

1821

STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION

In the Matter of Act 312 Arbitration Between:

Charter Township of Shelby

MERC Case No. L001 000

-and-

Chairperson Stanley Dobry
Union Delegate: John McCoy
Employer Delegate: Michael Smith

**Shelby Township Fire Fighters Ass'n,
IAFF Local 1338**

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*File at MERC
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ARBITRATION PANEL ACT 312 OPINION AND AWARD

ARBITRATION PANEL ACT 312 OPINION AND AWARD

The Shelby Township Fire Fighters Association, Local 1338, IAFF, AFL-CIO, is the recognized exclusive bargaining representative of the uniformed employees of the Charter Township of Shelby Fire Department, with the exception of the Fire Chief, under applicable Michigan law [Act 336, Public Acts of 1947, as amended by Act 379, Public Acts of 1965, as amended, being MCLA 423.201 et seq.; MSA 17.455(1), et seq.].

The Township initiated binding arbitration proceedings in its petition dated March 14, 2000 pursuant to Act 312, Public Acts of 1969 as amended (being MCLA 423.231 et seq.; MSA 17.455(31) et seq.) to resolve certain issues in dispute between the parties. The Association filed its Answer on April 10, 2000. The issues to be considered herein must be decided pursuant to Section 8 of Act 312, which states in pertinent part:

At or before the conclusion of the hearing held pursuant to section 6, the arbitration panel shall identify the economic issues in dispute, and direct each of the parties to submit, within such time limit as the panel shall prescribe, to the arbitration panel and to each other its last offer of settlement on each economic issue . . . As to each economic issue, the arbitration panel shall adopt the last offer of settlement which, in the opinion of the arbitration panel, more nearly complies with the applicable factors prescribed in section 9. The findings, opinions and order as to all other issues shall be based upon the applicable factors prescribed in section 9.

Section 8 of Act 312 provides for a decision of the Arbitration Panel "as to each economic issue" separately. The parties have agreed that the contract which results from this proceeding shall be four years in duration (January 1, 2000 through December 31, 2003). Accordingly, Article 39 shall be amended to reflect a termination date of December 31, 2003.

The parties have agreed that with respect to the issue of wages, each year shall be treated separately for purposes of last offers. The last best offers were submitted on that basis. Therefore, the Panel may adopt the last offer of one party on the issue of wages for one or more years of the contract, and the last offer of the other party for the remaining year(s).

Other than issues discussed herein or tentative agreements between the parties incorporated by reference into this Agreement (see Attachment "A") all other provisions of the collective bargaining agreement shall be carried forward into the successor agreement unchanged. All pertinent dates will be changed to reflect that the successor collective bargaining agreement shall expire December 31, 2003.

The arbitration panel derives its authority from Act 312, which was enacted by the Michigan Legislature in recognition of the fact that where police and fire fighters are denied the right to strike by law, it is requisite to the high morale and efficient operation of such departments that an alternative, expeditious and binding procedure for the resolution of disputes be instituted as the quid pro quo for strikes or other job action by public safety employees [MCLA 423.231; MSA 17.344(31)].

As provided by Act 312, the Arbitration Panel is comprised of a delegate chosen by each party to the dispute, and an impartial chairperson, selected by the parties or by the Michigan Employment Relations Commission. The instant Panel is comprised of Chairperson Stanley T. Dobry, Michael Smith, panel member selected by the Township of Shelby, and John McCoy, panel member selected by the Union. Hearings were held in this matter on the following dates:

May 2, 3; 22, 23, 2001
June 1, 2001

As Act 312 is an extension of the bargaining process, it is the objective of the Panel to reach a resolution of the dispute which, in its opinion, would most nearly parallel an agreement that might have resulted had a voluntary settlement occurred.

Act 312 provides the Panel with the criteria upon which to make such an award. 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 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 foods 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.

Although the following determinations are not necessarily the only solutions to the problems confronting the parties, the Panel is convinced they are closest in conformity with the terms of the statute. The Panel has reviewed each of the statutory criteria as they apply to the respective issues, and concludes that those criteria upon this record, virtually command these determinations.

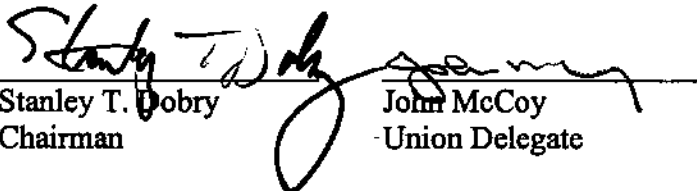
Joint Issue 1

Wage Increase for First Year of Contract (Economic)

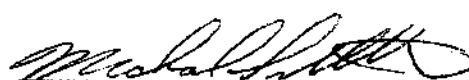
Last Offer of Union: The Union proposes an across-the-board wage increase for all classifications/ranks/positions of 3.25%, effective and fully retroactive to January 1, 2000; modify Article 16.2 accordingly.

Last Offer of Employer: The Township proposes a wage freeze for all classifications/ranks/positions for the first year of the Collective Bargaining Agreement.

Based upon the applicable Act 312 §9 criteria, the last offer of the Union is awarded.


Stanley T. Dobry
Chairman


John McCoy
Union Delegate


Michael Smith
Employer Delegate (dissenting)

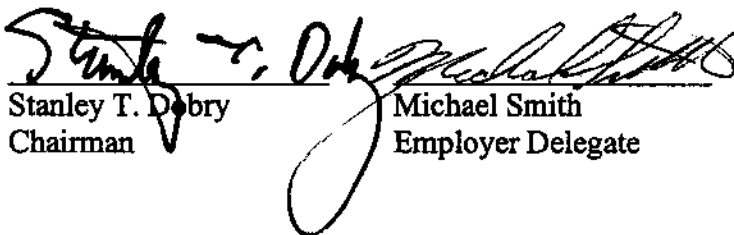
Joint Issue 2

Wage Increase for the Second Year of the Contract (Economic)

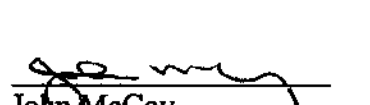
Last Offer of Union: The Union Proposes an across-the-board wage increase for all classifications/ranks/positions of 3.25%, effective and fully retroactive to January 1, 2001; modify Article 16.2 accordingly.

Last Offer of Employer: The Township proposes an across-the-board wage increase for all classifications/ranks/positions of 3.0%, effective and fully retroactive to January 1, 2001; modify Article 16.2 accordingly.

Based upon the applicable Act 312 §9 criteria, the Employer's last offer is awarded.


Stanley T. Dobry
Chairman


Michael Smith
Employer Delegate


John McCoy
Union Delegate (dissenting)

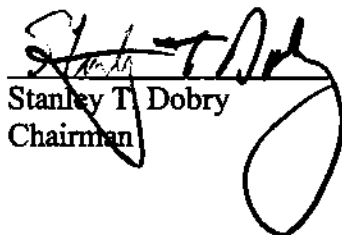
Joint Issue 3

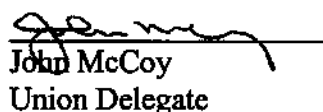
Wage Increase for Third Year of Contract (Economic)

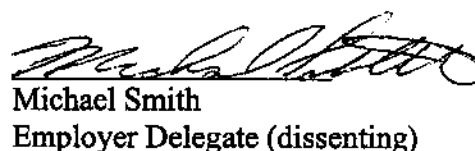
Last Offer of Union: The Union proposes an across-the-board wage increase for all classifications/ranks/positions of 3.25%, effective January 1, 2002; modify Article 16.2 accordingly.

Last Offer of Employer: The Township proposes an across-the-board wage increase for all classifications/ranks/positions of 3.0%, effective January 1, 2002; modify Article 16.2 accordingly.

Based upon the applicable Act 312 §9 criteria, the last offer of the Union is awarded.


Stanley T. Dobry
Chairman


John McCoy
Union Delegate


Michael Smith
Employer Delegate (dissenting)

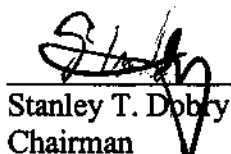
Joint Issue 4

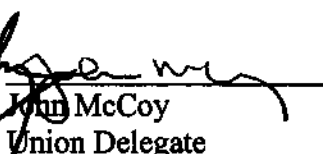
Wage increase for Fourth Year of Contract (Economic)

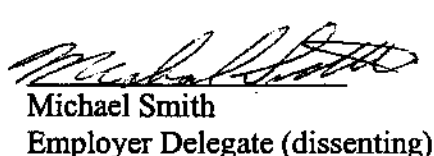
Last Offer of Union: The Union proposes an across-the-board wage increase for all classifications/ranks/positions of 3.25%, effective January 1, 2003; modify Article 16.2 accordingly.

Last Offer of Employer: The Township proposes an across-the-board wage increase for all classifications/ranks/positions of 3.0%, effective January 1, 2003; modify Article 16.2 accordingly.

Based upon the applicable Act 312 §9 criteria, the last offer of the Union is awarded.


Stanley T. Dobry
Chairman


John McCoy
Union Delegate


Michael Smith
Employer Delegate (dissenting)

Joint Issue 5

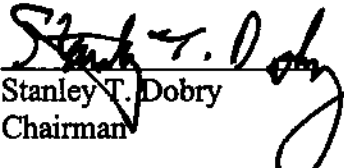
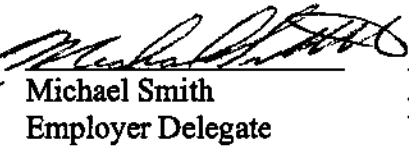
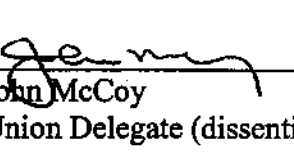
Pension - Purchase of Service Time (Economic)

Last Offer of Union: The Union proposes to modify Article 24.8 to provide as follows, to be effective for all retirements occurring on and after January 1, 2000:

"Employees will be allowed to purchase for retirement purposes up to three (3) years of additional service time at the employee's pension contribution percentage rate times (x) his pensionable gross for each year purchased."

Last Offer of Employer: The Township proposes to delete Article 24.8 from the expired collective bargaining agreement.

Based upon the applicable Act 312 §9 criteria, the Employer's last offer is awarded.

 Stanley T. Dobry Chairman	 Michael Smith Employer Delegate	 John McCoy Union Delegate (dissenting)
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Joint Issue 6

Vacation Time (Economic)

Last Offer of Union: The Union proposes to delete 26.10, and to modify Article 26.1 to provide as follows, effective and fully retroactive to January 1, 2000:

"Employees shall be eligible for annual vacation with pay on the following basis beginning January 1st of each calendar year:

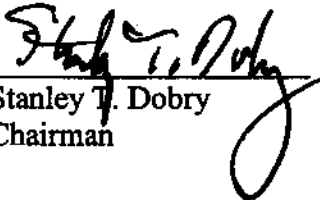
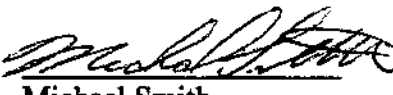
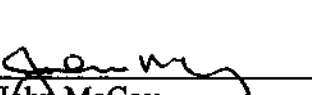
<u>Years of Service:</u>	<u>Vacation Hours for 56-Hour Employees</u>	<u>Vacation Hours for 40-Hour Employees</u>
6 months to 2 years	96 hours	48 hours
Years 3 and 4	168 hours	88 hours
Years 5,6 and 7	240 hours	128 hours
Years 8, 9, 10 and 11	312 hours	168 hours
12 years and over	384 hours	208 hours"

Last Offer of Employer: The Township proposes to delete 26.10 and to modify Article 26.1 to provide as follows, effective the first full contract year following issuance of the Act 312 Award:

26.1 "Employees shall be eligible for annual vacation with pay on the following basis beginning January 1st of each calendar year:

<u>Years of Service:</u>	<u>24-Hour Employees</u>	<u>8-Hour Employees</u>
6 months to 2 years	96 hours	48 hours
Years 3 and 4	168 hours	88 hours
Years 5,6 and 7	240 hours	128 hours
Years 8, 9, 10 and 11	312 hours	168 hours
12 years and over	360 hours	200 hours"

Based upon the applicable Act 312 §9 criteria, the Employer's last offer is awarded.

 Stanley T. Dobry Chairman	 Michael Smith Employer Delegate	 John McCoy Union Delegate (dissenting)
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Joint Issue 7

Vacation Use

Last Offer of Union: The Union proposed to modify Article 26.2 to provide as follows:

"Vacations shall be scheduled to preclude minimum manpower requirements from falling below the established minimum; the parties shall continue to abide by the 1/12/96 agreement on Guidelines for Leave Requests Approval. Vacation periods shall not exceed six (6) consecutive working days unless agreed to by the remaining members of the same platoon."

Last Offer of Employer: The Township proposes to modify Article 26.2 to provide as follows:

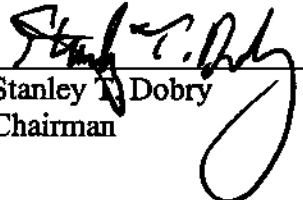
"Vacations shall be scheduled to preclude manpower falling below the minimums established in the department's standard operating procedures. Vacation periods shall not exceed six (6) consecutive working days unless agreed to by the remaining members of the same platoon and the Chief or his designee. Provided however, that denial of the above request shall not be made in an arbitrary or capricious manner."

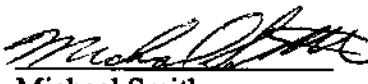
There is a disagreement as to whether this issue is economic or non-economic. The Union claims it is non-economic. The Township claims it is economic. For purposes of this hearing only and not for purposes of precedent in the future, I determine the issue in this case to

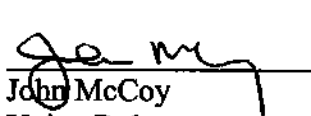
be non-economic. As a result, my award differs from that suggested by both parties. My award is as follows:

The language of Article 26.2 shall provide as follows:

When vacations are selected each December, a minimum of four (4) fire suppression employees scheduled to work shall be entitled to utilize vacation time off, provided however, that a minimum of three (3) fire suppression officers must be on duty at all times. For vacations not scheduled in the December selection, fire suppression employees scheduled to work shall be entitled to utilize vacation time off as long there are no more than three (3) other fire suppression employees already scheduled to be off work on vacation, personal, Department leave, or military leave. Once scheduled, vacation time shall not thereafter be cancelled by the Township except in the event of a community disaster. Vacations shall not exceed six (6) consecutive working days unless agreed to by the remaining members of the same platoon.


Stanley T. Dobry
Chairman


Michael Smith
Employer Delegate


John McCoy
Union Delegate

Joint Issue 8

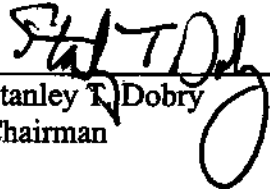
Wage for EMS Coordinator (Economic)


Last Offer of Union: The Union proposes that the wage for the EMS Coordinator be at the Captain rate of pay, retroactive to January 1, 2000; modify Article 16.2 accordingly.

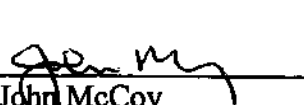
Last Offer of Employer: The Township proposes that the wage rate for the EMS Coordinator be redlined for the current person serving in the position and, upon his retirement or reclassification, be established at the Lieutenant Inspector (Deputy Fire Marshall) grade.

During the course of the proceedings, the parties were able to articulate a possible resolution of this issue. It is the decision of the Act 312 Panel that the Collective Bargaining Agreement in effect from 2000 to 2003 shall provide for the Captain rate of pay for the EMS Coordinator position in Article 16. The parties, however, shall also enter into a side letter of agreement as follows:

The Township and the Union agree that the Captain rate of pay shall apply to the EMS Coordinator position for so long as Marty Pawl remains in said position and so long as Marty Pawl's immediate successor shall remain in said position. Thereafter, the Deputy Marshall rate of pay shall apply to the EMS Coordinator position, provided however, that the pay rate applicable to said position shall be open for negotiations upon expiration of the 2000-2003 contract.


Stanley R. Dobry
Chairman


Michael Smith
Employer Delegate


John McCoy
Union Delegate

Joint Issue 9
Long Term Disability (Economic)

Last Offer of Union: The Union proposes to increase the "Maximum Benefit" in Article 19.5 from "\$3,000.00 per month" to "\$5,000.00 per month", to be effective no later than 60 days after issuance of the Act 312 award.

Last Offer of Employer: The Township proposes to modify Article 19.5 and replace with the following Long Term Disability Plan, renumbered as Article 19.3:

"19.3 Long Term Disability

1. A Long Term Disability Insurance Plan will be provided for all employees of the Association as follows:


Eligibility Requirement:	Full Time Employees
Enrollment Requirement:	100% of Eligible Employees
Elimination Period:	180 Calendar Days
Maximum Benefit:	Per Schedule Below
Monthly Benefit:	66-2/3% of base pay, longevity and holiday pays
Maximum Benefit:	\$4,000.00
Social Security Offset:	Full Family

<u>Age of Disablement</u>	<u>Duration of Benefit</u>
61 or younger	To age 65
62	3-1/2 years
63	3 years
64	2-1/2 years
65	2 years
66	1-3/4 years
67	1-1/2 years
68	1-1/4 years
69	1 year

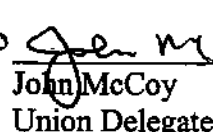
2. During the first twenty-four (24) months of long-term disability coverage, the Employer will continue to provide medical, dental, vision and life insurance coverage."

The Panel, considering the positions of the parties, awards both last offers on this issue. To that extent, the maximum benefit shall be established, pursuant to the Union proposal of

\$5,000.00 per month. The language concerning the long-term disability provisions shall be as set forth in the Township's proposal with the exception of the change in the maximum benefit level.


Stanley T. Dobry
Chairman


Michael Smith
Employer Delegate


John McCoy
Union Delegate

Joint Issue 10

Pension - Eliminate Tiers (Economic)

Last Offer of Union: The Union proposes to eliminate the existing lower tiers with respect to the pension multiplier, the FAC period, and FAC inclusions, and otherwise clarify Article 24. Accordingly, the Union proposes that the following modifications be made in Article 24, to be effective for all retirements occurring on and after January 1, 2000:

- Delete "as of December 31, 1995" in the first sentence of Article 24.1
- Delete "as of December 31, 1995" in Article 24.1(A)
- Delete Article 24.1(B) in its entirety
- Delete "hired as of June 30, 1992" in Article 24(C)
- Delete Article 24.1(D) in its entirety
- Modify Article 24.2 to provide as follows: "For all full-time employees, annual compensation shall mean base rate of pay, overtime pay, longevity pay, holiday pay, sick pay, vacation pay (maximum of three hundred (300%) percent of the employee's unused vacation leave as set forth in Section 26.7), food and clothing payments."
- Delete Article 24.3 in its entirety
- Article 24.6 - change "retired" to "retire"
- Delete Article 24.9

Last Offer of Employer: The Employer proposes that Article 24 remain unchanged and that the status quo be continued. If, however, the Panel determines to adopt the Union's Proposal concerning **Joint 10**, then the Township's proposal is to modify Article 24.4 to read as follows:

All employees participating in the Act 345 Retirement Plan shall contribute five (5%) of their salary pursuant to Section 9(1) of Act 345 for funding of the Plan.

The Employer also proposes to delete Article 24.8, concerning the purchase of military time and a Letter of Understanding concerning the "Intent of Article 24.9".

The Arbitrator, in consideration of the §9 criteria, awards the last best offers of both parties concerning this issue. That is, the tiers set forth in the current language contained in the contract concerning Pension shall be eliminated as set forth in the Union proposal. However, all employees in the Plan who currently do not contribute or who contribute the minimum towards the Act 345 Retirement Plan shall have their contribution increased to 5.0% according to the schedule set forth in the Article 24 language adopted by the Panel. Article 24.8 shall be eliminated, as proposed by the Township, and the Letter of Understanding covering the "Intent of Article 24.9" shall also be eliminated. Accordingly, Article 24 shall read as follows:

ARTICLE 24

Retirement

24.1 All Employees shall be covered by Act 345 and the Employer shall provide the following regular retirement pension for all full-time Employees.

A. For all full-time Employees, 2.5% of his average final compensation multiplied by the first twenty-five (25) years of service credited to the Employee plus one (1%) percent of the Employee's average final compensation multiplied by the number of years and fraction of a year of service rendered by the member in excess of twenty-five (25) years but not to exceed thirty (30) years.

B. For all full-time Employees, the average final compensation shall mean the average of the three (3) years of highest annual compensation received by the Employee during his ten (10) years of service immediately preceding his retirement or leaving service.

C. All Employees "25 and Out", no age requirement.

24.2 For all full-time Employees, annual compensation shall mean base rate of pay, overtime pay, longevity pay, holiday pay, sick leave payments, food and clothing payments, and unused vacation leave as set forth in Section 26.7.

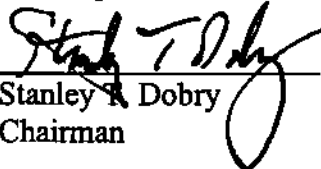
24.3 For all full-time Employees hired as of June 30, 1992, the Employer agrees to pay four (4%) percent of the five (5%) percent pension contribution under §9 (1) of Act 345 and such contribution shall be credited as an Employee contribution if allowed by law; effective July 1, 2001, the four (4%) percent paid by the Employer shall be decreased to three (3%) percent (employee contribution increased by an equivalent amount); effective July 1, 2002, the three (3%) percent paid by the Employer shall be decreased to two (2%) percent (employee contribution increased by an equivalent amount); effective July 1, 2003, the two (2%) percent paid by the Employer shall be decreased to one (1%) percent (employee contribution increased by an equivalent amount); and effective December 31, 2003, the Employee shall pay the full five (5%) percent contribution. Full time Employees hired after June 30, 1992, shall pay the five (5%) percent pension contribution as required by § 9 (1) of Act 345.

24.4 Effective January 1, 1986, an Employee who continues in service on or after the date of acquiring ten (10) years of service credit and who does not have an option 1 election provided for in §6(1)(J) of Act 345 in force, and dies while in service of the Employer before the effective date of his retirement and leaves a surviving spouse, the spouse shall receive a pension computed in the same manner as if the member had:

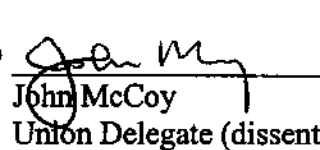
- A. Retired effective the day preceding the date of his death;
- B. Elected option 1 provided for in §6(1)(H) of Act 345; and,
- C. Nominated the spouse as survivor beneficiary. Upon the death of the spouse, the pension shall terminate. A pension shall not be paid under this paragraph on account of the death of an Employee if benefits are paid under §6(2) of Act 345 on account of his death.

24.5 All retirees who retire after January 1, 1989, shall receive a retirement benefit allowance in the amount of One Thousand (\$1,000.00) Dollars the first pay period in January of each year. No deductions shall be made from said retirement benefit allowance except as may be required by the Internal Revenue Code.

24.6 The Department pension representative shall be elected by majority vote of the Employees and shall be either an Employee or a former Employee who is receiving a pension benefit.


Stanley A. Dobry
Chairman


Michael Smith
Employer Delegate


John McCoy
Union Delegate (dissenting, in part)

Joint Issue 11

Sick Leave Allowance (Economic)

Last Offer of Union: The Union proposes to increase the annual sick leave allowance in Article 19.6 from "four (4) work days" to "twelve (12) work days", and to likewise modify Article 19.7 to increase "one-third (1/3) work day" to "one (1) work day" and increase "maximum of four (4)" to "maximum of twelve (12)", to be effective and fully retroactive to January 1, 2000.

The Union further proposes to modify Article 19.9 to provide as follows, effective and fully retroactive to January 1, 2000:

"Each employee shall be paid at his current hourly rate of pay for any accumulated hours of sick leave allowance not used, payable the second pay period of the new year."

Last Offer of Employer: The Township proposed to modify Article 19 as follows:

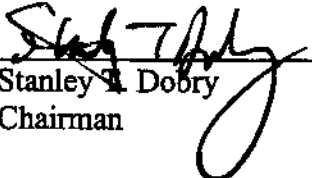
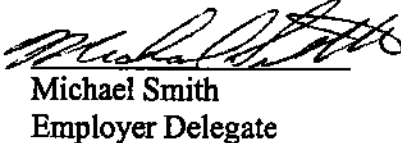
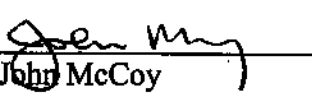
“Article 19.1; 19.2; 19.3: Delete. Article 19.6 and 19.7: incorporate into new 19.1.1, 19.1.3; Article 19.8 and 19.9: incorporate into 19.1.4; Article 19.10: incorporate into 19.1.8; Article 19.11: incorporate into 19.5. New sick leave procedure to provide as follows:

“19.1 Sick Leave

1. Effective January 1, 2001 sick leave days will be earned at the rate eight (8) days per year for fifty-six (56) hour employees and at the rate of twelve (12) days per year for forty (40) hour employees. The annual sick day allotment will be provided over two six-month allotment periods. One half of the annual allotment will be credited to the employee's bank on January 1 of each year and the remaining half credited on July 1 of each year.
2. Upon separation of employment the employee's sick bank shall be reduced on a prorated basis for each full month remaining in that allotment period
3. Employees will be given a one-time bank of ten (10) sick days for fifty-six (56) hour employees or twenty (20) days for forty (40) hour employees.
4. The unused portion of sick days may be allowed to accumulate. Employees shall be paid for accumulated sick days in excess of ten (10) days for twenty-four (24) hour employees and twenty (20) days for forty (40) hour employees as of December 31st of each year. Said payment shall be made based upon the employee's daily rate of pay as of December 31st, and shall be included in the employee's Final Average Compensation.
5. Sick leave utilization shall be allowed in cases of actual illness or injury to the employee or his immediate family, which necessitates the employee's absence from work.
6. The Fire Chief or his designee may require that the employee provide medical certification for any absence of three (3) or more consecutive workdays.
7. Sick leave may be utilized by an employee for appointments with a doctor.
8. It shall be the responsibility of the employee to call in sick to the Fire Department Headquarters at least one (1) hour before his tour-of-duty begins. It shall be the responsibility of the Officer in charge to cause the proper entry in the record log provided for that purpose. Entry information shall include the name of the member and person calling, date, time.
9. All time remaining in an employee's sick bank, up to their annual allotment, in excess of the initial grant, at time of retirement shall

- be paid at eighty (80%) of the employee's base rate and shall be included in the employee's average final compensation.
10. The initial ten-day sick day grant must be returned to the Township at the time the employment with the Township is terminated. In the event sufficient time does not exist in the employee's bank said time shall be deducted from the employee's final paycheck."

Based upon the applicable Act 312 §9 criteria, the Employer's last offer is awarded.

 Stanley A. Dobry Chairman	 Michael Smith Employer Delegate	 John McCoy Union Delegate (dissenting)
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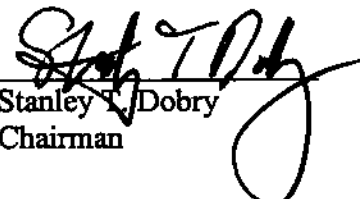
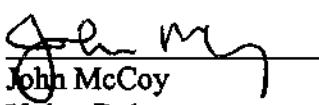
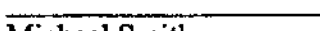
Union Issue 1

Promotion to Fire Chief (Non-Economic)

Last Offer of Union: The Union proposes to incorporate into the contract in a new subsection of Article 11 the substance of the parties' extant Letter of Agreement regarding promotion to Fire Chief.

Last Offer of Employer: The Employer proposes that the letter of Agreement regarding promotion to Fire Chief not be included within the Collective Bargaining Agreement.

It is the decision of the Arbitration Panel that the existing Letter of Agreement be incorporated into the Collective Bargaining Agreement by annexing it as an attachment to the Collective Bargaining Agreement.

 Stanley A. Dobry Chairman	 John McCoy Union Delegate	 Michael Smith Employer Delegate (dissenting)
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Union Issue 2

Effective Date of Promotions (Economic)

Last Offer of Union: The Union proposes to add a new subsection to Article 11 providing as follows:

"Promotions shall occur by the end of the following pay period after the vacancy occurs. All benefits shall be afforded the

employee as to hours of employment and all other items covered by this contract at time of promotion."

Last Offer of Employer: The Employer objects to the inclusion of this as an issue before the Act 312 Arbitration Panel for the reason that it constitutes a permissive subject of bargaining.

During the proceedings in this matter, the parties had several opportunities to engage the Panel concerning this issue. As a result, the parties have stipulated to the following which shall be implemented as the Arbitration Panel's award concerning this matter:

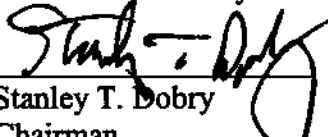
(1) The following language shall be added to the current language of Article 38.4 of the expired Collective Bargaining Agreement (Article 38.4 shall be renumbered as a result of this Award):


"The Employer shall notify the Union within thirty (30) days of a vacancy being created whether or not they intend to fill the vacancy. Vacancies the Employer intends to fill shall be filled within sixty (60) days of the vacancy being created."

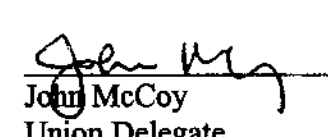
(2) A Letter of Agreement dated on or about March 18, 1997, shall be deemed extinguished with this Award.

(3) A Letter of Agreement shall be executed by the parties which reads as follows:

"It is understood and agreed by the Township that the modifications made in the 2000-2003 contract to Article 38 and the elimination of the March 18, 1997 Letter of Agreement are without prejudice to the Union's reliance upon the decision of Arbitrator Chiesa (AAA No. 543900017000, dated 11/14/00) in any future grievance/arbitration case."


Stanley T. Dobry
Chairman


Michael Smith
Employer Delegate


John McCoy
Union Delegate

Union Issue 3

Recertification Bonus (Economic)

Last Offer of Union: The Union proposed to modify the last sentence of Article 16.3 to read as follows:

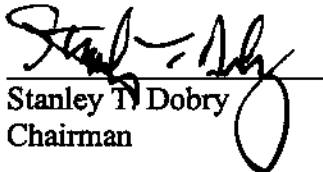
A bonus of Five Hundred (\$500.00) Dollars shall be paid to employees upon renewal of each of the following licensures/certificates:

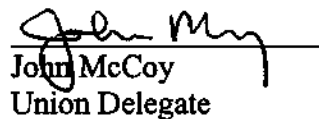
- Paramedics/ALS (applicable to all employees except fire prevention).
- Fire Inspector (applicable only to Inspectors, Deputy Marshall, and Fire Marshall).
- Fire Instructor (applicable only to Chief of Training and Lt. Training Instructor).
- Paramedic Instructor (applicable only to Chief of Training, EMS Coordinator, and Lt. Training ~~Inspector~~ Instructor)

This provision shall be effective January 1, 2000 and retroactive.

Last Offer of Employer: Township proposes maintenance of the status quo.

Based upon the applicable Act 312 §9 criteria, the Union's last offer is awarded.


Stanley T. Dobry
Chairman


John McCoy
Union Delegate


Michael Smith
Employer Delegate (dissenting)

Union Issue 4

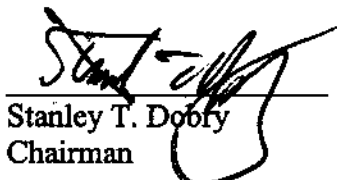
Acting Pay (Economic)

Last Offer of Union: The Union proposes to modify Article 16.4 to provide as follows, effective upon issuance of the Award:

"In the event that there is no officer on duty at a station, the Township shall pay the senior employee (Firefighter or Firefighter Medic) on duty the base rate of pay equivalent to one pay grade above his base rate. No remuneration shall be paid if said hours are less than four (4)."

Last Offer of Employer: The Employer's position is to maintain the status quo.

Based upon the applicable Act 312 §9 criteria, the Union's last offer is awarded.


Stanley T. Dobry
Chairman


John McCoy
Union Delegate


Michael Smith
Employer Delegate (dissenting)

Union Issue 5

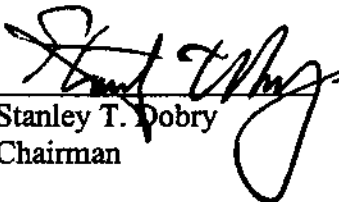
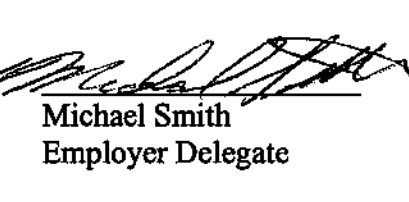
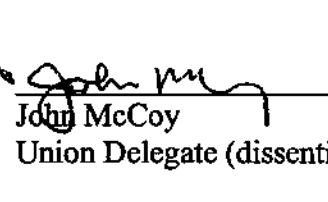
Clothing Allowance (Economic)

Last Offer of Union: The Union proposes to modify Article 29.2 as follows, effective and fully retroactive to January 1, 2000:

- Change "one (1) dress blouse" to "one (1) dress shirt"
- Change "Seven Hundred Twenty (\$720.00) Dollars to "Eight Hundred Fifty (\$850.00) Dollars"
- Change throughout "One and 97/100 (\$1.97) Dollars" to "Two and 33/100 (\$2.33) Dollars"

Last Offer of Employer: The Township proposes to maintain the status quo except to change the word "blouse" to "shirt".

Based upon the applicable Act 312 §9 criteria, the Employer's last offer is awarded.

 Stanley T. Dobry Chairman	 Michael Smith Employer Delegate	 John McCoy Union Delegate (dissenting)
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Union Issue 6

Standby Court Time (Economic)

During the course of the Act 312 proceedings, the Union withdrew its proposal on this issue, but without prejudice to its position.

Union Issue 7

Safety Rig Staffing

Last Offer of Union: The Union proposes to delete Article 32.3, and to modify Article 32.1 to provides as follows:

"To maintain safety for the Shelby Township fire employees, during each 24-hour tour of duty the minimum rig staffing shall be as follows:

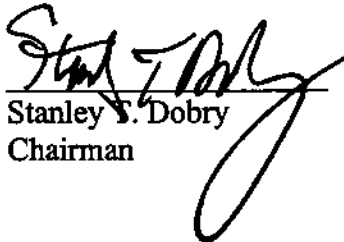

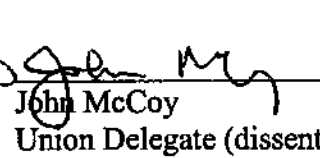
- (A) At Station 1 - A minimum of one (1) officer, four (4) Firefighter/Medics, and one (1) other employee, to staff one (1) Engine/Ladder and two (2) transporting ALS units at all times.
- (B) At Stations 2, 3, 4 and any other stations opened - A minimum of one (1) officer and two (2) Firefighter/Medics, to staff one (1) ALS transporting unit and one (1) Engine/Ladder at all times.

Minimum rig staffing requirements shall be in effect at all times unless off duty employees are unavailable."

Last Offer of Employer: The Employer objects to this proposal for the reason that it is a permissive subject of bargaining and not within the scope of an Act 312 arbitration. Jackson Fire Fighters Association, Local 1306, City of Jackson, 227 Mich. App. 520, 575NW2D823 (1998). The Employer has indicated to the Union its intention to delete from the contract permissive provisions found in Article 32.1, 32.2, 32.3, and 32.4.

While the Employer objects to this proposal as not being within the contemplation of Act 312, based upon the Arbitration Panel's decision, resolution of this issue is unnecessary and moot. It is the Arbitration Panel's decision as follows:

Article 32 shall be deleted from the Collective Bargaining Agreement (Sections 32.1, 32.2, 32.3, and 32.4).

 Stanley S. Dobry Chairman	 Michael Smith Employer Delegate	 John McCoy Union Delegate (dissenting)
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Union Issue 8

Divisional System

Last Offer of Union: The Union proposes to modify Article 38.1 to provide as follows:

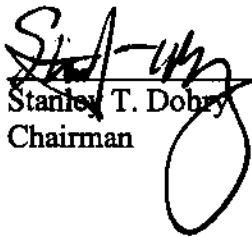
"The Department shall operate under the following divisional system:

CHIEF*		
<u>Training Div.</u>	<u>Fire Prevention Div.</u>	<u>Fire Fighting Div.</u>
Training Chief*	Marshal*	Battalion Chiefs
EMS Coordinator*	Deputy Marshal*	Lieutenants
Instructor*	Inspectors*	Firefighter/Medics
		Firefighters

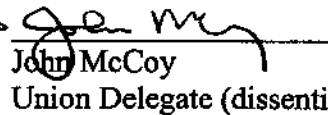
*Indicates 40-hour position

Last Offer of Employer: The Township considers the Union's proposal concerning Article 38.1 a permissive subject of bargaining and, declining its continuation in the new agreement, objects to its conclusion as an issue.

The Township again considers this issue a permissive subject of bargaining not within the contemplation of this Act 312 Panel. However, considering the decision of the Majority, a decision on whether or not this is a permissive subject of bargaining is unnecessary and moot. It is the decision of the Panel that Article 38.1 be removed from the Collective Bargaining Agreement.


Stanley T. Dobry
Chairman


Michael Smith
Employer Delegate


John McCoy
Union Delegate (dissenting)

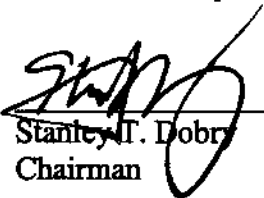
Union Issue 9

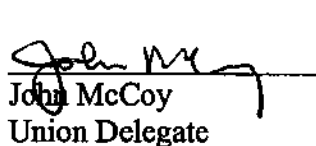
Food Allowance (Economic)

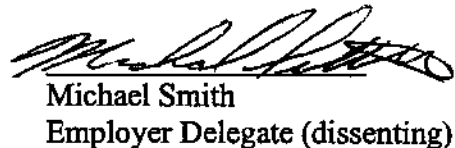
Last Offer of Union: The Union proposes to modify Article 36 to change "Four Hundred Seventy Five (\$475.00) Dollars" to "Seven Hundred (\$700.00) Dollars" and to change "One and 30/100 (\$1.30) Dollars" to "One and 92/100 (\$1.92) Dollars" throughout, effective and fully retroactive to January 1, 2000.

Last Offer of Employer: The Township's position is to maintain the status quo.

Based upon the applicable Act 312 §9 criteria, the last offer of the Union is awarded.


Stanley T. Dobry
Chairman


John McCoy
Union Delegate


Michael Smith
Employer Delegate (dissenting)

Township Issue 1

Short-Term Disability (Economic)

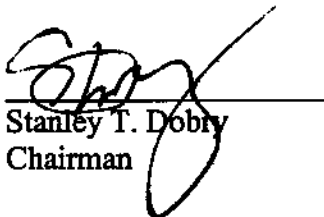
Last Offer of Employer: The Township proposes to Modify Article 19.4 and renumber to 19.2 to establish a Short-Term Disability Plan which provides as follows:

"19.2 Short Term Disability Provision

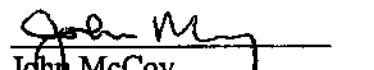
1. An employee qualifies for Short Term Disability as follows:
 - A. A fifty-six (56) hour employee must qualify for this section by sustaining a period of ten (10) consecutive lost workdays as a result of an illness or injury to the employee necessitating their absence from work.
 - B. A forty (40) hour employee must qualify for this section by sustaining a period of twenty (20) consecutive lost workdays as a result of an illness or injury to the employee necessitating their absence from work.
 - C. Short Term Disability coverage shall be in effect commencing with the first workday following the completion of the qualification periods specified above through the one hundred and eightieth calendar day following the commencement of the illness or injury.
2. While on Short Term Disability the employee shall receive his base pay, holiday pay and longevity. The Township shall continue to pay all applicable premiums for medical, dental, vision and life insurance previously provided to the employee. The employee shall not receive other benefits including the accrual of vacation, sick, and personal time, food and clothing allowances. Pro rata adjustments shall be made at the time of the employee's return to service or their separation of employment, which ever comes first. When necessary, adjustments shall be made by means of payroll deduction.
3. The Short Term Disability provision is to be used as a bridge to the Long Term Disability Plan. Therefore time lost as a result of the same illness or injury shall be treated as a continuing incident."

Last Offer of Union: Maintain status quo.

Based upon the applicable Act 312 §9 criteria, the Employer's last offer is awarded.


Stanley T. Dobry
Chairman


Michael Smith
Employer Delegate


John McCoy
Union Delegate (dissenting)

Township Issue 2

Service Connected Disability (Economic)

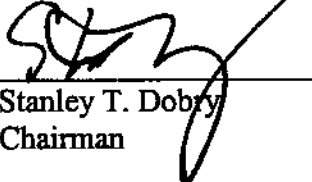
Last Offer of Employer: The Township proposes the following:

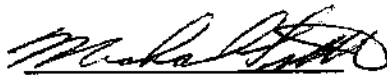
"19.4 Service Connected Disability

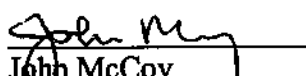
1. Each full time employee who is unable to work as a result of an injury or sickness arising from the performance of his duty, shall be paid by the Township at his base rate of pay for the duration of his injury or sickness without loss of seniority **until such time as he is eligible for a service connected disability retirement.**
2. If an employee is placed on a service connected disability retirement, he shall continue to receive an amount equal to his base rate of pay less the amount the employee receives from the Pension System until he is placed on a regular pension as provided for in Act 345 of 1937 as amended.
3. The term "Base Rate of Pay" shall mean any increases or decreases as determined by the Collective Bargaining Agreement.
4. If an employee is unable to work as a result of a service connected disability, he shall continue to receive all insurance benefits as provided active members of the department until they have met the requirements of a regular pension as provided for in Act 345, as amended. However, this Article is not to be construed as the elimination of Article 22.4.
5. When an employee is unable to work as a result of a service connected disability, he shall continue the accrual of sick leave hours, vacation leave, personal leave, holiday pay, clothing allowance and longevity for a period not to exceed twelve (12) months.
6. The Employee shall return the amount of all Workmen's Compensation checks plus any insurance benefits for which the employer has paid the premium to the Township."

Last Offer of Union: Maintain status quo.

Based upon the applicable Act 312 §9 criteria, the Employer's last offer is awarded.


Stanley T. Dobry
Chairman


Michael Smith
Employer Delegate


John McCoy
Union Delegate (dissenting)

Township Issue 3

Limited Duty Clause (Economic)

Last Offer of Employer: The Township proposes the following:

"19.5 Limited Duty Clause

A. Any member of the Association shall be eligible for limited duty assignment if all of the following conditions exist:


1. A medical doctor finds that the member is suffering from a medical condition, which would not allow the member to return to his employment on a full duty status.
2. The medical doctor also finds that the disability would allow the member to return to work on a limited duty status, which provides beneficial service to the department. Any dispute as to the "beneficial service" shall be subject to the grievance procedure.
3. Limited duty work is available and necessary for the efficient operation of the department.
4. In no event shall the Department be required to establish more than two (2) such positions at any one time and in the event that another Member shall apply once the positions are filled, he shall be required to wait for an opening to become available unless otherwise decided by the Department.


B. A member of the Association assigned to limited duty shall be treated as follows:

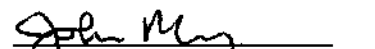
1. The member may be placed on an eight (8) hour schedule at the discretion of the Fire Chief or his designee.
2. The member shall be returned to the position he held prior to his disability, upon being found ready for full duty status.
3. All contract benefits and provisions shall apply while said member is working in such position of limited duty.
4. The member shall not be counted as manpower with regards to the Department's SOP regarding staffing."

Last Offer of Union: The Union proposes to maintain status quo.

Based upon the applicable Act 312 §9 criteria, the Employer's last offer is awarded.


Stanley T. Dobry
Chairman


Michael Smith
Employer Delegate


John McCoy
Union Delegate (dissenting)

Township Issue 4A


Health Insurance (Economic)


Last Offer of Employer: The Township proposes to modify Article 22.1 Prescription Drug Rider from current level (\$5.00 deductible) to Ten (\$10.00) Dollar Prescription Drug Rider, effective January 1, 2002.

Last Offer of Union: The Union proposes to maintain the status quo.

Based upon the applicable Act 312 §9 criteria, the Employer's last offer is awarded.


Stanley T. Dobry
Chairman


Michael Smith
Employer Delegate


John McCoy
Union Delegate (dissenting)

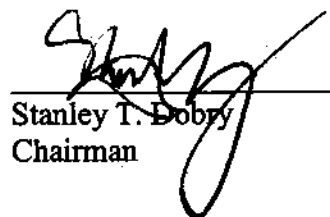
Township Issue 4B


Last Offer of Employer: The Township proposes to modify Article 22.5 to provide as follows:


"Upon attainment of eligibility for medical insurance under the Social Security Act, a retiree shall make application for said insurance. The Employer shall provide hospitalization insurance coverage to supplement the coverage provided under the Social Security Act equal to the insurance coverage provided to active employees."

Last Offer of Union: The Union proposes to maintain the status quo.

Based upon the applicable Act 312 §9 criteria, the Union's last offer is awarded.


Stanley T. Dobry
Chairman


John McCoy
Union Delegate


Michael Smith
Employer Delegate (dissenting)

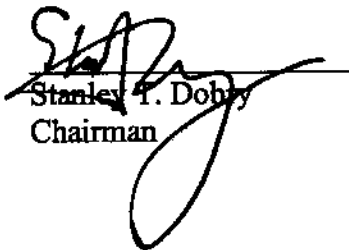
Township Issue 4C

Last Offer of Employer: The Township proposes to modify Article 22.8, payment-in-lieu of hospitalization insurance to provide:

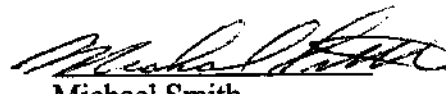
"An employee who is provided with medical insurance coverage through a source other than the Township may choose to decline the medical, dental and vision insurance coverage provided for them and their family. Proof of alternative coverage shall be documented by completion of a form provided by the financial management department. In lieu of the Township paid medical insurance, the annual sum of One Thousand (\$1,000.00) Dollars shall be paid by the Township into the Employee's Deferred Compensation Account through biweekly contributions. This option may be selected or changed either at the time of hire, or during annual open enrollment only. An employee, subject to policy requirements and conditions at the time he exercises the election, may reinstate coverage in the event alternative coverage under which he was covered is terminated, but in such case the employee shall cease to receive the compensation granted in section 22.8. Employees who select an insurance plan different from their plan may return to their original plan during the open enrollment period. No employees who are not currently opted out of the coverage in this program may do so between now and January 1, 2002."

Last Offer of Union: The Union proposes to adopt the language set forth in the Township's Last Offer of Settlement, but to increase a payment-in-lieu to One Thousand Five Hundred (\$1,500.00) Dollars and make the provision effective January 1, 2002.

Based upon the applicable Act 312 §9 criteria, the Union's last offer is awarded.


Stanley T. Dohy
Chairman


John McCoy
Union Delegate


Michael Smith
Employer Delegate

Township Issue 5

Drug and Alcohol Testing

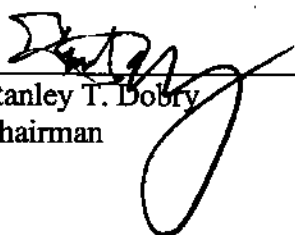
Last Offer of Township: The Township proposes to add a new Article to the Collective Bargaining Agreement which provides as follows:

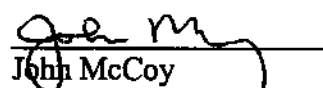
The Department has the right, based upon reasonable suspicion, to test any Employee covered by the provisions of this Agreement for alcohol or drugs. Testing for alcohol shall be conducted by Breathalyzer operators of the Shelby Township

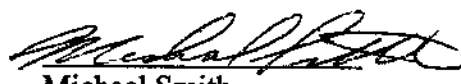
Police Department. Testing for drugs shall be at a certified laboratory and be by means of urinalysis testing.

Last Offer of Union: The Union proposes to maintain the status quo (no provision to be added to Collective Bargaining Agreement).

Based upon the applicable Act 312 §9 criteria, the Union's last offer is awarded.


Stanley T. Dobry
Chairman


John McCoy
Union Delegate


Michael Smith
Employer Delegate (dissenting)

Township Issue 6

Alcohol Use

Last Offer of Township: The Township proposes to add language to the Collective Bargaining Agreement concerning this issue. The Township proposes adoption of the following language:

PURPOSE

The purpose of this directive is to provide guidelines for the use of alcohol and participation in department activities by all Fire Department personnel. The goal is to provide the highest possible level of safety for citizens and department personnel.

DIRECTIVE

1. Alcoholic beverages shall not be consumed on Fire Department premises.
2. Recognizing the potential problems created by alcohol use, including reduced performance, adverse public perception, and liability to the Township, Fire Department personnel are not to respond to off duty incidents or report to duty while functioning impaired by alcohol.
3. Functionally impaired shall be defined as having a blood alcohol content (BAC) of 0.015% or greater as referenced by the commercial license (CDL) standards.
4. As a guideline, personnel are not to respond to off duty incidents or report for duty for a period of one (1) hour for each alcoholic beverage consumed containing the equivalent of one and one-half (1 ½ ounce) of alcohol.
5. Members consuming alcohol shall be considered out of service and shall not respond to off duty incidents or report for duty. When in doubt, members should err on the side of safety and refrain from responding until they can meet the terms of this directive. If a member is unaware of the amount of alcohol consumed, a guideline of eight (8) hours from the last drink to availability to respond to off duty incidents or reporting to work should be used.

6. When a member has a reasonable suspicion that another member of the department may be functionally impaired on duty or at an incident, he shall report the suspicion immediately to the senior command officer present. If, based upon the information provided and his observations, the officer has reason to believe that the member is functionally impaired, he shall relieve the member from duty and provide transportation to the member's residence.
7. If the member objects to this course of action, the command officer shall request that the Police Department respond with a portable breath analyzer to determine the actual blood alcohol content.
8. If the BAC is greater than 0.015%, but less than 0.04%, the member shall be relieved of duty, transported to his residence and directed not to respond to incidents or report for duty for a minimum of four (4) hours.
9. If the BAC is greater than 0.04%, the member shall be relieved of duty to his to his residence. The officer may be directed not to respond to incidents or report for duty pending initiation of disciplinary action per Act 78.

Last Offer of Union: The Union proposes to maintain status quo (include no new language).

This is a non-economic item. The Arbitrator has determined that the following shall constitute the language included in the Collective Bargaining Agreement concerning this issue:

PURPOSE

The purpose of this directive is to provide guidelines for the use of alcohol and participation in department activities by all Fire Department personnel. The goal is to provide the highest possible level of safety for citizens and department personnel.

DIRECTIVE

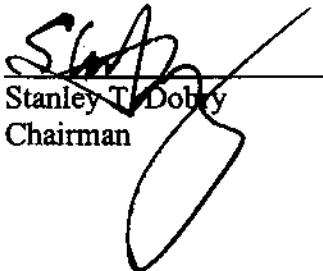
1. Alcoholic beverages shall not be consumed on Fire Department premises.
2. Recognizing the potential problems created by alcohol use, including reduced performance, adverse public perception, and liability to the Township, Fire Department personnel are not to respond to off duty incidents or report to duty while their functioning is impaired by alcohol.
3. Functionally impaired shall be defined as having a blood alcohol content (BAC) of 0.015% or greater as referenced by the commercial license (CDL) standards.
4. As a guideline, personnel are not to respond to off duty incidents or report for duty for a period of one (1) hour for each alcoholic beverage consumed containing the equivalent of one and one-half (1-1/2 ounce) of alcohol.
5. Members consuming alcohol shall be considered out of service and shall not respond to off duty incidents or report for duty. When in doubt, members should err on the side of safety and

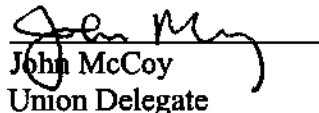
refrain from responding until they can meet the terms of this directive. If a member is unaware of the amount of alcohol consumed, a guideline of eight (8) hours from the last drink to availability to respond to off duty incidents or reporting to work should be used.

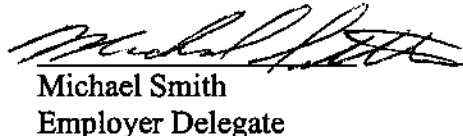
6. When a member has a reasonable suspicion that another member of the department may be functionally impaired on duty or at an incident, he shall report the suspicion immediately to the senior command officer present. If, based upon the information provided and his observations, the officer has reason to believe that the member is functionally impaired, he shall relieve the member from duty and provide transportation to the member's residence.

7. If the member objects to this course of action, the command officer shall request that the Police Department respond with a portable breath analyzer to determine the actual blood alcohol content.

8. If the BAC is greater than 0.015%, the member shall be relieved of duty, transported to his residence and directed not to respond to incidents or report for duty for a period equal to one (1) hour for each .01%.


Stanley T. Dobry
Chairman


John McCoy
Union Delegate


Michael Smith
Employer Delegate

Township Issue 7

Family Medical Leave Act (Economic)

Last Offer of Township: The Township proposes to add the following language to the Collective Bargaining Agreement concerning leaves under the FMLA:

USE OF PAID AND UNPAID LEAVE

An employee who is taking FMLA leave because of the employee's own serious health condition or the serious health condition of a family member must use all accrued or unused paid vacation, personal or sick leave prior to being eligible to take the remainder of the 12 weeks as unpaid leave. The paid leave time generally will be taken in the following order: (1) sick leave, (2) vacation, (3) personal days.

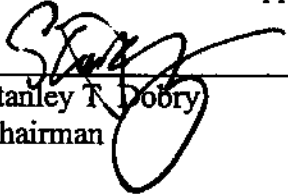
An employee taking FMLA leave for the birth of a child must use paid sick leave for the physical recovery following childbirth. The employee may then use any remaining sick leave, and must use all accrued or unused paid vacation and personal leave prior to being eligible to take the remainder of the 12 weeks as unpaid leave. Also, pregnancy disability or other leave

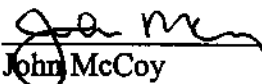
taken under any applicable disability plan is considered to be paid sick leave for purposes of FMLA substitution.

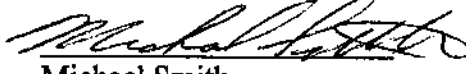
An employee who is taking FMLA leave for the adoption or foster care of a child must first use all accrued and unused paid vacation and personal leave prior to being eligible to take the remainder of the 12 weeks as unpaid leave.

Last Offer of Union: The Union proposes to maintain the status quo.

Based on the applicable Act 312 §9 criteria, the last offer of the Employer is awarded.


Stanley T. Dobry
Chairman


John McCoy
Union Delegate (dissenting)


Michael Smith
Employer Delegate