

IN THE MATTER OF THE ARBITRATION BETWEEN

CITY OF DEARBORN

-and-

DEARBORN FIRE FIGHTERS UNION, LOCAL ~~421~~ 412

I.A.F.F. - AFL-CIO

COMPULSORY ARBITRATION

PURSUANT TO ACT 312, MICHIGAN PUBLIC
ACTS OF 1969, AS AMENDED

OPINION AND AWARD

ARBITRATION PANEL

PETER D. JASON
Arbitrator/Chairman

DUDLEY SHERMAN
City of Dearborn Delegate

JOE KOVACH
Union Delegate

DATED: November 7, 1977

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INTRODUCTION

These proceedings were commenced pursuant to Act 312 of the Public Act of 1969 as amended. Pursuant to statute, it is a tripartite proceeding so Dudley Sherman was appointed by the City of Dearborn as its delegate and Joseph Kovach was appointed by the Union as its delegate. On February 4, 1977 the writer was appointed by Michigan Employment Relations Commission. On February 15, 1977 this appointment was challenged by the Dearborn Fire Fighters Association, and on March 2, 1977 the Commission reaffirmed its appointment of this writer.

Hearings were held in this matter on May 17, May 24, May 31, June 1 and June 24 of 1977. At these hearings the City of Dearborn was represented by Mr. Eugene Forbes, an attorney for the City of Dearborn. The Dearborn Fire Fighters were represented by Mr. Ronald R. Helveston of the firm of Marston, Sachs, Nunn, Kates, Kadushin & O'Hare, P.C. The record produced by these hearings consisted of 1,032 pages of recorded testimony and 176 total exhibits. In addition, after submission of last best offers on July 15, 1977 the parties each submitted written briefs further explaining their position on August 26, 1977. Finally, the panel met in executive session on September 19 and 23, 1977.

Act 312 of the Public Acts of 1969 is very specific concerning the factors that must be considered when the panel makes its decision. Section 9 reads as follows:

Where there is no agreement between the parties, or where there is an agreement but the parties have begun negotiations or discussions looking to a new agreement or amendment of the existing agreement, and wage rates or other conditions of employment under the proposed new or amended agreement are in dispute, the arbitration panel shall base its findings, opinions and order upon the following factors, as applicable:

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

The panel has been careful in deciding this matter to consider all the factors delinitated above. Where not specifically mentioned in the resolution of a particular issue, the factors were considered but were not discussed in the interests of brevity.

BACKGROUND

To place the disputants in perspective it is necessary to know that the City of Dearborn is located directly west of the City of Detroit and has an area of approximately 24.5 square miles, and has a population of approximately one hundred thousand people. The City's total budget amounts to approximately twenty eight million dollars. The 1977 total assessed valuation of the City is 595,615,290 of which 78.6 per cent is commercial and industrial property and the balance is residential property.

The members of the Dearborn Fire Fighters Union, Local 412 are part of the International Association of Fire Fighters which is affiliated with the AFL CIO. The Union in Dearborn representes all ranks below that of chief or acting chief of the Dearborn Fire Department. The parties are not strangers to Act 312 proceedings. Indeed, since the passage of the Act, the parties have used this procedure to resolve their disputes at every available opportunity.

During the pendency of the proceeding the parties agreed that the contract will cover a three year period from July 1, 1976 through June 30, 1979. The parties further agreed during the pendency of the proceedings that all issues are economic and are subject to the last best offer procedure described in the statute.

DECISION AND AWARD

WAGES AND COST OF LIVING

Wages and COLA will be considered as part of the wage package as a manner of convenience. The wage rate which went into effect June 30, 1976 which is now being paid is as follows:

ISSUE: WAGES

PRESENT: In effect 7-1-75 to 6-30-76

<u>Classification Title</u>	<u>Rates of Compensation</u>
Firefighter I	13075 13833 15036 16611
Firefighter II	17153
Firefighter III	17532
Fire Equip. Mechanic I	17153
Fire Equip. Mechanic II	18478
Fire Equip. Mechanic III	19816
Fire Lieutenant	18478
Fire Captain	19816
Fire Marshal	22311
Battalion Fire Chief	21733
Deputy Fire Chief	22311

The Union demands that the status quo be changed as follows:

Pursuant to Section 8 of Act 312, as amended, the Union hereby submits its last offer of settlement of the economic issue of wages. The Union's last offer of settlement is to modify "Classifications and Rates of Compensation" as contained at page 11 of the recently expired collective bargaining agreement (Joint Exhibit No. 1) as set forth below. These modifications will provide annual wage increases of approximately 8.4% and 6% respectively for fiscal years 1976-77 and 1977-78. The Union is proposing in its last offer for the third year of the collective bargaining agreement a 4% wage increase with a cost of living clause as set forth below. The Union's last offer of settlement of the economic issue of wages and cost of living is as follows:

I. EFFECTIVE JULY 1, 1976

8.4% increase for all ranks and classifications as set forth below:

<u>Classification Title</u>	<u>Rates of Compensation with Service Increment Added</u>			
1. Fire Fighter I <u>a/</u>	\$14,173	\$14,995	\$16,299	\$18,006
2. Fire Fighter II				18,594
3. Fire Fighter III				19,005
4. Fire Equipment Mechanic I				18,594
5. Fire Equipment Mechanic II				20,030
6. Fire Equipment Mechanic III				21,481
7. Fire Lieutenant				20,030
8. Fire Captain				21,481
9. Fire Marshall				24,185
10. Battalion Fire Chief				23,559
11. Deputy Fire Chief <u>b/</u>				24,185

II. EFFECTIVE JULY 1, 1977

6% increase for all ranks and classifications as set forth below:

1. Fire Fighter I <u>a/</u>	\$15,023	\$15,895	\$17,277	\$19,086
2. Fire Fighter II				19,710
3. Fire Fighter III				20,145
4. Fire Equipment Mechanic I				19,710

<u>Classification Title</u>	<u>Rates of Compensation with Service Increment Added</u>			
5. Fire Equipment Mechanic II				\$21,232
6. Fire Equipment Mechanic III				22,770
7. Fire Lieutenant				21,232
8. Fire Captain				22,770
9. Fire Marshall				25,636
10. Battalion Fire Chief				24,973
11. Deputy Fire Chief <u>b/</u>				25,636

III. EFFECTIVE JULY 1, 1978

4% increase for all ranks and classification with cost of living clause as set forth below:

1.	Fire Fighter I <u>a/</u>	\$15,624	\$16,531	\$17,968	\$19,849
2.	Fire Fighter II <u>c/</u>				20,498
3.	Fire Fighter III				20,952
4.	Fire Equipment Mechanic I				20,498
5.	Fire Equipment Mechanic II				22,081
6.	Fire Equipment Mechanic III				23,681
7.	Fire Lieutenant				22,081
8.	Fire Captain				23,681
9.	Fire Marshall				26,662
10.	Battalion Fire Chief				25,972
11.	Deputy Fire Chief <u>b/</u>				26,662

COST OF LIVING ALLOWANCE:

(a) All members of the bargaining unit shall receive a cost of living allowance in accordance with the following plan.

a/ Period of time between minimum and maximum rate for Fire Fighter I classification is an economic issue subject to last offer of settlement. For last offer of settlement on economic issue of Service Increment Interval for Fire Fighter I classification, see Section XX, infra, of Union's Last Offers of Settlement of Economic Issues.

b/ Wage rate for bargaining unit employee holding classification of Deputy Fire Chief if filled during life of collective bargaining agreement.

c/ Minimum or starting rate set forth is applicable only if City's last offer of settlement of economic issue of Service Increment Interval for Other Classes is rejected and the Union's offer of status quo is accepted (see Section XXI, infra, of Union's Last Offer of Settlement).

(b) Effective July 1, 1978, eligible employees shall receive a cost of living allowance according to the following provisions:

1. The cost of living allowance shall be determined in accordance with changes in the Detroit Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics, U.S. Department of Labor (1967 = 100), and hereinafter referred to as the CPI.

2. The adjustment for the quarter beginning July 1, 1978 shall be effective only for time worked on/or after July 1, 1978. Thereafter, the Cost of Living Allowance will change with the first paycheck issued on/or following the seventh day of the month in which the Cost of Living Allowance changes. Employees assigned to the standard forty-hour workweek will be paid the allowance in each regular paycheck for all hours for which they receive pay during the payroll period covered by the paycheck. Employees assigned to the 56-hour workweek whose check stubs indicate 112 hours being paid biweekly, shall receive 80 hours of Cost of Living Allowance in their biweekly paychecks. When 56-hour employees are paid overtime for each hour so worked, the employee shall also be paid one hour of Cost of Living Allowance.

3. In the event of advance paychecks, payroll corrections or other unusual payroll circumstances, the Cost of Living Allowance shall be calculated as of the date an employee would normally have been paid.

4. During the period of this Agreement, adjustments in the Cost of Living Allowance, including the establishment of the first allowance, shall be made at the following times according to the Consumer Price Indexes for the months shown:

<u>Date of Adjustment</u>	<u>Based on CPI for Month of:</u>	<u>Relevant Calendar Quarters</u>
July 1, 1978	May, 1978	March, April, May 1978
October 7	August	June, July, August 1978
January 7, 1979	November	September, October, November 1978
April 7	February, 1979	December 1978, January, February 1979
July 7	May	March, April, May 1979

On each pay date, on/or after each date of adjustment, the Cost of Living Allowance that is paid will be the newly adjusted allowance for the payroll period being paid.

5. There shall be a one cent (\$.01) per hour adjustment for each 0.3 change in the CPI.

In the event that the CPI drops, there shall be no reduction in wage rates that are otherwise due under this Agreement.

6. The Cost of Living Allowance shall be expressed in cents per hour, and shall not exceed twenty-five cents (\$.25) per hour per contract year.

7. As soon as reasonably possible after June 30, 1979, and effective on June 30, 1979, the Cost of Living Allowance being paid during the month of June shall be added to each employee's base wage rate and thereafter the cost of living shall be added to employee's base wage rates each June 30th.

8. In the event the Bureau of Labor Statistics does not issue the appropriate Consumer Price Indexes ten (10) days before one of the pay dates, any adjustment in the Cost of Living Allowance required by such appropriate indexes shall be effective and paid on the first pay date ten (10) days after receipt of the indexes.

(c) The continuance of the Cost of Living Allowance is contingent upon the availability of the monthly Consumer Price Index in its present form and calculated on the same basis as at present, unless otherwise agreed upon by the parties. If the Bureau of Labor Statistics changes the form or the basis of calculating the Consumer Price Index, the parties agree to request the Bureau of Labor Statistics to make available for the duration of this Agreement, a monthly consumer price index in its present form calculated on the same basis as the present consumer price index. The parties further agree that in the event that the Bureau of Labor Statistics fails to publish any pertinent consumer price index for the Detroit metropolitan area and/or if the Bureau of Labor Statistics refuses to make available for the duration of this Agreement a monthly consumer price index in the present form and calculated on the same basis as present, the cost-of-living allowance for the period or periods affected shall be determined in accordance with changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers, All Items, All U. S. Cities (1967=100) as published by the Bureau of Labor Statistics. If the foregoing All City Consumer Price Index is not available, an alternate index mutually agreed upon by the parties, shall be used. No adjustments, retroactive or otherwise, shall be made due to any revision which may later be made in the published figures of the CPI.

The City, on the other hand, offers the following:

FIRST YEAR OF AGREEMENT (7.0% increase on all salaries in effect 6-30-76)

Effective July 1, 1976 through June 30, 1977

<u>Classification Title</u>	<u>Rates of Compensation</u>			
Firefighter I	13990	14801	16089	17774
Firefighter II				18354
Firefighter III				18759
Fire Equip. Mechanic I				18354
Fire Equip. Mechanic II				19771
Fire Equip. Mechanic III				21203
Fire Lieutenant				19771
Fire Captain				21203
Fire Marshal				23873
Battalion Fire Chief				23254
Deputy Fire Chief				23873

SECOND YEAR OF AGREEMENT (5.0% increase on all salaries in effect 6-30-77)

Effective July 1, 1977

<u>Classification Title</u>	<u>Rates of Compensation</u>			
Firefighter I	14690	15541	16893	18663
Firefighter II				19272
Firefighter III				19697
Fire Equip. Mechanic I				19272
Fire Equip. Mechanic II				20760
Fire Equip. Mechanic III				22263
Fire Lieutenant				20760
Fire Captain				22263
Fire Marshal				25067
Battalion Fire Chief				24417
Deputy Fire Chief				25067

Effective July 1, 1978

The salaries in effect on June 30, 1978 (including cost of living allowance) shall be increased by five (5%) percent.

THE SALARIES SET FORTH ARE SUBJECT TO CITY ISSUES:

Service Increment Schedule for Firefighter I

Service Increment - Other classes

ISSUE: COST OF LIVING ALLOWANCE

PRESENT: No cost of living plan in effect for fiscal period ending June 30, 1976

A Cost of Living Allowance offered for contract period beginning July 1, 1977 and ending June 30, 1979. Amount to be payable effective the second pay period beginning in January, 1978 and January, 1979.

Copy of proposal attached.

Cost of Living Allowance - Fire Bargaining Unit - For Contract Period beginning July 1, 1977 to June 30, 1979 Inclusive

(a) In addition to the rates of pay set forth for fire bargaining unit classifications, a cost of living allowance shall be determined as provided herein on the basis of the Consumer Price Index for Urban Wage Earners and Clerical Workers, published by the Bureau of Labor Statistics, United States Department of Labor (1967 = 100) for the Detroit area.

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

<u>Column #1</u>	<u>Column #2</u>	<u>Column #3</u>
Base period shall be the Index published for the month of:	Increase from Base Period Determined by Average of Indexes published for following three months:	Effective the second pay period beginning in the month of:
July, 1977	October, November and December, 1977	January, 1978
July, 1978	October, November and December, 1978	January, 1979

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

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

For each .4 index fluctuation from base the amount of adjustment shall be .01¢ per hour multiplied by 2,080 hours per year to determine annual rate of compensation. The maximum per hour increase for the fiscal year shall be eighteen (.18¢) cents per hour.

(e) The cost of living allowance shall be added to the base rate and shall be considered the annual rate of compensation.

The panel has decided, based on all the evidence, to award the Union wage formula for the first year of the agreement, the Union wage formula again the second year of the contract, and the city wage formula in the third year of the contract. This will mean that the new increases will be 8.4% effective July 1, 1976, 6% effective July 1, 1977 and 5% effective July 1, 1978 with the City's cost of living program in effect in the final year of the contract. The panel has chosen this alternative for the following reasons.

The City's COLA formula is likely to yield approximately .6% in the third year of the contract. Therefore, this increase over the term of the three year contract amounts to approximately 20%. Although this alternative is front-end loaded and percentage costs must be increased by a compounding factor, it appears that after inflation there will be a moderate increase in real purchasing power gained by the Fire Fighters. The panel does not consider this inflationary because there is evidence on the record to suggest that, first, the skills of the Fire Fighters are increasing since they are being trained with new equipment to fight fire and poisonous smoke caused by various plastic compounds that have been introduced into building structures' wiring and plumbing. There is also evidence to suggest that the efforts of the Fire Fighters are increasing since the annual fire reports show more in service time put in by Fire Fighters. Finally, it is not unreasonable to conclude that the Dearborn Fire Fighters' responsibility is also increasing since the addition of the Fairlane Mall.

Further, with respect to the survey date introduced by both parties, it appears that this increase is reasonable. The 8.4% in the first year will rank Dearborn fourth at the maximum in the survey conducted by the Union and according to City Exhibit 104 will rank Dearborn in the top 8 or 9 cities in average pay. Although these rankings cannot be exact because it is impossible to compare total compensation, it does not appear to the panel that Dearborn's ranking will be out of line. The balance of the three year award is an attempt to keep the Dearborn Fire Fighters in this approximate range.

The final consideration used by the panel for this group of employees was the internal comparison that was made between the Fire Fighters and other Dearborn employees particularly the police. The City contended in its brief that in the event any part of the Union wage

package was awarded that it would disturb a long standing relationship between the rates of Fire Fighters and the rates of policemen. In the final analysis, after much deliberation, the panel decided to disregard that comparison. The comparison was disregarded because the overall wage package to the Fire Fighters was fair, and secondly because it is impossible to determine the rates of the firemen based on police rates whose determination was beyond the scope of this record. Suffice it to say that the record is not sufficient to persuade this panel that the rates awarded to the Fire Fighters by this proceeding will result in an injustice to police employees.

As far as the COLA portion of the wage package is concerned, the reasoning is as follows. The parties in this dispute did not agree to a three year contract until after proceedings had begun in this matter. It was apparent to the writer that the parties have not had any meaningful negotiations on a cost of living formula. This conclusion is born out by the last best offer of the parties. They are at opposite ends of the scale. To resolve the difficult problem, the panel has awarded the city program but only in the third year of the agreement. From the point of view of the city, this will ease the administration of this benefit since this exact formula is used elsewhere in the city. And from the point of view of the Fire Fighters, if inflation rises at what we not believe is a normal rate, the Fire Fighters will not financially suffer since they are getting a 5% increase in the third year of the agreement instead of 4%. Finally, now that the parties have established a three year duration for the first time, it is the hope of chairman that the City and its Unions will use this opportunity to negotiate one cost of living formula for the bargaining units that have COLA. After all, an increase in the price of a loaf of bread effects all employees in the same way.

PENSIONS

The pension issues will also be dealt with together as a matter of convenience. The Union proposes to change the existing pension system in the following manner:

Pursuant to Section 8 of Act 312, as amended, the Union hereby submits its last offer of settlement of the economic issue involving Section 21.28 of the Policemen's and Firemen's Pension Plan presently contained in Chapter 21 and Section 235.03 of Chapter 23 of the Charter of the City of Dearborn (Union Exhibit 7). The Union's last offer of settlement is to require the City of Dearborn to modify the specific provisions presently contained in Section 21.28 of Chapter 21 and Section 235.03 of Chapter 23 of the Charter of the City of Dearborn containing certain specific detailed provisions of the Policemen's and Firemen's Pension System. The specific changes sought will relate only to employees of the Dearborn Fire Department encompassed within the appropriate collective bargaining unit who retire on or after July 1, 1977, and, if awarded, the specific provisions of Section 21.28 of the Chapter 21 Pension Plan and Section 235.03 of Chapter 23 shall be changed to read as follows:

Section 21.28: Upon retirement from service according to the provisions of Section 21.27 of this Chapter, a member shall receive a service retirement annuity equal to one-fiftieth of his average final compensation, multiplied by his total years of creditable service; provided, however, the service retirement annuity of a member or beneficiary shall not exceed one-half his average final compensation, or seven-tenths of the annual rate of pay received by a patrolman first-class or a fireman first-class, whichever amount is the lesser; except that any fireman retiring on or after July 1, 1977 shall receive, upon retirement from service according to the provisions of Section 21.27 of this Chapter, a service retirement

annuity equal to one-fortieth of his average final compensation, multiplied by his total years of creditable service; [this is intended to be equal to 2.5% of his average final compensation multiplied by his total years of creditable service with a twenty-five year maximum] provided, however, the service retirement annuity of a fireman member retiring on or after July 1, 1977, or beneficiary shall not exceed 62-1/2% of his average final compensation or seven-tenths of the annual rate of pay received by a fireman first-class, whichever amount is the lesser.

Section 235.03: Upon a member's retirement as provided in this Chapter, he shall receive a life allowance equal to 2.00% of his final average salary multiplied by his number of years, to the 1/12th year, of credited service; except that any fireman retiring on or after July 1, 1977 shall receive, upon retirement, a life allowance equal to 2.5% of his final average salary multiplied by his number of years, to the 1/12th year of creditable service, with a thirty-year maximum.

In addition, all other necessary amendments to Chapter 21 and Chapter 23 shall be made to be consistent with the implementation of the two proposals set forth above.

Pursuant to Section 8 of Act 312, as amended, the Union hereby submits its last offer of settlement of the economic issue involving the detailed provisions of the Policemen's and Firemen's Retirement System presently contained within Section 21.9 of Chapter 21 and Section 232.01(9) of Chapter 23 of the Charter of the City of Dearborn. The Union's last offer of settlement is to require the City of Dearborn to modify the specific provisions presently contained in Section 21.9 of Chapter 21 and Section 232.01(9) of Chapter 23 of the Charter of the City of Dearborn containing specific detailed provisions of the Policemen's and Firemen's Retirement System. The specific changes sought will relate only to the employees of the Dearborn Fire Department encompassed within the appropriate collective bargaining unit who retire on or after July 1, 1978, and, if awarded, the specific provisions of Section 21.8 of the Chapter 21 Pension Plan and Section 232.01(9) of the Chapter 23 Pension Plan shall be changed to read as follows:

PRESENT:

Chapter 21, Section 21.9: "Final Compensation" shall mean the annual rate of pay, salary, or wages earned by a member at the time of termination of employment.

LAST OFFER:

Chapter 21, Section 21.9: "Final Compensation" means the annual remuneration paid an employee by the employer for his personal services rendered, expressed as the rate of salary including allowance for accumulated longevity pay, vacation pay, holiday pay, shift differential pay, overtime pay, uniform allowance, food allowance, pay for accumulated sick leave upon retirement, and other fringe benefits.

PRESENT:

Chapter 23, Section 232.01(9): "Compensation" means the remuneration paid an employee by the employer for his personal services rendered, expressed as the rate of salary including allowance for longevity pay, vacation pay, holiday pay, and shift differential pay, but excluding overtime pay, uniform allowance, food allowance, gun allowance, and other fringe benefits.

LAST OFFER:

Chapter 23, Section 232.01(9): "Compensation" means the remuneration paid an employee by the employer for his personal services rendered, expressed as the rate of salary including allowance for longevity pay, vacation pay, holiday pay, shift differential pay, overtime pay, uniform allowance, food allowance, pay for accumulated sick leave upon retirement, and other fringe benefits.

In addition, all other necessary amendments to Chapter 21 and Chapter 23 where applicable shall be made to implement the above proposal.

The City, on the other hand offers to maintain the current systems.

The panel has selected the City proposal of no improvement for the following reasons. Costs of Union demands figured at the percentage of payroll amount to something over 8% per year. In our judgment, this is too great a burden to put on the tax payers of Dearborn unless the present systems were inadequate, or unless the total compensation package was inadequate. In view of the improvement just made in the salary scale, in the panel's view the Dearborn Fire Fighters are fairly compensated. Furthermore, when one compares the Dearborn pension system with that of other pension systems in the area, there is no reason to believe that the Dearborn system is inferior. Consequently, no improvement will be awarded.

HOURS OF WORK

The Union proposal is as follows:

Pursuant to Section 8 of Act 312, as amended, the Union hereby submits its last offer of settlement of the economic issue involving hours of work. The Union's last offer is to modify Section 4 at page 12 of the current collective bargaining agreement and is as follows:

Effective January 1, 1978 and thereafter, all Fire Department personnel except those in classes commonly referred to as civilian personnel, shall work on a schedule arranged by the Chief and shall average 50.4 hours per week, except the Deputy Fire Chief and fire personnel assigned to the maintenance, training, or fire marshal division, who shall work 40 hours per week.

Effective January 1, 1978, all references in this collective bargaining agreement to average 56 hour work week employees shall be changed to average 50.4 hour work week employees.

The City's proposal is as follows:

Employees in the firefighting division who work 24-hour tours of duty shall average 54 hours per week effective January 3, 1978.

Employees in the maintenance, training and fire marshal divisions to continue a 40-hour per week schedule.

The panel has decided to award the City's last best offer on hours of work for the following reasons. This item was especially difficult because the parties do not agree how much it would cost. The Union suggests that it would cost nothing. It contended that there would be no cost because the City will not replace man hours lost by hiring new employees. The City, on the other hand, claims that if the man hours are replaced 100% the cost would be significant. Since the panel has no way of knowing whether the City will replace the man hours lost or not, other factors were the basis of our decision. When looking at the surrounding communities, it appears that there is a trend toward requiring fire fighters to work fewer hours but most department are still on the 56 hour schedule. Since the City has offered some improvements and since this improvement will place the Dearborn Fire Fighters ahead of most other departments, the panel will award the City's proposal. It is the understanding of the panel that because of the 24 hour work schedule the way this reduction will be implemented will be to remove one day of work per quarter from employees work schedules. In other words, this hours reduction will be accomplished by giving employees off four additional work days per year.

VACATION

The Union proposed the following:

Pursuant to Section 8 of Act 312, as amended, the Union hereby submits its last offer of settlement of the economic issue involving vacation-service leave. The Union's last offer of settlement is to modify Rule XVI, Section 1(c)(2) at page 26 of the current collective bargaining agreement (Joint Exhibit No. 1) and is as follows:

Fire Department employees with less than five (5) years of service working on twenty-four hour shifts shall be granted vacation on the basis of three-fourths (3/4) work day for each completed month of service. The employee shall be entitled to his accumulation after completing six months of satisfactory service.

Effective July 1, 1976, employees completing five (5) years of service shall be granted one additional work day vacation; employees completing ten (10) years of service shall be granted two (2) additional work days vacation; employees completing fifteen (15) years of service shall be granted three (3) additional work days vacation; employees completing twenty (20) years of service shall be granted four (4) additional work days vacation.

By way of illustration, and not as part of the last offer of settlement, the following chart represents the proposed arrangement:

<u>Years of Service</u>	<u>Additional Service Leave Days</u>	<u>Total Vacation Days</u>
After 5	1	10
After 10	2	11
After 15	3	12
After 20	4	13

The City proposed to maintain current benefits.

The panel has selected the City's proposal because time off benefits should be considered in their totality. With the reduction of hours that was previously awarded which will be implimented by four additional days off per employee per year, the panel has assured the Dearborn Fire Fighters of an equitable package of time off benefits so no vacation improvement will be awarded.

HOLIDAYS

The Union proposes the following:

Pursuant to Section 8 of Act 312, as amended, the Union hereby submits its last offer of settlement of the economic issue involving holiday provisions for the fiscal year 1976-77. The Union's last offer is to modify Section 11 at page 13 of the current collective bargaining agreement and is as follows:

Effective July 1, 1976, all fire personnel, except those in classes commonly referred to as civilian personnel, shall be paid, in addition to their annual salary, holiday pay at the rate of pay for each holiday based upon one tenth (1/10) of the employee's biweekly salary that is in effect on the holiday, and for the holidays herein set forth: New Year's Day, George Washington's Birthday, Memorial Day, Fourth of July, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, day before Christmas, Christmas, day before New Year's and employee's birthday, and such payment shall be consideration for: (1) Time worked on the holiday, (2) Time in lieu of compensatory time off in the event the holiday falls on a non-scheduled work day, and (3) for on-call duty that is required of certain classifications. However, if there are classifications that do not have specified on-call duty requirements and are scheduled off on a holiday, that is not a leave day, then such time shall be charged to vacation in order to receive the holiday pay.

It is further provided that any employee absent without leave on scheduled work days immediately preceding or succeeding holidays, shall not be entitled to pay for such holiday. Payment shall be made for the holiday in the pay period subsequent to the one in which the holiday occurred.

Pursuant to Section 8 of Act 312, as amended, the Union hereby submits its last offer of settlement of the economic issue involving holiday provisions for the fiscal year 1977-78. The Union's last offer is to modify Section 11 at page 13 of the current collective bargaining agreement and is as follows:

Effective July 1, 1977, all fire personnel, except those in classes commonly referred to as civilian personnel, shall be paid, in addition to their annual salary, holiday pay at the rate of pay for each holiday based upon one tenth (1/10) of the employee's biweekly salary that is in effect on the holiday, and for the holidays herein set forth: New Year's Day, George Washington's Birthday, Easter Sunday, Memorial Day, Fourth of July, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, day before Christmas, Christmas, day before New Year's, and employee's birthday, and such payment shall be consideration for: (1) Time worked on the holiday, (2) Time in lieu of compensatory time off in the event the holiday falls on a non-scheduled work day, and (3) for on-call duty that is required of certain classifications. However, if there are classifications that do not have specified on-call duty requirements and are scheduled off on a holiday, that is not a leave day, then such time shall be charged to vacation in order to receive the holiday pay.

It is further provided that any employee absent without leave on scheduled work days immediately preceding or succeeding holidays, shall not be entitled to pay for such holiday. Payment shall be made for the holiday in the pay period subsequent to the one in which the holiday occurred.

The City proposes the following:

Fire employees are paid one-tenth (1/10) of employee's biweekly salary in effect on the date of the holiday. Employees are paid for the following eleven holidays whether or not they work on the holiday:

New Year's Day	Veterans' Day
George Washington's Birthday	Thanksgiving Day
Memorial Day	Day before Christmas
Fourth of July	Christmas
Labor Day	Day before New Year's
Columbus Day	

Contract Period: July 1, 1976 through June 30, 1979

City offers to continue present holiday pay provisions outlined above.

HOLIDAYS

Because of the nature of their work, firemen do not celebrate holidays enjoyed by other workers. Since theirs is an essential service and since its mandatory that the public be protected from the ravages of fire 24 hours a day, 365 days a year, it is not possible to schedule firemen off on holidays. Apparently, in an effort to do equity to fire fighters, a system has developed over the years whereby fire fighters receive holiday pay rather than the traditional time off.

A comparison with other communities similar to Dearborn indicates that the Dearborn Fire Fighters are undercompensated in this area. Consequently, the panel has decided to award the Union position but only for the first year of the contract. This one additional holiday in the first year of the contract will put this benefit at an appropriate level.

CLOTHING AND MAINTENANCE ALLOWANCE

The Union proposes to change the status quo as follows:

Pursuant to Section 8 of Act 312, as amended, the Union hereby submits its last offer of settlement of the economic issue involving clothing allowance. The Union proposes to modify Section 13 at page 14 as follows:

Effective July 1, 1976, all fire personnel, except those in classes commonly referred to as civilian employees, shall be paid an annual clothing and maintenance allowance of Two Hundred (\$200.00) Dollars. The annual allowance shall be prorated on the basis of a quarterly allotment and paid at the end of each quarter. Any employee beginning or terminating his employment during the quarterly period shall receive a pro rata portion of the quarterly allotment. The allowance shall continue to be paid as long as the employee renders service to the City.

Provided further, that each employee receiving such allotment shall maintain and replace clothing as may be required by the Chief of the Department, after periodic inspections. Provided further, that clothing damaged in firefighting shall be replaced.

The City offers to change the status quo as follows:

Effective July 1, 1977:

The City offers to increase Clothing and Maintenance Allowance for each Firefighter by \$25.00 per year. A total of \$175.00 prorated on a quarterly basis and paid at the end of each quarter.

The panel has decided to adopt the Union offer. The panel was persuaded by the evidence that the \$150.00 now being paid is not adequate to cover the cost. And further, both the City's and Union's surveys indicate that Dearborn Fire Fighters are relatively under compensated in this area. The panel believes that the Union proposal is the more equitable.

FOOD ALLOWANCE

The Union proposes the following improvement:

Pursuant to Section 8 of Act 312, as amended, the Union hereby submits its last offer of settlement of the economic issue involving food allowance for fiscal year 1976-77. The Union's last offer is to modify Section 12 at page 14 of the current collective bargaining agreement and is as follows:

Effective July 1, 1976, all fire personnel, except those in classes commonly referred to as civilian employees, shall receive an annual food allowance of Four Hundred (\$400.00) Dollars. The annual allowance shall be prorated on a biweekly allotment and shall continue to be paid during such time the employee renders service to the City.

Pursuant to Section 8 of Act 312, as amended, the Union hereby submits its last offer of settlement of the economic issue involving food allowance for fiscal year 1977-78. The Union's last offer is to modify Section 12 at page 14 of the current collective bargaining agreement and is as follows:

Effective July 1, 1977, all fire personnel, except those in classes commonly referred to as civilian employees, shall receive an annual food allowance of Four Hundred Fifty (\$450.00) Dollars. The annual allowance shall be prorated on a biweekly allotment and shall continue to be paid during such time the employee renders service to the City.

Pursuant to Section 8 of Act 312, as amended, the Union hereby submits its last offer of settlement of the economic issue involving food allowance for fiscal year 1978-79. The Union's last offer is to modify Section 12 at page 14 of the current collective bargaining agreement and is as follows:

Effective July 1, 1978, all fire personnel, except those in classes commonly referred to as civilian employees, shall receive an annual food allowance of Five Hundred (\$500.00) Dollars. The annual allowance shall be prorated on a biweekly allotment and shall continue to be paid during such time the employee renders service to the City.

The City proposes the following:

Effective July 1, 1977:

City offers to increase the Food Allowance for each Firefighter by \$35.00 per year. A total of \$400.00 prorated and paid bi-weekly.

The panel has decided to adopt the City's offer in an attempt to peg the food allowance at an appropriate level. Although the evidence is not convincing that this allowance is in fact a food allowance, since other fire fighters besides the ones working the 24 hour shifts get the identical allowance; to the extent that the allowance is based on food prices it does seem as if some adjustment is warranted. Also, both parties agreed some adjustment is warranted. The panel has selected the City offer to be fair and at the same time keep costs of the entire package within reasonable limits.

DENTAL PLAN

The Union proposed the following:

Pursuant to Section 8 of Act 312, as amended, the Union hereby submits its last offer of settlement of the economic issue involving dental plan. The Union's last offer of settlement is to modify the dental plan, Section 28 at page 19 of the current collective bargaining agreement, and is as follows:

Effective thirty (30) days following the issuance of this arbitration award, the City will pay full premium for each employee and dependents for Delta Dental Plan coverage as follows:

75% of treatment costs paid by Delta on Class I, Class II, and Class III Benefits, with a \$600.00 maximum on Class I and Class II Benefits, Class III Orthodontic Benefits, a lifetime maximum of \$500.00 per person.

The effective date for new hires shall be the first monthly premium date that would be at least thirty (30) days subsequent to date of hire.

The plan to be same benefit formula now in effect for all other City employees.

The City proposed the following:

ISSUE: DENTAL PLAN

PRESENT: For fiscal period ending June 30, 1976

50% of treatment costs paid by Delta on Class I, Class II, and Class III Benefits, with a \$600 maximum on Class I and Class II Benefits; Class III Orthodontic Benefits, a lifetime maximum of \$500 per person.

The effective date for new hires is the first monthly premium date thirty days subsequent to date of hire.

Effective the first of a month that is at least thirty (30) days subsequent to the receipt of the arbitration award, the City offers to pay full premium for each employee and dependents for Delta Dental Plan coverage as follows:

75% of treatment costs paid by Delta on Class I benefits.
50% of treatment costs paid by Delta on Class II benefits.
Maximum on Class I and Class II benefits \$600 per person per year.
50% of treatment costs paid by Delta on Class III (orthodontic) benefits, with a lifetime maximum of \$500 per person.

SAME BENEFIT FORMULA NOW IN EFFECT FOR OTHER CITY EMPLOYEES

(copy of Plan of Benefits and Provisions attached)

GOOD DENTAL HEALTH IS ESSENTIAL TO GOOD GENERAL HEALTH

A COMPREHENSIVE
DENTAL CARE PLAN
FOR
CITY OF DEARBORN

BY

DELTA DENTAL PLAN OF MICHIGAN

A NON-PROFIT CORPORATION

4601 W. Saginaw Ave.

Lansing, Michigan 48917

Phone 517/372-8040

ON

FEBRUARY 22, 1977

PROPOSED PLAN OF BENEFITS AND PROVISIONS

COVERED DENTAL SERVICES

CLASS I BENEFITS:

1. Basic Services: Services usually employed by Dentists in evaluating existing conditions and the dental care required. By way of description such services include: Examinations; consultations; diagnosis and diagnostic aids; necessary radiographs.
2. Preventive Services: Dental procedures or techniques usually employed by Dentists to prevent the occurrence of dental abnormalities or disease. By way of description such services include: Prophylaxis; topical application of fluoride solution; instruction in the proper fluoride intake.
3. Restorative Services: Services usually employed by Dentists to rebuild, repair or reform the tissues of the teeth. By way of description such services include: Amalgam, synthetic porcelain and plastic restorations. Gold restorations, crowns and jackets when the teeth cannot be restored with another filling material.
4. Oral Surgery Services: Extractions and all other oral surgery procedures usually employed by Dentists. By way of description such services include pre- and post-operative care.
5. Endodontic Services: Procedures usually employed by Dentists for the treatment of nonvital teeth.
6. Periodontic Services: Procedures usually employed by Dentists for the treatment of diseases of the gums and supporting structures of the teeth.

CLASS II BENEFITS:

1. Prosthodontic Services: Bridges, partials and complete dentures.

CLASS III BENEFITS:

1. Orthodontic Services: All necessary treatment and procedures required for the correction of malposed teeth.

LIMITATIONS

1. PROSTHODONTICS:

- a. Full dentures and relining. Not more than one full upper and one full lower denture shall either be constructed or relined in any five-year period for any one patient.
- b. Partial dentures. A partial denture, fixed bridge, or removable bridge may not be provided for any one patient more often than once in any five-year period, except where the loss of additional teeth requires the construction of a new appliance.

Said five (5) year period is to be measured from the date on which the prosthetic appliance was last supplied.

2. OPTIONAL TREATMENT PLANS:

Where there are optional plans of treatment carrying different treatment costs, payment will be made only for the applicable co-payment percentage of the lesser fee. The balance of the treatment cost is the responsibility of the Subscriber or Dependent.

In the following instances Delta shall be responsible for payment for dental services only as provided:

Cast gold inlays. Delta will pay only the percent specified in the Class I Benefit provision for restoring the same number of involved surfaces with amalgam.

Cast gold crowns. Delta will pay only the percent specified in the Class I Benefit provision for a three surface amalgam on each involved tooth.

Jackets, crowns or veneer crowns. Delta will pay only the percent specified in the Class I Benefit provision for two silicate restorations on each involved tooth.

Appliances or restorations necessary to increase vertical dimension or restore occlusion are considered optional and the cost shall be paid by the patient.

3. ORTHODONTICS:

Eligibility: Only Subscribers and Dependents to age 19 are eligible and Delta's obligation shall cease on the patient's 19th birthday.

Maximum payment: The percentage Delta will pay of the approved total cost and the lifetime maximum per patient are set forth in the Rate Quotations and Plan Characteristics section of this presentation.

Treatment may be terminated by the dentist by written notification to Delta and to the patient for lack of patient interest and co-operation.

Any charge for the cost of replacement or repair of an appliance furnished under this Plan shall not be paid by Delta and will be the sole responsibility of the patient.

SERVICES NOT COVERED

1. Benefits or services for injuries or conditions compensable under Workmen's Compensation or Employer's Liability laws; or benefits or services which are available from any Federal or State government agency, or from any municipality, county or any other political subdivision or community agency or from any foundation or similar entity.

2. Benefits or Services available under any other contract or arrangement, except that if a Subscriber or Dependent is eligible for a Benefit or Service under an existing contract, Delta will pay up to the Subscriber's liability provided that no such payment by Delta shall exceed the liability of Delta for Benefits or Services as if rendered under this proposed Plan.
3. Benefits or Services determined by the Delta dental consultant to be:
 - a. To correct congenital malformations;
 - b. Cosmetic surgery;
 - c. Dentistry for cosmetic reasons.
4. Benefits, services or appliances, started prior to the date the Subscriber became eligible under this agreement.
5. All other Benefits and Services not specified in this proposal.

SUBSCRIBER AND DEPENDENT ELIGIBILITY

Subscribers are as defined in the Plan agreement.

Dependents, if covered, are defined as lawful spouse and unmarried dependent children to age 19 or to age 24 if enrolled as full-time students in an accredited school, college or university. Children include stepchildren, adopted children and foster children, provided such children are dependent upon the employee for support and maintenance. Unmarried children over 19 years of age may continue to be eligible as dependents if they are incapable of self-support because of physical or mental incapacity that commenced prior to reaching age 19, provided a physician's certificate is submitted to Delta within six months following their 19th birthday.

Dependents in military service are not eligible.

WAITING PERIOD

All Subscribers and their Dependents, defined as Subscribers eligible for dental benefits who are in the covered group on the date the dental care program becomes effective are immediately eligible for dental care.

All new Subscribers, and their Dependents, defined as eligible Subscribers added to the covered group after the effective starting date of the dental care program will be eligible for dental care on the first day of the month following the waiting period specified in the Plan agreement.

METHOD OF PAYMENT FOR PROFESSIONAL SERVICES

The Subscriber or Dependent has freedom of choice of any dentist.

Payment to Contracting Dentists for benefits provided under the Plan will be on the basis of the Dentist's usual and customary fees. Payment for professional services provided by non-contracting dentists will be made to the patient for covered services and will be based on the dentist's usual and customary fee or the Current Median Fee as determined by Delta, whichever is less.

The panel has chosen the City alternative because when compared with plans in the surrounding area, the City plan is generous. When an internal comparison with other employees of the City of Dearborn is made, this plan would bring the Fire Fighters to the same plan presently in effect for other Dearborn employees. This is equitable.

FIRST AID EMERGENCY RIDER

The Union proposes the following:

Pursuant to Section 8 of Act 312, as amended, the Union hereby submits its last offer of settlement of the economic issue involving a first aid emergency rider. The Union's last offer of settlement is to modify Section 18 at page 16 of the current collective bargaining agreement by adding the following:

Effective thirty (30) days after the issuance of this arbitration award, coverage shall include City payment of the monthly premium for the Blue Cross-Blue Shield First Aid Emergency Rider for family, with the F Rider (family continuation to 25 years old) and the S Rider (for dependents over 25 years old).

The City proposes to maintain current benefits.

The panel has adopted the City proposal because comparative data shows that the first aid emergency rider would be a unique fringe in the area that is not enjoyed by any of the survey cities or presently by any of the employees in the City of Dearborn. As far as this panel is concerned, no adequate showing has been made on the record that this demand should be awarded.

SICK LEAVE SEPARATION PAY

The Union proposes the following:

Pursuant to Section 8 of Act 312, as amended, the Union hereby submits its last offer of settlement of the economic issue involving sick leave separation pay. The Union's last offer of settlement is to modify Section 17, Sick Leave Separation Pay, at page 16 of the recently expired collective bargaining agreement (Joint Exhibit No. 1) and is as follows:

Effective July 1, 1977, upon separation from the classified service either through:

1. A service retirement after 25 years of service,
2. A deferred service retirement after 25 years of service,
3. A service retirement after age 60,
4. A duty or non-duty disability retirement; or
5. Upon death of an employee,

an employee shall have paid to him or to his beneficiary an amount that will equal 50% of his unused sick leave and this amount shall be computed at his last rate of pay while in the classified service.

The City proposes to maintain current benefits.

The panel is awarding the City proposal to maintain current benefits for the following reasons. This benefit as described by the City when presenting its case was designed to operate as an insurance policy. In other words, it was meant to continue employees' pay in the event that they experience some injury or illness during the course of their employment. If they had been faithful employees and accumulated sick days in their sick leave bank, they would to the extent of their accumulation be protected against injury and illness. Over the years apparently a practice has developed to pay employees upon separation due to retirement or death some portion of their accumulated bank. How much of the sick leave bank that should be paid for upon separation seems to the panel to be wholly determined by costs. Since the panel is satisfied that the package as it now stands in its totality is fair, we have decided not to increase the cost by the inclusion of this Union demand.

LONGEVITY PAY

The Union proposes the following:

Pursuant to Section 8 of Act 312, as amended,¹ the Union hereby submits its last offer of settlement of the economic issue involving longevity pay for fiscal year 1977-78. The Union proposes to modify Section 20 at page 17 of the current collective bargaining agreement as follows:

Effective July 1, 1977

<u>Years of Service Completed</u>	<u>Amount of Longevity Pay</u>
5 through 9	<u>2% of Fire Fighter I full base salary</u>
10 through 14	<u>3% of Fire Fighter I full base salary</u>
15 through 19	<u>4% of Fire Fighter I full base salary</u>
20 through 24	<u>5% of Fire Fighter I full base salary</u>
25 and over	<u>6% of Fire Fighter I full base salary</u>

Pursuant to Section 8 of Act 312, as amended, the Union hereby submits its last offer of settlement of the economic issue involving longevity pay for fiscal year 1978-79. The Union proposes to modify Section 20 at page 17 of the current collective bargaining agreement as follows:

Effective July 1, 1978:

<u>Years of Service Completed</u>	<u>Amount of Longevity Pay</u>
5 through 9	<u>2% of Fire Fighter I full base salary</u>
10 through 14	<u>4% of Fire Fighter I full base salary</u>
15 through 19	<u>6% of Fire Fighter I full base salary</u>
20 through 24	<u>8% of Fire Fighter I full base salary</u>
25 and over	<u>10% of Fire Fighter I full base salary</u>

The City proposes to maintain current benefits.

The panel has decided to award the City proposal for the following reasons. The longevity program currently being paid in the City is predicated on flat dollar amounts at certain levels. The Union's proposal changes the dollar amounts to percentage amounts. When viewing the survey material, it would appear to the panel that the present longevity program of the City is within area limits. At any rate, the costs of the increase proposed by the Union are cost prohibitive when one considers the other benefits awarded by these proceedings. Consequently, the City proposal of no change will be awarded.

MINIMUM MANPOWER

The Union proposes the following:

Pursuant to Section 8 of Act 312, as amended, the Union hereby submits its last offer of settlement of the economic issue involving minimum manpower. The Union's last offer of settlement is to continue the present provision in Article X, page 10 of the current collective bargaining agreement, and is as follows:

Under an arbitration award dated March 6, 1974, the City's last best offer was adopted by the panel majority, and is as follows:

Although it is the City's contention that Manpower is a Management Right not subject to these arbitration proceedings, we are offering to maintain the Manpower at its present level at least until June 30, 1979.

Present Budgeted Manpower as of July 1, 1977 is as follows:

36	Fire Fighter I
24	Fire Fighter II
24	Fire Fighter III
12	Fire Lieutenant
13	Fire Captain
4	Battalion Fire Chief
1	Fire Marshall
0	Fire Equipment Mechanic I
1	Fire Equipment Mechanic II
1	Fire Equipment Mechanic III
1	Fire Inspector I
<u>117</u>	
10	CETA employees
<u>127</u>	Total

The City proposes the following:

Contract Period: July 1, 1976 through June 30, 1979

The City's Offer on Minimum Manpower is as follows:

The Chief Executive Officer, the Chief of the Fire Department, and the Legislative Body (City Council) shall determine the standards of fire service, and the needed manpower to render such service.

The Chairman feels very strongly that the right to determine the size of the labor force is a management prerogative. If this minimum manpower proposal was a new proposal offered by the Union, the Chairman would reject it out of hand. However, since the parties have a previous history on the subject and since the City has pledged in previous agreements to maintain the manpower at a minimum level, the panel will maintain that status quo and award the Union demand. The Chairman's understanding of the Union's demand, is that for the length of this contract 117 city financed positions and 10 positions that are partially funded by the federal government under its CITA program will be maintained. In the event that the CETA program would be abolished, the Chairman's understanding is that the City would only be committed to maintain 117 positions.

SERVICE INCREMENT INTERVAL FOR FIRE FIGHTER ONE
AND SERVICE INCREMENT INTERVAL FOR OTHER CLASSES

For the sake of convenience, these two issues will be considered together.

The Union proposes the following:

Pursuant to Section 8 of Act 312, as amended, the Union hereby submits its last offer of settlement of the economic issue involving service increment intervals for Fire Fighter I. The Union's last offer is to maintain the status quo ante as contained in page 11 of the recently expired collective bargaining agreement. This provision is as follows:

Service Increment Interval for Fire Fighter I

First 12 months	-	The minimum rate
After 12 months and for six months	-	The second step in the range
After 18 months and for six months	-	The third step in the range
Thereafter	-	The maximum rate

Pursuant to Section 8 of Act 312, as amended, the Union hereby submits its last offer of settlement of the economic issue involving service increment for other classes. The Union's last offer is to preserve the status quo ante as contained at page 11 of the current collective bargaining agreement, and thereby to continue to have no service increment schedules for any classification other than Fire Fighter I.

The City proposes the following:

Following increment schedule for Firefighter I to apply only to new employees hired on and after the date of the arbitration award:

The minimum rate of pay	for the first twelve months
The second step in the range	after twelve months and for twelve months
The third step in the range	after twenty-four months and for twelve months
The maximum rate	after thirty-six months

Firefighter I's hired prior to the date of this arbitration award shall continue on the same increment schedule currently in effect and set forth above.

For employees promoted after the date of the Arbitration Award:

The City offers a three-step salary range be established for the following classifications:

Fire Lieutenant
Fire Captain
Battalion Fire Chief
Fire Marshal
Deputy Fire Chief
Fire Equipment Mechanic II
Fire Equipment Mechanic III

Increment schedule to be as follows:

33 1/3% of the difference between the maximum of the previous rank and the maximum of the new rank effective the date of promotion and in effect for six months.

33 1/3% After completion of six months in effect for a six-month period.

33 1/3% upon completion of one year of service in the new rank.

The City presents a good theoretical basis for making changes. However, the parties have a long history of having the increments the way they are now. Suffice it to say that the panel has not been convinced by the record that there is any practical necessity for change. Therefore, none will be awarded and the Union proposal on both items will be adopted.

RESIDENCY

The Union proposes the following:

Pursuant to Section 8 of Act 312, as amended, the Union hereby submits its last offer of settlement of the economic issue involving residency. The Union's last offer is to maintain the current provision, in the Dearborn Civil Service Rules and Regulations, at Section 4(a), page 11, as follows:

Section 4 RESIDENCE

(a) All applicants must be residents of the City of Dearborn for at least 90 days preceding the closing date for filing applications, except if the Board may determine otherwise.

The City proposes the following:

Contract Period: July 1, 1976 through June 30, 1979

All members of the fire bargaining unit must maintain residency within the limits of the City of Dearborn.

The panel has adopted the Union proposal for the following reasons. Various arguments can be advanced as to why its a good idea in a particular community to require employees to be residents. In this community of Dearborn, at least in the Fire Department which is the only department in which the chairman has any knowledge, it appears as if there are no good reasons to require residency. At least none were advanced on the record. The simple answer to the theoretical arguments is that all current Fire Fighters are residents of the city as of this moment and therefore, there is no reason to change the current status quo.

BARGAINING UNIT EROSION

The Union proposes the following:

Pursuant to Section 8 of Act 312, as amended, the Union hereby submits its last offer of settlement of the economic issue involving bargaining unit erosion. The Union's last offer is to maintain the present provision at Article XIV, page 39 of the current collective bargaining agreement, as follows:

ARTICLE XIV

BARGAINING UNIT EROSION

Under an arbitration award dated February 10, 1975:

Employees of the Fire Department of the City of Dearborn shall continue to perform, and no person other than an employee of the Fire Department of the City of Dearborn shall perform, work normally and customarily performed by employees of the Fire Department of the City of Dearborn prior to January 1, 1974.

This restriction on the performance of bargaining unit work by persons other than those employed within this collective bargaining unit shall commence 30 days after the issuance of the arbitration award herein and shall remain in effect for the duration of this collective bargaining agreement. It is understood that this restriction on the performance of bargaining unit work by persons other than those employed within this collective bargaining unit shall not serve to foreclose the City of Dearborn from entering into mutual aid pacts with cities and/or other municipalities with whom no mutual aid pact was in existence on or prior to January 1, 1974.

The City proposes the following:

Contract Period: July 1, 1976 through June 30, 1979

The City reserves the right to supplement, and in cases of emergency, deploy auxiliary manpower that would not reduce the present firefighting forces. Such auxiliary manpower would be trained to perform firefighting duties.

The parties have a long history concerning this demand. It has been established through the arbitration process and it has been litigated in the courts. With this kind of history between the parties, it is especially necessary for the party proposing the change to substantiate it by clear and convincing evidence. This panel has not been persuaded by the evidence introduced into this record to change the existing status quo and therefore, the Union proposal which maintains the status quo will be awarded.

SUMMARY

The Chairman's decisions on the issues are as follows:

I WAGES AND COLA

1976 - 1977 8.4 %
1977 - 1978 6 %
1978 - 1979 5 % + City COLA

Agree Union

Dissent City

II PENSION PROPOSALS

No Improvement

Agree City

Dissent Union

III HOURS OF WORK

Reduce to 54 hrs. per week

Agree City

Dissent Union

IV VACATION

No Improvement

Agree City

Dissent Union

V HOLIDAYS

One Additional - beginning 1976

Agree Union

Dissent City

No Improvement - 1977

Agree City

Dissent Union

No Improvement - 1978

Agree City

Dissent Union

VI CLOTHING

\$50 increase to \$200 eff. 7-1-76

Agree Union

Dissent City

VII FOOD ALLOWANCE

\$35 increase effective 7-1-77

Agree City

Dissent Union

VIII DENTAL PLAN

City proposal.

Agree City

Dissent Union

IX FIRST AID EMERGENCY RIDER

No Improvement

Agree City

Dissent Union

X SICK LEAVE SEPARATION PAY

No Improvement

Agree CITY

Dissent UNION

XI LONGEVITY PAY

No Improvement

Agree CITY

Dissent UNION

XII MINIMUM MANPOWER

No Change in Status Quo

Agree UNION

Dissent CITY

XIII SERVICE INCREMENT INTERVALS

No change in status quo

Agree UNION

Dissent CITY

XIV RESIDENCY

No change in status quo

Agree UNION

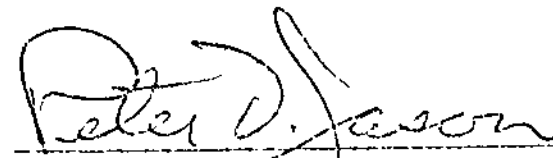
Dissent CITY

XV BARGAINING UNIT EROSION

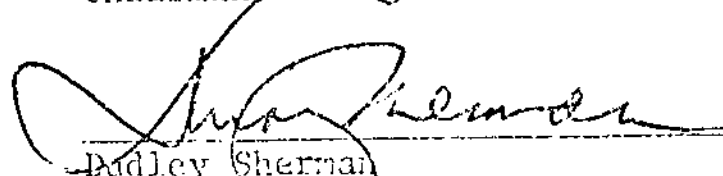
No change in status quo

Agree UNION

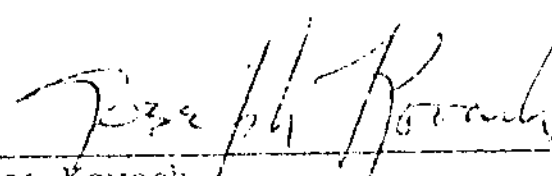
Dissent CITY



PETER D. JASON
Chairman



Dudley Sherman
City of Dearborn Delegate



Joe Kovach
Union Delegate

DISSENT OF DUDLEY L. SHERMAN IN THE MATTER
OF THE DEARBORN FIREFIGHTERS UNION AND THE
CITY OF DEARBORN SUBMITTED TO ACT 312
COMPULSORY ARBITRATION

After some negotiations in the Spring of 1976, and one session with a State Mediator, the Fire Union requested Act 312 Compulsory Arbitration. The Union originally had approximately 50 issues, and the City approximately eight. In setting forth the issues in these arbitration proceedings, the Fire Union had 13 basic issues and the City had three. The parties agreed that all of the issues were economic and subject to last best offers.

The City Panel Member dissents from all issues awarded to the Union, however, will only comment on the following:

1. Last Offer of Settlement awarded to the Firefighter Union of 8.4% first year; 6.0% second year; 5.0% third year; plus a C.O.L.A. addition in the third year.
2. Holidays (one additional first year of the contract)
3. Minimum Manpower
4. Service Increment Intervals

The City Panel member is of the opinion that Act 312 did not intend that the panel majority should have the opportunity of picking and choosing from each of the parties last best offer; however, he is fully aware that it has been done many times by other Panel Chairmen. The opportunity to do this, and the fact that it has happened in these proceedings in deciding the wage issue, is strongly opposed for the following reasons:

1. The basic percentage wage increase in each of the years offered by the Union was 8.4%, 6.0%, and 4.0%, or a total of 18.4% for the three-year contract. The City's offer was 7.0%, 5.0%, and 5.0%, respectively. The Panel Chairman by picking and choosing granted

the following: 8.4% first year; 6.0% second year, and 5.0% third year. A total of 19.4% for the three years, or 1.0% more than requested without considering the addition resulting from the C.O.L.A. formula.

The basic percentage wage increase at the beginning of each fiscal year is crucial to the consideration of a C.O.L.A. formula. The Union C.O.L.A. formula was .01¢ for each .3 increase in C.P.I. plus 4.0% instead of the 3.0% found in the U.A.W. contract, and was only for the last year of the contract.

Union Exhibit #72 pointed out that a C.O.L.A. formula of this kind is not provided in 8 of the 12 Cities surveyed. The City's C.O.L.A. offer in the second and third year of the contract was more equitable with a 5.0% wage increase at the beginning of each of the second and third years of the contract, and would have balanced the total wage offer without giving the firemen more than they asked for. The Panel Chairman did not give proper consideration to the guidelines the Act imposes on him and the total cost involved, or he would have adopted the City's offer with C.O.L.A. for the last two years of the contract.

City Exhibits point out the differential in the basic Firefighter I salary and the Police Corporal (Patrolman) salary in Dearborn and nationally. The difference has varied both locally and nationally up to \$500.00 to \$600.00 per year.

The Police rates were set in a City negotiated settlement, and with a three-year term. Copies of the contract were entered into evidence. Yet, the Panel Chairman states in his opinion the following: "In the final analysis after much deliberation, the writer decided to disregard that comparison (Fire and Police rates). The comparison

was disregarded because I thought the overall wage package to the Firefighters was fair, and secondly because it is impossible to determine the rates of firemen based on police rates, the determination which I know nothing about."

The Panel Chairman states that the parties had no meaningful negotiations on the C.O.L.A. formula. I am sure he must have overlooked the annual percentage wage offer of the parties to know that the C.O.L.A. formula is not at each end of the scale. Furthermore, the City C.O.L.A. formula is a common one among all its City unions this in deference to the Panel Chairman's statement that the City should negotiate one that would be similar for all unions. City exhibits support this statement.

2. Holiday Pay Award - one in the first year of the contract: Holiday Pay for the Firefighter is granted in cash as 1/10th of the biweekly pay whether he works or not. Prior contracts called for 11 days in cash. By granting the extra day it has provided a pay increase of over 9.0% in the first year of the contract, and Section 9(f) of the guidelines has been totally disregarded in arriving at the total compensation by this type of fringe benefit increase.

3. Minimum Manpower:

The City delegate objects to the panel majority decision on the basis that, the last best offer of the Union is misleading and alludes to a previous arbitration award as the Union's last best offer with no change. It is also a fact that management usually has the right to determine the manpower needed to perform the work so the fiscal budget policy can be maintained. The City delegate fails to understand

the hesitance of the Panel Chairman to grant the City's last best offer when he espouses the principle in his opinion, and had the support of three previous Panel Chairmen on this vital issue. It will tend to cloud the existing language in Article V of the Management Rights clause which has been made a part of these arbitration proceedings.

4. Service Increment Intervals:

The City delegate maintains that there is overwhelming evidence in the record to grant a three-year service increment schedule for new hires to progress from minimum to maximum pay. Most of the new recruits come from the unemployed, or a 40-hour week job. Under the award, and beginning July 1, 1977, based on a 40-hour work week, the starting rate of pay will be \$7.22 per hour and reaches \$9.17 per hour (providing the rate would remain the same), after two years, or almost a \$1.00 per hour increase each year plus cash fringes that total another .50¢ per hour.

The record indicated that an increment schedule for Firefighters in surrounding communities is at least three years, and some four to five years. The Panel Chairman states that the City has made a good theoretical basis for making changes. Evidently City Exhibits #102 and #103 setting forth the increment schedules were disregarded or overlooked.

In conclusion the City delegate wishes to compliment the Panel Chairman on the conduct of the hearing procedures and the consideration he gave the pension issues that would have cost the City of Dearborn over a million dollars for the remaining 30 firemen now eligible to retire under their present pension plan.

Dated: May 17, 1977

Dudley L. Sherman
Dudley L. Sherman, City Panel Member