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MICHIGAN EMPLOYMENT RELATIONS COMMISSION

CITY OF EAST LANSING

-and-

Act 312 Case No. L87 E-341

EAST LANSING FIRE FIGHTERS
ASSOCIATION, LOCAL 1609,
IAFF, AFL-CIO

ARBITRATION PANEL

Chairman: Paul E. Glendon
City Delegate: Michael Benedict
Union Delegate: Joseph Clevenger

ISSUES (ALL ECONOMIC)

Wages: Increases for 1987-88 and 1988-89
Pensions: B-3 and FAC-3 Implementation
F-50 with Medical Insurance
Sick Leave: Accrual Rate & Payout
Longevity: Proposed Increase in Salary Base
Food Allowance: Proposed Increases
Dental: Proposed Increases, Types B, C & D Coverage
Optical Expense Reimbursement: Proposed New Benefit
Stand-by Pay: New Benefit for 40-hour Personnel

CHRONOLOGY

Arbitration Petition Filed: October 5, 1987
Chairman Appointed: October 27, 1987
Pre-hearing Conference: February 2, 1988
Evidentiary Hearings: April 11, 12 & 13, 1988
August 4 & 5, 1988
Last Offers Exchanged: September 15, 1988
Briefs Received: October 28, 1988
Findings Issued: December 8, 1988

APPEARANCES

For the City: Theodore J. Tierney, Attorney
For the Union: Ronald R. Helveston, Attorney

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DEC 8 1988

BACKGROUND

The parties have agreed the new contract which is the subject of this proceeding will have a two-year term: July 1, 1987 through June 30, 1989. They also have agreed on certain provisions for such agreement, which are attached hereto and adopted by the panel, as stipulated by the parties, as part of its findings and orders. As to matters not covered by the orders herein or the attachments, the provisions of the parties' last agreement, whose stated term was July 1, 1985 through June 30, 1987, shall continue unchanged in the successor agreement.

The parties waived all time limits, statutory and administrative, in this proceeding. Hearings were held at the earliest dates mutually convenient for the panel, the parties and their counsel. The parties presented extensive evidence regarding the City of East Lansing, its fire department, agreed and alleged comparable communities, and the particular issues before the panel. Such evidence has been analyzed according to the criteria set forth in Section 9 of Act 312 (MCLA 423.239). All issues being economic, the panel has adopted the last offer of settlement on each which more nearly complies with the statutory factors, as Section 8 of the Act (MCLA 423.238) requires.

COMPARABLE COMMUNITIES

Factor (d) provides for comparison of wages, hours and conditions of employment of employees in arbitration with those "of other employees performing similar services and with other employees generally" in both public and private employment "in comparable communities." Both parties presented evidence on wages and benefits received and hours worked by fire fighters in other communities which they consider to be comparable to East Lansing. (Neither party offered specific evidence of private employment or other public employment elsewhere, although they referred to "internal comparables" for other employees of the City of East Lansing.) They agreed on four cities: Battle Creek, Bay City, Jackson and Port Huron. The City also proposed Midland and Muskegon. The Union proposed nine others: Allen Park, Ann Arbor, Ferndale, Flint, Garden City, Lansing, Lincoln Park, Pontiac and Saginaw.

Act 312 neither defines "comparable communities" nor furnishes criteria for deciding whether another community is "comparable" to the one in arbitration, nor does it say who is to make that decision. However, it is generally accepted that the chairman decides. Much has been written about how such decisions can be and are made, both by arbitrators in Act 312 awards and by other authors. What emerges is a long list of possible criteria for comparability, most if not all of which both parties mentioned in their proofs and briefs,

but no clear prescription for the particular criteria to be applied in any given case or how to apply them.

No worthwhile purpose would be served by extended discussion of all the possibilities. Suffice it to say the chairman has considered them all and decided the following criteria are most appropriate for determining which of the eleven disputed cities are truly comparable to East Lansing for purposes of this arbitration: population density, in terms of both geography and fire fighting manpower; the amount and nature of fire department activity, as measured by the number of fire and emergency medical runs per fire fighter; composite residential, commercial and industrial characteristics as shown by the state equalized valuation (SEV) of real property in those categories and personal property; and other economic, geographic and cultural characteristics peculiar to East Lansing and one or two of the other proposed cities.

East Lansing's population is approximately 50,000. About one-third of that number live on the campus of Michigan State University, which also comprises a third of the city's land area of approximately nine square miles. The East Lansing fire department provides fire and emergency medical services for the entire MSU campus, including an area outside the city boundaries. The department has 53 employees, 48 in fire suppression. The city's population density is approximately 5,500 residents per square mile; slightly more than 1,000 residents per fire fighter.

Among the agreed comparables, population density ranges from 3,178 (Battle Creek) to 4,224 (Port Huron) per square mile, and from 490 (Battle Creek) to 662 (Jackson) residents per fire fighter, based on 1980 census data. Using the 1984 census estimates, upon which the Union based its exhibits, the latter range broadens to become 560 to 698. Among the proposed but disputed comparables, only three are outside the population/fire fighter range defined by East Lansing and the four agreed comparables: they are Allen Park, Garden City and Lincoln Park, all proposed by the Union. Five of the proposed cities are outside the range for population density by land area: Midland and Muskegon with much lower density than Battle Creek (approximately 1/4 and 1/2 as many residents per square mile as East Lansing, respectively); Ferndale, Garden City and Lincoln Park with substantially higher density than East Lansing.

According to evidence submitted by the City, the department had seventeen fire runs per fire fighter in 1986, which put it in the middle of the agreed comparables, which ranged from fifteen to twenty. Only four of the proposed but disputed comparables fell within that range: Ann Arbor, Ferndale, Lansing and Garden City. Midland and Saginaw were lower than fifteen; Muskegon, Allen Park, Flint and Pontiac

were higher. No figures were presented for Lincoln Park. East Lansing had thirty medical runs per fire fighter during 1986. Only three of the agreed comparables had emergency medical service, and of those the City presented data for only two: Bay City with 24.4 runs per fire fighter, Jackson with 19.7. Only three of the other proposed cities fell within the 19-to-30 range: Allen Park, Ann Arbor and Muskegon. Pontiac and Midland were much lower. The others were higher. Again, Lincoln Park is unknown.

East Lansing is predominantly a residential community. According to 1987 State Tax Commission figures, residential property accounted for 69% of its SEV. Another 26% was commercial, 5% of the total SEV was personal property; there is virtually no industry in the city. The four agreed comparables have similar characteristics, although each has a somewhat lower residential component and some industry. The lowest residential percentage is 47% in Jackson, which also has the highest combined industrial (7%) and personal property (23%) total. Four other proposed cities have an even lower residential percentage: Midland, Muskegon, Flint and Pontiac. Combined industrial and personal property SEV is higher than thirty percent in five cities: Midland, Muskegon, Flint, Pontiac and Saginaw. Six have more than ten percent industrial SEV alone: Midland, Muskegon, Ferndale, Flint, Pontiac and Saginaw.

Of the nine cities proposed by the Union, four have smaller population than East Lansing. All four are Detroit suburbs: Allen Park, Ferndale, Garden City and Lincoln Park. Midland and Muskegon also are smaller: approximately 75% and 80% as populous as East Lansing, respectively. The other seven cities proposed by the Union have substantially higher populations: the range extends from approximately 71,000 (Pontiac) to 150,000 (Flint). However, the spread is not so wide that population alone is a controlling factor in determining comparability. The composite characteristics of each city, as discussed above, are much more significant.

Those characteristics rule out Midland and Muskegon, both of which have significantly higher industrial and lower residential SEV components. They are not comparable in terms of population density (by land area) or fire runs per fire fighter either, nor is Midland comparable in terms of medical runs per fire fighter.

The four smaller cities proposed by the Union are not comparable in terms of population density or fire department activity either. Ferndale, Garden City and Lincoln Park have significantly more residents per square mile than East Lansing; Allen Park, Garden City and Lincoln Park have appreciably more residents per fire fighter. Allen Park is not comparable in terms of fire runs per fire fighter; Ferndale and Garden City in medical runs. The fact that all

four of these cities are part of the metropolitan Detroit suburban complex also differentiates them from East Lansing, as has been recognized in the City's four previous Act 312 arbitrations, only one involving the fire department.

Among the larger cities, Flint, Pontiac and Saginaw are not comparable in either fire department activity or composite property characteristics. Flint and Pontiac have more than twice as many fire runs per fire fighter as East Lansing; Saginaw has significantly fewer. Flint and Saginaw have higher emergency medical activity; Pontiac much lower. All three cities are heavily industrialized. Pontiac's residential component is only one-fifth that of East Lansing; Flint's less than three-fifths. Saginaw's residential component is in the middle of the range of agreed comparables, but combined industrial and personal property account for 35% of its total SEV.

That leaves only two proposed cities -- Ann Arbor and Lansing -- as possible additional comparables. Both of them have more than twice East Lansing's population: Ann Arbor at approximately 108,000; Lansing at approximately 128,000. But both are clearly comparable when analyzed according to the characteristics discussed above. Ann Arbor compares favorably by every criteria analyzed; Lansing by all but one, medical runs per fire fighter, and its score in that category was barely ten percent higher than East Lansing, which set the top of the range of agreed comparability. Furthermore, other important considerations offset simple population differences.

In the case of Ann Arbor, the significant consideration is the presence of the University of Michigan. Like MSU in East Lansing, the university is the dominant cultural and economic force in the community. It also has much the same impact on the fire department and city government generally: presenting similar fire fighting problems, including hazardous scientific facilities and high density residential buildings, exempting large amounts of valuable property from taxation, but making a major financial contribution to the city in lieu of taxes for fire protection services.

In Lansing's case, the significant considerations are geography and economics. The two cities are contiguous, sharing an east-west boundary indistinguishable without signs. Although the parties presented no specific evidence on the point, it is self-evident that together Lansing and East Lansing form a single job and consumer market. It also is significant that Lansing, like Ann Arbor, is outside the metropolitan Detroit suburban complex.

For the foregoing reasons, the chairman finds that the comparable communities to be used for purposes of comparing wages, hours and conditions of employment under statutory

factor (d) in this proceeding are Ann Arbor, Battle Creek, Bay City, Jackson, Lansing and Port Huron.

WAGES

The parties submitted final offers for each contract year, so there actually are two wage issues. The Union's final offer demands a 6.75% increase for all bargaining unit members in 1987-88, and 5.75% in 1988-89. The City offers a 3.5% increase in the first year of the contract, 2% in the second year. The panel must choose the offers which more nearly comply with the applicable statutory factors.

The applicable factors are (d)(i), wages, hours and conditions of employment of fire department employees in the comparable communities; (e), the cost of living; (f) overall compensation received by the fire fighters; and (h), other factors normally taken into account in bargaining and arbitration for wages, hours and conditions of employment. The other statutory factors do not apply, and need not be discussed except for a brief word about factor (c), "The interests and welfare of the public and financial ability of the unit of government to meet those costs."

Neither party introduced evidence touching directly upon the "interests and welfare of the public," but the City presented evidence on its financial condition and budgetary concerns, including the possibility that all departments may be requested to plan for ten percent budget reductions. However, it has not taken the position that such a reduction is to be achieved in the fire department budget in this proceeding. Neither has it claimed an inability to pay the wage increases and other benefits which the Union seeks. Therefore factor (c) does not apply.

Factor (d) All the comparable cities except Ann Arbor have settled contracts for 1987-88. The expiration date of the last agreement in Ann Arbor was June 30, 1986. However, an Act 312 proceeding is pending there too. The parties stipulated that this record would remain open for inclusion of settlements or Act 312 awards completed before the panel issues its award. Although they submitted no information regarding Ann Arbor, the chairman has learned and takes arbitral notice that those parties agreed to a three-year contract term and the City of Ann Arbor's final offers are 2.5% salary increases in each of the first two years and 3% in the third, and that the union's final offer is for a 3% increase each year. For purposes of comparison, the city's offers have been used to establish putative wages in Ann Arbor for 1987-88 and 1988-89.

Only Bay City and Lansing have settled contracts for 1988-89. However, Jackson fire fighters have received a parity increase based on settlement of a police contract.

The City's brief indicates that Act 312 proceedings also are pending in Battle Creek, but the panel has no knowledge of the status of those proceedings. The City also indicates that negotiations are in progress in Port Huron, but the panel has no knowledge about that either. For purposes of comparison, therefore, the wages in effect in 1987-88 in both those cities have been carried forward to 1988-89.

Comparing basic salaries alone, East Lansing fire fighters would rank lower than all the comparable cities except Jackson in the first year of the contract if the City's offer were adopted. Adopting the Union's demand, they would be exactly in the middle: higher than Jackson, Port Huron and Battle Creek, but below the other three. In 1988-89, the City's offer would put East Lansing in the middle and the Union's demand would rank it third, below only Ann Arbor and Lansing. However, both parties recognize that salaries alone do not give an accurate picture.

The City emphasizes that East Lansing fire fighters contribute nothing toward their pensions, but employee contributions are required in all six comparable cities, ranging from 3.5% in Port Huron to 7.5% in Jackson. It also emphasizes that East Lansing fire fighters' work week is 50.4 hours, as it is in Ann Arbor, but the work week is 54 hours in Lansing, 56 in the other comparable cities. These two factors increase the net hourly wages of East Lansing fire fighters relative to those five comparable cities.

The Union recognizes these points, but contends they must be considered in context with total cash compensation received by fire fighters in all seven cities, including holiday pay, longevity pay, food allowances and clothing allowances. It presented exhibits showing the combined effect of those cash payments and differences in work weeks. The panel has taken the process a step further, factoring in the differences in pension contributions as well. The resulting net hourly cash compensation in each city is:

<u>Comparable City</u>	<u>1987-88</u>	<u>1988-89</u>
Ann Arbor	\$13.92	\$14.29
Battle Creek	10.43	10.43
Bay City	11.07	11.45
Jackson	10.06	10.29
Lansing	12.41	12.90
Port Huron	12.52	12.52
Average	\$11.74	\$11.98
Median	\$11.74	\$11.99

By comparison, the net hourly cash compensation for East Lansing fire fighters for 1987-88 will be \$12.11 if the City's last offer is adopted, \$12.46 if the panel adopts the

Union's demand. For 1988-89, the figures change to \$12.33 and \$13.14 respectively. It also must be noted that the City "furnish(es) all necessary rubber goods and uniforms required by employees" under Article 23 of the 1985-87 contract, which neither party has proposed to amend or delete. Thus a monetary clothing allowance, which Ann Arbor and Port Huron provide, does not truly represent additional cash compensation to the full extent of the allowance paid.

Even if it did, this analysis clearly demonstrates that both parties' offers will place East Lansing fire fighters well above both the average and median hourly rates for the six comparable cities in both contract years. That will still be true if Battle Creek and Port Huron wind up with 1988-89 increases matching recent cost of living increases. The Union's demand would put its members in third place among the seven cities in 1987-88, second the following year. Under the City's offer, they would rank fourth among seven both years. The Union produced no evidence of unique conditions in East Lansing which would justify placement at the top, rather than the middle, of the range of comparison. Since even the City's offers are in the upper half of that range, in monetary terms, they must be found to more nearly comply with statutory factor (d)(i).

As noted earlier, neither party offered evidence regarding wages, hours or conditions of employment of other public employees in the comparable cities. They offered no specific evidence regarding private employment, either. The Union merely presented a copy of an October 1987 newspaper article reporting the results of a survey which showed that average pay increases in the Lansing-Grand Rapids area were above the statewide average in 1987. The City presented evidence, based on nationwide data from the United States Bureau of Labor Statistics, that collectively bargained wage increases during 1987 averaged 2.2% for the first contract year and 2.1% over the life of the contract. That may be relevant under factor (h), as another factor which might traditionally be taken into consideration in collective bargaining, but it has no probative value under factor (d)(ii), which therefore is not applicable.

Factor (e) Generally, the purpose of a cost of living allowance as part of a negotiated wage increase is to adjust for any negative difference between pay increases during the most recent contract term and increases in Consumer Price Index (CPI) in that same period. The negotiated increases in this bargaining unit were 4% in both 1985-86 and 1986-87. CPI-W increases (according to the Bureau of Labor Services Price Index for Urban Wage Earners and Clerical Workers, Detroit Metropolitan Area, which both parties referred to in evidence and argument) were 1.0% in calendar year 1984, 2.3% in 1985, 1.2% in 1986 and 3.3% in 1987. Measured from July

to July, the CPI-W increased 1.2% and 4.0% in 1985-86 and 1986-87, the first and second years of the last contract.

The City points out that its offers keep the fire fighters comfortably ahead of the cost of living, whether compared only to the two-year period covered by the last negotiated agreement, the four-year period extending two years before that, or a five-year period extending forward to July 1988. (The CPI-W also increased 4.0% during the twelve months ending then.) Therefore it argues that factor (e) also supports its position.

The Union takes a longer view, looking back to 1976. It shows that wage increases in this bargaining unit from then through June 1987 fell short of cumulative CPI-W increases by approximately 7%. The Union points out that if wages had been advanced each year at the rate of inflation during that period, the full-paid fire fighter's salary for 1987 would have been \$28,370. If its last offer is adopted, the actual salary for 1987-88 will be \$28,621. Thus the Union contends that factor (e) supports its position.

That contention is not persuasive. The shortfall to which the Union refers resulted from extraordinarily high inflation which occurred in 1979 and 1980. The parties have negotiated two or three contracts since then, including wage increases of 8.7% in 1981 and 10.6% in 1982. Those earlier negotiations, not arbitration almost a decade later, were the proper occasions for making up that shortfall. Thus it must be concluded that the City's last offers on wages also more nearly comply with factor (e).

Factor (f) This factor covers "overall compensation," including not only direct wages, but insurance, pensions, holidays, excused time and other benefits. Those matters already have been discussed and taken into account under factor (d)(i), as part of the computation and comparison of net hourly compensation. Chief among those considerations, for purposes of factor (f), is the fact that the City picks up the entire pension contribution for bargaining unit employees. No further discussion of overall compensation is required. For the reasons noted earlier, this factor also favors the City's position.

Factor (h) Both parties have referred to so-called "internal comparables," which are factors normally taken into consideration in collective bargaining. In particular, the Union points out the disparity between hourly wage rates paid to fire fighters and other city employees, especially police officers, who made \$13.72 per hour effective July 1, 1986 and \$13.86 a year later as compared to the full-paid fire fighters' effective 1986-87 hourly rate of \$10.23. The City takes a broader view, arguing that what this bargaining unit receives in arbitration should be consistent with

settlements with other bargaining units and increases given to nonrepresented employees. It offered evidence that costs for increased wages and benefits in each case have been held to approximately 4% annually for the period in question, and contends that its wage offers to the fire fighters, when combined with pension improvements to be discussed below, match or exceed that level.

The Union's argument regarding comparative hourly rates for fire fighters and police officers is not convincing. It fails to take into account differences in the nature of the work and work schedules between the two groups. Converting their effective hourly rates into weekly wages, their total straight-time earnings are approximately the same.

The City has a legitimate interest in maintaining some consistency in wage and benefit package settlements among its various employee groups. Standing alone that would not be a factor of determinative significance, especially not in opposition to other factors strongly supporting the Union's position. Taken together with the other applicable factors in this case, however, it tends to reinforce the City's position, which therefore must be found more nearly to comply with factor (h).

Findings and Orders For the foregoing reasons, the panel adopts both of the City's final offers on wages and orders salary increases of three and one-half percent (3.5%) for the twelve months beginning July 1, 1987 and ending June 30, 1988, and two percent (2%) for the twelve months beginning July 1, 1988 and ending June 30, 1988.

PENSIONS

The City is a participant in the Municipal Employees Retirement System (MERS). The Union seeks the addition of three MERS benefits which are not now part of fire fighters' pensions: B-3, which provides that a retiree's pension is computed by multiplying final average compensation (FAC) by 2.25% times his credited service, up to a maximum of 80% of FAC; FAC-3, which provides that FAC is computed by averaging the retiree's three highest consecutive years compensation; and F50, which provides that an employee may retire at age 50 with 25 years of credited service. Current benefits are B-2 (2% multiplier), FAC-5 (highest five consecutive years) and F55 (age 55 with 25 years of service).

Current benefits include health insurance coverage for retirees. The Union seeks immediate coverage at retirement for employees exercising the F50 option, if granted, but only if they "give satisfactory verification under oath if requested, that (they have) no access or eligibility for other medical care coverage through, for example, spousal coverage or because of other employment." That language is

taken from the City's contract with the police command officers, who obtained such coverage in 1986. The Union's last offer is for all four of these changes to take effect immediately upon execution of the award herein by a majority of the arbitration panel.

The City's last offers agree to the B-3 and FAC-3 benefits, effective January 1, 1989, so the only question is when they should take effect. The City offered no reason for delaying implementation a few weeks. The Union contends that giving such benefits immediate effect will impose no great burden on the City, but will eliminate the risk of continued exposure to the hazards inherent in fire fighting for long-service employees who have delayed their retirement pending the conclusion of these proceedings.

The City opposes the F50 benefit and the related health insurance demand. It acknowledges that some other City employees have those benefits -- notably police officers and supervisors, police and fire administration, and public works employees -- but argues that they were granted in return for wage or other concessions which the Union has not offered in this case. It also concedes that fire fighters in some comparable cities have F50 or similar retirement eligibility, but points out that they also must contribute toward their own pensions. The City further contends that adding F50 to wage increases, B-3 and FAC-3 would make the fire fighters' contract package too costly. Finally, it argues that granting F50 could create serious operational problems, because it would make almost one-third of the work force immediately eligible for retirement, even though it has an adequate list of qualified applicants to fill all vacancies such retirements may leave.

The Union contends that its demand for F50 with conditional health insurance coverage is fully supported by both internal and external comparables. It points out that other improvements in pension benefits -- notably E-2, which provides an annual cost of living adjustment -- have been traded for significant concessions. It emphasizes that the concession traded for E-2 in the last contract (a twenty percent reduction in overtime pay) was in effect throughout the term of that agreement, but E-2 took effect two years later. The Union also challenges the City's cost estimates for these pension benefits.

B-3 AND FAC-3: The City having given no reason or supporting evidence for putting these benefits into effect January 1, 1989 rather than immediately upon the panel's execution, it must be found that such offer does not comply with any of the statutory factors. However, the Union's argument for earlier implementation neither cites nor complies with any of those factors either, nor did any employee testify that he wished to retire before the end of the calendar

year in order to avoid a few more weeks of fire fighting hazards. If neither party's position more nearly complies with the statutory factors, the status quo should be retained. In this case, new benefits will be added to the contract either way, but the status quo will remain for a few extra weeks under the City's offers.

Findings and Orders The panel adopts the City's last offers regarding the MERS B-3 and FAC-3 pension features, and orders that Article 15 of the parties' agreement be amended to provide such benefits effective January 1, 1989.

F50 AND HEALTH INSURANCE: The applicable statutory factors on these issues are the same as for the wage issues, except for factor (e). It does not apply because E-2, which was added in the last contract and is not at issue here, provides for annual cost of living adjustment (up to 2.25%) to fire fighters' pensions. Factors (a), (b) and (g) do not apply, because the City has lawful authority to grant these demands, as it has for other employee groups; the parties made no stipulations on these subjects; and there have been no changes in other statutory circumstances while this case has been pending. As for factor (c), the City again couches much of its argument in financial terms, but not in terms of "financial ability...to meet those costs" associated with retirement at age fifty with twenty-five years of service or health insurance for those who may retire at age fifty, so it does not apply either.

Factor (d) Fire fighters in all six comparable cities may retire sooner than in East Lansing. Battle Creek and Lansing have exactly what is sought here: retirement at age fifty with twenty-five years of service. Jackson is even more generous: fire fighters are eligible for retirement with full benefits after twenty-five years of service at any age. Retirement age in Ann Arbor, Bay City and Port Huron is fifty-five. However, Ann Arbor requires only ten years of service; Bay City and Port Huron have no years of service requirement. On this evidence alone, the Union's last offer obviously is more nearly in compliance with factor (d)(i) than the City's.

The City suggests that advantage is offset by the fact that firefighters in comparable cities must contribute toward their pensions, unlike these employees. The argument is unavailing, however, because it claims double credit for the City's contribution on their behalf. That contribution already has been accounted for in the panel's adoption of the City's wage offers, based on comparison of net hourly cash compensation. Accordingly, it must be found that the Union's last offer on the MERS F50 retirement eligibility provision more nearly complies with factor (d)(i).

Neither party presented evidence concerning health insurance for retirees in comparable communities, so factor (d)(i) does not apply to that issue. Factor (d)(ii) does not apply to either issue, because the parties presented no evidence regarding pension benefits or eligibility for employees in private employment in comparable communities.

Factors (f) and (h) Overall compensation already has been considered in the application of factor (d)(i), both on these issues and on wages, as compared to that received by fire fighters in comparable communities. What remains is to compare them with other City employees, both as to pensions alone and as part of overall compensation.

The first and most noteworthy comparison is this: all other represented City employees -- police officers, police command, and public works -- have F50. So do employees in police and fire administration. Employee pension contributions are required in some cases -- eight percent from police and fire administration, four percent from police supervisors -- but not from police officers or public works employees. Only unrepresented employees share F55 eligibility with the firefighters.

Regarding overall compensation, the only significant comparison is with police officers. As the Union noted in its wage arguments, police officers are paid a higher wage than fire fighters, if computed on an hourly basis. But their total wages are approximately the same. It would be consistent, as well as equitable, for fire fighters also to have the same pension eligibility. The City emphasizes that the police union accepted lower wage increases (3.7% in 1986-87 and 1.0% in 1987-88) in return for F50 eligibility. However, that is not a significantly different wage package than the City offered these employees for 1987-89; and it must be remembered that the 3.5-2.0% package it offered was its own choice. If it believed that even lower figures were necessary to offset the potential addition of F50 retirement eligibility, it could have made such an offer.

The other factor the City asks the panel to consider in opposition to addition of the F50 benefit program is the projected additional cost of funding such a reduction in the retirement eligibility age. Alan Sonnanstine, the actuary who services both MERS and the City's pension programs, estimated that it would add 2.88% to bargaining unit payroll expenses annually, in combination with other improvements offered in this case and implemented under the previous contract, assuming a 22-year amortization for unfunded accrued liabilities. But he acknowledged that a prudent amortization period could be as long as forty years, which would decrease that cost. Whatever the amortization period, the City contends the added costs associated with adding F50 eligibility to B-3 and FAC-3, plus the recently implemented

E-2, would raise the total cost increase for the 1987-89 contract well above its four percent annual guideline.

That argument is not persuasive in a situation where all other represented City employees already have the benefit which the City seeks to withhold from this group. Neither is the prediction that such a package for the fire fighters automatically will lead to higher demands from other employee groups in upcoming negotiations. If these employees were obtaining an entirely new benefit which other groups have not enjoyed, that argument would have merit. In these circumstances, it does not. For these reasons, it must be concluded that the Union's last offer regarding addition of the MERS F50 retirement eligibility program also more nearly complies with factors (f) and (h).

The same cannot be said for the demand for conditional health insurance coverage between ages 50 and 55 for those who choose to retire at age 50. Only one group of City employees, the police command unit, has such coverage. The fire fighters bargaining unit compares more closely with the general police unit, both functionally and because neither police officers nor fire fighters contribute to their own retirement, whereas police supervisors contribute four percent. Police officers who retire at age fifty may continue their coverage in the City's group health plan, but only at their own expense. The language of the proposed conditional coverage for fire fighter retirees between ages 50 and 55 also lacks clarity and certainty, which is another relevant consideration under factor (h). Accordingly, it must be found that the City's last offer regarding health insurance for F50 retirees more nearly complies with factors (f) and (h).

Findings and Orders The panel adopts the Union's last offer regarding the MERS F50 retirement eligibility program, and orders that such program take immediate effect; it adopts the City's last offer regarding health insurance for bargaining unit employees who retire under the F50 program between ages 50 and 55, and orders that those provisions of Article 25 dealing with hospital, medical and surgical insurance for retirees continue unchanged as they appear in Article 25 of the 1985-87 agreement.

SICK LEAVE

The Union seeks two improvements in contractual sick leave provisions: an increase in the sick leave accrual rate for 24-hour employees from 192 hours to 288 hours annually; and an increase in payout of accumulated unused sick leave upon retirement or death. Currently, all unit employees are entitled to payout of 50% of accumulated unused sick leave up to 1,200 hours upon retirement or non-duty-related death, and 100% to the same maximum for duty-related death. The

Union proposes to raise the maximum to 1,600 hours. The City's last offer is to maintain the status quo for both accrual and payout.

ACCRUAL: Both parties claim support for their positions in both external and internal comparables. Neither party offered evidence or argument related to any other statutory considerations, so the applicable statutory factors are (d)(i) and (h).

Twenty-four hour employees in three comparable cities accrue sick leave at the rate of one full 24-hour day per month. One of the three, Ann Arbor, also has unlimited accrual (as does East Lansing) and a bonus for unused sick leave. The other two have a cap on accumulation of unused sick leave: 170 days (also with a bonus for unused sick leave) in Lansing, 140 in Port Huron. Under the Ann Arbor bonus system, employees with sixty days or more of accrued sick leave credit are paid half the unused sick leave credit earned during each year in cash, with the rest credited to their sick leave bank. Similarly, in Lansing employees with at least sixty days of unused sick leave at the start of a year are paid, rather than credited, for sick leave days accrued and unused in excess of eight during the year.

The other three comparable cities have lower accrual rates: fourteen hours per month (seven days per year) to a maximum of 1,950 hours in Battle Creek; twelve hours per month (six days per year) with unlimited accrual in Bay City and Jackson. Bay City also has an unused sick leave bonus system, under which fire fighters gain an extra twenty-four hours at the end of June and December if they have used no sick leave during the preceding six months.

As for the "internal comparables," all other employee groups but two accrue sick leave at the rate of eight hours per month. The other two, civilian police auxiliary and public works employees, accrue ten hours per month. The Union argues that since all other East Lansing employees accrue at least one full work day per month, the fire fighters should too. It complains that accruing more hours per month than other employees does not make up for the fact that each sick day used exhausts more than a month's accrual. Thus the Union contends that both the external and internal comparables support its proposal to increase the accrual rate to twenty-four hours per month.

The City points out that 24-hour fire fighters already accrue more sick leave hours than any other employee group, both in absolute hours and as a percentage of their total working hours. It also points out that fire fighters' shift schedules are such that a single sick leave day can be combined with scheduled days off to produce five to eight consecutive days off, something no other City employees can

accomplish. As for the external comparables, the City notes that East Lansing fire fighters have a higher accrual rate than three of the four agreed comparables. It claims the existing system also is superior to Port Huron's, because it allows unlimited accrual as compared to 140-day cap.

It is true, of course, that employees generally get sick by the day, not by the hour, and that the purpose of paid sick leave is to pay employees for work days which they miss due to illness. In that sense, there is logic to the Union's argument that sick leave should be accrued at the same rate at which it is likely to be used. However, there is no evidence in this record to indicate that the existing accrual rate has failed to provide 24-hour fire department employees adequate paid leave to compensate them fully for work days actually missed due to illness. When considering the Union's proposal in that light, it also must be noted that the likelihood of a fire fighter missing a scheduled work day due to illness is substantially lower than for employees who work eight hours a day, five days a week.

In the absence of proof that the Union's proposal is grounded on practical need, it appears that the argument really is about the accrual of unused sick leave. In that respect, the fire fighters' accrual rate already is superior to other employee groups, even taking into account the hourly wage differential between police officers and fire fighters. It also is better than half the comparable cities. With unlimited accrual, it cannot be found inferior to Port Huron's either, even though the accrual rate alone is one-third higher there. Thus East Lansing falls squarely in the middle of the comparable cities.

The purpose of the comparison mandated under factor (d)(i) is not to place the disputed city in a position superior to other comparable communities, or even to match the most generous of them. Accordingly, the City's proposal to maintain the existing sick leave accrual rate more nearly complies with factors (d)(i) and (h).

Finding and Order The panel adopts the City's last offer regarding the sick leave accrual rate for employees on a 24-hour day (50.4-hour workweek), and orders that the contractual provisions governing such accrual in the 1987-89 agreement shall continue, without change, as they existed in Article 16 Section 3(A) of the 1985-87 agreement.

PAYOUT: The current maximum accumulation of unused sick leave for payout upon retirement or death is 1,200 hours. Retirees get fifty percent of all accumulated unused hours up to 1,200, employees who die prior to retirement receive payment for all accumulated hours of unused sick leave up to that maximum. This has been the case since July 1,

1988, as it was before July 1, 1986. In the intervening two years, special arrangements were in effect.

Article 16(D) of the 1985-87 agreement provided that during those two years "all unit employees would have the right to payment of 50% of their accumulated unused sick leave up to a maximum of 2,000 hours upon retirement," but not under a deferred retirement. During the first of those two years (7/1/86 through 6/30/87), Article 16(E) provided for payment of 50% of accumulated unused sick leave "up to a maximum of 1,600 hours for a non-duty related death," and 100% to the same maximum for death on duty or duty-related. These short-term increases were made in recognition of the fact that some employees might retire before the E-2 benefit took effect, and therefore would not receive it even though they had been affected by the overtime reduction which the Union accepted as a quid pro quo for cost of living adjustments for retirees.

In fact, only one employee did retire during that period, which the Union cites as reason to restore the maximum to 1,600 hours for both retirement and death. It argues that the cost of that single retirement under more generous sick leave payout arrangements was far less than the amount the City saved under the overtime reduction. The Union also contends the increase is supported by comparison to sick leave payouts in comparable cities.

The City claims the Union is attempting to capitalize on and extend short-term benefits which were negotiated under special circumstances, to meet particular needs which no longer exist. Thus it claims the existence of those special arrangements between July 1, 1986 and June 30, 1988 support its position, not the Union's. The City claims its position also is supported by comparison to sick leave payout provisions for other City employees, who are all subject to lower maximums than the fire fighters.

On this record, the applicable statutory factors once again are (d)(i) and (h). The parties offered no evidence bringing any of the other factors into play.

Factor (d)(i) This factor clearly and strongly supports the Union's position, because all six comparable cities provide much higher maximums for sick leave payout. In Ann Arbor, fire fighters are entitled to payment of 100% of accumulated sick leave up to sixty days, plus any unused sick leave accrued in the final year of employment, so they can receive payment for up to 1,628 hours. In Battle Creek, the payout rate is 50% on both retirement and death, subject to a 1,950-hour maximum; so they can receive payment for a total of 975 hours. In Bay City, fire fighters can be paid for as many as 1,200 hours on death or retirement: 50% of unused sick days up to 200, each day being twelve hours. In

Jackson, the maximum total is 810 hours: 75% of accumulated twelve-hour days up to ninety. In Lansing, the maximum is 2,040 hours: 50% of all unused 24-hour sick leave days up to 170. In Port Huron, fire fighters are eligible for payment of up to 1,680 hours: 50% of all unused 24-hour sick days up to the 140-day maximum. Even with the increase sought by the Union, East Lansing retirees' maximum payout of 800 hours will be lower than all six comparable cities. Upon death, the 1,600-hour maximum will be squarely in the middle of the range of comparison.

Factor (h) Neither party's argument concerning the short-term increases in sick leave payout provisions which were part of the 1985-87 agreement are convincing. On the Union's side, the fact that the cost of those increases was much less than the amount saved by overtime reductions is immaterial, because the direct quid pro quo for those reductions was not temporary sick leave payout adjustment, but addition of the E-2 retirement benefit, which was a permanent alteration in the parties' bargain, the cost of which will continue from year to year. On the City's side, the parties' agreement, in the 1985-87 contract, to restore the original payout maximum "upon expiration of Section 3(D) & (E)" did not take that subject off the table for bargaining on a successor agreement. Thus the only relevant evidence to be considered under factor (h) is that relating to "internal comparables."

As the City contends, the fire fighters' maximum sick leave payout already is higher, in terms of hours, than any other employee group. In monetary terms, however, it is lower than the police officers, the group with whom they can most appropriately be compared, who are entitled to pay at retirement for 50% of unused sick leave up to 960 hours. At the \$13.86 hourly rate which took effect on July 1, 1987, that formula yields a payout up to \$6,653. Maximum payout for fire fighters with a 1,200-hour cap would be \$6,348 at their 1987-88 hourly rate of \$10.58.

With a 1,600-hour maximum, the fire fighters' total payout could be as much as \$8,464 at 1987-88 rates, about one-fourth higher than the police officers. However, that difference is offset to some extent by the fact that police officers, and all other City employees, accrue sick leave at the same rate they use it: in full eight-hour work days. By comparison, fire fighters' accrual rate is one-third lower than the rate of use: sixteen hours per month, as compared to their 24-hour work days. For reasons noted above, that does not necessitate an increase in the accrual rate itself, absent evidence that actual sick leave usage has been such that this discrepancy has created practical problems for the fire fighters. But it merits consideration as part of a thorough analysis of the fire fighters' apparent sick leave

payout advantage relative to other City employees if their maximum is raised to 1,600 hours.

On balance, it must be concluded that the internal comparables favor the City's position, but only slightly. As compared to the compelling evidence of major disparity between East Lansing and comparable cities, this factor is insignificant. Therefore it must be found that the Union's last offer regarding sick leave payout more nearly complies with the applicable statutory factors.

Finding and Order The panel adopts the Union's last offer regarding sick leave payout, and orders that the contract language which appears in Article 16(F) of the 1985-87 agreement be changed to read as follows: Effective January 1, 1989, all unit employees have the right to payment of 50% of their accumulated unused sick leave up to a maximum of 1,600 hours upon retirement or non-duty-related death, except that no employee taking a deferred retirement is eligible for a sick leave payout; and 100% of their accumulated unused sick leave up to a maximum of 1,600 hours for death while on duty or a duty-related death.

LONGEVITY PAY

Article 14 of the 1985-87 agreement provides for longevity payments to employees with at least five years continuous service with the department according to the following schedule: 2% of annual wage for 5 to 10 years service; 4% for 10 to 15 years; 6% for 15 to 20 years; 8% for 20 years or longer. However, Article 14(A) limits the "maximum amount of an employee's salary which is subject to longevity computation" to \$12,000. The Union proposes to increase that figure to \$14,000. The City proposes to maintain the status quo, which has prevailed since 1975. Again, the applicable statutory factors are (d)(i) and (h).

Factor (d)(i) Longevity payment methods and amounts vary considerably among the comparable cities. Two of them use the same longevity formula as East Lansing, but apply it to a higher maximum salary base: Bay City's maximum is \$15,000; Lansing's \$14,000. Port Huron has the same service increments, but applies higher percentages -- 2.5% after five years; 5%, 7.5% and 10% at the next three steps -- to an unlimited salary base. Ann Arbor, Battle Creek and Jackson have a three-step system beginning at seven years and advancing at twelve in all three cities; the third step is eighteen years in Ann Arbor and Jackson, twenty in Battle Creek. The applicable percentages are 2.5, 5 and 7.5 in Ann Arbor (approximately) and Battle Creek, approximately 2.6, 5.2 and 7.9 in Jackson. Ann Arbor and Jackson roll the longevity payment into the base wage. In Battle Creek it is figured on the base wage, but subject to dollar maximums at

each step: \$300 after seven years, \$600 after twelve, and \$1,000 after twenty.

The East Lansing system is more generous than the comparable cities only in two extremely limited respects: first, it provides longevity payments for two years before payments begin in the three cities which start at seven years; second, it provides higher payments than Battle Creek at the ten- and fifteen-year steps. In every other respect, it is inferior to all comparable cities. This is clearly demonstrated by a monetary comparison between the longevity payments to which East Lansing fire fighters are entitled under the current system and the average and median amounts paid in the comparable cities after five, ten, fifteen and twenty years:

East Lansing	\$240	\$480	\$ 720	\$ 960
Average	426	713	1,233	1,748
Median	280	653	1,162	1,686

If the maximum salary figure is increased to \$14,000, the figures for East Lansing will rise to \$280, \$560, \$840 and \$1,120, which will still leave East Lansing fire fighters well below the average at every step, and well below the median at every step but the first. Thus factor (d)(i) clearly and strongly favors the Union's position.

Factor (h) The City relies on two other factors which may be considered under factor (h): the cost of the proposed longevity improvement; and the relationship between this bargaining unit and other City employee groups. It points out that the added cost of this improvement, based on actual 1987-88 payroll, will be \$5,040, which constitutes a 16.7% increase in this single cost item. It also notes that the longevity pay system is the same for all City employees, and argues that this unit should not be allowed to break that uniform pattern. The Union responds that the cost of the proposed longevity improvement is miniscule when considered as a percentage of total fire department compensation. It also emphasizes that the system has not been changed since 1975, when \$12,000 was a much higher percentage of the average employee salary than it is now, and contends that such a modest improvement in the system is long overdue.

The Union has the better of the argument on both counts. According to City evidence, the cost of this improvement will be only .25% of total fire department compensation costs during 1987-88. In 1975, \$12,000 was approximately 88% of a full paid fire fighter's annual wage; today it is less than 45%. In light of that, the mere fact that the City has not improved the longevity system for other employee groups is not a persuasive reason to deny such an improvement to this bargaining unit. Therefore the Union's position also more nearly complies with factor (h).

Finding and Order The panel adopts the Union's last offer on longevity pay, and orders that the following sentence be added to Article 14(A) as it now appears in the 1985-87 agreement: Effective with the longevity payment of December 1988, the maximum amount subject to longevity computation shall be \$14,000.

FOOD ALLOWANCE

Article 22 of the 1985-87 agreement provided for the following food reimbursement allowances: \$550 in the first payroll period in June 1986, and \$560 the following June. The Union proposes to raise those allowances to \$640 in June 1988 and \$660 in June 1989. The City offers \$580 and \$600.

The Union bases its request on the testimony of its former president, Darwin Ranes, who has been with the department more than twenty years; he said East Lansing fire fighters contribute approximately \$6.00 per duty day for food and staples used at the stations, and as much as \$3.00 more per day for beverages and snacks. The Union says its proposal would result in reimbursement of approximately \$6.40 per duty day during the first year of the contract, \$6.60 the second year, and therefore is reasonable. The City argues that the increases proposed by the Union are unreasonable because they exceed increases in the cost of living and the East Lansing food allowance already is higher than comparable cities.

The statutory factors applicable to this issue are (d)(i), (e) and (h). The City's offer more nearly complies with factor (d)(i), because the highest food allowance in any comparable city is \$600, in Bay City, which matches the City's offer for the second year of this contract. The City's offer for both years exceeds all five of the other comparable cities. The increases offered by the City also exceed the increase in the cost of living during the term of the 1985-87 contract, so its offer also more nearly complies with factor (e). The only other factor which might be considered under factor (h) is Ranes's testimony concerning fire fighters' actual expenditures for food while on duty. However, that evidence deserves little weight, for two reasons: first, there is no evidence that the parties ever intended to peg the food reimbursement allowance to actual expenditures; second, such expenditures are discretionary with the fire fighters. Therefore factor (h), although arguably applicable, does not support the Union's position.

Finding and Order The panel adopts the City's last offer on food reimbursement allowance, and orders amendment of Article 22 to provide that the food reimbursement shall be \$580 effective the first payroll period in June 1988, and \$600 effective the first payroll period in June 1989.

DENTAL PLAN

Article 26 and Appendix B of the 1985-87 agreement provide East Lansing fire fighters with dental insurance. Included in the dental coverage are "100% of costs of any diagnostic and preventative Type A services; 50% of services designated Type B & C by the carrier up to an annual maximum benefit of \$1,000.00 per person; and 50% Type D orthodontic treatment up to a lifetime maximum of \$1,000 per person." Orthodontic coverage is "limited to persons 19 years of age and under." The Union proposes to increase coverage to 80% of costs for Type B and C services, to raise the per person limit for orthodontic services to \$1,500, and to make employees and their spouses eligible for orthodontic services regardless of age. The City proposes to maintain the status quo.

Both parties claim support for their positions among the cities they proposed as comparables. The Union also cites the rising cost of orthodontic treatment, although it introduced no evidence in that regard, and contends that evidence offered by the City regarding the costs for such benefit improvements was speculative and misleading. In its post-hearing brief, however, the City made no reference to the cost of such improvements, relying only on comparable cities and the fact that all City employees have the same dental coverage. On this record, the applicable statutory factors are (d)(i) and (h).

Both factors support the City's position. Except for orthodontic coverage for employee and spouse regardless of age, current East Lansing dental coverage is equal to or better than all six comparable cities, none of which pay more than 50% for Type B and C services. It is superior to all six cities with respect to Type A services, for which it alone pays 100%. Two of the six cities (Battle Creek and Port Huron) provide orthodontic coverage for employee and spouse as well as dependents up to age nineteen, but three cities provide no orthodontic coverage at all and one of those, Jackson, simply provides an annual reimbursement of \$500 for all dental services. Thus the City's last offer more nearly complies with factor (d)(i). It also more nearly complies with factor (h), in that, absent statutorily compelling reasons to improve the plan, the City has a legitimate interest in maintaining uniformity in its dental plan, which covers all City employees and for which it is self-insured.

Finding and Order The panel adopts the City's last offer regarding dental insurance, and orders that the coverage provided under Appendix B to the 1985-87 contract shall continue without change in the 1987-89 agreement.

OPTICAL PLAN

The 1985-87 agreement includes no optical insurance or reimbursement plan. The Union proposes to add an article providing for reimbursement of "proven optical expenses, including examinations, lenses and frames, for the employee, the employee's spouse and dependents 19 years of age and under, up to \$150 per person not to exceed \$500 per family in any calendar year commencing January 1, 1989." It finds support for this proposal in the fact that seven of the fifteen cities put forth by both parties as comparables afford fire fighters some form of optical coverage.

The City proposes that no optical benefits be added, and points out that none of the agreed comparable cities provide optical coverage, nor do the two additional cities it proposed. It also points out that no other City employees have such a benefit, and contends it could be very costly and complains that the Union provided no estimates of the costs for such a plan.

The applicable statutory factors are (d)(i) and (h). Of the six comparable cities, only Ann Arbor and Lansing provide any optical coverage, and the record contains no evidence regarding the nature or extent of such coverage. Absent such evidence, and because a majority of the comparable cities have no such coverage, it must be found that the City's last offer more nearly complies with factor (d)(i). The same is true of factor (h), both because no other City employees have optical coverage and because providing it to the fire fighters in the manner proposed by the Union could indeed be very costly. As the City points out, the total potential cost of such coverage would be more than \$25,000 - \$500 per family for fifty-one bargaining unit employees. Even though the actual cost probably would be substantially lower, there is no justification in this record for imposing such costs on the City for a benefit which is not available to any other City employee or to fire fighters in a majority of the comparable cities.

Finding and Order The panel adopts the City's last offer regarding optical reimbursement, and orders that the 1987-89 agreement provide no such benefit.

STAND-BY PAY

The fire marshal and fire inspector, bargaining unit employees who work 40-hour weeks, Monday through Friday, are required to be on call on alternate weekends. Only one of them is on call each weekend, from 5 p.m. Friday until 8 a.m. the following Monday; they decide between themselves which of them will take which weekends. If they are called in during the weekend to investigate a suspected arson or

fire of suspicious origin, to attend a working fire, or for some other reason, they are compensated under the overtime and call-in provisions of the agreement (Article 13 Section 2). However, they receive no compensation simply for being on call. The Union proposes to change that by adding a new subsection to Article 13 stating that 40-hour employees "required to perform stand-by duty on weekends shall receive \$100.00 per weekend."

The Union contends that such compensation is required as a matter of fairness and equity, which are factors within the panel's proper consideration under statutory factor (h), because of the restrictions such on-call status imposes on the employee's freedom. It notes that payment for stand-by duty is provided in two cities on its list of comparables: Flint and Lansing. It also points out that City employees in the District Court (Teamsters) who are "required to be On Call for special circumstances" receive a minimum of two hours pay, at time and one-half, "for each day or portion of a day that the On Call status is in effect." As for the cost of proposed stand-by pay, the Union maintains that it will be considerably less than if the City were required, as it might be, to pay the affected employees for every hour they are on call.

The City opposes the Union's demand, characterizing it as simply a "pay increase in another form" which would have the effect of increasing the fire marshal and inspector's salaries by 16% and 13.3% in the new contract rather than 3.5% and 2%. It also says the 40-hour employees' on-call responsibilities have been accounted for as part of their basic salaries, which exceed those paid to similar employees in comparable communities. Human resources director Michael Benedict testified that on-call weekends always have been part of the fire marshal and inspector's regular duties, and they are compensated accordingly. (The Union contests that claim on the ground that such duties are not listed in the fire marshal and inspector's job descriptions.) Benedict also said "On Call" pay was added to the District Court employees' contract specifically for "special circumstances" which are not part of their routine responsibilities, not to compensate them for long standing, routine responsibilities. The City also emphasizes that the Union produced no evidence of such stand-by pay in comparable cities.

The applicable statutory factors on this issue are (d)(i), (f) and (h), all of which favor the City's position. There is evidence of a related contractual benefit in only one comparable city, Lansing, where the contract provides for payment of \$15.00 to employees "ordered to be available for emergency weekend duty during an otherwise unscheduled weekend." However, that provision differs from the Union's proposal in two important respects: the amount of the payment, which is 85% smaller in Lansing; and the fact that it

applies to all bargaining unit employees, not just the fire marshal and inspector. Those 40-hour employees' basic salaries also are higher than their counterparts' in the four agreed comparable cities; there is no evidence in the record regarding the fire marshal and inspector's salaries in Ann Arbor and Lansing. Thus the City's position more nearly complies with factor (d)(i):

That also is the case with factor (e), because weekend stand-by pay would significantly increase the fire marshal and inspector's regular compensation. The result would be percentage pay increases about five times higher than other bargaining unit employees will receive, which would bring about a significant alteration in historical relationships between pay scales for the various bargaining unit positions without any change in the regular duties of those positions. Nothing in this record justifies such a dramatic increase in overall compensation.

As for the Union's fairness and equity argument, which the panel may of course consider under factor (h), it falls under the heavy weight of the pay increase requested. The notion that \$100 per weekend represents a modest payment, even a savings, compared to paying the fire marshal and inspector their regular hourly rates for the entire weekend when they are on call is nothing but a straw man argument. The equity argument would have considerably more merit if the benefit proposed was on the same order as the emergency weekend duty payment provided for in the Lansing contract. At \$100 per weekend, fairness and equity are clearly on the City's side -- particularly in light of the undisputed fact that on-call responsibility has been part of the fire marshal and inspector's jobs for many years, and in the absence of any firsthand testimony from either of those employees providing a realistic description of the personal inconvenience and loss of freedom alleged by the Union. Accordingly, it must be found that the City's last offer opposing stand-by pay for 40-hour employees more nearly complies with all applicable statutory factors.

Finding and Order The panel adopts the City's last offer on the issue of stand-by pay for 40-hour employees, and orders that the 1987-89 agreement shall contain no such provision.


SUMMARY OF FINDINGS AND ORDERS

The opinion, findings and orders of the panel on each issue before it are stated above. On all such issues, the findings and orders set forth herein are the actions and rulings of a majority of the panel, although one delegate has dissented from each order, as follows:

<u>Issue</u>	<u>Dissenting</u>
Wages, 1st Year	Union Delegate
Wages, 2nd Year	Union Delegate
Pensions, B-3 Effective Date	Union Delegate
Pensions, FAC-3 Eff. Date	Union Delegate
Pensions, F50	City Delegate
Pensions, Health Ins.	Union Delegate
Sick Leave Accrual	Union Delegate
Sick Leave Payout	City Delegate
Longevity Pay	City Delegate
Food Allowance, 1st Year	Union Delegate
Food Allowance, 2nd Year	Union Delegate
Dental Plan (all aspects)	Union Delegate
Optical Plan	Union Delegate
Stand-by Pay	Union Delegate

EXECUTED at East Lansing, Michigan on December 8, 1988.


Paul E. Glendon, Chairman


Michael Benedict
City Delegate


Joseph Clevenger
Union Delegate

AMENDED CONTRACT LANGUAGE

STIPULATED ITEMS AGREED TO BY THE CITY OF EAST LANSING
AND
EAST LANSING FIRE FIGHTERS
AS PART OF ITS ACT 312 PROCEEDINGS BEFORE ARBITRATOR PAUL GLENDON

ITEM 1:
ARTICLE 18
VACATION LEAVE

Section 4. Vacation Leave Accrual.

This section would be amended as follows:

Effective July 1, 1988, those 50.4 hour personnel covered under this agreement with 20 or more years of service may accrue ten (10) full working days of vacation per year.

Effective July 1, 1988, those 40.0 hour personnel covered under this agreement with 20 or more years of service may accrue twenty four (24) full working days of vacation per year.

There would be no other changes in Article 18, Vacation Leave.

ITEM 2:
ARTICLE 19
HOLIDAY LEAVE

Current language which reads;

"50.4 hour personnel covered under this Agreement will receive in lieu of holiday leave \$55.00 per authorized holiday whether such holiday be worked or not."

would be amended to;

"Effective July 1, 1988, 50.4 hour personnel covered under this Agreement will receive in lieu of holiday leave \$80.00 per authorized holiday whether such holiday be worked or not."

There would be no other changes in Article 19, Holiday Leave.