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STATE OF MICHIGAN
MICHIGAN EMPLOYMENT RELATIONS COMMISSION
ACT 312 ARBITRATION

CITY OF DEARBORN HEIGHTS

-and-

Case No. D89 B-0245

DEARBORN HEIGHTS PROFESSIONAL
FIRE FIGHTERS UNION
Local 1355, IAFF

Panel of Arbitrators

Conrad W. Kreger, Employer Delegate
Ronald R. Helveston, Union Delegate
Ruth E. Kahn, Chairperson

STATE OF MICHIGAN
BUREAU OF EMPLOYMENT RELATIONS
DETROIT OFFICE

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Dearborn Heights, City of

OPINION AND AWARD OF THE ARBITRATION PANEL

I. Introduction

A three-year Agreement between the City of Dearborn Heights and the Dearborn Heights Professional Fire Fighters, effective July 1, 1986, expired on June 30, 1989. The parties were unable to agree to all terms of a successor contract. Following petition to the Michigan Employment Relations Commission, by a filing dated April 30, 1990, the above-named panel was established pursuant to Michigan Public Act 312 of 1969, as amended.

The issues to be arbitrated were identified in a pre-hearing conference held September 5, 1990. It was established that the parties were to exchange exhibits prior to commencement of hearings along with a short pre-hearing brief. Hearings were held on the following dates: November 19, 20, 21, December 17, 1990; January 15, 16, 29, 1991; February 1, 4, 6, 14, 26, 1991; March 14 and April 2, 1991. Final Offers were exchanged on April 25, 1991, with revisions exchanged on or about July 12, 1991. The Panel met in executive sessions on June 25 and July 12, 1991.

Each party had superior representation and highly qualified expert witnesses. Its "non-expert" witnesses were knowledgeable and contributed significantly to an understanding of the issues and

respective positions. Throughout these proceedings, exhibits were timely exchanged in a most efficient and cooperative manner. Panel Delegates argued their respective views articulately, with steadfastness and zeal, and at all times respectfully. The Chair of the Panel wishes to express her admiration and gratitude for the high intellectual quality as well as the good-will that pervaded the entire proceeding.

II. The Community and the Fire Department

The City characterizes itself as a matured bedroom community, with diminishing population coupled with deteriorating infrastructure. The latter, it believes, requires repair and consequently the allocation of its financial resources toward that end. The Union views the City as secure, attractive and vital. The parties agree the Fire Fighters provide quality service to the community through fire suppression and prevention, and delivery of emergency medical services. Its members are trained to handle explosions and hazardous chemical spills as well. The Department participates in a mutual-aid pact that may require its services beyond its boundaries, most particularly the Detroit Metropolitan Airport. Ongoing training programs have enhanced the Fire Fighters' skills in these many areas.

The Fire Department has fifty-three members in two divisions, prevention and suppression. Prevention is manned by a Fire Marshall and two Inspectors. Suppression works out of two stations. Each station has one rescue squad and two fire engines. A Lieutenant and one other Fire Fighter, both LALS - (Limited Advanced Life Support) Certified, work on rescue; each engine requires staffing of at least three. A rescue vehicle and one engine respond to the typical structure fire.

Act 312, Public Act of 1969, as amended, (MCLA 423.231 et seq.) authorizes the establishment of arbitration panels to resolve contract disputes involving Police and Fire Fighter units. Section 9 of Act 312 requires the arbitration panel to consider a number of criteria in arriving at its findings, 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 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."

Some comment is appropriate on these factors as they pertain to this proceeding. (a) No issue is raised concerning the lawful authority of the Employer. The parties do not contend that the awarding of any of the respective offers would require the Employer to engage in unlawful acts ("ultra vires"). Certainly the Panel does not intend to issue any rulings that would require actions exceeding the City's lawful authority.

(b) The parties have agreed upon a number of matters, both procedural and substantive, and the Panel has acted in accordance.

(c) The public "interest and welfare" affect all parties to this dispute. The City expresses concern about liability for labor costs it sees as unreasonable. The City notes its commitment to capital or infra-structure improvements -- sewers, roads, bridges, and incinerator. The Union insists its demands are reasonable and the City has the ability to incur such costs. The Union notes the City's healthy financial picture, most particularly a fund balance exceeding \$6 million for fiscal year 1989-1990. It asserts the funds for sewers comes from water revenues, the incinerator could be financed from an earlier authorized levy, the time table for bridge and road repairs is uncertain.

The Panel Delegates urge, respectively, these competing views. The Chair would make these comments. The public must understand its community cannot expect to stand still with respect to providing the necessary resources and revenues while at the same time moving forward with improvements to its roads, bridges, water systems, plant. The community, while appreciating its well-managed City administration, including the high quality of its Fire Department, may not ignore that its taxes providing the resources for such governmental operations represent an investment in its present security and its future well-being. This Chair has commented in other, similar proceedings that it is safe to assume that many in the public would rather not pay higher taxes. That does not mean a particular community "cannot afford" them. Public interest is not necessarily equated with low taxes and cost containment. Public interest and the public welfare benefit from the services of a Fire Department whose compensation in terms of wages and benefits is appropriate to the importance of its contribution to that community.

By the same token, the Union must understand that simply because funds are "available", they do not necessarily become earmarked for wage/fringe benefit improvement. Some balance is essential.

(d) concerns the use of "comparables". The parties to this proceeding used only public employment as benchmarks. The parties agree on three comparable communities: Roseville, Royal Oak and St. Clair Shores. The City's other comparable community is Lincoln Park. The City cites as well internal comparables, principally the Police bargaining units and AFSCME. The Union's other comparable communities are Taylor, Pontiac, and Southfield.

The statute does not define "comparable community". Comparability must be measured in a relative manner: that is, community A is more (or less) like Dearborn Heights than community B. The Panel Chair agrees with the City that Pontiac and Southfield bear the least similarity to Dearborn Heights in sizes

of each geographical area and the firefighting force, as well as in their economic composition. The last item refers to the circumstance that both Pontiac and Southfield have substantial business employment; Pontiac is industrial, Southfield is largely service. Dearborn Heights, it is established, "exports" its residents who work elsewhere; Pontiac and Southfield "import" many of their workers.

Comparability is often established by criteria that meet the purposes for which the study is being made. For example, if ability-to-pay is at issue, as it often is in Act 312 proceedings, considerations of SEV and tax rates are primary criteria. If, say, workload or safety issues are in dispute, the criteria may be the incidence of crime, deteriorating buildings, chemical industries.

The Panel excludes no community from its consideration. The total number is not unmanageable for purposes of making necessary analyses.

(e) No dispute exists regarding measurement of changes in the cost of living. The Employer focuses upon what it views as soaring costs of health care and the extent to which it can obtain relief.

(f) The factor of overall compensation includes wages and fringe benefits as well as consideration of general employment security. Many of these items are in dispute in this proceeding and will be discussed in the relevant portion of the Opinion. The City emphasizes the work week enjoyed by this unit -- 48 hours, its superior pensions and the Employer's contribution to Social Security. The Union challenges the Employer's equation of labor costs with benefits received. Where resolution of a particular issue requires consideration of this factor, that will be further discussed.

It is not disputed that this bargaining unit has had stable employment with no reference to layoffs on the record.

(g) The City's concerns are for prospective changes in revenues -- as a result of continuing diminution of population, an obligation to repay funds to the State, and anticipated loss of State-shared revenues -- and expenditures. These are noted as well under factor (c).

(h) "Such others factors...taken into consideration" when setting the economic terms of a contract is a broad catch-all category. The existence in this employment relationship of a two-tier wage and benefits structure may be considered in this factor or under (f).

These are very general observations as to the criteria governing the decision-making process for this proceeding and a brief summary statement of the parties' respective views, along

with some Panel comment. This Opinion will now move to the specific issues, proceeding by discussing first the City's issues and then the Union's.

City Issue 1. Holiday Routine was settled on the basis of the City's Offer.

City Issue 2. Acting Pay. Currently the Agreement provides that Acting Pay is paid to all Acting Pump Operators. The City seeks to limit payment to an Acting Pump Operator on the second line engine to those occasions when the engine actually responds and the Acting Pump Operator performs the driving and pumping duties. It characterizes the current situation as "featherbedding".

The Union points out that the Fire Fighter upgraded to Pump Operator has a number of duties required by that job that go beyond operation of the apparatus. It believes the Acting Pump Operator should be compensated for performing those duties. Further, it notes the cost savings are less than the City asserts. And finally, it claims the number of upgrades required may have increased as a result of the City's elimination of six promotional positions that the Union estimates has saved the City approximately \$22,000.

The Panel credits the Union's justification for retaining the status quo, namely that performance of the job involves more than simply driving and pumping. Accordingly, the upgraded Acting Pump Operator should receive the appropriate compensation.

Decision: The Union's Last Best Offer is adopted. No change in the current Agreement.

City Issue 3. Prescription Drug Deductible. Currently a three-dollar co-payment for a prescription is required. The Employer seeks an increase to five dollars effective July 1, 1991.

The City has identified the cost savings available from this increase as well as its acceptance by other bargaining units (internal comparables) in support of its position. The Union resists the increase and asks for the status quo.

In view of the overall improvements afforded in this Award, and acknowledging the validity of the Employer's concern for the overall cost of health care protection, the Employer's Amended Last Best Offer is adopted.

Decision: The Employer's Amended Last Best Offer is adopted.

City Issue 4. Health Insurance. The City proposes to substitute TRUST 15/20 for the traditional health insurance protection now provided to this bargaining unit. The Union resists the change.

The evidence substantiates the validity of the City's offer in terms of achieving significant cost savings that are not at the expense of quality health protection. The Union's concern that the TRUST interferes with the individual's access to providers of choice is not shown to be realistic in view of the wide participation by providers in this plan.

Decision: The above-stated considerations and relevant Section 9 factors compel the award of the City's Amended Last Best Offer.

City Issue 5. Health Insurance. The City seeks prospective cost-sharing by active employees of increases in health insurance premiums, by requiring the employees to pay a certain percentage of the increase, with a cap. The Union resists, noting none of the comparable communities and only one of the City's internal comparables require such cost shifting. Further, it urges the City has not proven such cost sharing would restrain overall utilization.

Given the significant savings that will be made by the City from increasing both the drug co-payment as well as the master medical deductibles and co-payments (see City Issue 8), and modifications made to the City's offers that render these changes even more cost-saving, and given the lack of support for this proposal among all the comparables, the City's offer is rejected.

Decision: The Panel awards the Union's Last Best Offer, to continue the current method of payment.

City Issue 6. Health Insurance. The City in this issue seeks prospective cost sharing by retirees should health care premiums increase, by a proportion and with a cap. The Union is opposed.

The arguments considered with respect to City Issue 5 apply to City Issue 6 even more forcefully because many retirees may have fixed incomes.

Decision: The Union's Last Best Offer is awarded.

City Issue 7. Health Insurance for Retirees. Currently retirees continue to be covered by the health insurance plan in effect at the time of each retiree's retirement. According to the City, that arrangement causes a significant administrative burden.

It states it now administers twenty-two different plans. The Employer seeks to relate the health insurance for retirees to that of the bargaining unit. If the latter changes, the former coverage will as well.

The concern was expressed that at some point the active employees might prefer a different allocation of economic benefits and retirees could lose significant health protection. The City met that concern with its Amended Last Best Offer.

The Panel will adopt the City's Amended Last Best Offer because it permits a more orderly administration of health insurance and at the same time contains a safeguard for retirees, namely that the City will maintain for retirees a health care benefit level not less than a basic comprehensive plan substantially equivalent to BC/BSM MVF-1. The effective date of such provision is July 1, 1991.

Decision: The City's Amended Last Best Offer is awarded.

City Issue 8. Master Medical Deductible and Co-Payment. The City proposes to change the deductibles and co-payment from \$100/\$150 (90%/10%) to \$100/\$200 (80%/20%).

For reasons cited earlier in connection with consideration of City Issues 3, 4, 5, 6 and 7, as well as being persuaded of the need to achieve cost containment along with possible reduction of unnecessary utilization through reasonable cost-sharing, the Panel will adopt the higher deductibles and co-payment proposal of the City.

Decision: The City's Last Best Offer is awarded.

City Issue 9. No Duplication of Coverage. Currently if both partners in a marriage are City employees, the City may pay for each person's health insurance individually, rather than as a family unit. The expiring Agreement contains no bar against such an arrangement. The City seeks to introduce a provision to prevent duplication of coverage. It illustrates the operation of its proposal thus: an individual may be covered separately by the contract of the bargaining unit in which the employee serves or as a dependent in another bargaining unit, but not both.

The Union makes no acceptable argument to defeat this sensible proposal.

Decision: The City's Last Best Offer is awarded.

City Issue 10. Parity. The expiring Agreement, Article 7, calls for adjustments in compensation that in effect establish a parity relationship for corresponding ranks in the Police and Fire Departments. The Employer seeks to eliminate this language.

The Employer asserts a sound and principled argument for its position, that the parity concept is often at odds with, or defeats, a meaningful response to special considerations in a particular bargaining unit. It illustrates with the example of the emergency medical service/LALS that has no comparable in the Police Department. Further, it attributes to parity a negative impact on reaching settlements.

The Union has provided no convincing reason to continue the contractual provision.

Decision: The City's Last Best Offer is awarded.

Union Issue 1. Wages. Two separate issues are involved here: the maximum rate for Fire Fighters and the so-called "two tier" rate. (Referring to persons hired after July 1, 1983.)

A. Maximum Rate. The parties exchanged these respective offers of salary increases:

<u>Union</u>	<u>City</u>
For year beginning July 1, 1989:	
4 percent	3 percent
For year beginning July 1, 1990:	
5 percent	3 percent
For year beginning July 1, 1991:	
5 percent	5.4 percent

Notice must be taken that the increase for the year beginning 1989 is now two years delayed, and the increase for 1990 is one year delayed. The City has had the use of the money along with whatever interest that money may have earned. To the degree that the purchasing power of the retroactive increase has diminished, the retroactive payments are worth less to the employees. It is also true that simply the fact of having to wait more than two years for an increase erodes its value. These comments about delay must be given some weight too when considering the City's claims that the Union's demands exceed national or regional levels of

negotiated increases. No evidence is attached to show that the parties in these alleged pattern settlements waited as much as two years for their increases.

The Chair, in favoring the Union's Offer, takes note also of the circumstance that the City was able to achieve additional savings on the total package through the submission of Amended Last Best Offers in which the "salary enhancement" offers in connection with the City's (awarded) health care cost containment programs were deleted.

Finally, the Chair has considered the relevant Section 9 factors and finds, together with the above comments, the Union's demand to be more in accord. The Union's Last Best Offer is adopted.

B. Wages, New Hires. This issue pertains to employees who are hired after July 1, 1983 and who in the expired Agreement were governed by a pay scale different from employees hired prior to that date. The comparison of the new hire pay scale with the entire range of comparables reveals that this City's second tier is indeed a low tier. The expiring range of salaries started at \$15,000 annually and reached the Fire Fighter maximum on the fifth anniversary date of hire.

The City offers no change in these employees' salaries for the first year of the new Agreement, beginning July 1, 1989. Commencing July 1, 1990, the City offers to start the new hires at \$19,000, with increases at each anniversary, to reach the maximum at five years. The City would have no different progression in the third year of the Agreement, commencing July 1, 1991. The Union seeks improvements for each year, and in year three would structure these employees' salaries as a percent of Fire Fighter maximums. The analysis used in connection with maximum rate wage increases applies here as well. Equitable considerations, as well as the cost savings achieved in other areas of the Agreement, compel the Panel Chair to adopt the increase sought by the Union for the third year.

Decision: The Panel awards the City's Last Best Offer for years one and two of the contract term. It awards the Union's Last Best Offer for year three.

Union Issue 2. Rank Differential. The salary level for each rank translates to a percentage above the Fire Fighters' salary. The parties propose no change in the differential for the Pump Operator (Sergeant). Each proposes some improvement for the Lieutenant, Captain, and Fire Inspector. The Deputy Chief rank differential would remain the same under the City's Offer; the Union would increase it.

The City's position is that the structural relationship of the rankings recognizes the relative worth of the duties and responsibilities performed in each of these classifications. Because these factors have not changed vis-a-vis one another, the City maintains the relationship should not be as substantially altered as the Union's proposal would require it. The Union alleges shortcomings in relation to the comparable communities. However, absent a very detailed job duty analysis for each of the various ranks within each of the comparable communities, it is not possible to evaluate that assertion.

Decision: The Panel is persuaded by the rationale provided by the City for the rank differentials and finds no reason to alter that relationship more substantially, as the Union has proposed. The City's Last Best Offer will be awarded.

Union Issue 3. LALS Pay. During the contract term just expired, under the Department's auspices employees have considerably upgraded their skills. The Department has paid for their training. It is undisputed that the Department provides through its LALS/EMT programs a benefit of enormous value to the community.

Initially the parties were far apart on how these greater skills should be compensated. The City had offered no increase for years one and two of the contract term, \$500 for the third year, and would limit payment to personnel of the rank of Captain and below. The Union had initially sought a percentage of Fire Fighter maximum pay for each of the years of the contract.

The Union submitted an Amended Last Best Offer considerably modified. No payment is sought in the first year. A lump sum payment of \$800 is asked in the second and in the third years of the contract. The payment is for persons holding the required certification for at least a year prior to the October 1 date of payment and is limited to those of the rank of Captain and below. The parties agree on the eligibility language.

Decision: The Union's Amended Last Best Offer is more nearly in accord with the applicable statutory factors and is awarded by the Panel.

Union Issue 4. Pensions. Three principal issues concerning pensions must be resolved.

Two-Tier Pensions. The Union seeks to eliminate the two-tier elements of the pension plan. Currently pensions of employees hired after July 1983 are calculated using a lower annuity factor -- 2 percent instead of 2.5 percent -- of their compensation and the formula uses a different time period -- five years of the final

ten instead of three years -- to calculate the final average compensation. The City opposes any change in the formula. All employees contribute five percent of their wages for pensions.

Twenty-Five and Out. The present Agreement permits an employee to retire at age 50 with twenty-five years' service. The Union seeks to eliminate the age requirement. The City opposes any change in this eligibility requirement.

Annuity Factor for the Years of Service After Twenty-Five Through Thirty. The pension provisions use one percent as the annuity factor for the twenty-sixth through the thirtieth years of service. The Union seeks to have the factor increased to 2.5 percent. The City opposes such increase.

Certain considerations apply to all three of these issues and hence will be discussed at the outset. The City's view is that the Union's presentation improperly ignores the costs and benefits of the Social Security protection for which the Employer pays, unlike the comparable communities. Further, the City insists it is improper to consider the actuarial assumptions upon which the pension plan is based -- the 15 year period of amortization, the assumed six percent interest rate that the funds will earn, the mortality tables. The City notes, correctly, the Union makes no demand to change any of these assumptions. Hence, the City urges these assumptions should not be a part of the Panel's deliberations. The City also views as of no merit the Union's assertion that Act 345 millage rather than the City's general fund would be charged for any increases awarded by the Panel.

The Union, for its part, notes that the evidence is that a Fire Fighter typically retires at an age (49 years three months) well below the age at which he would be eligible for Social Security and hence, while acknowledging the cost and benefit of Social Security protection broadly, urges the special need for a better level of protection for the "two-tier" Fire Fighters during that period prior to Social Security eligibility. In other words, the level should be no different from what has been afforded to the unit as a whole. It asserts also a charge of unfairness in the circumstance that these employees, working side-by-side at the same job, receive different pensions, a benefit the Union sees as "deferred compensation". The Union asserts none of the comparable communities has a different formula to calculate pensions for their "two-tier" employees. Further, it states that as to "internal comparables", in the Police Unit, when a Police Officer promotes, as many do, to the Command Unit, that Officer's pension will be calculated at the top-tier formula, whereas the bottom-tier Fire Fighter has no such opportunity.

The Union's arguments for removing the two-tier pension formula are persuasive and will be awarded.

The remaining Union issues concerning pensions -- eliminating the age requirement and extending the 2.5 percent formula for an additional five years of service -- represent enhancements. Given the gains afforded this bargaining unit in the pension as well as other economic areas, these demands will be rejected.

Decision: The Union's offer with respect to instituting the same pension formula for all Fire Fighters is adopted. No other change in the pension plan is awarded.

Union Issue 6. Longevity. The Union seeks improvement in the payments for length of service to the two-tier employees. It would start payments two years earlier and would increase the amounts at later years. The Employer opposes the change. In the interest of achieving balance, the Union's demand will be accepted.

Decision: The Union's Last Best Offer is awarded.

Union Issue 7. Holiday Pay. Two issues concerning Holiday Pay must be resolved.

Two-Tier Holidays. Two-tier employees must work six years in order to be eligible for pay for the full twelve holidays the senior bargaining unit member receives. The progression is that after one year, each gets seven, and in the succeeding years it increases until it meets twelve. The Union seeks to eliminate this graduation and instead provide holiday pay for twelve days for all Fire Fighters.

Given the substantial improvement in pensions for the two-tier employees and other relevant Section 9 factors, this Union demand will be rejected.

Clarification of Holiday Pay Language Concerning First Year of Employment. The Union's demand in this issue was linked to an award of the Union's demand to eliminate the two-tier holiday pay structure. Because that demand was denied, the Union's demand here must similarly be rejected.

Decision: No change in contract language is awarded. Hence, the City's Last Best Offer is accepted.

Union Issue 8. Sick Leave. The Union seeks four changes in sick leave provisions.

Sick Leave Accrual. Senior Fire Fighters earn twenty-four hours' sick leave per month; two-tier Fire Fighters earn at half that rate, namely, twelve hours per month. The Union seeks to eliminate the lower accrual rate and have all Fire Fighters earn twenty-four hours' sick leave per month. The City opposes,

expressing concern that the use of sick leave contributes to higher overtime costs.

It must be assumed that sick leave is used properly and that an employee who is absent because of illness and whose illness causes overtime, whether or not that particular employee is able to use sick leave has no bearing on overtime. In other words, the circumstance an employee does or does not have paid time off when sick, by itself does not contribute to overtime. It is the fact of sickness. The Panel finds no persuasive reason to continue this lower level of accrual.

Decision: The Union's Last Best Offer is awarded.

Maximum Accrual for Use. Senior Fire Fighters may accumulate 150 days sick leave to use for illness; two-tier Fire Fighters may accumulate 50 days. The Union seeks to eliminate the lower tier and permit all employees to accumulate 150 days for use. The City seeks to maintain the status quo. (Article 35, Section 2(c)).

The Panel favors the Union's position with respect to this issue. The allowance of 150 days' accrual for use is consistent with Section 9 factors.

Decision: The Union's Last Best Offer in this regard is awarded.

Sick Leave Accrual for Retirement Pay-Out. Currently, Senior Fire Fighters upon retirement receive 100 percent of the cash value of their accumulated sick leave bank up to a maximum of 150 days. Two-tier Fire Fighters, upon retirement, receive 100 percent of their sick leave bank up to a maximum of 50 days. Contingent on winning its demand to permit bottom tier Fire Fighters to accumulate 150 days for sick leave use, the Union would have the junior Fire Fighters receive that same maximum for retirement pay-out.

The Union urges the importance of this pay-out because of the allegedly low pensions Fire Fighters receive. However, in view of the improvement to the bottom tier Fire Fighters' pensions, that argument is less compelling.

Decision: The City's Last Best Offer is adopted.

Bonus Days. The Senior Fire Fighters earn three bonus sick leave days if they use fewer than three sick leave days during a year. The bonus does not continue for Fire Fighters with 150 days in the bank. No bonus program is available to the junior Fire

Fighters. The Union seeks to have the same benefit for this latter group. The City is opposed.

The Panel believes that the improvements offered in sick leave accrual and the increase of days available for use provide valued protections to the junior Fire Fighters. Section 9 factors do not support an award of the bonus program.

Decision: The City's Last Best Offer is awarded.

Union Issue 9. Vacations. Two-tier employees are on a schedule affording them a lower number of vacation days than pre-1983 employees had been receiving, for their years two through four of service. Thereafter, the new hires receive the same number of vacation days as Fire Fighters who were hired before 1983 would have and/or do receive. The Union seeks to increase the new hires' vacation days to match the pre-1983 schedule for years two, three and four. The Union seeks also to add a step in the vacation schedule, entitling Fire Fighters after twenty years to a vacation of fourteen days.

The Union also proposes clarifying language concerning vacation selection.

The City resists changes in the vacation schedule for the new hires as well as adding two days for senior Fire Fighters' vacations. It proffers clarifying language that it contends is more suitable.

Decision: For reasons offered in connection with the issue of Holiday Pay, the City's Last Best Offer is awarded.

Union Issue 10. Personal Time Off. Senior Fire Fighters receive forty-eight hours' personal time. Junior Fire Fighters receive twenty-four hours in their first five years' service, and forty-eight hours thereafter. The Union's demand eliminates the second tier. The City objects.

The Panel is not persuaded of the justification for increasing personal time off for this section of the bargaining unit. Section 9 factors support this conclusion.

Decision: The City's Last Best Offer is awarded.

The texts of each change in the Agreement, as resolved at hearing or awarded in this Opinion, have been incorporated into the record of this proceeding. The agreements reached by the parties are also a part of the record in this proceeding. These agreements are contained in Joint Exhibit 2, concerning revisions to Article

31 and in City Exhibit 13-1, covering the parties' agreements on revisions to Articles 11, 12, 17, 22, 24, 26, 32, 34, 36, 38, 39, 45, 47, 49, and Letter of Understanding.

AWARD

Each of the rulings set forth in this Opinion is supported by a majority decision of the Panel.

The following is a statement of the Panel Award as to each issue:

City Issue 1. Holiday Routine. Withdrawn.

City Issue 2. Acting Pay. The Union's Last Best Offer is adopted. No change in the current Agreement.

City Issue 3. Prescription Drug Deductible. The Employer's Amended Last Best Offer is adopted.

City Issue 4. Health Insurance. The City's Amended Last Best Offer is awarded.

City Issue 5. Health Insurance. The Panel awards the Union's Last Best Offer, to continue the current method of payment.

City Issue 6. Health Insurance. The Union's Last Best Offer is awarded.

City Issue 7. Health Insurance for Retirees. The City's Amended Last Best Offer is awarded.

City Issue 8. Master Medical Deductible and Co-Payment. The City's Last Best Offer is awarded.

City Issue 9. No Duplication of Coverage. The City's Last Best Offer is awarded.

City Issue 10. Parity. The City's Last Best Offer is awarded.

Union Issue 1. Wages.

Maximum Rate. The Union's Last Best Offer is adopted.

Wages, New Hires. The Panel awards the City's Last Best Offer for years one and two of the contract term. It awards the Union's Last Best Offer for year three.

Union Issue 2. Rank Differential. The Panel is persuaded by the rationale provided by the City for the rank differentials and finds no reason to alter that relationship more substantially, as

the Union has proposed. The City's Last Best Offer will be awarded.

Union Issue 3. LALS Pay. The Union's Amended Last Best Offer is more nearly in accord with the applicable statutory factors and is awarded by the Panel.

Union Issue 4. Pensions.

Two-Tier Pensions; Twenty-Five and Out; Annuity Factor for the Years of Service After Twenty-Five Through Thirty. The Union's offer with respect to instituting the same pension formula for all Fire Fighters is adopted. No other change in the pension plan is awarded.

Union Issue 6. Longevity. The Union's Last Best Offer is awarded.

Union Issue 7. Holiday Pay.

Two-Tier Holidays; Clarification of Holiday Pay Language Concerning First Year of Employment. No change in contract language is awarded. Hence, the City's Last Best Offer is accepted.

Union Issue 8. Sick Leave.

Sick Leave Accrual. The Union's Last Best Offer is awarded.

Maximum Accrual for Use. The Union's Last Best Offer in this regard is awarded.

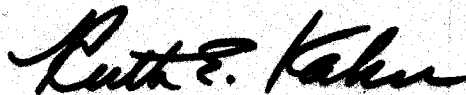
Sick Leave Accrual for Retirement Pay-Out. The City's Last Best Offer is adopted.

Bonus Days. The City's Last Best Offer is awarded.

Union Issue 9. Vacations. The City's Last Best Offer is awarded.

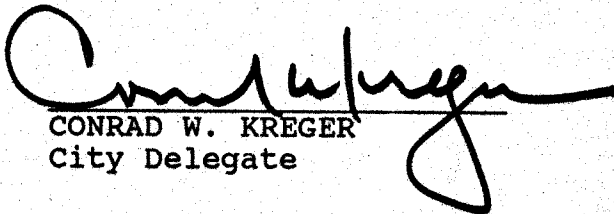
Union Issue 10. Personal Time Off. The City's Last Best Offer is awarded.

Each of the rulings set forth in this Opinion is supported by a majority decision of the Panel.




RUTH E. KAHN, Chair

For the City:


CONRAD W. KREGER
City Delegate

For the Union:


RONALD R. HELVESTON
Union Delegate

Date of Issuance: 8/26/91