

1/16/81 ARB

STATE OF MICHIGAN

EMPLOYMENT RELATIONS COMMISSION

MICHIGAN AFSCME,
COUNCIL 25 (FIRE DEPARTMENT),

Employee Representative
and Petitioner,

and

TOWNSHIP OF MUSKEGON,

Employer.

MERC Arbitration
Act 312
#G80-E-1088

APPEARANCES

For the Employees:

Gary Patterson
Staff Representative
Michigan Council 25
AFSCME

For the Employer:

James H. Wood, Sr.
Supervisor, Township of Muskegon

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STATE OF MICHIGAN
BUREAU OF EMPLOYMENT RELATIONS

TOWNSHIP OF MUSKEGON

Hearing held at Township of Muskegon
on December 17, 1980, before
Richard H. Senter, Panel Chairman
and Arbitrator

OPINION AND AWARD

A number of Exhibits were admitted into evidence, including:

Joint Exhibit #1 - Collective Bargaining Agreement

Union Exhibit #1 - Salary Schedule for 1980 of the City of
Muskegon Firefighters Association

Union Exhibit #2 - Page 75 of the Michigan Municipality
Comparison for Firefighters, Area 2

Union Exhibit #3 - Urban Family Budgets from U.S.
Department of Labor

Union Exhibit #4 - Muskegon Township Police Department
Wage Scale for 1976, 1977, 1978

Union Exhibit #5 - Muskegon Township Police Department
Wage Scale for 1979

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Senter, Richard H.

Union Exhibit #6 - Muskegon Township Police Department
Wage Scale for 1980

Employer Exhibit #1 - Cost Comparisons for 1977, 1978,
1979 and 1980

Employer Exhibit #2 - Township Schedule of Employee
Increase Percentage of Wages

Employer Exhibit #3 - Township Financial Statement through
September 30, 1980

Employer Exhibit #4 - Township Financial Statement for
Fiscal Year 1977

Employer Exhibit #5 - Township Financial Statement for
Fiscal Year 1978

Employer Exhibit #6 - Township Financial Statement for
Fiscal Year 1979

Employer Exhibit #7 - Township Fire Department Wage Scale
as of April 1, 1979

Employer Exhibit #8 - Muskegon Township Fire Department
Wage Scale 1976, 1977, 1978

Employer Exhibit #9 - Township Schedule of Contributions
to Pension Program

ISSUE:

The single issue in this arbitration is the amount of wages to be changed from the level effective March 31, 1980, in accordance with the agreement of the parties as contained in Article 28, Section 1(b) at page 14 of the current collective bargaining agreement.

BACKGROUND:

The petition for arbitration filed on behalf of the nine employees set forth a last proposal on behalf of the Union to increase wages by 13 percent. The employer's last proposal was an offer to increase wages by 7 percent. The effective date of each proposal at this time was April 1, 1980. At the opening of the hearing, the Union changed its last proposal from a 13 percent increase to a 10 percent increase effective April 1, 1980. Thereafter, the hearing continued. Later in the

day when the hearing resumed, after a mutually agreeable recess for the purpose of allowing each side to privately consider its position, the Employer changed its last proposal from a 7 percent increase, effective April 1, 1980, to a 10 percent increase, effective January 1, 1981.

For clarity in understanding the effect of each of these last proposals, there is set forth below a schedule translating into dollars the additional amount to be earned by a fireman with two years' experience during the period of April 1, 1980 through March 31, 1981.

<u>Position</u>	<u>Salary</u> <u>4/1/80</u>	<u>Union Proposal</u> <u>10% Effective</u> <u>4/1/80</u>	<u>Employer Proposal</u> <u>10% Effective</u> <u>1/1/81</u>
24-month fireman	\$14,080.64	\$1,408.00	\$352.00

FINDINGS OF FACT:

The Employer is the Township of Muskegon. The Employees are engaged in firefighting. Thus the required element of authority of the Employer is established and found as a fact.

The parties, by stipulation on the record, agree that the only existing issue is the one concerning wages, and that all other matters concerning hours, conditions of employment, and all other provisions of the agreement and all issues satisfactorily adjusted or compromised by the parties will remain in effect and be regarded as settled issues.

That the interests and welfare of the public require a publically-supported professional firefighter force is not disputed by the parties. The record reflects that the parties have had an established and amicable labor relationship in which it is apparent that the parties recognize the high priority to be given the providing of fire protection to the Township as a governmental service and function.

With respect to the ability of Muskegon Township to meet the cost of the award, it is to be noted that the Employer's offer at the beginning of the hearing was 7 percent retroactive to April 1, 1980. For a firefighter at the top of the scale earning \$14,080.64 as of March 31, 1980, this would equal a raise of \$985.64.

The Employer introduced into the record a cost comparison of Township salaries for the years 1977, 1978, 1979 and 1980. The column for 1980 was identified as a projection or expected cost "...based on the seven percent that we estimated we would be giving our employees this year." (Mr. Woods, p. 21 of the transcript.) An examination of this Exhibit reveals that the Deputy Assessor is scheduled for a raise from \$11,450.00 to \$13,900.00, which is approximately 21.4 percent.

The clerical salaries as a group are scheduled to rise from \$38,681.00 to \$40,600.00, for approximately 4.96 percent.

Police salaries as a group are scheduled to rise from \$101,945.00 to \$140,000.00, for approximately a 37.31 percent rise. However, this figure of \$140,000.00 includes one additional police officer, whose salary was not listed. Thus, this figure of 37.31 percent is inflated by one position.

Police clerical salaries are scheduled to rise from \$10,328.00 to \$21,600.00, a rise of more than 100 percent. No testimony was introduced to indicate any change in the number of positions covered. There possibly may be additional positions.

The Fire Department is listed to rise from \$92,207.00 to \$122,000.00, for a raise of 33 percent. Again, this figure is inflated to reflect the contemplated rehiring of one of two firemen presently laid off.

The Building Inspectors' salaries are scheduled to rise from \$18,785.00 to \$27,800.00, for a rise of 48 percent.

The Highway Department salaries are scheduled to rise from \$78,306.00 to \$79,000.00, for a rise of .89 percent (less than 1 percent).

The Mechanic's salary is scheduled to rise from \$13,892.00 to \$15,000.00, for a rise of 7.98 percent.

The Parks and Recreation salaries are scheduled to rise from \$17,384.00 to \$22,000.00, for a rise of 26 percent.

The Leaf Collection salary amount is being reduced from \$2,776.00 to \$2,000.00.

Further regarding the ability of the Township to meet its costs, testimony was offered as to the financial condition of the Township in light of drastic cuts in the amounts received by it through revenue sharing. The record further shows that the Township has approximately \$100,000.00 in outstanding bills. General Fund Statements for the fiscal years 1977, 1978 and 1979 were introduced, together with a six-month statement as of September 30, 1980.

The parties agree (p. 37 of the transcript) that the Fire Department was granted a 7 percent raise as of April 1, 1977, a 10 percent raise effective April, 1978, and a 6 percent raise effective April 1, 1979. The current arbitration is for the purpose of determining a wage adjustment of the salaries currently in effect and established as of April 1, 1979.

It is believed to be helpful in understanding the award to further consider the wage pattern of other Employees of the Employer, namely the Police Department.

Exhibits on behalf of the Employee and recognized as accurate by the Employer, together with interpretive material in the transcript, reveals that at Muskegon Township, a

patrolman at the 24-month experience level was paid \$7.05 per hour as of April 1, 1979. A raise of 4 percent, effective October 1, 1979, brought this wage to \$7.33 per hour. A raise of 5 percent, effective April 1, 1980, brought this wage to \$7.70 per hour. A raise of 4 percent, effective October 1, 1980, brought this wage to \$8.01 per hour. Thus, this Employee was granted raises totaling 96¢ per hour since April 1, 1979, which translates into a raise of 13.62 percent of the \$7.05 wage scale (April 1, 1979).

This same employee was granted a raise of 65¢ per hour from wages in effect April 1, 1979 through April 1, 1980, for a 9.22 percent increase. No adjustment of any kind was made in the wage scale of the Fire Department during this period, in full accordance with the labor contract in effect.

Thus, a fair consideration of the record finds that the Muskegon Township has the financial ability to meet the Award, although it is to be recognized that the financial ability of the Township has deteriorated over the past two years.

The Union introduced its Exhibit Two as page 75 of the Michigan Municipality Comparison for Firefighters, reflecting wage scales for cities in Area 2. This includes lower Western Michigan. The Union representative testified as to the comparable rate scales with cities generally comparable to Muskegon Township, such as the City of Holland, City of Muskegon, City of Grand Haven, City of Muskegon Heights, City of Norton Shores. It is to be recognized that the City of Muskegon deals with fire problems significantly different from those of this adjoining township and which accounts for the significant higher wage scale in the City of Muskegon. This Exhibit is accepted as testimony as to wage scales in comparable communities. It is the finding of the Arbitrator that the Award will not significantly alter the wage pattern of the area.

Testimony (pp. 5 and 6 of the transcript) by the Union representative and not controverted by the Employer's representative, established that the Consumer Price Index for urban wage and urban clerical earnings rose from 211.8 as of April 1, 1979 to 242.6 as of April 1, 1980, for a total rise of 14.5 percent in the Cost of Living Index. Adjusted to the dollar for this period, the loss in dollar purchasing power is 9.4 percent. This substantial change is found to be a fact and supportive of the Award.

Testimony by the Employer's representative concerning the generally excellent working conditions, generous fringe benefits, in addition to the wage scale, and the recent very substantial increase in pension costs to the Employer were not controverted in any manner by the Employees' representative. Overall, the record supports the fact that there exists an amicable atmosphere in which the parties genuinely hope to resolve differences, but likewise genuinely believing they cannot accept the other's last best offer. However, this factor is not sufficient in itself to equitably support the Employer's last proposal.

AWARD:

A careful study and consideration of all Exhibits and the testimony as contained in the transcript reflects the factors discussed above are fully supported by competent, material, and substantial evidence and require the award of Union's last proposal, i.e., a 10 percent increase in wages effective retroactively April 1, 1980.

Richard H. Senter
January 16, 1981
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