

3/6/74 ARB.

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STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
STATUTORY ARBITRATION

In the Matter of
Statutory Arbitration Between:

CITY OF DEARBORN

and

THE DEARBORN FIRE FIGHTERS
UNION, LOCAL 412, I.A.F.F.,
AFL-CIO

3/6/74

PANEL'S FINDING OF FACT, OPINION AND ORDERS

Appearances:

FOR THE CITY OF DEARBORN

Eugene Forbes, Esq.
Assistant Corporation Counsel

Appearances:

FOR THE DEARBORN FIRE FIGHTERS

Ronald R. Helveston, Esq.
Attorney at Law

PROCEDURAL INTRODUCTION

The Dearborn Fire Fighters Union, Local 412, I.A.F.F., AFL-CIO, ("Union") is the recognized, exclusive bargaining representative of the employees of the Fire Department of the City of Dearborn ("City") under applicable Michigan Law (Act 336, Public Acts of 1947, as amended by Act 379, Public Acts of 1965,

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RELATIONS LIBRARY

Kennell, George T

Dearborn City of

as amended being MCLA §423.201, et seq.; MSA §17.455(1),
et seq.)

On June 26, 1973, the Union initiated binding arbitration proceedings pursuant to Act 312, P.A. of 1969 (MCLA §423.231, et seq.; MSA §17.455(31) et seq.) as amended.

As provided by Act 312, the arbitration panel is comprised of a delegate chosen by each party to the dispute, and an impartial chairman selected by the parties or the Chairman of the Michigan Employment Relations Commission. The panel in the instant case is comprised of the chairman, George T. Roumell, Jr., appointed by Robert G. Howlett, Chairman of the Employment Relations Commission; Dudley L. Sherman, panel member selected by the City of Dearborn; and Joseph R. Kovach, selected by the Union. Hearings on the instant matter were held on September 14, October 12, October 19, October 26, November 9, November 13 and December 7, 1973. Subsequently, the parties filed post hearing briefs, and the time^{for} filing Findings of Fact, a written opinion and orders therefrom was extended by mutual agreement of the parties to and through March 6, 1974.

Section 8 of Act 312, as amended, (MCLA 423.238, MSA 17.55(38)) provides as follows:

"At or before the conclusion of the hearing held pursuant to Section 6, the arbitration panel shall:

1. Identify the economic issue in dispute,
2. 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.

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 factors prescribed in Section 9 of the Act."

At the hearing on September 12, 1973, the panel identified the economic issues in dispute and directed the parties to submit their last best offer of settlement to the arbitration panel on October 19, 1973. The economic issues as designated by a majority of the panel are set forth in the opinion as each issue is discussed.

In making their findings of fact, opinion and orders, the majority of the panel adhered to the basic criteria set forth by Act 312 in Section 9. This criteria is as follows:

"Where there is no agreement between the parties, or where there is an agreement but the parties have begun negotiations

or discussions looking to a new agreement or amendment of the existing agreement, and wage rates or other conditions of employment under the proposed new or amended agreement are in dispute, 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." (MCLA 423.239; MSA 17.455(39))

GENERAL BACKGROUND

The City of Dearborn is immediately west of the City of Detroit, Michigan. It has a population of over 100,000 residents. Though being a residential community, it has a large industrial base, including the Ford Motor Company Rouge complex and many smaller industries. It has a Fire Department consisting presently of 114 men in four stations. The City has a mayor-council type of government. It has one of the highest equalized property valuations for tax purposes in the State of Michigan.

Though some may term Dearborn a suburb of Detroit, it is obviously more than a suburb. The Chairman notes that it has an excellent government and can be termed a very well run city, which is indeed a credit to its mayor and its council. Likewise, the Chairman believes that because of the industrial base, which does represent fire hazards, including the existence of an oil tanker farm, it is necessary for the City to have, and the City does have, a modern fire department, which is available when needed.

Further the Chairman notes, that the City had not pleaded financial inability to pay the economic demands made

by the Union. It is only argued that the Orders of the majority of the panel should be tempered with the City's overall needs to continue furnishing the excellent services that it does to all of its citizens. The majority of the panel have recognized this in making its Orders. But likewise, the majority in making its Orders have recognized that the Fire Department in Dearborn is an essential ingredient of the City's services, which are necessary to a city the size of Dearborn with both the residential and industrial base that the City does have.

SALARIES

During the fiscal year July 1, 1972 to June 30, 1973, the salaries of the Fire Fighters were as follows:

"Present: 7/1/72 to 6/30/73

<u>No. in Class</u>	<u>Classification</u>	<u>Minimum</u>	<u>Maximum</u>
36	Firefighter I	\$10,999	\$12,703
22	Firefighter II		13,118
24	Firefighter III		13,408
15	Fire Lieutenant		14,131
10	Fire Captain		15,155
4	Battalion Fire Chief		16,620
1	Fire Marshal		17,062
0	Fire Equipment Mechanic I	12,703	13,118
1	Fire Equipment Mechanic II		14,131
1	Fire Equipment Mechanic III		15,155
<u>114 "</u>			

A. The City's last best offer.

The City's last best offer for the fiscal year July 1, 1973 - June 30, 1974 was as follows:

"7/1/73 - 6/30/74

<u>Classification</u>	<u>Minimum</u>	<u>Maximum</u>
Firefighter I	\$11,471	\$13,402
Firefighter II		13,839
Firefighter III		14,145
Fire Lieutenant		14,908
Fire Captain		15,989
Battalion Fire Chief		17,534
Fire Marshall		18,000
Fire Equipment Mechanic I	13,402	13,839 (aft. 1yr
Fire Equipment Mechanic II		14,908
Fire Equipment Mechanic III		15,989"

B. The Union's last best offer.

The Union's last best offer for the period July 1, 1973 to June 30, 1974 was described by the Fire Fighters as follows:

"Pursuant to Section 8 of Act 312, Public Acts of 1969, as amended by Act 127, Public Acts of 1972, the Dearborn Fire Fighters Association, Local 412, I.A.F.F., hereby submits the following last offer of settlement on the economic issue involving the question of what salary shall Dearborn Fire Fighters Association bargaining unit members receive for the period July 1, 1973, to June 30, 1974:

We propose that a fair and equitable increase for a fire fighter I and all higher classifications shall be a 10% (for example 10% of 12,703 equals 13,973) increase. In addition, we propose that the percentage increase for fire fighters below the classification fire fighter I shall be as follows: The fire fighter starting salary shall remain the same (10,999); the succeeding two steps before maximum shall be increased by 5.8% (for example 5.8% of 10,999 equals 11,636) and 8.7% (for example 8.7 of 11,636 equals 12,648) respectively. All percentage factors shall be computed on present base rates, beginning with fire fighter I and succeeding steps.

<u>Classification</u>	<u>Old Salary</u>	<u>Adjusted Salary</u>
12 month	\$10,999 x 5.8% = 637 =	\$11,636 - 12 months
	\$11,636 x 8.7% = 1,012 =	\$12,648 - 18 months
Fire Fighter I	\$12,703 x 10% = 1,270 =	\$13,973
Fire Fighter II	\$13,118 x 10% = 1,311 =	\$14,429
Fire Fighter III	\$13,408 x 10% = 1,340 =	\$14,748
Fire Equipment I	\$13,118 x 10% = 1,311 =	\$14,429
Fire Equipment II	\$14,131 x 10% = 1,413 =	\$15,544
Fire Equipment III	\$15,155 x 10% = 1,515 =	\$16,670
Fire Lieutenant	\$14,131 x 10% = 1,413 =	\$15,544
Fire Captain	\$15,155 x 10% = 1,515 =	\$16,670
Battalion Chief	\$16,620 x 10% = 1,662 =	\$18,282
Fire Marshal	\$17,062 x 10% = 1,706 =	\$18,768"

C. Discussion:

When the City is not pleading inability to pay, comparisons under Section 9 of Act 312 are important criteria. Whether the panel follows the comparisons made with surrounding cities in the metropolitan

Detroit area by the City or as presented by the Union, it is clear that the Fire Fighters in Dearborn rank in the bottom third of communities in the Detroit metropolitan area as far as base wages are concerned. It may be true that in the last three years the Fire Fighters have received wage increases of 14.8%, 8.1% and 4.9% for a total of 27.8%. However, the fact remains that apparently other communities in the Detroit metropolitan area have been giving similar or greater wage increases recognizing the hazards of fire fighting and the need for the services. The purpose of comparisons is to give some guidance as to what the market place is paying for the employment services of employees such as fire fighters.

As noted in the general comments by the Chairman at the beginning of this Findings of Fact and Opinion, it becomes clear that fire fighting is a very essential service to Dearborn, particularly because of its industrial base. It is necessary for the Fire Department to be sophisticated and able. This can only be accomplished by paying a prevailing wage.

The basic comparisons as to wages in the metropolitan Detroit community for fire fighters were set forth in Union's Exhibit 15 and City's Exhibit 2. There apparently is some dispute as to what the exact comparison figures are, with the figures of the City being lower than those of the Union. Fortunately, the Chairman of the panel does not have to resolve this dispute because he is willing to accept the City's figures. Effective July 1, 1973 to June 30, 1974, the top fourteen metropolitan Detroit communities in pay are as follows, except as to Warren whose benefits are reported until 12/31/73, Ferndale until 9/30/74, Pontiac until 12/31/73 and Royal Oak until 5/31/74:

	<u>Min.</u>	<u>Max.</u>
Dearborn Heights	\$11,878	\$14,378
Southfield	11,600	14,500
Taylor	9,506	13,894
Allen Park	10,560	13,650
Warren	10,840	13,896
Sterling Heights	9,716	13,424
Detroit	10,610	14,363
Ferndale	11,100	14,250
Roseville	10,500	13,483
Highland Park	9,996	14,156
Pontiac	11,615	13,886
Royal Oak	12,386	13,975
Birmingham	11,606	13,928
Madison Heights	11,409	13,965

For Fire Fighter I the City's offer would mean a

maximum of \$13,402. Based upon City's Exhibit 2, out of twenty-four communities surveyed only five would be paying less at the maximum. Adjacent and nearby communities, to wit: Dearborn Heights, Allen Park, Taylor and Detroit, are paying far more based upon the City's own survey.

The City does point to its Exhibit 3, which is a Six Year Historical Relationship between the rates paid Dearborn Fire Fighters and those of approximately twenty-two other communities. Beginning July 1, 1967, Dearborn rated fifteenth, Allen Park rated Twenty-first. In 1968 Dearborn rated twelfth. In 1969 it rated nineteenth. During these first three years, Warren actually fell behind Dearborn, and there was a beginning climb in the rankings for Dearborn Heights which was ninth by July 1, 1969. Allen Park remained in the lower rankings. In 1970 and 1971 Dearborn was still thirteenth. But in these two years Dearborn Heights ranked seventh. Livonia who wasn't on previous historial surveys ranked second and third respectively, 1970-71. Allen Park again moved up and by July 1, 1971, it was ninth. Warren, Michigan was still twenty-third on July 1, 1971. On July 1, 1972, Dearborn dropped to twenty-first. Allen Park had now become

thirteenth and Warren went from twenty-third to eighth. The City is apparently attempting to make the point that its offer would keep Dearborn at approximately its constant historical ranking. This is not true. The offer proposed by the City actually drops Dearborn from its early rankings. Furthermore, the history actually militates against the City's position because it is noted that nearby Dearborn Heights and Allen Park began to move up in the ranks as did Warren, Michigan.

One reason for the low ranking of Dearborn in recent years is the wage-price freeze. Although a previous arbitration panel had awarded the Fire Fighters a higher rate than they received, the wage freeze prevented an additional increase.

The Chairman of the panel is attempting to point out that Dearborn is not a bedroom variety suburb. It is a viable community having particular fire fighter needs because of its large industrial base as well as its residential homes. Though the Chairman has particularly relied on neighboring cities such as Dearborn Heights and Allen Park for its comparisons

he has also used Warren, Michigan. Warren, Michigan is somewhat the larger in area and perhaps population than Dearborn, but it has many similarities to Dearborn in that it does have a large industrial base plus a residential area. The Chairman is not unrealistic in making comparisons with Warren, Livonia, Southfield, and Dearborn Heights. Below is a State Equalized Valuation of Larger Cities in the State of Michigan:

"CITY	STATE EQUALIZED VALUATION
1. Detroit	5,806,682,890
2. Flint	1,184,279,110
3. Warren	1,123,782,311
4. Dearborn	1,026,992,640
5. Livonia	850,096,780
6. Grand Rapids	884,369,500
7. Southfield	705,882,350
8. Lansing	696,167,950
9. Ann Arbor	565,625,600
10. Pontiac	562,349,600
11. Sterling Heights	523,435,700
12. Saginaw	506,060,092
13. Kalamazoo	392,211,527
14. Royal Oak	364,204,800
15. Dearborn Hgts.	332,796,810
16. St. Clair Shores	311,591,768
17. Jackson	211,527,894
18. Wyandotte	204,602,670

Source of Information: Michigan State Tax
Commission

Notice that Warren and Dearborn have about the same

state equalized valuation. This could mean that these two cities have about the same amount of property to protect from fire. Yet, Warren fire fighters, during part of the year covered by this Award, are paid a maximum of \$13,893. Dearborn Heights is paid \$14,378. Livonia with a contract expiring November 30, 1973 was already being paid \$13,478. The point is that the City's offer is woefully low. On the other hand, Fire Fighters have offered a more competitive wage; \$13,973 at the maximum pay would be higher than Allen Park, slightly higher than Taylor, and presumably would be somewhat lower than Warren with their new negotiations. Yet, Dearborn Heights, Southfield, Detroit, Ferndale, Roseville, Highland Park, Royal Oak and Madison Heights are substantially higher. The City would argue that in all of the cities named the maximum is reached after two and a half to five years; whereas in Dearborn the maximum is reached after twenty-four months. This may be true, and there is a proposal on this point presented by the City. But the point is a Fire Fighter who has put in time with the City expects to be paid in comparison with other Fire Fighters doing similar work.

Even though Dearborn may have the ability to pay, the job of the majority is not to spend the City's money. Likewise, the majority of the panel cannot order anything other than the

Fire Fighters' last offer because to do otherwise would be unconscionable. The City has fire fighting problems consistent with a city that has an industrial base as well as neighboring and similarly situated cities in the metropolitan Detroit community paying as much or more than the last offer of the Fire Fighters. We cannot say that the Fire Fighters have been unreasonable in their last offer.

It is true that the City's last best offer is a 5.5% increase. The majority of the panel is sympathetic to the need to fight inflation. However, as the comparisons have indicated, Dearborn is behind in the pay that it gives to fire fighters. The offers as made by the City do not compete in the market place. It is for this reason that the panel must adopt the last best offer of the Union in order to make the Dearborn Fire Fighters' wages more competitive in the metropolitan Detroit area. Any problems concerning whether or not an Order of this panel which follows the last best offer of the

Union violates the economic controls can best be taken up with the appropriate federal and state authorities, if necessary. The fact remains that only the Union's offer makes the City's Fire Fighters competitive wage-wise in the market place. For the reasons stated herein, the majority of the panel will adopt the last best offer of the Union as to salaries and will so order.

SERVICE INCREMENTS FOR FIRE FIGHTER I

A. The City's last offer.

The City has proposed a change in the service increments for Fire Fighter I.

Under the pay plan for the fiscal period ending June 30, 1973, Fire Fighter I received the following increments:

"Present: For fiscal period ending 6/30/73

Following is the present increment schedule:

Beginning rate:	\$10,999
After 12 months:	11,567
After 18 months:	12,135
After 24 months:	12,703"

The City would spread these increments out so that based on the City's financial offer, the City's last offer on Fire Fighter I increments is as follows:

"Following increment schedule to apply to new hires on or after October 17, 1973:

Beginning rate:	\$11,471
After 12 months:	12,114
After 24 months:	12,758
After 36 months:	13,402

Employees hired before October 17, 1973 shall receive the salary as set forth herein on the basis of the time period as set forth above for the fiscal period ending June 30, 1973.

In the event the minimum and maximum salaries of the City would not prevail, the intermediate rates of pay above the prevailing entrance level rate and the prevailing maximum rate for Firefighter I shall have equal annual increments from minimum to maximum that would reflect the time periods as herein set forth."

B. Fire Fighters' last best offer:

The last best offer of the Fire Fighters was "there shall be no change in the current service increment schedules (or 'time for minimum to maximum') for Fire Fighter I (or any other rank or classification)."

C. Discussion:

The City's position is best set forth in its Brief where it writes as follows:

"City Exhibits 1 and 2 show that the present starting rate is very high in comparison with other communities. City Exhibit 1 shows, for example, that as of June 30, 1973, when the current Dearborn contract expired, Dearborn ranked 7th out of 27 cities in the starting or minimum rates. From day one, he earns this salary even though, as the firemen readily admit, he is not trained as yet to be an effective fire fighter and his status is similar to that of an apprentice or trainee. Even when the current or last year's rate for Dearborn is compared with this year's rate in other cities, Dearborn still ranks 12th out of 24 cities. If the City's last best offer on salaries were accepted, this high starting rate would increase from \$10,999 to \$11,471.

City Exhibit 47 establishes that 23 of the 27 cities have a longer time between minimum and maximum and two others have the same two year period. If the City's offer to go to a three year period were accepted, we would still be in the upper quartile of cities.

These two exhibits, when considered together, clearly satisfy the City's burden of proof on this issue. At present, the beginning fire fighter gets an increment raise after 12 months, another after 18 months, and another after 24 months. After the 18 months, his salary escalates \$1,136.00 above the starting rate in addition to the economic raises which all employees virtually always

obtain on an annual basis. Taking into consideration the already high starting salary, the longer periods in the large majority of other cities and the fact that these new employees are in training, we ask the Panel to accept the City's last best offer."

The response of the Fire Fighters is that it is a modern fire department and needs to recruit the very best available manpower. Apparently, according to the Union, the City agreed with this because for a considerable period of time it had maintained the basic Fire Fighter I increments that it now seeks to change. Although there may be merit in the City's position, there is merit in the Union's position, namely, higher starting salaries are needed to attract capable manpower.

The increments in Dearborn are twenty-four months. This is two years. It is true as suggested that City Exhibit 47 does indicate that twenty-three of twenty-seven cities have a longer time between minimum and maximum than two years. Two others have the same two-year period and two others having less. According to the City, "If the City's offer to go to a three-year period was accepted, we would still be in the upper quartile of cities".

The difficulty with the City's position is that it has an inconsistent argument. On wages it is willing to be maintained at the lower quartile of cities, whereas on increments, it is willing to be maintained at the upper quartile of cities. It is because of this inconsistency that the City has failed in its burden of proof.

Again, to repeat, wages and increments in many ways go together. Based upon all of the facts, including the need for modern fire fighter services, ability to pay and state equalized valuations, if the City had been willing to bring itself in line with fair pay to fire fighters as the cities of Warren, Allen Park and Dearborn Heights have done, then perhaps the City might have met its burden as to the increments. For the reasons set forth herein the majority of the panel will adopt in its Order the Fire Fighters' last best offer as to increments in accordance with the new wage rates as ordered herein.

HOSPITAL, MEDICAL AND SURGICAL BENEFITS
FOR RETIREES

= For the fiscal period ending June 30, 1973, the retiree Blue Cross-Blue Shield benefit in the City of Dearborn for the Fire Fighters was "may retain same coverage into retirement with employee paying full costs".

A. The City's last best offer on this issue is as follows:

RETIREE HEALTH BENEFITS

Section A.

On and after July 1, 1973, and subject to conditions set forth in Sections B and C:

- (1) An employee retiring under an age and service retirement shall have 50% of the premium charges paid by the City for the retiree and spouse, or for the retiree only if he has no spouse. The premium payment shall begin for the month during which the retiree reaches age 55.
- (2) An employee retiring under a duty disability retirement shall have the full monthly premium paid for retiree and spouse. A widow receiving a duty death annuity shall have the full monthly premium paid for herself and dependent children, to continue during her widowhood.
- (3) The coverage to be for hospital, medical and co-pay drug rider that is in effect for regular permanent employees.

Section B.

Beginning in the month the retiree or spouse reaches age 65, or the date one or both are eligible and receive Medicare, whichever comes first, the retiree and spouse shall have full premium payments made for the hospital, medical and co-pay drug rider.

Subject to the provisions of Section C, if neither the retiree nor spouse is eligible for Medicare coverage, then the same pro rata premium payments shall continue as set forth in Section A (1).

Section C.

If the retiree and/or spouse is eligible for Medicare and fails to make application for Medicare coverage, then the City shall not pay any greater premium than would have been paid had the retiree and/or spouse received Medicare. The retiree shall reimburse the City for any excess premiums paid.

At the death of the retiree coverage shall only continue to a widow who is a beneficiary under one of the City's retirement systems. Coverage to begin in the month she receives her annuity.

In the event the City would be obligated to make contributions under a National Health Insurance Act, that would affect coverage for retirees, then the terms of this agreement shall be subject to renegotiations.

Dated: October 16, 1973

B. The Union's last best offer is as follows:

HOSPITAL, MEDICAL AND SURGICAL BENEFITS
FOR RETIREES WHO RETIRE ON OR AFTER JULY 1, 1973
WITH 25 YEARS OF SERVICE

Pursuant to Section 8 of Act 312, Public Acts of 1969, as amended by Act 127, Public Acts of 1972, the Dearborn Fire Fighters Association, Local 412, I.A.F.F., hereby submits the following last offer of settlement on the economic issue involving the question of hospital, medical and surgical benefits for retirees who retire on or after July 1, 1973, with 25 years of service:

We propose that they shall be provided with hospital, medical and surgical benefits for themselves, spouses and dependents; in other words, the identical medical coverage now provided for all active (non-retired) fire fighters. The City shall pay 100% of the premium for the above hospital, medical and surgical benefits for retirees on or after July 1, 1973. The above mentioned hospital, medical and surgical benefits shall become effective upon the issuance of the award herein.

Any member of the fire department bargaining unit who retires on or after July 1, 1973, as a result of a duty disability shall receive full hospital, medical and surgical benefits for retiree and dependents, without regard to the number of years of service.

C. Discussion.

The City's last best offer is admittedly an improvement over the previous fiscal year. It is an admission by the City that this is an area that needs improvement. The City's own Exhibit 16 establishes that fifteen of the twenty-seven cities surveyed pay 100% of the premium on medical insurance for retirees. This only buttresses the fact that in fire fighting work, particularly because of the hazards of the job, consideration must be given to retirees. In view of the comparisons, there

is no reason why the City should not pay 100% of the Blue Cross-Blue Shield premium for retirees, their spouses and dependents, or in other words, identical medical coverage now provided for all active (non-retired) fire fighters. This is what other cities are doing.

For these reasons the Chairman joins with the majority of the panel and orders that the Fire Fighters' last best offer as to retiree health benefits be adopted.

DENTAL PLAN

Presently the City provides no dental plan for Fire Fighters.

A. City's last best offer.

"none."

B. The Union's last best offer is as follows:

DENTAL PLAN

Pursuant to Section 8 of Act 312, Public Acts of 1969, as amended by Act 127, Public Acts of 1972, the Dearborn Fire Fighters Association, Local 412, I.A.F.F., hereby submits the following last offer of settlement on the economic issue involving the dental plan.

We hereby propose as our last offer of settlement Proposal A, page 5 of the attached plan*.

"PROPOSAL A.

50% of treatment costs paid by Delta on Class I and Class II Benefits.

Rate per subscriber per month -

Employee only	\$4.55
Employee with one dependent	\$8.94
Employee with two or more dependents	\$12.41"

- * See attached update of cost submitted by Michigan Blue Cross-Blue Shield dated October 11, 1973.

C. Discussion:

If one were to use the comparison criteria, it is clear that the Fire Fighters have not met their burden of proof. Only one out of twenty-six cities surveyed has a dental plan. Because the emphasis in the orders herein is to place the City

Fire Fighters on a wage scale comparable to the Detroit metropolitan area market place, the majority of the panel is faced with the fact that dental plans are no where universal. The majority of the panel is not prepared to add this additional cost to the City of Dearborn during the current fiscal year and for these reasons will not order a dental plan.

OPTICAL PLAN

The City of Dearborn does not presently provide for an optical plan.

A. The City's last best offer is no optical plan.

B. The Union's last best offer is:

OPTICAL PLAN

Pursuant to Section 8 of Act 312, Public Acts of 1969, as amended by Act 127, Public Acts of 1972, the Dearborn Fire Fighters association, Local 412, I.A.F.F., hereby submits the following last offer of settlement on the economic issues involving the optical plan for the period July 1, 1973 to June 30, 1974:

Optical care coverage -- each employee and any member of his immediate family shall receive one eye examination by an optometrist and one pair of prescription eye glasses (if required) within a period of two years with a cost to the City of \$15 per year per employee. Any costs in excess of the cost for a "standard eye glass frame shall be charged to the employee.

\$15 per year per employee.

111 employees in the fire department bargaining unit (approx.)

\$1,665 total cost to the City. *

Effective Date January 1, 1974.

* Cost to the City for January 1, 1974, to the termination of the contract and award June 30, 1974, will be less than the yearly cost quoted above.

C. Discussion.

Again, following the City's Exhibit 19, only three cities have an optical plan, which, including East Detroit would have a wage scale less than Dearborn. Again, because of the emphasis of

the orders herein as discussed under the Discussion of the dental plan, the majority of the panel is not prepared to add this additional cost to the City at this time and thus will order no optical plan.

REDUCTION IN HOURS

Presently, employees in the Fire Fighter division who work twenty-four hour tours of duty average fifty-six hours per week.

A. The City offer proposes the same hours of work as presently for twenty-four hour employees.

B. The Union's offer is as follows:

REDUCTION IN HOURS

Pursuant to Section 8 of Act 312, Public Acts of 1969, as amended by Act 127, Public Acts of 1972, the Dearborn Fire Fighters Association, Local 412, I.A.F.F., hereby submits the following last offer of settlement on the economic issue involving the achievement of the reduc-

tion of the average number of hours worked per week.

Effective June 1, 1974, and thereafter, each fire fighter (24 hour employee) shall receive one additional Kelly day (leave day) per month. This shall result in a reduction of the average work week for fire fighters to 50.4 hours or approximately 2,620 hours in each 12 month period.

C. Discussion.

Three communities have just recently reduced their work week of twenty-four hour employees to 50.4 hours. These include Ann Arbor and the neighboring communities of Dearborn Heights and the City of Detroit. The twenty-four other cities surveyed still have the fifty-six hour work week. There is evidence that this may be the way of the future. It may be at another time and another place, Dearborn Fire Fighters may be able to negotiate this reduction in hours. However, it is not universal. It has not been adopted by such communities as Warren and Allen Park or by Southfield which has apparently been a leader in pay. Because of the necessity to take care of first things first, namely, make Dearborn Fire Fighters competitively paid, the Chairman of the panel is not prepared in February 1974 on hearings begun in September 1973 to join

in an order for a reduction in hours when there is a need to take care of other basic needs of the Dearborn Fire Fighters. Therefore, the majority will order no reduction in hours.

COST OF LIVING ADJUSTMENT

There is presently no cost of living plan between the City of Dearborn and the Fire Fighters.

A. The City's last offer is no cost of living adjustment.

B. The Union's last offer is:

COST OF LIVING ADJUSTMENT

Pursuant to Section 8 of Act 312, Public Acts of 1969, as amended by Act 127, Public Acts of 1972, the Dearborn Fire Fighters Association, Local 412, I.A.F.F., hereby submit the following last offer of settlement on the economic issue of cost of living allowance for the bargaining unit members for the period beginning January, 1974. (See attached cost of living allowance article negotiated between the City of Dearborn and one of its bargaining units).

AGREEMENT BETWEEN CITY AND TEAMSTERS LOCAL
ARTICLE EFFECTIVE 7-1-73

COST OF LIVING ALLOWANCE

Section A.

The amount of the cost of living allowance shall be determined as provided below on the basis of the Consumer Price Index for Urban Wage Earners and Clerical Workers, published by the Bureau of Labor Statistics, United States Department of Labor (1967 = 100).

Section B.

(1) The cost of living allowance shall be determined as follows:

<u>Column #1</u> Base Period shall be Average of Index for following months:	<u>Column #2</u> Increase from Base Period Determined by Average of following three months:	<u>Column #3</u> Effective the First Pay Period beginning in the Month of:
June, July, August, 1973	September, October and November, 1973	January, 1974
	December, 1973; January and February, 1974	April, 1974

(2) In determining the three-month average of the Indexes for a specified period, the computed average shall be rounded to the nearest 0.1 Index point.

(3) The amount of increase shall be as follows:

<u>Index fluctuation from Base</u>	<u>Amount of Adjustment per Hour</u>
.4 index points	.01¢ per hour
.8	.02
1.2	.03
1.6	.04
2.0	.05
2.4	.06
2.8	.07
3.2	.08
3.6	.09
4.0	.10 (maximum)

Section C.

The hourly rate in effect on July 1, 1973, or thereafter, without the addition of cost of living, shall be defined as the base hourly rate.

The base hourly rate plus the cost of living allowance shall be the rate used to determine overtime compensation.

The cost of living allowance that may be due the first pay period beginning in January, 1974, and when added to the cost of living allowance that may be due the first pay period beginning in April, 1974, shall not exceed 10¢ per hour.

In the event a cost of living allowance for a subsequent three-month period would be less than the total of the prior periods, then the rate of pay shall not be less than the base hourly compensation rate.

Section D.

In the event the Bureau of Labor Statistics shall not issue the appropriate index on or before the beginning of the effective date set forth in Column #3 (Section B), then any adjustments in the allowance required by such appropriate indexes shall be effective at the beginning of the first pay period after receipt of the indexes.

No adjustments retroactive or otherwise shall be made in the amount of cost of living allowance due to any revision which later may be made in the published figures for the index for any month on the basis of which the allowance shall have been determined.

Section E.

Continuance of the cost of living allowance shall be contingent upon the availability of the index in its present form and calculated on the same basis as the index used and set forth in Sections A and B.

C. Discussion.

The basic support for the Union's last offer is that in fact the City of Dearborn did negotiate the cost of living plan with its employees who are members of the Teamsters Local 214. The Union also points out that at one time Fire Fighters did have a cost of living clause, and that there are some communities who do have cost of living provisions for their fire fighters. But again, a cost of living provision for fire fighters is not universal. The wage increase recommended here is substantial. Shortly the Fire Fighters will be involved in further negotiations with the City. If this were a longer contract there may be merit in a cost of living adjustment plan. But as this is a contract for the short duration of one year, which in fact will expire in about four months on June 30, 1974, the majority of the panel is not prepared to order a cost of living adjustment, and will adopt instead the City's last offer.

FOOD ALLOWANCE

The present food allowance is \$321.00 annually. The allowance is pro-rated and paid on a bi-weekly basis.

A. The City's last offer is to keep the present food allowance.

B. The Union's last offer is as follows:

FOOD ALLOWANCE

Pursuant to Section 8 of Act 312, Public Acts of 1969, as amended by Act 127, Public Acts of 1972, the Dearborn Fire Fighters Association, Local 412, I.A.F.F., hereby submits the following last offer of settlement on the economic issue involving the question of what food allowance shall the bargaining unit members receive for the period July 1, 1973, to June 30, 1974.

The fire fighters hereby propose as their last offer of settlement for food allowance, \$365 for this 12 month period to be paid biweekly.

C. Discussion.

A food allowance is unique to Fire Fighters because of the necessity of Fire Fighters being away from their homes and being on duty for periods of twenty-four hours. In opposing what amounts to a \$44.00 increase in the Fire Fighters' annual food allowance, to wit: from \$321.00 to \$365.00, the City writes:

"Dearborn fire fighters like to compare food allowance to the gun allowance granted police officers in many communities. This is because the claimed relationale for these benefits is similar. However, the police in Dearborn receive only a \$300.00 gun allowance, whereas, the fire fighters receive \$321.00 in food allowance. The police requested no increase in their current arbitration, thus they will continue to receive the \$300.00 (Tr. 1023-1024). Nevertheless, the fire fighters are seeking a costly increase to \$365.00 per year.

This increase cannot be justified by the surveys of other communities..."

It is true that if one were to follow the comparisons in the City's Exhibit 2/^{it is noted} that some communities, including nearby Dearborn Heights and Detroit, provide no food allowance. Many provide substantially less than \$365.00. However, \$365.00 is not unusual. Taylor, Allen Park, Westland and Livonia do

provide \$365.00. Hamtramck provides \$500.00.

Note the record:

"Lieutenant Kovach testified that the fire fighter eats two (2) meals per shift at the station and works 121 shifts per year (Tr. 458 - 459). The cost of food per fire fighter is at least \$15.00 per period (Tr. 459) and that amounts to \$390.00 per year.

The Fire Fighters have not had an increase in food allowance for more than two years (Tr. 465), despite the fact that food prices have accelerated at the fastest rate in 27 years during 1973 and prices in the Detroit area rose more than the national average (U. Ex. 30 and 31). These prices have continued to climb 1/ (U. Ex. 32) and the food allowance awarded more than two (2) years ago is no longer adequate.

1/ The Detroit Free Press reported on January 23, 1974, that there was a 20.1% increase in food prices in 1973 according to figures compiled by the Bureau of Labor Statistics."

With the rising cost of food and absent proof that the Fire Fighters do not in fact spend the money for food, the majority of the panel would be remiss not to order the \$44.00 increase. The majority of the panel are not convinced that there is a similarity between a \$300.00 gun allowance for police officers and a \$365.00 food allowance for

Fire Fighters who actually spend the money for food particularly with the rising food cost of living. For these reasons the panel will order the last best offer of the Fire Fighters.

CLOTHING AND MAINTENANCE ALLOWANCE

The present benefit for fiscal year ending June 30, 1973 is \$125.00 per year paid quarterly.

A. The City's last best offer is the same as above.

B. The Union's last best offer is as follows:

Pursuant to Section 8 of Act 312, Public Acts of 1969, as amended by Act 127, Public Acts of 1972, the Dearborn Fire Fighters Association, Local 412, I.A.F.F., hereby submits the following last offer of settlement on the economic issue involving the question of what clothing allowance shall ^{unit} the bargaining/members receive for the period July 1, 1973 to June 30, 1974.

Fire Fighters hereby propose as their last offer of settlement for clothing allowance, \$150 for this 12 month period to be paid quarterly.

C. Discussion.

The City's position as to clothing allowance is summed up in their brief as follows:

"The Dearborn fire fighters are not required to purchase or wear dress uniforms. They are, however, granted a clothing allowance for purchase and cleaning of work clothes (City Exhibit 31, testimony by Mr. Sherman, Tr. 1026-1036). The present \$125.00 clothing allowance is more than adequate to cover the costs for such clothing, (See City Exhibit 32 showing a cost of only \$76.96 per year.) for employees in other City departments for similar apparel. The clothing allowance benefit is not and never was intended to provide a windfall but, rather, a reimbursement for clothing which is required to be worn. Accordingly, we submit that there is no justification for the increase requested by the Union."

The Union's response is set forth in their brief as follows:

The Fire Fighters propose an increase in the annual clothing allowance from \$125.00 to \$150.00 (App., 20).

There has not been an increase in this allowance for more than two (2) years (Tr. 1025) despite the general inflationary trend in consumer prices demonstrated in previously cited Union exhibits. The cleaning costs (\$172.30 per year, U. Ex. 49) and

replacement costs (\$171.25) amount to an expenditure of approximately \$350.75 per year. Union Exhibit 50 illustrates the Union's contention that its requested increase of \$25.00 would bring the allowance to an amount which is still far below that being paid by other cities in the metropolitan area. The requested allowance would not pay for even half of the annual clothing cost to the fire fighter.

The Union believes this request is both reasonable and justified because of the expense of the clothing and the necessity of having a uniform, as testified to by both Lieutenant Brissman and Lieutenant Kovach."

There was much ado on the record concerning the necessity of purchasing and wearing dress uniforms. The fact remains that the Fire Fighters do purchase uniforms and previous arbitrators have recognized this practice even over the protests of the City. The City has not convinced the Chairman of this panel that Fire Fighters are not entitled to purchase or wear dress uniforms or for that matter that the cost of cleaning has not gone up with the rising cost of living. The request is only a \$25.00 increase. It is most reasonable. For this reason the Chairman will join with the majority of the panel in ordering a clothing allowance of \$150.00 for the 1973-74 fiscal year.

PAYMENT FOR SERVICE OUT OF RANK

A. The City's Last Best Offer.

The City's last best offer is that there be no payment for service out of rank as is their current practice.

B. The Union's Last Best Offer.

The Union's last best offer is set forth as follows:

PAY FOR ACTING RATE

Pursuant to Section 8 of Act 312, Public Acts of 1969, as amended by Act No. 127, Public Acts of 1972, the Dearborn Fire Fighters Association, Local 412, I.A.F.F., hereby submits the following last offer of settlement on the economic issue involving pay for acting rank affecting the bargaining unit members for the period July 1, 1973, to June 30, 1974:

Whenever an employee covered by this collective bargaining agreement performs the duty of any rank higher than his present rank under orders from and/or for the convenience of the City, said employee shall be compensated in the amount specified for that particular position upon an hourly basis, provided that such assignment shall exceed twelve hours. In the event such assignment exceeds twelve hours, said employee shall be paid from the first hour at the higher rate.

The Union subsequently clarified its position by the following statement occurring in it's counsel's Brief at page 27 and as revealed by the transcript:

"The fire fighters proposed that effective July 1, 1973, an employee shall be compensated from the first hour for service performed in a higher rank if such assignment shall exceed 12 hours (App. 31). During the hearing, this proposal was clarified to exclude the Fire Fighter II classification (Tr. 1157) and the Fire Fighter III classification (Tr. 1158)."

The panel also understands that this last best offer does not apply to Fire Fighter I.

C. Discussion.

Other communities do compensate fire fighters filling a higher position by paying the employee the rate for his acting rank (Union Exhibit 68 and 91). Of course, the method for determining said pay will vary, but the aforementioned Exhibits do indicate that there is recognition that it is only fair equitable to pay an employee the rate for the job he is performing. The evidence here shows that there are occasions where Fire Fighters do fill jobs acting out of rank. Suggestion on this was made on this record that this occurs "at least thirty percent of the time" (Tr. 598 also see Tr. 1154). This service would include service in the station house. For example, when a Captain is not present, and a Captain is customarily on duty, then the

employee acting in that position should get paid if the employee so acts for more than a twelve hour period in a twenty-four hour period.

It is for these reasons that the majority of the panel will adopt the last best offer of the Union.

LIFE INSURANCE

A. The City's Last Best Offer.

The City's last best offer is that there be no change in the life insurance benefit, which is now at \$10,000.

B. The Union's Last Best Offer.

The last best offer of the Fire Fighters is an increase "from \$10,000 to \$15,000 with double indemnity for accidental death both on and off duty fully paid by the City".

C. Discussion.

It is true as the Union points out, that fourteen other Michigan cities to provide higher life insurance protection than Dearborn. Nevertheless, the City is still providing more life insurance than it does provide for police officers. Under such circumstances, it would seem that the Fire Fighters have not yet met their burden on the proposition of life insurance.

For this reason the Chairman will join in ordering the adoption of the City's last offer.

LIFE INSURANCE - RETIREES

A. The City's Last Offer.

The City's last offer is the present program of permitting retirees to purchase a \$1,000 life insurance at a cost of \$20.00 per year.

B. The Union's Last Offer.

The Union's last best offer is:

"Fire Fighters are proposing \$2,500 life insurance fully paid by the City for all members of the bargaining unit who retire or retired on or after July 1, 1973. The \$2,500 life insurance policy shall become effective upon the issuance of the award herein."

C. Discussion.

Although Union Exhibit 72 does indicate that seventeen cities do provide life insurance benefits for their retirees, only six provide insurance of more than \$2,500 as proposed by the Fire Fighters and one pays \$2,500. The remainder pay less, including several going as low as \$500. The present program in Dearborn is to provide \$1,000 life insurance albeit with the retirees paying \$20.00 a year. But the \$20.00 per year does not cover the entire cost and the City does have to make a contribution. Considering the overall economic package ordered herein, the Chairman is not persuaded that the City should also be asked to increase the retiree life insurance program, and for this reason will join with the majority and order the City's last best offer.

MINIMUM MANPOWER

A. The City's Last Best Offer.

The City's last best offer is expressed as follows:

"Although it is the City's contention that Manpower is a Management Right not subject to these arbitration proceedings, we are offering to maintain the Manpower at its present level at least until June 30, 1974. The total complement of manpower is set forth in the Economic Issue Salaries."

B. The Union's Last Best Offer.

The Union's last best offer is expressed as follows:

Pursuant to Section 8 of Act 312, Public Acts of 1969, as amended by Act No. 127, Public Acts of 1972, the Dearborn Fire Fighters Association, Local 412, I.A.F.F., hereby submits the following last offer of settlement on the economic issue involving minimum manpower for the bargaining unit members for the period July 1, 1973, to June 30, 1974.

The City shall, at all times, maintain the budgeted manpower (see for example page 42 of the City of Dearborn Budget for the fiscal year ending June 30, 1974) which is 120 employees, not including the classification "chief".

C. Discussion.

The Chairman of the panel will not pass on whether the City has maintained adequate Fire Fighter Manpower. Fire fighting service is a service to the people of the Dearborn community. If because of the lack of manpower this service cannot be performed, then of course, the responsibility lies on the door of City government. The parties shortly will begin negotiating for a contract for the fiscal year beginning July 1, 1974 and maybe again the parties should try to resolve this at the bargaining table. For the time being, however, the Chairman will join in an order adopting the City's last offer.

THE POLICEMEN AND FIREMEN RETIREMENT SYSTEMS

A. City's Last Offer.

The City describes the present Policemen and Firemen Retirement System as follows:

Under the City Charter for above pension systems, the Board of Trustees is as follows:

- 2 Police Members
- 2 Fire Members
- 1 Member of City Council (Mayor Pro Tem)
- 1 Mayor
- 1 Citizen appointed by the Mayor with consent of the Council

Five members constitute a quorum, and five votes are required for the adoption of any resolution.

The City's last offer is that the above remain the same.

B. The Union's Last Offer.

The Union's last offer is as follows:

"Pursuant to Section 8 of Act 312, Public Acts of 1969, as amended by Act 127, Public Acts of 1972, the Dearborn Fire Fighters Association, Local 412, I.A.F.F., hereby submit the last offer of settlement

The Fire Fighters hereby submit the following last offer of settlement. The Policemen and Firemen's Retirement System, Chapter 21, Section 21.46 shall be amended as follows:

"Each Trustee shall be entitled to one vote in the meeting of the Board. Four members of the Board shall constitute a quorum. At least four concurring votes (a majority) shall be necessary for a decision by the Trustees at any meeting of the Board. The members of the Board shall serve without additional compensation."

Likewise, the Police and Fire Revised Retirement Plan, Chapter 23, Section 233.05 shall be amended as follows:

"The Board shall hold regular meetings at least quarterly. Four Trustees shall constitute a quorum at any meeting of the Board. Each Trustee shall be entitled to one vote on each question before the Board and at least four concurring votes (a majority) shall be required for a decision by the Board at any meeting. The Board shall adopt its own rules of procedure and shall keep a record of its proceedings. All meetings of the Board shall be public."

C. Discussion.

The jugular vein of the Fire Fighters' proposal as to the retirement system is the alleged unfair treatment that the Fire Fighters, and for that matter the Police Officers, have received from the City in that the City has been able, by avoiding attending meetings, to frustrate the efforts of the retirement system. There was testimony that indicated that this may indeed have occurred on occasion. But the record is far from clear that these alleged abuses are a consistent matter, and there is evidence that the claims of this abuse only result from a difference in point of view as to actuary procedures. Until the Fire Fighters can present a stronger case for abuse as contrasted to a mere difference in opinion and can establish that they are not able to use other legal means such as court action to avoid abuses, the Chairman of this panel is not prepared, at least on this date, to join in adopting the last best offer of the Fire Fighters. For these reasons the Chairman will join the majority of the panel in adopting the last best offer of the City.

EFFECTIVE DATE

A. City's Last Best Offer.

The City's last best offer as to effective date (7/1/73 - 6/30/74) is as follows:

7/1/73 - 6/30/74

Effective dates are specifically set forth in each of the Economic Issue Offers.

We are specifically offering no interest for any retroactive payments on any of the Economic Issues.

B. Union's Last Best Offer.

The Union's last best offer is described as follows:

All economic orders issued by the panel shall be retroactive to July 1, 1973, and effective for the period July 1, 1973, to June 30, 1974.

In addition, economic benefits shall be maintained during 1973-74, at levels not less than those in effect in 1972-73.

C. Discussion.

As to the last best offers ordered hereafter the parties basically are in agreement. Both parties agree that all matters should be retroactive. There is no reason why this should not follow. All orders herein are retroactive to July 1, 1973.

ELIMINATION OF NON-FIRE FIGHTING DUTIES

A. The City's Last Best Offer.

The City's last best offer is to continue the present practice.

B. The Union's Last Best Offer.

The Union's last best offer is to eliminate all non-fire fighting duties.

C. Discussion.

Although Fire Fighters should not be asked to do non-fire fighter duties as a regular matter, there is no showing on this record that the duties requested interfered with the fire fighting work or the preparation for same or the rest Fire Fighters need. It may be at a later time this can be shown, and if it can be shown, then the Fire Fighters have met their burden. Until this happens, the Chairman will join in an order adopting the last best offer of the City.

COLLECTIVE BARGAINING AGREEMENT

A. The City's Last Offer.

The City has offered to put in the 1973-74 contract the same maintenance of standard clause now in the 1972-73 contract.

B. The Union's Last Best Offer

The Union's last best offer is as follows:

Pursuant to Section 8 of Act 312, Public Acts of 1969, as amended by Act No. 127, Public Acts of 1972, the Dearborn Fire Fighters Association, Local 412, I.A.F.F., hereby submits the following last offer of settlement on the economic issue of no reduction in wages or benefits as a result of arbitration award. No member of the fire fighter's bargaining unit shall suffer any reduction in pay or benefits as a result of the issuance of an opinion and award by this arbitration panel.

Economic benefits shall be maintained during 1973-74 at levels not less than those in effect in 1972-73.

Discussion:

So there will be no misunderstanding, it seems only fair that the maintenance of standards clause should provide that the economic benefits, as well as hours and conditions, shall be maintained in the 1973-74 contract at levels not less than those in effect in 1972-73, and the current maintenance of standards clause does this.

The Chairman believes that the present maintenance of conditions language meets the union's concerns.

It is for these reasons that the last best offer of the City will be adopted by majority order which is the following clause:

Wages, hours and conditions of employment in effect at the execution of this Agreement shall, except as changed herein, be maintained during the term of this Agreement. No employee shall suffer a reduction in such benefits as a consequence of the execution of this Agreement.

CONTRACT - EXECUTIVE AND DISTRIBUTION

A. The City's Last Best Offer.

The City's last best offer is described as follows:

The City will reduce to writing the Agreement reached between the City and the Union and within a reasonable time after it has been incorporated into a resolution by the City Council shall furnish the Union with ten copies of such agreement.

B. The Union's Last Best Offer.

The Union's last best offer is described as follows:

Pursuant to Section 8 of Act 312, Public Acts of 1969, as amended by Act 127, Public Acts of 1972, the Dearborn Fire Fighters Association, Local 412, I.A.F.F., hereby submits the following last offer of settlement on the economic issue involving the question of the execution and distribution of the collective bargaining agreement which will result from a combination of an award and opinion and order issued by this panel and the Rhemus and Herman award all to be effective for the period July 1, 1973 to June 30, 1974.

The fire fighters hereby propose that 30 days after the issuance of the arbitration award, the City shall print at its expense the collective bargaining agreement and supply each member of the Dearborn Fire Fighters Association bargaining unit with a copy of same. In addition, the above-referenced collective bargaining agreement shall be approved and ratified by the Dearborn City Council and signed by appropriate City officials including but not limited to Mr. Dudley Sherman, personnel director.

C. Discussion.

The discussion in this matter can best be noted by reference to the briefs of the parties. The Union writes as follows:

The Fire Fighters hereby propose that 30 days after the issuance of the arbitration award, the City shall print at its expense the collective bargaining agreement and supply each member of the Dearborn Fire Fighters Association bargaining unit with a copy of same. In addition, the above-referenced collective bargaining agreement shall be approved and ratified by the Dearborn City Council and signed by appropriate City officials including but not limited to Mr. Dudley Sherman, personnel director.

The employees covered by this collective bargaining agreement must be fully informed of its provisions. The only method in which such notice may be made is to provide a copy of the agreement to each employee.

Ratification by the City Council will assure the legally binding effect of the agreement and will protect the rights and benefits provided therein.

In part the City writes as follows:

"The precise method of execution of the contract is not properly an issue before this Panel, although it was included as a demand in the Union's last best offer. State law already specifies how a public employer shall execute such contract (PERA, Section 15; MCLA 423.215, MSA 17.455(15)) and the City in its last best offer has agreed to follow that state law by incorporating the contract into a resolution by the City Council.....

The City's offer also includes a provision wherein the City would furnish the Union with 10 copies of the completed Agreement."

The Chairman normally would agree with the position of the Union. After all, contracts should be made available to all employees, and they should be properly executed. However, because of the checkered history of collective bargaining between the parties and the fact that the City has agreed to be bound with the contract as developed by the parties through this collective bargaining and through the orders herein, the Fire Fighters have accomplished what they set out to do, namely, obtaining a binding legal agreement. For these reasons, the Chairman reluctantly will join in the last best offer of the City on this point.

HOLIDAYS

A. The City's Last Offer.

The City's last offer is to continue the present holiday package.

B. The Union's Last Offer.

The Union's last offer is as follows:

Pursuant to Section 8 of Act 312, Public Acts of 1969, as amended by Act 127, Public Acts of 1972, the Dearborn Fire Fighters, Local 412, I.A.F.F. hereby submits the following last best offer of settlement on the question of Holidays for 24 and 40 hour employees.

The fire fighters propose that 24 hour and 40 hour employees shall be entitled to one additional paid holiday paid at the current rate (1/10th of bi-weekly pay) for the period July 1, 1973 through June 30, 1974.

C. Discussion.

The Chairman is impressed by the discussion in the Union's Brief concerning Holiday Pay. This discussion was as follows:

The Fire Fighters propose that 24-hour and 40-hour employees shall be entitled to one additional paid holiday paid at the current rate (one-tenth of bi-weekly pay) for the period July 1, 1973, through June 30, 1974 (App 26).

Of 29 cities surveyed in the Detroit metropolitan area, Dearborn ranks 22nd in the annual rate of compensation for holidays (U. Ex. 90). This low position can be explained by two things. First, the number of paid holidays in Dearborn is ten, which puts it behind 11 other cities. Secondly, computation of the amount to be paid is based on bi-weekly pay and since Dearborn ranks 24th out of the 29 cities surveyed in the rate of wages paid to Fire Fighter I (U. Ex. 15), its annual rate of compensation for holidays is lower than that paid by four other cities who have ten paid holidays per year (U. Ex. 90).

The Union strongly believes that it has demonstrated the justice of its proposed increase of paid holidays from ten to eleven annually and that its proposal is fair and equitable.

A review of the arguments of the City shows that Dearborn, as admitted by the City, is at the best in the middle of cities as to the number of holidays paid. However, there is no reason why the City of Dearborn should not pay holiday pay consistent with Dearborn Heights, Warren, Allen Park (in terms of total amount paid). It is for these reasons that the Chairman will join with the majority of the panel in adopting the Union's last offer on holidays.

LONGEVITY PAY

A. The City's Last Offer.

The City's last offer is to continue the present amount of longevity pay and the present method of payment.

B. The Union's Last Offer.

The Union's last offer is as follows:

LONGEVITY PAY

Pursuant to Section 8 of Act 312, Public Acts of 1969, as amended by Act 127, Public Acts of 1972, the Dearborn Fire Fighters, Local 412, I.A.F.F. hereby submits the following last best offer of settlement on the question of longevity pay.

The fire fighters propose that the longevity pay shall be improved according to the following schedule:

5 - 9 years	\$220
10 - 14 years	\$330
15 - 19 years	\$440
20 - 24 years	\$550
25 years and over	\$660

C. Discussion.

Here is the case where comparisons favor the City. The Chairman of the panel must be consistent. Based upon the comparisons, there is no reason to change the current system or amount of longevity pay. Therefore, the Chairman will join with the majority of the panel in adopting the City's last best offer as to longevity pay.

UNION DELEGATES LEAVE TIME

A. The City's Last Best Offer.

The City's last best offer is as follows:

"Two union officials are allowed to go to International and State conventions. The Chief may rearrange work schedule of such union officials to make up the lost time."

B. The Union's Last Best Offer.

The Union's last best offer is as follows:

"Pursuant to Section 8 of Act 312, Public Acts of 1969, as amended by Act No. 127, Public Acts of 1972, the Dearborn Fire Fighters Association, Local 412, I.A.F.F., hereby submits the following last offer of settlement on the economic issue involving union delegates' leave time. Union delegates shall be granted time off with pay to attend state, national or international, educational conventions or education conferences."

C. Discussion.

The Chairman of the panel believes that perhaps the best discussion of this matter is set forth in the City's Brief and is as follows:

The City submits that its last best offer is highly reasonable. It would allow two union officials (without specifying any particular officials) to attend conventions. Furthermore, such officials would not suffer any financial loss by attending such conventions, because they would be permitted to rearrange their work schedule.

Certainly, when the City's offer is compared with the Union's, the City's is far more reasonable. The Union offer states that Union delegates, with no limitation whatsoever on the number of such delegates, shall be granted time off with pay to attend state, national or international educational conventions or conferences. There is absolutely no limitation on the number of such conferences or the type of conference. Thus, the Union offer would open the door to extreme abuses which, if they occurred, the City would be powerless to prevent.

The City's offer would accommodate the rightful desires and need for Union representation at conferences with the City's own needs for providing fire fighting service in the community. We ask that the Panel accept the City's last best offer.

There may be merit in the Union's position, and the Chairman is prepared to recognize same, but by making it's last offer, the Chairman believes that the Union was not specific, and by not being specific allowed itself to be open to the charges made by the City in the brief as quoted above. If the Union had placed some reasonable limitations as is frequent in many contracts, then the Union might very well have met the burden of proof. But in failing not to, the Chairman of the panel will join the majority in adopting the last best offer of the City in regard to Union leave with pay.

VACATION - 24 HOUR EMPLOYEES

A. The City's Last Offer.

The City's last offer is that there be no change in the eight (8) day vacation for twenty-four hour employees.

B. The Union's Last Offer.

The Union's last offer is as follows:

"The fire fighters propose that, as their last best offer on the economic issue involving vacations, vacations be increased from 8 work days per year to 9 work days per year for 24 hour employees for the period July 1, 1973 to June 30, 1974."

C. Discussion.

Of twenty-seven cities surveyed, Dearborn is in the bottom third in giving twenty-four hour employee vacations. It may be that the survey shows that after five years there might be a difference between brand new employees. However, the Fire Fighters and the City have not made this distinction. The fact of the matter is although a number of other cities are paying 9 - 14 after five years, Dearborn maintains eight, and even after fifteen years, Dearborn only pays ten and one half. The Fire Fighters are asking for an additional one day. This still would put Dearborn at the bottom half of the cities surveyed. Under the circumstances, the Chairman believes that the Fire Fighters' request is reasonable. For this reason he

would join in an order adopting nine (9) vacation days for twenty-four hour employees.

VACATION - 40 HOUR EMPLOYEES

A. The City's Last Offer.

The City's last offer is to maintain the present eighteen work days for forty hour employees.

B. The Union's Last Offer.

The Union's last offer is twenty-one work days for eight hour a day employees.

C. Discussion.

There is no showing that the present 40-hour plan is not competitive with the market place. For this reason, the Chairman will join in the majority of the panel ordering the City's last offer.

SICK LEAVE - SICK LEAVE ACCUMULATION

There are several issues as to sick leave and sick leave accumulation. They are all grouped under one heading.

A. The City's Last Offer.

The City's last offer is to maintain the present sick leave program and sick leave accumulation.

B. The Union's Last Offer.

The Union has made offers as to increasing the accumulation and changing the method of payoff.

C. Discussion.

There's much to be said as to the Union's proposals and if they were proposed in a small package, the Chairman could very well look favorably on many of the proposals. However, here we are looking over a large number of issues. The Chairman recognizes that the parties are about to begin bargaining again. It may be that the Union may high light sickness pay as a key issue in their forthcoming negotiations. They may be well to do so, but there is only so much that can be accomplished at one negotiations. And for this reason, the Chairman will join with the majority in adopting the City's last best offer as to the matters of sick leave.

SERVICE LEAVE

A. The City's Last Offer.

Presently after fifteen years employees receive an extra week's service leave. The City proposes to maintain this benefit.

B. The Union's Last Offer.

The Union offers that this benefit be reduced to after twelve years.

C. Discussion.

Although appreciating the Union's desires, there are no comparables here that would justify this change at the present time, particularly in view of the fact that there has been a change in vacation benefits for at least twenty-four hour employees as a result of these orders. Therefore, the Chairman will join with the majority in adopting the City's last best offer as to the service leave.

The above findings and opinions were written by the Chairman. The members of the panel, joining in the order as to each of his respective findings and opinions, has either by his signature concurred or adopted the findings and conclusions. However, the Chairman notes that the fact that a panel member did join with the Chairman on a given issue does not mean that the panel member has accepted the reasoning or all the comments or any of the comments of the Chairman, but have at the minimum, concurred in the results.


GEORGE T. ROUMELI, JR., Chairman

Dated: March 6, 1974.

ORDERS

General Statements

Below are the orders as to all issues presented in the Arbitration Panel as discussed in the Findings of Fact and Opinions above. By their nature, the orders will refer to the subject matter and will assume that the discussions in the Findings of Fact and Opinions will explain the meaning of the orders plus the record. The orders will only reflect the respective last offers adopted.

The last best offers of the Union are hereby ordered
as to:

ORDER I

SALARIES

HOSPITAL, MEDICAL AND
SURGICAL BENEFITS FOR
RETIREEES

FOOD ALLOWANCE

CLOTHING ALLOWANCE

HOLIDAYS FOR 24-HOUR AND
40-HOUR EMPLOYEES

VACATION - 24 HOUR
EMPLOYEES

PAY FOR ACTING RANK

FIRE FIGHTER INCREMENTS


GEORGE T. ROUMELL, JR., Chairman


JOSEPH KOVACH

DISSENTING:


DUDLEY L. SHERMAN

Dated: March 6, 1974

ORDER II

The last best offers of the City are hereby ordered

as to:

DENTAL PLAN

OPTICAL PLAN

REDUCTION IN HOURS

COST OF LIVING

SICK LEAVE ACCUMULATION -
24 HOUR EMPLOYEES

SICK LEAVE ACCUMULATION
40 HOUR EMPLOYEES

MAXIMUM ACCUMULATION OF
SICK LEAVE BY 40-HOUR
EMPLOYEES

SICK LEAVE SEPARATION PAY -
REQUEST TO OMIT 25-YEAR
REQUIREMENT

LONGEVITY PAY

VACATION - 40 HOUR
EMPLOYEES

SERVICE LEAVE

ACTIVE EMPLOYEES
LIFE INSURANCE

LIFE INSURANCE FOR RETIREES

MINIMUM MANPOWER

UNION DELEGATES' LEAVE
TIME

CONTRACT - EXECUTION
AND DISTRIBUTION

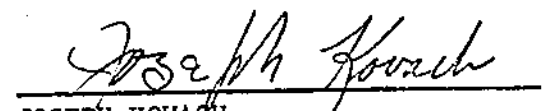
RETIREMENT SYSTEM

COLLECTIVE BARGAINING
AGREEMENT
(Maintenance of Standards)


GEORGE T. ROUMELL, JR. Chairman


DUDLEY L. SHERMAN

DISSENTING; Except as to
Collective Bargaining
Agreement to which he
Concurs


JOSEPH KOVACH

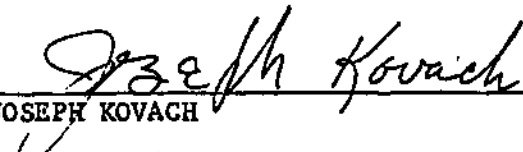
Dated: March 6, 1974

ORDER III

It is hereby order that all the above orders are
retroactive to July 1, 1973.



GEORGE T. ROUMELL, JR., Chairman



JOSEPH KOVACH



DUDLEY L. SHERMAN

Dated: March 6, 1974

DISSENT OF DUDLEY L. SHERMAN IN THE MATTER
OF THE DEARBORN FIREFIGHTERS UNION AND THE
CITY OF DEARBORN SUBMITTED TO COMPULSORY ARBITRATION

Compulsory arbitration proceedings were requested by the Dearborn Firefighters Union on June 26, 1973, under Act 312 of the Public Acts of 1969. Prior to arbitration proceedings the Union requested mediation under a State appointed mediator. Mediation consisted of one short meeting. The arbitration proceeding began September 14, 1973, and terminated on January 31, 1974.

Section 10 of the act reads in part as follows: "A majority decision of the arbitration panel, if supported by competent, material and substantial evidence on the whole record, shall be final and binding upon the parties." (emphasis supplied)

The panel majority erred in granting the last best offer on the annual salaries for the reason that there was not material and substantial evidence on this issue that supported the union's offer. City Exhibit #3 (Six Year Historical Relationship of Firefighter I Salaries in Dearborn as Compared with Firefighter I Salaries in Other Metropolitan Area Communities with a Population of 25,000 and Over), and City Exhibit #4 (History of Differential in Salaries Paid Firefighter I and Police Corporal) clearly establish the fact that the pay policy for Firefighter I in Dearborn over a long period of time has fluctuated in this six-year period from 15th place in 1967, to 21st place in 1972. This clearly establishes a pay policy that results primarily from the fact that Dearborn has not been a parity City with Patrolman (Dearborn Corporal). City Exhibit #4 is a ten year study showing that the differential between Police Corporal and Firefighter I in Dearborn had an average differential of \$588 for the 10 years. For the year ending 6/30/73 the differential was \$674.

City Exhibit #7, a U. S. Government Survey of Trends in Police and Fire Salaries from 1939 to 1972:

"Firemen-policemen comparisons. Unlike 1970, 1971 average dollar increases generally were higher for policemen than for firemen. Minimum annual scale increased \$536 for firemen and \$580 for policemen. Maximum scales advanced \$658 and \$711.

"For the previous 5 years, salary scales for both firemen and policemen advanced at essentially the same rate; 1971 was no exception. However, because of this the absolute differentials between policemen's and firemen's annual scales widened. In January 1967, minimum scales for policemen averaged \$219 higher than those for firemen. By January 1972, the differential had increased to \$428. This trend was evident in maximum salaries as well---policemen's scales were \$353 higher than firemen's in 1967 and \$569 higher in January 1972."

The Panel Chairman in his opinion failed to consider this very vital pay policy established in Dearborn as well as the trend of fire-police salaries in the U. S. The fact is in non-parity Cities the Firefighter salary is lower than the salary paid Patrolman in those cities.

After granting a 10% salary increase the panel majority failed to give proper weight to the over-all cost of the added fringe benefits when they awarded:

100% Hospital, Medical & Surgical Benefits for Retirees
(\$767.76 per yr. for employee and dependents)

An increase in Food Allowance from \$321 to \$365 (13.7% increase)

An increase in Clothing Allowance from \$125 to \$150 (20.0% increase)

Cash for one additional holiday from 10 to 11 holidays. A dollar increase of \$102.59 (21.0% increase)

Vacation increase of one work day. (Approx. 10% increase)

City Exhibit #10 points out the fact that the present fringe benefit cost of a Firefighter is 42.98% of the annual salary, or \$5,459.00 per year. City Exhibit #13 shows that in the North Central Region the average fringe benefit cost as a percent of salary is 35.7%.

The Dearborn Firefighter now receives 7.28% more fringes than the average Firefighter in the North Central Region, which would include all large Cities in the Mid-West. Does this take into consideration "the interest and welfare of the public?"

There is also a hidden remuneration to all ranks in the Fire Department in the form of windfall increases in pensions (City Ex. #18) creating considerable unfunded accrued liabilities for the City; without the fireman paying his share of the expense. It is evident that the panel majority did not address itself sufficiently to the over-all compensation and fringe benefits (a factor to be considered under the language of the Act) granted to firemen in awarding an annual salary increase of 10%, and a substantial increase in the fringe benefits.

Granting excessive fringes to be paid by the average taxpayer who does not enjoy many of these fringes makes a mockery out of any consideration of "The interest and welfare of the public".

Voicing any criticism against Act 312 probably has no place in an arbitration award rendered pursuant to the Act, but one cannot help observe that it has a "meat grinder" effect in that it destroys the ability of the City to maintain a uniform wage and fringe benefit policy for all employees, and at the same time protect the welfare and interest of the public.

Respectfully submitted,


Dudley L. Sherman
City of Dearborn Delegate

Date: March 6, 1974

DISSENT OF DUDLEY L. SHERMAN IN THE MATTER
OF THE DEARBORN FIREFIGHTERS UNION AND THE
CITY OF DEARBORN SUBMITTED TO COMPULSORY ARBITRATION

Public Act 312 requires compulsory arbitration for certain economic and non-economic issues that were brought before this panel. It was determined during the course of the hearing that there were twenty-five economic issues and one non-economic issue.

While the City Panel Member dissents from all issues awarded to the Union by the panel majority, he wishes to strongly dissent and comment on the following issues:

1. The Last Offer of Settlement Award to the Firefighters Union providing for an 11.1% wage increase for the first year of the contract.
2. The Service Increment Schedule for Firefighter I.
3. The amendment to Chapter 21 of the Fire Pension Plan that will change the method of determining pensions by averaging three years rather than five years.
4. Minimum Manpower.
5. Erosion of the Bargaining Unit.

In addressing ourselves to the first item, the 11.1% wage increase, it would appear that the panel majority had relied primarily on the increase in the Consumers Price Index, and that there were a couple of communities who paid more to Firefighter I's than the City of Dearborn.

City Exhibit #8, which was prepared from a Firefighter Union's Exhibit, sets forth the percentage of increase for those Cities who had settled for the 1974-75 fiscal year. None of them granted an 11.1% increase. The average percentage increase was 6.95%. The City's Last Offer of Settlement provided for a 7.5% increase.

To rely upon the Consumers Price Index as the most important factor for granting this increase is erroneous for several reasons. Some of the major ones are:

1. Increases going into the Consumers Price Index such as hospital, medical, dental care, and food, are paid in whole or in part by the City.
2. Health and medical care are items that have had the most significant increases in the past year or two.
3. Firemen on all levels are paid \$365.00 per year that reimburses them for food consumed on the job.
4. Firemen are paid for 11 holidays at 1/10th of their bi-weekly wage rate. An 11.1% increase has a roll-up effect that grants them an increase over and above their annual wage in the form of Holiday Pay.

The service increment schedule is set up for the following reasons:

It establishes a beginning rate of pay for inexperienced Firefighters and recognizes some experience as the Firefighter works towards maximum pay.

City Exhibit #57 very definitely sets forth the fact that 20 Cities out of 27 in the Detroit Metropolitan Area provide an increment schedule of at least three years, and in one case five years. To award this on the basis of "they always had a two-year schedule" is not giving credence to the guidelines that should be used to make this determination.

The economic issue awarded to the firemen that averages the pension consideration from a five-year to a three-year period was a very significant issue that in no way considered the welfare and interest of the public, who are the taxpayers, and must assume this additional burden.

We could use the argument that "they have always used five years in the average", and it certainly is a better argument in this case than it would be in the consideration given the Firefighter increment schedule.

The pension plan has to be considered as a complete document that sets forth the benefit formula that will determine the total cost of the plan. This was not done, although the City exhibits set forth the percentage of payroll now required for Chapter 21 employees.

City Exhibit #37A shows that this change would require the taxpayers to immediately begin the funding of \$211,671.00 of unfunded accrued liabilities, and also an additional .84% of current payroll as a cost factor.

This will have a rippling effect on Police members of Chapter 21, who will probably have as one of their prime issues in their next set of demands this same kind of request.

This was granted even though the City Exhibits #39, 40A, 40B, 41A, 41B, 42A and 42B set forth the cost of fringe benefits as a percentage of payroll for firemen as well as other groups of City employees. Such surveys indicate that the firemen had the highest rate of fringe benefits of any of the groups, and exceeded the national average of fringe benefits awarded firemen by as much as 8% to 10%.

The City Panel Member objects to the Minimum Manpower Award for the reason that all previous awards, Rhemus, Herman and Roumell, alluded to the fact that this is a Management Right and should remain in the discretion of the Mayor and the City Council to determine the adequacy of the fire protection service in the City of Dearborn.

The issue of the Erosion of the Bargaining Unit, the City Panel Member very definitely objects to the back-door tactics that have been used to try to eliminate the experiment that is going on in the City of Dearborn in relation to the use of Volunteers.

The Panel Majority gave substantial importance to the fact that there was a concern that volunteers would eventually put the firemen out of business, and yet they granted the minimum manpower issue which in their opinion would secure for the bargaining unit the total manpower that must be employed by the City of Dearborn.

The City's Last Offer of Settlement indicated that there would be no erosion of the work duties into other bargaining units, however, the use of police personnel and volunteers would be allowed. This seems to be a more reasonable award that should have been granted.

In summary, the economic issues awarded the Firefighters were the "gut" issues that have significant amounts of money involved and will destroy the wage policy as it relates to policemen and firemen in that it will for the first time give the Firefighter I \$288.00 per year more than a Police Corporal. This will destroy a long existing wage policy as well as being contradictory of the differentials that have been established nationally for these two classifications.

Public interests have been forsaken. When the very people who have to "foot the bill" are unemployed by the thousands, only supports this panel member's contention that the City's Last Offer of Settlement should have been adopted on these "gut" issues.

Respectfully submitted,


Dudley L. Sherman
City of Dearborn Delegate

Date: February 10, 1975