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STATE OF MICHIGAN
MICHIGAN EMPLOYMENT RELATIONS COMMISSION
COMPULSORY ARBITRATION PURSUANT TO ACT 312
MICHIGAN PUBLIC ACT OF 1969 AS AMENDED

CHARTER TOWNSHIP OF CANTON

MERC ACT 312
Case No. D91 D0886

CANTON TOWNSHIP FIRE FIGHTERS
LOCAL 2289 IAFF AFL-CIO

ARBITRATION PANEL:

Jerry Raymond
Arbitration Panel Chair

Daniel Durack
Union Designee

Ronald R. Helveston
Union Designee

APPEARING ON BEHALF OF THE PARTIES

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Appearing on Behalf of the
Employer

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Appearing on Behalf of the
Union

**REPORT, ACTIONS AND RULINGS
ACT 312 ARBITRATION PANEL**

**CANTON TOWNSHIP FIRE FIGHTERS
Association Local 2289 IAFF AFL-CIO**

and

**MERC Act No. 312
Case No. D910D0886**

CHARTER TOWNSHIP OF CANTON

Panel Members

**Jerry Raymond - Chair
Daniel Durach - For the Township
Ronald L. Helveston - For the Union**

Hearings pursuant to Public Act 312 of Public Act of 1969 as amended were held Tuesday, September 22, 1992, Wednesday, September 23, 1992, Wednesday, September 30, 1992, Wednesday, October 7, 1992, Thursday, October 8, 1992, at the Conference Room, Canton Township Public Library, commencing at 10 o'clock a.m. and concluding at 4/4:30 o'clock each respective day.

Union Issues

In filing its Petition for Arbitration with M.E.R.C. the Union listed the following issues:

1. Wages
2. Pensions
3. Sick Leave Payout
4. Longevity
5. Holiday pay
6. 40 hour personal
7. EMT Allowance
8. Retirees Life Insurance
9. Dental

Township Issues

The Township submitted the following issues:

1. Time to give discipline
2. Promotions
3. Health Insurance
4. Retirees Health Insurance
5. Employees Future
6. Training Schedule/Work Schedule

In addition, the Township responded to the original Petition for Arbitration as follows:

In event all previous tentative agreements are not agreed to, the following issues shall be before the Arbitration Panel

7. Use of past records
8. EMT Schedules
9. Work restrictions Article XVII, Section 2).
10. Uniforms

During the course of the Hearings, the Township and the Union did stipulate that all of the aforementioned tentative agreements between Canton Township and Local 2289 IAFF had been agreed to by both parties and further that the agreements on such issues should be included as part of the final opinion and order of the Arbitration Panel.

The parties did stipulate that the issues as listed above were all and the only issues which would be before the Arbitration Panel.

The parties did further stipulate that all issues before the Arbitration Panel would be considered as Economic Issues and that accordingly no non-economic issues would be before the Panel.

At the Commencement of the Hearings the parties did stipulate that the statutory time limit would be waived. Each respective party did so stipulate.

The following witnesses testified on behalf of the respective parties:

Witnesses appearing for
Fire Fighters Association

Jim Davison
Agnes Spitzer
Claude Gersky
John Bartle
Charles Monroe
Robert Reynolds
Thomas Davison

Witnesses appearing for
Township of Canton

Daniel Durack
Michael Rorabacher
John Santomauro

The Panel Chair had before him the transcript of record of hearings consisting of five volumes as follows:

Volume 1 - Tuesday, September 22, 1992 - 190 pages
Volume 2 - Wednesday, September 23, 1992 - 201 pages
Volume 3 - Wednesday, September 30, 1992 - 177 pages
Volume 4 - Wednesday, October 7, 1992 - 245 pages
Volume 5 - Thursday, October 8, 1992 - 136 pages

The transcripts were made and certified to by Leonard R. James, Official MERC Reporter.

The last offers of settlement of the parties were received, October 30.

Volume 5 of the transcript of record was received from the Court Reporter on November 17, 1992.

Briefs of the respective parties were filed on December 17, pursuant to prior agreed schedule.

Your Arbitrator met with members of the Panel, in executive session on January 28, 1993, so that he might have the benefit of their input on each of the issues prior to making his report and rulings.

The following exhibits were made a part of the record:

1. Joint Exhibits

- J1A Collective Bargaining Agreement-City of Dearborn Heights in 3 parts (1. 1989-92 Contract) (2. Summary tentative 1992 Contract) (3. 1992-1996 Contract)
- J1B Master Agreement-City of Madison Heights - 1991-1994
- J1C Agreement-City of Roseville - 1992-1995
- J1D Agreement-City of Royal Oak - June, 1989 - May, 1992
- J1E Agreement-Shelby Township-Expires December, 1994
- J1F Agreement-West Bloomfield Township-Expires December, 1992
- J1G Agreement-Township of Ypsilanti - 1989-1991
- J2 Agreement between Canton Township and Local 2289 IAFF - to be included as part of the final Arbitration Ruling.

Township Exhibits

- E1 1988-1992 Number of Fire & Rescue calls
- E2 Fire Division Inquires - 1990-1991-1992
- E3 Legislative Bulletin - 10 pages
- E4 Comparable Community Percentage of Wage Increases 1990-1994
- E5 Wages - Comparable
- E6 Salary Increases to other Canton Township employee groups
- E7 Newspaper Reprint
- E8 Canton Township Employee Salary Increases 1982-1990
- E9 Average Wage Increases - Comparable's - Township Proposal
- E10 Comparable's - Fire Fighters base wage
- E11 Current Wage rates - Comparable
- E12 Holiday Pay - Comparable
- E13 Longevity Pay - Comparable
- E14 EMT Allowance - Comparable & Canton Township
- E15 EMT Bonus - Canton Township
- E16 Sick Leave
- E17 Sick Leave - Comparable
- E18 Sick Leave - 7/1/82 - 6/30/85
- E19 Sick Leave Payout
- E20 Retirees Life Insurance - Comparable's & Canton Township
- E21 Memo from W. Bloomfield Township
- E22 Memo from Shelby Township
- E23 Inter Office Communication - Re: Fire Fighters Budget
- E24 Promotions - Comparable's - Canton Township
- E25 Promotions - Method - Other CT groups
- E26 Reprint - re: Promotions
- E27 Employee Pension Contributions - Comparable's & CT
- E28a Retirement
- E28b Seniority List
- E29 Conditions of Normal Retirement - other CT Employees
- E30 Display of Retirement Accounts
- E31 Display of Retirement Accounts
- E32 Pension Contributions
- E33 City of Madison Heights - Police & Fire Retirement
- E34 Shelby Township - Police & Fire Retirement
- E35 Township of Ypsilanti - Police & Fire Retirement
- E36 Summary of Comparable's - 1992 - Budget
- E37 Memo - Dan Durack to President TPOAM - with attachments
- E38 Act 312 Arbitration Award - Canton Township - Police Officers - 1992

- E39
- E40 Health Insurance - Comparable's & City
- E41 Blue Cross/Blue Shield - Monthly premiums - 1987 through 1992
- E42 1987-1992 Blue Cross Monthly
- E43 M Care
- E44 Care Choices Health Plan
- E45 Additional Benefits
- E46 Comprehensive Major Medical
- E47 Canton Township Number of Employees in - Number Covered by Blue Cross
- E48 Dental Comparable's & Canton Township
- E49
- E50 Employees Fitness Program
- E51 Fitness Program

Union Exhibits

- U1 Statement of Township - Address by Thomas Yack
- U2 Population Area Comparable's
- U3 Population Growth (decline)
- U4 Issues - Current & Proposed
- U5 Seniority List
- U6 Agreement - 7/1/89 - 6/30/91
- U7 Annual Financial Report ending 12/1/91
- U9 Reserved
- U10 Canton Township Budget 1992
- U11 Newspaper Reprint - September, 1992
- U12 Newspaper Reprint - March, 1992 - Canton place to be
- U13 Reprint - Letter from Thomas Yack
- U14 Reprint - December, 1991 - Update on Industry
- U15 Business Briefing - 4 pages
- U16 Despite Recession, Canton Township Expanding Growth
- U17 New & Proposed Residential Developments
- U18 Community News - January, 1992 - Have Sales Booming
- U19 Canton - Officials get 7% Raise
- U20 Canton Grows Despite Recession
- U21 Dream Project to Break Ground
- U22 Report 1991 Fire Fighter Fatalities
- U23 Estimate of Probability - Job Related Deaths - 347 Occupants
- U24 How dangerous is your job
- U25 Psychological Stress of Fire Fighters
- U26 Stress Research - 17 pages
- U27 Canton Township Fire Department Monthly Report - December, 1990
- U28 Statistical Data Report - Public Safety

U29 Canton Township Fire Department - Monthly Report
 June, 1992
 U30 Job Descriptions
 U31 Apparatus Response - Operational Policy
 U32 Driver Apparatus Qualifications
 U33 Major Incident
 U34 Apparatus Pump Operation
 U35 Letter to Residents
 U36 Fire Fighters Employed 7/1/88 - 6/30/91
 U37 Current Salaries - 7/1/90
 U38 Salary Survey - Comparable's
 U39 Base Wages - 1990 - Comparable's
 U40 Base Wages - 1992 - Comparable's
 U41 Comparable's - Wage Rates Amount Above or Below
 Canton Township
 U42 Total Cash Compensation - 5 Year Fire Fighter
 U43 Total Cash Compensation - 10 Year Fire Fighter
 U44 Total Cash Compensation - 15 Year Fire Fighter
 U45 Total Cash Compensation - 20 Year Fire Fighter
 U46 Total Cash Compensation - 25 Year Fire Fighter
 U47 Holiday Pay Comparable's
 U48 Holiday Payment Comparable's
 U49 Holiday Pay Comparable's - Amount - Above-Below CT
 U50 Holiday Pay - Contract Provision
 U51 Holiday Pay - Dearborn Heights
 U52 Holiday Pay - Madison Heights.
 U53 Holiday Pay - Roseville
 U54 Holiday Pay - Royal Oak
 U55 Holiday Pay - Shelby Township
 U56 Holiday Pay - W. Bloomfield Township
 U57 Holiday Pay - Ypsilanti
 U58 Longevity Pay Provisions - Comparable
 U59 Longevity Payments - Comparable
 U60 Longevity Payments - 20 Year Fire Fighter -
 Comparable's
 U61 Canton Township Wages - Start - 3 Years - 5 Years
 U62 Dearborn Heights - Longevity 5-20 Years
 U63 Madison Heights Longevity
 U64 Roseville Longevity
 U65 Royal Oak Longevity
 U66 Shelby Township Longevity
 U67 W. Bloomfield Township Longevity
 U68 Ypsilanti Longevity
 U69 Command Risks
 U70 Reducing Risks
 U71 Department of Public Health - Ambulance Operation

U72 Aids - Related Knowledge - Precautions
 U73 Infectious Disease - Exposure Policy
 U74 Vehicle Maintenance Sheet
 U75 Automatic Defibrillator Check Sheet
 U76 Preliminary Decedent Report
 U77 Automatic Defibrillation Report
 U78 Department Report & Billing
 U79 Ambulance Basic Run Report
 U80 Annual Rescue Runs - 1982-1992
 U81 Emergency Medical Response History
 U82 Emergency Medical Response Bonus Provisions
 Comparable's
 U83 Annual Emergency Medical Response Bonus
 Comparable's
 U84 Sick Leave Payout Upon Separation - Comparable's
 U85 Sick Leave Accrual and Payout - Comparable's
 U86 Sick Leave Accrual and Payout Canton Township
 U87 Sick Leave Payout - Dearborn Heights
 U88 Sick Leave Payout - Madison Heights
 U89 Sick Leave Payout - Roseville
 U90 Sick Leave Payout - Royal Oak
 U91 Sick Leave Payout - Shelby Township
 U92 Sick Leave Payout - W. Bloomfield Township
 U93 Sick Leave Payout - Ypsilanti Township
 U94 Retirees Life Insurance - Comparable's
 U95 Arbitration Award - Canton Township Police - 1982
 U96 Act 312, Arbitration Award - 1982 Canton Township
 - POAM (Union)
 U97 1975 Letter re: Contract Offers
 U98 Article X Layoff & Recall for 76-77 Contract
 U99 Article 10 from 78-80 Contract
 U100 Layoff & Recall from 80 to 82 Contract
 U101 Daily Observation Report
 U102 Rating Report
 U103 Canton Township Civil Service Commission Test
 Results 1977
 U104 1978 Seniority List
 U105 1979 Chair of Command
 U106 Probationary Fire Fighters Training Program
 U107 Daily Responsibility & Guidelines
 U108 Promotion Survey - Comparable's
 U109 Promotion Systems - Comparable's
 U110 Seniority is Healthy (Reprint)
 U111 City of Detroit Fire Fighters - 1969 Arbitration
 Award
 U112 City of Detroit Fire Fighters - 1980 Arbitration
 Award
 U113 Fire Prevention - Promotion - Fire Marshal
 U114 Retirement Plan
 U115 Pension System Survey - Comparable's

- U116 Retirement Eligibility
- U117 Retiree Health Insurance Eligibility
- U118 Employers Pension Contributions - Comparable's
- U119 Compensation Upon Which Pensions are Based Comparable's
- U120 Michigan Public Employee Retirement Act
- U121 Fire Fighters Present Retirement Act
- U122 Projected Account Balance - 15% Contribution
- U123 Township Building Permits Issued - Occupancies Issued
- U124 1992 Budget Approved
- U125 Canton Observer - Township Bucks Building Slump
- U126 Reinvested Accounts
- U127 Township Costs Between 25 Year Fire Fighter and New Hiree Fire Fighter
- U128 Blue Cross/Blue Shield Benefits
- U129 Blue Cross/Blue Shield Master Medical
- U130 Blue Cross/Blue Shield Benefits at a Glance
- U131 Proposed CMM Insurance - Number of Employees covered
- U132 Township Proposed Health Insurance - Internal Comparable's
- U133 Blue Cross/Blue Shield Preferred Plan
- U134 Prescription Drug Benefit Certificate
- U135 Cost Sharing Alternatives
- U136 Union Counter Proposal
- U137 Health Insurance Coverage - Union Offer
- U138 Survey of Dental Plus - Comparable's
- U139 Employee Fitness Program

In addition to the five (5) volumes of transcript of record of hearing and the exhibits, Joint, Township and Union, both parties submitted Brief's in support of their respective positions. The Canton Township Brief is 51 pages and the Fire Fighters Brief is 55 pages.

At all times, both on and off of the record, your Arbitrator advised the parties that in considering any exhibits, either of the principals or from the agreed Comparable Communities, nothing would be taken out of context. Your Arbitrator stressed, that a contract or agreement between a Governmental entity and a Union was one agreement and that accordingly, the contract had to be considered as a whole. No individual provision of a contract would be considered alone.

Though a contract might provide substantial or lesser benefits in a particular category - i.e., wages, holiday, pensions, etc., other contract provisions might offset or make up for what appeared as an advantage or disadvantage, when standing alone. To consider the "highs" of a contract without considering the offsetting "lows," or visa versa would be considering something that does not exist. No part of a Contract is an agreement standing on its own. Accordingly, contracts of Comparable Communities have each been considered as entire documents.

The Panel Chair has reviewed and considered each of the exhibits as presented by the respective parties. In addition, consideration has been given to the testimony of each witness. Consideration, of the exhibits and of witnesses testimony was made in light of the source. Everything was not given the same weight. Where an exhibit or testimony of a witness was mere puffing or the personal opinion of a non-expert witness, such exhibit or testimony was not given the same weight, as for example, a joint exhibit or a statement against interest.

When self-serving testimony or an exhibit not subject to cross examination was offered, such testimony or exhibit was considered for what it was worth.

The hearing procedures and these findings of the Arbitration Panel Chair are governed by the Rules and Provisions of Public Act 312, 1969 as Amended. The Rules provide that Hearings are not to be conducted under the strict rules of evidence which would apply in both civil and criminal trials. Accordingly, at the hearings, with few exceptions, all testimony and exhibits were admitted into evidence. In addition to well founded and documented testimony and exhibits, some of the testimony was mere hearsay and some of the exhibits were not subject to cross examination, i.e., newspapers reprints, opinions of non experts, etc. Nevertheless, they were all admitted into evidence. Your Arbitration Panel Chair has considered all of it, giving proper weight to the well founded.

Subsection (d) of Section 9 of Act 312 provides that the parties shall make a comparison of the wages, hours and conditions of employment of other employees performing similar services in Comparable Communities .

Pursuant to this provision the parties did stipulate that Dearborn Heights, Madison Heights, Roseville, Royal Oak, Shelby Township, West Bloomfield Township and Ypsilanti Township as the Comparable Communities for this purpose. Joint Exhibit 1 lists the Comparable Communities and Union Exhibit 2 shows the population of each of the communities as well as the area of each community. The population of Canton Township, as shown in 1990, was 57,040 with an area of thirty six (36) square miles; Dearborn Heights with a population of 60,838, and an area of 11.7 square miles, Madison Heights, 32,196 population, area 7.2 square miles, Royal Oak, 65,410 population, area 11.8 square miles and Roseville population 51,412, with an area of 9.8 square miles. Though the population of those four (4) communities are comparable to that of Canton Township. Your Panel Chair notes that the area covered in each instances is substantially less. the remaining three (3) comparable's, are Shelby Township with a population of 48,655 and an area of 34.7 square miles, W. Bloomfield Township, a population of 54,516, with an area of 27.3 square miles and Ypsilanti Township, population of 45,307, area of 30.2 square miles. While these three (3) Townships have an area in close proximity to that of Canton Township only Canton Township has a square mile area which covers the entire geographical Township, namely thirty six (36) square miles.

The Township and the Union have both submitted Exhibits giving additional information regarding Canton Township and the agreed Comparable Communities on all of the issues, namely wage increases, average wages, current wages, holiday pay, longevity pay, EMT allowance, sick leave, retirees life insurance, etc. The Exhibits are as set forth previously in this report and will be referred to from time to time by your Panel Chair in his opinion.

Section 423.239 of Public Act 312, 1969 as amended provides as follows:

"----- the Arbitration Panel shall base its findings, opinions and order upon the following factors, as applicable:

- (a) The lawful Authority of the employer.
- (b) Stipulations of the parties.
- (c) The interests and welfare of the public and the financial ability of the unit of government to meet those costs:

- (d) Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally:
 - (i) In public employment in Comparable Communities.
 - (ii) In private employment in Comparable Communities.
- (e) The average consumer prices for goods and services, commonly known as the cost of living.
- (f) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
- (g) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- (h) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

These are the controlling factors upon which the Arbitration Panel must base its findings. However, Section 423.238 of Act 312, 1969 as amended limits the authority of the Arbitration Panel in making its findings, opinions and order. Section 423.238 provides as follows:

423.238 Identification of economic issues in dispute; submission and adoption of settlement offers; findings; opinion, and order (Underscoring below added.)

Section 8. At or before the conclusion of the hearing held pursuant to Section 6, the arbitration panel shall identify the economic issues in dispute, and direct each of the parties to submit, within such time limit as the panel shall prescribe, to the arbitration panel and to each other its last offer of settlement on each economic issue. The determination of the arbitration panel as to the issues in dispute and as to which of these issues are economic shall be conclusive. The arbitration panel, within 30 days after the conclusion of the hearing, or such further additional periods to which the parties may agree, shall make written findings of fact and promulgate a written opinion and order upon the issues presented to it and upon the record made before it, and shall mail or otherwise deliver a true copy thereof to the parties and their representatives and to the employment relations commission. As to each economic issue, the arbitration panel shall adopt the last offer of settlement which, in the opinion of the arbitration panel, more nearly complies with the applicable factors prescribed in Section 9. The findings, opinions and order as to all other issues shall be based upon the applicable factors prescribed in section 9. This section as amended shall be applicable only to arbitration proceedings initiated under section 3 on or after January 1, 1973 (Underscoring added).

Accordingly, it should be noted that under this restrictive rule, the findings and order of the Arbitration Panel Chair and of the Arbitration Panel may not be what they otherwise would have concluded and ordered. Left to choose only between the last offers of the two parties, the Arbitrator Chair is often faced with choosing between: 1. "Not enough," based upon the testimony, exhibits, comparable, and guidelines, and 2. "Somewhat excessive." Under such circumstances the conclusion of the Arbitrator is not really based upon his finding of fact, but rather, in his opinion, which of the two final offers is less far afield.

Sometimes a party in Act 312 proceedings, sometimes it is the Union, sometimes it is the Employer, presents a good case in support of its position, but drops the ball in making its last offer of settlement. Its last offer cannot be adopted by the Arbitration Panel Chair, because in his opinion it is more far afield from the guidelines set forth in Section 9, than the last offer of settlement made by the other party. Though neither offer may really be of the Arbitrator's liking.

When that occurs the Arbitration Panel Chair may have no choice but to adopt a last offer of settlement, which substantially differs with his own conclusions.

The ability of the Canton Township to grant wage increases and other contract changes as proposed by the Union has not been placed at issue. The fiscal policy of Canton Township is unique in that the entire funding of the Fire Department including Fire Fighters compensation in all forms, fire stations, fire equipment and maintenance, everything is financed through two (2) fire department special assessments. One for operation, the other for capital improvements. No money whatsoever comes from the Township General Fund. Resulting surpluses, coupled with administration efficiency has enabled the Township to accrue a substantial Fire Department Reserve Fund.

An impressive example of Canton Township's financial planning is the upgrading of two existing fire stations and the purchase of new fire fighting engines and other equipment at a cost of almost a million dollars. Testimony at the hearing revealed that the primary purpose of the Fire Department Capital Special Assessment fund is to expand fire protection by constructing a third fire station. Your Panel Chair has referred to this mode of financing as unique because what it means is, unlike many communities, Canton Township does not go into debt to finance its capital improvements. No revenue is used to pay interest on bonds. Revenue is used to build fire stations and to purchase equipment.

In addition to the Fire Department Capital Special Assessment Fund, the fire department is financed by a Fire Department Operation Special Assessment. Compensation to Fire Fighters, in every form, including administrative personnel comes from this fund, except that Fire Fighters do contribute 5% of their wages to partially finance their pension plan. Except for the police department, all other Township departments and services including employees wages and benefits come out of the Township General Fund. All of this is well set forth in the Township budget. No money from the General Fund is allotted to the Fire Department.

Section 9 (f) of Act 312 as Amended sets forth not only what the Arbitration Panel and particularly, the Panel Chair, shall consider in making its findings, opinions and Order, but it also sets forth how those factors shall be considered. It provides, that the Panel shall base its findings on:

Section 9 (f) The overall compensation presently received by the employees, including direct wage compensation, vacation, holiday and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits recorded (underscoring added).

Your Arbitration Chair notes that the Act does not provide that he should consider each benefit standing alone, ignoring all other forms of compensation, even though when taken as a whole the benefits received by the employees may be either good or not so good.

Your Panel Chair notes that there are thirty-five (35) persons in the bargaining unit, including a Fire Marshall and Fire Inspector and that this number has remained rather constant.

Further, your Chair has been made aware of the substantial new commercial and residential development of the township. He also notes that during the past 10 years, Canton Township population has increased 17+%. This increased population and the new commercial and residential developments can only result in additional responsibility for the Fire Department with constant person power.

The parties have stipulated that the contract would run for a period of three (3) years.

The parties further stipulated that for this purpose the issue of wages would be considered as three (3) separate issues namely: Wages - 1991, Wages - 1992, Wages - 1993 and were to be ruled upon as such.

Union Exhibit 5 and Township Exhibit 28B (Seniority Lists) both show that there are thirty five (35) Fire Fighters in the bargaining unit. That as of January 1, 1993, five (5) Fire Fighters have twenty one (21) years seniority, thirteen (13) additional Fire Fighters have more than fifteen (15) years seniority but less than twenty (20) years. Ten (10) more Fire Fighters have more than five (5) years seniority and four (4) more Fire Fighters will join the five (5) year ranks sometime prior to June of this year. Currently, only three (3) Fire Fighters have less than five (5) years of service.

Canton Township Fire Fighters are all State EMT certified. That means they have completed about 180 hours of special training including hospital emergency room and training on an advanced life saving unit and then have passed a state certification test.

In their final offers both the Township and the Fire Fighters have proposed a wage increase of 5% effective July 1, 1992. According, only the basic wage issue effective 1991 and the basic wage issue effective 1993 remain in dispute.

Canton Township maintains a general fund balance of more then 40% of its actual expenditures. In addition, the Township maintains a fund referred to as the "Civic Center" or "Center Fund" which Supervisor Tom Yack predicts should be approximately 5.5 million to 6 million dollars within a year.

Now my comments on the financial stability of Canton Township should not be taken as a criticism in anyway. On the contrary, the fact that the Township Supervisor, Trustees and the Administrative personnel of the Township have been able to achieve this financial stability while maintaining good services with a millage rate of only nine (9) mills is most commendable indeed.

However, the financial stability of the Township, maintained with an acknowledged low millage rate carries with it, the obvious conclusion that this Township does have the financial ability to meet reasonable compensation demands of its employees. Witnesses on behalf of the Township have acknowledged that in the past the Township may not have met that obligation. Accordingly, what the Arbitration Panel and particularly the Panel Chair must look at is not only what percentage of increase was given in Comparable Communities and internally in 1991 or 1992, but where do these fire fighters start from? The issue is how does their overall compensation compare with the Comparable's and particularly with the growing Comparable's those like Canton Township with a good financial bases and an apparent bright future.

Your Panel Chair has reviewed the contracts covering Canton Fire Fighters and the contracts covering other Canton Township employees, and notes that Fire Fighters work twenty four (24) hour shifts. That is, they start at 8:00 a.m. one day and work through midnight continuing on until 8:00 a.m. the following day. This results in an average of

a fifty six (56) hour on the job week, or 2,912 hours per year. All other Township employees including the Police work a forty (40) hour week or 2,080 hours per year. When other employees work in excess of forty (40) hours per week they receive additional compensation at a higher rate than their regular hourly rate, or compensatory time off. Unlike all other Township employees, Fire Fighters do not have time off on holidays. If a holiday is a scheduled work day for a Fire Fighter the day is worked. Fire Fighters receive a lump sum annual payment in lieu of holiday pay.

These differentials in work arrangements plus the fact that the financing of all Fire Department expenses comes from the Fire Department Special Assessment with no monies coming from the general fund separates the Fire Fighters from the rest of the Township employees. The hours of work, holiday pay and other compensation for Fire Fighters differs to such an extent from that for other Canton Township employees, that to use them as Comparable's would be like comparing apples and vegetable soup.

Union Exhibit 39 shows that the base wage of Canton Township Fire Fighters after three (3) years of service, as of 7/1/90, is \$34,618. This places Canton Township base pay at 2.1% above the average base pay paid in the eight (8) comparable's. Union Exhibit 38 reflects increases in base pay through July 1, 1993 and beyond in the comparable's. Though we are concerned with years 1991 through 1993 we cannot avoid being aware of increases in base pay already agreed to for continuing years in Dearborn Heights and Shelby Township.

Union Exhibit 41 shows the current (1992) base rate paid in comparable's setting forth the amount and percent above Canton Township Fire Fighters base pay as \$3,867.00 or 11.2% in Shelby Township as the highest, to the low of \$36,279.00 or \$1,661.00 or 1.8% above Canton, paid in Dearborn Heights.

The only exception being the less financially fortunate, Ypsilanti Township where the base pay is \$1,742.00 or 5.3% below base pay in Canton Township.

Your Panel Chair notes, as shown in Union Exhibit 42, that added to the base pay in Dearborn Heights is an annual FICA reimbursement of 6.7% or approximately \$2,560 a year for a four (4) year Fire Fighter. When this reimbursement is added to the base pay in Dearborn Heights the resulting figure puts Dearborn Heights pay at \$4,221 above Canton

Township. If you add in the \$500 EMT payment applicable to all Canton Township Fire Fighters to their base pay you still come up with Dearborn Heights having a base pay of \$3,721 above that paid to Canton Fire Fighters.

Your Panel Chair also notes, as shown in Union Exhibit 42, that there is a \$1,783 per year shift differential paid in Roseville and \$728 cost of living adjustment paid in Madison Heights, none of which are reflected in the base pay in those communities, but which payment your Panel Chair cannot overlook. It appears that those additional compensations are not included in calculating the base wages in those communities because of their affect on other benefits, i.e. - pensions and holiday pay.

Your Arbitration Chair has paid particular attention to the Township brief in support of its position. In the Township brief, in discussing wages, an effort is made to isolate base wages and to ignore all other benefits paid. Would your Panel Chair be fair if he ignored the additional payments paid in Dearborn Heights, Shelby Township and Madison Heights, certainly not, nor would he be fair if he ignored the \$500 EMT payment made available to all of Canton Township employees. Though your Panel Chair may have his own ideas as to the amount of or percent of wage increase which should be granted to Canton Township Fire Fighters based upon the testimony and the exhibits, he is restricted by the rules set forth in Section 9 of the Act. Subsection (f) says he shall consider the overall compensation presently received by the employees including direct wage compensation, vacation, holiday and other excused time, insurance, pensions, etc., etc. That is what he has done.

At all times, both at pre-hearing conferences and in five (5) days of hearings, your Panel Chair has again, and time again, repeated "nothing stands on its own." Contracts will be considered in their entirety. A low payment for one benefit may be more than offset by substantial benefit elsewhere. Each community has special circumstances. Accordingly, some communities place greater importance on one form of compensation as against another.

Your Panel Chair further notes that the Township brief does not appear to compare comparable's as he reads the guidelines set forth in Section 9 of the Act.

Subsection (d) provides:

Comparison of wages, hours and conditions of employment of the employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees performing similar services and other employees generally.

The guidelines makes no specific reference to percentage of wage increases given in other communities. Subparagraph (d) refers to wages, hours and conditions of employment, etc. Subparagraph (f) says "the overall compensation presently received, including wages, vacation, holiday pay, etc. Perhaps the percentage theory is applicable under Subsection (h) which says that the Panel shall consider:

Such other factors not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours, and conditions of employment through voluntary collective bargaining, mediation, fact finding, arbitration, etc.

Your Panel Chair has considered the percentage of wage increases granted in other communities. However, he has given the percentage theory somewhat less weight than the dollar amounts and the overall compensation received by Canton Township Fire Fighters as compared with the overall compensation received by Fire Fighters in the Comparable Communities.

The last offer of settlement of Canton Township regarding wage increase, is as follows: Section to be revised with wage tables to show the following increases:

- a. 7/1/91 - 6/30/92 = 4% increase
- b. 7/1/92 - 6/30/93 = 5% increase
- c. 7/1/93 - 6/30/93 = 4% increase

The last offer of settlement of the Fire Fighters Local 2289 with respect to wages is given as three (3) separate offers, as follows:

The Union proposes to modify Article 11, Section 1, of the collective bargaining agreement between the parties to provide the following across-the-board increase for all classifications at each step.

Effective July 1, 1991 - 6%

The Union proposes to modify Article 11, Section 1, of the collective bargaining agreement between the parties to provide the following across-the-board increases for all classifications at each step.

Effective July 1, 1992 - 5%

The Union proposes to modify Article XI, Section 1 of the collective bargaining agreement between the parties to provide across-the-board increased for all classification at each steps.

Effective July 1, 1993 - 6%

Your Panel Chair has reviewed the exhibits as submitted by the Township not only regarding wage increases but as to all issues. Your Arbitrator has read and reread the Township briefs. It is impossible to ignore Township Exhibit 6, which sets forth salary increases granted or negotiated with other Township employee groups, both Union and Non-Union. Your Panel Chair cannot avoid noting wage increases granted to clerical employees, AFSCME employees, which includes public works, employees etc., and to non-union employees. The increases for those categories in 1991 was 5%. The police command, for what ever reason received 6% in 1991. Your Panel Chair cannot avoid noting that even the individuals who testified as witnesses on behalf of the Township, as Non-Union employees, they too received 5% wage increases in 1991. Percentage increased granted to other Township employees are not viewed as comparable's. However, the fact the payments were made, the fact that the Township did grant a greater percentage base wage increase to all other employees then they offer to their Fire Fighters, cannot be completely ignored.

Somewhere earlier in this opinion, reference is made to instances in which a good case may be made but the ball is dropped when making the last offer of settlement. If left to his own view, based on upon the facts as presented both in testimony and in exhibits presented by both parties, your Panel Chair would be inclined to award a 5% increase in each of the three (3) applicable years. However, the rules do not allow him to hold what he would otherwise hold. In the opinion of your Arbitration Panel Chair, based upon the exhibits presented and the testimony of witnesses, this is an instance in which the Township dropped the ball.

As to the issue of wages effective July 1, 1991, your Panel Chair finds that the last best offer of the Union more nearly complies with the applicable factors described in Section 9. Accordingly, the Panel Chair adopts the final offer of the Union for 1991 as follows:

Wages - Article XI, Section 1, Economic

The Union proposes to modify Article 11, Section 1 of the collective bargaining agreement between the parties to provide the following across-the-board increase for all classifications.

Effective July 1, 1991 - 6%

As previously provided the parties have made their last best offer regarding wages effective July 1, 1992. Both parties have acknowledged, in their briefs, as a matter of fact prior thereto, that each of them was proposing a 5% increase in base wages effective July 1, 1992. However, though they are in accord in their offers, the offers have not come to your Panel Chair as a stipulation of the parties but rather as two (2) identical offers thereby requiring your Panel Chair to make his final decision.

Without further review of the facts, except to state that the 5% basic wage increase proposals is well founded and accordingly, the Panel Chair does adopt the last best offer of the Township as follows:

Wages: Using the Township wording. - "Revise Article XI, Section 1, to show the following wage increase - 7/1/92 through 6/30/93 - 5%"

Your Panel Chair has found it difficult to conclude which offer of the parties regarding basic wage increase effective July 1, 1993 should be adopted. Overall the inequity is substantial. He again looked at all of the issues which will comprise the complete contract. A review of the last offers of settlement of other issues made by Township offered little to correct this inequity.

In Pensions Retirement Eligibility, the Township offer is status quo.

In Pensions Employer Contribution, the Township offer is status quo.

In Sick Leave Payout, the Township offer is status quo.

In EMT Allowance, the Township offer is status quo.

In Retiree Life Insurance, the Township offer is status quo.

In Dental Insurance, the Township offer is status quo.

It must be said though, as to those specific issues, if each issue was standing alone, the status quo offer may be well founded. If each was standing alone in the opinion of your Panel Chair, it more nearly complies with the applicable factors described in Section 9, then the last offer of the Union on like subjects. This however still left your Panel Chair with a fact he could not overlook. The overall compensation paid to Canton Township Fire Fighters is substantially below the overall compensation paid to fire fighters in the Comparable Communities. That is, except for Ypsilanti Township, which your Panel Chair had difficulty accepting as a good comparable.

Accordingly, as to wage increases effective July 1, 1993, it is the opinion of your Panel Chair that the last best offer regarding wage increases effective July 1, 1993, which more nearly complies with the applicable factors described in Section 9 is the last best offer made by the Union. Accordingly, your Panel Chair adopts the last offer of settlement of the Union as follows:

The Union proposes to modify Article XI, Section 1, of the collective bargaining agreement between the parties provide the following across-the-board increase for all classifications at step 1, effective July 1, 1993, 6%.

Holiday Pay

The next issue to be considered is Holiday Pay. It is most difficult to compare holiday pay received by Canton Township Fire Fighters, which currently is a flat rate of \$1,483 for all Fire Fighters, with the Holiday Pay for Fire Fighters in the Comparable Communities. In all Comparable Communities the holiday pay is based on the base wage paid to the Fire Fighters. The Township, in its brief,

acknowledges that the Holiday Pay paid to Canton Township Fire Fighters is currently somewhat less than the holiday pay received by Fire Fighters in Comparable Communities.

In making their last offer of settlement regarding Holiday Pay, neither the Township or the Union propose to change the Holiday Pay for the year 1991.

The Union proposal is to increase Holiday Pay effective July 1, 1992 to a flat sum of \$2,000 for all Fire Fighters and to \$2,100 effective July 1, 1993.

Union Exhibit 47 shows that the Holiday Pay in the comparable's is different in each community and that none of them apply the lump sum for all formula. Union Exhibit 48 lists the amount of Holiday Pay paid in each of the comparable's applying their respective formulas. Union Exhibit 48 also gives an average of Holiday Pay paid and reflects a 52.5% deficiency in Canton Township Holiday Pay when using the \$1,483 lump sum holiday payment. However, the Union Exhibit fails to adjust the Holiday Pay paid in the comparable, Royal Oak. It appears that Royal Oak includes seven (7) personal days as part of their Holiday Pay. Canton Township lists personal days as a separate benefit which is not included in Holiday Pay. Deducting the personal days from Royal Oak's holiday pay which is reflected at \$3,305, the correct Holiday Pay figure for Royal Oak appears to be \$1,525. It also appears that the figures for Roseville, Ypsilanti Township and Madison Heights may include additional sums for assumed time worked.

Your Panel Chair must conclude that though the Unions Holiday Pay Exhibits may be correct, they do not truly reflect the holiday payments made in some of the Comparable's

The last best offer of the Union re: Holiday Pay is as follows:

Section 8 - Holiday Pay

In lieu of Holiday Pay as such each full time fire fighting employee will be granted a yearly cash settlement of \$1,483. Effective July 1, 1992 this entitlement will be increased to \$2,000, and effective July 1, 1993 this entitlement will be

increased to \$2,100. This shall be paid in the last pay of November of each year. In the event that it is necessary to pro-rate an employee's Holiday Pay, it shall be pro-rated as defined in Article 13, Section 6.

The last best offer of the Township re: Holiday Pay is as follows:

Holiday Pay (Article 13, Section 8):

Revise as follows:

"In lieu of Holiday Pay as such each full time fire fighting employee will be granted a yearly cash settlement of \$1,483. Effective July 1, 1992 this entitlement will be increased to \$1,600 and effective July 1, 1993 this entitlement will be increased to \$1,700. This shall be paid in the last pay of November of each year. In the event that it is necessary to pro-rate an employee's Holiday Pay, it shall be pro-rated as defined in Article 13, Section 6."

It is the opinion of the Arbitration Panel Chair that the last offer of settlement of the Township regarding holiday pay more nearly complies with the applicable factors prescribed in Section 9 of the Act. Accordingly, the Panel Chair adopts the last offer of settlement of the Township regarding Holiday Pay as follows:

Holiday Pay - Article 13, Section 8

Revise as follows:

"In lieu of Holiday Pay as such, each full time fire fighting employee will be granted a yearly cash settlement of \$1,483 effective July 1, 1992. This settlement will be increased \$1,600, and effective July 1, 1993 this settlement will be increased \$1,700. This shall be paid in the last pay of November each year. In the event that it is necessary to pro-rate any employee's Holiday Pay, it shall be pro-rated as defined in Article 13, Section 6."

Longevity Pay

The present contract re: longevity pay, provides for longevity pay of \$150 after three (3) years of service,

with an annual increase in longevity pay of \$50 per year with a maximum payment of \$800.

The Union proposes to retain the \$800 maximum for the year 1991. To increase the maximum to \$1,000, effective July 1, 1992 and to further increase the maximum to \$1,200, effective July 1, 1993.

The Township acknowledges the need for an increase of longevity pay and proposes as follows:

Township proposal is to increase longevity pay to a maximum of \$1,000 effective July 1, 1991, and to continue the \$1,000 maximum effective July 1, 1992, and effective July 1, 1993. Accordingly there is no substantial difference in the last offer of settlement of the two (2) parties.

Applying the formula as proposed by the Union, employee's with twenty one (21) years seniority would receive \$1,050, employee's with twenty two (22) years seniority would receive \$1,100, employee's with twenty three (23) years seniority would receive \$1,150, and employee's with twenty four (24) years or more seniority would receive \$1,200 additional pay each year. However, Fire Fighters with seventeen years (17) or more seniority would receive only \$800 for the year 1991, as against the Township offer for 1991 of an additional \$50 in 1991 for seventeen year (17) seniority Fire Fighters, \$100 additional for eighteen year (18) seniority Fire Fighters, \$150 addition for nineteen year (19) seniority Fire Fighters and \$200 additional for twenty (20) years seniority Fire Fighters and for all Fire Fighters having more than twenty years (20) years seniority.

In viewing the longevity pay last offer of settlement as made by the parties and comparing them with the longevity pay paid in the Comparable Communities, standing alone, it would appear that the last offer of settlement of the Union should be adopted. However, your Panel Chair, heretofore has considered the contract as a whole, including the wage offers of settlement he has already adopted. In addition, your Panel Chair has again reviewed the seniority list and is aware that as of July 1, 1992, no Fire Fighters would have twenty one (21) years of service and as of July 1, 1993, five (5) Fire Fighters would qualify for and additional \$50. In addition, your Panel Chair observes that in its brief the Union expresses an acceptance of the

Township's last offer of settlement regarding longevity pay effective for 1991 at \$1,000. Obviously, you cannot have it both ways. Accordingly, it is the opinion of the Panel Chair that the last best offer of settlement of the Township, more nearly complies with the applicable factors prescribed in Section 9.

Your Panel Chair adopts the last offer of settlement of the Township as follows:

Initial 3 Years

Effective 7/1/91 - \$150
Effective 7/1/92 - \$150
Effective 7/1/93 - \$150

Add/Year After 3 Years

Effective 7/1/91 - \$50
Effective 7/1/92 - \$50
Effective 7/1/93 - \$50

Maximum

Effective 7/1/91 - \$1,000
Effective 7/1/92 - \$1,000
Effective 7/1/93 - \$1,000

Longevity will be paid last pay of November.

EMT Allowance

The Township proposal regarding EMT allowance is as follows:

EMT Allowance (Article 13, Section 15): Status Quo

The Union's last offer of settlement regarding EMT allowance is as follows:

Section 15 - Emergency Medical Technician. All employees shall be certified by the State of Michigan as Emergency Medical Technicians and shall continuously maintain EMT certification. All cost associated with maintaining an employees EMT certification shall be paid by the employee. The employer shall not require that employees become certified above basic EMT. Employees shall receive a yearly \$500 EMT allowance. Effective July 1, 1993, employees shall receive a yearly \$650 EMT allowance. This allowance will be paid on the employees anniversary date of State EMT certification.

Remainder of Section: Status Quo.

Union Exhibit 80 shows a steady increase in rescue runs from 1,073 in 1982 to 1,933 in 1991 for a percentage increase from 1982 to 1991 of 80.1%. Union Exhibit 81 shows that the current EMT bonus of \$500 per year was established in 1987 and that in 1987, there were 1,482 emergency medical run, increasing to 1,933 in 1991 for a 30.4% increase.

Union Exhibit 82 shows the emergency medical response bonus provisions in Canton Township and the Comparable's, Dearborn Heights has an annual lump sum payment of \$800. Madison Heights no payment, Roseville no payment, Royal Oak no payment. Shelby appears to have a \$500 annual lump sum payment plus a payment of \$2,344 which is included in the base pay for advanced EMT, but is not paid for basic EMT. Your Panel Chair notes that the current EMT contract provision and the last offer of settlement of the Union both provide that the employer shall not require employees to become certified above basic EMT. Accordingly, the amount paid in Shelby Township for advanced EMT is not a comparable for Canton Township. The amount paid in Bloomfield Township is \$1,000 after five (5) years and \$1,500 after ten (10) years are also paid for advanced EMT only and not paid for basic EMT and accordingly, not a comparable for Canton Township.

Ypsilanti Township has a benefit of \$0.35 per hour as and EMT bonus. This would figure to a bit more than a \$1,000 per year based on a fifty six (56) hour week. However, your Panel Chair has observed the very low base wage and other benefits generally paid in Ypsilanti Township and when the EMT allowance is added in to Ypsilanti Township's base pay, Ypsilanti Township Fire Fighters overall are still the low men on the totem pole.

It is the opinion of your Panel Chair that the last best offer of the Township re: EMT allowance more nearly complies with the applicable factors prescribed in Section 9.

As to EMT allowance, your Panel Chair adopts the last offer of settlement of the Township as follows:

EMT Allowance, Article 13, Section 12: Status Quo.

Sick Leave Payout

The present sick leave payout contract provision allows Fire Fighters to accumulate up to 180 work days. The rate of accrual is 288 hours per year with a maximum of 4,320 hours. The maximum accrual payout is eighty (80), twenty four (24) hour days or 1960 hours. The Union has proposed in its last offer of settlement regarding sick leave payout, that the maximum of eighty (80), twenty four (24) hour work days be increased to one hundred (100), twenty four (24) hour work days or 2,400 hours.

The Township in its last offer of settlement re: Sick Leave Accrual Payout has proposed that the status quo, i.e. the present eighty (80) day maximum, be continued. A review of sick leave payout upon separation as paid in the Comparable Communities shows that Canton Township ranks fifth among the comparable communities. If we accept all of the figures given in the various exhibits as correct, adopting the Union proposal will result in the Canton Township Fire Fighters ranking forth among Comparable Communities for accrued sick leave payout.

The Township in its brief argues that sometime back, as a result of collective bargaining, the amount of sick leave which would be accumulated was increased from 120 days to 180 days, and at the same time, in exchange for that concession, sick leave payout upon separation was reduced to 50% of eighty (80) days instead of 50% of 120 days. At the same time employees were allowed to cash in some of their accumulated sick leave so long as they retain thirty (30) days in their sick bank. All of this is reflected in the Volume 3, pages 9 and 10 of the transcripts of record. The Township argues that the employees have received this earlier payout plus the increase of accumulated sick leave to 180 days, in consideration, that the payout would be reduced to 50% of eighty (80) days. The Township argues that that is the consideration that it received and that the Township is entitled to retain this consideration or advantage and that to grant the Union's request would abrogate the Township's consideration.

Your Panel Chair must reject this argument of the Township. Otherwise we would imply, or even set a precedent for the theory that once something has been bargained for in exchange for a benefit, the Union or the employer are not free to regain some of the concessions that they gave in prior contracts. That of course is not the policy of Act 312 of 1969 as amended. If it were, this issue would not

be before us. At the same time, your Panel Chair acknowledges some merit in the Township's argument that it can only receive the benefit of the earlier agreement as a future benefit while the Union, as a result of the than payout received an immediate benefit. Allowing some nominal weight to that argument, coupled with the fact that your Panel Chair looks at the contract as a whole. The 17% total wage increase, adopted by your Panel Chair, is most substantial and is a part of the whole contract. Further, there are yet other issues to be decided.

Accordingly, as to Sick Leave Payout, it is the opinion of your Panel Chair that the last offer of settlement of the Township most nearly complies with the applicable factors prescribed in Section 9.

Your Panel Chair adopts the last offer of settlement of the Township namely Section 11, Article 13, Section 13 (c): Status Quo.

Retirees Life Insurance

Article 13, Section 12. The Township's last offer of settlement regarding Retiree's Life Insurance is as follows:

Retiree Life Insurance - Article 13, Section 12: Status Quo

The Union's last offer of settlement regarding the Retirees Life Insurance, Article 13, Section 12 is as follows:

Section 12. Life Insurance

The Township agrees to provide each employee with group life insurance in the amount of \$35,000. New employee's are covered the first of the month following date of hire.

Accidental death and/or dismemberment group coverage in the amount of \$35,000 will also be provided.

Retirees will be provided with \$1,000 group life insurance. Effective July 1, 1993, retirees will be provided \$5,000 group life insurance.

A review of life insurance provisions for retirees among the Comparable Communities shows that Shelby Township and West Bloomfield Township make no such provision. Dearborn Heights provides \$2,000 of retirees life insurance if the employee was hired before July 1, 1983. There is no information regarding employees hired subsequent to July, 1983. Madison Heights provides \$2,500 retiree life insurance, Roseville, \$10,000, Royal Oak, \$4,000 if retired after 1983. Your Panel Chair concludes that the 1983 affective date is caused by the age of the community and the fact that there are retirees going back many, many years. Ypsilanti Township provides \$35,000 Retirees Life Insurance for those retiring after January 1, 1989, who will receive that amount of life insurance until they obtain the age of sixty five (65) years. At age sixty five (65) the amount is reduced to \$5,000. It should be noted that in the City of Roseville, the Retiree Life Insurance premium paid by the city is set at \$4.20 per month, per employee, with any additional cost paid by the retiree.

A review of the retiree life insurance paid in the comparable's shows that the Canton Township benefit is below that of comparable's where a benefit is paid. It exceeds the no benefit provided in Shelby Townships and West Bloomfield Township as well as the no life insurance provision for Dearborn Heights Fire Fighters hired after July 1, 1983, with \$2,000 to those hired prior to that date. If the Dearborn Heights formula were applied in Canton Township approximately half of the Fire Fighters would receive \$2,000. The remaining, approximately half would be eligible for no insurance. That would apply to future hires as well. It appears that no Fire Fighters who will be retiring during this contract term and that accordingly this issue may again be subject to collective bargaining before there are foreseeable retirees.

Standing alone it might appear that a good case has been presented by the Union for an increase in Retiree Life Insurance. Even on its own, however, the increase from \$1,000 to \$5,000 life insurance far exceeds the benefits generally paid to retirees in the Comparable Communities. Accordingly, it is the opinion of your Arbitration Panel Chair that the last offer of settlement re: Retiree Life Insurance as made by the Township, more nearly complies with the applicable factors prescribed in Section 9. Your Panel Chair does, therefore adopt the last offer of settlement of the Township re: Retirees Life Insurance as follows:

Retirees Life Insurance, Article 13, Section 12 - Status Quo

Pension - Employer Contribution

Canton Township's pension plan differs from the pension plan of all comparable's for it is the only fixed or guaranteed contribution plan. All comparable's have a fixed or guaranteed benefit plan. The difference is substantial. Under the pension plan applicable in Comparable Communities, the contribution of the employer is that amount required to maintain the fund (financially) sound to provide the guaranteed benefits. That means that annually or periodically the actuaries make a study of the plan, based on the investment income. They notify the employer of the amount it must contribute to maintain the plan actuarially (fiscally) sound.

The pension plan for Canton Township Fire Fighters is in reality a savings and investment plan, rather than a pension plan, in the regularly accepted definition of the term pension. Participants in the Canton Township Plan accrue a specific dollar amount interest in the plan. That amount becomes the property of the individual at severance, or at a later date at the election of the employee. It appears that the funds are available in a lump sum or in a pre-arranged payout schedule. The total amount that will be paid out to the individual who separates from the Township employment for any reason, including to his estate upon his demise, is a known amount. Unlike pension plans, payments do not terminate upon the death of the retiree. It appears that under the Township plan after four (4) years of service a Fire Fighters interest in the plan vests. Not only his 5% contribution, but all funds in his account are his property or the property of his estate. Accordingly, to compare the Pension or Retirement Plan, whatever one prefers to call the Canton Township plan with the traditional pension plans operating in Comparable Communities is most difficult. One can look at the amount of annual contribution made by the Governmental Agency in each Comparable's respective plan to ascertain the approximate cost to the communities. However, even that is most difficult, because the contribution of a particular Comparable Community may be more or less in a given year depending on the required payment for that particular plan in order to keep it actuarially sound. That all would depend on whether the contributions in prior years, increased by the earnings, was sufficient to meet the

financial obligation, or if those estimated earnings were not in fact met and as a result increase contributions in following years are required to offset the deficiency of prior year earnings.

Notwithstanding the above differences in the principal of the two (2) types of plans, nevertheless knowledge of employer pension costs or contribution in the Comparable Communities does make it clear that all of the comparable's do contribute a larger percentage to their Fire Fighters pay to their retirement or pension arrangements than Canton Township contributes to the Canton Township Fire Fighters Pension plan. The contribution of Ypsilanti Townships is 16.44%, Shelby Township - 19.99%, Royal Oak Township - 23.12%, Madison Heights - 19.97%, Dearborn Heights - 18%, Roseville - 15.62%. There is some question about Roseville and perhaps that should really only be 14.49%, West Bloomfield Township - 17.87%. However, it should be noted that those were the contributions in 1991. The source is the Michigan Public Employees Retirement System Survey. Whether that was an average for several years or the specific amount for the year 1991 is not clear. Your Arbitration Panel Chair is aware that the amount of contribution made by each of the Comparable's in a specific year could and does change sometimes up, sometimes down.

The contribution of Canton Township to its retirement or pension fund is a constant percent. The present contract calls for a 10% contribution. The Union proposes to increase that amount to 15%. It has been noted elsewhere in this report that the Fire Fighters themselves each contribute 5% of their base salary or base wage to the retirement plan as well.

Your Panel Chair notes that the percentage contributions made in the Comparable's is not based on base pay alone as is the case in Canton Township. In the Comparable's the percentage applicable is to base salary, and in all cases, plus longevity. In some Comparable's also plus vacation time, plus COLA, plus in lieu of holiday pay and plus some other factors. Accordingly, it would be fair to say that the percentage is given for the Comparable's represent a percentage of a higher base than the percentage applicable in Canton Township where the percentage is only applicable to the base wage.

Your Panel Chair is aware that the contributions under the Canton Township plan may result in higher benefits than the amounts enjoyed by Fire Fighters in the comparable communities, though the contributions of the comparable community may be substantially greater than the contribution of Canton Township. That of course, is a result of the form of the plan. The Canton Township plan does not require contributions to fund past years of service. There is no debt for past service that the Governmental Agency is obligated to fund over a specific number of years, or in the alternative to come up with a substantial lump sum to payoff or partially payoff the cost of past years of service prior to the initiation of the plan. This differential, however, is a merit that should be enjoyed or at least somewhat enjoyed by the Fire Fighters. It is only fair to say that Canton Township Fire Fighters have elected to have this plan, as differentiated from the type of plans applicable to the other Communities. That election does not relieve the Township of the obligation to make contributions for the retirement benefit of their Fire Fighters to be in close proximity to the contributions generally applicable in the Comparable Communities.

It is the opinion of your Arbitration Panel Chair that the last offer of settlement of the Union re: Pension - Employer Contribution, more nearly complies with the applicable facts prescribed in Section 9.

Your Arbitration Panel Chair does adopt the last offer of settlement of the Union re: Pensions - Employer Contributions as follows:

Pension Program

Section 11, Pension Program

- (a) The Charter Township of Canton Retirement Plan, as amended, shall be continued for the duration of the agreement. The current Principal Financial Group contract shall be continued for the duration of that particular contract. The employee contribution of 5% of base pay and the Township contribution and the Township 10% of base pay. Effective July 1, 1993, the employee will contribute 5% of base pay and the Township will contribute 15% of base pay. Further it is understood that there is no credit for past

service prior to July 1, 1976. The determining factor for eligibility for retirement benefits is the number of years of full time service as a Township employee, as stated in the Township Retirement Plan. A participant with ten (10) years of service, as determined pursuant to the plan, may elect retirement benefits as early as age fifty five (55). Employees shall become vested in the Pension Retirement Plan after they have completed at least four (4) years of service as defined in the appropriate plan.

Pension - Retirement Eligibility

Throughout this opinion, your Arbitration Panel Chair has stressed that he considers a contract as a whole. It was with that principal in mind, that not withstanding he had adopted the Union proposed wage increases effective 1991 and 1993, he adopted the Union proposal re: Pension - Employer Contribution. Your Panel Chair did this with full knowledge during the contract term the combined percentage increase for direct wages and Pension Employer Contribution was 22% of the base pay. He did this because the inequities in both base pay and Pension Employer Contribution were substantial. It was the opinion of your Panel Chair the substantial inequities required substantial affirmative corrections.

As to Pension - Retirement Eligibility, your Panel Chair has studied the Exhibits re: this issue as presented by both the Township and the Union.

Your Panel Chair is aware that the Retirement Eligibility in some of the Comparable's is more liberal than the requirements in Canton Township. Standing alone your Panel Chair would be inclined to adopt the last offer of settlement of the Union regarding this issue. This issue does not stand alone. It is part of the whole contract. It is something that the Union and the Township can yet talk about in the ensuing year. For that reason, and further for the reason that it appears to your Panel Chair that there may be some technical conflict in the wording of the Union last offer of settlement re: this issue and further because it is the opinion of your Panel Chair that the last offer of the Township re: Pension - Retirement Eligibility more nearly complies with the applicable factors prescribed in Section 9 of 312 of 1969 as amended. Your Panel Chair does adopt the last offer of settlement re: Pension - Retirement Eligibility as made by the employer Canton Township as follows:

Pension - Retirement Eligibility, Article 13, Section 13C:
Status Quo

It should be noted that at the Executive Session held with your Panel Chair and the members of the panel namely: Daniel Durack on behalf of the Township and Ronald Helveston on behalf of the Union, the parties did stipulate that in Article 13, Section 13C Retirees Health Insurance, the word current as it appears in the third line of Subparagraph C of Section 13, Article 13 would be stricken so that hereafter the provision in the contract would read; "The employer shall provide future retirees, retiring on and after July 1, 1993, and their spouse, and dependent children," rather than as it now appears in the contract "and their current spouse". The question having been raised whether the word "current" applied to "current, presently, or current at the time that the health insurance would be applicable. It was agreed that it was the intent of all parties to cover the spouse, including a different spouse than current or in the case of a Fire Fighter who currently did not have a spouse.

Dental Insurance

Your Arbitration Panel Chair has reviewed the Exhibits re: Dental Insurance as presented by the Union and as presented by the Township. He has also read the briefs of both parties regarding this issue. Your Panel Chair must reject the argument of the Township that other bargaining units gave certain concessions in consideration and that accordingly, they would expect the Fire Fighters to make like concessions. Your Panel Chair must reject this thinking because that would imply that the Union which bargains first sets the pattern and all other Unions should follow. That would truly abrogate the collective bargaining rights of all Unions whose bargaining sessions followed the first to settle. It should be noted that Fire Fighters do make concessions. Fire Fighters make the concession of not having time off for holidays. Fire Fighters do not spend their nights with their families. Working as a Fire Fighter is not just working on the job, it is a way of life.

Notwithstanding the above comments your Arbitration Panel Chair has considered Dental payments as part of the contract as a whole and accordingly, it is the opinion of your Panel Chair that the last offer of settlement of the Township re: Dental Insurance more nearly complies with the applicable factors prescribed in Section 9 of the Act.

The Arbitration Panel Chair does adopt the last offer of settlement of the Township re: Dental Insurance as follows:

Dental Insurance - Article 11, Section 13(f1): Status Quo

Promotions

During the course of the hearings both parties requested that whatever finding or conclusion your Panel Chair made regarding Promotions as it effected Fire Fighters, be the same finding or conclusion for Promotions as it effected the position of Fire Marshall. Both parties requested that the same rules for promotion apply to Fire Fighters and the Fire Marshall. In order to comply with the request of both parties, your Arbitration Panel Chair will discuss the question of promotion of Fire Fighters and Fire Marshall simultaneously though he will make two (2) separate rulings because the question of promotion of Fire Fighters and promotion to Fire Marshall are listed as two (2) separate issues. However, as requested by both parties, the rule for promotion of Fire Fighters and to the position of Fire Marshall will conform.

Promotions

The Union has proposed that the status quo as set forth in Article 10, Section 4 be maintained.

The Township has proposed as follows:

Promotions - Article 10, Section 4

"The Employer reserves the right to determine the number of ranks requires. The Employer shall determine if a vacant position is to be filled. If the Employer decides to fill the position, it shall be done in accordance with this Section.

The Employer shall post a notice of the vacant position to be filled. This notice shall be posted for seven (7) calendar days. During this posting period any bargaining unit employee who is interested in the posted position shall apply at the Township Personnel Office.

A promotional eligibility list shall be in existence for two (2) years from the date it is established. If the Employer decides to fill a

vacancy it shall be done at the time the vacancy occurs. If no promotional eligibility list exists at the time a vacancy is to be filled, one will be established as soon as practicable.

Promotions to Fire Sergeant will be made from among qualified employees within the bargaining unit. A Fire Fighter must have a minimum of five (5) complete years seniority in the Canton Township Fire Department in order to be eligible to take the promotional examination for Fire Sergeant. If no employee meets the qualifications herein, or if no eligible employee applies for the examination, the Employer shall fill the vacant position from outside the bargaining unit. Qualifications for promotional positions will be determined on the following basis:

- A. Written Examination = 50%
- B. Oral Board = 50%

Prior to preparation of the written examination, the person or persons responsible for its preparation shall meet with the representative of the Union to discuss issues of particular importance to members of the Fire Department for inclusion in the written examination.

The oral board shall consist of three (3) persons, two (2) of whom shall be selected for their fire service experience, and one (1) of whom shall be selected for expertise in leadership issues. The Union shall have the right to object to the inclusion of any person selected to serve on the oral board either because that person has a conflict of interest or a lack of satisfactory credentials. If the parties are unable to resolve any such objection by selection of a mutually acceptable alternate, the matter may be submitted to expedited arbitration under the procedures of the American Arbitration Association. The decision of the Arbitrator as to the qualifications of the person selected to serve on the oral board shall be binding on all parties.

Promotions shall be made from the promotional eligibility list by selecting the top person on the list.

Once the appointment is made, the selected employee will serve a one (1) year probationary period during which he will perform the job duties of the higher classification. If at the end of this period the employee can adequately perform the job duties, he will be returned to his prior position and the higher classification will then be refilled according to the provisions of this Section.

The promoted employee will be paid one-half (1/2) the difference in pay between his former position and his new position for the first six (6) months and full pay thereafter.

Promotions to Fire Lieutenant shall be from among the Fire Sergeants. The promotion shall be administered in the same manner as the Fire Sergeant promotion. If no Fire Sergeant successfully completes the promotional process for Fire Lieutenant, the promotion to Fire Lieutenant, shall be opened to Fire Fighters and shall be administered in the same manner as the Fire Sergeant promotion."

Fire Prevention Promotion (Article 10, Section 5, paragraphs 5 and 6):

"Promotions to Fire Inspector shall be administered in the same manner as the Fire Sergeant promotions.

Promotions to Fire Marshal shall be from among the Fire Inspectors. The promotion shall be administered in the same manner as the Fire Sergeant promotion. If no Fire Inspector successfully completes the promotional process for Fire Marshal, the promotion to Fire Marshall shall be opened to the Fire Suppression employees and shall be administered in the same manner as the Fire Sergeant promotion."

The subject here is titled Promotions. Perhaps a more proper title to this subject should be What's Best for the People of Canton Township. It is the opinion of your Arbitration Panel Chair that, what's best for the people of Canton Township is the primary consideration in determining this issue. The present promotion system among Fire

Fighters and including the Fire Marshal division is done on a basis of seniority. Apparently, it is the only system of promotions that has ever been used in the Canton Township Fire Department.

While the system is titled or referred to as a Seniority System, that is really a narrow description. Actually, the system of promotions in Canton Township is a seniority system subject to qualifications with a quarterly review for a period of one (1) year to determine the qualifications of the applicant.

Section 9 of Act 312, Subsection 3 says, the Arbitration Panel shall base its findings, opinions and order upon the following factors: Subsection (C) says "the interest and welfare of the public". Repeat "the interest and welfare of the public". That's what this is all about.

In presenting its case the Township called John Santomaro, Township Public Safety Director, to testify. Mr. Santomaro has had broad experience in leadership and in leadership training.

Mr. Santomaro testified at Volume 3, pages 72 and 73 of the transcript, that prior to him becoming Public Safety Director, a study of the Canton Township Fire Department had been prepared by Bartell and Bartell, a consulting firm out of Pennsylvania, for the purpose of making a in-depth study of the fire services in Canton Township. Asked the question, "Did the consultants reports indicate that there were problems in the actual level of fire fighting knowledge that the individual members of the department had?" His response was "No, they did not." On the bottom of the page 73 and continuing on page 74, Mr. Santomaro is asked "What system is in effect for promotions" and he responds, "A seniority system."

In response to questions, regarding the Fire Marshal division, including the Fire Marshal and the Fire Inspector, Mr. Santomaro was asked "Do you have any complaints about your Fire Marshal's division right now?" Answer - "Absolutely none." Then on page 37 he continues, "I think they are doing a very good job". Question - Okay, you have an excellent Fire Marshal's division in Canton Township?" Answer - "I think we do have a very good job in the area in fire service."

Your Arbitration Panel Chair has read the testimony of Mr. Santomaro very carefully. What Mr. Santomaro says is, "the people of Canton Township are getting very good service in the Fire Suppression Division. They are getting very good service in the Medical Division. He has no complaints about the Fire Marshal or the Fire Inspector, they are both doing "a very good job". However, Mr. Santomaro apparently feels the need to make certain changes in procedure. He claims he did not get the full cooperation of some of the Sergeants and Lieutenant's. He admits that the problem has been worked out and that at the present time he has no complaints as to how the various divisions of the department are operating. It has been said; able leadership instills cooperation.

What your Arbitration Panel Chair had before him was the statement from the Public Safety Director, the person advocating the change from the seniority system of promotions to the examination system of promotion. Mr. Santomaro testified that under the present seniority system the department was functioning well in all divisions, but however, it is his personal opinion that a change in the method of promotion would result in better leadership in mid-management. Other than his opinion, it appears to your Panel Chair, that the record is void of any evidence to support that theory. Though what Mr. Santomaro says may have merit, there was nothing in the record to support it. Your Panel Chair cannot overlook the fact that under the present method of promotion, according to Mr. Santomaro's testimony, the people of Canton Township apparently are getting good fire protection, good fire suppression, good fire inspection and good medical emergency service. It is from the testimony of Mr. Santomaro that your Panel Chair must conclude, that the Township is proposing to fix something that "ain't broke." Your Panel Chair believes that when it "ain't broke, don't fix it."

Accordingly, it is the opinion of your Arbitration Panel Chair that the last offer of settlement of the Union re: Promotions, namely that the Status Quo as set forth in Article 10, Section 4 be maintained, does nearly comply with the applicable factors prescribed in Section 9.

And it is the opinion of your Arbitration Panel Chair that the last offer of settlement of the Union re: Promotions, namely that the Status Quo as set forth in Article 10, Section 4 be maintained, does nearly comply with the applicable factors prescribed in Section 9.

Promotions/Fire Marshal Position

For the reasons stated in discussing the issue of Promotions, as to Promotion to the Fire Marshal position, it is the opinion of your Arbitration Panel Chair that the last offer of settlement of the Union, to clarify the present language as outlined in the collective bargaining agreement, Article 10, Section 5, Paragraph 5, as more nearly complies with the applicable factors prescribed in Section 9 of the Act.

Your Arbitration Panel Chair does adopt the last offer of the settlement of the Union as follows:

Clarify the present language which is outlined in the collective bargaining agreement, Article 10, Section 5 Paragraph 5 as follows:

Fire Inspectors shall be eligible for appointment to the rank of Fire Marshal upon completion of a pass/failed test. If more than one (1) employee passes the said test, then appointment shall be made on the basis of seniority within the Fire Prevention Division. If none of the eligible Fire Inspectors pass such examination, the position shall be opened to the next senior employee in Fire Suppression, on the same basis as originally offer Fire Inspectors.

Remainder of Section: Status Quo

Health Insurance

Your Panel Chair has reviewed the exhibits and the briefs of both parties regarding this most important issue and your Panel Chair is aware that the rise in Health Insurance costs has been so substantial that notwithstanding all other factors, a reduction in costs to provide Health Insurance is mandatory. Your Panel Chair notes that the Union acknowledges the need for reduction in Health Insurance costs in making its last offer of settlement re: this issue.

Your Panel Chair takes this moment to compliment both parties on the reasonableness of their proposals. Indeed, a review of the exhibits and reading of the briefs clearly shows that the offer of the Union results in a lower monthly premium and accordingly, a saving to the Township.

The Union argues that none of the Comparable Communities use the Township proposal as their Health Insurance benefit. The exhibits support that allegation.

At all times your Arbitration Panel Chair has stressed that he views the contract as a whole and does not look at any issue standing alone. Your Panel Chair stressed in commenting on other issues, that standing alone, he might adopt the last offer of the Union, but that the issue did not stand alone and because of major and costly concessions on other issues, in a specific issue he would adopt the last offer of settlement of the Township, which usually was, status quo.

The issue of Health Insurance is also part of the contract as a whole. It too does not stand alone. In reviewing the brief of the Township your Panel Chair notes that the Township comments as follows at page forty four (44) of its brief; "While the Health Insurance change proposed by the Union might have been acceptable to the Township with no improvement to Dental Coverage, it is obvious and apparently inequitable to single out, etc., etc". That is exactly what has happened here. In considering the issue of Dental, your Panel Chair looked upon it as part of the contract as a whole. Your Panel Chair rejected the last offer of settlement of the Union and did adopt the Townships last offer, which was Status Quo.

Your Panel Chair has provided the Fire Fighters with no improvement in their Dental care. Now it is proper to follow through with the suggestion of the Township. Looking at the contract as a whole, the last offer of settlement of the Union re: Health Insurance without any improvement in Dental care, more nearly complies with the applicable factors prescribed in Section 9. Accordingly, your Panel Chair adopts the last offer settlement of the Union re: Health Insurance as follows:

Modify Article 13, Section 13(A)(B) of the collective bargaining agreement as follows:

Section 13. Hospitalization and Surgical Coverage

A. Health Insurance

Effective July 1, 1993, the employer agrees to

provide employees, spouses and dependant children with Blue Cross/Blue Shield Trust #15 +P #15, MVF-1, Master Medical Option #5 ML Rider, and \$5.00 MAC, APDBT, Drug Prescription rider, all with equivalent coverage. The employer TE shall pay the full cost of this coverage.

The employer has the right to select the or change carriers, after discussion with the Union, provided that the coverage is equivalent to or better than the BC/BS Trust #15 +P - 15, MVF-1, Master Medical Option #5, ML Rider and \$5.00 MAC APDBT, Drug Prescription Rider. New employees will be covered as provided for in the applicable insurance contract. The employer will pay for only one insurance coverage per family.

Remainder of Subsection (a): Status Quo

It should be noted, that as to Health Insurance "B", HMO Option, Article 13, Section 13 (B), there is no substantive difference in the offers of the parties. Your Panel Chair having adopted the last offer of settlement of the Union regarding Paragraph A, follows through and adopts the wording submitted by the Union.

Paragraph B

B. HMO Options

An HMO Option shall be made available to all employees. The Township reserves the right to cancel a particular HMO in its sole discretion with sixty (60) days advanced notice.

Retiree Health Insurance

Having read the brief of both parties regarding health insurance. Your Panel Chair notes that it is the position of the Township and the Union that the last offer of settlement re: Health Insurance selected by the Panel for employees of the Township should also be made applicable to Retiree Health Insurance. Accordingly, in compliance with such requests, your Panel Chair does adopt the last offer of settlement regarding Retiree Health Insurance as made by the Union as follows; but as corrected by stipulation by striking the word "current", where it appears as agreed to by the parties.

C. Retiree Health Insurance

The employer shall provide future retirees, retiring on or after July 1, 1993, and their spouse and dependent children for the life of the retiree with Blue Cross/Blue Shield Trust 15 - +15, MVF - 1, Master Medical Options 5, ML Rider, and \$5.00 MAC, APDBT, Drug Prescription Rider or equivalent or better coverage. Should retirees move out of the Trust 15 - +15 (BPO PO coverage area), the above outlined insurance will convert

to traditional Blue Cross/Blue Shield Plan with MVF-1, Master Medical Option 5, ML Rider, and \$5.00 MAC, APDBT, Drug Prescription Rider. the employer will pay 100% of the group rate for this coverage for employees who retire from the employer with twenty five (25) years or more years of service and who have obtained fifty five (55). 2. The Employer will pay 50% of the group rate of this coverage for employees who retire from Employer with less than twenty five (25) years of service and who have a obtained the age of fifty five (55). Upon reaching age sixty five (65), the employee will assume full cost of the complimentary Medicare coverage, which will require the Employer to supplement the Medicare payment so that the employee is entitled to the above listed coverage.

Remainder of Sub-Section (C): Status Quo

Employee Fitness Program

Your Arbitration Panel Chair has read the briefs of the parties regarding this issue. Your Panel Chair is cognizant of the fact that no other Comparable apparently offers this voluntary benefit to its employees.

It is noted, that the only substantive difference between the offer of the two (2) parties are as follows:

- (1) The Union proposes that when an employee on duty takes the PST test that such employees should not be counted toward manpower. The Township position is that when a employee on duty takes the PST test the employee will be counted toward manpower.

and

- (2) The Union proposes a specific provision that any information collected in the examination will be considered confidential medical information and shall be available to the employee only. That such information shall not, under any circumstances, be disclosed to the Employer, its agents, employees, contractors, insurers, etc., etc. Further, nor shall such information be used in any grievance,

workers' compensation, pension or any other proceedings, formal or informal. Any violation of this section would render this provision of the collective bargaining agreement severable, void and unenforceable.

The Township proposes that any information collected during the physical exam or PST will be subject to the same protection as any other medical records or information concerning the employee.

Your Panel Chair is of the opinion, but notwithstanding the strong wording for confidentiality proposed by the Union, that at law, such would not apply. It is well established at law, both under the Rules of Discovery applicable in State Courts and applicable before the Worker's Compensation Commission as well as under the Federal Rules of Discovery, that in any legal proceeding in which the questions of health of a person is involved, all medical records of every kind and nature are subject to discovery by the opposite party.

The Employee Fitness Program is not a condition of employment. It is something offered to employees if they wish to avail themselves of it. If they so choose and pass the annual test, they receive a special fitness allowance of \$250 for the year. As a voluntary option offered to employees, the employer might have required that the voluntary test be taken while off duty. That is not the case.

Your Panel Chair, however, is concerned about the interest and the welfare of the public. The man power available at anytime at a station is a minimum person power. There are no standbys, no fill ins, no "Joe" to make the run because "Harry" is taking his test. When there is a call for response to a fire, the welfare of the public is involved.

When there is a call for help from a person suffering a heart attack, an accident victim, or a child in a burning building, a split minute in response might make the difference. Fire Fighters are unique in their work. When on a run or performing in house duties, they may sit around looking at the wall, eating their meals or chatting among themselves, they may be in practice or training; however, at all times they are always in uniform. When the call for help comes, the time to respond is now, not one minute later. They are always ready to go.

When a Fire Fighter is taking the prescribed tests, for all practical purposes, he is not than available to respond immediately. Your Panel Chair cannot be a party to telling the people of Canton Township that there may instances when a Fire Fighter is not available for immediate response because he is taking a voluntary test. Tough, though it may be, the man or the woman suffering the heart attack, the accident victim, or the persons in the burning building will just have to wait for whatever time it takes while "Fire Fighter Joe" takes off his trunks or sweatsuit and puts his uniform back on. No! That's not what this is all about. Immediate service to the people of Canton Township is the only reason there is a Fire Department, and that is the only issue involved here.

Notwithstanding that your Panel Chair is aware that the Union witness testified that he wanted these medical test records to have the same confidentiality as all other medical records. The question of confidentiality of records is secondary. The safety of the Public is the real issue, not the additional cost to the Township. It is the opinion of the Panel Chair that the last offer of settlement regarding Employee Fitness Program, as offered by the Union more nearly complies with the applicable factors prescribed in Section 9 of the Act. If the manpower issue and the confidentiality issue were separable, your Panel Chair would be inclined to adopt the Township offer as to confidentiality and the Union offer as to manpower, however, that is not how they were presented.

Your Panel Chair adopts the last offer of settlement of the Union as follows:

Modify Article 13, Section 16 of the collective bargaining agreement as is follows:

Section 16. Employee Fitness Program

1. All bargaining unit employees shall have the option to take an annual physical examination give by a provider selected by the Employer. The Employer shall pay for this physical exam except for any part which is paid by the employee's health insurance. Employees who have HMO coverage shall take this physical through their HMO. Employees may choose to take this physical through a doctor of their own choice, however, the employee shall pay the full cost of this physical. An employee shall not be paid for taking the physical exam. Employees who choose to take their physical exam from the provider selected by the Employer will be allowed to take this exam while on duty.
2. Employees who pass their annual physical and who are medically certified to be fit to take the Physical Skills Test (PST) may voluntarily take the test. An employee shall not be paid for taking the test. Employees who are on duty will be allowed to take the PST and not be counted towards manpower.
3. The PST shall be similar to that which is administered to entry level Fire Fighters in Canton Township. Scoring of the PST will be in accordance with the current conversion table utilized by the Employer.
4. An Employee who successfully passes the annual PST will receive an Employee Fitness Allowance of \$250. This allowance shall be paid on the last pay of November.
5. Any information collected in such programs shall be considered confidential medical information and shall be available only to the employee. Such information shall not under any circumstances be disclosed to the employer, its agents, employees, contractors, insurers and so forth. Nor shall such information be used in any grievance, workers' compensation, pension or any other proceeding, formal or informal. Any violation of this section shall render this provision of the collective bargaining agreement severable, void and unenforceable.

Issues Agreed to by Parties after Commencement of Hearings

All of the issues, which were in dispute and subject to these Act 312 proceedings have been considered and are set forth above; except to the extent of those certain issues which at the commencement of the hearings had been tentatively agreed upon between the parties and were admitted as joint Exhibit 2. During the course of the hearings your Arbitration Panel Chair was advised by both parties that all and each of the heretofore tentative agreements had been agreed upon and that each such agreement, as previously provided in the record, was to be included in the final opinion and order of the Arbitration Panel.

Accordingly, your Arbitration Panel Chair pursuant to the stipulation of parties does adopt the following:

Art. 7, Sect. 4 - Amend to Read:

Section 4. It is agreed that the maintenance of discipline is essential to the satisfactory operation of the Department. The township agrees to abide by the principles of corrective action and graduated penalties in ordinary cases of discipline. However, it is recognized that the nature of the offense affects the severity of the penalty issued and that these principles need not be followed in cases of serious misconduct. Any contemplated disciplinary action must be taken within thirty (30) days of the Public Safety Director's or Fire Chief's knowledge of the occurrence of the alleged violation, whichever occurs first, unless the investigation is continuing. This period may be extended by mutual agreement of the parties. The Public Safety Director will take into consideration the seriousness of the offense and the time period when the incident occurred prior to making any decision on discipline.

Your Arbitration Panel Chair adopts the following as agreed to by the Parties.

Art. 9, Sect. B - Use of Past Record - Keep current contract language.

Your Arbitration Panel Chair adopts the following as agreed to by the Parties.

Art. 13, Sect. 15 - EMT - Keep current language. Amount of annual EMT allowance still in dispute.

Your Arbitration Panel Chair adopts the following as agreed to by the Parties.

Art. 15, Sect. 1 - Minimum Manning - Keep current language.

Your Arbitration Panel Chair adopts the following as agreed to by the Parties.

Art. 17, Sect. 2 - Amend to Read:

No employee of the Fire Department shall be required to do special skilled work usually performed by a skilled tradesman, e.g. electrician, plumber, carpenter, or painter. However, this does not preclude any employee from voluntarily performing such work. The ordinary housekeeping, as presently performed, maintenance of grounds (such as cutting grass, shoveling snow) and such other tasks which are presently voluntarily performed, and that add to the safety and beautification of the station and property, shall continue.

Your Arbitration Panel Chair adopts the following as agreed to by the Parties.

Art. 17, Sect. 5 - Amend to Read

Section 5. Ordinary housekeeping will be completed between 8:00 A.M. and Noon with a one-half hour break period during this time. Employees are then entitled to a one (1) hour lunch period. The regular work routine is not required to be followed on Sundays and Township Holidays. However, on those days employees will perform all housekeeping required to keep Department stations clean and presentable to the public, and employees will maintain all equipment in a serviceable and ready condition.

Normal shift training will be conducted Monday through Saturday between the hours of 8:00 A.M. to 5:00 P.M., with a maximum of thirty (30) hours of training per shift per month. Not less than fifteen (15) hours of this training will consist of formal, structured training.

The Employer may reasonably schedule Fire Department demonstrations. Any such demonstrations that are conducted during department "down-time" (after 1:00 P.M.) will count against the monthly training time requirements.

The Employer may reschedule employees, on an hour for hour basis, who wish to voluntarily attend a training class on off duty time. Such rescheduling of time shall be during the employee's normal shift. The rescheduling of time shall not conflict with the granting of personal or vacation days, or minimum manning.

Your Arbitration Panel Chair adopts the following as agreed to by the Parties.

Art. 17, Sect. 10 - Add New Section Light Duty to read as follows:

While an employee is working a forty (40) hour per week light duty assignment the following shall prevail:

- A. The employee's hourly rate of pay shall be adjusted for a forty (40) hour week rather than a fifty six (56) hour week (Employee's annual salary - 2912 for fifty six (56) hour week vs Employee's annual salary - 2080 for 40 week).
- B. The employee shall be required to work forty (40) hours per week and shall receive Holiday Pay in accordance with Article 13, Section 8 of the contract.
- C. The Employee's vacation shall be accrued in accordance with Article 12 of the contract. Vacation time shall be utilized on a week for week basis (56 hour week = 40 hour week).
- D. The employee shall be eligible for three (3) eight-hour days of Personal Time per year.
- E. The employee's Sick Days will be administered in accordance with Article 13, Section (1) of the contract.

Your Arbitration Panel Chair adopts the following as agreed to by the Parties.

Art. 5, Sect. 5B - Keep current contract language.

Your Arbitration Panel Chair adopts the following as agreed to by the Parties.

Art. 8, Sect. 1 - Amend to Read:

Step 1. Any employee who feels aggrieved must present his grievance within five (5) working days of its occurrence, or awareness of monetary loss, to the Public Safety Director provided both the grievant and the Public Safety Director are available. The grievant will have his steward present at the presentation of the formal grievance, unless that presence is waived in writing. If discussion between the employee, steward, and Public Safety Director fails to settle the matter, it will be reduced to writing and presented to the Public Safety Director for his written, dated and signed disposition.

The Public Safety Director's written disposition must be returned within five (5) working days, if the Public Safety Director is available; but in no event longer than thirty (30) calendar days of the receipt of the written grievance.

All grievances involving disciplinary action initiated by the Public Safety Director shall be filed in writing with the designated Township representative (Step II) within five (5) working days after the discipline is given.

Your Arbitration Panel Chair adopts the following as agreed to by the Parties.

Art. 10, Sect 5 - Amend to read, in part:

The position of Fire Inspector in Fire Prevention shall be equivalent to that of Fire Sergeant in Fire Suppression, for purposes of economics only.

Your Arbitration Panel Chair adopts the following as agreed to by the Parties.

Art. 12, Sect. 4 (e) - Keep current contract language

Your Arbitration Panel Chair adopts the following as agreed to by the Parties.

Art. 13, Sect. 4 - Keep current contract language

Your Arbitration Panel Chair adopts the following as agreed to by the Parties.

Art. 13, Sect. 6 - Uniforms - Amend to Read:

Section 6 - Uniforms

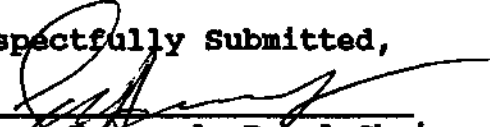
- (a) The Employer will furnish the following uniform items to all employees in lieu of any uniform or cleaning allowance:

- 3 long sleeve shirts
- 3 short sleeve shirts
- 6 pants
- 2 sweatshirts
- 1 pair shoes or boots
- 1 winter jacket
- 1 spring jacket
- 1 belt
- 2 badges
- 1 name plate
- 1 badge holder
- 6 sets of patches

- (b) The employee must turn in all uniform items furnished upon termination or separation prior to issuance of final paycheck.
- (c) All employees shall receive replacement of all issued uniform items from the department upon the uniform item becoming worn, damaged and/or unserviceable including weight gain or weight loss. Such uniform item shall be presented to the Public Safety Director for determination on the condition of the uniform item.
- (d) The Public Safety Director shall make all final determinations on any changes in the uniform.
- (e) The Employer shall provide for cleaning every six months, or as needed, for the following uniform items at no cost to the employees:

- (1) one jacket (winter and spring)
- (d) The Employer will provide a clothes washer and clothes dryer at each Fire Station.

Respectfully Submitted,


Jerry Raymond, Panel Chair
Case #D940D0886

The undersigned M.E.R.C., Act 312 Arbitration Panel Chair does adopt the last offer of settlement of Charter Township of Canton, Employer or last offer of settlement of IAFF, Local 2289 Union, as set forth below and as more fully set forth in his detailed opinion.

For:

Charter Township of Canton

Wages - 1991

Adopt

Decline to Adopt

Wages - 1992

Adopt

Decline to Adopt

Wages - 1993

Adopt

Decline to Adopt

Holiday Pay

Adopt

Decline to Adopt

Longevity

Adopt

Decline to Adopt

EMT Allowance

Adopt

Decline to Adopt

For:

Canton Township Fire Fighters
Local No. 2289

Wages - 1991

Adopt

Decline to Adopt

Wages - 1992

Adopt

Decline to Adopt

Wages - 1993

Adopt

Decline to Adopt

Holiday Pay

Adopt

Decline to Adopt

Longevity

Adopt

Decline to Adopt

EMT Allowance

Adopt

Decline to Adopt

Sick Leave Payment

Adopt

Decline to Adopt

Retirees Life Insurance

Adopt

Decline to Adopt

Pension Employer Contribution

Adopt

Decline to Adopt

Pensions - Retirement Eligibility

Adopt

Decline to Adopt

Dental Insurance

Adopt

Decline to Adopt

Promotions

Adopt

Decline to Adopt

Promotions - Fire Marshal

Adopt

Decline to Adopt

Health Insurance (A)

Adopt

Decline to Adopt

Sick Leave Payment

Adopt

Decline to Adopt

Retirees Life Insurance

Adopt

Decline to Adopt

Pension Employer Contribution

Adopt

Decline to Adopt

Pensions - Retirement Eligibility

Adopt

Decline to Adopt

Dental Insurance

Adopt

Decline to Adopt

Promotions

Adopt

Decline to Adopt

Promotions - Fire Marshal

Adopt

Decline to Adopt

Health Insurance (A)

Adopt

Decline to Adopt

Health Insurance (B)

Adopt _____

Decline to Adopt _____

Employee Fitness Program

Adopt _____

Decline to Adopt _____

Health Insurance (B)

Adopt [Signature]

Decline to Adopt _____

Employee Fitness Program

Adopt [Signature]

Decline to Adopt _____

Issues Agreed to by the Parties
To be Adopted by the Panel

Article 7, Section 4, Amend

Adopt [Signature]

Article 9, Section B
Use of Past Records

Adopt [Signature]

Article 13, Section 15 - EMT

Adopt [Signature]

Article 15, Section 1
Minimum Manning

Adopt [Signature]

Article 17, Section 2 - Amend

Adopt [Signature]

Article 17, Section 5 - Amend

Adopt [Signature]

Article 17, Section 10
Light Duty

Adopt [Signature]

Article 5, Section 5B

Adopt [Signature]

Article 8, Section 1 - Amend

Adopt [Signature]

Article 7, Section 4, Amend

Adopt [Signature]

Article 9, Section B
Use of Past Records

Adopt [Signature]

Article 13, Section 15, - EMT

Adopt [Signature]

Article 15, Section 1
Minimum Manning

Adopt [Signature]

Article 17, Section 2 - Amend

Adopt [Signature]

Article 17, Section 5 - Amend

Adopt [Signature]

Article 17, Section 10
Light Duty

Adopt [Signature]

Article 5, Section 5B

Adopt [Signature]

Article 8, Section 1 - Amend

Adopt [Signature]

Article 10, Section 5

Adopt Daniel J. Quack

Article 12, Section 4(C)

Adopt Daniel J. Quack

Article 13, Section 4

Adopt Daniel J. Quack

Article 13, Section 6 - Amend

Adopt Daniel J. Quack

Article 13, Section 6 (a-d)
Uniforms

Adopt Daniel J. Quack

Date: 3-4-93

Article 10, Section 5

Adopt Kenneth W. Schaefer

Article 12, Section 4(C)

Adopt Kenneth W. Schaefer

Article 13, Section 4

Adopt Kenneth W. Schaefer

Article 13, Section 6 - Amend

Adopt Kenneth W. Schaefer

Article 13, Section 6 (a-d)
Uniforms

Adopt Kenneth W. Schaefer

Date: MARCH 4, 1993

APPROVAL OF ARBITRATION PANEL DELEGATES

The Arbitration Panel Delegates note that the Arbitration Panel Chair has made his ruling on each issue in consideration of the Contract as a whole. Accordingly, each respective Delegate has considered the opinion of the Arbitration Panel Chair, as a whole, and does hereby assent to and approve the opinion of the Panel Chair as a whole thereby signifying their respective approval of the Panel Chair on each respective issue as follows:

Wages - 1991

Wages - 1992

Wages - 1993

Holiday Pay

Longevity

EMT Allowance

Health Insurance (A)

Health Insurance (B)

Sick Leave Payment

Retirees Life Insurance

Pension Employer Contribution

Pensions Retirement

Eligibility

Dental Insurance

Promotions

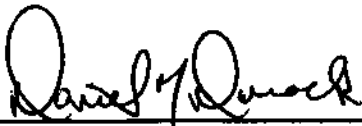
Promotions - Fire Marshal

Employee Fitness Program

and including each and every issue agreed to by the Parties as set forth in Joint Exhibit 2, to be adopted by the Panel.

Approval

For the Charter Township of
Canton Employer



Daniel Durack
Employer Delegate

3-4-93

Approval

For IAFF, Union Local



Ronald R. Helveston
Union Delegate

MARCH 4, 1993