

Developments in Business Simulation & Experiential Exercises, Volume 15, 1988

COLLECTIVE BARGAINING IN THE CITY OF ELSON: A PUBLIC SECTOR EXPERIENCE

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ABSTRACT

The following materials provide the basis for a simulation of labor-management negotiations in a mid-size Massachusetts city. The scenario, data and contract are based on fact. Prior to the simulation, participants are provided instruction in labor-management relations, including the growth of the labor movement, labor law, negotiating techniques and contract preparation. Via the process of negotiating a contract, the participants develop and refine their collective bargaining skills within a volatile economic, social, and political context.

INTRODUCTION

The following materials are the data and scenario for a simulation exercise intended to develop and hone an understanding of public sector labor-management relations and the collective bargaining process. Participants must comply with relevant labor law, case law precedent and administrative rulings, as well as appreciate the environmental constraints and opportunities conditioning contemporary public management. The Agreement between Elson and Local 1104, and all subsequent offers and counter offers must be cost-out using the method introduced in the Midwest Monitor.¹ After each bargaining session written negotiation reports are to be prepared and strategies for future sessions explored. It will be useful to analyze firefighter contracts from cities similar to Elson. Some of the data may be used inferentially, especially when forecasting economic conditions. However, confine these manipulations to the data provided, and do not assume or introduce facts not contained in the materials.

THE CITY OF ELSON

Demographic Profile

Elson is located in eastern Massachusetts within the Boston Primary Metropolitan Statistical Area (PMSA). Settled in 1637, Elson was incorporated as a town in 1749. Farming gradually gave way to cottage industries, and by 1840 Elson's industrial character was well developed. Today Elson is a manufacturing city specializing in chemicals, optics and defense systems. The city also has a number of high density residential districts with duplex, triplex and multi-unit dwellings. Several older neighborhoods are being rehabilitated by "Yuppies", and many of the triplexes are being converted into condominiums. Elson is an important regional shopping center. The central business district has been revitalized, and there are three large shopping malls located at highway intersections.

TABLE 1
DEMOGRAPHIC DATA

Land Area	Median Age	
10.5 Square miles	Elson (E)	PMSA
	31.1	29.1

¹ Costing Out In The Public Sector", Midwest Monitor, Bloomington, Indiana (May/June 1980).

Population	Housing Age
1950 81,341	1970-85 6.2%
1960 78,952	1960-69 3.4
1970 75,545	1950-59 9.1
1980 78,471	1940-49 10.2
1985 80,040	1939 or earlier 71.1
1990 3% increase projected	

Density 1985	Persons/Unit	Median Income	Housing Value (1980)
7621 persons/sq. mile	E PMSA	E PMSA	E PMSA
	3.3 2.7	\$24,721 \$27,087	\$84,300 \$105,800

Fiscal Profile

With the passage of tax reduction legislation in 1980, Elson entered an extremely problematic period in terms of fiscal policy-making. Layoffs, budget cuts and service reductions were effected in order to meet the legally required spending limits. Elson completed 100% valuation during 1985, and the tax rate and levy were adjusted accordingly in 1986. Controversy regarding service levels has been continuous, and a citizen group, The Elson Override Committee, is preparing to attempt to override Proposition 2 1/2 in the next election.

TABLE 2
FISCAL DATA FY 1987

Expenditures (\$000)	Revenues (\$000)*
Local 87,127	Cheery Sheet 11,536
Assessments 8,590	% Change +8.5
(State, County, Special District)	Local Rec'ts 10,329
	Levy 75,171

Gross Amount to Raise (\$000)	Tax Rate
98,328	Assessed Value (\$000) 3,139,967
	1986 Rate 23.69/000
	1987 Rate 23.94/000
	1986/87 Assessment Ratio 100%

*The apparent shortfall in revenues was offset by Federal and state grants, user fees and bonded indebtedness for several capital projects.

**State aid for the fiscal year.

The official position of the Mayor's office is that Elson will conform to Proposition 2 1/2 standards. Since its passage the Elson Fire Department's (EFD) operations budget has been reduced by approximately \$900,000 (a 14% cut). Budget cuts have been offset by a reduction-in-force (50% effected through attrition), the curtailment of services (three stations were closed and fire prevention limited), and stricter application of personnel policies (limited overtime, etc.).

² In 1980, Massachusetts adopted Proposition 2 1/2 which limits tax assessments on real and personal property to 2 1/2 % of full and fair cash value.

³ Municipalities can override the levy limit (2 1/2 % per year) if excess increase is approved by a 2/3 local vote at a General Election.

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Political Profile

Elson has a Weak Mayor-Council form of government. Six Councilors are elected at-large and nine Councilors are elected by ward. The Mayor and the Council stand for election every two years in nonpartisan contests. However, party affiliations are well known; the Mayor and 13 of the Councilors are Democrats. In general, local politicians are conservative and most local political attitudes are parochial.

This is an election year, and as part of his platform the Mayor has pledged to continue to implement Proposition 2 1/2, even if it means greater fiscal retrenchment. The Mayor is being challenged by an anti-Proposition 2 1/2 candidate who is supported by the Elson Override Committee.

Labor negotiations are the responsibility of the Deputy Mayor's Office. Usually, a labor consultant is retained to work with the City Attorney, the Personnel Manager and the Budget Director during contract negotiations. Although the Mayor does not participate in the bargaining process, it is understood that he plays a significant role "behind the-scenes".

THE UNION; LOCAL 1104 INTERNATIONAL ASSOCIATION OF FIREFIGHTERS AFL-CIO (ELSON FIRE DEPARTMENT)

Local 1104 was certified in 1974. Bargaining activities are conducted in accordance with relevant statutes, case law and administrative rulings. The first contract between Local 1104 and Elson was negotiated and accepted in 1974, and took effect in 1975. Subsequent contracts were negotiated in 1977, 1979, 1980, 1982, 1983 and 1985. The 1977, 1979 and 1980 contracts were settled by binding arbitration, and subsequent contracts were effected only after the intervention of the Massachusetts Joint Labor-Management Committee. The current contract expires at 12:00 Midnight, December 31, 1987. The relationship between the city and the union is correct. Since Local 1104 was certified, salaries have increased nearly 52%, duties and workload have been better defined, and Elson has assumed substantial benefit costs.

The rank and file of Local 1104 are solidly behind their officers and committed to not settling for the status-quo or less. Local 1104 does not endorse political candidates, but informally most firefighters are supporting the Mayor's opponent.

In the wake of tax reform, EFD was reorganized into seven fire companies located in seven stations.

TABLE 4
EFD FIRE COMPANIES

<u>Company</u>	<u>District</u>	<u>Equipment</u>	<u>Personnel Below Captain</u>
1	A. Mixed Residential	1 Engine	12
2	B. Multi-Unit Residential	1 Engine 1 Ladder	12 16
3	C. Mixed Residential/ Commercial	1 Engine 1 Ladder	12 16
4	D. Mixed Residential/ Commercial	1 Engine 1 Ladder	12 16
6	E. Commercial/ Industrial	2 Engines 1 Ladder	26 16
8	F. Mixed Residential/ Commercial	1 Engine 2 Ladders	12 32

	Commercial/ Industrial	1 Rescue	12
10	G. Commercial/ Industrial/ High Rise Residential	2 Engines 2 Ladders 1 Rescue	24 32 12

Each of the four Divisions (shifts) is assigned two District Chiefs and four Captains. These officers rotate among the Fire Companies, and perform non-fire-fighting duties as specified in the contract or as assigned by the Chief. A Lieutenant is assigned as the Aide to the Chief. Staffing is a management prerogative exercised in accordance with relevant rulings.

As a result of closing three stations, one ladder and three engines were eliminated from service. coincidentally, 27 firefighters with less than three years service were laid-off, 9 firefighters with between 20 and 30 years service retired and 14 officers with between 20 and 25 years service retired. Currently, the bargaining unit, Local 1104, is composed of 289 members. Every member of EFD below Chief belongs to Local 1104.

TABLE 5

LOCAL 1104 UNIT COMPOSITION		
<u>Number</u>	<u>Classification</u>	<u>Years of Service</u>
1	Deputy Chief	26
5	District Chief	25-29
4	District Chief	20-24
1	Captain	27
6	Captain	20-24
8	Captain	15-19
2	Captain	10-14
20	Lieutenant	20-24
20	Lieutenant	15-19
9	Lieutenant	10-14
10	Firefighter	2
15	Firefighter	3
41	Firefighter	5-9
53	Firefighter	10-14
46	Firefighter	15-19
9	Firefighter	20-24
1	Master Mechanic	19
1	Ass't Mechanic	9

AGREEMENT BETWEEN CITY OF ELSON AND LOCAL 1104 INTERNATIONAL ASSOCIATION OF FIREFIGHTERS AFLCIO EFFECTIVE JANUARY 1, 1986 EXPIRING DECEMBER 31, 1987

Payroll Deductions

Payroll deductions are authorized on a weekly basis including dues, insurance premiums, fines, uniform assessments. The Union may collect agency service fees, and these may be payroll deducted. Payroll deductions require individual employee approval in writing. (The City's administrative cost for payroll deductions is \$4.86/month/employee.)

Union Business Leave

The Union Negotiating Committee, 3 regulars and 2 alternates, shall be granted leave from duty for all meetings between the City and the Union without loss of pay or benefits for the purpose of negotiating the terms of a contract when such a meeting occurs during normally scheduled duty tours. 4 Union officials shall be granted leave without loss of pay or benefits for up to six

Developments in Business Simulation & Experiential Exercises, Volume 15, 1988

days to attend various Union conventions (4 employees/ 6 days/year).

Management Rights

In accordance with Chapter 150E, case law and administrative rules.

Civil Service Rights

Extended to all ranks below Chief.

Holidays

Employees shall be entitled to an additional day's pay at his/her average straight time rate, or a compensatory day off, at the employee's option, for the eleven (11) paid holidays set forth below, even if the legal holiday falls during the employee's vacation or normal day off or while the employee is absent due to special leave or injury Leave. Holiday pay will be issued on December 1 of each fiscal year.

TABLE 5
PAID HOLIDAYS

New Year's Day	Labor Day
Martin Luther King Day	Columbus Day
Washington's Birthday	Veteran's Day
Patriots' Day	Thanksgiving Day
Memorial Day	Christmas Day
Independence Day	

If compensatory days are not used within one fiscal year, they shall be paid at the rate of one-fifth at the employee's average weekly salary per day.

Work Week and Work Schedule

The average weekly hours of duty of the permanent and propationary members of the uniformed force of the EFD, in any year, shall not exceed forty-two (42) hours. There shall be four (4) divisions (shifts) whose hours shall alternate on continuing, weekly, rotating plans of 48, 48, 48, 48, 34, 34, 38, and 38 hours. Hours and rotations for officers above Lieutenant and Master Mechanic shall be set by the Chief. The Chief will also assign Fire Prevention and Training duties to superior officers. The Chief will assign the hours and duties of his Aide.

Duties

Extinguish fires and perform miscellaneous duties in connection with accidents, storms, floods, hurricanes and other emergencies assigned by the Chief. Also training, inspection and fire prevention programs, driving and operating equipment and routine custodial work at stations. Not required to paint, do carpentry, plumbing or electrical work.

Overtime

Any employee requested by the Chief to work in excess of regularly assigned work week or work schedule shall be compensated as follows:

Any employee called back for emergency work: 4 hours of regular pay guaranteed plus overtime pay beyond four hours in hourly increments only. Any employee held past one-half hour of division rotation: a minimum of four hours of overtime pay.

The hourly rate for overtime pay shall be equal to one and one-half of the employee's average hourly rate based on the 42 hour week. If the overtime occurs on a legal holiday, the

employee shall be compensated at double the average weekly rate. Overtime lists shall be maintained at each station with rotation based on rank and time-in-service.

Minimum Staff

The City agrees to maintain on duty, on each engine and rescue unit no less than three employees, including one officer; the City agrees to maintain on duty, on each ladder no less than four employees, including one officer.

Personal Days

Each employee shall be granted three personal days per year, which if not taken will be compensated for on December 1 of each fiscal year.

Vacations

Vacations shall be determined as follows:

TABLE &
VACATIONS

<u>Years of Service</u>	<u># of Calendar Days With Pay</u>
Less than 5	14
5-9	21
10-14	30
15 or more	40

Wages and Other Compensation

See SCHEDULE A.

Funeral Leave

Each employee shall be granted four days leave, with pay, in the event of a death in his immediate family. Immediate family shall mean: mother, father, mother-in-law, father-in-law, sister, brother, husband, wife, child, stepchild, grandparent and grandchild.

Health and Welfare

The City shall pay 75% of all health and welfare Insurance costs. The City shall maintain the benefits provided under the present Blue Cross/Blue Shield Contract for major medical coverage.

Sick Leave

Employees shall be granted fifteen (15) days of non-duty related sick leave with pay for each 12 month period of service. Unused sick leave shall accumulate without limitation. Unused sick leave shall be compensated for at retirement or death at a 50% rate of the average daily wage. Current employees may redeem sick leave days annually in July at the rate of 30% of the average daily wage. Duty related sick leave shall be unlimited according to the conditions and medical verification.

Clothing Allowance

The clothing allowance shall be \$150/year for uniforms and \$50/year for cleaning per employee.

Grievance Procedure

Included but details not necessary.

No Strike Clause

Included but details not necessary.

Developments in Business Simulation & Experiential Exercises, Volume 15, 1988

**SCHEDULE A
WAGES AND OTHER COMPENSATION**

Wage Schedule

**TABLE 7
WAGE SCHEDULE (\$)**

Rank	Annual	Annual	Annual	Annual
	Rate	Rate	Rate	Rate
	1/1/86	6/1/86	1/1/87	6/1/87
Deputy Chief	29,805	30,997	31,616	32,564
District Chief	25,832	26,865	27,402	28,224
Master				
Mechanic	24,121	25,086	25,588	26,356
Captain	22,407	23,303	23,769	24,482
Lieutenant	19,454	20,232	20,637	21,256
Firefighter and Assistant Mechanic				
1st year	16,362	17,016	17,365	17,886
2nd year	16,636	17,301	17,647	18,176
3rd year	16,909	17,585	17,937	18,475

The above amounts represent a 16% differential between grades, except in the case of Master Mechanic whose rate is half-way between those of Captain and District Chief.

Where in-grade progression is applicable, it shall be continued in accordance with prior practice.

Longevity Pay

Each employee shall receive annually, as longevity pay, the greater of the following amounts:

- 2% of annual rate as specified in Table 7 on reaching the fifth year of service;
- 4% of annual rate as specified in Table 7 on reaching the tenth year of service;
- 6% of annual- rate as specified in Table 7 on reaching the fifteenth year of service;
- 10% of annual rate as specified in Table 7 on reaching the twentieth year of service;
- 12% of annual rate as specified in Table 7 on reaching the twenty-fifth year of service;
- 13% of annual rate as specified in Table 7 on reaching the thirtieth year of service.

The amount each employee qualifies for shall be paid to him/her annually on his/her anniversary date. In any year when an employee's service is terminated, the employee (or in the event of death, the employee's estate) shall receive the Longevity Pay to which the employee would be entitled in the year service was terminated. An employee who is discharged for cause in any year, prior to reaching the anniversary date which qualifies for an additional increment to Longevity Pay, shall not qualify for that added increment in that year.

Night Shift Differential

Members of the bargaining unit whose group is scheduled to work the night tour of duty shall be compensated for the night tours of duty as follows for each night tour.

**TABLE 8
NIGHT SHIFT DIFFERENTIAL**

Rank	Rate Effective 1/1/86 through 12/31/87 (\$)
Deputy Chief	17.74
District Chief	15.29
Captain	13.18
Lieutenant	11.36
Firefighter & Ass't Mechanic	9.79

Effective July 1, 1986, members of the Bargaining Unit whose group is scheduled to work the night tour of duty shall be compensated for the night tour of duty at the rate of 7% of the rates specified in Table 7. Employees on the Fire Prevention Bureau, the Training Officer, Deputy Chief, Aide to the Chief, Aide to the Deputy Chief, Master Mechanic and Assistant Mechanic shall be paid a yearly adjustment of \$2,177.00. Effective January 1, 1987, the yearly adjustment shall be \$2,657.

Employees on the Fire Prevention Bureau who are required to use their own automobiles in the performance of their duties, shall be granted an allowance, when transportation is not otherwise provided, of fifty- three (53) dollars per month as expenses, or such higher amount as is paid to other city employees who use their own automobiles in the performance of their duties.

Court Time

Members of the Bargaining Unit who are required to appear in court shall receive a minimum of three (3) hours pay as specified in Table 7; and each succeeding hour shall be at time and 1/2.

SPECIAL NOTES

Under the existing contract the following data should be noted:

- 25,000 overtime hours were worked Monthly average health and welfare cost was \$97.35/employee
- 934 personal days were taken, 800 personal days were paid
- 96 funeral leave days were taken 1230 non-duty related sick days were taken
- 603 non-duty related sick days were redeemed
- 407 duty-related sick days were taken
- 112 grievances were filed, 50 were processed.

REFERENCES

"Costing out in the Public Sector". Midwest Monitor (Bloomington, Indiana: May/June 1980).