

STATE OF MICHIGAN
COMPULSORY ARBITRATION

In the Matter of

CITY OF FRASER,

Employer,

-and-

POLICE OFFICERS ASSOCIATION
OF MICHIGAN,

Union.

Arising pursuant to
Act 312, Public Acts of
1969, as amended

Case No. D89 C-0841

INTRODUCTION AND BACKGROUND

The parties to this proceeding are the City of Fraser (hereinafter "Fraser", the "City" or the "Employer") and the full-time patrolmen and public safety officers, Department of Public Safety of the City of Fraser, (excluding supervisors and all other employers) as represented by the Police Officers Association of Michigan (hereinafter "POAM", or the "Union").

The petition for Act 312 arbitration, filed by POAM, September 26, 1989, enumerated the following issues:

1. Duration;
2. Wages;
3. Shift Premium;
4. Longevity; and
5. Emergency Medical Technician Premium.

At the pre-hearing conference, held April 6, 1990, the City sought to introduce other issues, outside of the POAM petition, including:

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STATE OF MICHIGAN
EMPLOYEE RELATIONS
DIVISION
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1. Holidays;
2. Call Back Provisions;
3. Educational Benefits;
4. Pension - Employee Contributions;
5. Discontinuance of Payment for Fire Monitors
Maintained in the Employee's Home;
6. Probationary Period; and
7. Vacation/(Furlough).

The City also had sought to introduce certain other additional issues, but withdrew them.

The issues of probationary period and vacation/furlough are non-economic. All other issues are economic.

On July 25, 1990, following briefs by the parties, the Panel held that the City was not prohibited from introducing issues outside of the petition filed by POAM. (Opinion concerning the Pre-Hearing Issues, July 25, 1990.)

Hearings in this matter were held on October 19, 1990 and November 14, 1990. The Panel met on January 25, 1991.

Duration has been eliminated as an issue in dispute. The parties have stipulated to a three (3) year contract, from July 1, 1989 to June 30, 1992, agreeing that the contract language, being Article XXXVIII, section 38.1 shall be amended to read as follows:

"This agreement shall be effective on and retroactive to July 1, 1989, and shall remain in force and effect to and including June 30, 1992."

Facts

The record shows that Fraser, located in Macomb County, Michigan, is a city with a population of about 13,600 persons, according to 1988 data. Fraser has a significant industrial base and forms a corridor with several larger neighboring communities. A seven (7) lane highway, Groesbeck Highway, or M-97, is a 50-mile per hour east-west connector carrying such traffic; Utica Road and Garfield Roads also connect Fraser to communities north and south of it, including Utica, Shelby, Rochester, Clinton Township and Macomb Township. (Transcript, vol.2, p. 95.)

The industrial area of Fraser includes industrial buildings that store hazardous materials which may be explosive and/or toxic (e.g., paints, plastics). (Transcripts, vol. 2, p. 56.)

Fraser's contiguous and surrounding communities include: Clinton Township, Roseville, Sterling Heights, Warren and Centerline. These communities have, according to the data in the record, much larger populations, but they, together with Fraser, essentially constitute an economic local labor market. They form a part of Macomb County in metropolitan Detroit, and they are perceived as comparable communities by Fraser public safety officers and patrolmen. (Transcript, vol. 2, p. 145.) (The matter of comparability is reviewed further hereinafter.) Functionally, Fraser and certain of these other communities cooperate with respect to public safety, including fire-fighting and emergency medical services, as well as with respect to police functions. These communities--Fraser, Roseville, Clinton Township, Sterling Heights and Warren--share common borders;

assistance across borders with respect to the foregoing services is not unusual, and is, in fact, frequent. (Transcript, vol. 2, p. 97.) Centerline, as Fraser, has a public safety department, combining police and fire-fighting services; but unlike Fraser's public safety department, it does not perform EMT services also. The other communities have separate police and fire departments, in contrast to a public safety department, in which both functions are combined. It is this combination of such functions--i.e., police and fire-fighting, and possibly emergency medical services as well, which distinguishes a public safety department from the traditional organization of separate departments for these services. (Transcript vol. 2, p. 146.) (Reviewed further hereinafter.)

A. Comparability

The record supports that Centerline, Roseville, Sterling Heights and Warren are comparable communities. While their populations are significantly larger than Fraser's, they are functionally related to Fraser, and vice versa, which is much smaller in geographic area. These communities border and surround Fraser. More significantly, public safety officers in the instant proceeding assist in police, fire-fighting and emergency medical technician services in these communities and vice versa. The foregoing communities are perceived as related communities by the public safety officers here. To a lesser degree, the record indicates that this also appears to be true for Clinton Township, which is contiguous to Fraser.

POAM has proposed these five (5) communities as comparables. The City also included the foregoing communities in its list of comparable communities (Transcript, vol. 3, p. 9-10), but it proposed as comparables numerous additional communities, besides the foregoing five (5), throughout Macomb, Wayne and Oakland Counties, being: Auburn Hills, Berkley, Bloomfield Hills, Farmington, Farmington Hills, Ferndale, Grosse Pointe Farms, Grosse Pointe Woods, Madison Heights, Mt. Clemens, Novi, Rochester and Wayne. This latter group, which ranges over Wayne, Oakland and Macomb Counties, ranks in population from about 150,000 in Warren (a mutually-proposed comparable) to about 3,800 in Bloomfield Hills, and includes predominantly residential communities (e.g., Bloomfield Hills, Grosse Pointe Farms) to predominantly commercial and/or industrial communities (e.g., Fraser, Centerline). The City has identified, in its comparability exhibit list, those communities which have public safety departments rather than separate police and fire departments (i.e., being: Auburn Hills, Berkley, Bloomfield Hills, Centerline--a mutually-proposed comparable--, Farmington, Grosse Pointe Farms and Grosse Pointe Woods).

The Panel finds the communities of Roseville, Centerline, Warren, Sterling Heights and Clinton Township to be comparable with Fraser. There is uncontrovertible evidence in the record to show a functional relationship between Fraser, a small geographic area, with these communities; not only are they contiguous or surrounding, but, more importantly, there is mutual assistance among them with respect to police services, fire-

fighting, and emergency medical services. These communities in fact are viewed as comparable by the members of this bargaining unit. The Panel cannot make the same finding, based on the record, with respect to: for example, Fraser and Bloomfield Hills, Berkley, Farmington, Farmington Hills, Grosse Pointe Farms, Grosse Pointe Woods, Novi, nor Wayne.

We make the foregoing finding on comparability despite the fact that certain communities (which we do not find to be comparable, e.g., Farmington, Bloomfield Hills, Grosse Pointe Farms and Grosse Pointe Woods) have public safety departments rather than police departments. Both parties made clear that each had included, in its list of comparables, communities with police departments rather than public safety departments because of the multiplicity of the former in contrast to the latter, and neither POAM nor the City argued that a public safety department should be compared with only another public safety department because, as such, it is sui generis. Rather, the record shows that a public safety department may be organized because, for example, the community's contours or boundaries (for example, where it is small in geographic area) are such that maintenance of a separate fire department would be inefficient in contrast to a "cross-trained" single department. The record shows that in Fraser, even though it is basically an industrial community, fire-fighting constitutes and requires a significantly lesser proportion of time and service than police service does. There was in fact no controversy between the City and POAM concerning comparables from the standpoint of a police department versus a

public safety department; and, the City included in its list of comparables the same five (5) that POAM had proposed, only one of which—Centerline—has a public safety department. The most meaningful difference concerning comparability factors was the issue of the relevance, or lack thereof, of state equalized values, "SEV", and millage rates, from one community to another. (This arose only on cross-examination of the union witness, and no direct evidence was introduced to support the use of a state equalized value approach.)

While not "unique", public safety departments are a minority compared to separate departments for police and fire-fighting. The personnel in this proceeding are, with minor exception, public safety officers. They perform the "dual" functions of police/law enforcement officers and of fire-fighters. They are "cross-trained" in police work and in fire-fighting. A limited number of public safety officers, who are assigned to the "fire division" of the Fraser Public Safety Department, and who are trained as emergency medical technicians ("EMT's") as well work on a fifty-six (56) hour week schedule. Public safety officers ("PSO's") may also be trained as emergency medical technicians ("EMT's"), as well as cross-trained in police and fire-fighting. Newly hired PSO's in Fraser are required to be trained as EMT's. (Transcript, vol. 2, p. 26.)

The record shows that the most significant proportion of a PSO's service is police/law enforcement, in contrast to fire-fighting. While this appears to vary from person-to-person in the unit, this is generally the case. (Transcript, vol. 2, p.

101.) For example, the testimony of Public Safety Officer J. Tagnanelli was that probably seventy-five percent (75%) of his time is devoted to police work, about twenty (20) percent to "ambulance runs" and another five percent (5%) to fire-fighting services. (Transcript, vol. 2, p. 102.) His experience appears to be typical for many Fraser public safety officers. While ranges of percentages may differ from person-to-person, most service is in police service.

Fire-fighting services by Fraser PSO's include responding to fires not only in Fraser, but in other communities as well; e.g., Clinton Township, Roseville and Warren,. (Transcript, vol, 2, p. 61.) These other communities reciprocally may provide assistance to Fraser (e.g., Roseville with respect to fire-fighting. (Transcript, vol. 2, p. 94.).

Fraser PSO's provide emergency medical services as well to neighboring communities; e.g., Roseville (Transcript, vol. 2, p. 39.), and, they transport persons by ambulance to five (5) area hospitals in Macomb County, (such hospitals being located in Mount Clemens, Clinton Township, and Warren). (Transcript, vol. 2, pp. 41-42). Because Fraser PSO's perform police and fire-fighting services, as well as emergency medical technician services, training is necessarily more expansive and lengthier initially, with continuing required training, e.g., for EMT recertification thereafter; or, continuing, although not mandatory, refresher courses thereafter. Training includes: initial attendance at the traditional police and fire academies, and emergency medical technician training for newly hired

persons. Thereafter, as noted, there is continuing education for either recertification, e.g., EMT, and radar training, or for refresher purposes. (Transcript, vol. 2, p. 135.) The longer initial training period constitutes a basis for the City's position to lengthen the probationary period of newly hired PSO's. (Reviewed hereinafter under "Award".)

AWARD

1. Wages

The City has made the following Last Offer with respect to wages, proposing to amend Article XIV, section 14.1 as follows:

"The following salary schedule shall be in effect from July 1, 1989, through June 30, 1992.

	<u>7-1-89</u>	<u>7-1-90</u>	<u>7-1-91</u>
Start	28,080	29,204	30,372
6 months	29,075	30,238	31,447
12 months	30,266	31,477	32,736
24 months	32,258	33,548	34,890
36 months	33,451	34,789	36,181
48 months	34,929	36,327	37,780."

The Union has made the following Last Offer with respect to wages, proposing to amend Article XIV, section 14.1 as follows:

"14.1: The following salary schedule shall be in effect from July 1, 1989 through June 30, 1992.

	<u>7-1-89</u>	<u>7-1-90</u>	<u>7-1-91</u>
Start	28,269	29,569	30,930
6 months	29,270	30,616	32,025
12 months	30,470	31,871	33,337
24 months	32,475	33,969	35,531
36 months	33,676	35,225	36,845
48 months	35,163	36,781	38,473."

The cumulative difference between these wage proposals appears to be: less than \$1,300 per person

under the column and the Schedule designated "7/1/89"; less than \$2,500 per person under the column and Schedule designated "7/1/90"; and, less than \$3,800 per person under the column and Schedule designated "7/1/91." The testimony of the City manager, Mr. Bremer, was that twenty-seven (27) public safety officers are budgeted. (Transcript, vol. 3, p. 20.)

The cumulative percentage difference between the two proposals over a three (3) year contract is not significant. The City's overall budget for public safety officers, command officers and police personnel for payroll and fringe benefits (excluding pension, reviewed hereinafter) appears to be Two Million Nine Hundred Thousand Dollars (\$2.9 million). (Transcript, vol. 3, p. 40.) The Union's wage proposal would increase wages by: 4.7 percent, beginning 7/1/89; by 4.6 percent, beginning 7/1/90; and, by 4.6 percent, beginning 7/1/91. The total wage increase would be 13.9 percent, spread over a three (3) year period.

We find the Union's wage proposal to be supported in the record by testimony with respect to internal City comparables, (Transcript, vol. 3, p. 2), as well as by external comparables. Under the Union proposal, a 3.6 percent increase at the

start of the contract period, 7/1/89, as reflected in the foregoing Union proposed salary schedule, would bring the wage level of Fraser's PSO's in line with public safety/police personnel in comparable communities.

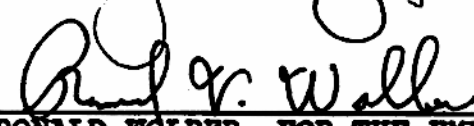
The Panel adopts the Union's last offer with respect to wages. Article XIV is to be amended as provided by the Union's contract language, set forth above. The Award with respect to wages is retroactive to July 1, 1989 and will be in effect through June 30, 1992.



ANTHONY M. VERNA, IMPARTIAL ARBITRATOR



WILLIAM BIRDSEYE, FOR THE UNION



RONALD WOLBER, FOR THE EMPLOYER



Concurs Dissents



Concurs Dissents

2. Shift Differential

The City has made the following Last Offer with respect to shift differential/premium, proposing to amend Article XXVIII, sections 28.1-28.3 as follows:

"28.1 Each employee who works an afternoon shift will receive \$38.46 per each twenty-eight (28) day shift worked, paid in June.

"28.2 Each employee who works a midnight or one of the two (2) swing shifts will receive \$69.23 per each twenty-eight (28) day shift worked.

"28.3 Any employee-24 hour covered by this agreement assigned to work a swing 'shift' shall be eligible to receive a swing shift premium. The swing shift premium shall be an eight hundred (\$800.00) dollar annual premium to be paid at the end of the fiscal year.

"If the swing shift assignment is changed from one employee to another, the eight hundred (\$800.00) dollar annual premium is to be pro-rated. In determining any pro-rated amount, a full month's credit shall apply to any portion of a month worked in the swing shift assignment. In no event shall the City be obligated to pay in excess of \$800.00 to any or all employees described above."

The Union has made the following Last Offer with respect to shift differential premium, proposing to amend Article XXVIII, sections 28.1-28.3 as follows:

"28.1: Each employee who works an afternoon shift will receive a premium of four percent (4%) of the annual base wage for each twenty-eight (28) day shift worked, to be paid in June.

"28.2: Each employee who works a midnight or one of the two (2) swing shifts will receive a premium of six percent (6%) of the annual base wage for each twenty-eight (28) day shift worked to be paid in June.

"28.3 Any employee-24 hour covered by this agreement assigned to work a swing shift shall be eligible to receive a swing shift premium. The swing shift premium shall be six percent (6%) of the annual base wage to be paid at the end of the fiscal year.

"If the swing shift assignment is changed from one employee to another, the six percent (6%) annual premium is to be pro-rated. In determining any pro-rated amount, a full month's credit shall apply to any portion of a month worked in the swing shift assignment."

The testimony showed that there is no uniformity with respect to payment of shift premium in comparable communities (Transcript, vol. 3, pp. 61-62); in some, it is paid; in others, it is not. Fraser pays a shift premium. The City's last offer would improve it. Internally, the City has improved shift premium under the FOP contract.

The basic difference between the Union's last offer and the City's last offer is that the former represents

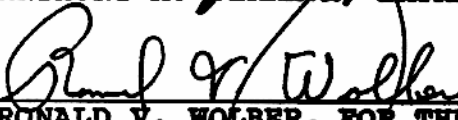
a percentage of base pay, while the latter is a fixed dollar amount (which the testimony stated is the case with respect to the FOP contract. (Transcript, vol. 3, p. 63.)

The Panel adopts the Last Offer of the City with respect to shift premium/differential. The contract language is to be amended as provided under the proposed language of the City's Last Offer, set forth above.

This Award is effective as of July 1, 1991.



ANTHONY M. VERNAVA, IMPARTIAL ARBITRATOR



RONALD V. WOLBER, FOR THE EMPLOYER



WILLIAM BIRDSEYE, FOR THE UNION



Concurs

Dissents

Concurs



Dissents

3. Longevity

The City has made the following Last Offer, proposing to amend Article XXIV, section 24.1, as follows:

"All employees shall receive longevity, the first pay in December according to the following schedule, with a twelve hundred (\$1,200.00) dollar maximum.

5 years to 10 years	2%
10 years to 15 years	4%
15 years to 20 years	6%
20 years and over	8%."

The Union has made the following Last Offer proposing to amend Article XXIV, section 24.1 as follows:

"All employees shall receive longevity, the first pay in December, according to the following schedule.

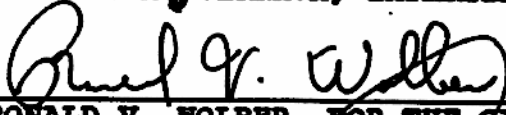
5 years to 10 years	2%
10 years to 15 years	4%
15 years to 20 years	6%
20 years and over	8%."

The obvious difference between the two proposals is the Twelve Hundred Dollar cap (\$1,200) or maximum that the City's last offer contains. According to the testimony, (Transcript, vol. 3, p. 60-61), the increase proposed by the City corresponds to the other units in the City of Fraser whereby a maximum of Twelve Hundred Dollars (\$1,200) exists with respect to a longevity payment.


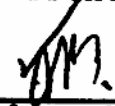
The Panel adopts the City's Last Offer with respect to longevity. Article XXIV, section 24.1 is to be amended to read as set forth above in the City's proposed language.

This Award is effective as of July 1, 1991.


ANTHONY M. VERNAVA, IMPARTIAL CHAIRMAN


RONALD V. WOLBER, FOR THE CITY


WILLIAM BIRDSEYE, FOR THE UNION

 Concurs	Dissents
Concurs	 Dissents

4. Emergency Medical Technician Premium

The City has made the following Last Offer with respect to emergency medical technician premium, proposing to amend Article XXVII, section 27.5 as follows:

"Each employee covered by this agreement shall receive Eight Hundred (\$800.00) Dollars premium pay per fiscal year on the first payroll in December, provided he has obtained state licensing as an emergency medical technician. Such remuneration will be pro-rated for the fiscal year in which the license is received and pro-rated at the time of retirement."

The Union has made the following Last Offer with respect to emergency medical technician premium, proposing to amend Article XXVII, section 27.5 as follows:

"All employees who attain and maintain the basic emergency medical technician certification shall receive a premium equal to four (4%) percent of the current base wage. This premium is to be paid the first pay period in December and will be pro-rated for all time during the previous year from the time said certification is attained."

The difference between the last offers of the parties is that the City's is set forth as a dollar amount, while the Union's is set forth as a percentage of base pay.

The City's last offer would increase the EMT premium to eight hundred dollars (\$800) from its existing five hundred fifty-six dollars (\$556). Under the most recent bargaining agreement with the command officers in Fraser, who are EMT trained, an annual premium of eight hundred dollars (\$800) will be paid to the command officers.

The Panel adopts the City's Last Offer. Article XXVII, section 27.5 is to be amended as provided in the City's proposed language, set forth above. This Award is effective as of July 1, 1991.


ANTHONY M. VERNAVA, IMPARTIAL ARBITRATOR


RONALD V. WOLBER, FOR THE EMPLOYER


Concurs

Dissents


WILLIAM BIRDSEYE, FOR THE UNION

Concurs


Dissents

5. Holidays

The City's Last Offer proposes to amend Article XV, section 15.3 as follows:

"There will be no transfer of holiday time to the vacation bank. The employee shall receive pay for any holiday time not taken as furlough during the course of the year."

The Union's Last Offer proposes to add the following language to Article XV of the contract:

"Holiday time which is banked at the employee's option by transfer to the vacation account shall not be subject to the limit of two hundred and forty (240) hours on accumulated vacation time. An employee may maintain a vacation bank up to two hundred and forty (240) hours and also maintain transferred holiday time over and above that limit."

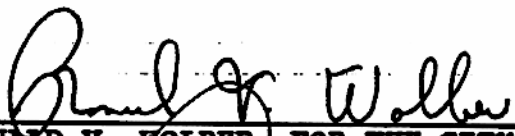
This issue concerning holidays is related to the matter of vacation, (which is reviewed hereinafter under the "Furlough" heading). The difference between the respective last offers of the parties is clear from the foregoing language that is proposed. The City seeks a cap or maximum of two hundred-forty (240) hours on vacation time, without an increase thereof by a transfer of holiday time to the vacation time bank. Holiday time

that is not taken during the year will be paid for by the City on a holiday pay basis, in addition to the regular day's pay. (Contract, Article XV, section 15.2.)

The Panel adopts the City's Last Offer. Article XV, section 15.3 is to be amended to read as proposed by the foregoing language in the City's Last Offer, set forth above. This Award is effective as of July 1, 1991.



ANTHONY M. VERNAVA, IMPARTIAL ARBITRATOR




RONALD V. WOLBER, FOR THE CITY



Concurs

Dissents



WILLIAM BIRDSEYE, FOR THE UNION

Concurs



Dissents

6. Educational Allowance

The City has made the following Last Offer with respect to educational allowance, proposing to amend Article XXVII, sections 27.1-27.6, as follows:

"27.1 Each employee covered by this agreement shall receive an educational allowance upon completion of a certificate in Police Administration or Police Science; or Fire Administration or Fire Science. Said education allowance of \$1,008.00 shall be paid upon the submission of a CERTIFICATE showing completion of all subjects in said course.

"27.2 Each employee covered by this agreement shall receive an education allowance upon completion of an Associate Degree in Police Administration or Police Science; or Fire Administration or Fire Science. Said education allowance of \$1,344.00 shall be paid upon the submission of an ASSOCIATE DEGREE. An employee who receives a BACHELORS DEGREE in the Behavioral Sciences, will receive the same education allowance as afforded an ASSOCIATE DEGREE.

27.3 Each employee covered by this agreement shall receive an education allowance

upon completion of a BACHELORS DEGREE in Police Administration or Police Science; or Fire Administration or Fire Science. Said education allowance of \$2,016.00 shall be paid upon the submission of a BACHELORS DEGREE.

"27.4 Each employee covered by this agreement shall receive an education allowance of \$2,687.00 after he has attained a MASTERS DEGREE in police, fire, business administration, or behavioral science.

"27.5 The schedule of education allowances shall be paid each week based on the dollar amounts divided by 52. The education allowances shall commence on the pay period following the submission of the CERTIFICATE or DIPLOMA of completion of said course and shall continue until a higher degree of education or higher rank is obtained. Said education allowance shall be retroactive to the date of graduation or promotion."

The Union has made the following Last Offer with respect to education, proposing to amend Article XXVII, section 27.4 as follows:

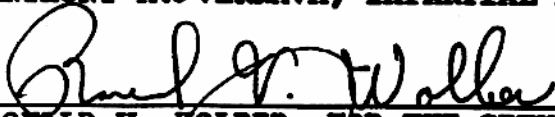
"27.4 The above schedule of educational benefits expressed as percent increases in pay shall be rolled into each eligible employee's base wages thereby

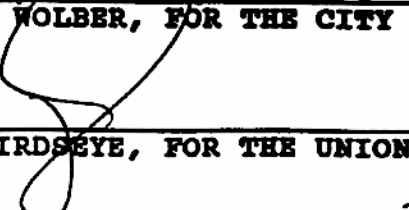
becoming an inseparable element of his pay rate for the purpose of overtime and other premium rates. Such educational benefit shall commence upon completion of said police or fire courses and on the pay period following submission of the certificate or diploma of completion of said course and shall continue until a higher degree of education is obtained."

The basic difference between the parties with respect to educational benefits is that the Union's proposal would have the educational benefits expressed as a percentage of base pay, and, consequently, such benefits, being included for purposes of overtime and other premium rates, would increase such premium rates. The City's last offer would express the educational benefit for the degree attained as a fixed dollar amount, rather than as a percentage of base pay; under the City's proposal, therefore, the educational benefit would not increase overtime and other premium rates.

The Panel adopts the City's last offer. Article XXVII, sections 27.1-27.6 are to be amended, as provided by the City's proposed contract language set forth above. The effective date of this Award is July 1, 1991.


ANTHONY M. VERNAVA, IMPARTIAL ARBITRATOR


RONALD V. WOLBER, FOR THE CITY


WILLIAM BIRDSEYE, FOR THE UNION

☒ Concurs

Dissents

Concurs


Dissents

7. Call Back Provisions

The City has made the following Last Offer with respect to "call back", proposing to amend Article XXI, section 21.1 as follows:


"An employee called in for duty other than his regular eight (8) hour shift shall receive a minimum three (3) hours pay at time and one half (1 1/2), and time and one half (1 1/2) for each additional hour thereafter, except, however, an employee called into work within one (1) hour prior to the start of his regular shift will be paid at one and one half (1 1/2) times his base pay for the time actually worked."

The Union has rejected any change in the contract language, thereby maintaining the status quo with respect to call back.

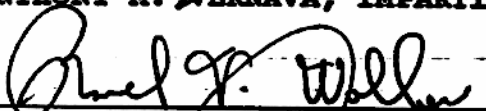
Under the existing contract, employees receive a minimum of three hours call-back at time and one-half (1 and 1/2) (or four and one half hours [4 1/2]) despite whether they are called in for even ten (10) minutes. (Transcript, vol. 3, p. 123) The foregoing contractual provision applies as well irrespective of when the employee is called into work; in other words, if a PSO were available to go on his platoon in five (5) minutes, it is possible the call-back provision, providing for a minimum of three (3) hours, might apply rather than the overtime provision for time and one-half (1 and 1/2) for the time actually worked.

Under the proposed revision, the call-back minimum would not apply if an employee were called into work within one (1) hour prior to the start his regular shift. The additional time worked would be overtime compensated (rather than "call-back"), and at one and one-half (1 and 1/2) times the additional time worked.

The Panel adopts the City's last offer. Article XXI, section 21.1 is to be amended by the City's proposed contract language set forth above. The effective date of this award is July 1, 1991.



ANTHONY M. WERNAVA, IMPARTIAL CHAIRMAN



RONALD V. WOLBER, FOR THE CITY

☒ Concurs

☐ Dissents



WILLIAM BIRDBEYE, FOR THE UNION

☐ Concurs


☐ Dissents

8. Fire Monitors

The City has made the following Last Offer with respect to fire monitors, proposing to amend Article XXXVI, section 36.5 as follows:

"No member of this unit will be required to keep a fire monitor/pager in his home except on a voluntary basis. Any member who voluntarily accepts the fire monitor/pager will not be reimbursed for its electrical operating costs. All employees of the bargaining unit shall be subject to recall in case of an emergency."

The Union has rejected any change in the contract language, thereby maintaining the status quo with respect to fire monitors.

PSO's are not required to have a fire monitor in their home, and the City has no way of verifying whether it is on if one in fact were in the home. A Bureau of Labor Statistics figure is used in order to determine the average monthly cost of maintaining a fire monitor. Total cost for a year for electricity, if the unit were on, would approximate one hundred (\$100.00) dollars per year.

The Panel adopts the City's last offer. Article XXXVI, section 36.5 is to be amended by the City's proposed contract language set forth above. The effective date of this award is July 1, 1991.

Anthony M. Vernava

ANTHONY M. VERNAVA, IMPARTIAL CHAIRMAN

Ronald V. Wolber

RONALD V. WOLBER, FOR THE CITY

William Birdseye
WILLIAM BIRDSEYE, FOR THE UNION

✓
Concurs

Dissents

Concurs

WB
Dissents

9. Pension

The City has made the following Last Offer with respect to pension, proposing to amend Article XXXIII, sections 33.1-33.3 as follows:

"33.1 The City will provide a Defined Benefit pension plan with a pre-retirement death benefit. An employee will have full vested rights in the plan after completion of ten (10) years of service. The Defined Benefit Plan will be pursuant to the plan document as provided.

33.2 All employees hired prior to 07/01/89 will contribute one percent (1%) of all taxable gross earnings to the plan. All employees hired after 07/01/89 will contribute six percent (6%) of the taxable gross earnings to the plan. The City will fund the balance of the plan as dictated by the plan's yearly actuarial report.

The employees will also be responsible for any ACT 135 pay-back (Section 33.3) and military time buy-back (Section 33.13) as provided for in this agreement.

33.3 All employees employed prior to July 1, 1976, will be required to fund the plan back to age thirty (30) or his date of hire, based on the employee's yearly contribution of ACT 135, unless already vested in ACT 135. In addition, all employees will be required to return six percent (6%) of their wages from July 1, 1976

through June 30, 1979. The said debt shall be paid back at a rate of twenty (\$20.00) dollars per week. Further, it is understood that any former contribution by the employee into the Deferred Compensation plan can either remain there for the employee until separation from employment or be rolled into the Defined Benefit plan to be used solely against the employee's debt.

33.4 An employee's retirement benefit, as used in this agreement, is calculated from three factors:

- 1) A pre-determined percentage as contractually provided in Section 33.6, Section 33.7, Section 33.8 and Section 33.9 of the agreement; multiplied by:
- 2) The employee's Final Average Compensation (F.A.C.) which shall be the monthly average compensation as computed from the totals of all taxable monies earned in the preceding sixty (60) months from the date of retirement; multiplied by:
- 3) The employee's years of service which is the total sum of:
 - a) All years worked (accredited and pro-rated on a monthly basis)

- b) Any years acquired under Section 33.13 of this agreement (buy-back credit for military service); and
- c) Any years credit received as a volunteer firefighter.

33.5 An employee with less than ten (10) years of service is not vested and not entitled to a retirement benefit. Upon separation from service the employee receives his contributions back and five percent (5%) interest.

33.6 An employee with ten (10) years of service, but less than twenty-five (25) years will be entitled to a retirement benefit commencing at age fifty-five (55), based on two and one-fourth percent (2 1/4%) of his F.A.C., times his years of service.

33.7 An employee with twenty-five (25) years of service, but less than thirty (30) years will be entitled to a retirement benefit commencing at age fifty (50), based on two and one-fourth percent (2 1/4%) of his F.A.C., times his years of service.

33.8 An employee with thirty (30) years of service will be entitled to a retirement benefit commencing at age fifty (50), based on two and one-half percent (2 1/2%) of his F.A.C., times his years of service.

33.9 An employee with thirty (30) years of service will be entitled to a retirement benefit commencing at age fifty (50), based on two and one-half percent (2 1/2%) of his F.A.C., times 30 years; and one percent (1%) per year for any additional years of service beyond thirty (30) years.

33.10 The employee's pension will not be reduced because of any Social Security benefits received.

33.11 Any employee vested in ACT 135 will have his pension reduced by the same amount as received from the ACT 135 pension plan, when it is received.

33.12 The Union and the City agree to a ten year moratorium (through June 30, 1999) on pension changes, unless mutually agreed upon by both parties.

33.13 Buy-Back Credit for Military Service. A member of the retirement system will be provided credited service for not more than six (6) years of active military service to the United States government provided:

- A. The member pays to the retirement system five percent (5%) of his full-time or equated full-time compensation for the fiscal year in which payment is made multiplied by the years of military service up to a maximum the member elects to purchase;

or

- B. The member pays to the retirement system five percent (5%) of his full-time or equated full-time compensation for the same amount of time equal to the military service for which the member elects to purchase.

Service shall not be creditable if it is or would be creditable under any other federal, state or local publicly supported retirement system. This restriction shall not apply to those persons who have or will have acquired retirement eligibility under the federal government for service in the reserve.

Any employee desiring to buy retirement credit for military service shall:

1. Notify the City in writing as to his intent;
2. Provide the City with reasonable proof of time served in the military service;
3. Notify the City in writing as to the amount of time he wishes to buy back; and
4. Notify the City in writing as to which pay-back schedule (A or B) he chooses to buy back his military services.

Upon completion of the above, the City will initiate for the employee, payroll deduction for military service credit as soon as practical."

The Union rejects any changes, additions or deletions to the contract with respect to the pension issue, thereby maintaining the status quo.

However, in the last offer, the Union stated:

"...The Union recognizes that this arbitrator cannot compel the parties to negotiate this issue. However, the Union makes an informal offer to meet and confer during the life of this contract concerning alternate pension plan(s) without the requirement of employee payments, which could produce reduction of employee costs and/or increases in level of benefit(s) to bargaining unit members."

The City's position, made at the hearing, alleges that: about twenty percent (20%) of its payroll costs are for pension (fixed benefit plan) liabilities; and, that it has significant unfunded pension plan liabilities that will have to be met. "Command unit" employees hired after 7/1/89 also apparently contribute six percent (6%) of compensation to the plan; (command unit employees hired prior to 7/1/89 contribute one percent (1%)). The City, though, did not, introduce actuarial reports in support of its position. (Transcript, vol. 3, pp. 134-171.)

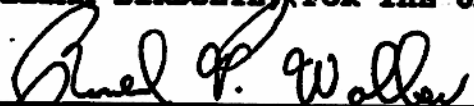
POAM's position, at the hearing, introduced through Ms. Maurer (Transcript, pp. 171-180.) was that there are alternatives, which allegedly would reduce pension plan costs to the employer without simultaneously adopting a program of employee pension plan contributions. A definitive alternative, per se, was not presented - (for example, the Michigan Municipal Employees Retirement System, the so-called "MERS" Plan) - but the concept of the existence of alternatives was introduced. (Transcript, pp. 171-180; Union's Last Offer with respect to this issue, quoted above.)

The independent arbitrator, through this panel, cannot compel the parties to negotiate this issue. But the Union has made an offer to meet and confer during the duration of this contract in order to review non-contributory pension plan alternatives. The Panel, through the independent arbitrator, accordingly encourages the parties to seek alternatives to the present retirement plan, that might not require employee contributions, and/or a reduction in the level of fixed pension benefits for the covered employees.

The Panel adopts the last offer of the Union with respect to the pension plan. The status quo under the existing contract is maintained. The City's position, which would require employee contributions under the new contract, is not accepted.


ANTHONY M. VERNAVA, IMPARTIAL CHAIRMAN


WILLIAM BIRDSEYE, FOR THE UNION


RONALD V. WOLBER, FOR THE CITY


Concurs

Dissents

Concurs


Dissents

10. Probationary Period

The City has made the following Last Offer with respect to probationary period, proposing to amend Article V, section 5.1 as follows:

"ACT 78, Public Acts of 1935, as amended, shall provide all movements as they relate to appointment, promotion, demotion, disciplinary action and seniority, excepting grievances, which shall be governed by Article VIII, and the probationary period, which shall be two (2) years for all new employees."

The City's last offer is to increase the probationary period from the present one (1) year to two (2) years. Its position essentially is that the training required for a PSO is nine (9) months, and consequently under a one (1) year probationary period, it has only three (3) months in order to evaluate the new employee. This, according to the City, is not adequate for a true evaluation. (Transcript, vol. 3, pp. 75-76.)

The Union has, in its last offer, rejected any change in the probationary period, thereby maintaining the status quo under the existing contract.

It appears that if a two (2) year probationary period were adopted, Fraser would have the longest probationary period of any comparable community. (Transcript, vol 3, pp. 76-77.)

Fraser has a residency requirement whereby an employee must be a resident of Macomb County, which requirement is routinely expected to be satisfied within one (1) year of hire. (Transcript, vol. 3, p. 28.)

Expansion, or non-expansion, of the probationary period is a non-economic issue.

The Panel adopts the last offer of the City concerning a two-year probationary period. However, this has been designated as a "non-economic" issue. Therefore, the panel, in its discretion, has modified the last offer, and adopts the City's position, with the modification set forth hereinafter.

It would be patently unfair to require a new employee to move to Macomb County within one (1) years of hire, possibly entailing the sale of his home elsewhere and related transaction costs, together with relocation of his family, without an assurance of permanent in contrast to "probationary" employment in Fraser. He would have to wait until the passage of at least another full year, assuming that he waited up to twelve (12) months of hire to move. The probability of his ability to finance the cost of a new residence in Macomb County would no doubt be adversely affected as well. Therefore, the Panel holds, as a condition of adopting the City's last offer, that there shall be added to the language proposed by the Employer:

"Provided, however, that a new employee shall not be required to meet any residency requirement until such new employee is guaranteed permanent employment (i.e., is no longer subject to the foregoing probationary period) either at the end of two (2) years from the date of hire, or at such earlier date, if the two (2) year probationary period is waived by the Employer."

Article V, section 5.1, is therefore amended as follows:

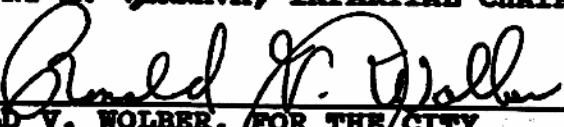
ACT 78, Public Acts of 1935, as amended, shall provide all movements as they relate to appointment, promotion, demotion, disciplinary action and seniority, excepting grievances, which shall be governed by Article VIII, and the probationary period, which shall be two (2) years for all new employees. Provided, however, that a new employee shall not be required to meet any residency requirement until such new employee is guaranteed permanent employment (i.e., is no longer subject to the foregoing probationary period), either at the end of two (2) years from the date of hire, or at such earlier date if the two (2) year probationary period is waived by the Employer."

The Panel adopts the last offer of the City, with the above modification, to this non-economic issue. Article V, section 5.1

is to be amended by the contract language set forth above. The effective date of this award is April 18, 1991.



ANTHONY M. VARNAVA, IMPARTIAL CHAIRMAN



RONALD V. WOLBER, FOR THE CITY



Concurs

Dissents



WILLIAM BIRDSEYE, FOR THE UNION



Concurs

Dissents

11. Vacation

The City has made the following Last Offer with respect to vacations, proposing to amend Article XXIII, section 23.3 as follows:

"All members shall draw vacations by seniority. Vacation schedules for eight hour personnel shall be divided into two (2) seasons, summer and winter. The summer season begins on May 1, the Winter season on November 1. Members may be given 5 pass days in conjunction with their vacation. No part of the pass days may be canceled without cancellation of the entire vacation. Only one (1) member on each shift shall be on vacation at the same time unless approved by the director. Fifty-six (56) hour personnel to continue as it is. Employees must choose a minimum of ten consecutive vacation days twice each year. Any remaining vacation days are to be pot luck. There is a thirty (30) day or two hundred forty (240) hour cap on accumulated vacation time, and those employees currently (having) two hundred forty (240) hours will be given two (2) years to liquidate any hours over two hundred forty (240).

"The annual furlough shall be divided into two seasons, summer and winter. Each season shall consist of 12 furlough periods, each period having ten consecutive

days. The summer furlough season begins on May 1 and the winter furlough season on November 1.

Summer Season Furlough Periods

(All dates inclusive)

1. May 1 to May 10
2. May 16 to May 25
3. June 1 to June 10
4. June 16 to June 25
5. July 1 to July 10
6. July 16 to July 25
7. August 1 to August 10
8. August 16 to August 25
9. September 1 to September 10
10. September 16 to September 25
11. October 1 to October 10
12. October 16 to October 25

Winter Season Furlough Periods

(All dates inclusive)

1. November 1 to November 10
2. November 16 to November 25
3. December 1 to December 10
4. December 16 to December 25

5. January 1 to January 10
6. January 16 to January 25
7. February 1 to February 10
8. February 16 to February 25
9. March 1 to March 10
10. March 16 to March 25
11. April 1 to April 10
12. April 16 to April 25

The Union has made the following Last Offer with respect to vacations, proposing to amend Article XXIII, section 23.3, as follows:

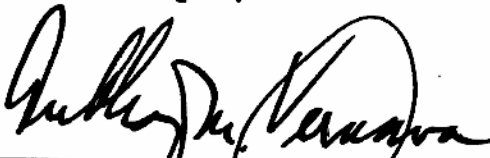
"All members shall draw vacations by seniority. There is a thirty (30) day or two hundred forty (240) hour cap on accumulated vacation time, and those employees currently over two hundred forty (240) hours will be given two (2) years to liquidate any hours over two hundred forty (240).

Vacation/furlough is a non-economic issue. The principal reason for this revision sought by the City is scheduling... (Transcript, vol. 3, p. 98.) "...so that they're [i.e., employee vacations] from a management point of view." (Transcript, vol. 3, p. 99.) The testimony was that there are no overtime problems caused by the present vacation schedule; in other words, this

proposal is not intended to address an overtime cost problem.
(Transcript, vol. 3, pp.99.)

The benefit to the City of the rigid kind of schedule proposed, in contrast to allowing an employee to schedule his vacation consistent with the vacation schedule of a working spouse and that of his school-age children, is outweighed by the latter considerations. As long as overtime costs are not incurred by the City under the present vacation time schedule, which is drawn by "seniority", the Panel is of the view that the City's last offer should not be adopted.

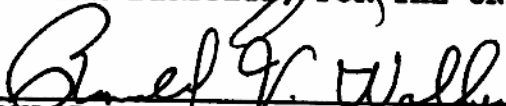
Accordingly, the Panel adopts the Union's last offer. Article XXIII, section 23.3 is to be amended by the Union's proposed contract language set forth above. The effective date of this award is July 1, 1991.



ANTHONY M. VERNAVA, IMPARTIAL CHAIRMAN



WILLIAM BIRDSEYE, FOR THE UNION



RONALD V. WOLBER, FOR THE CITY



Concurs

Dissents

Concurs



Dissents