

BEFORE CARL L. ISAACSON, Ph.D., Factfinder

In the Matter of Factfinding in)
Contract Negotiations Between:)
International Association of Fire)
Fighters Local Number 448,)
and The Union)
The City of Helena,)
The Employer)

FACT FINDERS
FINDINGS AND
RECOMMENDATIONS

Fact Finder: Carl "Ike" Isaacson
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Date of Hearing: October 9, 1990

Post Hearing Briefs: October 16, 1990

Recommendations Submitted: October 28, 1990

Place of Hearing: Civic Center
Helena, Montana

Representing the Union: Patrick Church, Secretary &
Firefighter
Steve Larson, Negotiator &
Firefighter

Representing the Employer: Randy Lilje, Chief Negotiator

I

THE ISSUE

The issue concerns the amount of a wage increase and method of distribution.

II

THE HEARING

A. Exhibits

1. Joint - none

2. The Employer

- a. Memorandum to the Factfinder--(opening statement). Exhibit A-1
- b. Current City Proposal by position compared to other Montana cities. (Exhibit A)
- c. Current City Proposal by position compared to other Montana cities, including medical and dental benefits. (Exhibit B)
- d. City Proposal--further comparisons by position with other Montana cities. (Exhibit C)
- e. Last Union Proposal of 4.8% applying equal dollar raises, compared with other Montana cities. (Exhibit E)

3. The Union

- a. Fire Department Salary Matrix, Consumer Price Index and other Montana city comparisons. (U-1)
- b. 1991 Budget Message from City Manager. (U-2)

B. Brief Background

On May 30, 1990, the City of Helena opened contract negotiations with the International Association of Firefighters Local No. 448, of Helena, Montana. 13 proposals

were presented by the Union and one by the City. By the time of the Factfinding, all issues had been settled except a two pronged wage increase, namely: What should be the percentage of the total wage increase, and should it be distributed in equal dollar amounts to each employee as proposed by the Union, or have the percentage increase apply to each position as proposed by the Employer.

The Hearing was opened by the Employer who presented the background of the previous negotiation, including mediation. The City reaffirmed the last offer made during mediation of a 2.4% wage increase to be applied by individual position.

The Union in turn reaffirmed their previous proposal of a 4.8% wage increase the first year and 5.3% the second year, and a distribution which would give each member an equal dollar amount.

As the hearing progressed, serious consideration of the second year proposal was in essence put on ice, largely because the current world crisis on oil, war and deficits made economic projection impossible. The Factfinder cannot address the second year proposal as it was not adequately pursued with argument or evidence by either party as an issue.

A decision was reached that the parties would present Post-Hearing Briefs to be submitted on October 16, 1990. Both parties complied and offered further arguments for reaffirmation of the proposals discussed during the hearing.

III

POSITION OF THE EMPLOYER

The City of Helena contends that the 2.4% wage increase proposal would put the Fire Fighters in the Helena Fire Department at an hourly wage that would be above the average as compared to other Class I cities in Montana--except for the position of Battalion Chief.

The Employer stated that its offer of a 2.4% wage increase is greater than wage increases given to any other Union by the City this year.

The City noted that non-Union employees who are on a step and grade system were given an average 2% wage increase.

The Employer maintained that a wage increase of greater than 2.4% for the Fire Fighters would be unfair to both the other City employees--both Union and non-Union.

The Employer in reference to the Battalion Chief's salary being lower than the state average, showed a causal connection with the distribution formula. The Employer alleges that the reason relates to several years of wage distribution by an equal amount to all positions resulting in the current condition of compression.

The Employer agreed that longevity rewarded a Firefighter for experience and length of time on the job. They further contended that greater rank, however, also carried with it an inherent increase of responsibility which should be regarded in remuneration. According to the Employer, unless this

dollar reward were present, incentive for a Firefighter to move up the rank ladder would not be present.

The Employer argued that a percentage raise, i.e., the percentage applied to each position, would help create an incentive for promotion and establish a reward for more responsibility.

IV

THE POSITION OF THE UNION

The Union contends that the 4.8% would be equal to the CPI from July, 1989, to July, 1990, and that for several years increases have been less than the Consumer Price Index.

The raise would admittedly put the Helena Firefighters slightly above the average of other fire departments in the State. The Union argued that it would, however, still not be the highest.

The Union asserted that the Helena Fire Department covers and protects more people per firefighter and responds to more calls per firefighter than the average in the State.

The Firefighters stated that they do not bargain for any Union except their own, and do not consider the Employer's argument of being unfair to other Unions or City employees as being placed in the proper perspectives. The Union contends that other Employees have received greater raises in the past, and the current proposal only allows catch up.

In rebuttal to the Employer's contention of needed adjustment to the pay of the Battalion Chief, the Union contends that the City failed to consider the EMT-D additional duty pay in their considerations as they did in all the other ranks.

The Union pointed out that the Employer's comparison of ranks did not adequately consider the comparison of duties.

The Union acknowledges that the fire department is short handed and that the City cannot hire additional personnel. The Union argues that, therefore, they need more compensation for the additional risk and responsibility.

The Union stated that a two-year contract was vitally important to the health of the Fire Department, allowing more concentration on their jobs and the needs of the people of Helena.

The Union argued for the equal dollar raise for everyone on the basis of a democratic vote by the members, and a principle of cost of living increases should require equal amounts for all.

V

DISCUSSION

The Arbitrator found that the relationship and caliber of communication between the parties, as demonstrated in the Hearing, was generally excellent. It was also quite evident that there was positive agreement in terms of the desire to

deliver the best possible service to the City. Although the methods of accomplishment and evaluation of the status quo were obviously and understandably different, both parties were intent on providing economic and other incentives to the Employees. The fact that only one issue--that of wages--remained on the table for negotiation is also a plus for previous communication. Both parties are to be complimented on their diligence in addressing issues, and especially in the compactness and candor of the Post-Hearing Brief.

As referred to briefly in the Background of the Hearing, consideration of the second year proposal was abandoned by not being pursued. There was a traditional, yet not persistent, argument for the Union that the time spent on new negotiations could better be spent on citizen needs and other good things. The City stated the usual--that under current economic conditions the future is quite uncertain. Regrettably, the world crisis testifies to that uncertainty.

In analyzing the proposals backed by argument and evidence of the parties, the Factfinder reaffirmed an obvious principle: Though each argument needed to be considered separately and evaluated as to its significance in the final decision, the conclusion could not be determined by a sum of the parts! A win-loss determination of issues surrounding wages is entirely dependent on the bargaining philosophy used.

To illustrate the above--Though the Employer is "right" that the 2.4% proposal puts the average hourly rate above that of other Class I cities (except for Battalion Chief), what is wrong with being higher or even the top? And why should the Battalion Chief remain at an admitted inequity?

The City must be concerned with other employees--both Union and non-Union. A separate Union must, nevertheless, bargain for its own members. The City must in turn consider in the aggregate the cost to the City of the fire protection purchased--both science and people! And how much sweetening of the pot makes the protection better?

It would be desirable to keep pace with the Consumer Price Index, which on September 30, 1990, was 6.6%. However, the CPI is actually an average and must take into consideration whether one lives in Washington, D.C., New York City, Los Angeles, Helena, or Two-Dot. It is a generally accepted practice that Arbitrators and Factfinders are more concerned with community cost of living than the national average. Elkouri and Elkouri point out that unless a specific basis of application of actual living costs are compared, the Price Index will be given little effect in Awards. See Elkouri and Elkouri, How Arbitration Works, "Standards of Interests' Disputes," pp. 745-796, (1978).

The Union suggests an objection to the Employer's method of comparison with other Fire Departments by including the Helena Fire Department in the averages, and, therefore,

"comparing us to ourselves." The Union must also realize that leaving Helena out of the City averages would show the City proposal as even more favorable by comparison with other cities.

The Union maintains that the City agrees that the fire department is short handed, but cannot hire more personnel. The Union, therefore, argues for compensation for additional risk and responsibility. If this is a serious issue why mention it only lightly? If actually serious, then it needs to be a bargaining issue. The Union's argument above may be slightly frivolous, but it also points out that Collective Bargaining places a direct relationship between wages and responsibility.

The Union argues that until the cost of living is met, the raises should require equal amounts to all. This makes sense! It computes, BUT so does the need to correct inequities in higher ranks. Top leadership positions in a Fire Department could be described as having inherent responsibilities which have increased in geometric progression.

The Employer should be applauded for recognizing that the inequity of the higher ranks has developed over many years. The remedy would correct the situation, but is it fair to use such a mild remedy that it will take the same number of years for correction as it did for erosion?

The EMT-D pay issue raised by the Union is noted. It would seem to this Factfinder that a choice in this matter must be recognized as custom and past practice at that level of responsibility without affecting salary inequity.

None of the discussion presented gives an actual basis for a recommendation. It does accentuate what both the Union and the Employer pointed out quite adequately. The Union showed that comparisons of ranks without duties and requirements gives an inaccurate picture. The City called attention to Contracts of different Fire Departments being so different that they sometimes were comparing apples to oranges. The Employer's breakdown of total compensation which was in turn computed in terms of hourly wage comparison, was well done. Though still not comparing apples to apples, it did establish a clearer picture.

The Factfinder, for his own perspective, used other methods of comparing the statistics--such as leaving out the extremes on both ends of the continuum. This was done to help clarify the total picture. The recommendations were, however, based on the Hearing itself, the testimony and exhibits, and the Post Hearing Briefs.

VI

RECOMMENDATIONS

The Factfinder has determined from the evidence and arguments presented by both parties that the Union's stand on distribution of a raise is one that has in a few years of application hurt the over-all Firefighter incentive. The equal dollar to each rank can foster a philosophy of getting the most dollars for the majority right now, rather than providing truly professional incentives for creating, viewing, and climbing a career ladder. The problem of compression of the position spread has been emphasized even more each year as the longevity factor of the current position may make the dollar difference of the next rung look less attractive and not worth the additional responsibility.

The total Hearing picture indicated quite conclusively that on a comparison with other Montana cities and the City public sector, both Union and non-Union, the Helena Fire Firefighters would receive higher than average wages under the Employer's proposal. Being average in terms of wages also suggests that the wage is as close to the bottom as to the top.

The Factfinder found that several mitigating circumstances in the Collective Bargaining process warrant his recommendation of a slightly higher percentage raise. This recommendation also seems appropriate from a basis of providing some immediate compensation to the majority of the

members for not receiving equal dollar raises as compared with the higher ranks.

The Factfinder specifically recommends that the wage increase be 2.7%, and that it be applied to each position.

The Factfinder further recommends that the figure of Fifty Dollars (\$50) per month be added to the Battalion Chief's wage before the 2.7% increase is applied.

Recommendations and findings submitted October 25, 1990.



CARL L. ISAACSON, Ph. D., Factfinder