



Senate Bill Pending in House Could Cause Local Government Costs to Climb

By TOM GANTERT | June 22, 2010

At a time when municipalities are being warned to prepare to make severe budget cuts, some are wondering how a Republican-controlled state Senate could pass legislation that makes local government more costly.

At issue is Senate Bill 1072, which is now being debated in the Democrat-controlled House of Representatives. The bill, critics say, expands which public safety groups can go before arbitrators in contract disputes involving Public Act 312. The bill was introduced by Sen. Randy Richardville, R-Monroe.

For example, the Brighton Area Fire Authority covers the city of Brighton, Brighton Township and Genoa Township. It has 100 on-call firefighters who are not unionized.

If the Senate version of the bill is passed by the House, those Brighton area firefighters could unionize and be eligible for binding arbitration. That's a concern because many administrators believe arbitrators look more toward compromise than a city's ability to pay increased compensation.

For example, in February 2009, an arbitrator ruled that the city of Ann Arbor must pay its largest police unions retroactive raises dating back to 2006. Some of the raises were as high as 3 percent. Yet in December, the city learned it was facing an \$8 million deficit over the next two years — not including the \$1.5 million the retroactive raises would cost the city.

Not only did the Republicans expand those eligible for binding arbitration, they also voted down an amendment that would have given arbitrators more guidance on taking municipalities' finances into consideration before making rulings.

Bill Anderson, the legislative liaison for the Michigan Townships Association, said the talk in Lansing is about creating reforms.

"Now, we are looking at a bill that is going to increase costs," Anderson said. "That is the concern. I'm not going to say it is the end of the world. What is the most frustrating is when people say, 'Oh. You have to cut your costs.' And then all of a sudden, you are just throwing up more barriers and adding more costs."

How'd this happen?