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STATE OF MICHIGAN  
DEPARTMENT OF LABOR  
EMPLOYMENT RELATIONS COMMISSION

IN THE MATTER OF THE ARBITRATION  
ARISING PURSUANT TO ACT 312,  
PUBLIC ACTS OF 1969, AS AMENDED  
BETWEEN:

CITY OF GRAND RAPIDS (City)

MERC CASE  
NO. 682 E-1232

-and-

GRAND RAPIDS FIREFIGHTERS  
ASSOCIATION, LOCAL 366, IAFF,  
AFL-CIO (Union)

OPINION AND AWARD

APPEARANCES:

ARBITRATION PANEL:

Mario Chiesa, Esq.  
Impartial Chairman

C. Barry Ott  
City Designee

John Rusilowski  
Union Designee

FOR THE UNION:

Sachs, Nunn, Kates, Kadushin,  
O'Hare, Helveston and Weidman  
By: Ronald R. Helveston  
1000 Farmer Street  
Detroit, Michigan 48226

FOR THE CITY:

Varnum, Riddering, Schmidt &  
Howlett  
By: Eugene Alkema and  
John Patrick White  
800 Mutual Home Bldg.  
Grand Rapids, Michigan 49503

INTRODUCTION

The Chairman was so appointed by a letter from MERC dated November 2, 1982. A pre-arbitration conference was held on January 25, 1982 and the actual hearing days were May 17, 18, 19, 24 and 25, 1983. The parties filed their last offers of settlement

Grand Rapids - City of

and after a necessary amount of time both filed post-hearing brief. Non-economic proposals will also be referred to as last offers of settlement, even though the panel is well aware of the distinction.

The panel conducted an executive session on October 17, 1983. This Opinion, Award and Order follows as soon thereafter as possible.

#### ISSUES

The parties agreed that the new Collective Bargaining Agreement would be effective from July 1, 1982, through and including June 30, 1984. This of course results in a two-year contract. Regarding thereto the parties agreed that each year of the contract would be dealt with separately in relation to the areas in dispute. For example, when dealing with the wage issue, there would be an issue regarding the first year wage and another issue regarding the second year wage.

The parties waived all of the time limits in the statute and agreed that the issues, which will subsequently be delineated, were the only areas of dispute between the parties. It was further agreed that in addition to the decisions regarding the issues herein, which of necessity will become part of the Award and Order the Award will also include the prior Collective Bargaining Agreement where not modified by the issues in contention or the tentative agreements which are also part of the record and will be contained in the final Award and Order.

Keeping in mind that each contract year is treated separately the issues in dispute and their characterization as economic or non-economic are as follows:

Wages - Economic

Residency - Non-Economic

Food Allowance - Economic

Sick Leave Pay Out - Economic

Pension/COLA - Economic  
Longevity - Economic  
Promotion/Eligibility List - Non-Economic  
Holiday Pay - Economic  
Acting Assignment Pay - Economic  
Uniform Cleaning Allowance - Economic  
Vacation Scheduling - Non-Economic  
Pension Pop-Up - Economic

It should be noted that the pension pop-up issue was rather difficult to characterize because essentially whether the issue was economic or non-economic depended upon the last offers of settlement. Thus, the fact that the pension pop-up issue is characterized as economic is only relevant in that it forces the panel to adopt the last offer of settlement of one party or the other.

The last offers of settlement submitted by the parties contained the exact language and figures which would appear in the Collective Bargaining Agreement if that particular last offer of settlement were adopted. This procedure was utilized in order to minimize any possibility of error or inaccuracy.

It should be noted that the parties did a splendid job in presenting their evidence and arguments and that both filed extensive and helpful briefs. The mere fact that a particular item of evidence or argument is not displayed herein does not mean it was ignored. That's hardly the case. Each item of evidence and argument was carefully considered, but the volume of the record indicates it is much more prudent not to reproduce same in total.

#### COMPARABLES

Anyone involved with this type of proceeding is aware that Section 9 of Act 312 contains a number of factors on which the arbitration panel must base its findings, opinions and order. Paragraph (d) of Section 9 deals with comparisons of wages, hours and conditions of employment of the employees involved in the

arbitration with similar elements of other employees performing similar services and with other employees generally in both public employment and private employment in "comparable communities." The use of comparable communities is a very important factor in dealing with these types of disputes.

Many times parties are unable to agree on a list of comparable communities and thus it becomes necessary for the panel to consider and weigh their arguments and evidence regarding same. This of course can lead to an extensive lengthening of the hearing.

In the current dispute the parties have shown excellent judgment by agreeing to a list of five communities which should be considered comparable to Grand Rapids for the purpose of this hearing. They are: Battle Creek, Flint, Kalamazoo, Lansing, and Muskegon.

In addition, the Union has offered Pontiac, Saginaw and Ann Arbor. The City disputes the comparability of the three mentioned cities and indicates that they should not be considered comparable to Grand Rapids for the purposes of this hearing. Thus, the dispute regarding the comparable communities is limited to the three communities mentioned, i.e., Ann Arbor, Pontiac and Saginaw.

Before the contentions regarding the three cities in question are examined, it would be appropriate to discuss some of the background information regarding Grand Rapids.

Grand Rapids is the second largest city in Michigan with a 1980 census population of almost 182,000. The city occupies 44.9 square miles. It had a 1980 SEV of 1,180,809,725. In 1982 the SEV was 1,492,725,600. According to the 1982 figures the SEV was comprised of a base which is 16% commercial, 6% industrial, 64% residential and 14% personal. Using 1980 figures, the SEV per capita is 6,494.

The 1979 median family income figure is \$18,876. The 1981 annual salary is \$15,911. Per capita income for 1979 was \$6,691, and the 1981 median household effective buying income was \$16,991.

There are 249 individuals in the firefighters' bargaining unit. The City has 12 stations and has a fire protection class code of 3.

Currently there are 12 fire companies. In 1982 there were 4,462 total alarms. This is compared to 1976 which had 4,384 alarms. Between 1976 and 1982 the highest number of alarms came in 1979 with 5,346 alarms. In 1976 there were 275 firefighters on machines, while as of March 11, 1983, there were 231. There were 321 false alarms in 1979 and 273 in 1981. Fire losses have dropped dramatically between 1979 and 1981.

There are a number of ranks and classifications contained in the Collective Bargaining Agreement. They are: Firefighter, Fire Engine Operator, Fire Lieutenant, Fire Captain, Battalion Fire Chief, Deputy Fire Chief, Chief Fire Alarm Operator, Fire Alarm Operator, Fire Investigator, Fire Prevention Inspector, Fire Marshall, Fire Maintenance Supervisor, and Fire Maintenance Electrician. In addition to the responsibilities in the City of Grand Rapids, the Department also has fire protection agreements with seven surrounding communities and dispatches for seventeen communities.

The statute does not indicate the standards which should be utilized in determining whether a community is comparable to the one involved in the litigation. However, historically parties have utilized certain types of data to establish comparability. This includes geographical locations, size, population, SEV, per-capita income and many, many other items.

Comparability cannot be dealt with in an extremely precise manner. Certainly one community may be comparable to the community

involved in the litigation in certain aspects and yet in others it would be fairly concluded the community was not comparable. Thus, there may be a substantial amount of balancing involved in determining which communities should be considered comparable. In fact, in the past one chairman has devised a rather elaborate scheme of weighing each community and assigning various weights to the various comparable communities. Certainly that is one approach. Essentially the same procedure is realized when the differences in communities are kept in mind as the information supplied regarding each is compared to the community involved in the arbitration.

As indicated above the communities in question in this arbitration are Ann Arbor, Saginaw and Pontiac. Population-wise all three of them are less than Grand Rapids. To recall, Grand Rapids' population was 182,000. Ann Arbor's is about 108,000, Saginaw's is 78,000, and Pontiac is 77,000. The 1982 SEV for Ann Arbor was 1,301,972,260, Saginaw's was 618,017,064, and Pontiac's was 713,995,547. Per capita SEV was 9,410 in Ann Arbor, 8,061 in Saginaw, and 7,311 in Pontiac. The 1979 per capita income in Ann Arbor was \$8,731, Saginaw was \$6,101, and Pontiac was \$6,252.

The City's objection to the communities offered by the Union is essentially based on the geographical location of Ann Arbor, Pontiac and Saginaw. It further points out that the cities are in different SMSAs, are smaller in area, population and housing units, and that Ann Arbor is strongly influenced by the University of Michigan and the economic benefits derived therefrom.

Essentially the Union maintains that Ann Arbor, Saginaw and Pontiac are just as comparable as the communities agreed upon by the parties and, furthermore, in an Opinion dated August 29, 1978, Chairman Brown found that Ann Arbor, Saginaw and Pontiac were indeed comparable to Grand Rapids.

The record establishes that an arbitration panel chaired by Arbitrator Barry C. Brown issued an Act 312 Award on August 29, 1978, which did indeed include Pontiac, Ann Arbor and Saginaw. Thus, another 312 panel dealing with the same parties previously found that the communities in question are comparable to Grand Rapids.

While the Chairman does not believe that the prior arbitration Award forever binds subsequent panels, it does, however, indicate that when faced with the same question a prior panel found the three communities were comparable. Indeed, it must also now be found that the communities of Ann Arbor, Saginaw and Pontiac should be considered in the current arbitration.

The differences between those communities and what influences them has been developed in the record and surely those differences may be carefully considered. For instance, Ann Arbor's geographical location, the location of the University of Michigan therein, and other aspects making it dissimilar from Grand Rapids are well known. So are the considerations regarding Saginaw and Pontiac. Yet, even considering those dissimilarities there are other similarities which suggest that the three communities should be included in an analysis of the larger Michigan cities. For instance, in dealing with Ann Arbor, it is apparent that its population is closer to that of Grand Rapids than Battle Creek, Kalamazoo or Muskegon. Of course the arbitrator realizes that the three aforementioned communities are geographically closer to Grand Rapids, but that presents something which must be weighed, just as all the other factors must be considered and weighed. Saginaw and Pontiac are almost the same size, population-wise, as Kalamazoo and are larger than Muskegon and Battle Creek. Of course there are differences in other areas, but the same is so for the

communities which were accepted as being comparable to Grand Rapids.

Thus, it is concluded that the cities of Ann Arbor, Saginaw and Pontiac should be considered comparable to Grand Rapids for the purpose of this arbitration and the information supplied regarding same must be considered in arriving at the resolutions to the current issues.

#### ABILITY TO PAY

It is clear from Section 9 of the statute that one of the criteria utilized in disputes of this nature is the financial ability of the unit of government to meet the costs involved. In this case the City has raised the question of its ability to pay. The matter was carefully litigated at one point in the record and will only be discussed in some detail at this point of the Opinion and Award. Surely the City's ability to pay may be referred to in various subsequent discussions, but it would just extend the process if the argument was specifically dealt with during the discussion of each issue in contention.

The evidence contains much testimony and documents regarding this aspect of the dispute and all of it was carefully considered.

There has been much written about the consideration of ability to pay. There have been many statements indicating how it should be regarded or perhaps disregarded, and that the employees should not be forced to subsidize taxpayers, etc. etc. However, one cannot lose sight of the fact that ability to pay has been specifically dealt with by the legislature in Section 9 of the statute as one of the criteria which must be considered at arriving at the resolution of the issues in dispute.

When analyzing ability to pay it must be kept in mind that essentially ability to pay is intertwined with the allocation of



resources. It is obvious that the City must allocate its financial resources in many different areas, including of course the fire department. Thus, the total financial landscape must be carefully considered.

There has been testimony regarding the accuracy of the City's budgeting procedures. It has also been argued that generally the City budgets very conservatively and oftentimes its budget paints pictures which are more gloomy than that established by reality. Without going through each specific example, the record does establish that the City budgets rather conservatively and this of course will be considered when this aspect of the dispute is analyzed.

The financial structure in the City of Grand Rapids includes, inter alia, the general fund, or perhaps more accurately, the general operating fund, and more than 80 additional funds.

Of course the fire department is included in the public safety category of the general operating fund.

Since fiscal year 1981 it appears the three main sources of revenue to the general fund have been income taxes, property taxes, and state grants and shared revenues. Keeping in mind the fact that the City levies an income tax, the general operating property tax rate in mills in 1980-1981 was 9.1472; 1981-1982 - 9.6777; 1982-1983 - 9.4073. Up until fiscal year 1979, with the exception of fiscal year 1975, there has always been an operating excess. This ranged from \$2,600,000 in 1979 to a little more than \$400,000 in 1976. However, in 1980 the operating fund deficit was over \$3,000,000. In 1981 it was more than \$675,000 and in 1982 it was a little better than \$2,400,000. It is estimated that the deficit in 1983 will be nearly \$951,000 and in 1984 it will be a little better than \$102,000.

In examining the general operating fund balance since 1975 it appears the highest balance existed in 1979 when there was almost \$9,700,000 in reserve. This dwindled to an estimated \$430,000 in 1983.

As previously indicated there are other funds in the City in addition to the general operating fund. Their relationship to the operating fund is such that in some cases the operating fund provides a subsidy and receives money from the other funds on a cost-reimbursement basis.

One of the exhibits shows the budgeted fund balance for 1982-1983, the estimated or actual fund balance for 1982-1983, and the estimated favorable variance for the 1984 fiscal plan. The funds involved are motor equipment, water system, sewer system, major and local street funds, refuse collection, auto parking system, Grand Center operating, cemeteries operating, and data processing. The favorable variance ranges from approximately \$53,600 from the cemeteries' operating fund to \$1,300,000 in sewer system fund. The Union argued that the favorable balances existing in these funds should reduce the amount of subsidy which the general fund must provide and thus free up funds for other uses. This seems reasonable.

It is also true as suggested by the Union that the City has engaged in utilizing special funds money on discretionary projects. This may very well be and of course becomes a consideration to be analyzed with other items in the record.

The record also establishes that essentially the 4% wage increase offered by the City has already been funded even though the budget doesn't reflect same. According to the testimony the funds were accumulated because of the retirement or resignation of firefighters during fiscal 1983.

The evidence establishes that in fiscal year 1981, specifically from December to March, 1981, 64 permanent positions in the general fund and 21 in the enterprise funds were eliminated as part of a mid-year review. In fiscal 1982 105 permanent general fund positions were eliminated in addition to the 64 positions eliminated the year before. Thirteen positions were eliminated in the street funds and 11 positions in other enterprise funds. During the 1983 budget review process a net of 62½ permanent general fund positions were eliminated in addition to those eliminated in fiscal year 1981 and 1982.

The documentation also establishes that approximately \$1,295,000 of state shared revenues were cancelled or projections written down before they were distributed to the City. Payment of part of the remaining state shared revenues had been deferred. In April, 1983 the City received 56% of the February payment. The amount of the deferral is estimated to be about \$1,175,000. Because of the cashflow problem the payment of the City's first calendar year quarter 1982 contribution to the pension funds was deferred until July 5, 1983. This was approximately \$1,129,000.

Wage freezes were realized by some City employees for fiscal 1983. The record does establish, however, that the 22 member police command unit received a 7.8% increase effective July 1, 1982.

The question becomes what does the above and of course all the other evidence in the record pertaining to the subject which wasn't mentioned establish? It is clear that while it is difficult to precisely gauge the degree of the problem, the actions taken by the City, as well as the figures contained in the record, indicate that the City is not in the best financial situation. The arbitrator is aware that the state income tax increase will

certainly have an effect as will the general upswing in the economy. However, the record still establishes that during the periods concerned with herein the City is suffering financial difficulties. This does not mean that the City of Grand Rapids is broke. This is hardly the case, and there is every indication that the City will enjoy a healthy financial future.

Nevertheless, as previously indicated, the financial ability of the City is one of the criteria that is mentioned in Section 9 of the statute and it must be carefully considered in relation to the other criteria. In this regard there must be weight given to the fact that the City is experiencing some financial difficulties. Obviously at this point there can be no specific statement made indicating that the City's financial situation completely prohibits adoption of any of the Union's last offers of settlement. That cannot be done because all of the other considerations must be analyzed. Yet, it is enough to say that the City's ability to pay has been carefully considered and will be carefully considered when each of the individual issues are decided. However at this point it is obvious the City is in a tenuous financial position.

ISSUE - WAGES - ECONOMIC

The last offers of settlement are displayed at the end of this section. It should be noted that the City's last offer of settlement for the first contract year is a 4% increase, while the Union's is a 9% increase. For the second contract year the City's last offer of settlement is again a 4% increase, while the Union's is a 6% increase.

As is generally the case with a wage issue a substantial amount of evidence was presented. There were numerous documents and much testimony given in support of the various last offers of settlement.

A summary of the wage rates in all the comparable communities for 7/1/81, 7/1/82 and 7/1/83, along with the rates possible depending upon the last offers of settlement adopted, would appear as follows:

	<u>Full Paid Firefighter</u>			
	<u>7/1/81</u>	<u>7/1/82</u>	<u>7/1/83</u>	
Ann Arbor	\$24,778	\$26,760		
Battle Creek	22,134	24,126		
Flint	23,000	23,999		
Kalamazoo	23,571 (1/1/82)	24,985 (1/1/83)	\$26,484 (1/1/84)	
Lansing	21,493	22,393		
Muskegon	22,416 (1/1/82)	23,761 (1/1/83)		
Pontiac	21,437 (1/1/80)	22,079 (10/31/83)	22,936 (3/1/84)	\$23,793 (6/30/84)
Saginaw	23,996	25,249		
Grand Rapids	21,657			
		23,606	25,022	(Un/Un)
		22,523	23,424	(City/City)
		23,606	24,550	(Un/City)
		22,523	23,874	(City/Un)

(COLA added to base in Flint & Saginaw - no Act 604 dollars included)

It should be noted that in Flint and Saginaw COLA is added to the base rate and the rate for Saginaw on 7/1/82 includes only the roll-in for COLA. Saginaw is currently in arbitration and apparently the 7/1/82 rate will change. Furthermore, there is no Act 604 dollars included in the above schedule.

The differences in the above schedule are quite obvious, but it must also be remembered that the hours worked by firefighters vary. The firefighters in Grand Rapids work an average of 50.4 hours per week, or 2,620.8 hours per year. Departments working 56 hours per week would work 2,912 hours per year and departments working 54 hours per week would work 2,808 hours per year.

The following schedule displays the full paid firefighter's rate, including the hourly rate and the hours worked per week, as of May of 1983, the time of the arbitration.

	<u>As of Arb.</u>	<u>Hourly</u>	<u>Hours</u>
Ann Arbor	\$26,760	\$10.21	50.4
Saginaw	25,249	8.67	56.0
Kalamazoo	24,985	8.58	56.0
Battle Creek	24,126	8.29	56.0
Flint	23,999	9.16	50.4
Muskegon	23,761	8.46	54.0
Lansing	22,393	7.69	56.0
Pontiac	21,437	7.36	56.0
Grand Rapids - (50.4)	21,657 - Union	\$23,606 - City	\$22,523
	8.26	9.01	8.59

If the hourly rate figures are displayed for the dates 7/1/81, 7/1/82 and 7/1/83, the information would appear as follows:

	<u>7/1/81</u>	<u>7/1/82</u>	<u>7/1/83</u>	
Ann Arbor (50.4)	9.45	10.21	-	
Flint (50.4)	8.78	9.16	-	
Saginaw (56)	8.24	8.67	-	
Battle Creek (56)	7.60	8.29	-	
Kalamazoo (56)	7.64	8.09	8.58	(9.09) 1/1/84
Muskegon (54)	7.26	7.98	8.46	
Lansing (56)	7.38	7.69		
Pontiac (56)	7.36	7.36	7.36	(7.58) 10/31/83
Grand Rapids (50.4)	8.26	Union 9.01	9.56	Un/Un
		City 8.59	8.94	City/City
			9.37	Un/City
			9.11	City/Un

As can be seen from the above, as of 7/1/81 the Grand Rapids rate, \$8.26 per hour, was third behind only Ann Arbor and Flint. If the Union's last offer of settlement is accepted for the first contract year, the hourly rate in Grand Rapids would remain the third highest, but would be the fourth highest if the City's last offer of settlement were adopted for the period. Any combination of last offers would exceed the hourly rate in effect on 7/1/83 in the communities where the information is available.

The record also establishes that the contracts in Ann Arbor, Battle Creek, Flint and Lansing expired on 6/30/83. Kalamazoo's contract will expire 12/31/84 and Muskegon's expired on 12/31/83. Pontiac will expire on 6/30/84, while the contract in Saginaw expired on 6/30/82.

Only Pontiac, Flint and Kalamazoo provide a COLA. In Saginaw it is added to the base and is rolled in in Flint. The Flint payment from July, 1982 to December, 1982 was \$56.00 while the amounts received by Pontiac firefighters for the period January, 1982 to December, 1982 was \$183.00.

The City's ability to pay has already been discussed, but will be referred to as it becomes necessary.

The City bargains with five separate units. There is AFSCME Local 1061, the AFSCME unit for the 61st District Court, the Police Command Officers, the Police Patrol Officers and the Firefighters. AFSCME Local 1061 has approximately 772 positions; the District Court Local has approximately 43 or 44; the Police Patrol Unit has 253 and the Command Unit has 22. There are approximately 250 in the Fire Unit.

An exhibit indicates that in 1980 the firefighters received a wage increase of 10%, while in 1981 there was a 5% wage increase and a fringe increase of 3.6%. The 3.6% increase has been disputed because apparently it was said to encompass the cost of changing a pension multiplier, but the Union has taken the position that there was really no 3.6% cost. The Police Command Unit received a 10% wage increase in 1980. The wage increase in 1981 was 4%, with a fringe increase of 4%. For the period 7/1/82 to 6/30/83, the Police Command Unit received a 7.8% increase. AFSCME Local 1061 received a wage increase of 12.5% in 1980, along with an equity adjustment of 2% and a fringe increase of 1.5%. The 12.5% wage and the 2% equity adjustment were effective November 4, 1980, with the fringe adjustment being effective January 1, 1981. In 1981 the AFSCME Local received a 9% wage increase. The record establishes that the wage rate in the AFSCME Local was frozen from 7/1/82 through and including 12/31/83. As a result of an Act 312 arbitration the Police Patrol Unit received a 12% wage



and 1.1% fringe increase for the period 7/1/80 to 6/30/81, and a 10% wage increase for the period 7/1/81 to 6/30/82. There is no wage increase for the period 7/1/82 to 6/30/83. However, there is a 4% wage increase effective 7/1/83, another 4% on 7/1/84 and an additional 4% on 1/1/85.

Non-union employees, executive, management, supervisor, etc., had their salaries frozen from July 1, 1982 through June 30, 1983, and the proposed budget contains no increase for them for the period July 1, 1983 to June 30, 1984.

The evidence establishes that on 7/1/76 a police patrolman was making \$16,652, while a full-paid firefighter was making \$15,857. The figure for police patrolman was raised to \$24,259 as of 7/1/81, while the firefighter's figure was \$21,657. The patrolman's salary increased 46% over the period in question, while the firefighter's salary increased 37%. The patrolman's salary will be frozen until 7/1/83, but at that point it will be increased by 4% which equates to \$25,229. The possible salary levels for firefighters have previously been displayed.

The record establishes that for the period 7/1/76 to 7/1/81 the highest percentage increase for non-uniform City bargaining unit employees was 64%, while the lowest was 41%. As aforesaid the firefighter's wage increase during the period was 37%. During the same period non-bargaining unit supervisory classifications received increases which when expressed as a percentage far exceeded that received by firefighters. The wage increases for the period aforementioned for executive level classifications ranged from 26% to 54%.

One of the documents supplied by the Union compares the percentage increase in wages with the percentage increase in CPI, utilizing the urban wage earners and clerical workers index, all cities 1967 equals 100, for the period 1974-1975 to 1981-1982. The document shows percentage wage increases starting with

1975-1976 of 6.4%, 6%, 7%, 5.25%, 5%, 10% and 5%. The percentage increase in CPI, again starting with 1975-1976 was 9.7%, 5.4%, 6.7%, 7.7%, 11.5%, 13% and 10.7%. Utilizing this information a document submitted by the Union indicates that the purchasing power of a firefighter has dropped through the years from a level of \$9,498 in 1975-1975 to \$7,887 in 1981-1982. The Union's document indicates that if the firefighter's salary were increased at the rate of inflation the 1981-1982 salary would have to be \$26,051.

The record also establishes the percentage increase in CPI, again using the same index and base year, between March, 1982 and March, 1983 was 3.7%. There was 3.9% between December, 1981 and December, 1982, and .0007% between September, 1982 and March, 1983.

A Union document indicates that in 7/7/76 a production worker who was hourly rated received \$5.63 per hour, while a firefighter received \$6.05. As of 9/8/82 these figures changed to \$9.48 for a production worker and \$8.26 for the firefighter. It must be noted, however, that the \$8.26 firefighter figure is the salary rate of 7/1/81. The production worker's increase was 68%, while the firefighter's increase was 37%. Again, according to the Union's documents for the same period, the production worker suffered a real wage loss of 1½%, while firefighters suffered a 20% real wage loss. In 7/7/76 a firefighter received 7½% more per hour than a production worker, but as of September, 1982, using the firefighter's 7/1/81 rate, a production worker received 15% more.

A document submitted by the City indicates that as of July 1, 1982, an Ann Arbor firefighter received an hourly rate which was 86.6% of the average private sector hourly earnings. In Muskegon the figure is 83%; Kalamazoo 77.4%; Battle Creek 69.%; Flint 68.1%; Pontiac 62.3%; and in Lansing 61.1%. There is no figure

for Saginaw, but using the method contained in the exhibit and the figures contained elsewhere in the record, the percentage in Saginaw would be 65.2%. In Grand Rapids the percentage is 86.8%, utilizing the 7/1/81 hourly rate and 90.2% utilizing the City's last offer of settlement. Utilizing the Union's last offer of settlement, the percentage then becomes 94.6%.

There was also information contained in the record regarding general wage increases received by major bargaining units employed by the State of Michigan. As of 10/1/82 the largest percentage increase was 5%, while as of 10/1/83 the largest percentage increase appears to be 7.1%, although there is one increase that is expressed as a monetary per hour increase.

In discussing all of the evidence it must be understood that as is the custom the comparisons and the analysis are based upon a full paid firefighter. In fact, the vast majority of the evidence dealt with that particular individual.

There was much evidence regarding what transpired in prior years in relation to wage rates, ranks, percentage increases and consumer price index. Information of this nature must be carefully analyzed because in any particular case there may be considerations which affect the value of the evidence. Does the historical evidence just establish a situation which the parties were content with at the time and represents a series of settlements which were acceptable to both at the time, or does the data represent a situation where the settlements were depressed because a Union recognized and responded to financial difficulties or other considerations which were pertinent at the time the settlements were executed? In looking at historical CPI data, does the information establish that a larger wage increase is now more appropriate because wages have not kept up

with the cost of living, or does it represent a situation where even though wages have not kept up with the cost of living, there were prior opportunities for the parties to narrow the gap and they didn't? Does the information set a pattern, or does it indicate the need for substantial change or perhaps both?

There was some discussion regarding substantial salary increases that were realized by members of the administration in 1980. Apparently there was a study made of the various positions and responsibilities which was received by the City at the end of March, 1980 and upon which the City Commission acted on July 1, 1980. The study has been referred to as the Yager Study. The record indicates that as a result of the implementation of the study the pay plan was adjusted by upwards of 9.5%. The Union's argument is obvious. However, it doesn't necessarily follow that the increases were not justified and were made at the expense of firefighters. One could simplistically state that because the executive administrative individuals involved received wage adjustments, others in the community, including firefighters, were disadvantaged by same, or should have increases granted which reflect a consideration of the increases received by the executive and administrative personnel. However, that is not necessarily true. There are so many considerations that may come to play in analyzing the wage adjustments given to administrators and executives pursuant to the Yager Study, including changes, responsibilities and duties, total cost, etc., to make such a simplistic assessment inappropriate.

For reasons which will be displayed and discussed, the panel, after carefully considering the evidence and arguments, has concluded that the City's last offer of settlement should be adopted for the first contract year, while the Union's last offer

of settlement should be adopted for the second contract year. Thus, as of 7/1/82 a full paid firefighter's salary would be \$22,523, while on 7/1/83 that figure would become \$23,874.

It must be noted that Section 8 of the Act requires the arbitration panel to adopt the last offer of settlement which in its opinion more nearly complies with the facts prescribed in Section 9. This the panel has done. In other words, the panel has adopted that last offer of settlement which more nearly complies with the Section 9 criteria, but which is not necessarily the increases which the panel would have instituted had it not been bound by the last offer provisions of the statute.

It seems reasonable to discuss the first year of the contract first.

Much of the evidence regarding the wage rates and other considerations which exist in the comparable communities has already been displayed, but there are certain matters which can be gleaned therefrom that should be explored. For instance, keeping in mind the fact that the data regarding yearly salary rate does not include Act 604 dollars and the Saginaw 7/1/82 includes only the roll-in for COLA, and not a wage increase which currently is in arbitration, it is apparent that in 7/1/81 Grand Rapids ranked about 7th in annual salaries. It appears that either the Union's or the City's last offer of settlement would maintain this rank in 7/1/82. If the figure is based on an analysis of hourly salaries, Grand Rapids ranked 3rd on 7/1/81, and on 7/1/82 would rank 3rd if the Union's last offer of settlement were adopted, or 4th if the City's last offer of settlement were adopted.

It also appears that on the average the wage differences in the comparable communities between the rate on 7/1/81 and the

rate on 7/1/82 is approximately 5½% to 6%. Obviously that figure is more closely aligned to the City's last offer than the Union's. Now the panel is aware that percentages can be deceiving, depending upon the actual dollar base they deal with and this of course has been considered.

The information regarding the consumer price index, or as otherwise known, the cost of living, has also been carefully considered. The evidence certainly establishes that recently there has been a tremendous decline in the rate of increase of the CPI. Nevertheless, the evidence does establish that for the year 1981-1982 there was 10.7% increase. Depending upon whether you categorize a wage increase as catch-up or not, it is pretty clear that during 1981-1982 a firefighter's wage increase was only 5%. A pretty good argument could be made that the 10.7% increase in CPI strongly supports adoption of the Union's last offer of settlement for the first contract year. However, the evidence also establishes that for the 12-month period ending March, 1983 the index only rose 3.7%. This of course is less than the 4% increase which the City has offered effective July 1, 1982.

As indicated above there is also evidence regarding wage rates, etc. in the private sector. As indicated above if examined from figures going back to 1976, the firefighter has lost ground in relation to the production worker in the Grand Rapids area. Yet, as established by the City's evidence, when firefighter wages are analyzed as a percentage of local average hourly earnings the City's last offer of settlement for the contract year beginning 7/1/82, would create an hourly rate of \$8.59 which would be 90.2% of the \$9.52 per hour average private sector hourly earnings in the local area. This is a higher percentage than any of the comparable communities, with the exception of Saginaw where the information was not presented on the City's

document. However, if the Saginaw's percentage is calculated from other information in the record, the Grand Rapids' percentage still far exceeds Saginaw. It is noted that the average private sector hourly earnings in Grand Rapids is the lowest of the comparable communities.

The evidence regarding stability of employment indicates that in the firefighter bargaining unit employment is extremely stable and there are very few individuals leaving the service.

It is difficult to analyze the evidence regarding the total compensation received by Grand Rapids firefighters in light of the total cash compensation received by firefighters in the comparable communities. The Union's figure shows that Grand Rapids firefighters fair poorly in overall total cash compensation. However, it is obvious that this arbitration proceeding will make a difference in those figures and it must be noted that the wages are stated in an annual fashion, rather than an hourly fashion, with the ramifications flowing therefrom which have previously been discussed.

There is of course the considerations regarding financial ability and other things which are traditionally considered in these types of situations. In this case there is no doubt in the panel's mind that during the first year of this contract the financial ability of the City to meet the costs of the proposals most clearly favors the City's last offer of settlement. The figures will not be reproduced herein for they have already been displayed in the discussion regarding the ability to pay. The figures and other evidence, including the City's conduct, establish that the City's financial ability to pay is most severe during the first year of this Collective Bargaining Agreement. The evidence establishes that while perhaps the ability to pay problem is not completely eliminated in the second year of the

contract, there have been steps taken, both at the local and higher levels, which will tend to alleviate the financial pressures. Certainly it appears that the City has recognized this for the recent police settlements, while freezing wages from 7/1/82 to 6/30/83 provides a 4% increase as of 7/1/83, another 4% on 7/1/74 and an additional 4% on 1/1/85 which apparently is the mid-year of the last year of the police contract.

As indicated above no other bargaining unit, with perhaps the exception of the Police Command Unit or for that matter any other employee in the City of Grand Rapids, has received a salary increase during the period which represents the first year of this Collective Bargaining Agreement, i.e., 7/1/82 to 6/30/83. The City's 4% offer to the firefighters seems to indicate that the firefighters are in substantial need of a pay increase and the panel agrees, but the evidence regarding the City's ability to pay, as well as what has transpired in relation to other bargaining units and other employees in the City during the first year of the firefighters' contract, unequivocally supports the City's last offer of settlement for the first contract year.

Thus, it is clear that from the considerations stated above an application of the criteria contained in Section 9 of the Act demands that the panel adopt the City's last offer of settlement for the first contract year.

The evidence is just as clear, however, that in the second contract year the Union's last offer of settlement should be adopted.

Certainly ability to pay and what transpired in other bargaining units was carefully considered by the panel in rendering the first year award. However, it appears from this record that those considerations have been somewhat alleviated in the



second contract year. In other words, it appears that the City's financial situation will improve or at least the potential for improvement will be intensified during the second contract year, and its financial situation will not be as critical as it was in the first contract year.

The evidence clearly establishes that even though other individuals employed by the City may still face a proposed wage freeze, the police contract as indicated above provides for a 4% wage increase during the last year of the firefighters' contract and 4% on July 1, 1984 with another 4% on January 1, 1985. If the City can afford such increases for a unit wherein a police patrolman was receiving \$24,259 as of 7/1/81 as opposed to a firefighter's \$21,657, it would be difficult to conclude that it cannot afford the Union's last offer of settlement for the second contract year.

In looking at the comparable communities there is little data regarding the wage rates which will be ineffect on 7/1/83. However, what is available, including the information regarding the elimination or reduction of firefighter pension contributions in certain comparable communities, establishes that a 6% increase is much more acceptable than a 4% increase.

It must also be kept in mind that in the prior contract year this panel ordered a 4% increase, while the percentage increases in the comparable communities averaged out to about 5½% to 6%. Certainly these figures support a 6% increase in the second year of the contract.

Additionally, when utilizing the figures displayed herein, the panel's award effective 7/1/82 essentially reduces the hourly rate ranking enjoyed by Grand Rapids from three in the previous year to four. This of course supports the larger increase in the second contract year.

What evidence is available for the consumer price index does tend to establish that in the first contract year the percentage growth in CPI will probably be much less than the 6% now ordered by the panel. Nevertheless, that's only one consideration.

It is also recognized that historically and for reasons which are not really clear firefighters have been losing ground to policemen. As of 7/1/76 a police patrolman was receiving \$16,652, while a firefighter was receiving \$15,857. The difference was \$795. On 7/1/81 this difference blossomed to \$2,600. While of course it could be argued that the reasons for the differences can be found in other areas of the contract and that the differences actually represent the agreements voluntarily struck by the parties, the evidence does tend to establish that the 6% increase in the second year of the contract is more acceptable than the City's 4% increase because it tends to narrow the difference between police officers and firefighters.

It is quite clear to this panel that when the Section 9 criteria is analyzed, the Union's last offer of settlement, i.e., a 6% wage increase effective July 1, 1983, must be adopted.

#### AWARD

The panel orders that the City's last offer of settlement be adopted for the first contract year, July 1, 1982, and further orders that the Union's last offer of settlement be adopted for the second contract year, July 1, 1983.

# I. WAGES - JULY 1, 1982

Pursuant to Section 8 of Act 312, as amended, the Union submits its last offer of settlement on the economic issue of wages for the first year of the contract, July 1, 1982 through June 30, 1983. The Union's last offer is to amend Appendix B of the 1980-82 collective bargaining agreement to reflect a nine percent (9%) across-the-board increase over the wage rates in effect on June 30, 1982 for all ranks and classifications, as follows:

## APPENDIX B

(Effective July 1, 1982)

Code No.	Classification Title	SALARY STEPS				
		B	C	D	E	F
201	Fire Fighter	16,696	18,087	19,478	20,870	23,606
202	Fire Equipment Operator . . . . .					24,788
203	Fire Lieutenant . . . . .					27,148
204	Fire Captain. . . . .					28,800
205	Battalion Fire Chief . . . . .					30,689
206	Deputy Fire Chief . . . . .					36,590
212	Chief Fire Alarm Operator. . . . .					28,800
213	Fire Alarm Operator. . . . .					27,148
209	Fire Investigator . . . . .					27,974
210	Fire Prevention Inspector . . . . .					27,148
211	Fire Marshall . . . . .					28,800
214	Fire Maintenance Supervisor. . . . .					27,974
215	Fire Maintenance Electrician	16,696	18,087	19,478	20,870	23,606

## II. WAGES - JULY 1, 1983

Pursuant to Section 8 of Act 312, as amended, the Union submits its last offer of settlement on the economic issue of wages for the second year of the contract, July 1, 1983, through June 30, 1984. The Union's last offer is to amend Appendix C of the 1980-82 collective bargaining agreement to reflect a six percent (6%) across-the-board increase for all ranks and classifications, said increase to be applied to the wage rates in effect on June 30, 1983

FINAL BEST OFFER OF THE CITY OF GRAND RAPIDS

FIRE FIGHTERS - 312 ARBITRATION

ISSUE:

WAGES

CHARACTERIZATION:

ECONOMIC

YEAR:

1982

CITY PROPOSAL

Modify Appendix B of the current Contract to reflect a four percent (4%) across-the-board increase to the 1981 salary levels effective July 1, 1982. See Appendix B attached.

YEAR:

1983

CITY PROPOSAL

Amend Appendix C of the current Contract to reflect a four percent (4%) across-the-board increase to the 1982 salary levels effective July 1, 1983. See Appendix C attached.

APPENDIX B

(Effective July 1, 1982)

Code No.	Classification Title	SALARY STEPS				
		B	C	D	E	F
201	Fire Fighter	15,930	17,258	18,585	19,913	22,523
202	Fire Equip- ment Operator					23,651
203	Fire Lieutenant					25,902
204	Fire Captain					27,479
205	Battalion Fire Chief					29,281
206	Deputy Fire Chief					34,912
212	Chief Fire Alarm Operator					27,479
213	Fire Alarm Operator					25,902
209	Fire Investigator					26,691
210	Fire Prevention Inspector					25,902
211	Fire Marshall					27,479
214	Fire Main- tenance Supervisor					26,691
215	Fire Main- tenance Electrician	15,930	17,258	18,585	19,913	22,523

APPENDIX C

(Effective July 1, 1983)

Code No.	Classification Title	SALARY STEPS				
		B	C	D	E	F
201	Fire Fighter	16,567	17,948	19,328	20,710	23,424
202	Fire Equip- ment Operator					24,597
203	Fire Lieutenant					26,938
204	Fire Captain					28,578
205	Battalion Fire Chief					30,452
206	Deputy Fire Chief					36,308
212	Chief Fire Alarm Operator					28,578
213	Fire Alarm Operator					26,938
209	Fire Investigator					27,759
210	Fire Prevention Inspector					26,938
211	Fire Marshall					28,578
214	Fire Main- tenance Supervisor					27,759
215	Fire Main- tenance Electrician	16,567	17,948	19,328	20,710	23,424

ISSUE - RESIDENCY - NON-ECONOMIC

The last offers of settlement submitted by the parties are contained at the end of this section. The City's proposal is the continuation of the language contained in the prior Collective Bargaining Agreement. Essentially the Union's proposal is to allow anyone regardless of date of hire to live within the Grand Rapids toll free telephone area as it exists as of July 1, 1977, or as it may be expanded during the life of the agreement.

Residency requirements are rather common conditions of employment in the comparable communities. The evidence establishes that even though the requirements may be varying only Muskegon has no requirement at all. Ann Arbor requires firefighters to live within a 25-mile radius of the city limits. It appears in Battle Creek there was no residency requirement prior to 1978. However, employees hired after January 1, 1978, must live in the metropolitan area which includes the City of Battle Creek and contiguous townships and in addition if an employee who is hired after January 1, 1978 changes residence he or she must establish a residence inside the city limits. Flint's requirement as was Pontiac's at the time of the hearing is that their firefighters must live within the county. In Kalamazoo there was no residency requirement for employees hired before January 1, 1978. However, employees hired subsequent to that date but before January 1, 1982, must reside within a radius of 15 miles from the city hall. Employees hired on or after January 1, 1982, must reside within the city or move into the city within one year of their employment. Lansing's requirement is that firefighters live within a 25-mile radius of the city limits. As indicated Muskegon has none, but Saginaw has a city limits requirement.

The testimony offered by the Union's witnesses indicates that it is difficult for firefighters to find adequate housing in the



\$30,000 to \$35,000 price range. According to the record surrounding communities, such as Wyoming, have older neighborhoods with smaller homes which the firefighters could more easily afford. Furthermore, it appears there is only one very small trailer park in the city, which according to the testimony, is full of "smaller, older trailers." The record also suggests that a number of firefighters are "bitter" because of the residency requirement.

The record also establishes that the City has fire protection agreements with Wyoming, Kentwood, Walker and East Grand Rapids, along with the Townships of Grand Rapids, Cascade and Plainfield. According to the Union this state of the affairs makes the residency requirement rather arbitrary because Grand Rapids firefighters may have to perform duties in the above-mentioned communities.

The residency requirement applies not only to firefighters, but to all City employees. According to the testimony offered by the City even though one of the initial motivating factors for establishing the ordinance in 1971, "suburban flight" has been eliminated, there are still valid reasons for the City to continue to require residency. According to the testimony civic pride has increased and in turn there has been an escalation of the feeling that City employees should be totally involved with the City. Furthermore, according to the testimony it would be difficult, if not impossible, to selectively enforce a residency requirement and essentially that is what would have to be done if the Union's position were adopted. Furthermore, the testimony indicated that one of the reasons for creating the residency requirement was to provide preference for employment to City residents.

It seems clear that when the entire record is examined and the evidence is weighed and analyzed in relation to the statutory

criteria contained in Section 9 of the Act, the panel should not change the current residency requirement. Thus, it will adopt the City's last offer of settlement.

The evidence regarding the terms of the residency requirements, if any, existing in comparable communities has been displayed above, but certainly it must be concluded that the current residency requirement falls within the perimeter of requirements existing in comparable communities.

As indicated above there was some testimony regarding the unavailability of suitable housing. However, the terms do indeed allow the Civil Service Board to waive the requirements or to extend the time for compliance with same if certain criteria are met. The testimony offered by the City's witness indicates that such appeals have been made to the Civil Service Board with many being granted and some being denied. The Union's testimony indicates that there is no recollection of a firefighter living out of the City limits as a result of any actions by the Civil Service Board. Nevertheless, there is no evidence which establishes that the procedure allowing exceptions to the residency requirement is only window dressing and in fact is meaningless.

It is clear from the evidence that every City employee is covered by the residency requirement. The firefighters are not being treated any differently than any other City employee and in fact are asking to be treated differently. When dealing with a consideration such as residency, the status of same in relation to other City employees is a very important consideration. In this case it is apparent that the requirement is across the board.

Furthermore, even though some of the reasons which motivated the initial establishment of a residency requirement have changed, the reasons for continuing same are neither arbitrary or capricious and cannot be found to be unsound. The requirement does not become

arbitrary or capricious in light of the fact that mutual aid pacts exist with surrounding cities and townships and that often firefighters must perform services therein. The firefighters still work for the City of Grand Rapids and the record establishes that the overwhelming employment efforts are rendered for the City.

It is apparent that the Union's last offer of settlement must be rejected and the prior contract language be continued.

#### AWARD

The panel orders that the City's last offer of settlement be adopted for each contract year.

### III. RESIDENCY

Pursuant to Section 8 of Act 312, as amended, the Union submits its last offer of settlement on the non-economic issue of residency. The Union's last offer is to modify Article XXXVII, effective July 1, 1983, as follows:

#### ARTICLE XXXVII. RESIDENCY

Section 1. Effective July 1, 1983 all Fire Department employees shall be required to maintain a bona fide residence within the Grand Rapids toll-free telephone area as it exists as of July, 1977, or as it may be expanded during the life of this Agreement.

[Section 2, Residence Required, to be deleted]

ISSUE:

RESIDENCY

CHARACTERIZATION:

NON-ECONOMIC

YEAR:

1982

CITY PROPOSAL

Retain current Contract language:

ARTICLE XXXVII. RESIDENCY

Section 1. Employees hired prior to January 1, 1972, shall be required to maintain a bona fide residence within the Grand Rapids toll-free telephone area as it exists as of July 1977 or as it may be expanded during the life of this Agreement.

Section 2. Residence Required.

- a. All employees appointed or employed after January 1, 1972, are required to become residents of the City of Grand Rapids prior to the expiration of the probationary period specified in Title VII, Section 8, of the Charter of the City of Grand Rapids, and maintain a bona fide Grand Rapids city residence. Exceptions to this residence requirement may be made by the Civil Service Board for the following reasons:

- (1) The duties of the employee require him/her to work outside the City; or
- (2) The employee is diligently seeking housing inside the City; or
- (3) Housing suitable to the employee's needs is not available; or
- (4) The employee would suffer an unusual hardship to him/herself or his/her family.

Such exceptions as granted by the Civil Service Board may be a waiver of this residence requirement or extensions of time in which to gain residence.

- b. Appeals to City Commission. An adverse ruling of the Civil Service Board or a direct appeal by reason of particular circumstances or hardship as to the residence requirements may be made to the City Commission by the City Manager or Personnel Director. The City Commission sitting as a Committee of the Whole shall hear and decide such appeals and may waive the requirement of residence as to a particular employee, position, or department.

YEAR:

1983

CITY PROPOSAL

Retain current Contract language. See above.

ISSUE - FOOD ALLOWANCE - ECONOMIC

The parties' last offers of settlement are reproduced at the end of this section. As can be seen from the last offers of settlement the Union's proposal seeks a \$200.00 food allowance effective July 1, 1982, and a \$200.00 food allowance effective July 1, 1983, in addition to any which may have been acquired in the previous year. The City's position is that there should not be a food allowance in either contract year.

The City bases its opposition to the Union's proposal solely on its ability to pay. In this regard the evidence establishes that there would be 231 employees eligible for food allowance and if the Union's last offer of settlement for each year is adopted, the total contract cost would be approximately \$139,000. As suggested by the City this amount would equal approximately 2.4% of the current base salary cost. If just the second year of the Union's proposal were adopted, the cost would be just under 1%.

The evidence regarding food allowance as existing in the comparable communities establishes that in Flint firefighters receive \$600; Pontiac - \$550; Ann Arbor - \$525; Kalamazoo - \$493; Battle Creek - \$375; Lansing - \$375; Saginaw - \$350; and Muskegon - \$200. It is obvious that each comparable community supplies a food allowance.

The record establishes that those firefighters working a 24-hour shift are required to eat their meals at the fire station and cannot leave to go home or to a restaurant. Generally there are two meals prepared, i.e., lunch and dinner, during a 24-hour shift. The firefighters attempt to assign someone to cook, but occasionally that doesn't work out. The individual who does the cooking is of course a firefighter and must respond to calls.

Firefighters not bringing their own food generally pay for the food every two weeks. The money is pooled and the cook is designated to purchase the food. There were a number of figures placed in the record, one of which being the approximate total cost a firefighter pays per year for food. It was \$366.72.

As indicated above, the City's position is that the Union's proposal is too costly. The Union of course takes the position that every other comparable community provides a food allowance and given the constraints placed upon firefighters, and the necessity for them eating at work, makes such an allowance reasonable.

Certainly it must be concluded that when the evidence regarding the comparable communities is examined, it overwhelmingly supports the adoption of a food allowance. There just can be no getting around the fact that every comparable community provides its firefighters with a food allowance.

There is some merit to the City's argument regarding cost. If the Union's proposals were adopted for each contract year, the increase in cost would be \$600 per employee over the life of the contract. This of course adds up to be a rather substantial amount. The discussions regarding the City's ability to pay have been previously displayed and there is no need to examine them again.

When the evidence is carefully considered it is concluded that the application of the criteria in Section 9 of the Act mandates the adoption of the City's last offer of settlement in the first contract year and the Union's last offer of settlement in the second contract year. Thus, this award would grant a \$200 food allowance effective July 1, 1983, to the employees on a 24-hour duty schedule.



It is clear from the evidence that the firefighters in this unit must be granted a food allowance. While it is true, as the City suggests, that the Union had the opportunity to negotiate same in the past and hasn't, it is difficult to conclude why a food allowance was not included in prior contracts. However, the fact of the matter is that all of the comparable communities provide their firefighters with a food allowance.

The City's last offer of settlement was accepted in the first contract year. As previously stated the first contract year appears to be the one where the City has endured its most difficult financial circumstances. The additional cost in that first contract year would be over \$46,000. Additionally, what has transpired in other units employed by the City makes it impossible for the panel to conclude that food allowance should be awarded in the first contract year.

However, it is quite clear to this panel that food allowance must be awarded in the second contract year. The evidence regarding the comparable communities is clear. It just overwhelmingly establishes the need for a food allowance. Furthermore, as previously explained in the wage discussion, the evidence establishes, and in fact the City's actions allow the conclusion that its financial situation will be much better in the second contract year and thus it will be in a better position to absorb the cost of this benefit. It is true that a \$200 food allowance would make Grand Rapids only equal to the lowest paying comparable on the list, i.e., Muskegon, but it must be kept in mind that prior to this award firefighters in Grand Rapids were receiving no food allowance. Furthermore, it is clear that the evidence regarding the increase in food cost supports an adoption of the Union's last offer of settlement in the second year of the contract.

Thus, as previously stated, the panel concludes that an application of the criteria contained in Section 9 of the Act forces the adoption of the City's last offer of settlement for the first contract year, but the adoption of the Union's last offer of settlement for the second contract year.

AWARD

The panel orders the adoption of the City's last offer of settlement for the first contract year, but also orders the adoption of the Union's last offer of settlement for the second contract year.

#### IV. FOOD ALLOWANCE - 1982-83

Pursuant to Section 8 of Act 312, as amended, the Union submits its last offer of settlement on the economic issue of food allowance for the first year of the contract, July 1, 1982 through June 30, 1983. The Union's last offer is to add a food allowance provision to the collective bargaining agreement, as follows:

##### ARTICLE . FOOD ALLOWANCE

Effective July 1, 1982, each employee covered by this Agreement who is on a 24-hour duty schedule shall receive an annual food allowance reimbursement of Two Hundred and 00/100 (\$200.00) Dollars. Food allowance reimbursement shall be paid by the City, in a separate check, the first pay period of July each year.

V. FOOD ALLOWANCE - 1983-84

Pursuant to Section 8 of Act 312, as amended, the Union submits its last offer of settlement on the economic issue of food allowance for the second year of the contract, July 1, 1983 through June 30, 1984. The Union's last offer is to add the following language to the collective bargaining agreement:

Effective July 1, 1983, each employee covered by this agreement who is on a 24-hour duty schedule shall receive an annual food allowance reimbursement of Two Hundred and 00/100 (\$200.00) Dollars in addition to any food allowance which may be in effect on June 30, 1983. Food allowance reimbursement shall be paid by the City, in a separate check, the first pay period of July each year.

ISSUE: FOOD ALLOWANCE

CHARACTERIZATION: ECONOMIC

YEAR: 1982

CITY PROPOSAL

No food allowance or language to be added to the Contract.

YEAR: 1983

CITY PROPOSAL

No food allowance or language to be added to the Contract.

ISSUE - SICK LEAVE PAY OUT - ECONOMIC

The parties' last offers of settlement are reproduced at the end of this section.

The language in the prior Collective Bargaining Agreement states:

ARTICLE XXII - SICK LEAVE

"Section 9. Pay for Unused Sick Leave.

a. For employees who do not work a twenty-four (24) hour work day, unused, accumulated sick leave shall be paid to employees who resign or retire with ten (10) years or more of continuous service, to a maximum of eighty (80) days at the rate of One Dollar (\$1.00) per day times the years of continuous service for employees retiring, and at the rate of Fifty Cents (\$.50) per day times the years of continuous service for persons resigning.

b. For employees who work a twenty-four (24) hour work day, unused, accumulated sick leave shall be paid to employees who resign or retire with ten (10) years or more of continuous service, to a maximum of forty (40) days at the rate of Two Dollars (\$2.00) per day times the years of continuous service for employees retiring, and at the rate of One Dollar (\$1.00) per day times the years of continuous service for persons resigning."

As can be seen from an examination of the parties' last offers of settlement and the above language, the City is proposing that the maximum number of days referred to in paragraph a. be increased from 80 to 90 and in paragraph b. from 40 to 45 days. This shall be effective the first year of the contract. The Union's proposal seeks to eliminate all maximums and it is effective the second year of the contract.

While it appears that none of the comparable communities provide a pay out upon pre-retirement separation, each does indeed provide some type of pay out upon retirement.

The provision in Ann Arbor provides for an accumulation of one day a month with no maximum, except that at the end of each

calendar year one-half of any accumulated days over 60 shall be paid out with a remainder being added to the sick leave bank. The pay out at retirement is a maximum of 60 days plus all unused days accumulated during the current calendar year.

In Battle Creek sick time is accumulated at 12 hours per month, with a maximum of 1,800 hours. Upon retirement the pay out is one-half of accumulated hours with a maximum of 1,350.

Sick time is accumulated in Flint on the basis of 6 hours per payroll period worked, assuming at least 88.8 hours at straight time and 3 hours per pay period, assuming at least 50.4 hours, but less than 88.8. There is no maximum on the accumulation. Upon retirement 720 hours are paid, plus one-half of all hours in excess of 1,440.

In Kalamazoo sick time is accumulated at the rate of 12 hours per month and there is no maximum. Upon retirement the pay out is one-half of all unused days with no maximum.

In Lansing sick leave is accumulated at the rate of one day per month, with at least 10 but no more than 12 days per year. There is the maximum accumulation of 170 days. Upon retirement there is a pay out of one-half of the unused days with the maximum pay of 85 days.

Sick leave is accumulated in Muskegon at the rate of 1.2 days per month with a maximum of 129.8 days. The pay out is one-half of all days, plus all days in excess of 129.8 paid at one-half annually.

In Pontiac sick leave is accumulated at the rate of one day per month, with a maximum of 150 days. The pay out is one-half of all days; maximum 150 accumulated.

In Saginaw sick leave is accumulated at the rate of 16 hours per month, with a maximum accumulation of 100 days. Pay out is one-half of all days, with a maximum of 85.

Thus, the maximum days of sick leave paid at retirement is 85 for Lansing, 75 for Pontiac, 64.9 for Muskegon, 60 for Ann Arbor, 42.5 for Saginaw, 30 for Flint and 28.125 for Battle Creek. There is no maximum in Kalamazoo.

The Union presented a document which purports to compare the value of sick leave pay out at retirement between the comparable communities. The amounts were calculated at the current rate existing in the community utilizing the maximum number of days allowed and where there was no maximum utilizing an accumulation of 100 days. One day's pay was calculated as being one-tenth bi-weekly salary. The comparison shows that excluding Grand Rapids, the lowest dollar value was realized in Battle Creek, with a pay out of \$5,600. The highest is in Kalamazoo with a pay out of \$20,500. Grand Rapids' pay out would be \$2,400. It appears that if the City's last offer settlement were adopted, the figure would rise to \$2,700, while if the Union's last offer of settlement were adopted and the same 100 days is utilized, the figure would increase to \$6,000.

The record also establishes that at least the same methodology regarding sick leave pay out is utilized under the AFSCME contract, the Police and Sergeant's Contract with the Fraternal Order of Police, as well as the Lieutenants and Captains and for management non-bargaining unit personnel.

After carefully considering the evidence and the arguments, the panel concludes that the City's last offer of settlement should be adopted for both contract years.



It certainly is true that the Union's example indicates that the Grand Rapids' formula provides a smaller dollar value within the assumptions utilized than any other provision existing in any of the comparable communities. However, there is more to it than that.

The formula utilized in Grand Rapids incorporates years of service, a fixed rate per day, and an accumulation limit. It is unlike any of the other formulas. While in terms of dollar value there may be room for improvement, the Union's position of eliminating the number of days to be utilized has the potential of increasing the dollar value of the benefit to a level which may exceed that of the comparable communities, with perhaps the exception of the top two or three. It is noted that there is no maximum accumulation limit restricting the number of sick leave days Grand Rapids' firefighters may accumulate. Seven of the comparable communities have such limits.

Furthermore, the sick leave pay out procedure is essentially the same for many other bargaining units and for management non-bargaining unit personnel. This is not to say that whatever takes place in the other units must be followed, but in this case the evidence does not establish that the Union's proposal is an appropriate deviation.

The cost factor does not appear, at least at this point, to be great, but it must be considered in the overall scheme of the City's ability to pay and the other cost increasing awards which have and will be made herein.

Thus, the panel finds that application of the criteria contained in Section 9 of the Act dictates that the City's last offer of settlement be adopted for each contract year.

AWARD

The panel orders that the City's last offer of settlement for each contract year be adopted.

ISSUE: SICK LEAVE PAY-OUT

CHARACTERIZATION: ECONOMIC

YEAR: 1982

CITY PROPOSAL

Modify current Contract language as found in Article XXII, Section 9, ¶'s a. & b. to increase maximum pay for unused accumulated sick leave as follows:

Section 9. Pay For Unused Sick Leave.

- a. For employees who do not work a twenty-four (24) hour workday, unused, accumulated sick leave shall be paid to employees who resign or retire with ten (10) years or more of continuous service, to a maximum of ninety (90) days at the rate of One Dollar (\$1.00) per day times the years of continuous service for employees retiring, and at the rate of Fifty Cents (\$.50) per day times the years of continuous service for persons resigning.
- b. For employees who work a twenty-four (24) hour workday, unused, accumulated sick leave shall be paid to employees who resign or retire with ten (10) years or more of continuous service, to a maximum of forty-five (45) days at the rate of Two Dollars (\$2.00) per day times the years of continuous service for employees retiring, and at the rate of One Dollar (\$1.00) per day times the years of continuous service for persons resigning.

YEAR: 1983

CITY PROPOSAL

No change to Contract language. See above.

## VI. SICK LEAVE PAY-OUT

Pursuant to Section 8 of Act 312, as amended, the Union submits its last offer of settlement on the economic issue of sick leave pay-out. The Union's last offer is to modify Article XXII, Section 9 of the collective bargaining agreement, effective July 1, 1983, by eliminating the maximum number of days specified in Paragraphs a and b of Section 9 (80 days and 40 days, respectively), as follows:

### Section 9. Pay for Unused Sick Leave.

- a. For employees who do not work a twenty-four (24) hour work day, unused, accumulated sick leave shall be paid to employees who resign or retire with ten (10) years or more of continuous service, at the rate of One Dollar (\$1.00) per day times the years of continuous service for employees retiring, and at the rate of Fifty Cents (\$.50) per day times the years of continuous service for persons resigning.
- b. For employees who work a twenty-four (24) hour work day, unused accumulated sick leave shall be paid to employees who resign or retire with ten (10) years or more of continuous service, at the rate of Two Dollars (\$2.00) per day times the years of continuous service for employees retiring, and at the rate of One Dollar (\$1.00) per day times the years of continuous service for persons resigning.

ISSUE - LONGEVITY - ECONOMIC

The parties' last offers of settlement are reproduced at the end of this section.

As can be seen therefrom the City's proposal is to maintain the current contract language in 1982 and in 1983 to retain contract language of Article XIX, Section 2a. The Union's last offer of settlement is to provide a percentage increase based upon the full paid firefighter wage in effect on 7/1/83.

The current situation is reflected by the City's last offer of settlement and essentially a firefighter with five through nine years of service receives \$180 per year, ten through fourteen years of service receives \$300 per year, fifteen through nineteen years of service receives \$420 per year, twenty through twenty-four years of service receives \$540 per year, while a firefighter with twenty-five and over years of service receives \$660 per year. The Union's proposal is based on the wage rate effective 7/1/83 which according to prior awards would be \$23,874. Thus, if the Union's last offer of settlement were adopted, it appears that a firefighter with five through nine years of experience would receive \$239 per year, a firefighter with ten through fourteen years of service would receive \$477, fifteen through nineteen years would receive \$716, twenty through twenty-four years would receive \$955, and a firefighter with twenty-five or more years of service would receive \$1,194.

The evidence regarding the comparable communities displays various schemes, both in the way longevity is calculated and the amount received.

In Ann Arbor a firefighter with seven through eleven years of service receives \$666, twelve through seventeen years \$1,331, and eighteen years and more \$1,995.

In Battle Creek a firefighter with seven through eleven years of service receives 2.5% with a maximum of \$300, twelve through nineteen years 5% with a maximum of \$600, and twenty years or more 7% with a maximum of \$800.

Flint firefighters receive \$569 per year for ten through fourteen years of service, \$1,943 per year for fifteen through nineteen years of service, and \$1,924 per year for twenty years and more.

In Kalamazoo a firefighter receives \$30 per year for each year of service, but begins receiving same after six years of service. The maximum is \$780.

In Lansing a firefighter with five through nine years of service receives 2% with a maximum of \$220, ten through fourteen years of service 4% with a maximum of \$440, fifteen through nineteen years of service 6% with a maximum of \$660, and twenty years or more of service 8% with a maximum of \$880.

Muskegon uses the same progression as exists in Grand Rapids, but the dollars figures are \$100, \$200, \$300, \$400 and \$500.

Pontiac utilizes the same schedule as Grand Rapids, but its pay-out provisions are 2%, 4%, 6%, 8% and 10%. The corresponding figures are approximately \$429, \$858, \$1,287, \$1,716, and \$2,145.

Saginaw utilizes the same progression as Grand Rapids, except its last step is twenty years or more. The percentages are 2%, 4%, 6% and 8% and the dollar maximums are \$180, \$360, \$540, and \$720.

In dealing just with the maximum longevity payments available, it is apparent that in Pontiac the maximum is \$2,145, Ann Arbor \$1,995, Flint \$1,924, Lansing \$880, Battle Creek \$800, Kalamazoo \$780, Saginaw \$720, and Muskegon \$500.

It appears the parties agree that the increase in cost generated by the Union's proposal would be approximately \$86,000

which would represent about 1½% of the fire payroll. It should be noted that the cost figure is based upon acceptance of the City's last offer of settlement regarding wages in both contract years. Given the wage awards the actual cost would be a little higher.

There is no dispute regarding the first year of the contract. Regarding the second year of the contract, the panel, after carefully considering the evidence and the arguments, finds that the criteria contained in Section 9 of the Act forces the adoption of the City's last offer of settlement. Thus, the longevity benefit shall not be changed.

In examining the comparable communities it is apparent that the top three, Pontiac, Ann Arbor and Flint, pay a maximum longevity payment which is more than twice that of the other communities. Of the other communities the highest payment is Lansing which is \$880 and the lowest is Muskegon which is \$500. Out of six communities, excluding Pontiac, Ann Arbor and Flint, Grand Rapids ranks 5th behind Saginaw, Kalamazoo, Battle Creek and Lansing and ahead of Muskegon.

Now there is no avoiding the fact that even when considered with the communities, excluding Flint, Ann Arbor and Pontiac, Grand Rapids does not rank very high. In the area of maximum payment the Grand Rapids firefighter receives about \$220 less than a Lansing firefighter and about \$160 more than a Muskegon firefighter. In Battle Creek, Kalamazoo and Saginaw, firefighters receive a maximum longevity benefit of \$140, \$120 and \$ 60 more, respectively, than a firefighter in Grand Rapids.

Based upon the comparables, it could reasonably be concluded that an improvement in this benefit is warranted. Yet, there is other evidence which precludes the adoption of the Union's last offer of settlement.

If the Union's position is adopted, the maximum longevity payment would be approximately \$1,194. This would of course place Grand Rapids behind Pontiac, Ann Arbor and Flint, but it would then be providing a maximum longevity payment which would be more than the maximum in Lansing, Battle Creek, Kalamazoo, Saginaw and Muskegon. In fact, the maximum longevity payment in Grand Rapids would exceed that received in Lansing, Battle Creek, Kalamazoo, Saginaw and Muskegon by \$314, \$394, \$414, \$474, and \$694, respectively. While certainly it would be acceptable for the maximum longevity payment received by firefighters in Grand Rapids to exceed that of the communities indicated in the prior sentence, it certainly would represent a substantial change which in fact equates with an 81% increase over the current maximum longevity payment level. This of course must be considered in light of the substantial increase in cost.

Thus, when all of the evidence is considered, while perhaps some longevity payment improvement would have been warranted in the second year of the contract, the cost, nature of the change, the City's financial condition, along with other relevant considerations, force the panel to conclude that the City's last offer of settlement is more acceptable than the Union's.

#### AWARD

The panel orders the adoption of the City's last offer of settlement for both the first and second contract years.



## VII. LONGEVITY

Pursuant to Section 8 of Act 312, as amended, the Union submits its last offer of settlement on the economic issue of longevity. The Union's last offer is to modify Article XIX, Section 2 of the collective bargaining agreement by adding the following:

Effective July 1, 1983, Longevity Pay shall be paid in accordance with the following schedule:

<u>Service Years</u>	<u>Longevity Pay</u>
5 through 9	1% of Full-Paid Fire Fighter Wage in effect 7/1/83
10 through 14	2% of Full-Paid Fire Fighter Wage in effect 7/1/83
15 through 19	3% of Full-Paid Fire Fighter Wage in effect 7/1/83
20 through 24	4% of Full-Paid Fire Fighter Wage in effect 7/1/83
25 and over	5% of Full-Paid Fire Fighter Wage in effect 7/1/83

ISSUE: LONGEVITY PAY

CHARACTERIZATION: ECONOMIC

YEAR: 1982

CITY PROPOSAL

Retain current Contract language of Article XIX, Section 2 a.

Section 2. Definitions.

- a. Longevity Pay shall mean a salary additive payment based on length of continuous service paid periodically to employees, adjusted at specified intervals in accordance with the following schedule:

<u>Service Years</u>	<u>Amount</u>	<u>Longevity Pay Scale</u>
5 through 9	\$180 per year	L1
10 through 14	\$300 per year	L2
15 through 19	\$420 per year	L3
20 through 24	\$540 per year	L4
25 and over	\$660 per year	L5

YEAR: 1983

CITY PROPOSAL

Retain Contract language of Article XIX, Section 2 a. See above.

ISSUE - PENSION/COLA - ECONOMIC

The last offers of settlement are contained at the end of this section. Essentially the City proposes no addition of a cost of living increase for pensioners. Essentially the Union's offer seeks . 2% of the allowance at the time of retirement each year payable after the anniversary date of retirement. Its effective date is July 1, 1983.

The record shows that the employee contribution expresses a percentage of annual earnings of 5% in Ann Arbor, Battle Creek and Lansing. It is 8% in Pontiac and Saginaw. It is 6% in Muskegon, 7% in Kalamazoo, 6.5% in Flint and 5.9% in Grand Rapids. The employer's contribution when expressed in a percentage of payroll is 31.27% in Ann Arbor, 22.43% in Battle Creek, 27.6% in Grand Rapids, 15.78% in Kalamazoo, 24.92% in Lansing, 18.35% in Muskegon, 29.25% in Pontiac, and 32.42% in Saginaw. The information was not available for Flint.

The Union's evidence indicates that Battle Creek, Flint, Grand Rapids, Kalamazoo, Lansing, Muskegon and Pontiac do not provide for post-retirement increases, although there were one-time increases in Grand Rapids, Lansing and Muskegon. Ann Arbor provides post-retirement increases every two years based upon the percentage return to the retirement fund. Essentially it is an automatic increase. Saginaw also provides a limited adjustment for certain individuals and the Union's documents indicate that Pontiac provides none. The City's evidence is pretty much in accord, except that it does indicate that Pontiac provides a . 2% per year increase.

The increase in Grand Rapids which took place as of July 1, 1980, provided, inter alia, that the minimum monthly benefit an individual would receive, including both the supplemental allowance benefit and any monthly allowance, was \$150. The maximum was \$350.

According to the actuaries the cost of the Union's proposal would range from 5.3% of payroll for a 30-year amortization to 6.3% of payroll for a 20 year. The increase in unfunded actuarial accrued liabilities would be in excess of 3.6 million dollars.

The Union presented a document which indicated that by the year 2002 a \$1,000 monthly pension benefit would only equal 47.5% of the original benefit adjusted for the cost of living. The assumptions were \$1,000 monthly pension benefit beginning in 1983 with cost of living increasing at a 4% annual rate. The \$1,000 monthly pension benefit did not escalate. The same assumptions, when modified by the Union's proposal, indicated that the monthly benefit received in the year 2002 would be 65.5% of the monthly benefit received in 1983 adjusted for cost of living through 2002.

There was also evidence regarding what transpired during the 1980 negotiations. There was some disagreement of whether there was actually a cost increase suffered by the City when the pension benefit formula was increased from 2 to 2.2. This need not be specifically examined.

The record also establishes that social security has instituted COLA adjustments since 1975. The figures for 1975 through and including 1982 are: 8%, 6.4%, 5.9%, 6.5%, 9.9%, 14.3%, 11.2% and 7.4%.

After carefully considering the evidence and arguments, the panel has come to the conclusion that the Union's last offer of settlement should not be accepted.

At best the data regarding the comparable communities establishes that Ann Arbor, Saginaw and possibly Pontiac provide automatic adjustments in post-retirement benefits. Except for the

one-time increases realized in Lansing, Muskegon and Grand Rapids, none of the other comparable communities provide such adjustments. The fact that Grand Rapids provided a one-time adjustment indicates that it has recognized that such adjustments may be necessary. Yet, because a one-time adjustment was granted does not mean that an automatic adjustment should be.

There is really no quarrel that such an adjustment helps retirees who are stuck with fixed pension benefits in the face of an increase in the cost of living. Related thereto, it must also be recognized that in 1980 the pension formula was improved so that at least certain members of the unit will receive a higher pension when they retire. The increase was effective July 1, 1981.

Certainly another factor is the very substantial cost which would be generated if the Union's last offer of settlement were adopted. Now the panel has carefully considered the data regarding the amortization period and the fact that certain adjustment in the actuarial assumption led to a shortening of that period, but nonetheless, adoption of the Union's last offer of settlement would increase the City's cost rather considerably.

When all of the evidence is considered, it must be found that the application of the criteria contained in Section 9 of the Act does not warrant the adoption of the Union's last offer of settlement. This is especially so in light of the evidence regarding the comparable communities, the cost of the benefit and the City's ability to pay.

#### AWARD

The panel orders that the City's last offer of settlement for both contract years be adopted.

ISSUE: COST-OF-LIVING ADJUSTMENT  
FOR PENSIONERS

CHARACTERIZATION: ECONOMIC

YEAR: 1982

CITY PROPOSAL

No addition of a cost-of-living increase for pensioners.

YEAR: 1983

CITY PROPOSAL

No addition of a cost-of-living increase for pensioners.

#### VIII. PENSION/COLA

Pursuant to Section 8 of Act 312, as amended, the Union submits its last offer of settlement on the economic issue of Pension/Cost of Living Allowance. The Union's last offer is to add a simple 2% cost of living escalator to the City of Grand Rapids Police and Fire Retirement System, effective July 1, 1983, as follows:

Employees of the Grand Rapids Fire Department who retire on or after July 1, 1983 shall be granted annual post-retirement increases equal to two percent (2%) of the allowance at the time of retirement (simple escalator). The two percent (2%) simple escalator shall be added to the first monthly pension payment after the anniversary date of retirement and annually thereafter.

ISSUE - PENSION POP-UP - ECONOMIC

The last offers of settlement submitted by the Union and the City are reproduced at the end of this section. The City does not wish the pension pop-up option to be adopted. The Union's proposal seeks the adoption of the pension pop-up provision effective July 1, 1983.

Essentially what the Union is seeking is a situation where a retiree who originally opted for a reduced pension in turn for continued benefits to his spouse after his death would receive a full pension if his spouse predeceased him.

The Union's evidence indicates that there would be no cost to the City to provide this benefit if "the 'pop-up' option B factors are the actuarial equivalent of a single life payment." It is the panel's understanding that the Union's proposal is in keeping with the previous statement and in fact would cost the City nothing. As will be seen from the analysis the panel is considering the pension pop-up proposal on the basis that it does not increase the cost to the City and that the pop-up option B factors will be slightly reduced so there would be no cost. The panel's understanding is substantiated by Mr. Helveston's statement on page 191 of the May 24, 1983 transcript, where he indicated that the Union was agreeing that the factors wouldn't remain at the current level and thus there wouldn't be any cost.

The evidence does establish that none of the comparable communities have pension provisions which provide the pension pop-ups sought by the Union. However, it must be noted that the recent police patrol settlement provides for a pension pop-up. This is found to be more significant than what exists in the comparable communities because of the relationship between the fire and police department. They are under the same pension ordinance and even though the comparable communities may not



provide the pension pop-up, considering the type of benefit, the fact that the police patrol unit receives same, convinces the panel that the firefighters should. Thus, the Union's proposal shall be adopted.

#### AWARD

The panel orders that the Union's last offer of settlement be adopted.

ISSUE:

PENSION POP-UP -- SPOUSE OPTION

CHARACTERIZATION:

TO BE DETERMINED BY PANEL

YEAR:

1982

CITY PROPOSAL

No addition of pension pop-up option.

YEAR:

1983

CITY PROPOSAL

No addition of pension pop-up option.

XV. PENSION POP-UP

Pursuant to Section 8 of Act 312, as amended, the Union submits its Last Offer of Settlement on the issue of Pension Pop-Up. This issue has not been designated economic or non-economic at this point, however, the Union takes the position that it is a non-economic issue, in light of the fact that there will be no cost to the system and no cost to the City of Grand Rapids. The Union's Last Offer is to amend Section 1.247 of the City of Grand Rapids Police and Fire Retirement System, as it applies to Fire Department employees only, by the inclusion of the following provision:

Effective July 1, 1983, for Fire Department employees:

If the designated beneficiary of a retirant who elected Option B-100, B-75, or B-50 predeceases the retirant, the amount of allowance being paid shall be increased for the remainder of the retirant's lifetime to the amount that would have been payable if an optional form of allowance had not been elected.

ISSUE - PROMOTION ELIGIBILITY - NON-ECONOMIC

The parties' last offers of settlement are reproduced at the end of this section.

The language contained in Article XII - Promotion of the prior Collective Bargaining Agreement states:

"Section 1. In the competitive class promotions to positions within the bargaining unit shall be made by appointment from the top three (3) persons on the eligible list. In the event the top standing eligible is not chosen, that person shall be afforded an opportunity to discuss the matter with the Fire Chief.

"Section 2. Promotion Points

- (a) Written examinations shall be set at a maximum of 100 points.
  - (1) The examination of Fire Equipment Operator shall consist of sixty (60) points written and forty (40) points performance.
- (b) Seniority shall be set at a maximum of fifteen (15) points.
- (c) The combined written examination and seniority factor shall be set at 115 points maximum.
- (d) Seniority shall be calculated on the basis of 1/12 point for each completed month of service in the eligible rank.
- (e) A passing grade must be obtained on the written test before seniority point credits will be added. A passing grade for the Fire Equipment Operator examination shall be based on the combined written and performance score."

As can be seen from the above there is no language in the prior Collective Bargaining Agreement regarding the duration of an eligibility list or establishing a requirement of having an eligibility list always in effect.

An examination of the Union's last offer of settlement indicates that it would establish an eligibility list with an effective period of two years from the date of certification, or until it is exhausted. Furthermore, at the time the list was exhausted or two years had passed a new list would be established. The Union's proposal is effective July 1, 1983.

Essentially the City's proposal is a continuation of the status quo and indicates that an eligibility list shall remain in effect for six months from the date it is approved unless by a majority vote the Civil Service Board shall extend the effective period of the list for any period up to two years, or shall void the list. There is no requirement that a list always be in effect.

The record indicates that the eligibility list in Ann Arbor is effective for five years or until exhausted, but that an examination is held every twelve months and individuals are allowed to slot in to the eligibility list. In Battle Creek the list is effective two years or until exhausted. In Flint, Pontiac and Saginaw the eligibility list is in effect for two years, while in Muskegon and Kalamazoo the list is in effect for one year. In Lansing the promotional system is pure seniority. It is also noted that Act 78 of Public Acts of 1938 contains a promotional eligibility list duration of two years.

The record establishes that from the period 1/1/80 to 5/13/83 there were two examinations given for the Fire Equipment Operator position, March 4, 1981 and August 30, 1982; Fire Lieutenant January 5, 1981 and January 5, 1982; Fire Captain January 15, 1981 and May 28, 1982; Fire Investigator January 9, 1981; Fire Prevention Inspector December 16, 1980; Fire Marshall December 15, 1980; and Battalion Fire Chief January 21, 1981 and October 19, 1982. It is obvious that the City does not have eligibility lists for promotion in effect on a year-round basis. In fact, it appears that once a list expires there is no examination given until vacancies arise.

The record establishes that the current practice is for an eligibility list to expire at the end of six months. The City does not automatically re-test at the end of six months, but only

when a position becomes vacant. Prior to the current practice the promotion eligibility lists were in effect anywhere from one year to two years. Apparently back in 1975 the Equal Opportunity Department, along with the Citizens Advisory Group, made some recommendations while writing the City's affirmative action program. One of these was to change the length of time the promotional eligibility lists were effective to six months. The six-month eligibility list period is uniform throughout the City where such lists are used.

The record also establishes that the Fire Department is under a consent decree mandating affirmative action.

According to the City's witness the six-month eligibility list allows more flexibility and gives minorities a better chance at getting promoted. For instance the witness pointed out that firefighters may write for their first promotional exam after five years of service and if the practice were changed to a two-year eligibility list, some firefighters including both minority and non-minority firefighters would have to wait seven years before they could write for their first promotional exam.

The record also establishes that if a vacancy arises and there is no list in effect, it could take eight, nine or ten weeks, more or less, after the posting to the point where a certified eligibility list would exist.

The evidence also establishes that it would be virtually impossible for the City to continuously have an eligibility list in effect under the current six-month life limitation.

According to the Union's witness a survey was conducted and out of the 24 minority firefighters polled 21 indicated that they favored a two-year list, one did not respond, one indicated no, and one stated a one-year list. It was established that there are at least 34 minorities in the Fire Department. The survey

was conducted by the President of the Union calling each of the minority firefighters on the telephone and asking their preference.

According to the Union's witness a six-month eligibility list does just the opposite to what the City suggested and in fact does not give a minority member a better chance of being promoted. He suggests that with a six-month list it is almost impossible to promote from a fourth or fifth position and only the best writers in the Department will constantly score at the top of the list.

The record contains an eligibility list dated August 30, 1982, for Fire Equipment Operator. It shows that twenty-three firefighters took the test, eight of whom were minorities. The highest minority ranked fifth, with three minorities at the eighth, ninth and tenth rank. According to the Union's witness the minorities listed would have a greater chance of being promoted because the odds are that there would be enough vacancies within the two-year period to allow promotion of the individuals who ranked lower than the top three. The Union's witness suggested that in two years there may very possibly be ten vacancies.

There was also evidence regarding the question of the appropriateness of the weight given to written exams as opposed to the weight which is given seniority and experience. There were obvious differences of opinion, but given the nature of the issue an in-depth discussion is not necessary.

The record also establishes that even though there were no regular eligibility exams scheduled and the exams are generally given when vacancies arise, there is time given to the applicants to prepare for the tests.

Both parties submitted extensive written arguments which of course were very thoroughly and carefully considered even though they will not be totally displayed herein.

A careful examination of the evidence and arguments forces the panel to conclude that an application of the criteria contained in the statute mandates adoption of the City's last offer of settlement for both contract years.

It is quite clear that the City's last offer of settlement represents the status quo in this matter and in fact the status quo which has existed for quite some time. While it may be concluded that in some other type of issue, such as wages, there would be an expected change every contract year, conditions of employment, such as the nature of the current issue, generally should not be changed unless the proponent convinces the panel that such a change is necessary. In this case the panel is not convinced.

One of the arguments presented by the Union is that the eligibility lists in the comparable communities have a much longer life than the six-month provision in Grand Rapids. However, just that fact does not really support the conclusion that the Union's offer should be adopted. The Union's offer is two-fold, it includes not only increasing the life of an eligibility list to two years, but also making a current list mandatory year-round. Even given the length of time an eligibility list may be effective in the comparable communities, except for a couple of them it could not be safely concluded that such lists are always in effect.

One of the concerns that the Union has is that the current system does nothing more than really promote delay in filling vacancies. Yet that may or may not be true. It is true that the record establishes there could be an eight to ten-week wait before an eligibility list exists from the time there is a posting indicating the test will be given. Furthermore, the evidence does establish that for substantial periods of time since



January 1, 1980, there were no eligibility lists in effect. However, this may or may not have actually delayed any promotions. It is unknown if any promotions were in fact delayed. Furthermore, the record establishes that it is up to the City to decide whether they will fill any vacancies and there is no requirement to fill vacancies as they occur.

It is true that the record establishes that it would be impossible to keep current eligibility lists under the six-month rule. However, the practice has been to give examinations when vacancies arise and there is no active list. Also given the actual experience of testing, it cannot be said that firefighters are forever studying to take a test every six months. The record does establish, however, that they are given notice of when the exams will be scheduled and are given a period of time to prepare for same. There is no allegation that this period of time is inadequate.

There is also the question of the flexibility attributable to the six-month eligibility list and the effect it may have in helping minorities gain promotions at a faster rate. However, the evidence directed at this point is severely conflicting. For instance, the City's witness unequivocally stated that the six-month eligibility list gives minorities a greater opportunity to be promoted because there is a greater opportunity to write the exams. The Union's witness indicated that this is not really so because if the eligibility lists had a two-year life, a minority would have a greater opportunity to be promoted because the length of time the list was effective would increase the probability of he or she being chosen if he or she were ranked out of the first three on the list. Certainly both the Union's and the City's evidence has some merit. Yet, the Union's evidence is

not such that it convinces the panel that the status quo should be changed.

A very important consideration is that the six-month eligibility list is uniformly utilized throughout the City in positions where such lists are used.

Another aspect is that the panel is not convinced that an examination of the actual experience under the six-month rule warrants changing same. There is a lot of testimony and argument indicating that the six-month rule should be changed because of circumstances which flow from its limited life. However, the panel is not convinced that the actual experience mentioned in this record forces the conclusion that the Union's position should be adopted.

Furthermore, the City's proposal allows the Civil Service Board the flexibility of extending the effective period of any list for up to two years. It also has a provision for maintaining what appears to be an on-going list with continuously open examinations. Thus, it appears that under the proper circumstances the Civil Service Board could exercise its authority contained in the City's proposal and increase the life of an eligibility list.

As indicated above, the panel concludes that an application of the criteria contained in Section 9 of the Act mandates an adoption of the City's last offer of settlement for both contract years.

#### AWARD

The panel orders that the City's last offer of settlement be adopted for each contract year.

ISSUE:

PROMOTION ELIGIBILITY LIST

CHARACTERIZATION:

NON-ECONOMIC

YEAR:

1982

CITY PROPOSAL

Modify Article XII, Section 1, of the current Contract to read as follows:

Section 1.

- (a) In the competitive class, promotions to positions within the bargaining unit shall be made by appointment from the top three (3) persons on the eligible list. In the event that the top standing eligible is not chosen, that person shall be afforded an opportunity to discuss the matter with the Fire Chief.
- (b) For the duration of this Agreement, eligible lists shall become effective upon the approval thereof by the Civil Service Board of the City of Grand Rapids. Such lists shall remain in effect for six (6) months from the date of approval unless by majority vote, the Board shall extend the effective period of the list for any period of time up to two (2) years or shall void a list. For classes of employment determined by the Board, continuous open examinations may be held and names of eligibles placed on an eligible list in accordance with the final earned rating without regard to time of examination.

YEAR:

1983

CITY PROPOSAL

Continue Contract language as proposed above.

## IX. PROMOTION/ELIGIBILITY LIST

Pursuant to Section 8 of Act 312, as amended, the Union submits its last offer of settlement on the non-economic issue of promotion eligibility list. The Union's last offer is to modify the Civil Service Rules and the collective bargaining agreement to provide that the promotion eligibility list remain in effect for a period of two years from the date of certification. Article XII. Section 1 shall be amended to read as follows:

### ARTICLE XII. PROMOTION

Section 1. In the competitive class promotions to positions within the bargaining unit shall be made by appointment from the top three (3) persons on the eligibility list. In the event the top standing eligible is not chosen, that person shall be afforded an opportunity to discuss the matter with the Fire Chief.

Effective July 1, 1983, the said eligibility list shall remain in full force and effect for a period of two (2) years from the date of certification or until the list is exhausted, at which time a new eligibility list shall be created for the certification of employees eligible for promotion.

ISSUE - HOLIDAY PAY - ECONOMIC

The parties' last offers of settlement are reproduced at the end of this section. As can be seen from the last offers of settlement the City's position is to continue the language contained in the prior Collective Bargaining Agreement. The Union's proposal if adopted would pay all employees who regularly work a 24-hour shift 10 hours holiday pay in addition to their regular pay for each holiday. The Union's proposal eliminates a distinction between employees who work and employees who do not work on the holiday.

In Ann Arbor the holiday pay provision provides a firefighter with six days' pay based on a 24-hour day. Compensatory time is granted for Good Friday if indeed Good Friday is worked. According to the record the holiday pay provision is worth \$1,470 to an Ann Arbor firefighter.

As of June 30, 1983, a firefighter in Battle Creek received \$1,050 for 13 holidays. This figure was \$965 as of June 30, 1982.

In Flint if a firefighter is scheduled to work a holiday, he or she receives compensation at time and one-half. Employees on a 50.4 hour work schedule who do not work on a designated holiday will not have any time deducted from their annual leave accrual unless the holiday was a regularly scheduled workday and the employee was authorized to have that holiday off in which event the employee is charged annual leave. If an employee works he or she receives the aforementioned time and one-half and there is no deduction from the employee's annual leave accumulation. Keeping all of that in mind the exhibit in question indicates that the annual worth of holiday pay in Flint is around \$265.

A Kalamazoo firefighter receives 120 hours additional day at straight time for 10 holidays. This is worth \$1,030. Lansing

pays \$45 for each of 11 holidays which is worth \$495.

In Muskegon there are nine recognized holidays and the firefighters are required to work the holiday in order to receive pay. If the major part of the holiday is worked a firefighter receives 17 hours additional compensation and 7 hours additional compensation if the lesser part is worked. The value of this benefit has been placed at \$574 per year.

In Pontiac a firefighter receives 11 - 24-hour days times 1/10th bi-weekly pay plus time and one-half for each holiday worked. This is worth about \$907.

In Saginaw a firefighter receives nine paid holidays per year at the rate of \$68.75 per holiday. This is worth \$619 per year.

If the amounts received for actually working the holiday are ignored, the value of the Grand Rapids' provision is about \$727. If it is assumed that two-thirds of the members of the department will work either the larger or smaller portion of any given holiday, this would increase the previous figure by about \$121. This makes the total \$848.

According to the testimony prior to 1980 firefighters were receiving eight hours additional pay for each holiday whether or not they worked same. This applied to the 24-hour duty schedule. During subsequent negotiations the current provision was agreed to.

While it has been suggested by the Union that the evidence regarding the comparable communities supports its position, the panel is not so sure that such a conclusion can be reached. The comparable communities possess various formulas for dealing with holiday pay and it is difficult to come to the generalization that a consideration of all the different schemes indicates that the Union's last offer of settlement should be adopted.

If discussed in purely the dollar figures attached to annual holiday pay and ignoring the additional compensation received by firefighters who may work any particular holiday, it must be noted that at least three of the comparable communities are below Grand Rapids, with four above. Essentially Grand Rapids is just about at the median.

The provision which is contained in the prior Collective Bargaining Agreement is relatively new and contains the concept that at least to some degree employees who work the holiday should be paid more. The Union's current proposal eliminates such distinctions. It is true that the 40-hour per week employees are paid differently, but when looking at the schedules in total, it is difficult to conclude that the contract provisions regarding the 40-hour employees mandates the adoption of the Union's last offer of settlement.

It appears that adoption of the Union's proposal would amount to a very slight cost increase, but nevertheless, even the absence of a substantial cost impact does not establish that the Union's last offer of settlement should be adopted.

Thus, after carefully considering the evidence and the arguments, the panel concludes that the criteria established in Section 9 of the Act require the adoption of the City's last offer of settlement for both contract years.

#### AWARD

The panel orders that the City's last offer of settlement be adopted for each contract year.

ISSUE: HOLIDAY PAY

CHARACTERIZATION: ECONOMIC

YEAR: 1982

CITY PROPOSAL

Retain current Contract language as found in Article XXI,  
Section 3 a. and b.

Section 3. Employees who regularly work twenty-four (24)  
consecutive hour shifts shall receive the following:

- a. Employees on duty and working on a holiday shall receive ten (10) hours holiday pay in addition to their regular pay for the week in which any such holiday occurs.
- b. Employees who are off duty and who do not actually work on a holiday shall receive eight (8) hours holiday pay in addition to their regular pay for the week in which any such holiday occurs.

YEAR: 1983

CITY PROPOSAL

Retain Contract language as found in Article XXI, Section 3  
a. and b. See above.



## X. HOLIDAY PAY

Pursuant to Section 8 of Act 312, as amended, the Union submits its last offer of settlement on the economic issue of holiday pay. The Union's last offer is to amend Article XXI, Section 3, effective July 1, 1982, to read as follows:

Section 3. All employees who regularly work twenty-four (24) consecutive hour shifts shall receive ten (10) hours holiday pay in addition to their regular pay for the week in which any such holiday occurs.

[Paragraphs a and b deleted.]

ISSUE - ACTING ASSIGNMENTS - ECONOMIC

The parties' last offers of settlement are reproduced at the end of this section. As will be noted the City's proposal for the first contract year is to retain prior contract language. The City's proposal for the second contract year essentially modifies the language to make the provision apply to a series of acting assignments. Payment of the higher or lower rate begins on the second day of each work assignment, both under the prior contract language, and the City's second year proposal. The Union's proposal causes the higher or lower rate of pay to be implemented on the first day of each work assignment.

The data regarding the status of acting assignment pay in the comparable communities indicates that in Saginaw the acting rate is paid immediately, but there is a minimum of one full day. In Pontiac the acting pay begins after five days, while in Battle Creek it begins after two hours. In Ann Arbor it begins immediately, but there is a minimum of one-half day. In Kalamazoo the rate also begins immediately, but again there is a minimum of one full day. The only two communities where it begins immediately with no other qualification is Flint and Lansing. According to the evidence Muskegon has no contractual provisions for acting pay.

The cost under the prior contract language for the period 7/1/81 to 6/30/82 was \$53,600. The City's testimony estimated that this could double and perhaps increase much more if the Union's proposal were adopted. Given the workings of the acting assignment pay contained in the prior contract, the estimated cost figure doesn't seem totally out of line.

Part of the concern exhibited by the Union's testimony involves situations where a firefighter was assigned to different higher classifications for a three-day period and received no acting pay

because the classifications were not the same on two consecutive days. Furthermore, according to the testimony the built-in absences contained in the schedule force employees to act in other than their regular assignment and according to the Union, they should be paid for same.

After carefully considering the evidence and the arguments, the panel concludes that the City's last offer of settlement should be accepted for both the first and second contract year.

There is nothing in the Union's proposal which leads the panel to believe that there is any minimum involved. To state it another way, it appears that pursuant to the Union's proposal an employee placed in an acting assignment would receive the higher or lower rate of pay beginning on the first day. There is nothing which indicates that the employee must work an entire day or half a day, or for that matter, any minimum. Keeping that in mind, it appears that only Flint and Lansing have such provisions. With the exception of Muskegon where there is no provision in the contract, every other community has some type of minimum. Thus, it appears that when examined as a whole the data regarding the comparable communities doesn't really require adoption of the Union's last offer of settlement.

Furthermore, it is clear that adoption of the City's proposal would eliminate much of the concern voiced by the Union through its testimony. That is, adoption of the City's proposal would allow payment of acting pay effective the second day even if the consecutive acting assignments were different.

Given the other awards in this Opinion, as well as the evidence regarding the City's ability to pay, adoption of the Union's proposal is also not justified in light of the substantial increase in cost. It is true that the evidence establishes that the cost increase above the \$53,600 mentioned was an estimate, but

at least when examined in relation to the cost figure given and given the fact that the pay would begin on the first day under the Union's offer, it is not unreasonable to conclude that cost increases would be substantial. Of course, this would depend on how often the transaction took place, but the Union's evidence establishes that it would take place rather frequently and on a regular basis. There would be a substantial increase in cost.

Certainly given the above, the panel must conclude that an application of the criteria contained in Section 9 of the Act mandates that the City's last offer of settlement be adopted for each contract year.

#### AWARD

The panel orders that the City's last offer of settlement for each contract year be adopted.

## XI. ACTING ASSIGNMENTS

Pursuant to Section 8 of Act 312, as amended, the Union submits its last offer of settlement on the economic issue of acting assignment. The Union's last offer is to amend Article XVIII, Pay Changes, Section 4, Paragraph e, Acting Assignment, effective July 1, 1983, by adding a new sub-paragraph (4), which reads as follows:

(4) Effective July 1, 1983, if an employee works on acting assignment to a higher or lower position class pursuant to a written order from Management, he/she shall be paid at the higher or lower rate beginning on the first day of each work assignment.

ISSUE: ACTING ASSIGNMENT PAY

CHARACTERIZATION: ECONOMIC

YEAR: 1982

CITY PROPOSAL

Retain current Contract language found in Article XVIII,  
Section 4 e (1):

e. Acting Assignment.

- (1) If a man/woman works on acting assignment to a higher or lower position class pursuant to a written order from Management for more than one (1) workday or fraction thereof, he/she shall be paid at the higher or lower rate beginning on the second day of each work assignment.

YEAR: 1983

CITY PROPOSAL

Modify language in Article XVIII, Section 4 e (1), effective as of the issuance of the award, to read as follows:

e. Acting Assignment.

- (1) If a man/woman works on an acting assignment or a series of acting assignments to a higher or lower position class or classes pursuant to a written order from Management for more than one (1) consecutive workday or fraction thereof, he/she shall be paid at the higher or lower rate beginning on the second day of each work assignment.

ISSUE - CLEANING ALLOWANCE - ECONOMIC

The parties' last offers of settlement are reproduced at the end of this section.

The language in the prior Collective Bargaining Agreement provides a \$100 allowance to Deputy Fire Chiefs, Battalion Fire Chiefs, Fire Investigators, Fire Marshalls and Fire Inspectors. The City's last offer of settlement is to continue the prior contract language for 1982 with no new language in 1983. The Union's last offer of settlement seeks a \$100 increase, for a total of \$200, effective July 1, 1982. For the second year of the contract the Union proposes a \$100 increase over the cleaning allowance in effect on June 30, 1983.

The evidence regarding the situation in comparable communities indicates that none of the comparable communities provide a cleaning allowance, with the exception of Lansing, which provides \$75 and Battle Creek and Flint which "maintain" the uniforms. A uniform allowance of \$500 is provided in Ann Arbor, \$200 in Saginaw and \$180 in Muskegon. Muskegon also supplies turnout coats, boots, gloves and helmets. In each of the other communities, including Grand Rapids, the City provides the uniforms.

Other evidence introduced by the Union suggests that typical yearly cleaning bills run from \$291.30 to \$255.90.

Apparently the police officers in Grand Rapids receive \$150 annual cleaning allowance, as do the Captains and Lieutenants.

The classifications referred to in this issue are 40-hour positions, with the exception of the Battalion Chiefs, which are 24-hour positions. There are nine Battalion Chiefs, one permanent and one acting Deputy Chief, two Fire Investigators, one Fire Marshall and one Fire Inspector.

It is clear that since there is only a limited number of individuals involved the cost considerations regarding this issue are rather insignificant.

A careful consideration of the evidence and arguments establish that the City's last offer of settlement should be adopted for the first contract year, but that in the second contract year the Union's last offer of settlement should be adopted. So, effective July 1, 1983, the total cleaning allowance received by individuals in the appropriate classification would be \$200 per year.

The evidence regarding what exists in comparable communities is not really determinative and in fact doesn't necessarily weigh one way or the other. The communities use different schemes of dealing with this consideration. For instance, in Ann Arbor a \$500 annual uniform allowance is granted. This is a rather substantial amount of money and there is nothing to indicate that it is paid on a need basis. Thus, it appears that a firefighter in Ann Arbor could very well receive a substantial benefit from the yearly sum. Yet, if you move closer to Grand Rapids, you have communities such as Battle Creek and Flint which not only provide uniforms, but maintain them. Of course the panel realizes that Kalamazoo may provide uniforms, but doesn't provide a cleaning allowance, and that even though Lansing provides uniforms, their cleaning allowance is only \$75.

Yet, the evidence establishes that police officers receive \$150 in cleaning allowance. This exceeds what firefighters are currently receiving and was apparently realized awhile ago.

Furthermore, the evidence regarding yearly cleaning bills clearly indicates that an increase of \$100 in the uniform allowance would not pay the bills in total, but would provide substantial help in maintaining same.



Even though the cost considerations are not really significant, the panel cannot adopt the Union's last offer of settlement for the first year of the contract. It is clear that the first year of the contract is the period in which the City will be suffering its most financial difficulty. Furthermore, the panel has also considered the situation regarding other City bargaining units during the first year of this contract.

Thus, the panel must conclude that an application of the criteria contained in Section 9 of the Act demands that the City's last offer of settlement be adopted for the first year of the contract, but the Union's last offer of settlement be adopted for the second year of the contract. Thus, the individuals affected by this award will receive a \$200 cleaning allowance effective July 1, 1983.

#### AWARD

The panel orders the adoption of the City's last offer of settlement for the first year of the contract and orders the adoption of the Union's last offer of settlement for the second year of the contract.

ISSUE:

UNIFORM CLEANING ALLOWANCE

CHARACTERIZATION:

ECONOMIC

YEAR:

1982

CITY PROPOSAL

Retain current Contract language in Article XXXIX, Section 3.

Section 3. It is agreed that Management will pay annually, on or about July 1, a cleaning allowance in the amount of \$100 to employees classified as Deputy Fire Chief, Battalion Fire Chief, Fire Investigator, Fire Marshal, and Fire Inspector.

YEAR:

1983

CITY PROPOSAL

Retain Contract language of Article XXXIX, Section 3. See above.

XII. CLEANING ALLOWANCE - 1982

Pursuant to Section 8 of Act 312, as amended, the Union submits its last offer of settlement on the economic issue of cleaning allowance for the first year of the contract, July 1, 1982 through June 30, 1983. The Union's last offer is to amend Article XXXIX, Uniforms, Section 3, as follows:

Section 3. Effective July 1, 1982, the City shall pay annually, or about July 1, a cleaning allowance in the amount of Two Hundred Dollars (\$200.00) to employees classified as Deputy Fire Chief, Battalion Fire Chief, Fire Investigator, Fire Marshall, and Fire Inspector. ✓

XIII. CLEANING ALLOWANCE - 1983

Pursuant to Section 8 of Act 312, as amended, the Union submits its last offer of settlement on the economic issue of cleaning allowance for the second year of the contract, July 1, 1983 through June 30, 1984. The Union's last offer is to add a new Section 4 to Article XXXIX, Uniforms, which reads as follows:

Section 4. Effective July 1, 1983, the cleaning allowance in effect on June 30, 1983 shall be increased by One Hundred Dollars (\$100.00). ✓

ISSUE - VACATION SCHEDULING - NON-ECONOMIC

The last offers of settlement submitted by the parties are duplicated at the end of this section. The only dispute involves the last year of the contract. As can be seen the Union's position is to continue the language contained in the prior Collective Bargaining Agreement, while the City's proposal is to reduce the maximum number of employees who can be scheduled on vacation in any one period on each shift to seven. This is to be effective January 1, 1984.

According to the City its proposal is necessary in order to better allow it to manage its manpower in order to compensate for the decrease in available personnel within the department. The Union suggests that the award of the proposal would punish employees by preventing them from utilizing a right and privilege which they have enjoyed for about ten years.

The evidence establishes that prior to 1967 the limit was seven firefighters per day. Subsequent thereto there were seven or eight and from approximately 1970 onward the limit was nine. The number was first officially incorporated into the Collective Bargaining Agreement in 1977. It appears that in 1977 the department's strength was 279, and presently the authorized level is 234. The City's minimum manning level prior to fiscal 1984 was 55, but it was suggested that it be revised upward, so beginning July 1, 1983, the minimum daily standard is 57.

The evidence establishes that even with the current maximum vacation limitation there is sufficient staff to meet the proposed 57 limit, and in fact in most cases a 60-person manning level is maintained. However, according to the record there are wide variances from day to day with the City's ability to meet its manning standards reduced during the peak vacation periods.

However, the record further establishes that the City has not calculated how much cost is involved, if any, in call-ins that are necessary when manning levels cannot be reached. In fact it appears that when based upon program leave days and scheduled vacation days there is no need to call back personnel to meet manning levels.

The O'Hagan Study was referred to and indicates, inter alia, that a revised vacation schedule should be negotiated to allow for optimum manning of fire companies. The report pointed out that it was difficult to man the companies because of the vacation schedule and the erratic influence it had on manning.

The testimony offered by Union witnesses suggested that its proposals could very well prevent a firefighter from drawing a vacation during the summer months when high utilization was the rule. This would lessen the possibility of a vacation being taken with the family. However, it was also established that firefighters with school age children would likely not have enough seniority to draw their vacations during the summer anyway. However, the testimony went on to indicate that if the City's proposal were adopted, more individuals would be on vacation during the winter months, during a time according to the witness, when manpower demands were the heaviest.

There was no evidence indicating the situation in any of the comparable communities.

A careful examination of the record and an application of the standards contained in Section 9 of the statute indicate that the City's proposal should not be accepted.

The current limit has been in effect for a number of years. It is certainly true that there has been diminishing manpower and thus it may be more difficult to maintain manning levels. However,

the evidence does establish that even with the current maximum, manning levels can be met except for the unusual occasion where unscheduled or unpredictable absences arise.

Essentially the City has the burden of establishing that the status quo should be changed, and it just hasn't done so. Certainly from its point of view its proposal would make it much easier to meet manning standards, but of course there are other considerations. Given the manner in which vacations are selected, adoption of the City's proposal would have the effect of restricting the choices available to lesser seniority employees. It would even, out the use of vacation days over the year, but at the expense of restricting an employee's choice.

Furthermore, there has been no evidence indicating that there is a financial impact. There was some mention of call-in, but there was no evidence introduced which indicated that the current vacation maximum causes the City to expend additional funds for overtime pay in order to cover vacancies which have to be covered as a result of failure to meet manning standards.

Certainly it is true that everyone has an interest in maintaining adequate manning and of course the public interest is served by same. Yet, the City's evidence does not convince the panel that the situation is such that the status quo should be disturbed. In fact, there is some testimony which suggested that the current system supplies more manpower when needed, i.e., during winter, than would be possible under the City's proposal.

It must be concluded that the status quo should not be changed and thus the City's proposal is not accepted.

AWARD

The panel orders that the Union's last offer of settlement be adopted.



ISSUE: VACATION LEAVE

CHARACTERIZATION: NON-ECONOMIC

YEAR: 1982

CITY PROPOSAL

Retain current Contract language of Article XX, Section 4 a.,

5:

A maximum of nine (9) employees will be scheduled on vacation in any one period on each shift. A maximum of three (3) employees per shift will be permitted on vacation at the same time in any one company.

YEAR: 1983

CITY PROPOSAL

Modify Contract language of Article XX, Section 4, 5, to read as follows:

Effective January 1, 1984, a maximum of seven (7) employees will be scheduled on vacation in any one period on each shift. A maximum of three (3) employees may be permitted on vacation at the same time in any one company.

#### XIV. VACATION SCHEDULING

Pursuant to Section 8 of Act 312, as amended, the Union submits its last offer of settlement on the non-economic issue of vacation scheduling. The Union's last offer is to retain the status quo of Article XX, Vacations, Section 4a, specifically the paragraph which reads:

A maximum of nine (9) employees will be scheduled on vacation in any one period on each shift. A maximum of three (3) employees per shift will be permitted on vacation at the same time in any one company.

T/193

SUMMARY OF PROVISIONS  
OF AGREEMENT - FIREFIGHTERS' 1982

Agreement: Amend date.

Article I - Recognition: Present language.

Article II - Union Security and Check-off  
Section 4. Delete word "other", from third line.

Article III - Management Security: Present language.

Article IV - Management Rights: Present language.

Article V - Union Bargaining Committee:

Section 1. Change number 4 to 5 at line 2.

Article VI - Special Meeting: Present language.

Article VII - Union Stewards:  
Section 4. Add: "Safety Committee Chairperson," line 1,  
and "and to attend to safety matters,"  
line 5.

Article VIII - Grievance Procedure: Present language.

Article IX - Payment of Back Pay Claims: Present language.

Article X - Discharge and Discipline: Present language.

Article XI - Seniority:  
Section 1. Definition: Delete: "City," add: "Fire \*(See howev  
Department," line 2. Article 1:  
Add: "(Except that employees who entered the Fire  
Service prior to 7-1-82 shall have their seniority  
determined by length of continuous service with the  
City.)"  
Section 2.a. Delete: "City," add: "Fire Department,"  
line 2.  
Section 2.d. New: "After 7-1-82, employees from other  
City departments who enter the Fire Depart-  
ment service, shall retain their earned  
seniority only for the purpose of deter-  
mining the amount of vacation leave and  
longevity pay. Service time in other City  
departments shall not be applicable to any  
- other provision of this Agreement."

Article XII - Promotion: Disputed issue, Act 312.

Article XIII Layoff & Recall

6

Sec. 1. Definition (No Change)

Sec. 2. Order of Layoff

a. (No Change)

b. Permanent and probationary employees shall have RANK seniority in their position classes and if exercised in the event a layoff becomes necessary, shall replace the employee with the least RANK seniority in their position classes.

c. Except as provided below, the layoff of probationary or permanent employees in the department shall be in inverse order of RANK seniority in the position classes affected.

d. (New)

RANK SENIORITY SHALL DATE FROM THE DATE OF ORIGINAL APPOINTMENT IN POSITION CLASSES.

Sec. 3. be demoted by RANK seniority to a lower

Sec. 4. (No Change)

Sec. 5. (No Change)

Sec. 6.

a. in order of RANK seniority for each class  
in order of RANK seniority for each class

7.

c. Permanent and probationary employees shall have RANK seniority in their position classes.

Sec. 8. (No Change)

Sec. 9 (No Change)

Article XIV - Work Assignment:

Section 2.e. Change: "(0700-1200 hours)" to  
"(1200-0700 hours)"  
New: "Employees" responsibilities with  
respect to river duty shall be limited to river rescue operations and  
shall not include river clean up  
details of any kind."

Article XV - Overtime and Work Hours:

Section 3: Normal Work Week and Work Day.  
Delete word "Normal."  
3.a.b.d. Delete word "Normal."  
3.e. Amend word "Normal" to "Regularly."

Article XVI - New or Changed Jobs: Present language.

Article XVII - Wages:

Article XVIII - Pay Changes:

Section 2.f. Amend last sentence to read: "Acting assignments, when utilized to fill a permanent vacancy, shall be made from one of the top three standing persons on existing eligible lists or most recent eligible lists, for the position within fifteen (15) days of the onset of the vacancy." "Acting assignment with the potential of thirty (30) days or more shall be filled from one of the top three standing persons on existing eligible lists or most recent eligible lists for the position. This shall not include vacation periods. This provision shall be implemented within fifteen (15) days of the position opening."

Section 4.e.1. Acting Assignment: Disputed issue, Act 312.

Article XIX - Longevity Pay: Disputed issue, Act 312.

Article XX - Vacation:

Section 4. Change: "City" Wide Seniority to  
"Department".  
Number of employees on vacation: Disputed issue, Act 312.

Article XXI - Holidays:

Section 3.b. Disputed issue, Act 312.

Article XXII - Sick Leave:

Section 9.a.b. Disputed issue, Act 312.

Article XXIII - Leave for Union Conferences or Conventions:

Present language.

Article XXIV - Jury Leave: Present language.

Article XXV - Insurance:  
Section 3.b. New: "In the event a person covered by this agreement dies prior to retirement, Management will pay the hospitalization insurance premium for that person's spouse for those years during which the covered person would have been between 55 and 64 years of age inclusive had the person lived, provided that the spouse has kept the insurance in force and has not remarried or does not remarry during the time premiums are being paid by the City."

Article XXVI - Military Service Veterans: Present language.

Article XXVII - Workers' Compensation: Present language.

Article XXVIII - Bulletin Boards: Present language.

Article XXIX - No Discrimination: Present language.

Article XXX - Maintenance of Standards: Present language.

Article XXXI - Authorized Representatives: Present language.

Article XXXII - Supplemental Agreements: Present language.

Article XXXIII - Validity: Present language.

Article XXXIV - Entire Agreement: Present language.

Article XXXV - Emergencies: Present language.

Article XXXVI - Car Allowance and Parking: Present language.

Article XXXVII - Residency: Disputed issue, Act 312.

Article XXXVIII - Trade Time: Present language.

Article XXXIX - Uniforms:  
Section 3. Disputed issue, Act 312.

Article XXXX - Working Agreement: Present language.

Article XXXXI - Termination and Modification: Amend dates.

Article XXXXII - Effective Dates of Contract:  
Delete: 1, 2, 3, 4.  
Incorporate 5 into grievance procedure.  
Delete reference to Health Insurance.

New Article \_\_\_\_\_, or under Article XXV - Insurance

"Section 4. Management shall provide each employee with legal counsel for acts in the course of his/her employment which give rise to a cause or action under any civil or criminal action. The foregoing shall

New Article \_\_\_\_\_, or under Article XXV - Insurance: (Continued)

not apply to any cause of action arising out of (1) ultra vires (unauthorized) acts, (2) gross negligence or willful misconduct, (3) actions taken while under the influence of intoxicating liquor or controlled substances or (4) worker's compensation claims, grievances or other claims made against the City of Grand Rapids."

New Article \_\_\_\_\_, Light Duty:

Section 1. The following provisions shall establish the criteria and procedure to be used in determining the duty status of employees in the uniformed Fire Service who are disabled.

Section 2. Medical Determination. The City Physician shall determine the extent of the disability and the degree of physical limitation as it relates to the job duties of the employee. If the employee is found to be incapable of performing the required regular job duties, the City Physician will consult with the Fire Chief. The City Physician shall determine whether or not an employee shall be assigned to light duty, consistent with limitations of the employee.

Section 3. Limitation. Light duty assignments shall be limited to not more than four (4) employees at any given time. Light duty assignments shall be limited to a total of twelve (12) months consecutive or in the aggregate. An employee on light duty shall be compensated at his/her regular rate of pay, regardless of the duty assignment. Management reserves the right to retain an employee on light duty in excess of one year when such action is determined to be in the best interest of the City.

Appendix A: Present language.

Appendix D: Present language.

Dispatchers 12 Hour Shifts: Present Language.

O R D E R

The panel orders as follows:

1) WAGES - Effective July 1, 1982:

The City's last offer of settlement shall be adopted.

	<u>Concur</u>	<u>Dissent</u>
Union Delegate	_____	_____
City Delegate	<u>  X  </u>	_____
Chairman	_____	_____

2) WAGES - Effective July 1, 1983:

The Union's last offer of settlement shall be adopted.

Union Delegate	_____	_____
City Delegate	_____	<u>  X  </u>
Chairman	_____	_____

3) RESIDENCY:

The City's last offer of settlement shall be adopted for each contract year.

Union Delegate	_____	_____
City Delegate	<u>  X  </u>	_____
Chairman	_____	_____

4) FOOD ALLOWANCE - 1982-1983:

The City's last offer of settlement shall be adopted.

Union Delegate	_____	_____
City Delegate	<u>  X  </u>	_____
Chairman	_____	_____

5) FOOD ALLOWANCE - 1983-1984:

The Union's last offer of settlement shall be adopted.

Union Delegate	_____	_____
City Delegate	_____	<u>  X  </u>
Chairman	_____	_____



6) SICK LEAVE PAY OUT:

The City's last offer of settlement shall be adopted for each contract year.

	<u>Concur</u>	<u>Dissent</u>
Union Delegate	_____	_____
City Delegate	_____X_____	_____
Chairman	_____	_____

7) LONGEVITY:

The City's last offer of settlement shall be adopted for each contract year.

	<u>Concur</u>	<u>Dissent</u>
Union Delegate	_____	_____
City Delegate	_____X_____	_____
Chairman	_____	_____

8) PENSION/COLA:

The City's last offer of settlement shall be adopted for each contract year.

	<u>Concur</u>	<u>Dissent</u>
Union Delegate	_____	_____
City Delegate	_____X_____	_____
Chairman	_____	_____

9) PENSION POP-UP:

The Union's last offer of settlement, which is effective July 1, 1983, is adopted.

	<u>Concur</u>	<u>Dissent</u>
Union Delegate	_____	_____
City Delegate	_____X_____	_____
Chairman	_____	_____

10) PROMOTION/ELIGIBILITY LIST:

The City's last offer of settlement shall be adopted for each contract year.

	<u>Concur</u>	<u>Dissent</u>
Union Delegate	_____	_____
City Delegate	_____X_____	_____
Chairman	_____	_____

11) HOLIDAY PAY:

The City's last offer of settlement shall be adopted for each contract year.

	<u>Concur</u>	<u>Dissent</u>
Union Delegate	_____	_____
City Delegate	<u>X</u>	_____
Chairman	_____	_____

12) ACTING ASSIGNMENT:

The City's last offer of settlement shall be adopted for each contract year.

Union Delegate	_____	_____
City Delegate	<u>X</u>	_____
Chairman	_____	_____

13) CLEANING ALLOWANCE 1982-1983:

The City's last offer of settlement shall be adopted.

Union Delegate	_____	_____
City Delegate	<u>X</u>	_____
Chairman	_____	_____

14) CLEANING ALLOWANCE 1983-1984:

The Union's last offer of settlement shall be adopted.

Union Delegate	_____	_____
City Delegate	_____	<u>X</u>
Chairman	_____	_____

15) VACATION SCHEDULING:

The Union's last offer of settlement shall be adopted for each contract year.

Union Delegate	_____	_____
City Delegate	_____	<u>X</u>
Chairman	_____	_____

16) MISCELLANEOUS:

The panel incorporates into this Award the T/A's attached hereto.

	<u>Concur</u>	<u>Dissent</u>
Union Delegate	_____	_____
City Delegate	_____X_____	_____
Chairman	_____	_____

UNION DELEGATE

\_\_\_\_\_  
JOHN RUSILOWSKI

CITY DELEGATE

\_\_\_\_\_  
C. BARRY OTT

CHAIRMAN

\_\_\_\_\_  
MARIO CHIESA

2-17-54

O R D E R

The panel orders as follows:

1) WAGES - Effective July 1, 1982:

The City's last offer of settlement shall be adopted.

	<u>Concur</u>	<u>Dissent</u>
Union Delegate	_____	_____ <i>je</i>
City Delegate	_____	_____
Chairman	_____	_____

2) WAGES - Effective July 1, 1983:

The Union's last offer of settlement shall be adopted.

Union Delegate	_____ <i>je</i>	_____ <i>///</i>
City Delegate	_____	_____
Chairman	_____	_____

3) RESIDENCY:

The City's last offer of settlement shall be adopted for each contract year.

Union Delegate	_____	_____ <i>je</i>
City Delegate	_____	_____
Chairman	_____	_____

4) FOOD ALLOWANCE - 1982-1983:

The City's last offer of settlement shall be adopted.

Union Delegate	_____	_____ <i>je</i>
City Delegate	_____	_____
Chairman	_____	_____

5) FOOD ALLOWANCE - 1983-1984:

The Union's last offer of settlement shall be adopted.

Union Delegate	_____ <i>je</i>	_____
City Delegate	_____	_____
Chairman	_____	_____

6) SICK LEAVE PAY OUT:

The City's last offer of settlement shall be adopted for each contract year.

	<u>Concur</u>	<u>Dissent</u>
Union Delegate	_____	_____ <i>jk</i>
City Delegate	_____	_____
Chairman	_____	_____

7) LONGEVITY:

The City's last offer of settlement shall be adopted for each contract year.

Union Delegate	_____	_____ <i>jk</i>
City Delegate	_____	_____
Chairman	_____	_____

8) PENSION/COLA:

The City's last offer of settlement shall be adopted for each contract year.

Union Delegate	_____	_____ <i>jk</i>
City Delegate	_____	_____
Chairman	_____	_____

9) PENSION POP-UP:

The Union's last offer of settlement, which is effective July 1, 1983, is adopted.

Union Delegate	_____ <i>jk</i>	_____
City Delegate	_____	_____
Chairman	_____	_____

10) PROMOTION/ELIGIBILITY LIST:

The City's last offer of settlement shall be adopted for each contract year.

Union Delegate	_____	_____ <i>jk</i>
City Delegate	_____	_____
Chairman	_____	_____

11) HOLIDAY PAY:

The City's last offer of settlement shall be adopted for each contract year.

	<u>Concur</u>	<u>Dissent</u>
Union Delegate	_____	_____ <i>jc</i>
City Delegate	_____	_____
Chairman	_____	_____

12) ACTING ASSIGNMENT:

The City's last offer of settlement shall be adopted for each contract year.

Union Delegate	_____	_____ <i>jc</i>
City Delegate	_____	_____
Chairman	_____	_____

13) CLEANING ALLOWANCE 1982-1983:

The City's last offer of settlement shall be adopted.

Union Delegate	_____	_____ <i>jc</i>
City Delegate	_____	_____
Chairman	_____	_____

14) CLEANING ALLOWANCE 1983-1984:

The Union's last offer of settlement shall be adopted.

Union Delegate	_____ <i>jc</i>	_____
City Delegate	_____	_____
Chairman	_____	_____

15) VACATION SCHEDULING:

The Union's last offer of settlement shall be adopted for each contract year.

Union Delegate	_____ <i>jc</i>	_____
City Delegate	_____	_____
Chairman	_____	_____

16) MISCELLANEOUS:

The panel incorporates into this Award the T/A's attached hereto.

	<u>Concur</u>	<u>Dissent</u>
Union Delegate	<u><i>jc</i></u>	<u>          </u>
City Delegate	<u>          </u>	<u>          </u>
Chairman	<u>          </u>	<u>          </u>

UNION DELEGATE

*John Rusilowski*  
JOHN RUSILOWSKI

CITY DELEGATE

C. BARRY OTT

CHAIRMAN

*Mario Chiesa*  
MARIO CHIESA

2-17-84