

ARBITRATION OPINION AND AWARD

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In the Matter of Interest  
 Arbitration Between

CITY OF EAST ST. LOUIS, ILLINOIS

and

EAST ST. LOUIS FIRE FIGHTERS,  
 LOCAL NO. 23

\* \* \* \* \*

\* No. S-MA-87-25

APPEARANCES

FOR THE CITY - KENWYN A. REDDING  
 Attorney at Law  
 MANN, POGER, WITTNER &  
 HEREFORD  
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 6600 West Main Street  
 Belleville, IL 62223

JAMES SHANKLIN  
 Asst. Corporate Counsel  
 Legal Department  
 CITY OF EAST ST. LOUIS

FOR THE UNION - Initially:  
 MICHAEL A. LASS  
 6747 South Maplewood  
 Chicago, IL 60629

Subsequently:  
 CELESTINE KELLY  
 365 Route Valley Drive  
 Holiday, FL 33590

Both staff are represen-  
 tatives of International  
 Association of Fire  
 Fighters.

TIME AND PLACE OF HEARING - March 2, April 28 & 29, 1987  
 East St. Louis Council  
 Chambers

PANEL OF ARBITRATORS

CHAIRMAN - DUANE L. TRAYNOR  
909 Myers Building  
1 W. Old State Capitol Plaza  
Springfield, IL 62701

UNION PANEL MEMBER - GLENN WALTERS, SR.  
3407 Milton Drive  
Alton, IL 62002

CITY PANEL MEMBER - WILLIE T. REID  
Acting Director of Personnel  
CITY OF EAST ST. LOUIS  
301 East Broadway  
East St. Louis, IL 62201

On February 18, 1987, the Illinois State Labor Relations Board confirmed to the panel chairman his appointment as interest arbitrator and chairman of these proceedings. At that time Mr. Kenwyn A. Redding had been designated as the City panel member. A hearing was conducted on March 2, 1987, pursuant to notice issued by the panel chairman. At that time Michael A. Lass, Staff Representative of the International Association of Fire Fighters, appeared for the Union; Kenwyn A. Redding, Attorney at Law, appeared for the City. Redding withdrew as a panel member and nominated Willie T. Reid to act as the City's panel member. At the initial hearing on March 2, 1987, a dispute arose as to what had been settled in negotiations prior to initiating a request for arbitration. By agreement of the parties the arbitration panel remanded the dispute to the parties in order that they might meet with Federal Mediation Conciliation Service Mediator, Bill Weier, for the purpose of reviewing the negotiations with regard to the issues that were to have been submitted to the arbitration panel. His availability was indicated as March 13, 1987. The parties agreed to waive any time limits provided by the statute or Board rules with respect to matters being taken care of in connection with the hearings. Based on negotiations and that waiver, formal hearings were again initiated before the Board pursuant to notice on April 28 and 29, 1987.

Briefs of the parties were received on August 20 and August 24, 1987. The parties, by stipulation, extended the time for the award to 60 days after receipt of briefs.

FINDINGS OF FACTS

1. The City's fiscal and calendar year run from January 1, 1987 to December 31, 1987. These arbitration proceedings were initiated on the request of the Union filed with the Illinois State Relations Board on December 9, 1986.

2. During the negotiations with the federal mediator, the parties signed off on all contract provisions with the exception of three items, namely, wages, progressive discipline, and the contract duration clause and the effective date of the successor agreement, particularly with regard to any wage increase. The provisions of the agreement between the parties dated January 30, 1980, was in all other respects affirmed.

3. During the course of the hearing the Union withdrew the issue of progressive discipline.

4. The January 30, 1980, agreement between the parties, provided the base salaries with the term of the agreement to be as follows:

	<u>Rank</u>	<u>Base Salary</u>
A.	Probationary Fire Fighter	\$14,260.70
B.	Fire Fighter	\$17,736.60
C.	Lieutenant	\$18,595.48
D.	Captain	\$19,964.46

Longevity pay shall be added to the above base-salaries of the employees covered by this Agreement at the rate of two and one-half percent (2½%) for each five years of completed service to a maximum of fifteen (15) percent for thirty (30) years of completed service.

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5. Along with other city employees the fire fighters received a three percent wage increase in 1983 and a six percent wage increase in 1985 so that at the time of the negotiations for the 1987 contract their salaries were:

	<u>Rank</u>	<u>Base Salary</u>
A.	Probationary Fire Fighter	\$15,569.83
B.	Fire fighter	\$19,364.82
C.	Lieutenant	\$20,302.55
D.	Captain	\$21,797.20

6. The City's final offer with respect to wages were that they would remain the same. The Union's final offer with respect to wages, was:

	<u>Rank</u>	<u>Base Salary</u>
A.	Probationary Firefighter	\$20,000.00
B.	Fire Fighter	\$22,000.00
C.	Lieutenant	\$24,500.00
D.	Captain	\$27,000.00

Approximately an eight percent increase.

7. Cost of living from 1980 through 1985 rose 36.3%. Under the 1980 agreement the fire fighters' wage was \$17,736.60. If he had received a cost of living increase each year through 1985 his salary would have been \$24,174.00. The Union's final offer, including the nine percent increases of 1983 and 1985, plus an eight percent increase under their final offer, would only result in 17% increase as opposed to the 36.3 cost of living increase.

8. The manning of the East St. Louis Fire Department covered by the Union membership is as follows:

Four Captain Arson Investigators	One Captain Inspector
One Captain Training Officer	Twenty Line Captains
Twenty-nine Lieutenants	Twenty Fire Fighters

In order to fund the raises sought by the Union \$314,686.00 would have to be budgeted. This cost would not include additional longevity pay, additional overtime costs, or increased pension costs.

9. The Union introduced into evidence the fire fighters' contracts or municipal ordinances fixing the terms of firefighter contracts for the cities of Alton, Belleville, Collinsville, Edwardsville, Granite City, and Mt. Vernon, Illinois. The following chart is a summary of the major economic features of those contracts. The population figures are approximate, taken from the State of Illinois 1985/1986 highway map.

FIRE DEPARTMENT COMPARABLES

<u>CITY</u>	<u>WAGES</u>	<u>WORKDAY/ WORKWEEK</u>	<u>LONGEVITY</u>	<u>HOLIDAY PAY</u>	<u>VACATION</u>	<u>SICK LEAVE</u>	<u>BEREAVEMENT LEAVE WITH PAY</u>	<u>INSURANCE</u>	<u>UNIFORM ALLOWANCE</u>	<u>EDUCATION INCENTIVE</u>	<u>OVERTIME</u>
<u>E. St. Louis</u>											
Population 55,200 Size: 82 man force.	\$15,570 to \$21,798, includes holiday pay.	24 hours per day, 42 hours per week.	2½% for each 5 yrs. maximum 15% for 30 years.	Yes	1 year - 7 working days; 10 years - 9 working days; 15 years - 10 working days.	Cumulate 2 working days per month. Maximum 90 days.	2-24 hour days.	80% of premium. Life, health, & hospitalization; members only.	\$200.00	Associate degree - \$200 to base pay. Bachelor degree - \$400.00 to base pay.	42-hour week.
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<u>Alton</u>											
Population 34,000 Size: Force smaller than East St. Louis.	\$22,941 to \$26,382.	56 hours per week; 24 hours on, 48 hours off.	After 2 years 2½%; ½% yearly through 20 years; after 25 years 2½%; maximum 14%.	Double-time for working 10 holidays.	1 year - 2 weeks; 2-10 years 3 weeks; 10-15 years 4 weeks; 15-20 years 5 weeks; 20 + 6 weeks.	5/12 working days per month.	1-24 hour day.	\$5000 life, health & hospitalization; 100% premium; 40% premium for dependent coverage.	\$350.00	Associates degree - 3% of annual salary.	52 hour week.
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<u>Belleville</u>											
Population 41,580 Size: Force smaller.	\$21,732 to \$27,242 1-20 years of service as pipe-man. Drivers \$540 more; Captains \$940 more.	42 hours per week; 10 hour days; 14 hour nights.	Part of increasing salary.	Included in base salary.	1 year - 2 weeks; 7 years - 3 weeks; 12 years - 4 weeks; plus one personal day.	15 days per year.	Up to 5 days.	100% premium on life, health and hospitalization for member and dependents, includes dental plan.	\$342.00	\$5.00 increase in salary for each credit hour earned.	No provision

<u>CITY</u>	<u>WAGES</u>	<u>WORKDAY/ WORKWEEK</u>	<u>LONGEVITY</u>	<u>HOLIDAY PAY</u>	<u>VACATION</u>	<u>SICK LEAVE</u>	<u>BEREAVEMENT LEAVE WITH PAY</u>	<u>INSURANCE</u>	<u>UNIFORM ALLOWANCE</u>	<u>EDUCATION INCENTIVE</u>	<u>OVERTIME</u>
<u>Collinsville</u>											
Population 16,600 Size: 24 man dept.	\$22,800 to \$28,370.	42 hours per week 24 hour days.	4 to 7 yrs. 2%; 8 to 11 years 4%; 12 to 15 years 6%; 16 years plus 8%.	10 holidays paid.	1 year - 40 hours; 1 to 4 years - 80 hours; 4 to 10 years - 120 hours; 10 years - 160 hours.	12 hours each month accumulate to 480 hrs.	24 hours	100% hospi- talization; member and dependent	\$300.00	Associates degree - \$350.00 per year	1½ regular daily rate.
<u>Edwardsville</u>											
Population 12,480 Size: Force smaller	\$16,763 to \$26,222.	56 hours per week; 24 hour day then 48 hours off.	Firefighter beginning 5th year - \$628; 10th year - \$1,017; 15th year - \$1,487; Captains - \$657, \$1,068, & \$1,561.	10 paid; work - time and a half.	1 year - 2 weeks; 5 to 10 years - 3 weeks; 10 to 15 yrs. - 4 weeks; 15 years plus - 5 weeks.	No provi- sion; but 2 days personal leave.	1 duty shift off.	Pay 75% member & dependent hospitali- zation.	\$450.00	Pay tuition fees.	At over- time rate.
<u>Granite City</u>											
Population 36,800 Size: Force smaller than East St. Louis.	\$26,378 to \$29,438.	52 hours 24 then 48 off.	1 year - 4% of base pay; 5 years - 5%; 10 years - 7%.	9 paid days; pay is 3.9% increase of salary.	1 year - 5 days; 5 years - 7 days; 10 years - 10 days; 15 years - 12 days.	2.1 duty days earned each month.	1 day.	100% cove- ring member & dependents.	\$250.00	\$5.00 per credit hour; certified firefighter credited with 64 hours.	1½ times hourly rate.

<u>CITY</u>	<u>WAGES</u>	<u>WORKDAY/ WORKWEEK</u>	<u>LONGEVITY</u>	<u>HOLIDAY PAY</u>	<u>VACATION</u>	<u>SICK LEAVE</u>	<u>BEREAVEMENT LEAVE WITH PAY</u>	<u>INSURANCE</u>	<u>UNIFORM ALLOWANCE</u>	<u>EDUCATION INCENTIVE</u>	<u>OVERTIME</u>
<u>Mt. Vernon</u>											
Population 17,190 Size: Force smaller than East St. Louis.	Fire- fighters \$20,000 to \$24,500 Captains \$24,500 to \$28,500 depending on length of service, plus cost of living adjustment.	No infor- mation furnished.	Included in base pay.	12 days 8 hours pay.	1 personal day per year. No other informa- tion furnished.	No infor- mation furnished.	No infor- mation furnished.	No infor- mation furnished.	No infor- mation furnished.	Depending on number of credit hours and degrees. \$60 to \$600 per month.	1½ times hourly rate.

N.B. Wages show the range from probationary firefighters through the rank of captain.

10. No evidence was introduced to show the exact number of men in each of these departments other than the statement that they were smaller. Likewise there was no evidence introduced to show assessed valuations upon which to impose a tax levy.

11. The Union in its evidence did not rely wholly on comparables with other fire departments. It maintained that a skilled fire fighter is a professional who has learned to fight fires, contain them, save lives, and keep property damage down to a minimum. This learning is acquired through training, education, and experience. To demonstrate the disparate treatment between fire fighters as professionals and other professionals, it was testified that the wife of a captain in the fire department who had one year less seniority as a teacher than he as a fireman, in 1980 made \$1,000.00 less a year than he did. In 1987 she makes \$10,000.00 more a year than he does as a captain in the fire department. Union witnesses pointed out that the license administrator in 1980 received \$17,884.00. In 1987 that same position paid \$24,565.00, or approximately 30% increase. The deputy mayor in 1980 received \$25,000.00 and in 1987 received \$30,000.00, a 17% increase.

12. Interests and welfare of the public and the financial ability of the City of East St. Louis to meet increased costs. As the Union's evidence indicates, due to the nature and potential damage of fire, it is the considered opinion of organizations such as the Underwriters Association that an efficient fire department is the key factor in a community in minimizing the loss of life and property due to fire. The efficient operating fire department prevents loss of personal property, loved ones, treasured possessions, income, business goods, all of interest and welfare of the public. The board takes judicial notice of the fact that an efficient fire fighting department has a direct result on insurance rates. The better the department the less fire insurance rates are, another interest of the public.

13. In negotiating the fire fighters' 1980 salaries there was an agreement that factored therein holiday pay, education monies and clothing allowances. At some subsequent time not disclosed by the evidence, the fire fighters received a court adjudication that neither educational monies or clothing allowances were to be included in their base salaries.

14. On April 16, 1987, the City council ratified the police department contract with no raises from the 1985 salaries. The base salary in the new contract was higher than in 1985 but the increase was nothing more than a restructuring of the funds. Included in the policeman's

base salary were the sums of money due for educational incentives, longevity pay, clothing allowance, and holiday pay. Board member Walters submitted a certified copy of the resolution and that contract which indicates City testimony to be in error by including holiday pay as part of police officers base salary. Article IX thereof states that the base salary schedule is attached to the agreement and provides that the schedule is:

"Incorporated by reference herein shall include the following items which here-fore were separate economic items under all previous agreements between the parties, clothing allowance, education incentive and longevity pay.

It is agreed by the parties that these items are included in the compensation referred to in Exhibit 'A' (Wage Schedule) and these items do not constitute separate pay items for which the officer is entitled".

Thus the police department contract included an increase over the old police department agreement to the extent that holiday pay, unlike the fireman's base pay, is not included. This indicates police officers economic package did not remain the same.

15. The only source of revenue for funding fire fighters salaries is the General Purpose Fund. A printout of the City's general ledger from January 1 through March 31, 1987, showing all the general revenue sources of funds received in that period and expenditures was introduced into evidence. In summary, it shows that the City received 2.2 million dollars in that period of time and paid out 1.6 million dollars. The ledger does not show those amounts which are in effect obligations of the City that are owed as of that date. The City owed \$317,284.00 on obligations which were due and not paid. When these obligations are taken into consideration, that is quite a low amount of balance since the City runs \$300,000.00 worth of payroll and claims every two weeks. A copy of the 1987 budget working papers was introduced into evidence. It showed the general purpose fund revenues actually received in 1985 estimated in 1986 and projected from 1987. This working budget with the exception of travel expense was adopted by the City Council. It shows revenue sharing funds received in 1985 were \$1,393,634.00. It was estimated that in 1986 this source would provide \$960,000.00 and no such funds would be available in 1987. The actual amount of revenue funds received in 1985 was \$7,656,884.00. The projected total for 1987 was \$6,430,000.00, a decrease in general revenues of

\$566,610.00 over what was received in 1985 when the last pay increase was authorized. The total of all revenue funds and expenditures against them, it was projected, would result in 1987 in a \$504,436.00 deficit. The City carries a minimum of a half-a-million dollar deficit over every year and it accumulates. It attempts in some cases either to pass a judgment fund bond in which to pay off the accumulations, or it simply delays payments to those particular vendors or persons until such time as it accumulates money to pay them off, or it is sued and they are forced to pay them off.

If the Board were to grant increases to the fire fighters as requested, the City could foresee possible layoffs based on how much deeper the deficit would get. If the City carries more than half-a-million dollars of debt forward then it becomes a point where the cash flow will not accommodate its obligations. In the past they have simply laid employees off; either that or cut back on expenses.

The City's tax base has been practically the same, having grown by slightly less than two percent over the last several years. The City raises its taxes every year and in the last three years it has raised it approximately 4½ percent each year because that is the minimum figure it can raise without having to have overall public hearings.

#### DURATION OF CONTRACT ISSUE

The position of the parties at the beginning of the hearing was in conflict as to duration. The City attorney expressed a desire for a one year contract. The Union wanted a two year contract with a wage reopener clause. Gentry, the City comptroller, was asked if the City could live up to a multi-year contract in the foreseeable future and have the financial backing to honor it. His response was that it would depend upon what was in the multi-year contract. The 1980 contract was for one year. Because the City wasn't able to furnish financial incentives in order to effect language change, it had turned out to be a seven year contract with simply having to pay increases, a result of cost of living increases. It therefore didn't make any difference as far as he was concerned but it all depended upon the impact that would occur.

## OPINION

The panel of arbitrators has to decide two issues, namely, wages and contract duration.

### WAGES

The wage issue presents a most difficult problem. Comparables offered by the Union are not valid as there was not a sufficient showing that those cities have the same or similar number of employees in the fire department, have comparable bases, or similar sources of revenue and indebtednesses. Without such analysis the panel is not in a position to evaluate whether the offered material can be said to be comparable to the East St. Louis situation. As can be seen from the chart in the Finding of Facts, when comparing wages and economic benefits of those cities with the City of East St. Louis, it can be stated as a general proposition that in the cities in the East St. Louis area of the State of Illinois, those fire departments pay greater wages and offer greater benefits than those offered the East St. Louis fire department employees. Because they are not true comparables that factor is not persuasive in rendering a decision in this matter.

The evidence does demonstrate, however, that the East St. Louis fire department employees' wages since 1980 have not kept up with the cost of living and those employees have in fact lost in purchasing power in comparison with their 1980 negotiated wages. In other words, the fire fighters have suffered a decrease in wages.

Because of the Illinois law depriving the fire fighters of the right to strike, the Union has been deprived of a most valuable economic weapon in negotiating a contract with the City. There seems to be little question that if the fire fighters had been permitted to strike, and did so, insisting on increased wages, public pressure due to the lack of fire protection would have motivated the City council to settle the strike by offering wage increases.

The foregoing are the facts from the Union's perspective, which the arbitration panel must give consideration to in reaching an award.

On the other hand, the evidence indicates that even with a 4% tax increase in each of the last several years, the general fund from which fire fighters are paid is receiving in revenue less monies than it did in 1985, when, as in 1987, it had a \$500,000.00 deficit. The evidence indicates

that it has consistently over the years carried a \$500,000.00 deficit which it seeks to wipe out with revenue received in the following year. This continuing deficit in 1987 resulted, for the most part, in the loss of revenue sharing funds of nearly one million dollars.

The funding of the sought wage increase would further burden the City budget with a need for approximate increased wages of \$314,686.00, plus longevity, clothing allowance and education incentives, all of which would probably further burden the budget. Thus the requested wage increase would probably add \$450,000.00 to the proposed budget unless other means of funding is found.

The City fears that if this employee group would be granted an increase, all other employee groups would make the same request forthwith. If the City were to accede to the demands of all employee groups for similar wage increases, its deficit would grow at an even more alarming rate.

The possibility of funding with the wage demands of the fire fighters exists, however, since the comptroller indicated that if forced to the City could follow the procedures of the past in similar situations, that is, laying off employees. This undoubtedly would curtail the other city services.

The City's solution for increasing wages without liability on the part of the City is to restructure the total wages to include the benefits as it did in the case of the police department contract, wherein the wages include longevity, clothing allowance, and educational incentives. In this fashion the wages paid are increased, but the cost is still the same to the City.

The foregoing are the factors from the City's perspective that the panel of arbitrators must weigh in arriving at an award.

The panel of arbitrators realizes that the City of East St. Louis is nearly bankrupt and that unless it curtails its expenses, generates greater revenues, increases in wages might force it into bankruptcy. The City government, however, is responsible for providing certain essential services such as a fire department. It cannot expect that the fire fighters, who, by law, are denied the economic weapon of striking, to suffer a cut back in wages due to the loss of the purchasing power of the dollar. It therefore has the obligation of funding increases in wages. Any suggestion that the police department solution of restructuring the make up of wages, cannot be applied in this case as the parties have agreed

that the 1980 contract provisions shall continue. Thus the issue of wages is whether they should be increased with the increase including therein holiday pay which is part of the present wages, together with any other benefits. It is the opinion of the panel of arbitrators that the Union's last offer of settlement on the economic issue of wages should prevail. There is to be factored therein all holiday pay, clothing allowances and educational monies, all of which were included in the 1980 base salary.

#### DURATION OF THE CONTRACT

Under the Illinois Public Labor Relations Act and the regulations promulgated thereunder, if a new fiscal year has commenced since the initiation of the arbitration procedures under this act, the award increases may be retroactive to the commencement of such City's fiscal year which can be seen from the Findings of Facts in this case as one which began on January 1, 1987. The arbitration was initiated in December of 1986, thus triggering this provision. The parties stipulated that the January 30, 1980 agreement between the City and Local No. 23 of the International Association of Fire Fighters would continue in all of its terms except for wages and duration. Thus the date of the contract should be January 30, 1987. The City argues that the contract should be for a year and it would then allow the parties, particularly the City, to have a better understanding of its revenue projections for the forthcoming year. It could therefore base its negotiating position on the same. That to cause the City to honor an agreement exceeding one year, particularly in this time of municipal economic uncertainty, would be unreasonable. The Union seeks to have a two year contract with a wage reopener at the end of the first year.

This award being issued in October at a time when there is only two months remaining in the fiscal year, dictates that the term of the contract should be for two years with no reopening clause. Fifteen months is sufficient time for the parties to determine future positions and engage in negotiations looking towards a contract beginning in 1989.

Under the Illinois Public Relations Act while the award increases may be retroactive to the commencement of the fiscal year, it is not mandatory merely permissive. In the arbitration panel's opinion in view of the economic plight of the City, the awarded wage increases should not be retroactive but should commence with the first month after the date of this award.

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AWARD

It is ordered that beginning with the first month after the date of this award, the salaries of the employees covered by the terms of this agreement are to be as follows:

	<u>Rank</u>	<u>Base Salary</u>
A.	Probationary Fire Fighter	\$20,000.00
B.	Fire Fighter	\$22,000.00
C.	Lieutenant	\$24,500.00
D.	Captain	\$27,000.00

Longevity to continue as in the 1980 contract.

Said salaries to include holiday pay, clothing allowance and education incentives as was provided for in the 1980 agreement.

The contract duration is to be from January 30, 1987 to January 29, 1988.

Dated at Springfield, Illinois this 7th day of October, 1987.

CONCUR:

*William L. ...*

*Robert Walters*

DO NOT CONCUR:

*Walter F. Reed*