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7/21/77
ARB

STATE OF MICHIGAN

MICHIGAN EMPLOYMENT RELATIONS COMMISSION

BEFORE
A COMPULSORY ARBITRATION PANEL

CITY OF ROSEVILLE

and

ROSEVILLE ASSOCIATION OF FIREFIGHTERS
Local 1614, IAFF

7-21-77

William Dance

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DECISION AND AWARD

These proceedings were commenced pursuant to the provisions of the Act entitled "COMPULSORY ARBITRATION OF LABOR DISPUTES, POLICEMEN AND FIREMEN", being Act 312 of the Public Acts of 1969, as amended, of the State of Michigan. This Decision and Award are made and entered pursuant to the provisions of said Act 312, as amended.

This Decision and Award is adopted as the Decision and Award of the Arbitration Panel hearing this matter by those members who affix their signatures hereto at the end of this Decision and Award.

PRELIMINARY STATEMENT

It appears from the record made in the formal hearings in these proceedings that the parties commenced bargaining with respect

Dance, William H.

to wages on or about January 14, 1976. On that day demands and offers were presented and negotiations continued down to the time when arbitration was requested. Notice of the compulsory arbitration was given to the Chairman of the panel by letter from Robert Pisarski, Esq., Director of Michigan Employment Relations Commission, dated August 2, 1976. Thereafter, the parties again resumed negotiations and the arbitration hearings were not commenced. The negotiations again broke down and a preliminary arbitration meeting was held at the City offices in Roseville at which time it was agreed that formal proceedings would be commenced on March 8 and 9, 1977, which dates were later changed to March 9 and 10. Due to conflicts, only the March 9 date was scheduled for the hearing to open at the Hearing Room at the offices of the Michigan Employment Relations Commission at the Michigan Executive Plaza, the hearings to commence at 9:30 AM.

The formal hearing was opened at 9:30 AM on March 9, 1977 at the said Hearing Room and the hearing continued on that day, March 25, March 28 and April 1, 1977, on which latter date the record was closed. The parties, through their respective counsel, Thomas W. Jakuc, Esq., for the Roseville Firefighters Association and Lawrence P. Zatkoff, Esq., for the City of Roseville, indicated that each wished to submit a brief to the panel. Briefs were to be submitted twenty days after receiving a transcript of the proceedings. The parties agreed there would be no reply brief, but only one brief submitted in support of the position of

that party. Both counsel adhered to the scheduling and the briefs were duly received.

Aside from the exhibits and briefs of the parties, the transcription of oral testimony taken at the formal hearings comprises 703 typewritten pages (this also includes the index and title sheet) and because of the necessity of studying the record and the exhibits, as well as the excellent briefs submitted in support of each position, the Chairman requested additional time from the parties in which to render a decision. Both parties accorded this consideration to the Chairman.

The hearings were all conducted at the abovementioned Hearing Room and both the case for the Association and for the City were ably conducted, presented with carefully prepared exhibits and with explanation of positions through thorough and explicit questioning and cross examination of witnesses by counsel.

ISSUE

What increase in salary is to be paid to the members of the Roseville Association of Firefighters for the contract year of July 1, 1976, through June 30, 1977?

LAST BEST OFFER

The Last Best Offer of the Roseville Association of Firefighters, submitted during these proceedings consists of a demand for an 8.5% increase in wages and salaries across the board, as is set

forth in Union Exhibit No. 1, with a correction on the figure appearing under 24 months, which is changed from \$16,176 to \$16,075, accompanied by a written statement that this is the Union's Last Best Offer of 8.5% increase in accordance with the above schedule; the offer is signed by Thomas W. Jakuc, and Fred Schaefer, President of Local 1614. The said Last Best Offer of the Association is attached hereto and marked Exhibit A.

The Last Best Offer of the City consists of an offer of 4.5% increase in base wages at the following steps: 12 months, 24 months, 36 months and 48 months. This is signed by B. J. Nardelli, City Manager. This document is hereto attached, marked Exhibit B, and hereby made a part hereof.

STATUTORY MANDATE

In accordance with the mandate of Section 8 of the aforementioned Act 312, Public Acts of 1969, as amended, the arbitration panel identifies the wage issue as the only economic issue in dispute and the parties, during the proceedings did each submit its last offer of settlement on said economic issue. The statute mandates that the arbitration panel shall adopt the last offer of settlement which, in the opinion of the

arbitration panel, more nearly complies with the applicable factors prescribed in Section 9.

In accordance with this Section, the panel must adopt either the last best offer of the Association or the last best offer of the City and is not permitted to engage in any mediation or negotiation.

DECISION

During these proceedings considerable testimony was given relating to the concept of parity between the Roseville Police and the Roseville Firefighters; further extensive testimony was introduced by the Association the purpose of which was to show the claimed similarity in the duties and responsibilities of the Police personnel and Firefighters. In addition to the foregoing there was considerable testimony relating to the daily duties and activities of the firefighters in a typical day at the station; the panel became quite cognizant of the dangers facing a firefighter when responding to an alarm, be it either for fire or for ambulance. It is very clear that these people are highly concerned with the protection first of life and then of the property of the people whom they serve.

The life of the firefighter involves constant training in repeating old and proven procedures so that they are instinctive and

also in mastering new concepts as they are introduced to them.

There can be no doubt that this is a dangerous job. Also, there can be no doubt that Police work is a dangerous occupation. It is also true that people choose these occupations, they are not thrust upon them against their will. If one wishes to be employed in the public sector, one can choose less dangerous occupations in that same sector. However, although that is true, high risk occupations usually carry higher compensation than low risk occupations, as a general rule. The panel has studied the comparables submitted by both parties and from that study can only conclude that those persons responsible for setting salaries and wages, and those persons in the Association and City who have negotiated salaries and wages have considered the risks in their considerations. The considered judgment of the negotiators, the City which wants to be protected and the Association whose members run the risks, is entitled to weight. The comparables submitted by both parties are certainly entitled to weight as they show the thinking of others engaged in the same pursuits. Not only that, both parties urge that the comparables ought to be given weight and, also, the applicable statute provides that such comparison is to be considered.

A great deal of testimony was taken on the subject of "parity". The record concerning "parity" is quite confusing. There are statements by Association witnesses that they do want parity with the Police

Department, but do not want parity with general employees in Roseville, nor does the Association want parity with other firefighters in the North Central area of the United States. There is a feeling in the testimony that while the Association wants to at least be equal with wages and salaries paid to Police personnel, it is not parity that it wants, but rather the ability to negotiate, not to be bound by what others might negotiate. This is not to disregard some statements made by the Association witnesses that parity was what was wanted. In response to a question from a panel member, namely Mr. Lyle Mueller we find the following on page 123 of the transcript of proceedings for March 9, 1977:

"Q. Mr. Mueller: Mr. Schafer, is the Fire Department trying to achieve a full parity with the Police Department?

A. The Witness: No, sir, we're not. ..."

The witness goes on to say that the Association is not trying to achieve across the board parity. This certainly leaves questions as to what really is desired in the way of parity, except that it would seem a reasonable conclusion that the Firefighters want, at least an equal wage and salary to that earned by Police personnel. The confusion surrounding this area and the record on cross examination leads the panel to the conclusion that parity does not exist and has not existed between the Firefighters and the Police personnel. This finding is

made despite the fact that the base wages of both are not terribly far apart. In the year 1975-1976 they were only \$27.00 apart (Union Exhibit No. 9).

Turning back now to the question of comparables with respect to other communities. The thoroughness with which both parties have set forth the comparables has been most helpful to the panel, together with the testimony on both sides, relating to the manner in which the comparables were compiled and the activities of the Firefighters within the various cities chosen as comparable.

It is difficult for the panel not to take notice that base pay, or hourly pay, is not the only compensation in this economic issue. While it may be the basis for the ultimate in-pocket money to a Firefighter, it is a starting point. The panel notes Exhibit No. 18A of the City which shows the Comparable 10 Year City Pipeman Total Pay Summary for the contract year 1976-1977. This exhibit indicates that there are four communities, namely Sterling Heights, Fraser, St. Clair Shores and Warren which have been chosen as comparables by both parties. If we consider the offer of the City only on the basis of base wage, Roseville would be last in the five comparable communities (including Roseville as a comparable among the five). However, considering the overall benefits which come from the offer, Roseville would rank third.

Considering all of the criteria submitted with respect

to the comparables including comparison of emergency runs, ambulance runs, wages and salaries, unemployment rates, state equalized valuation base re ratio of residential property, property valuation and population and geographical distance or proximity, the panel is satisfied that some of the communities listed by the City are not true comparables and that the same is true of some of the Cities listed by the Association. However, the panel is satisfied that the salary and wages which have been being paid to the members of the Association in accordance with contracts between the City and the Association are comparable and in keeping with the salaries and wages paid to Firefighters in comparable communities.

There was considerable testimony relative to the productivity and training of the Roseville Firefighters and this was truly impressive. When considering comparables, however, we do not have evidence in this record that the training and daily procedures and activities of an educational and skill maintenance nature are not followed and practiced by Firefighters in other communities. While it is a very impressive record in that regard, the panel cannot conclude that this makes the Roseville Firefighters Association membership more productive than others. It certainly does seem true that for its size and population it does have a large production of emergency runs, more than some of the comparables submitted and less than others. From the testimony there was no doubt that this is a very productive department, however, the panel does conclude that the wages which have been being paid under

the present contract have been comparable to the wages being paid in similar communities to persons in the same occupation.

This brings us to two more considerations, namely the cost of living adjustments or indices which must be considered and the financial ability of the City. We can dispense with the latter consideration first.

In this case there was testimony to the effect that there was a surplus available with the fiscal year ending June 30, 1976. This surplus consisted of some \$325,000; in addition there was evidence of a "contingency fund" of \$78,000. In the brief submitted by Mr. Jakuc he goes into these funds quite thoroughly, indicating funds which could be used to meet the demand made by the Association. There was also testimony that the City considered it "prudent business practice" to maintain the contingency fund to meet future unanticipated expenses. The panel agrees with that position and states as its opinion that simply because money is present in one fund does not mean that it should be depleted if, in other respects, the reasonable and proper wages measured by the applicable factors as set forth in Section 9 of the applicable statute are being paid. The counsel for the Association, namely Thomas W. Jakuc, presents his case very strongly in this area and if the comparables were different and the wages were, in the opinion of the panel, not in keeping with the applicable factors set

forth in the statute this would be a very compelling and persuasive argument.

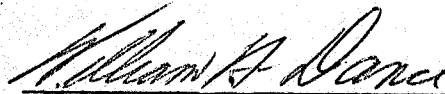
Finally, we come to consideration in these proceedings of the Cost of Living factor. Both parties have submitted evidence on this issue, the evidence of the Association going to support the argument that there has been a decrease in purchasing power and that a larger percentage increase is needed for the Firefighters to offset the decrease in purchasing power. On the other hand the City has submitted evidence in support of its position indicating that the purchasing power of the Firefighters has been kept well ahead of the decrease in value of the dollar; by this is meant that the evidence tends to show that while the Consumer Price Index has been steadily climbing, the wages to the Firefighters have been increased in order to keep well ahead of the decline in purchasing power of the dollar (City Exhibits 23A, 24A). Of course, this evidence is not unchallenged, however, the panel is convinced that although purchasing power of the dollar has declined, the exhibits mentioned indicate convincingly that the purchasing power of the Firefighters has not only kept pace to compensate for such decline, but has actually increased at a rate which has compensated them for that loss in purchasing power.

In summary, it becomes clear that it is the position of the panel that based on all of the evidence and briefs submitted by the parties in support of their positions, that it will adopt the last offer of the City as it more nearly complies with the applicable

factors described in Section 9 of Act 312 of PA 1969, as amended.

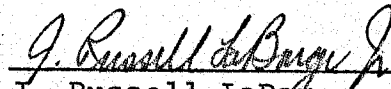
AWARD

The panel orders that the City's Last Best Offer of 4.5% increase on base wages for the year July 1, 1976 through June 30, 1977 in the manner as set forth in Exhibit B hereof, be adopted as the order of this panel with respect to the wage issue presented to it in these proceedings.



William H. Dance
Chairperson

Lyle Mueller
Panel Member



J. Russell LaBarge, Jr.
Panel Member

Dated: July 21, 1977

INCREASE WAGES & SALARY
1976 - 1977

- A. Wage Schedule for Fire Fighters Hired After July 1, 1976, through June 30, 1977. All present employees at the one-year step will receive the increase as listed below. Any increase in wages will be equitably applied to the entire schedule:

<u>Beg.</u>	<u>6 Mos.</u>	<u>12 Mos.</u>	<u>24 Mos.</u>	<u>36 Mos.</u>	<u>48 Mos.</u>
\$11,718	\$12,044	\$15,722	\$16,176 16,075	\$16,429	\$16,784

- B. There will be a rank differential increase in pay in accordance with the following schedule:
1. 15% increase between 48-month Fire Fighter & Sergeant.
 2. 10% increase between Sergeant & Lieutenant.
 3. 10% increase between Lieutenant & Assistant Chief.
 4. 15% increase between 48-month Fire Fighter & Inspector.
 5. The Fire Marshall shall be compensated at the same rate as Assistant Chief.
- C. When a Fire Fighters assumes the duties of a Sergeant, as designated by the Chief or Officer-in-Charge for a two hour period or more, he shall receive the pay of a Fire Sergeant for all hours worked.

*This is Union's Last Best Offer on 8 1/2 % wage
increase in accordance with above schedule*

*Thomas V. Jahan, ATTY
Fred Schaefer
Pres. Local 1614*

April 1, 1977

to Roseville fire fighter

city last offer is 4.5% increase

in Base Wages at

12 mos

24 mos.

36 mos.

48 mos

B. J. Nardelli
city manager.