

Decision of Arbitration Panel

In The Matter of Interest Arbitration))	
Between)	Case No. S-MA-90-142
CITY OF CANTON, ILLINOIS)	
And)	FMCS No. 90-14232
CANTON FIRE FIGHTERS UNION I.A.F.F.)	
LOCAL 1897 AFL-CIO, CLC)	

Hearing Dates:	August 23, 1990 and September 19, 1990
Briefs Exchanged:	December 4, 1990
Proposed Decision of Neutral Arbitrator:	January 7, 1991
Decision of Arbitration Panel:	February 7, 1991
Appearances:	
For I.A.F.F., Local 1897	Michael A. Lass Labor Consultant for the Union
For The City of Canton:	J. Reed Roesler Attorney at Law

Arbitration Panel

Union's Delegate:	Tom Unruh, V.P. at Large Associate Firefighters of Illinois
Employers Delegate:	James H. Malmgren, Attorney City of Canton
Chairman/Neutral Arbitrator:	James M. O'Reilly St. Louis, Missouri

Background

Pursuant to the Impasse Resolution procedures of Section 1230 of the Illinois Public Labor Relations Act, (hereinafter referred to as the "Act"), the Chairman/Neutral Arbitrator was jointly selected by the parties from a panel of arbitrators submitted by the Federal Mediation and Conciliation Service. A hearing was scheduled and conducted on August 23, 1990 which was continued on September 19, 1990.

Prior to the commencement of the hearing on August 23, 1990 the Panel on that date along with the parties engaged in off-the-record discussions in an attempt to reach a voluntary settlement. An agreement was not reached on the issues at impasse however, the parties were able to reach a stipulation on the ground rules for the hearing which was admitted into the record as Joint Exhibit No. 4.

The hearings were transcribed and the parties were permitted to present and cross-examine witnesses, to offer exhibits into evidence and to file closing written arguments. All issues in dispute, except for the Union's "Minimum Manning" issue were determined and declared by the Panel to be economic issues (Tr. 152)

Issues

Union

- Economic

1. Appendix A Wage Schedule

- A. Amend the current seven (7) step Salary Ranges, which requires completion of fourteen (14) years to receive maximum base salary to provide for a five (5) step Wage Schedule, which requires completion of four (4) years to receive maximum base salary. Further amend the current seven (7) step Salary ranges for Lieutenant and Assistant Chief to provide for a single wage step increase upon promotion. (JX 3A)
- B. Increase the basic wages of the members of the bargaining unit; (i) by six percent (6%), effective 5/1/90, (ii) by an additional two percent (2%), effective 5/1/91, and (iii) by an additional two percent (2%), effective 5/1/92. (JX 3A)
- C. Provide a Longevity Pay plan, which provides an additional one

percent (1%) base salary increase for each five (5) years of continuous service. (JX 3A)

- D. Create an Educational Incentive Pay plan 5/1/91, which provides an additional increase in base salary for employee achievement of; (i) EMT-A, one percent (1%), (ii) State Certified Fire Fighter III, one percent (1%), and (iii) Associates Degree in Fire Science, two percent (2%). The maximum benefit for educational achievement to be limited to two percent (2%). (JX 3A)

- Non-Economic

1. Minimum Manning

Require that the three (3) twenty-four (24) hour shifts of the Fire Department be staffed with a minimum of four (4) bargaining unit employees. (JX 3A)

City

1. Appendix A Wage Schedule

Be amended to provide an increase the basic wages of the members of the bargaining unit; (i) by two percent (2%), effective 5/1/90, (ii) by an additional two percent (2%), effective 5/1/91, (iii) by an additional two percent (2%), effective 5/1/92. (JX 3B)

Summary Positions

Position of The Union

1. The Act mandates that the Arbitration Panel is to apply the provisions of Section 14 (h) liberally so as to resolve the impasse in an expeditious, equitable and effective manner.
2. The comparable communities list for the Union and City differed only on the Union's inclusion of East Peoria. During the parties negotiations, the City never expressly disagreed or rejected the use of E. Peoria as a comparable city. The testimony of the city was that it sought to include the city of Canton in the Peoria SMSA for the purpose of economic development, but rejects its inclusion as a comparable community even though 23% of Canton's population commutes to the Peoria area for employment.
3. The data submitted by the City contained inaccuracies and distortions and failed to include in its analysis cities that have company level officers who are not on the bargaining unit. Section 14 (h) of the

Act in part directs the Panels findings to be based upon "other employees performing similar services"

4. The City's choice to compare data, which in most of their exhibits used an average of a city's salary range, after dropping the highest and lowest salary ranges and then to average those averages distorts and diminishes the actual salaries being paid in those communities.
5. The impact of the Union's proposed increases would only maintain the fire fighters relative ranking as average as compared to other cities and would likely diminish with the second and third year 2% increases.
6. 60% of the comparable cities have separate longevity plans. Only Taylorville has no stated plan.
7. The Union's proposal for educational pay is to be effective 5/1/91 and would increase the efficiency and effectiveness of the fire department. The data supports that 70% of the comparable cities have an incentive pay plan for education and/or certification.
8. The CPI-W of 4.8% and the CPI-U of 4.7% for June 1990 and the rise of the August 1990 figures to CPI-U of 5.6% and CPI-W of 5/4% clearly requires that the employees salary be increased by more than the City's proposal
9. The City's evidence and testimony has not established that the Union's proposals could not be paid based upon the facts of a surplus revenue carry-over, the statutory authority to levy taxes, an expanding city by annexation, increased assessed valuations and municipal bond procedures available for funding capital improvements or equipment.
10. The City's position on the written minimum staffing policy must be that which is contained in Union Exhibit No. 3. The conditions under which previous lay-offs forced the remaining fire fighters to work can only be prevented by the inclusion of the proposed minimum manning provision.

Position of the City

1. The City's proposal including both step and base pay increases, fire fighters would receive the following percentage increases:

Hamilton thru Wason:	2%/2%/2%
Oaks:	2%/2%/4.6%
Cremer thru Shaw:	12.73%/2%/2%
Campbell & Cozad:	7.95%/7.95%/12.73%

This proposal to continue the last contracts step increases must be considered as much a part of the wage increase offered by the City as its proposal to increase base pay by 2 % per year.

2. East Peoria should not be considered in identifying comparable communities for the following reasons:
- a) The maximum salary level of \$33,700 is nearly 15% over the next highest comparable city.
 - b) When longevity policies are considered, the maximum level is \$37,070.00 which is nearly 25% over and above the next highest comparable city.
 - c) East Peoria's population of 22,400 is nearly 8% larger than that of the nearest comparable city and it is geographically and economically tied to Peoria, a city of 100,000 people.
3. Using the "mythical city" comparison, City Exhibits Nos. 5 and 6, the City's economic offer maintains a favorable stance with other "comparable communities".
4. The longevity pay proposal of the Union as contained within Union Exhibit No. 4 is meaningless due to such policies being undefined. Further, contrary to the Union's argument, the City has offered a longevity pay plan by agreeing to continue the same salary steps as in the previous agreement.
5. The fire fighters are paid for completing those educational certification causes deemed necessary by the City. Further, the Union's proposal would provide payment for courses already taken but not required by the City.

6. The cost of living figures presented by the Union does not take into account the circumstances that involve the City of Canton itself.
7. The City's financial condition mitigates against any increase above its offer.
8. Section 14 (i) of the Act removes manning levels from the province of the arbitration panels. The fact that the Union's proposal coincides with the present day staffing level is of no consequence to support its incorporation into the Agreement.

Opinion

With respect to the economic issues as determined by the Arbitration Panel, Section 1230,100 of the Act requires that the Panel shall adopt the final offer of one of the parties based upon the following factors:

- (1) The lawful authority of the employer.
- (2) Stipulations of the parties.
- (3) The interests and welfare of the public and the financial ability of the unit of government to meet those costs.
- (4) Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally:
 - (A) In public employment in comparable communities.
 - (B) In private employment in comparable communities.
- (5) The average consumer prices for goods and services, commonly known as the cost of living.
- (6) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment and all other benefits received.
- (7) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- (8) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment."

Comparability

The parties were in agreement with the following nine (9) communities for comparability purposes:

1. Centralia
2. Charleston
3. Dixon
4. East Moline
5. Kewanee
6. Macomb
7. Monmouth
8. Streator
9. Taylorville

The Union argued that East Peoria should also be included in this listing. When East Peoria is compared to the other nine (9) cities it is noted that their population base (22,400) is comparable to that of Charleston (19,400), East Moline (20,900) and Macomb (20,600). East Peoria with twenty-two (22) employees is less than Charleston (32) and East Moline (30) while comparable to Centralia (21) and Macomb (21). East Peoria's minimum salary is \$20,000 which is lower than East Moline (\$24,322), Streator (\$23,141), Taylorville (\$21,822) and Macomb (\$21,258). (Un. Ex. No. 1 and 2).

That which is not comparable with the other cities is the maximum salary paid under their Agreement which is \$37,070. This figure is \$8,533 higher than the maximum salary at the next closest comparable city of East Moline (\$28,437) (Un. Ex. No. 4). This extreme would seem to support the City's argument that East Peoria is geographically and economically tied to Peoria, a city of over 100,000 people.

It is determined that East Peoria is more comparable than not with the other nine (9) cities stipulated to as comparable with Canton and should not be excluded from the listing. It is also recognized that with respect to any averages of maximum salary that such would be distorted upwards by the maximum salary paid at East Peoria.

Wages

It is stated in How Arbitration Works, Elkouri and Elkouri fourth edition p. 806 with regards to the use of standards in interest disputes:

...In the final analysis, the weight to be afforded a standard in any given case is, or should be, the result of the evidence submitted by the parties with respect to its application. The burden is upon the parties to submit evidence which is both factual and material, for arbitrators can be expected to be "unwilling to enter into the field of speculation". (Emphasis added)

The City's "Mythical City" concept while stimulating was based upon "speculation" and not fact as to the future wage increase to be contained within nine (9) of the comparable cities. There is no assurances in any form that the same percentage wage increases in a collective bargaining agreement will be identically duplicated in the subsequent agreement.

Thus, the City's approach was given little weight as compared to a more accepted application of a ranking analysis of the actual data that exist within the Comparable Cities. Using what is thought to be the more accurate information for comparison which was obtained from Union Exhibit Nos 1, 2 & 4 and testimony the following charts were developed for ranking purposes: CHART NO. 1

<u>FIRE DEPARTMENT</u>	<u>POPULATION</u> (000)	<u>RANK</u> 1=LOW 11=HIGH	<u>NO. OF EMPLOYEES</u>	<u>RANK</u> 1=LOW 11=HIGH
CANTON	14.6 (UNION)	4	16	5
	12.9 (CITY)	3		
CENTRALIA	15.1	5	21	7
CHARLESTON	19.4	8	32	11
DIXON	15.7	7	15	4
EAST MOLINE	20.9	10	30	10
EAST PEORIA	22.4	11	22	9
KEWANEE	14.5	3	18	6
MACOMB	20.6	9	21	8
MONMOUTH	10.0	1	14	3
STREATOR	15.3	6	10	2
TAYLOWVILLE	11.4	2	9	1

CHART NO. 2

<u>FIRE DEPARTMENT</u>	<u>MINIMUM SALARY</u>	<u>RANK</u> 1=LOW 11=HIGH	<u>MAXIMUM SALARY</u>	<u>RANK</u> 1=LOW 11=HIGH
CANTON	19,095	5	25,224	6
*CENTRALIA	20,263	7	23,302	3
CHARLESTON	16,608	1	28,860	10
DIXON	18,007	3	26,750	8
EAST MOLINE	24,322	11	28,437	9
EAST PEORIA	20,000	6	37,070	11
KEWANEE	17,680	2	23,514	4
*MACOMB	21,258	8	25,849	7
*MONMOUTH	18,113	4	21,893	2
STREATOR	23,141	10	24,416	5
TAYLORVILLE	21,822	9	21,822	1

* Transcript p. 61 - 1989 FIGURES: ALL OTHERS 1990 FIGURES

When the City of Canton is analyzed on the basis of population, number of employees and salary ranges with the other comparable cities, no inequities of structure is indicated.

With regards to new monies being offered by the City of 2% each year for a three (3) year agreement, that proposal would not place Canton in a inequitable position with the other comparable cities. Although the wage issue is the first year of the new agreement, one must look at the wage package for all three (3) years to fully understand the wage impact upon the new agreement.

The cost of living data submitted by the Union for June 1990 showing an annual change of 4.8% for the CPI-W and 4.7% for the CPI-U and that argued within their brief that the August 1990 CPI figures had risen to 5.6% and 5.4% respectively, would demonstrate that a wage increase of 2% each year would place those employees wage increases significantly below the rising cost of living. This finding would hold even accepting the argument that Canton's cost of living may not be rising at the same levels.

Without question, the City of Canton has faced a difficult economic period in the 1980's and it would appear that such was reflected to some degree in the previous contract period which contained a pass on wage increases for the first year and a 6% increase for the term

of the agreement. While the contracts were not offered into evidence, the testimony of Community Development Director Spears would indicate that while Canton's fire department contractual increases were 6% over the previous contract, some other comparable cities were receiving 10% - 15% over the same three (3) year period (Tr. Vol 11 p. 33).

Testimony of City Treasurer Patricia Wright, does reflect some legitimate financial concerns especially in the area of insurance and the need for new fire equipment. Her testimony also reflects some positives as the City has a good bond rating; the passage of the 5% utility tax in 1987 has generated \$300,000 more each year than those taxes abated; the carry-over from the previous fiscal year is approximately \$200,000; the City is projecting a growth of \$200,000 (Tr. Vol 11 pp. 118, 130, 131).

The Union's proposed 6% increase in wages when standing alone would seem on the high side by all standards, however, when considering that the parties have agreed to a much lesser percentage in the second and third years of the agreement, the 6% in perspective is not out of line if one was to consider only the rise in the cost of living.

After reviewing all the arguments and testimony, the Chairman adopts the Union's final offer of 6% increase in the basic wages effective 5/1/90. The second and third year wage increases are not at issue.

Steps In Salary Ranges

In collective bargaining, parties fashion agreements using terminology and structure to satisfy their particular understanding and needs. When "longevity" comparisons are made, collective bargaining agreements need to be viewed on the amount of time that it takes to reach the maximum of the salary schedule, including defined longevity increases.

A comparison of the amount of years to reach the maximum pay within the various cities is as follows (Un. Ex. Nos. 2 & 4):

<u>City</u>	<u>Years to Maximum</u>
Canton	15
Centralia	20
Charleston	25
Dixon	2
East Moline	15
East Peoria	15
Kewanee	30
Macomb	25
Monmouth	16
Streator	23
Taylorville	0

Canton's comparative position with regards to years of service to obtain maximum salary does not reflect any foundation to adjust that schedule from seven (7) to five (5) steps with a reduction of the years to maximum salary from fifteen (15) years to five (5) years nor to amend the salary ranges of the Lieutenant and Assistant Chief from seven (7) to one (1) step.

The Chairman adopts the City's final offer of no change in the number of steps within the salary ranges.

Longevity Pay Plan

The City of Canton's comparative maximum salary level and the granting of the Union's final wage offer of 6% in the first year of the agreement does not provide for any reasonable finding that a further economic adjustment needs to be made during the term of the Agreement.

The Chairman adopts the City's final offer of no change in the wage schedule for the adoption of the Union's longevity pay plan of 1% base salary increase for each of the five (5) years of continuous service.

Educational Incentive Pay Plan

According to the testimony of Chief Bob DeRenzy, the City of Canton pays for EMT training and the EMT refresher course (Tr. Vol 11

p. 6). Testimony of Union President Oaks, described under the Union's proposal that there are different levels of EMT training leading up to the paramedic certification. Also there are different levels of state certification for fire fighters in addition to college level courses and degree programs (Tr. Vol 1 pp. 25-26). City Exhibit No. 1 and Union Exhibit No. 5 support that a majority of the comparative cities provides for some level and/or combinations thereof of either training, certification and college level course/degree payment with a fixed dollar amount.

The Union's final offer on this issue would be effective the second year of the agreement and would encompass all unit employees that had completed such courses, training, certification and/or degree as of that date and in the future. While the Chairman believes that the issue needs to be addressed in the collective bargaining process and some form of educational plan adopted, the Union's plan appears to be all encompassing and rewarding for both future and past achievement and beyond that which would be comparative to the other cities cited.

Since the Chairman can only select and not modify the offer, a decision is reached that based upon the structure and economics of the Union's incentive pay plan as viewed in context with other programs in comparable cities and the wage package of this decision that the City's final offer of no educational incentive pay plan be adopted and that the parties seek to incorporate a mutual agreed upon plan during the next collective bargaining process.

Minimum Manning (Non-Economic)

The Union's proposal for minimum manning states (Jt. Ex. 3A)

Sufficient bargaining unit personnel shall be maintained on duty and available for response, with apparatus, to alarms and calls for service. During the term of this Agreement, sufficient personnel is defined as a minimum of four (4) employees on duty per shift, which represent a minimum level of personnel required to provide safe and efficient operations, for the delivery of services to the community.

The Union's testimony for the purpose of the above proposal was as follows (Tr. Vol. 1 p. 38):

The reason that we came up with those numbers if that has been the practice of the City, to keep four people on duty at all times, and we wish to just have it in writing so that we will know that there will be four people on duty within the city limits at all times...

Section 1230.90 Conduct of the Interest Arbitration Hearing of the Act, Section M) specifically prohibits the Panel from rendering an award on "the total number of employees employed by the department" (Emphasis added). The setting of minimum manning for each shift dictates at least the minimum total number of employees to be employed by the Fire Department.

It is the Chairman's belief that the Union's manning proposal can not be considered or acted upon by this Panel. Accordingly, the proposal must be dismissed in compliance with the intent of the Act.

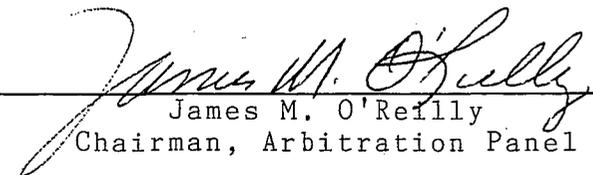
AWARD

The majority action of the Arbitration Panel hereby makes the following ruling:

1. Wages - The Union's final offer of a 6% increase in the basic wages effective May 1, 1990 is hereby adopted.
2. Steps in Salary Ranges - The City's final offer of no changes in the number of steps within the salary ranges is hereby adopted.
3. Longevity Pay Plan - The City's final offer which does not include a longevity pay plan is hereby adopted.
4. Educational Incentive Pay Plan - The City's final offer which does not include an educational incentive pay plan is hereby adopted.
5. Minimum Manning - Under the provisions of Section 1230.90M of The Illinois Public Labor Relations Act the Arbitration Panel

is prohibited from rendering an award on the total number of employees employed by the Department. The Union's final offer sets a minimum number of four (4) employees on duty per shift which would set the minimum total number of employees employed by the Department. As such, the Union's final offer on minimum manning must be dismissed as not properly before the Arbitration Panel under the Act.

It is so ordered. Dated this 7'th day of February 1991. This award was placed in the United States Mail at St. Louis, Missouri on 2/7/91


James M. O'Reilly
Chairman, Arbitration Panel