notes that a comparison drawn between Meridian Township and the City of Lansing. But the Employer states that Lansing is a Home Rule City, whose charter provides for a statutory minimum taxing power of 10 mills. On the other hand, Meridian Township cannot assess a levy millage in excess of 5 mills without the direct vote of the electorate. With the vote of the electorate it may do so up to 10 mills. In this connection, the Employer points to the fact that a proposal

for Meridian to incorporate as a Home Rule City with the minimum taxing power of 10 mills was soundly defeated by the voters in 1970.

With regard to the .6 mills which were not of the authorized 5, which were not levied for 1971, the Employer points to the fact that no evidence was adduced to establish what dollar value could be generated by that percentage of a mill. Moreover, the Township points out that the unassessed .6 of a mill cannot be assessed in 1971, and that to assess the Township of the unlevied .6 mill would in effect penalize the Township for "previous sound fiscal management." Further, in connection with increased state revenues provided to the Township alluded to by the Union, the Township points out that the rebate of tax monies from the State of Michigan will not be proportionately increased as the population grows because they will be based upon the 1970 figures.

Further, with regard to the Union's comparability argument, the Employer states that comparability between employees in other occupations and other industries is inappropriate because firefighters in Meridian Township have a "relatively light demand on their physical resources" which is evidenced by their ability to maintain part-time jobs. Moreover, the employer states that such comparisons are invalid because firefighters can spend much of their "working hours" sleeping, at recreation, or by improving themselves through study. The Township states that firefighters' duties have not grown with the population.

Finally, the Employer states that the comparisons drawn by the Union between Meridian and other communities is invalid because the total compensation provided Meridian firefighters is not set forth. Says the Township in its Brief:

When the total compensation of Meridian firefighters is compiled, including the value of the fringe benefits presently provided for under the collective bargaining agreement, Meridian Township firemen are paid as well or better than firemen in most cities of a comparable population outside the metropolitan Detroit area.

OPINION

The Panel believes that comparability and financial ability to pay by the Township are the two principal considerations to which attention must be given. The Township has vigorously contended that full compensation was not reflected in the comparisons made by the Union. Township Exhibits 18 and 19 detail a comparison of fringe benefits between Meridian Township, Lansing Township, Delta Township, Delhi Township, City of Mason and City of Williamston. With regard to Delhi, Mason and Williamston, the Union makes the point that these are all volunteer departments and therefore, not appropriate for comparison. We agree. Initially, therefore, we direct our attention to the comparisons between Delta and Lansing Township. In this connection, we note Union Exhibit 44 which indicates that full compensation for Lansing Township is \$11, 182.32 and, for Delta Township, \$8,389.40. In connection with Delta, the Union contends, in Union Exhibit 44, that Delta professional firefighters or officers have less than three months experience and, therefore, should be compared with Meridian starting pay.

The difficulty with these comparisons are manifold. In the first place, as the Union has stated above, some of the Delta employees who would be regarded as beginners in Meridian, receive the rate quoted above. Moreover, as we more fully explore below, Meridian is a fast-growing dynamic community. This is not the case with Lansing Township as Union exhibits indicate that the Lansing growth pattern is antithetical to that of Meridian Township.

At the same time, we do not believe that other communities such as East Lansing, Lansing, and the relatively high wage area 1 communities with a population of 10,000 - 25,000 are fully comparable to Meridian Township in all respects. In this respect we accept much of what the Employer contends. An award ought not to bring firefighters in Meridian to a wage which is fully equal with such communities. However, the wages and other benefits paid to such communities have some relevance to what is equitable for Meridian firefighters. In this connection, we note that the exhibits and the testimony indicate that the gap is very substantial indeed between that which Meridian

firefighters are paid and what is paid to other firefighters in other communities cited by the Union. Further, although this does not weigh quite so heavily in our consideration, Meridian is able to pay many of its officials more substantial benefits than practically all communities cited by the Union. The fact that responsibilities for all officials cited was not fully adduced at the hearing makes us reluctant to place substantial emphasis upon this consideration. But it is a factor which must be taken into account. Moreover, in this connection, we note that the Township did not show any pattern of substantial dissimilarity in responsibility and function between Meridian and other municipalities. This is not to say that such a burden was legally imposed upon the Township. It is only to say that the Panel is placing some limited emphasis upon the material that is available to it.

The difficulty with regard to exact comparisons are manifold. The fiscal year for some of the neighboring communities will preclude further wage increases for them until July 1972--unlike Meridian which will have a new contract in January 1972. But the wage comparison in the record for such communities do not reflect July 1971 increases. As the Union notes, the Municipal League's distinction between Area 1 and 2 communities may arbitrarily exclude some of the high wage communities from Area 2. Here, we have sought a rough compromise between the wages of each Area. Moreover, as the Union notes, the wage data for 1970 is somewhat out of date. We must take judicial notice that employees in both the public and private sector usually receive some wage increase on an annual basis. Further, we note that since the parties have not provided us with detailed information concerning ability to pay of communities for which comparisons are sought, the comparisons are not exact. But they make one fact clear--Meridian is far behind.

We note also that the gap between Meridian and other communities is a growing one. Further, we are aware of the fact that the cost of living has increased in the amount of 5.12 per cent according to Bureau of Labor Statistics figures submitted by the Union. Accordingly, while we do not accept the Union's position in toto and while we agree with the Township that Meridian cannot be regarded as completely comparable with most or all of the communities that the Union cites, we believe that a very substantial "catch -up" is dictated by considerations of comparability, social justice, and most important, the Township's ability to pay.

With regard to comparability, we specifically note that we make no judgment with regard to the evidence submitted by the Union concerning other industries and occupations. We believe that such material is appropriate under Act 312, Section 9. However, we believe that the Township has properly noted that Meridian firefighters have sources of income other than the Township payroll. The evidence adduced at this hearing indicates that such outside sources of income are more prevalent than one would expect in most occupations. This, of course, is not to minimize in any way the very substantial hazards involved in the firefighter's work. Indeed, it is the nature of the work which, in part, influences the Panel to render its award in addition to the factors cited above.

We do not believe that Meridian Township has financial difficulties. We note that the millage was reduced in 1971. We note that there was a surplus in the budget in the years 1968 and 1969. Moreover, we believe that the Union is correct in characterizing Meridian Township has, a fast-growing and increasingly prosperous community. More specifically insofar as the immediate wage increase is concerned, we believe that Meridian Township can easily finance the award of the Panel out of the existing budget.

We believe that a wage increase which reflects all of the considerations noted above is an across-the-board 24 per cent increase for all employees in the bargaining unit represented by the Union in the Fire Department of Meridian Township, for the entire fiscal year 1971. According to our estimates, this would make the senior firefighter's rate \$9,548.00. The starting firefighter would be paid \$7,936.00. The lieutenant, presently at the highest rate of \$8,400.00 would now be paid \$10,416.00. All of this would have the effect of increasing the cost of the wages to the Township budget by approximately \$20,000.00. Although our award may conceivably make it impossible for the Township to hire more firefighters until the fiscal year 1972 which begins on January 1, the monies to pay the immediate costs involved can be easily found in other sources in the Fire Department as well as, possibly, other portions of the budget.

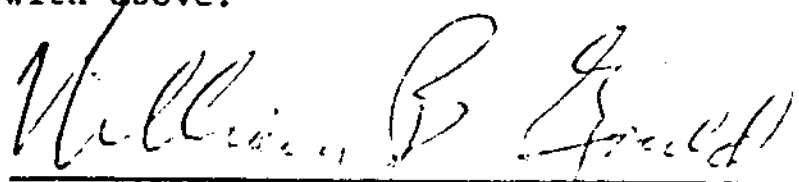
We are well aware that the impact of this award will radiate throughout other bargaining units in Meridian Township as well as have an impact on nonunion personnel. Accordingly, the increased cost of hiring new firefighters which may be deferred until fiscal year 1972, may be one of the least difficult economic problems in which the Township may have to face as a result of our award. A number of unpopular decisions may have to be made, e.g., the restoration of the .6 mills in fiscal year 1972, as well as a decision to go to the electorate for more than 5 mills. If the residents of Meridian Township desire effective protection and services in their community, they must pay for it. The residents of Meridian Township cannot expect their employees to subsidize such services out of their own pockets.

We emphasize, however, that our wage award does not, in and of itself, necessitate any such decisions. The increased costs resulting from our award can be financed easily from the budget which the Township has already authorized.

Two points raised in the Dissent deserve comment. First, Mr. Sneeringer states that he has only had forty-eight hours to write the Dissent after seeing the majority's draft on July 14. It was Mr. Sneeringer who asked for forty-eight hours. Moreover, Mr. Sneeringer was invited to the offices of Professor Gould for a meeting on the day of the issuance of the Award, July 16, so that both the majority and dissenter could review one another's opinions. This invitation was declined by Mr. Sneeringer.

Second, the Dissent states that we have rendered an award in excess of what the Union requested insofar as beginners are concerned. In the first place, the Union demanded 30 per cent for all bargaining unit employees at the hearing. Moreover, the panel believes that the wages of starting firemen ought not to lag too far behind those of their more experienced brethren. Accordingly, we have attempted to maintain a sensible relationship through the issuance of this award.

We do not believe that the other comments in the Dissent warrant a reply in as much as they have been dealt with above.


William B. Gould, Chairman

Gary L. Thomas

Gary Thomas, Union Representative

Dated: July 16, 1971

STATE OF MICHIGAN)
) ss.
COUNTY OF WAYNE)

On the 16th day of July, 1971 before me personally came and appeared WILLIAN B. GOULD and GARY THOMAS, to me known to be the individuals described in and, who executed the foregoing instrument and they acknowledged to me that they executed the same.

Kathleen Devlin

Kathleen Devlin
Notary Public

My commission expires
March 31, 1975

DISSENTING OPINION BY ELDON W. SNEERINGER
ON THE AWARD GIVEN BY THE PANEL MAJORITY
IN THE SALARY ARBITRATION BETWEEN
MERIDIAN TOWNSHIP FIREFIGHTERS ASSOCIATION,
LOCAL 1600, I.A.A.F. and the
CHARTER TOWNSHIP OF MERIDIAN, MICHIGAN

OPINION

The Arbitration Panel consisting of Chairman William B. Gould, Detroit (appointed by the Michigan Employment Relations Commission), Mr. Gary Thomas, Lansing (appointed by Local 1600), and Mr. Eldon W. Sneeringer, Okemos (appointed by the Township) agreed that full time firefighters in Meridian Township were entitled to and deserving of an increase in compensation for the fiscal and calendar year of 1971. It is the opinion of the Township appointee that the size of the award granted for the one-year period by the majority of the Arbitration Panel is arbitrary, excessive and unwarranted by the facts--especially when viewed from the standpoint that the only subject under arbitration was the compensation of the eighteen full time firefighters employed by Meridian Township. No other elements of the two-year Contract agreed to and signed by the Township and the Union on November 19, 1969 were before this Panel for action.

At the outset, it must be stated that this minority opinion is based upon the data, conclusions and other material contained in the majority opinion draft submitted by the Chairman to the members of the Panel on Wednesday afternoon July 14, 1971. It is my understanding--and it was so stated by the Chairman--that there would be no substantive changes made in the final draft although there may be some language changes. The shortness of time between receipt of the draft and the statutory requirement for rendering a decision--it must be postmarked July 16, 1971--unfortunately forces me to rely upon a draft that may not have been in its final form.

The Panel majority is awarding a twenty-four percent (24%) increase across the board to Meridian Township firefighters. In its brief Local 1600 said, "The Association requests a ten per cent (10%) increase for the beginning firefighter, a twenty per cent (20%) increase for the six-month firefighter, and a thirty per cent (30%) wage increase for all firefighters in the bargaining unit with one (1) year or more experience." The Panel majority, in its generosity, established a beginning salary for a firefighter at nearly 2.5 times the increase requested by the Union. This, in spite of the fact that no evidence or testimony was submitted by either the Union or the Township indicating that any difficulty has been or is being experienced in locating or employing beginning firefighters. The Panel's award for the six-month to one-year firefighter is also in excess of that requested by the Union. And the award given the firefighter with one or more year's experience is not too far from the Union's demand. The Township's position as

to what it believed to be a fair and financially sound offer was certainly given no consideration by the Panel majority.

The Panel appears to base its decision on two principal considerations--comparability and the Township's financial ability to pay--plus a factor called "social justice", a consideration I do not find in the "Statutory Materials". It is difficult to determine the rationale followed by the majority in the comparability contention. In one breath they seem to say that Delta and Lansing Charter Townships are comparable to Meridian. In the next breath, the majority says such comparison is difficult. The majority points out that according to Union Exhibit No. 44 the full compensation of a fireman in Lansing Township is \$11,182.32, \$8,389.40 in Delta Township, and the "comparable full compensation figure for Meridian firefighters is \$9,100." The difficulty with the data cited--which include fringes--is at least twofold: first, the figures cited for Lansing and Delta Townships are 1971 data, while that for Meridian is 1970; second, the Lansing Township figure contains an item of \$1,170 as a maximum "allowance for college credits"--an item which was not clearly defined by the Union witness; nor was there any testimony or evidence submitted as to whether any firefighter in Lansing Township was receiving all or any part of such \$1,170. In addition, health and life insurance premiums applicable to Meridian were interpreted by the Exhibit as being the same in the two nearby Townships. This may or may not be true.

The Panel majority does not believe that Lansing, East Lansing and certain other cities throughout the State are fully comparable to Meridian Township, but that wages and other benefits paid elsewhere have some relevance as to what is equitable for Meridian firefighters. However, the majority contends, an award need not bring Meridian firefighters to a wage fully equal to such communities. Let's see what the Panel's award does, based upon evidence presented.* . . .

. . . Union Exhibit No. 42 shows that the average salary (during at least some part of 1971) for a senior firefighter in 13 cities having a population of 10,000 to 25,000 is \$8,582. (I cannot accept this computation since the City of Adrian is used twice--once with a July 1, 1970 salary and the second time with a July 1, 1971 salary.) The Panel's award establishes the Meridian firefighters salary at \$9,548--nearly \$1,000 above the computed average and exceeded only by the City of Monroe (\$9,675).

. . . In the case of a lieutenant, Union Exhibit No. 42 shows the average to be \$9,537 (again I cannot accept this figure for the reason cited above as well as a computation inaccuracy). The Panel's award sets the 1971 compensation for a lieutenant at \$10,416--nearly \$900 more than the computed average and exceeded only by the cities of East Grand Rapids and Monroe.

. . . Union Exhibit No. 41 gives the average salary for senior firefighter in five cities with a population of 25,000 to 50,000 (Battle Creek, East Lansing, Midland, Portage and Port Huron) as \$9,088. The Panel's award is \$9,548--\$460 more than "average" and exceeded only by the City of Midland (\$9,630).

. . . Union Exhibit No. 41 gives the average salary of a lieutenant for the same five cities cited above as being \$9,969. The 1971 salary for a lieutenant, as set by the Panel majority, is \$10,416--\$447 more than the average and exceeded by none of the five cities.

. . . Township Exhibit No. 20 shows the 1971 average for firefighters in Area II municipalities with population of 10,000 to 24,999 to be \$7,391 (beginner) to \$8,553 (senior). The Panel's award gives Meridian firefighters a range of \$7,936 for a beginning firefighter and \$9,548 for a senior firefighter for 1971--substantially above.

. . . For lieutenants, Township Exhibit No. 20 shows the average range to be \$8,618 to \$9,238. The Panel's award sets the Meridian lieutenant at \$10,416.

. . . Testimony indicated that a senior Lansing firefighter was receiving \$10,337 the first of this year--only \$829 more than this award gives to a Meridian firefighter employed in a community with less than one-fifth the population and with considerably less taxing authority and tax base.

Apparently the Panel majority did not follow its own admonitions re comparability. It appears to me that the size of the award granted makes Meridian firefighters not less than fully equal but better than equal to communities with a smaller or nearly equal population. Also, it is better than equal with communities having considerably more population. In making its award, the Panel majority may be giving "judicial notice" to wage movements that may take place during the remainder of 1971. If so, they also should "notice" that bargaining between Local 1600 and Meridian Township on a 1972 contract will start within the next few months.

In November 1969, Local 1600 signed a two-year contract--voluntarily, it must be assumed--establishing a pay scale for full time firefighters for 1970 with a wage reopener for 1971. Testimony indicated that a total of three bargaining sessions were held in 1970--the last one with a State mediator present--prior to the Union demand for arbitration. With such a paucity of bargaining activity, it appears to me that this Arbitration Panel was called into being to attain, hopefully, something that might not otherwise have been attained--comparability with uncomparable units.

What happened in the intervening period between the effective date of the contract and the arbitration proceedings? Testimony and evidence was presented showing that between January, 1970 and January, 1971 the Consumer Price Index rose 5.2%. Certainly this fact must be taken into consideration in determining compensation for 1971. No testimony or evidence was submitted indicating that there were any additional skills, knowledge or ability--or any change of duties--required of a firefighter in 1971 that were not necessary or required in 1970. It must be assumed, however, that the skills, knowledge and ability of a Meridian firefighter to perform his tasks did change and improve. And, this "improvement factor" should be considered in determining 1971 compensation. To go two to three times the potential sum

of these two factors, under the guise of catch-up, as the majority of this Panel did, seems to me to be excessive and unwarranted. If salary comparability between Lansing, East Lansing, other cities and Meridian is an ultimate goal, then such should be involved in the collective bargaining process and evolve over a period of time and not be accomplished in one fell swoop by an arbitration panel sitting in a single year on a single issue.

In regard to comments relative to compensation paid Meridian officials versus compensation paid in other communities, I do not believe that the Panel should have placed even a modicum of emphasis on the several exhibits submitted by the Union purporting to show the compensation paid certain officials and employees in the Township versus officials and employees in certain cities. No evidence was submitted to show that duties of the so-called comparable positions had any degree of similarity. In fact, the record will show that the Union witness stated that titles were selected from Michigan Municipal League Bulletin #109 which were, in the opinion of the preparer, similar to titles in Meridian Township.

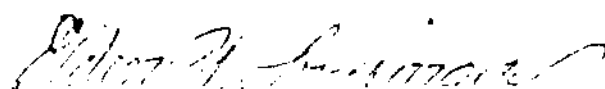
Now, as to ability to pay. Testimony was presented indicating that charter townships such as Meridian can statutorily impose a maximum of 5 mills upon the equalized value of real and personal property and up to an additional 5 mills with voter approval. No testimony was presented on the financial ability--tax base or rate--of alleged comparable cities, though not completely comparable it seems. It is general knowledge that home rule cities, including Lansing and East Lansing, basically have authority to tax property from at least 10 mills to a maximum of 20 mills. Also, cities, including Lansing and East Lansing, have authority to impose a tax on income--a power charter townships do not have. The Panel majority, however, apparently believes that a governmental entity having one-fourth to one-half the taxing power of others (without voter approval) still has the "ability to pay" at rates higher than the pay schedules in effect in many of the cities cited in exhibits.

The Panel majority notes that the millage for township purposes was reduced in 1971 and that surpluses existed in certain years. They fail to mention, however, that any surplus which may exist at the end of a year is used to aid in funding the budget for the ensuing year. Surpluses may mean prudent financial management for a given period. They are not known, however, until a fiscal year is ended or nearly ended. Whether Meridian Township will have a surplus in 1971 neither I nor anyone on the Panel can predict.

Statistics may indicate that Meridian Township has not had financial difficulties in past years. It did reduce the tax rate this year--not because of lower operating costs, but because of a substantial increase in equalized value and an estimated increase in state aid. In the award determination, however, the Panel majority seems to be saying to the Meridian Township taxpayers, "You are not paying enough for the support of local government services; you should be paying more." This is especially true since salary payments for firefighters cannot be viewed in a vacuum--separate and apart from other important and valuable services rendered by township government and its personnel.

In its presentation, Local 1600 contended that the Meridian Township Fire Department is undermanned and that additional personnel are needed and necessary. In its 1971 Fire Department Budget, the Township Board did allocate \$20,000 for the employment of three additional firefighters. These appropriated funds appear to be the major source that the Panel majority feels can be utilized to implement its award--over and above the 8% increase provided for in the budget. Consequently, expansion and improvement of fire services cannot take place this year and possibly not next year. This "taking" of funds to finance an award seems to provide this warning to governmental units: "Don't plan to expand or improve service if arbitration is pending." The Panel majority seems also to be saying to the Township, "We are making the award, you find the funds--somewhere!"

Meridian Township has, over the past years, enjoyed a balanced budget. According to the Panel majority, the Township can finance this arbitration award from available funds without difficulty. Perhaps this is true. Hopefully, the Panel majority realizes the full impact of its decision. Other township employees may seek comparability--not with Lansing, East Lansing, or any city but with Meridian firefighters. Should this come about, neither I nor the signers of the majority opinion know the full impact or whether such can be financed from present revenue sources without additional tax authorization from the electorate. I, for one, while recognizing the vital and important functions performed by Meridian Township firefighters--as well as other Township personnel--cannot become a party to the possibility of forcing a governmental entity to operate with an unbalanced budget or engage in deficit financing.


Eldon W. Sneeringer

July 16, 1971