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9/23/76  
ARB

STATE OF MICHIGAN  
DEPARTMENT OF LABOR  
EMPLOYMENT RELATIONS COMMISSION

ARBITRATION UNDER 312 P.A. 1969 AS AMENDED,  
TOWNSHIP OF BLACKMAN

-and-

FIREFIGHTERS LOCAL 2127  
IAFF, AFL-CIO

O P I N I O N

PANEL MEMBERS:

CHAIRMAN: Mario Chiesa  
EMPLOYER DELEGATE: Donald C. Cole  
UNION DELEGATE: Robert B. Metcalf

Date Submitted: September 23, 1976

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Blackman, Township of

### INTRODUCTION

Throughout this Opinion, Firefighters Local 2127 IAFF, AFL-CIO shall be referred to as the Union, while Blackman Township shall be referred to as the Township.

Pursuant to a stipulation the hearing was held on Monday, July 26, 1976 at 9:00 a.m. at the Quality Court Motel, Jackson, Michigan.

Pursuant to a stipulation the executive meeting was conducted on Tuesday, September 7, 1976 at 9:30 a.m. at 410 South Jackson Street, Jackson, Michigan. This Opinion is being issued within the time limits set by the parties.

### APPEARANCES

#### FOR THE TOWNSHIP:

Rogers & Weatherwax  
1401 Jackson County Tower Building  
Jackson, Michigan 49201  
(By Mr. Allen Weatherwax, Jr.)

#### FOR THE UNION:

Willard Rappleye  
511 South Jackson Street  
Jackson, Michigan 49201

### ISSUES

#### ECONOMIC:

1. Basic wage adjustment.
2. Cost of living allowance.
3. Clothing allowance.
4. Addition of fifth year step.
5. Retroactivity.

The following were listed as issues at the commencement of the hearing, but for the reasons stated below, they will not be discussed or decided herein.

1. Vacation - The Union did not submit a last and best offer. This indicates that the Union has withdrawn its demand. Since the Township's position was to continue prior provisions, if any, the issue is settled.
2. Trainer - Same as vacations.
3. Life Insurance - The Union's and Township's last and best offers are identical. Hence, the issue is settled.

CHAIRMAN'S NOTE:

The hearing has left the chairman with the impression that both parties possess the qualities which are conducive to a sound and equitable labor relations environment. It is true that on occasion an honestly held position, or the intrusion of an unforeseen element may force the parties to seek the relief afforded by this Act; however, the chairman feels that the relationship between the parties is such that resorting to Act 312 will be the exception and not the rule.

HISTORY

The prior collective bargaining agreement was in effect from April 1, 1975 until March 31, 1976.

ISSUE: LIFE INSURANCE (Economic)

NOTE:

The last and best offers submitted by the parties are identical.

AWARD:

The panel orders that the existing life insurance coverage be increased to Fifteen Thousand (\$15,000.00) Dollars with a double indemnity clause.

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CHAIRMAN

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UNION DELEGATE

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TOWNSHIP DELEGATE

ISSUES:

VACATION, TRAINER (Economic)

NOTE:

The Union has not submitted a last and best offer regarding these two items. Since the Township's position was to continue prior provisions, if any, the issue has been settled.

AWARD:

The panel orders that there be no increase in vacation days and, further, no establishment of a trainer classification.

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CHAIRMAN

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UNION DELEGATE

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TOWNSHIP DELEGATE

EVIDENCE AND DISCUSSION CONCERNING  
COMPARABLES:

The statute, MCL 423.239; MSA 17.455(39), demands that the panel consider data from comparable communities, inter alia. The initial question is: which communities are comparable?

Union Exhibit 4 is a composite using the following communities: City of Adrian, Summit Township, City of Melvindale, Leoni Township and City of Jackson. Melvindale has a population of 13,800, while Blackman, including prison population, has a population of 17,009 (Union Exhibit 4). Melvindale is a city, while Blackman is a township. Those are the only two items that are probative of the question, i.e., whether Melvindale is comparable to Blackman for the purpose of this hearing. Based on the evidence in this record, it is impossible for this panel to conclude that Melvindale is comparable to Blackman Township. The same analysis and conclusion is also appropriate for the city of Adrian.

Geographically, Summit Township, Leoni Township and the City of Jackson are very close to Blackman Township. Blackman Township forms the northern cap of the City of Jackson, while Summit Township forms the southern cap (p. 10, 11). Leoni is just east of the City of Jackson (p. 12, 13). Thus, at least geographically, all the above are comparable.

Of the Townships, Summit is the most heavily populated with 23,029 people. Blackman is next with 17,009, while Leoni has 13,749 (Union Exhibit 4). The City of Jackson has a population of 45,484 (Union Exhibit 4). Population-wise, it could be concluded that the Townships are close enough to be considered comparable. However, the City of Jackson has approximately twice as many people as does Summit Township, two and one-half times as many people as does Blackman Township, and three and one-third times as many people as does Leoni Township. (Union Exhibit 4) The City of Jackson is not comparable to the Townships in the area of population.

Blackman Township has an area of 32 square miles as does Summit. Leoni Township has an area of 56 square miles and the City of Jackson has an area of 10.25 square miles. Again, the Townships are relatively close (Union Exhibit 4).

Both Summit and Blackman have large complexes of industry. Blackman has more industrial and commercial than Leoni and Summit, but Summit has more residential (p. 12, 13). Summit has a higher population and more expensive homes than does Blackman (p. 22).

In the final analysis, the Townships should be considered comparable for the purpose of this hearing. The City of Jackson is much more densely populated and even though it borders Blackman, it cannot be considered a true comparable.

ISSUE:

SALARY (Economic)

LAST AND BEST OFFERS:

The prior collective bargaining agreement contains the following salary schedule:

April 1, 1975 through March 31, 1976

Starting	\$8,971.00
After 6 months	9,143.00
After 1 year	9,249.00
After 2 years	9,772.00
After 3 years	10,001.00
After 4 years	10,345.00
Captain	10,860.00
Assistant Chief	11,146.00

(Joint Exhibit I)

The Township's last and best offer states:

"A raise of Five Hundred Fifty (\$550.00) Dollars per man."

The Union's last and best offer states:

"A \$900.00 increase on all wage increments."

EVIDENCE:

Union Exhibit 4 furnishes the following information, inter alia:

	<u>Blackman</u>	<u>Summit Twp.</u>	<u>Leoni Twp.</u>
Start	\$ 8,971.00	\$10,077.36	\$ 9,100.00
Salary after 4 years	10,345.00	12,281.00	10,500.00

The average starting salary, excluding Blackman, amounts to \$9,588.68. The average salary after four years amounts to \$11,390.50.

Union Exhibit 2 contained employment information regarding the County of Jackson. It shows that in March of 1976

the unemployment rate was 11.7%. Also, weekly earnings of manufacturing production workers was \$244.41 in the same month.

Union Exhibit 3 compares the 1975 salary of firemen and that received by policemen. It shows the following, inter alia:

	<u>Firemen 1975</u>	<u>Policemen 1975</u>
Start	\$ 8,971	\$10,130
6 months	9,143	10,130
1 year	9,429	10,460
2 years	9,772	10,680
3 years	10,001	10,900
4 years	10,345	11,230
5 years		11,560
7 years		12,000
Captain	10,860	-
Asst. Chief	11,146	

Union Exhibit 6 shows a comparison of the increase in cost of living since 1973, with the increase in wages for the same period. It appears as follows:

<u>Cost of Living</u>		<u>Pay Raise</u>	
<u>Year</u>	<u>% of Raise</u>	<u>Year</u>	<u>% of Raise</u>
1973	8.8	1973	8.0
1974	12.2	1974	6.0
1975	7.0	1975	9.0
1976(*1)	<u>6.0</u>	1976(*2)	<u>3.0</u>
TOTAL	34.0		26.0

\*{1} Est. per cent of raise in cost of living  
 \*(2) Proposed total economic proposal by  
 Blackman Township

However, it should be noted that the figure of 26% does not include increases in salary realized by step advancement (p. 25, 65, 66).

Employer Exhibit 1 is a compilation of financial statements, some actual, some proposed, regarding both the fire and police departments. The first document estimates a deficit of \$5,709.00 as a result of police and fire operations.

Employer Exhibit 2 is a collection of financial data for the year 1971-72.

Employer Exhibit 3 is a collection of financial data for the year 1975-76. It shows that the fire department accounts for 47.9% of expenditures, by and far the single largest area of expenditure. The exhibit also shows that as of March 31, 1976, the general fund had a balance of \$15,388.70. The actual revenue for 1975-76 amounts to \$602,404.42, while the estimated revenue for 1976-77 is stated at \$595,750.00. Actual total expenditures for 1975-76 were \$591,663.20, while the estimated expenditures for 1976-77 are stated at \$611,138.70.

Employer Exhibit 4 contains the general fund statement of assets and liabilities as of June 28, 1976, along with a summary of receipts and disbursements in the month ended June 28, 1976. Employer Exhibit 5 is the same assortment of documents as are contained in Employer Exhibit 4, except that they are for the month ended May 28, 1976.

Employer Exhibit 7 is a comparison of the budgets and expenditures for the fire departments in the Townships of Summit, Leoni and Blackman. It appears as such:

<u>Summit</u>	<u>Leoni</u>	<u>Blackman</u>
76-77 Budget		
Revenue	\$737,500	\$803,090
Fire	267,600	303,438
% for Fire	36%	37.8%
		47.5% (*47.05%)
		*Chairman's calculation



The \$15,388.70 fund balance was the result of reducing the police force by two men and closely controlling firemen's overtime. The Township has a revolving fund which it maintains in order to stabilize cash flow (p. 72).

The actual revenues that are being received are closely following the estimates (p. 82). The estimated revenues should be very close to the actual (p. 83). At this point there is \$65,000.00 left in the revolving fund (p. 86).

#### DISCUSSION:

Perhaps the first item that should be discussed is the step increases. It is true that a step increase results in greater income. However, it cannot be categorized as a wage adjustment. The step increase is directed at recognizing the increased worth that an employee possesses as he or she gains experience. Each year that an employee works as a fireman is another year of experience. Thus, the employee is worth more as each year passes. The step increase is designed to recognize the increased worth of an employee. It is not designed to cope with the elements that force a general wage adjustment.

The comparative data shows that the average starting salary amounts to \$9,588.68. If the Union's offer were adopted, the Township would be paying new hirees \$9,871.00. If the Township's offer were adopted, new hirees would be receiving \$9,521.00. The average salary after four years of service is \$11,390.50. If the Union's last and best offer were accepted, the Township would be paying a fireman with more than four years of experience a salary of \$11,245.00. If the Township's offer were accepted, a fireman with more than four years of experience would be receiving \$10,551.00, (increment not included) or \$10,895.00 (increment included).

If the Union's offer were accepted, a fireman with more than four years of experience would be receiving \$145.50 less than the average. If the Township's offer were accepted, a fireman with more than four years of experience would be receiving \$839.50 or \$495.50 less than the average.

It should also be kept in mind that the seniority list shows that ten (10) out of a total of seventeen (17) firemen are at the top step (Union Exhibit 8A). Only two firemen have less than two (2) years seniority (Union Exhibit 8A).

The cost of living data shows that since 1973 the cost of living has risen approximately 34%, while the salary increases have equalled approximately 23%. Using this data, the firefighters would have to receive an 11% raise in salary in order to equal the increase in cost of living since 1973. At the top step, the Union's offer equals an increase of approximately 8.7%. The Township's offer is, of course, lower. At the starting rate the Union's offer represents an increase of approximately 10.0% with the Township's offer being lower. Even the Union's last and best offer fails to completely close the gap between salary and cost of living.

The Township has enjoyed better financial times. It contends that the Union's offer aggravated an already tenuous financial situation. However, the evidence does not convince the panel that the Township is destitute or that it cannot absorb a reasonable increase in firemen's salary. Further, the statute states, inter alia, that the panel must consider: "The interests and welfare of the public and the financial ability of the unit of government to meet those costs." (MCL 423.239; MSA 17.455(39)). The chairman is convinced that an efficient fire department is essential to the public welfare. An efficient fire department must pay fair salaries and provide reasonable benefits. There is

no doubt that the cost of essential services is increasing; however, so to is the cost of living that confronts a fireman and his family. This panel cannot tender a remedy that will solve the spiralling cost problem. However, one fact remains; if the public wishes efficient, essential services, it must bear the reasonable cost of same.

After reviewing all the available evidence and considering all pertinent arguments, the panel concludes that competent, material and substantial evidence demands that the Union's last and best offer be adopted.

AWARD:

The panel orders that the Union's last and best offer be implemented.

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CHAIRMAN

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UNION DELEGATE

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TOWNSHIP DELEGATE

ISSUE:

COST OF LIVING ALLOWANCE  
(Economic)

LAST AND BEST OFFERS:

The prior collective bargaining agreement did not provide for a cost of living allowance (Joint Exhibit 1).

The Township has offered no cost of living.

The Union's last and best offer states:

"All wage increments shall be subject to a cost of living adjustment not to exceed 6 per cent per annum. Such adjustments, if any, shall be computed July 1, 1977 on the cost of living increase, if any, from July 1, 1976. Such adjustments as computed shall be added to all wage increments then in effect which shall become the annual wage.

"The cost of living index used shall be the National Bureau of Labor Statistics Consumers Price Index published by the National Bureau of Labor."

EVIDENCE AND DISCUSSION:

Union Exhibit 4 shows that both Summit and Leoni Townships have cost of living provisions. Both of the cost of living allowance paid by Summit and Leoni Townships have a 6% cap (p. 14). If the award were granted, it would not be an item that would be payable from revenues reflected in the current budget (p. 21).

Apparently, if the cost of living were granted, the Township would have some problems in drafting its budget (p. 85).

The available evidence supports the adoption of the Union's last and best offer. The addition of a cost of living allowance would not cause additional expenditures during the current fiscal year. If the economic situation becomes so strained that payment of the cost of living allowance, beginning 7/1/77, became intolerable, the Township could address itself to the problem at the bargaining table prior to 7/1/77.

AWARD:

The panel orders the implementation of the Union's last and best offer.

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CHAIRMAN

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UNION DELEGATE

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TOWNSHIP DELEGATE

ISSUE:

CLOTHING ALLOWANCE  
(Economic)

LAST AND BEST OFFERS:

Article XIII, Section 1 of the prior collective bargaining agreement states:

"Commencing April 1, 1973, the Township shall credit each full-time employee with \$125.00 per year uniform allowance. It is the intent of the Township that uniforms among full-time firemen be standardized and identical. Therefore, all uniforms shall be purchased at a place or places mutually agreed upon between the Union and the Township. A full-time employee may carry over from year to year unexpended portions of his uniform allowance providing, however, that such accumulation shall not exceed \$250.00." (Joint Exhibit I)

The Township's last and best offer seeks continuation of the present amount.

The Union's last and best offer states:

"Clothing allowance shall be increased in the amount of \$75.00 to bring the total clothing allowance to \$200.00."

EVIDENCE AND DISCUSSION:

Union Exhibit 4 shows that Summit Township pays \$90.00 clothing allowance, plus it furnishes its firemen with three shirts and three pairs of pants. The same exhibit shows that Leoni Township provides a clothing allowance of \$200.00.

Union Exhibit 7 lists the prices of various articles of clothing and other dress items. Apparently the prices listed are those charged by the uniform company. The costs of clothing have increased and at least one fireman feels that the present clothing allowance is inadequate (p. 17). Mr. Rogers testified that his clothing allowance account was overdrawn \$6.00 as of April 1 of last year (p. 26). The year before he had a surplus (p. 26). Mr. Rogers does not own a dress uniform. A dress

uniform is worn on very special occasions, i.e., parades, funerals (p. 27).

Blackman Township replaces the policemen's clothes, but the policemen are not given a clothing allowance as such (p. 69).

There is one thing that must be kept in mind. Blackman Township allows its firemen to accumulate their clothing allowance up to a figure of \$250.00. However, the clothing allowance has remained unchanged since April 1, 1973.

The cost of granting the Union's offer should be \$1,275.00 (17 x \$75).

After analyzing the evidence, it becomes apparent that the comparable communities provide a clothing allowance which is superior to that allowed Blackman Township firemen. The cost of clothing has risen substantially and the most that acceptance of the Union's offer would cost the Township is \$1,275.00.

After taking all matters into consideration, the panel feels that the Union's last and best offer should be adopted.

AWARD:

The panel orders that the Union's last and best offer be implemented.

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CHAIRMAN

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UNION DELEGATE

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TOWNSHIP DELEGATE

ISSUE:

FIFTH YEAR STEP  
(Economic)

LAST AND BEST OFFERS:

The prior collective bargaining agreement incorporated a salary schedule which provided step increases which ended after four years of service (Joint Exhibit 1).

The Township's last and best offer seeks to continue the prior schedule.

The Union's last and best offer states:

"A five year step will be added to the present step schedule with an annual wage increase of \$250.00 over the four year step."

EVIDENCE AND DISCUSSION:

Apparently the only evidence directed at this issue is the statement: "Reward and incentive for the firemen that have been employed at Blackman Township for more than four years" (p. 18.)

With only that statement appearing in the record, the panel cannot accept the Union's last and best offer.

AWARD:

The panel orders that the City's last and best offer be implemented.

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CHAIRMAN

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UNION DELEGATE

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TOWNSHIP DELEGATE



ISSUE:

RETROACTIVITY  
(Economic)

LAST AND BEST OFFERS:

The Township's last and best offer leaves the issue of retroactivity to the discretion of the panel.

The Union's last and best offer seeks retroactivity to April 1, 1976.

EVIDENCE AND DISCUSSION:

The only testimony that bears on this issue is that of Mr. Rogers. On pages 46 and 47 of the transcript he states:

"Q. Has the Township ever indicated that any economic proposals they made were only prospective and not retroactive to the first of April, 1976?

"A. No. I have been under the impression that it was retroactive because we have been bargaining in good faith and all the filing dates and everything have been on time.

"Q. The question is: Has the Township in making any economic proposals, without discussing the amounts of their proposal, have they ever indicated that those proposals are only prospective in nature, that is to be paid from that date forward?

"A. No. Everything has been from April 1."

Employers argue that retroactivity should not be granted because if a union knows that a settlement will be retroactive, it will hold out for better terms. Conversely, unions argue that if there is no retroactivity employers will stall at the bargaining table knowing that every day saves money. Fortunately, neither of the herein parties have taken the above positions.

Since the Township has taken no position on the issue, it is apparent that it has no strong objection to making the awards retroactive.

AWARD:

The panel orders that the Union's last and best offer be implemented.

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CHAIRMAN

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UNION DELEGATE

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TOWNSHIP DELEGATE