

BEFORE IPLRA ARBITRATION PANEL  
MR. JOHN P. MCGURY, ESQ., CHAIRMAN

MR. DAVID FOREMAN  
UNION DELEGATE

MR. JAMES T. GARRISON, ESQ.  
CITY DELEGATE

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1990 INTEREST ARBITRATION	)	
	)	
BETWEEN	)	
	)	
CITY OF MARION, ILLINOIS	)	
	)	
AND	)	ISLRB CASE NO. S-MA-90-145
	)	
MARION FIRE FIGHTERS UNION	)	
I.A.F.F. LOCAL 2977	)	
AFL-CIO, CLC	)	

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STATEMENT:

The Illinois State Labor Relations Board appointed John P. McGury to serve as Chairman of an Interest Arbitration Panel. Three hearings were held in Marion, Illinois (July 6th; July 30th; and November 2nd, 1990). The parties waived any applicable statutory provision calling for a hearing within fifteen (15) days of appointment. A court reporter was in attendance and transcripts were provided. The parties stipulated that the procedural prerequisites for convening the arbitration hearing have been met, and that the Panel has jurisdiction and authority to rule on the submitted issue.

The Panel's jurisdiction is based on Section 14 of the Illinois Public Labor Relations Act (IPLRA), Chapter 48 Ill.Rev.Stats., ¶1614 and Joint Exhibit #4 setting out stipulations and ground rules.

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Testimony was completed at the November 2, 1990 hearing. Each side was to furnish a brief following receipt of the transcript. The Union filed a brief and a supplemental brief. The Chairman extended the time for the filing of briefs. When the brief of the City was not received by February 22, 1991, the Chairman declared the record closed as of that date.

APPEARANCES:

On Behalf of the City:

Robert L. Butler	-	Mayor, City of Marion
David D. Hancock	-	Commissioner, City of Marion
James R. Joyner	-	Treasurer, City of Marion

On Behalf of the Union:

Michael A. Lass	-	Advocate, Municipal-Labor Associates Support Services, Inc.
Anthony Rinella	-	President, Local 2977
Jack Reed	-	Vice President, Local 2977
Jay Smart	-	Trustee, Local 2977
Ron McDonald	-	Vice President, Associated Fire Fighters of Illinois

FINDINGS OF FACT:

The Marion Fire Fighters work 24 hour shifts, 7 to 7, and are then off for 72 hours. The bargaining unit includes 3 Captains and 11 Fire Fighters. The Chief is not in the bargaining unit. The Department maintains 1 station with three pumper trucks.

The district covers 25 square miles and includes portions of I-57 and I-24 which transport hazardous materials. There was testimony that the Department gives more services than they receive from reciprocal agreements with other fire districts.

Fires average one a day. This includes false alarms; extractions; car fires; brush fires; and mutual aid. Fires involving structures, including businesses, account for about 60% of the total fires. The average response time is about four minutes. The average structure fire takes about two hours to strike. The firemen spend the rest of their working hours maintaining equipment, training and in fire prevention contacts with the public.

The City Treasurer estimated a cost to the City of approximately \$84,000.00 if the demands of the Fire Fighters were met.

The City witnesses emphasized that if the firemen received their demands, the City would want to give even more to the police and to City laborers since the Fire Fighters are already ahead of the other City employees. The City felt they should give at least as much but that they simply could not afford it.

There is little question that the result for the Fire Department would have a substantial effect both financial and psychological on other City workers as well as the obvious effect on the City budget. The City settled with the Police Department on December 3, 1990.

There was evidence concerning 7 Southern Illinois Fire Departments claimed to be comparable to Marion. Collinsville was not considered because it is in the St. Louis metro area.

With respect to population size, Marion fits in with the other towns with the exception of Carbondale which is considerably larger.

Marion's 14 is very close to average with respect to full time Fire Department employees. However, that average is obtained by lumping a force as large as 25 with one as small as 6.

Marion is 10 hours below the average hours per week of the other departments.

In terms of base starting salary, Marion is considerably above average.

With respect to maximum salary, Marion is above average but by a much lower percentage than is the case with a starting salary. Marion is below average with respect to the number of years to achieve maximum salary. However, the average is distorted by Mt. Vernon's 20 year provision. With maximum being achieved in only one year, Marion is in a position to attract candidates for its department. The early cap could lead to problems in retaining experienced Fire Fighters but the evidence was that the Marion Department has not had a problem of turnover.

The Union salary proposal would put Marion above average by a greater degree than is now the case. With respect to five of the seven towns being compared, a 5% increase was projected.

The Bureau of Labor statistics reporting on 1989 settlements involving local governments showed an average wage adjustment of 5.2% for the first year and 5.4% annually over the contract term.

The Consumer Price Index showed a 4.7% increase from April, 1989 to April, 1990.

A 6% increase would produce a gain in purchasing power for the bargaining unit members while a 5% reduction would seriously erode their purchasing power.

The City Treasurer testified in detail as to fringe benefits provided to Fire Fighters. He stated that in the previous year, \$21,122.00 was paid for workmen's compensation insurance (this included the Chief who is not in the bargaining unit). He estimated the cost to be about 5% for each Fire Fighter. He estimated the cost for major medical insurance to be about \$5,000.00 per employee depending upon family coverage, or about \$2.25 a working hour. Pension benefits were estimated to cost about \$3.30 per hour. No comparisons were made with other Fire Departments or other City workers with respect to fringe benefit costs.

It was unofficially reported that four counties designated as the "Black Diamond Labor Market Area", which includes Marion, was experiencing an 11.7% unemployment rate in September, 1990. This figure was skewed by a 17.2% rate in Franklin County. The figure was attributed to Ms. V. Gerstenecker of the Belleville Office of the Illinois Department of Labor.

To the extent any weight is given to the evidence on unemployment, it would militate in favor of the City. A community suffering higher than average unemployment will have greater difficulty in obtaining funds to increase the wages of their employees.

Some of the issues between the parties were withdrawn or settled, leaving six issues left to be decided by the Panel.

The most important issue to be resolved is the question of base annual salary.

The original position of the City was that the current salary be reduced by 5% effective May 1, 1990 and increased by .10¢ per hour effective May 1, 1991. This result would be achieved by reducing the annual hours (from 2,184 to 2,080), while maintaining the current hourly rate of pay.

In the course of the hearing, Mayor Robert Butler testified that it would be entirely appropriate for the Union to accept a 5% reduction in wages. Asked if this represented a change in the last offer of the City, the Mayor responded that the 5% reduction, keeping the present 42 hour work week, would be an alternative to what had been offered. Pressed as to what was the final position of the City, the Mayor asked for a moment to confer with his staff, and then stated, "the City's position would be for the 5% reduction."

The City did not formally amend its last offer in writing. It is clear from 14(g) that disputed economic issues need not be identified before the conclusion of the hearing. We conclude that the Mayor's statement toward the end of the final hearing did constitute the City's final offer as to basic wages.

The Union position was that an increase be granted of 6% of the base wage effective May 1, 1990 and an additional 6% increase effective May 1, 1991.

The parties had arrived at a tentative settlement on July 31, 1990. Although the tentative settlement did not come before the City Council for formal action, there apparently was an informal reaction from members of the Council that caused the City to back out of the agreement. Sec. 14(h)(7) requires the panel to consider the December 3, 1990 contract between the City of Marion and the Marion Police Department. The contract granted wage increases as follows:

45¢ per hour effective May 1, 1990  
70¢ per hour effective November 1, 1991  
4% increase in base effective May 1, 1992  
77¢ per hour effective November 1, 1991

Union witness Reed estimated the cost to the City to be 45 thousand dollars. His figures did not take into consideration the various fringe benefits such as insurance and holidays.

It was stipulated that absent the projected 5% for the comparable towns and with 6% to the Marion Department, it would be number one.

The City receives an estimated 300 to 320 thousand dollars a year from the State for its portion of the income tax surcharge. This source of income could end in June of 1991.

The City Treasurer estimated that the general fund of the City was \$700,000.00 in arrears.

The City has sales tax, fees and charges. No property taxes are levied. The City borrowed \$200,000.00 from the Marion Memorial Hospital which is City owned, and \$300,000.00 from the local bank. It is planned to pay the loans from the proceeds of a bond issue for a new City lake. The Treasurer agreed that the City has a very good financial standing in terms of bonding.

The City has annexed property in recent years. In the future some revenues could be anticipated from the additions. The Illinois Centre Mall is to be completed in August of 1991. This should start generating sales tax receipts in November of 1991.

The City receives road and bridge funding, and about \$100,000.00 earmarked for retirement bonds from the County. The Treasurer testified that Marion is probably as well off as anyone in Southern Illinois because "we are a sales tax base."

The City employs about 120 people in all.

The Fire Fighters have been the highest hourly rate employees for some time.

The cost to the City for the Union demand was estimated to be about \$45,000.00 per year excluding fringes. The City budget was estimated to be about 24 million dollars with approximately 14 million dollars allocated to the City hospital. Four million dollars is allocated to other City functions and about 6 million dollars is capital investment to be made for the City lake project.

The Fire Department portion of the City budget was estimated to be between \$500,000.00 and \$600,000.00.

The projected 5% increase in other towns bears a reasonable relationship to the 5.2% increase in the Consumer Price Index.

With or without the projected 5%, Marion is at or near the top in basic compensation when compared with the comparable towns.

The Fire Department ranks high compared to other departments and Fire Fighters have enjoyed greater income than other Marion employees, including policemen.

Under this set of circumstances, it is not unusual that the City would feel an obligation to grant other City employees a greater increase than the firemen in order to narrow the differences between various categories of City employees. The City expressed a desire to grant at least as much to the other employees as that received by the Fire Fighters. This, claimed the City witnesses, is beyond the ability of the City to pay.

The Union points out that the present state of affairs represents the historical results of the operation of the collective bargaining system.

The evidence of City finances, while illustrating the plight of most local governments, did not show an inability to pay a wage increase to the Fire Fighters.

The Consumer Price Index supports the Union's case. The Fire Fighters have lost ground to inflation in recent years.

We do not agree that the Fire Fighters have any vested right to remain ahead of the Fire Fighters in the comparable towns, or ahead of their fellow City workers. The give and take of collective bargaining and the effect of other economic factors has, and will continue to result, in wages for various occupations which do not conform to any pre-set formula.

The Union has a legitimate interest in maintaining a high position with respect to other occupations. The City may also have an interest in paying a relatively higher wage than Fire

Fighters are paid in nearby towns. The City and its citizens would like to continue to enjoy the services of the most competent Fire Fighters.

The panel is mindful that the 6% increases will put a strain on City resources. It may be more than the Panel would have ordered if unfettered by 14 (g) which mandates that the Panel adopt the last offer of settlement which, in the opinion of the Arbitration Panel, more nearly complies with the applicable factors prescribed in subsection (h).

We adopt the Union's last offer of 6% May 1, 1990 and 6% May 1, 1991, and direct that it be implemented by the City.

#### Differential

Prescinding from the merits of the Union's demand for increases in differential payments, we adopt the City's proposal because we have already awarded the Fire Fighters a 12% increase over two years. In light of the increase, there is no compelling justification for the Union's demand. This area must be addressed at a future date. Absent the substantial increase in base pay, we would have given favorable consideration to the Union's demand.

#### Longevity

Without analyzing the evidence and arguments on longevity pay and without finding that the Union's last offer was without merit, we adopt the last offer of the City on longevity pay for the same reason we denied the Union redress on the rank differential pay issue.

Medical Insurance Coverage For  
On-The-Job Injuries

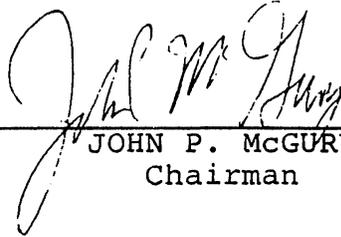
The Union's last offer was adopted. In the absence of any evidence or argument supporting a change, there is no basis for changing the contract.

Funeral and Bereavement Leave

No change in the contract is adopted. In the absence of evidence and argument on this issue, the existing contractual language is to stand.

Sick and Injury Leave

In the absence of evidence or argument, no change is to be made in the existing contract.



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JOHN P. MCGURY  
Chairman



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DAVID FOREMAN  
Union Delegate

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JAMES T. GARRISON  
City Delegate

Dated: FEBRUARY 26, 1991