1-18-74
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Blackman Township

STATE OF MICHIGAN

DEPARTMENT OF LABOR, EMPLOYMENT RELATIONS COMMISSION

In the Matter of)
)
BLACKMAN TOWNSHIP)
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and)
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LOCAL 2127, I.A.F.F.)
)

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STATEMENT OF FACTS

OPINION AND AWARD

Eardley, Warren

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STATEMENT OF FACTS

After an arbitration hearing before the Panel of Arbitrators, at which both parties were present and given every opportunity to present testimony and offer exhibits in support of their respective positions, and after both parties have had an opportunity to exchange and evaluate each other's exhibits, the unresolved issues to be disposed of by arbitration have been narrowed to the following:

1. Whether or not the Assistant Chief and Captains should be included in the bargaining unit. (Article I, Section 1). *
2. Whether or not all employees in the bargaining unit can be compelled to become and remain members of the Union or, in the alternative, to pay a representation fee in excess of regular Union dues. (Article I, Section 6).
3. Whether or not an employee taking one business leave day per year must obtain written approval in advance of his absence. (Article VI, Section 7).

*All specific contract references relate to Amended Joint Exhibit No. 1.

4. Whether or not probationary employees should be entitled to paid sick leave during their period of probation.
(Article VII, Section 1).

5. The amount of annual food allowance and the manner in which the same shall be payable.
(Article XIII, Section 3).

6. Wages. (Appendix A)

7. The effective and termination dates of the Agreement.
(Article XIV, Section 1).

OPINION AND AWARD

1. WHETHER OR NOT THE ASSISTANT CHIEF AND CAPTAINS SHOULD BE INCLUDED IN THE BARGAINING UNIT.

The Union was recognized by the Township as the bargaining representative for the Firefighters in March, 1972, and ever since that time the Assistant Chief and Fire Captains have been included in the bargaining unit. There is no evidence in support of the Township's argument that their effectiveness as Supervisors has in any way been limited by their being members of the bargaining unit. Presumably all of the reasons that existed for their becoming members of the bargaining unit at the time they were recognized as such by the Township still exist. The Panel of Arbitrators cannot assume that the interests of the Assistant Chief and Fire Captains will somehow be prejudiced by their being members of the Union, nor is there any claim by them that such is or might become the case.

AWARD

The Panel of Arbitrators determines that the Union shall continue to act as collective bargaining representative for the Assistant Chief and Fire Captains in the same manner in which it has done so in the past.

2. WHETHER OR NOT ALL EMPLOYEES IN THE BARGAINING UNIT CAN BE COMPELLED TO BECOME AND REMAIN MEMBERS OF THE UNION OR, IN THE ALTERNATIVE, TO PAY A REPRESENTATION FEE IN EXCESS OF REGULAR UNION DUES.

Whether or not prompted by the Michigan Supreme Court's decision in Smigel v. Southgate School District, 388 Mich. 531 (1972) the fact is that the Michigan State Legislature by Act 25 of the Public Acts of 1973 amended Section 10 of Act 336 of the Public Acts of 1947 to permit a public employer, such as the Township, and a Union representing a segment of the public employees, such as the Union, to enter into an agency shop relationship wherein employees in the bargaining unit may be required to pay the Union a service fee equivalent to the amount of dues uniformly required of the Union's members. Prior to the enactment of Act 25 of the Public Acts of 1973, it was not clear to what extent non-union employees could be required to participate financially on a "service fee" basis in the affairs of the Union by whose efforts they were benefiting under contracts negotiated by the Union for all employees in the bargaining unit, whether Union members or not. Act 25 of the Public Acts of 1973 clarifies that question once and for all, limiting the financial participation of non-union members to the payment of dues regularly assessed members of the Union.

AWARD

The Panel of Arbitrators determines that all non-union members of the bargaining unit shall hereafter be required to pay a service fee to the Union, on a monthly basis or on such other basis as may be more convenient to the parties, in an amount equal to the Union dues paid by the membership of the Local.

3. WHETHER OR NOT AN EMPLOYEE TAKING ONE BUSINESS LEAVE DAY PER YEAR MUST OBTAIN WRITTEN APPROVAL IN ADVANCE OF HIS ABSENCE.

Article VI deals with Leaves of Absence. Section 6 of Amended Joint Exhibit No. 1, agreed upon by the parties, provides:

> "Leaves of absence referred to in this Article must be applied for in writing by the employee on an AVO form and approved in writing by the Chief in order to preserve the employee's job rights during such leave."

In the December 19, 1972, Agreement between the parties, Section 6 of Article IV provided:

> "Personal Leave: An employee shall be entitled to one (1) twenty-four (24) hour duty day per year for personal business with pay."

It is the latter provision that the Township proposes to amend or modify by the language of Section 7 of Article VI of Amended Joint Exhibit No. 1.

The Township expresses some concern that the language of the December 19, 1972, Agreement covering personal leaves is not sufficiently protective of the Township's interests to preclude, for example, a concert of activity by disgruntled employees who call in and take a personal leave day at the same time, thereby disrupting the Department's activities. The Union's concern for adopting the language proposed by the Township in Section 7 of Article VI of the Joint Exhibit goes to the requirement of informing the employer of the reasons underlying the need for a personal leave day, it being the Union's contention that those reasons may be personal to the employee involved and it shouldn't be necessary for the employee to have to explain his personal business to his employer.

It is clear that the language of Section 6 of Article VI of the Joint Exhibit affords the Township the protection it needs to avoid the consequences of a concerted stay-at-home effort by the Union. The President of the Local acknowledges that leaves of absence for personal business must be approved before they may be taken. Since approval implies the use of some reasonable discretion, it follows that the Township has to weigh the request for a leave of absence against the job requirements, and it can hardly do that without knowing the reasons underlying the request for leave. This is not to suggest that the Township has the right to invade the personal and private lives of its employees for arbitrary reasons not related to the efficiency of the Department, and there has been no suggestion made that any such invasion has been made. This is not to suggest either that there will never be a situation where the employee requesting a leave does not have a legitimate cause to keep his reasons purely personal to himself. In such situations, it is expected that the employer and employee will act reasonably and with full understanding and appreciation of the rights and needs of the other.

There has to be a middle ground between the employer's improper invasion of employees' rights and the Union's position that the employee requesting a personal leave has the right to tell the inquiring employer that it is "none of his business what his reasons are." The "middle ground" is the good faith of the parties which presupposes a mature and sensible program of communications.

AWARD

The Panel of Arbitrators determines that the new agreement shall include the language of Section 6 of Article VI of the Joint Exhibit as well as the language of Section 6 of Article IV of the

December 19, 1972, Agreement, which in concert serve substantially the same purpose as the Township's proposed language in Section 7 of Article VI of the Joint Exhibit, thereby obviating the need for the proposed Section 7.

4. WHETHER OR NOT PROBATIONARY EMPLOYEES SHOULD BE ENTITLED TO PAID SICK LEAVE DURING THEIR PERIOD OF PROBATION.

It has always been the practice, even prior to the negotiation of the December 19, 1972, Agreement between the parties, that each employee, whether temporary or permanent, be permitted to accumulate one sick day for each month of employment up to a maximum of 60 days. No abuse of that practice has been shown or claimed by the Township. A review of the provisions of Amended Joint Exhibit No. 1 shows that in Article VII thereof all of the safeguards against abuses of sick leave have been built into the contract, safeguards which would permit the Township to discipline employees, temporary or permanent, where abuses could be shown.

AWARD

The parties to the December 19, 1972, Agreement agreed that temporary employees and permanent employees should be treated on the same basis insofar as the administration of the sick leave provisions of the contract is concerned. Those provisions were included in the contract to cover the very real contingency that an employee may be required to lose time because of illness and, to the extent agreed upon, he should not be penalized financially for conditions beyond his control. Whereas it might have been appropriate to limit the sick leave coverage to permanent employees only, the parties chose to apply it across the board to all employees in recognition of the very obvious fact that illness knows no distinction between permanent and temporary employees. No need having been shown by the Township to narrow the application of the sick leave benefits, and no abuses having been shown by any temporary employee

or encouraged by the Union, the Panel of Arbitrators determines that Section 1 of Article VII of Amended Joint Exhibit No. 1 shall incorporate provisions whereby all employees shall be entitled to accumulate paid sick leave credits on the basis of one (1) shift day of paid sick leave for each month of continuous service, with no limitation being placed on the right of a temporary employee to apply for sick leave benefits under the remaining provisions of Article VII in the manner and under the conditions outlined therein.

5. THE AMOUNT OF ANNUAL FOOD ALLOWANCE AND THE MANNER IN WHICH THE SAME SHALL BE PAYABLE.

Under the Agreement of December 19, 1972, between the parties, the Township paid $200 annually as food allowance to each member of the bargaining unit. The demand of the Union is that that amount be increased to $300, payable in two installments rather than once per year as has been the practice. The Township's offer is to increase the food allowance from $200 to $240 per year.

The Union offered evidence of significant probative value in its Exhibit 3, which contains the BLS Consumer Price Index for 1973. Using the year 1967 as the base year, the Index shows that as of June, 1973, the latest date reported, the cost of living in Chicago had risen 31.7% over 1967, and the cost of living in Detroit had risen 33.7% over 1967. The Index further shows that as of January, 1972, again using the year 1967 as a base year, the cost of living in Chicago had risen 22.1% and in Detroit 22.4%. So that in an 18-month period beginning in January, 1972, and ending in June, 1973, the cost of living in Chicago had risen 9.6% and in Detroit 9.5%.

The increases reflected by the Cost of Living Index, Union's Exhibit 3, encompass a great deal more than food costs. While none of the members of the Panel claims any expertise in the area of economics, each Panel member is sufficiently alert to the increased costs of food to take administrative notice that those costs have more significantly increased over the last year or two than almost any other costs, fuel oil and gasoline excepted. The Union's Exhibit No. 16, an article extracted from the Detroit Free Press dated August 8, 1973, reporting the United States Agriculture

Department's conclusion that food costs in 1973 would average "about 20% above 1972" appears to be realistic.

There was testimony offered that there are 123 shift days per year worked by each member of the bargaining unit, on which days the employees are expected to eat two meals on the job. The Panel of Arbitrators understands that usually the Firefighters on duty pool their financial resources and prepare their own meals, usually for three people at lunch time and for from four to seven people at dinner time. The concept of "food allowance" is intended to apply only to that kind of situation where the employee's duties prevent him from eating at home, but it is not clear that it was ever intended to cover the full cost of eating on the job. If the latter had been the intention, appropriate language expressing that intention calling for an accurate accounting of food costs could easily have been included in the Agreement.

A legitimate objective of the Firefighters is not only to maintain their "buying power" insofar as food allowance is concerned, that is, keep up with the cost of living, but to improve themselves financially to the point where the Township assumes a greater share of the food costs for those days on which they are required to be on duty and eat on the job. The Township's offer of $240 annual food allowance does little more than keep up with rising food prices. It does not contemplate its assumption of a greater share in the overall cost of food than it originally agreed to assume in the Agreement of December 19, 1972. In the face of evidence which shows that the Township's neighboring townships pay an annual food allowance to their represented Firefighters significantly greater than the Township has offered here, to as much as $360 in Summit Township, for example, (Union's Exhibit 9), and in the face of Section 8 of Act 312 of the Public Acts of 1969 (M.S.A. Sec. 17.455(38)), which compels the Panel to

adopt that party's last offer of settlement which more nearly complies with the applicable factors prescribed in Section 9 of that same Act, it is clear that the Panel has no choice but to adopt the Union's last offer in this, an economic, area of dispute.

AWARD

The Panel or Arbitrators awards an annual food allowance of $300 per employee, to be paid in two (2) installments, to-wit, at the end of the first pay period in May and at the end of the first pay period in November each year.

6. WAGES. Appendix A

7. Duration and Retroactivity, Article XIV, Section 1.

Neither party made an effective presentation or argument concerning the question of wages. The Panel of Arbitrators has been left pretty much to its own designs trying to compare the present wage scale with the Union's demands and the Township's offer, along with the Wage Agreements covering Firefighters in other locations, only a few of which dovetail in significant respect with the Union's demand and the Township's offer.

It appears from a review of the Union's demand and the Township's offer and of the Summit Township and Leoni Township Agreements with their represented Firefighters, that the Township's across-the-board offer of an 8% increase over the wage scale provided in the December 19, 1972, agreement is fair and realistic. The Summit Township agreement provides the best comparison. For example, a 6-month employee in Summit Township earned, in 1973, $8,044, whereas if Blackman Township's offer were applied retroactively, he would have earned $7,776, as against the Union's demand for $8,400. A 1-year employee in Summit Township earned $8,206 in 1973, whereas under the Township's offer that same employee in Blackman Township would have earned $8,046, as opposed to the Union's demand for $8,700.

A comparison of the salary schedule of Emmett Township and its Firefighters, who are not represented, shows that the beginning salary for a Firefighter as of August 1, 1973, is $7,384 per year as compared with Blackman Township's proposal of a beginning salary of $7,614 per year; that the 6-month salary in Emmett Township is $7,748 per year, as compared with Blackman Township's proposed 6-month salary of $7,776; and that the salary for a classified Firefighter, regardless of the number of years of service, is $8,372

as contrasted with Blackman Township's proposal of $8,046 for a 1-year Firefighter, $8,370 for a 2-year Firefighter, $8,586 for a 3-year Firefighter, and $8,910 for a 4-year Firefighter. Clearly, Blackman Township's final offer compares more than favorably with the wages paid in Emmett Township.

The agreement between Summit Township and its Firefighters does not contain a 2-year wage rate. The 3-year Firefighter, however, earned $8,452 in Summit Township in the year 1973, whereas under Blackman Township's proposal, a 3-year Firefighter would have earned $8,586 for 1973.

It is clear from the very sketchy information furnished regarding Leoni township and its Firefighters that Blackman Township's Firefighters under the Township's final wage offer would fare better than Leoni Township's Firefighters.

The Union has submitted a breakdown of the salaries paid by Fire Departments in several other Michigan localities, ranging in location from Ecorse, Michigan, to Escanaba, Michigan, relevant to the question of what should be paid in Blackman Township. There was no attempt to show that any of those communities is comparable to Blackman Township in anything except population. The salaries paid in neighboring localities competing for the same or substantially the same labor market more accurately represent what is fair and reasonable. The Township's final wage offer to the Firefighters is consistent with the wages being paid to Firefighters in adjoining Townships, and is fair and reasonable.

To be consistent with its demand that Fire Captains and the Assistant Chief be removed from the bargaining unit, the Township submitted no final offer of wages covering those classifications. If the Township's offer of an 8% across the board increase to the Firefighters is valid, and the Panel of Arbitrators believes that it is, then an 8% increase for the Captains and the Assistant Chief would be equally valid. That would bring the Captains' salary

to $9,396 per year and the Assistant Chief's salary to $9,666 per year. By comparison, Summit Township Captains range from $8,591 to $10,870 over a 15-year salary schedule, and Summit Township's Assistant Chief ranges from $9,235 to $11,233 over a 15-year period. Leoni Township's schedule calls for a Captain's salary of $9,581 and an Assistant Chief's salary of $9,812. Emmet Township pays its Captains $9,256 per year and its Assistant Chief $10,296 per year.

The questions of retroactivity and duration are inextricably woven within the question of wages. The Township's final offer included not only an 8% increase across the board as heretofore discussed, but also a 6% increase across the board to be applied in the second year of what the Township expects will be a two-year contract. At the same time, the Township argues that there should be no retroactivity applied to the Panel's award. The Union, on the other hand, argues for retroactivity back to the termination date of the December 19, 1972, Agreement, and makes no request for a second year salary schedule, preferring instead a two-year contract with provision for a wage reopener at the conclusion of the first year.

With reference to the question of retroactivity, the Township has argued that Section 10 of Act 312 of the Public Acts of 1969 (M.S.A. 17.455(40)) forecloses the possibility of a retroactive award of wages. The Township's position is that the Union's request for arbitration by letter of March 27, 1973, to the Michigan Employment Relations Commission was ineffective and premature, and ruled to have been such by Hyman Parker, Director of the Commission. The Township contends that since its fiscal year began April 1, 1973, and since the Union's request for arbitration was ruled by Mr. Parker to have been premature, Section 10 of the Act in question precludes the possibility of retroactivity of wages.

The Panel of Arbitrators does not have the advantage of any judicial precedent deciding this question. The validity of the Township's contention turns on the definition of "the initiation of arbitration procedures under this Act," the question being, whether the Union's "premature" initiation on March 27, 1973, qualifies, notwithstanding its timeliness, as the kind of "initiation" that permits a retroactive award of wages.

A brief history of the relationship between the parties is in order. The Union was recognized as bargaining agent in March, 1972. Although the parties settled on a wage package covering the period beginning April 1, 1972, to April 1, 1973, it wasn't until December 19, 1972, that the parties finally signed their first Agreement, covering all other aspects of their contract. That Agreement was set to terminate on April 1, 1973, only three and one-half months after its execution, with negotiations toward a new Agreement set to begin on January 15, 1973, less than a month following the conclusion of negotiations on the old agreement. The reason for the April 1, 1973, termination date is obvious - it corresponded with two things, the termination of the existing wage agreement and the beginning of the Township's fiscal year.

On January 15, 1973, the Union believed that the only real disputes to be resolved by the parties were the questions of wages, overtime and food allowance. The contract language covering all other aspects of the parties' relationship had finally been agreed upon less than one month previous.

The parties had some 75 days, then, from and after January 15, 1973, to negotiate on the three questions of wages, overtime and food allowance - enough time to have bargained realistically on those issues and to have determined, before April 1, 1973, whether mediation and, ultimately, arbitration would become necessary.

The contract language covering all other bargainable issues was not, on January 15 at least, on the table for resolution.

Bargaining sessions were conducted between the opening of negotiations until February 19, 1973, on which date the Union, through its attorney, contacted the Michigan Employment Relations Commission and requested that a mediator be assigned and dates set for mediation hearings, the parties, in his words, having "reached an impasse in negotiations." The Commission responded to the Union's request by letter of February 20, 1973, advising the name of the mediator assigned to the case and the manner in which he could be contacted. Implicit in the Commission's letter, the Panel believes, was the suggestion that the parties continue to negotiate and to call the mediator only if his assistance became necessary, in which event they were assured that he would "endeavor to fulfill your request as quickly as possible."

The parties continued to negotiate - to what extent the record is silent - until March 16, 1973, when the Union wrote to the designated mediator asking that a hearing date be set for mediation, stating, "The time is fast approaching when we must make a demand for binding arbitration." The record is silent as to the mediator's response. In any event, on March 27, the Union, by letter to the Commission, requested arbitration, obviously in an attempt to avoid the bar of retroactivity prescribed in Section 10 of Act 312 of the Public Acts of 1969 (M.S.A. 17.455(31) et seq.) Reasonably contemporaneous therewith, but on a date uncertain, the Union notified the Township of the identity of its designee to the Panel of Arbitrators.

On March 28, 1973, mediation commenced.

On April 2, Director Hyman Parker of the Commission, responded to the Union's letter of March 27, terming the Union's

request for the appointment of an arbitrator premature, citing Section 3 of Act 312 as requiring that mediation be undertaken as a prerequisite to invoking arbitration procedures.

It appears that on March 28, the first attempt at mediation, the Township, by its then newly retained attorney, submitted demands for contract language changes not previously anticipated by the Union nor bargained on since the signing of the December 19, 1972, Agreement. Many of those demands remained unsettled at the beginning of the arbitration hearing on November 5, 1973. Those that remained for arbitration are the subject of earlier items of this Opinion.

The legislature's purpose in enacting Sections 3 and 10 of Act 312 is twofold - first, to provide an orderly transition from the bargaining table to binding arbitration; and, second, to permit municipal units, such as the Township, to anticipate the possibility of retroactive wage adjustments when preparing their annual budget requests. Section 10, for all practical purposes, sets a deadline on the parties - the beginning of a new fiscal year. An arbitration already initiated satisfies each of the two purposes enumerated above, and, hence, retroactivity is permitted. It is clear, however, that the Legislature intends to bar retroactivity in those cases where the arbitration is not initiated prior to the start of a new fiscal year - much as a statute of limitations acts as a bar to litigation commenced after a specified period of time.

What constitutes the "initiation of arbitration procedures?" Clearly, more than the mere filing of a request for arbitration. If that were all that is required, the intent of the statute could be avoided simply by one party or the other making such a request as a procedural requirement at the beginning of contract negotiations.

Obviously, that is not the intent of the statute. The answer to the question is found by reading Section 3 of Act 312:

> "Whenever in the course of mediation of a public police or fire department employee's dispute, the dispute has not been resolved to the agreement of both parties within 30 days of the submission of the dispute to mediation and factfinding, or within such further additional periods to which the parties may agree, the employees or employer may initiate binding arbitration proceedings by prompt request therefore, in writing, to the other, with copy to the labor mediation board."

The "submission of the dispute to mediation" is, therefore, a prerequisite to arbitration. Arbitration cannot be initiated within the meaning of Section 10, unless first there have been good faith efforts to submit the dispute to mediation. The Panel is satisfied such efforts were made in this situation.

As early as February 19, 1973, the Union requested the appointment of a mediator. The Commission appointed a mediator immediately. Meanwhile, the parties continued to negotiate, presumably in good faith, until the Union, on March 16, trying to protect against the bar of retroactivity, asked the mediator for a hearing date. No hearing being scheduled until March 28, the Union, on March 27, requested arbitration - again, in an obvious effort to protect the question of retroactivity. The Township, who stood to benefit financially if retroactivity should subsequently be barred by statute, with full knowledge of the Union's efforts to satisfy the statutory requirements, did nothing to expedite negotiations, and, instead, on March 28, the first mediation meeting, came in with contract language demands the Union had considered already laid to rest in the negotiation of the December 19, 1972, Agreement. Clearly, at that point, on March 28, the issues had been submitted to the mediator, they were not resolved to the agreement of both parties, and it being still "within 30 days of the submission of the dispute to mediation", the Union could have

written to the Commission requesting arbitration. It had March 29, March 30 and March 31 to do so, and had it done so on one of those three days, and had Director Parker been fully cognizant of everything that preceeded the March 28 mediation hearing, it is doubtful in the minds of this Panel, at least, that the Union's request would have been termed "premature."

The objectives of the Legislature in enacting Section 10 of Act 312, earlier stated, were satisfied by the Union's good faith efforts to submit this dispute to mediation in anticipation of arbitration. The dispute did proceed to arbitration pursuant to the Union's March 27 request therefor. The Commission did not require that a second request be made because of the prematurity of the first. Also, the Township was well aware of the Union's financial demands and cannot say, in good faith, that it did not foresee and consider the possibility of retroactivity.

Finally, answering the Township's argument that the Union could not have effectively initiated arbitration procedures as required by Act 312 because the parties were not in mediation at least 30 days prior to the Union's request, the Panel does not construe the statute to impose such a requirement - nor, contrary to the Township's claim, did Director Parker make any such interpretation in his letter of April 2, 1973.

Mediation is quite properly a forerunner of arbitration under the Act, and it should be. The advantages of permitting the parties to negotiate and finalize their own agreements, as opposed to agreements which are imposed on them through arbitration, are many and need no enumeration here. Mediation is, therefore, something to be encouraged, as long as it serves a useful purpose. Where it becomes apparent, however, that mediation is useless, that the

complicate mediation to the point where the Union's right to retroactive compensation would be forfeited, or, having assumed that the Union had already lost the possibility of retroactivity, to throw everything back on the table believing that there were no economic reasons for early settlement. The Township has not explained why it waited so long, so the Panel is left to speculate.

On the other hand, the Union has done very little, except under the prodding of the Panel, to bring the dispute to conclusion. From the Union's letter of June 26, 1973, to the mediator, it is clear that between March 28 and June 26, the parties met only four times trying to resolve their differences. Only four times in three months! Having requested mediation and arbitration, one would have expected the Union to be much more conscientious than that. Also, when the Chairman of the Panel contacted the parties on August 29, 1973, concerning the unresolved issues, looking toward an early hearing date, the only reply he received from the Union was notification that its designee to the Panel could thereafter be reached at his home address. Although the Chairman would have preferred to set a hearing on a date mutually agreeable to everyone concerned, the Union's failure to respond to his efforts to do so made it necessary for the Chairman simply to set the date and let the chips fall where they may.

The Union's responsibility does not end, in this kind of situation, with the filing of a timely request for arbitration. Neither party has the right to frustrate the procedures by refusing to bargain. Both parties have the responsibility to move the dispute to a conclusion. Once the arbitration procedures are invoked, it is as much the Union's responsibility to expedite them as it is the Township's, particularly where it was the Union who requested arbitration in the first place. Accordingly, only partial retroactivity is justified.

It is indeed difficult, if not impossible, to assess each party's degree of responsibility for causing unnecessary delay. Any assessment is at best arbitrary. Given all the history of this dispute, the Panel believes that one party is no less responsible than the other. It is appropriate, therefore, to permit retroactivity back to a date midway between April 1, 1973, and the date of this Opinion and Award, that date appearing to be August 24, 1973.

Both parties have agreed in principle to a contract of two-years' duration. The interests of stabilizing labor relations between the parties are better served by a contract of at least that length. In the Panel's judgment, many of the issues which remained in dispute at the commencement of the arbitration hearing, some of which have since been resolved by the parties themselves, evidence the lack of experience on the part of the parties within the framework of labor relations. To get better acquainted and to learn to better appreciate the needs of each other and obligations each party has to the other, as well as to the taxpayers, the parties need at least two years of stability.

Accordingly, the Township's offer of a 6% wage increase for the second year of the contract makes sense. The increase offered is reasonably consistent with what is being recommended by the government's economic advisors and with what has been negotiated in labor contracts of recent vintage in other labor markets. It is clear from a comparison of the projected wage scale based on a 6% increase in the second year that Blackman Township's Firefighters will fare equally as well and probably better than their counterparts in the adjoining Townships.

AWARD

The Panel of Arbitrators determines that the contract between the parties shall be of two-year duration from and after

April 1, 1973, and that the wage scale for the first year of that contract, that is from April 1, 1973, through March 31, 1974, shall be determined by increasing the wage scale under the recently expired contract by 8% for all classifications, including Captain and Assistant Chief; and that the wage scale from April 1, 1974, through March 31, 1975, shall be determined by increasing the wage scale in existence on March 31, 1974, by 6% for all classifications, including Captain and Assistant Chief. The Panel further determines, that the first year's wages under the scale established herein may be applied retroactively to August 24, 1972, all retroactive wages to be paid within sixty (60) days of this date.

Date: January 18, 1974.

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