

Editorial: Arbitrators Over Police, Fire Pay Should Consider Cities' Financial Condition

The Detroit News – Editorial – Monday, March 01, 2010

The good news is the Senate has quickly tackled one of the reforms being touted as a way to make government more efficient: adjustments in Public Act 312 -- which requires compulsory arbitration for police and fire pay disputes. But the bad news is that the bill has been botched.

The Senate-passed bill is under attack from the Michigan Municipal League because it leaves out a key reform ingredient cities want: a provision allowing arbitrators to consider a city's particular financial conditions when deciding the pay and benefits.

Before sending this package of reforms to Gov. Jennifer Granholm for her signature, lawmakers should fix that shortcoming by combining the Senate legislation with a pending House bill that makes this change in the law.

There are examples today of where these proposals could come into play and ease disputes. One is financially strapped Flint, where talks between unions and the city are at a standstill because Mayor Dayne Walling is asking police and firefighters to accept pay cuts and reduced benefits. The reductions would help resolve a \$8 million budget deficit without layoffs that would jeopardize public safety.

Municipal League officials say unaffordable pay and benefits and the financial squeeze from reduced state revenue sharing payments have resulted in manpower reductions. There are 2,400 fewer firefighters and 2,000 fewer police officers on Michigan streets than there were in 2001, the league says. Flint is threatened with the loss of 57 cops and 23 firefighters.

This issue revolves around current requirements for binding arbitration between municipalities and their public safety workers when there's a contract impasse. Binding arbitration is required because police officers and firefighters are forbidden to strike.

Included in PA 312 is a provision that, officials say, gets in the way of money-saving mergers that would share these protective services among more than one municipality. The provision requires that, when a merger takes place, police and firefighters be paid according to wages and benefits that were the most-generous among the participating communities.

The Senate-passed bills would allow police and firefighters to continue being paid at the same level until their existing labor contracts expired. The legislation also would add new limits on arbitration to shorten the process to an average of six months, down from a current average of 12 to 18 months.

Those are good changes, but the Municipal League sees the best chance for savings if arbitrators also could consider the affordability of pay and benefits sought by workers' unions. At Senate hearings, firefighter union officials said arbitrators already do consider affordability.

If that's true, why not make particular criteria part of the law? Municipalities struggling to balance their budgets shouldn't be saddled with unaffordable payrolls. The binding arbitration act is driving up the cost of government when revenues are falling. It is essential that it be modified to reflect economic reality.