

IN THE MATTER OF ARBITRATION)	INTEREST ARBITRATION
)	
between)	
)	
City of Hastings, Minnesota)	Fire Department Unit
)	
-and-)	
)	BMS Case No. 06-PN-0486
Minnesota Teamsters Public)	
and Law Enforcement Employees)	
Union, Local No. 320)	September 15, 2006
))))))))))		

APPEARANCES

For City of Hastings, Minnesota

Cyrus F. Smythe, Consultant
Melanie Mesko Lee, Assistant City Administrator
David Osberg, City Administrator

For Teamsters Local No. 320

Paula R. Johnston, General Counsel
Brenda L. Corrigan, Business Representative
Shirley Brostrom, Retire Past President
Chuck Paulson, Steward
James Gelhar, Steward

JURISDICTION OF ARBITRATOR

Teamsters Local No. 320 (hereinafter referred to as the "Union") is the certified bargaining representative for all Firefighters hired by the City of Hastings (hereinafter referred to as the "City" or "Employer") in the City's Fire Department.

The County and Union (hereinafter referred to as the "Parties") are signatories to an expired collective bargaining

agreement that existed from January 1, 2005 through December 31, 2005.

The Parties entered into negotiations for a successor contract. The Parties negotiated and mediated but were unable to resolve all of the outstanding issues. As a result, on February 10, 2006, the Bureau of Mediation Services (BMS) received a written request from the Union to submit the unresolved issues to final offer, total package interest arbitration pursuant to M.S. 179A.16, Subd. 7a. On March 16, 2006, the BMS determined that the following items were ready for arbitration pursuant to M.S. 179A.16, subd. 2 and Minn. Rule 5510.2930:

1. Duration - What shall the term of the contract be? - Art. 25
2. Wages - What shall wages be for 2006? - Art. 23.1
3. Wages - If applicable, what shall wages be for 2007? - Art. 23.1
4. Wage Adjustment - Shall a pay equity adjustment be granted for 2006? - Art. 23.1
5. Wage Adjustment - If applicable, shall a pay equity adjustment be granted for 2007? - Art. 23.1
6. Paramedic Pay - What shall paramedic pay be for 2006? - Art. 23.3
7. Paramedic Pay - If applicable, what shall paramedic pay be for 2007? - Art. 23.3

The Parties selected Richard John Miller to be the sole Arbitrator from a panel submitted by the BMS. A hearing in the

matter convened on August 8, 2006, at 10:00 a.m. at the Hastings City Hall, 101 Fourth Street Southeast, Hastings, Minnesota. The Parties were afforded full opportunity to present evidence and arguments in support of their respective positions. Pursuant to the statute and the agreement of the Parties, post hearing briefs were timely postmarked on August 22, 2006, and received by the Arbitrator on August 24, 2006, after which the record was considered closed.

The Parties submitted identical final positions for issues one, two, three, six and seven. Therefore, the only issues to be decided in this final offer, total package interest arbitration are issues four and five.

ISSUE FOUR - WAGE ADJUSTMENT - SHALL A PAY EQUITY ADJUSTMENT BE GRANTED FOR 2006? - ART. 23.1

ISSUE FIVE - WAGE ADJUSTMENT - SHALL A PAY EQUITY ADJUSTMENT BE GRANTED FOR 2007? - ART. 23.1

UNION POSITION

<u>HOURLY WAGES</u>	January 1, 2006
	3% increase + wage adjustment
Start	\$13.37
After 6 months	\$14.40
After 12 months	\$16.46
After 24 months	\$18.51
After 36 months	\$20.57

Firefighters work 53 hours per week vs. patrol who work 40 hours per week. Comparison is to establish monthly salary.

HOURLY WAGES

January 1, 2007

3% increase + wage adjustment

Start	\$13.77
After 6 months	\$14.83
After 12 months	\$16.95
After 24 months	\$19.07
After 36 months	\$21.19

HOURLY WAGES

July 1, 2007

.5% increase + wage adjustment

Start	\$13.84
After 6 months	\$14.90
After 12 months	\$17.03
After 24 months	\$19.17
After 36 months	\$21.30

CITY POSITION

No pay equity adjustments for 2006 and 2007. A wage increase of 3% for 2006 for all unit members on January 1, 2006. A wage increase of 3% on January 1, 2007 for all unit members and an additional .5% increase effective July 1, 2007.

AWARD

The City's final offer, total package position is sustained.

RATIONALE

There are two considerations that initially need to be clarified by the Arbitrator in this final offer, total package interest arbitration pursuant to M.S. 179A.16, Subd. 7a.

First, the Union's reference in their final offer that "Firefighters work 53 hours per week" is in error. The evidence establishes that City firefighters are scheduled to work 56 hours per week - 53 of the 56 hours are paid at straight time and 3

hours are paid at time and one-half as required by the Federal Labor Standards Act.

Second, the BMS used the term "Wage Adjustment...pay equity adjustment" when it requested final positions from the Parties. The Union, however, is not asking for a pay equity adjustment. This is not a pay equity case. The Union instead is seeking a wage adjustment beyond what is being offered by the City. The phrase "pay equity adjustment" simply grew out of the arguments that the Union made during negotiations and mediation. The evidence shows that the Union is seeking a "wage adjustment" in rates for City firefighters to \$21.30 per hour at the end of 2007 from the \$17.81 per hour paid at the end of 2005 - an increase of \$3.49 per hour or a percent increase of 19.60 over two years.

Active interest arbitrators generally rely upon four factors in determining the best position proffered by the parties. These factors include: past bargaining history, internal equity, external equity, and other economic considerations.

One of the Union's goal in this arbitration is to close the gap in parity between City patrol officers and City firefighters. The Union claims that the most appropriate comparable position within the City between a firefighter is that of patrol officer.

Currently, City firefighters earn \$4,090.36 per month while the City patrol officers earn \$4,586.14 per month - a difference

of \$498.78 per month. Firefighters, however, currently receive \$297.57 per month in paramedic pay which closes the gap between the two classifications to \$201.21 per month. Patrol officers also have the opportunity to earn pay differentials by performing as an Investigator/Detective/Juvenile Officer/School Liaison/Dare Officer (\$150 per month), Field Training Officer (FTO) (.75 per hour or 3 hours of comp time for each FTO shift), K-9 handler (\$150 per month) and shift differential of \$.40 per hour for working during the hours of 8:00 p.m. and 7:00 a.m.

The Union's desire for closing the gap between City firefighters and patrol officers is not consistent with past bargaining history and internal consistency. The firefighters have since at least 2000 through 2005 agreed to the same percentage increase as those received by other unionized City employees, including the patrol officers, and non-union employees. For 2006 both the 49-ers bargaining union and non-union employees will receive a wage increase of 3%. The other unionized units (LELS - patrol officers and Teamsters 320 - patrol supervisors) have not settled for 2006. The 49-ers have agreed to a wage settlement of 3% on January 1, 2007, and .5% on July 1, 2007. They are the only settled group for 2007.

The City's position in this case is the same as other unionized and non-union City employees for 2006 or 2007. The

City's position is supported by past bargaining history and internal equity between unionized and non-union employees. The record is devoid of any evidence that the City has ever recognized the "parity" argument that firefighters should be paid the same as patrol officers. To the contrary, both firefighters and patrol officers have received the same percentage wage increases, notwithstanding the salary gap between the two classifications. In fact, during a prior interest arbitration case between the City and its firefighters before Arbitrator John Flagler (BMS Case No. 02-PN-851, October 7, 2002) the Union agreed at the hearing to drop its wage demands and agreed that the percentage increases in wages provided to the City's other employee groups for 2002 was the appropriate standard for City firefighters.

The Union avers that during negotiations the Parties discussed the cities of Burnsville and Edina as potentially appropriate external comparables for City firefighters. Burnsville and Edina, like City firefighters, provide an ambulance service in conjunction with their fire departments. The three cities are among a very select few that provide paramedic services. Market data regarding the cities shows that City firefighters are paid dramatically less - by at least \$14,000 per year (not including paramedic pay). The differential

would be reduced by approximately \$6,372 per year under the Union's proposal (not including paramedic pay).

The Union's argument that Edina and Burnsville are the appropriate external comparisons fails to recognize that Hastings is a volunteer dominated fire department versus a full-time dominated fire departments in the two other cities. The Parties have never agreed that only these two cities compare with Hastings. To the contrary, there is significant evidence that the Parties have consistently compared Hastings with volunteer dominated fire departments rather than full-time dominated fire departments in the Twin Cities area as the comparable group for wages and fringe benefits.

Further, active interest arbitrators have not crossed the line between comparing volunteer dominated fire departments with full-time dominated fire departments. The comparisons by active interest arbitrators have been full-time dominated fire departments with full-time dominated fire departments and volunteer dominated fire departments with volunteer dominated fire departments. In fact, a previous arbitration decision by Arbitrator Bard (BMS Case No. 90-PN-814, July 12, 1991) involving the City and its firefighters rejected an attempt by the Union to use an internal pay equity argument between firefighters and patrol officers, along with rejecting the Union' argument for

external market comparison with the full-time dominated fire departments.

Another reason to reject the use of Burnsville and Edina as exclusive external comparables is that those cities do not employ a classification known exclusively as "firefighters." The Union attempts to compare the job classification of "firefighter" in the volunteer dominated fire department of Hastings with the wholly different job classification of firefighter/paramedic in the full-time dominated fire departments of Burnsville and Edina. The cities of Burnsville and Edina do not employ "firefighters." They employ "firefighter/paramedics" and do not, therefore, pay a paramedic pay differential for paramedics as does the City.

The average salary paid to volunteer dominated fire departments (Anoka, Columbia Heights, Stillwater and St. Anthony) for 2006 is \$53,574 per month. Under the City's final position of 3%, firefighters would be approximately \$1,276 above the average for 2006. Most of the volunteer dominated fire departments, with the exception of St. Anthony granted their firefighters a wage increase of approximately 3% for 2006. St. Anthony granted a .079% increase. Thus, it is clear that the City's final wage offer for an increase of 3% for 2006 is higher than the average of the comparable volunteer dominated fire departments. A like comparison of volunteer dominated fire

departments with volunteer dominated fire departments establishes that there is no need for a wage adjustment as sought by the Union.

The approximate 3.5% wage increase offered by the City for 2007 results in the firefighters being about \$840 above the average of the three settled cities in the volunteer dominated fire departments (Stillwater is not settled for 2007). The cities of Anoka and Columbia Heights settled for approximately 3% for 2007, while St. Anthony settled for 3.49%. As a result, the City's approximate 3.5% wage increase for 2007 is above the average of the comparable settled cities. Once again, there is no showing of "catch-up" need for a wage increase of 19.60% over the two year period as sought by the Union.

The Union also argues in favor of their position by the data contained in the City's most recent Pay Equity Compliance Report, which was issued on June 15, 2004. According to this data, City firefighters have a job point value of 568 points and receive a maximum salary of \$3,930, while patrol officers have a job point value of 550 and receive a maximum salary of \$4,408. In addition, the job classifications of Fire Services Office Manager and the Fire Services Secretary/Dispatcher have recently been created by the City. The Fire Services Office Manager has a job point value of 536 - 32 points below the firefighters - yet

is paid nearly \$300 more per month than firefighters who currently receive \$4,090 per month. The Fire Services Secretary/Dispatcher has a job point value of 431 (137 points below the firefighters) and is paid about \$164 less per month.

The Union does not argue that these positions should earn less money, but it does not make sense to the Union that they would earn more or nearly as much as the firefighters. However, a review of the Pay Equity Compliance Report shows that at every level; not all jobs with the same or similar point values have the same or similar maximum salary. Such exact correlation between point values is not mandated for Pay Equity compliance. It is undisputed that Hastings is in Pay Equity compliance.

The Union claims that another justification for their wage increase of nearly 19.60% for two years can be found in the volume of calls received by the Hastings Fire Department, and how that volume has increased over the years. Between the years 1994 and 2004, the overall volume of calls has risen by 50%. Specifically, during the first three months of 2006, there have been 91 occasions in which there was more than one call being answered by the fire department at one time. On 11 of those occasions, there was 3 or more calls going on at once.

It is difficult, if not impossible, for the Arbitrator to grant wage adjustments based solely on productivity increases in

Hastings when there is no data about the productivity increases or decreases of comparable cities, which is the case here. This missing data would be required to establish a wage adjustment, especially 19.60% over the two year period.

Combining the high volume of calls with limited numbers of firefighters have resulted in an incredible amount of overtime being paid to firefighters. Firefighters, however, are not forced to work overtime, but are bound by a duty to act under state law and civic pride in protecting the citizens of the nearly 180 square miles which the fire department covers.

Obviously, firefighters are not complaining about receiving overtime compensation for working additional hours. If there is a staffing problem which has resulted in excessive overtime for firefighters this would not be cured by granting the Union's final offer of 19.60% over the two year period. In fact, granting the Union's position would result in less money to hire additional firefighters to curb the amount of overtime being worked by current firefighters.

Both Parties are to be complimented on their professional conduct at the hearing and the comprehensiveness of their written and oral presentations.



Richard John Miller

Dated September 15, 2006, at Maple Grove, Minnesota.