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In the Matter of Statutory Act 312 Arbitration between:

CHARTER TOWNSHIP OF CANTON,
Employer

-and-

CANTON TOWNSHIP FIRE FIGHTERS,
LOCAL 2289, I.A.F.F.
Union.

MERC Case No. D 04 F-1031

**ARBITRATION PANEL'S FINDINGS, CONCLUSIONS, AND
ORDERS**

BEFORE A PANEL CONSISTING OF:

Benjamin A. Kerner, Neutral Chair
Ronald R. Helveston, Union Delegate
Daniel G. Durack, Employer Delegate

Appearances:

For the Employer: Andrew T. Baran
Cox, Hodgman, and Giarmarco, P.C.

For the Union: Ronald R. Helveston
Helveston & Helveston

Also present: Agnes Spitzer-Greig, Timothy Dunn, Michael J. Caruso; Christopher Stoecklein, Joshua Meier, John Santomauro, Michael Rorabacher.

Dated: Nov. 8, 2005

BACKGROUND.

By petition dated January 26, 2005, the Union gave notice that there was a dispute concerning the wages, hours, and working conditions of the fire fighters in the Charter Township of Canton. The Union listed 26 issues as being in dispute. On February 8, 2005, the Employer noticed an additional 8 issues as being in dispute. On February 25, 2005, the Michigan Employment Relations Commission appointed Benjamin A. Kerner as Neutral Chair of a panel to resolve these disputed issues in accordance with 1969 P.A. 312, as amended, M.C.L. 423.213 et. seq.. I held a pre-hearing conference on April 8, 2005. Both parties were present in committee, and by counsel. The parties waived compliance with that portion of Section 6 of the governing statute, M.C.L. 423.236, that requires a hearing to begin within 15 days of the appointment of the neutral arbitrator. In addition, at the pre-hearing conference, the parties stipulated that the term of the contract-to-be-formed will be 4 years, beginning July 1, 2004, and ending June 30, 2008. The parties further stipulated that all prior contract provisions not at issue were to be carried forward into the contract-to-be-formed.

At the pre-hearing conference, the parties set a beginning hearing date of August 24, 2005. A number of other details concerning the conduct of the hearing were agreed.

The parties duly exchanged proposals on the subjects in dispute and identified comparable communities to be used for developing hearing exhibits. . While four (4) communities were listed as comparable by both the Employer and the Union, the parties were not able to agree on the other comparable communities. In issuing this Award, the Panel has not found it necessary to make any decision concerning the appropriateness of the proposed comparable communities. At the time agreed, both parties proffered their

hearing exhibits and witness lists. By stipulation the beginning of hearings was rescheduled to August 30, 2005.

On August 30 and August 31, 2005, hearings were held before the panel above identified at Canton Township Hall. Seventy-seven exhibits were marked and entered into the record. Agnes Spitzer-Greig testified on behalf of the Union; and, Dan Durack testified for the Employer. Also present for these hearings were: Timothy Dunn, Union President; Michael J. Caruso, Union Secretary; Christopher Stoecklein, Union Treasurer; Joshua Meier, Union Vice-President; and Dan Durack, Panel Member and Employer's Administrative and Community Services Director; John Santomauro, Public Safety Director, and Michael Rorabacher, Fire Chief. During the course of the two hearing days, the parties also met for bilateral collective bargaining (without the neutral arbitrator). As a result of these meetings, the parties jointly requested a recess in the scheduled hearings until September 14, 2005, on the supposition that bilateral bargaining was proving fruitful, and the parties needed additional time in which to conclude bargaining.

At a meeting called in lieu of hearing on September 14, 2005, the parties announced to the Neutral Chair that they had achieved essential agreement on a number of items outstanding in bargaining. In addition, the parties stipulated that the previously bargained tentative agreements would be entered as agreed items in these Act 312 proceedings. A list of the tentative agreements is attached as Exhibit A. On several items, there was not unanimous agreement, and the decision of the majority of the Panel on those items is set forth below.

BASIS FOR AWARD.

We endorse the following resolution of the labor dispute in this matter and the following orders as based on the stipulations of the parties or the decision of the majority of the Panel.

1. WAGES

ARTICLE 11, SECTION 1, WAGES: The following wage schedule shall be in effect for the term of this Agreement:

Wage Schedule Effective and Retroactive to 7/1/2004 (3%):

	<u>Start</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>5th Year</u>
Firefighter	\$34,958	\$42,300	\$47,514	\$52,727	\$57,941
Firefighter/Medic	37,405	45,261	50,840	56,417	61,997
Fire Inspector(New Hire)	37,405	44,782	52,159	59,536	66,913

Wage Schedule Effective and Retroactive to 1/1/2005:

	<u>Start</u>	<u>After 6 months</u>
Fire Lieutenant	\$64,189	\$66,913
Fire Inspector(Promotion)	64,189	66,913
Fire Captain	—	68,920
Fire Marshal	—	70,988

Wage Schedule Effective and Retroactive to 7/1/2005 (3%):

	<u>Start</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>5th Year</u>
Firefighter	\$36,007	\$43,569	\$48,939	\$54,309	\$59,679
Firefighter/Medic	38,527	46,619	52,365	58,110	63,857
Fire Inspector(New Hire)	38,527	To Be Determined			

Wage Schedule Effective 1/1/2006:

	<u>Start</u>	<u>After 6 Months</u>
Fire Lieutenant – Parity with Police Sergeant	To Be Determined	
Fire Inspector (Promotion) – Parity with Police Sergeant	"	
Fire Captain – Fire Lieutenant After 6 Months base pay plus 3%	"	
Fire Marshal – Fire Captain base pay plus 3%	"	

Wage Schedule Effective 7/1/2006 (3%):

	<u>Start</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>5th Year</u>
Firefighter	\$37,087	\$44,876	\$50,407	\$55,938	\$61,469
Firefighter/Medic	39,683	48,018	53,936	59,853	65,773
Fire Inspector(New Hire)	39,683	To Be Determined			

Wage Schedule Effective 1/1/2007:

	<u>Start</u>	<u>After 6 Months</u>
Fire Lieutenant – Parity with Police Sergeant	To Be Determined	
Fire Inspector (Promotion) – Parity with Police Sergeant	"	
Fire Captain – Fire Lieutenant After 6 Months base pay plus 3%	"	
Fire Marshal – Fire Captain base pay plus 3%	"	

Wage Schedule Effective 7/1/2007 (3%):

	<u>Start</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>5th Year</u>
Firefighter	\$38,200	\$46,222	\$51,920	\$57,616	\$63,313
Firefighter/Medic	40,873	49,458	55,554	61,649	67,746
Fire Inspector(New Hire)	40,873	To Be Determined			

Wage Schedule Effective 1/1/2008:

	<u>Start</u>	<u>After 6 Months</u>
Fire Lieutenant – Parity with Police Sergeant	To Be Determined	
Fire Inspector (Promotion) – Parity with Police Sergeant	"	
Fire Captain – Fire Lieutenant After 6 Months base pay plus 3%	"	
Fire Marshal – Fire Captain base pay plus 3%	"	

2. LONGEVITY

ARTICLE 11, SECTION 2, SUBSECTION B(A): Shall be amended to state:

- a) Upon completion of five (5) years continuous service, eligible employees will be paid Five Hundred (\$500.00) Dollars.
- b) An additional One Hundred (\$100.00) Dollars a year will be paid to eligible employees for each additional year of service beyond five (5) years to a maximum of Two Thousand (\$2,000.00) Dollars.

3. VACATION TIME

ARTICLE 10, SECTION 5, SUBSECTION 6, FIRE PREVENTION VACATION SCHEDULE: Add to current language:

7. Bonus PTO:

Employees with at least one (1) year seniority will be granted twenty (20) hours of bonus PTO in the calendar year following a calendar year in which the employee has not used any sick time. One-half (½) hour of bonus PTO will be deducted for each one (1) hour of sick time taken in a calendar year. If an employee uses forty (40) hours of sick time in one (1) calendar year, he loses all bonus PTO for the following calendar year.

Sick Time used for union business pursuant to Article 5, Section 5 (b), will not count toward the loss of bonus PTO as described above.

4. PENSION PLAN

ARTICLE 13, SECTION 11, PENSION PROGRAM:

- a. The Canton Township Firefighters bargaining unit members shall receive the Municipal Employees Retirement System of Michigan (MERS) Defined Benefit Pension.
- b. The Canton Township Firefighters bargaining unit members shall relinquish any and all remuneration currently in their present individual Defined Contribution Pension program to MERS to reduce Canton Township's unfunded accrued liability (UAL). All prior years of service with Canton Township will be included and afforded to each member in his or her benefit determination.
- c. The Township adopts the MERS Defined Benefit pension program with the following benefits:
 - Benefit Program — Benefit retirement is based on 2.5% of the employee's final average compensation multiplied by years and months of credited service. Effective 1/1/2006, the multiplier shall be increased to 2.8%. This benefit shall not exceed 80% of the employee's final average compensation.
 - V10 — Vesting in 10 years
 - F50 — Full pension benefit will be payable if age 50 is attained with at least 25 years of credited service.

- **FAC-3 — Final average compensation is the average of the highest consecutive 3-year (36 months) period of the employee's credited service.**
- d. **Additionally, in order to assist in containing the Employer's contribution, the Firefighters bargaining members will contribute 5% of all income. Effective 1/1/2006, the Firefighters bargaining unit members will contribute 6% of all income. The Employer will contribute any remaining remuneration required to fund and maintain the MERS pension program.**
- e. **All members of the Firefighters bargaining unit will be required to participate in the MERS Defined Benefit Pension program and shall be required to comply with all parts of this Section.**
- f. **Canton Township Firefighters bargaining unit members shall be covered by the MERS Disability Retirement rules and regulations. If an employee is determined by MERS to be eligible for disability retirement, then that employee shall also be eligible for retiree health insurance benefits regardless of age or years of service.**

5. HEALTH INSURANCE

ARTICLE 13, SECTION 13A — HOSPITALIZATION AND SURGICAL COVERAGE:

A. Health Insurance

Until January 1, 2006, the Employer will provide employees, their spouse and dependent children with Blue Cross/Blue Shield Trust 15-Plus 15, MVF-1, Master Medical Option 5, ML Rider, and \$5.00 MAC, APDBP drug prescription rider, or with equivalent coverage. The Employer shall pay the full cost of this coverage.

The Employer has the right to select or change carriers, after discussion with the Union, provided that the coverage is equivalent to or better than the BC/BS Trust 15-Plus 15, MVF-1, Master Medical Option 5, ML Rider, \$5.00 MAC, APDBP drug prescription rider. New employees will be covered as provided for in the applicable insurance contract. The Employer will pay for only one insurance coverage per family.

Effective January 1, 2006, the Employer will provide employees, their spouse and dependent children with MCARE HMO Option 1 or equivalent coverage, and Care Choices HMO coverage with a premium cost as close to the cost of MCARE HMO Option 1 as possible. To the extent possible consistent with this objective, the Care Choices HMO coverage shall have terms as close as possible to those of the MCARE HMO Option 1. The Employer shall pay the full cost of the MCARE HMO Option 1 and Care Choices HMO coverage.

In addition, one type of Blue Cross/Blue Shield Community Blue PPO insurance coverage shall be made available. Employees opting to take coverage under this policy shall pay the difference between the premium cost of MCARE HMO Option 1 and the Blue Cross Community Blue PPO coverage. Descriptions of the terms of the various plans are set forth in Attachment A.

The Employer has the right to select or change carriers after discussion with the Union, provided that the coverage is equivalent to or better than MCARE HMO Option 1. New employees will be covered as provided for in the applicable insurance contract. The Employer will pay for only one insurance coverage per family.

Effective January 1, 2006, the Employer shall provide prescription drug coverage only through the Kroger Preferred 10/20/30 Plan. The terms of the coverage are as described in Attachment B to this Agreement.

An employee, after verifying to the Employer that he is covered by health insurance through his spouse, may elect not to participate in the health insurance plan currently offered to employees in the bargaining unit.

1. In such event, those employees who elect not to participate in such Plan shall be paid a sum of Twelve Hundred (\$1,200.00) Dollars annually which shall be paid in equal monthly amounts.
2. If an employee elects not to participate in the health insurance plan, he will not be allowed to re-enter the Plan until the regular scheduled enrollment period. However, if an employee loses health insurance coverage through his spouse, the employee will be allowed to re-enter the health insurance plan offered by the Employer on the first (1st) day of the succeeding month after verifying said loss of coverage to the Employer.

6. RETIREE HEALTH INSURANCE

Article 13, Section 13C (1) -- Retiree Benefits:

C. Retiree Benefits

Section 1. Retiree Health Insurance

The Employer shall provide future retirees, their spouse and dependent children with Blue Cross/Blue Shield Trust 15, Plus 15, MVF-1, Master Medical Option 5, ML Rider, and \$5.00 MAC, APDBP drug prescription rider, or equivalent or better coverage. Should the retiree move out of the Trust 15, Plus 15 (PPO) coverage area, the above outlined insurance will

convert to traditional Blue Cross/Blue Shield with MVF-1, Master Medical Option 5, ML Rider, and \$5.00 MAC, APDBP drug prescription rider.

Notwithstanding the language above, with respect to employees retiring effective January 1, 2006 or thereafter, the Employer will provide such retirees, their spouse and dependent children with prescription drug coverage only through the Kroger Preferred 10/20/30 Plan, MCARE HMO Option 1 or equivalent coverage and Care Choices HMO coverage with a premium cost as close to the cost of MCARE HMO Option 1 as possible. To the extent possible consistent with this objective, the Care Choices HMO coverage shall have terms as close as possible to those of the MCARE HMO Option 1. The Employer shall pay the full cost of the MCARE HMO Option 1 and Care Choices HMO coverage. In addition, one type of Blue Cross/Blue Shield Community Blue PPO insurance coverage shall be made available. Employees opting to take coverage under this policy shall pay the difference between the premium cost of MCARE HMO Option 1 and the Blue Cross Community Blue PPO coverage.

The Employer has the right to select or change carriers for retirees, their spouse and dependent children after discussion with the Union, provided that the coverage is equivalent to or better than MCARE HMO Option 1. The Employer will pay for only one insurance coverage per family.

Should the retiree move out of the coverage areas of insurance provided to the retiree, the Employer will provide the retiree with Blue Cross/Blue Shield insurance coverage which is most comparable to the coverage provided by MCARE HMO Option 1. The Employer will pay 100% of the group rate for this coverage for employees who retire from the Employer with twenty-five (25) years of service and who have attained age fifty (50). The Employer will pay 50% of the group rate for this coverage for employees who retire from the Employer with more than ten (10) years of service and who have attained age fifty-five (55). When the retiree reaches full Medicare eligibility, the Employer will assume the full cost of the Complementary Medicare Two Plus One coverage.

7. PROMOTIONS

ARTICLE 10, SECTION 4, PROMOTIONS: The following language shall be added:

Notwithstanding anything above, in the event the department establishes one (1) additional forty (40) hour command position, above the rank of captain, that position shall be filled by a person promoted from the bargaining unit on the basis of a mutually agreed testing process, and that position shall not be included in the bargaining unit.

Except as provided above, neither party shall alter or attempt to alter through negotiations or otherwise the current promotion procedure during the current

contact period (July 1, 2004 – June 30, 2008) and the subsequent contract period beginning July 1, 2008.

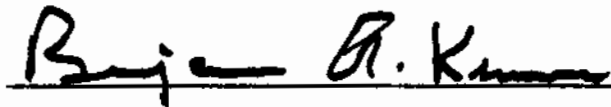
8. WAIVER OF BARGAINING.

WAIVER OF BARGAINING. The parties expressly acknowledge that they have had an opportunity to bargain with respect to all the subjects originally noticed as being in dispute in these proceedings, as well as all other subjects that are mandatory subjects of bargaining. They hereby agree that only those subjects here contained in the above numbered paragraphs plus those items contained in Exhibit A are agreed; and, each party for the duration of the contract agrees to waive bargaining with respect to any other subject.

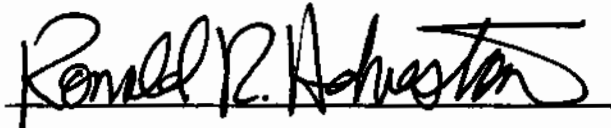
ORDERS.

The Panel has agreed to the following three Orders.

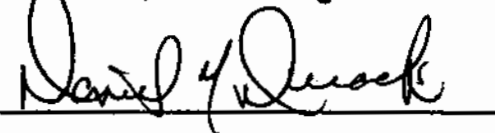
ORDER with respect to Item 4 above, Pension Plan, the above-stated Item 4 will be and hereby is the Order of the Panel.



Benjamin A. Kerner, Neutral Chair



Ronald R. Helveston, Union Delegate

I Dissent. 

Daniel G. Durack, Employer Delegate

ORDER with respect to Items 5 and 6, Health Insurance and Retiree Health Insurance, the above-stated Items 5 and 6 will be and hereby are the Order of the Panel.

Benjamin A. Kerner

Benjamin A. Kerner, Neutral Chair

Daniel G. Durack

Daniel G. Durack, Employer Delegate

I Dissent. Ronald R. Helveston

Ronald R. Helveston, Union Delegate

ORDER with respect to all remaining Items, being Items 1, 2, 3, 7, and 8 above-stated, these Items, as stated above will be and hereby are the Order of the Panel.

Benjamin A. Kerner

Benjamin A. Kerner, Neutral Chair

Daniel G. Durack

Daniel G. Durack, Employer Delegate

Ronald R. Helveston

Ronald R. Helveston, Union Delegate

Dated: Nov. 8, 2005.