

In the Matter of an Interest Arbitration between
City of Olean, New York

- and -

IAFF Local 1796

Case Number: NYSPERB IA 87-15: M87-025

Opinion
and
Award

FOR THE EMPLOYER

David Farmelo, Counsel

FOR THE UNION

Edward J. Fenell, Advocate
Don Dougherty, President
David Grosse, Secretary/Treasurer
Drew Gattuso, Member
Paul Melfi, Member
Larry Howard, Member

Having determined that an impasse existed in the contract negotiations between the parties, the New York State Public Employment Relations Board appointed an Arbitration Panel consisting of Donald P. Goodman, Public Member and Chairman; Robert M. Walker, Employer Member; and Robert F. Gollnick, Union Member. The Panel convened a formal hearing on the matter in Olean, New York on October 13, 1987 at which time the parties were afforded the opportunity to present testimony, to introduce evidence and to summon witnesses and engage in their examination and cross-examination. The oral hearing was concluded on October 13, 1987. The Panel met in Executive Session on October 20, 1987.

THE ISSUE

The only issue left unresolved by negotiations and submitted to the Panel was that of salary.

DISCUSSION

The City of Olean covers an area of six square miles with a population of approximately 18,200. It is located in the southeastern part of Cattaraugus County and is

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approximately 80 miles from the City of Buffalo, New York as well as approximately 110 miles from Rochester, New York and about 55 miles from Jamestown, New York. The assessed valuation of the property in the City is \$48,528,579 (1985-86).

At the present time salaries in the bargaining unit are:

<u>Classification</u>	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>
Firefighter	13,175	13,700	14,230	20,520
FF/Mechanic	21,567	22,145		
Lieutenant	21,567	22,145		
Captain	23,418	24,085		

The Union is asking that Step 4 Firefighters be raised by 6.5% in 1986-87 and an additional 6.5% in 1987-88. The Union also asks that other salaries be raised using an index system based on the Step 4 Firefighter salary as follows:

Firefighter Step 1	65%
Step 2	70%
Step 3	75%
Fire Mechanic	110%
Lieutenant	110%
Captain	110%

This would result in salaries as follows:

<u>Classification</u>	<u>Eff 6/1/86</u>	<u>Eff 6/1/87</u>
Step 1	14,205	15,128
Step 2	15,298	16,292
Step 3	16,390	17,456
Step 4	21,854	23,274
*Mechanic	24,039	25,602
*Lieutenant	24,039	25,602
*Captain	26,225	27,929

*The present two step schedule would become a single step schedule.

The City proposes the following salaries representing a 5% increase in 1986-87 and a further 5.5% increase in 1987-88:

<u>Classification</u>	<u>Eff 6/1/86</u>	<u>Eff 6/1/87</u>
Firefighter Step 1	13,834	14,595
2	14,385	15,176
3	14,942	15,764
4	21,546	22,731
*Mechanic Step 1	23,252	24,531

*Lieutenant	23,252	24,531
*Captain	25,289	26,680

*The current two step schedule would become a single step schedule.

By comparison, Police Officers in the City of Olean receive:

<u>STEP</u>	<u>Eff 6/1/86</u>	<u>Eff 6/1/87</u>
1	18,177	19,477
2	18,873	20,211
3	19,638	21,018
4	20,414	21,837
5	21,184	22,649

In comparing employees in the Fire Department with Police Officers it must be considered that fringe benefits and other terms are different in the two negotiated agreements.

Although the Union is not seeking parity with the Police Officers it raises the fact that even with the increases sought by the Union, Firefighters still would be paid less than police officers mentioning that in 1975-76 the pay of the two was reasonably equivalent.

The Union seeks to compare firefighter salaries in Olean with other cities to demonstrate that firemen in Olean are paid much less than what it terms comparable departments. Using data supplied by the Union we find:

<u>City</u>	<u>Population</u>	<u>Salaries 85-86</u> <u>Step 4</u>	<u>Salaries 86-87</u> <u>Step 4</u>
Batavia	16,412	20,892	21,728
Dunkirk	14,995		22,379
Jamestown	35,662		22,173
Olean	18,403	20,520	23,274

The City cites statistics indicating that for 30 upstate municipalities the average increases for salaries were 5.39% for 1987 and 5.53% for 1988. The difficulty in interpreting that data rests on two matters. One, increases are of little use unless it is known the base from which the averages are applied. Two, averages are just that. An average of 5.39% must mean that some were above that figure and some were below that figure. One person has \$2.00 and another has nothing yet the average of the two is \$1.00. The person with nothing can take little or no comfort in the fact that his wealth when compared with the other person's is \$1.00.

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Many of the 30 municipalities used for comparison purposes by the City are in close proximity to major urban areas; Cohoes to Albany, Amsterdam to Schenectady, Endicott to Binghamton, Geneva and Canandaigua to Rochester, Johnson City to Binghamton, Kenmore and Lackawanna to Buffalo, Lockport to Niagara Falls and Bufflo, Tonawanda to Buffalo and Watervliet to Troy and Albany.

When comparing Olean to Fredonia, Gloversville, Oneida and Johnson City we find that Olean has the lowest per capita income.

The City also presented evidence that the Patrol and Command Units agreed to no wage increase for 1986-87 opting instead to a contribution of 5% to a retirees health insurance fund and to a wage increase of 5.5% for 1987-88. We find that those units already enjoyed higher salaries than the fire department. Some increase above the 5% for 1986-87 and the 5.5% for 1987-88 negotiated with those units is clearly warranted.

The difficulty in comparing municipalities is that the area covered may be vastly different. Olean covers only six square miles. Among the factors to be used in comparing cities is the geographical area covered in square miles, the demographics of residents, the per capita income, the assessed true value of assessed property, the amount of tax exempt property, and in the case of fire departments - the age and nature of structures as well as structural density.

We have compared those factors in arriving at comparability of salaries of Olean fire department employees and those of other departments. Again, it is evident that salaries should be raised to a degree higher than proposed by the City.

Based on the evidence and testimony presented it is evident the City has the ability to pay the increased salaries awarded by the Arbitration Panel.

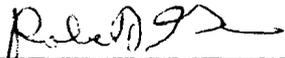
We fully understand that our award grants the members of the fire department raises in excess of those negotiated with other City bargaining units and is above that of the average of the 30 municipalities used by the City in its salary comparisons. Yet, salaries of Olean firefighters will still be in the lowest quartile of comparable departments.

The proposal to index salaries of fire department personnel on that of a Step 4 firefighter (Step 4 = 100%) is rejected at this time.

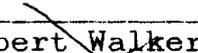
The Panel does award that the classifications of Fire Mechanic, Lieutenant and Captain have a single salary step.

The Panel makes what it finds as a just and reasonable determination of the matter in dispute after due consideration of the requirements of Section 209.4 of the New York State Civil Service Law (commonly referred to as the Taylor Act.)

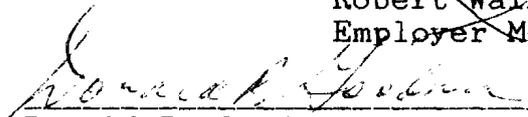
In light of all of the above and after due consideration of the factors required by Section 209.4 of the New York State Civil Service Law the Panel awards that salaries be increased by 6.5% effective June 1, 1986 and by an additional 6.5% effective June 1, 1987.



Robert F. Gollnick
Union Member



~~Robert Walker~~
~~Employer Member~~



Donald P. Goodman
Public Member and
Chairman

Dissent in part



LABOR ARBITRATION TRIBUNAL

In the Matter of an Interest Arbitration between

City of Olean, New York

-and-

IAFF Local 1796

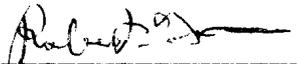
Case Number: NYSPERB IA87-15: M87-025

AWARD OF ARBITRATORS

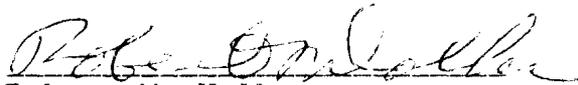
The undersigned arbitrators, having been designated in accordance with the the Rules of the New York State Public Employment Relations Board and Section 209.4 of the New York State Civil Service Law and having duly heard the proofs and allegations of the Parties, Awards as follows:

Salaries will be increased by 6.5% effective June 1, 1986 and by an additional 6.5% effective June 1, 1987. The proposal of the Union to index salaries is rejected. The salary schedule for Fire Mechanic, Lieutenant and Captain is changed to a single step.

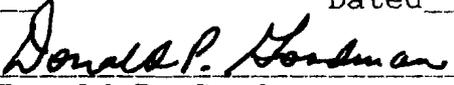
We do hereby affirm upon our oaths as Arbitrators that we are the individuals described in and who executed this instrument, which is our award.



Robert F. Gollnick
Union Member Arbitrator
Dated 11/4/87



Robert M. Walker
Employer Member Arbitrator
Dated 11/9/87



Donald P. Goodman
Public Member and Chairman
Dated October 30, 1987

In the Matter of an Interest Arbitration Between

City of Olean, New York

- and -

IAFF Local 1796

Dissenting Opinion
of
Robert M. Walker

Case Number: NYSPERB IA 87-15: M87 025

I dissent from this portion of the Award¹: "Salaries will be increased by 6.5% effective June 1, 1986 and by an additional 6.5% effective June 1, 1987."

While the Award is considerably less than that demanded by the Union because it rejects the proposal to index all other salary steps and ranks based upon the salary of the fourth step firefighter -- a proposal which would have yielded an additional 2.1% salary increase for the first year at an additional cost of \$15,183 -- I regard the 6.5% salary increase for each of the two years to be inappropriate because:

1. Based on \$740,373 in salaries for 1986-87 without the increase, the 6.5% increase for 1986-87 will generate \$48,124 in additional salaries for that year and the further 6.5% increase for 1987-88 will generate \$51,252 in additional salaries for that year. Compounded, these two increases mean an immediate jump in firefighter salaries of 13.4%.
2. The award of 6.5% and 6.5% is higher than the average 5.39% and 5.53% increases for 30 upstate municipalities of comparable size, although it is true that even with the award Olean firefighter salaries apparently will remain in

¹ My signature on the Award serves only to attest that the matters decided upon by the Arbitrators (both the matters unanimously awarded by all three Arbitrators and the one decided by majority vote thereof) are accurately reported in the Award.

the lowest quartile of firefighter salaries for such comparably-sized upstate communities.

3. There is no justification for the 6.5%-6.5% award to be found in increases in the cost of living over the years in question. The national CPI showed only a 1.3% increase from June 1985 to June 1986 and 3.7% from June 1986 to June 1987.² This is especially significant when one considers that Olean firefighter salaries increased 28.6% *more* than the national CPI³ from June 1968 to June 1985.

4. Finally, and perhaps most significantly, the 6.5%-6.5% increases are difficult to justify in the face of the 5%-5.5%⁴ increases negotiated for the same years between the City and its two police units with which the fire unit frequently compares itself. It is nevertheless true that even with the awarded increases, firefighter and fire officer salaries will still be lower than those of patrol officers and police command officers which is due, at least in part, to the fact that the last negotiation (covering 1984-85 and 1985-86) resulted in increases of 5.5%-5.5% for the patrol unit compared to 4.0%-4.0% for the fire unit.

I have concurred in the elimination of the first step of the fire officer salaries since new fire officers are usually experienced Olean firefighters and there appears to be little justification, other than history, for preserving the two-step arrangement.



Robert M. Walker

² The comparable Buffalo CPI increases were 0.1% and 2.0%.

³ From June 1970 to June 1985, the Olean firefighter salary increase was 36.0% higher than the increase in the Buffalo CPI.

⁴ The 1986-87 increase for police was in the form of a retirees' health insurance fund contribution in lieu of a salary increase.