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STATE OF MICHIGAN
STATUTORY LABOR ARBITRATION PANEL

(Pursuant to Act 312, P.A. 1969, as amended)

Michigan Employment Relations Commission Case #D-84B-480

In the Matter of Arbitration Between:

CITY OF GROSSE POINTE FARMS

and

GROSSE POINTE FARMS FIRE FIGHTERS
POLICE OFFICERS ASSOCIATION OF MICHIGAN

OPINION AND AWARD

Chairman of Arbitration Panel: Edward D. Callaghan

City's Delegate: Carrol C. Lock

Firefighters' Delegate: William Birdseye

Representing City: Timothy H. Howlett

Representing Firefighters: William Birdseye

Pre-Arbitration Conference: November 20, 1984 at the City of Grosse Pointe Farms Offices, 90 Kerby Road, Grosse Pointe Farms

Hearings Held: February, 7, March 20, 21 and April 24, 1985 at the City of Grosse Pointe Farms Offices, 90 Kerby Road, Grosse Pointe Farms

Interim Award-Duration: May 13, 1985

Exchange of Final Offers of Settlement: May 24, 1985

Briefs Received: July 1, 1985

Executive Meeting of the Arbitration Panel: September 10 and October 29, 1985 at the Michigan Employment Relations Commission Offices in Detroit, Michigan

Opinion and Award Issued: October 30, 1985

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L INTRODUCTION:

Pursuant to Section 3 of Public Act 312 a petition for arbitration was filed by the above named labor organization dated April 20, 1984. In the petition the labor organization stated they had engaged in good faith bargaining and mediation and the parties to the contract had not succeeded in resolving eleven (11) specific issues. Therefore, this matter came on for hearing before a panel of arbitration appointed pursuant to the terms of Act 312 (P.A. 1969, as amended) for the purpose of hearing and deciding these unresolved issues and a new contract between the parties shown above. Pursuant to the statute, Edward D. Callaghan was appointed by the Michigan Employment Relations Commission to serve as chairman of the arbitration panel. The two other members of the panel selected by the respective parties were Mr. Carrol C. Lock for the employer and Mr. William Birdseye for the labor organization.

A pre-arbitration conference was held on November 20, 1984 to allow the parties the opportunity to acquaint the panel regarding the unresolved issues. On November 20, 1984 the parties stipulated and the panel agreed that the following issues were economic and therefore subject to the last best offer provisions of Section 8 of the Act.

Labor organization issues:

1. Wages
2. Workers Compensation Supplement
3. Pension - Multiplier Factor
4. Pension - Final Average Compensation
5. Hospitalization Insurance for Retirees
6. EMT Premium
7. Cost-of-Living Allowance

Employer issues:

- 8. Hospitalization Insurance Premiums**
- 9. Sick Leave Incentive Plan**
- 10. Food Allowance**

The parties also stipulated and the panel concurred that the residency issue was non-economic within the meaning of Act 312 (issue 11).

The arbitration panel conducted hearings on February 7, March 20, 21 and April 24, 1985 at the City of Grosse Pointe Farms Offices, 90 Kerby Road, Grosse Pointe Farms. As stipulated by the parties, the arbitration panel met on May 7, 1985 to determine the issue of contract duration. The panel considered the proofs on the record as well as the written position statement submitted by the employer dated May 1, 1985. The majority of the panel (Carrol C. Lock, dissents) decided that the contract duration would be July 1, 1983 through June 30, 1985. Consequently, the parties were directed to submit their last best offers based on this two year duration. The last best offers were exchanged through the chairman, postmarked no later than Friday, May 24, 1985. Subsequently, on July 1, 1985, following the receipt of the transcripts of the hearings, the parties mailed their briefs to the chairman of the arbitration panel, who in turn forwarded them to opposing counsel and the other panel members. On September 10 and October 29, 1985 the panel met in executive session in Detroit, Michigan to consider the evidence and arguments in support of the last best offers of the parties on each of the issues.

It needs to be emphasized that the panel members representing the City and the Firefighters disagreed with certain of the findings and awards set forth hereinafter. Each generally supported the last best offers of the party by whom he was appointed to the panel. Accordingly, the signature of either of the partisan panel members at the conclusion of this opinion and award does not represent a concurrence in each and every element of the final award, but does constitute a

recongition that there exist a majority vote in support of each item contained in the final award.

II. BACKGROUND:

The City and the Firefighters were signatory to a Collective Bargaining Agreement with an expiration date of June 30, 1983. The parties commenced negotiations for a new contract in the Winter of 1983. Several bargaining sessions were fruitless and the labor organization and the city held a mediation session on April 17, 1984. Subsequently, on April 20, 1984 a demand was made by the labor organization for interest arbitration under Act 312. The parties mutually agreed to waive the time requirements of the Act. On August 21, 1984, the Michigan Employment Relations Commission appointed Edward D. Callaghan to serve as the neutral chairman of the arbitration panel, and the respective parties appointed partisan members to the panel. Moreover, the city and the labor organization agreed to waive in writing all time limits and assert that the jurisdiction of the arbitrator as proper.

III. LAST BEST OFFER:

Subsequent to the evidentiary hearings the parties exchanged their last best offers on each of the outstanding economic issues through the panel's chairman. They also exchanged briefs in similar fashion. For convenience, the issues are set forth in numerical order, with a recitation of the provisions, if any, in the old contract, followed by the City's last best offer and the Firefighter's final offer of settlement.

Issue 1. Wages

A. Current Provisions: Appendix "A" July 1, 1982 through June 30, 1983

Base	6 Mos.	18 Mos.	30 Mos.	42 Mos.	percent increases
\$20,682	\$21,785	\$22,861	\$23,926	\$25,000	---
Sergeant:	\$26,937				
Lieutenant:	\$28,500				

B. City's Last Best Offer: Appendix "A" July 1, 1983 to June 30, 1984

Base	6 Mos.	18 Mos.	30 Mos.	42 Mos.	percent increases
\$21,548	\$22,697	\$23,818	\$24,928	\$26,047	4.1%
Sergeant:	\$28,065				
Lieutenant:	\$29,692				

Appendix "A" July 1, 1984 to June 30, 1985

Base	6 Mos.	18 Mos.	30 Mos.	42 Mos.	percent increases
\$22,539	\$23,741	\$24,914	\$26,075	\$27,245	4.6%
Sergeant:	\$29,356				
Lieutenant:	\$31,059				

C. Firefighter's Final offer of settlement:

Appendix "A" July 1, 1983 to June 30, 1984:

Base	6 Mos.	18 Mos.	30 Mos.	42 Mos.	percent increases
\$22,501	\$23,701	\$24,872	\$26,031	\$27,200	8.8%
Sergeant:	\$29,307				
Lieutenant:	\$31,008				

Appendix "A" July 1, 1984 to June 30, 1985:

Base	6 Mos.	18 Mos.	30 Mos.	42 Mos.	percent Increases
\$23,701	\$24,964	\$26,198	\$27,419	\$28,650	5.3%
Sergeant:	\$30,869				
Lieutenant:	\$32,661				

Issue 2. Workers Compensation Supplement

A. Current provision: Article XXVI, Workers' Compensation

26.1: When an employee is injured or sick and becomes eligible for Worker's Compensation benefits, the City will pay to the employee the difference between the Worker's Compensation check and the regular work week's pay, and for each scheduled workday that this difference is paid, the employee will be charged with one (1) sick leave unit. Such payments will terminate at the time all accumulated sick leave units have been so charged.

26.2: In the event that the injury in the above paragraph is a result of fire fighting or while on an emergency ambulance run, it is agreed that the City will pay to the employee the difference between the Worker's Compensation check and the regular work week's pay, and for the first eight (8) calendar weeks following the injury, sick units will not be charged.

- B. City's Last Best Offer: No change.
- C. Firefighters Final Offer of Settlement:

Article XXVI, Workers' Compensation

26.1: Workers' Compensation. An employee who, as a result of injury or sickness has become eligible for workers' Compensation benefits and is also eligible for paid sick leave, will be paid by the Employer an amount of money which when added to the weekly Workers' Compensation check, will equal one (1) regular work week's pay. For the first week, or any portion thereof, of the worker's disability caused by personal injury or illness arising out of and in the course of employment, the City will pay an employee his regular pay with no charge to his accumulated sick leave. The first eight (8) calendar weeks of such disability will not be charged against the employee's accumulated sick leave. For each day of such disability in excess of eight (8) weeks for which the employee receives a partial payment of wages, the employee will be charged with one-quarter (1/4) day of paid sick leave for each scheduled work day.

Workers' Compensation to be retroactive to July 1, 1983.

Issue 3. Pension - Multiplier Factor

A. Current Provision: None.

- B. City's Last Best Offer: No change.
- C. Firefighters Final Offer of Settlement: Add new language as follows:

Bargaining unit members who retire under the City of Grosse Pointe Farms Charter Pension Plan shall receive a pension multiplier of 2.5% of Final Average Compensation for the first 25 years of service credit and 1.0% for years of service credit in excess of 25.

(Applicable portions of the pension plan shall be amended to incorporate the effect of the language set forth above.)

Pension - Multiplier to be effective June 30, 1985.

Issue 4. Pension - Final Average Compensation

- A. Current Provision: None
- B. City's Last Best Offer: No change.
- C. Firefighters Final Offer of Settlement: Labor organization withdraws issue from consideration and award by panel, i.e., Status Quo shall prevail.

Issue 5. Hospitalization Insurance for Retirees

- A. Current Provision: None, however past practice of the parties provides retirees the option to stay in Blue Cross group after retirement. Employer pays the first \$30 per month towards premium.
- B. City's Last Best Offer: Add new language as follows:

Group Health Insurance Coverage - Retired Members

The City shall subsidize the cost of group medical and hospital insurance for covered persons during the period of this contract.

Covered Persons. (a) Members of the retirement system who retire under the provisions of Section 17.15 (normal retirement) or Section 17.19 (duty disability) with an effective date of retirement after June 30, 1983 but prior to July 1, 1985.

(b) Members of the retirement system who retire under the provisions of Section 17.14 (voluntary retirement) during the period, if any, following attainment of age 60 years.

(c) The spouse of persons covered under (a) or (b) if the retirement system pension is being paid in accordance with Option II or Option III provided in section 17.18 and the spouse is the named beneficiary.

Amount of Subsidy. (a) The full cost of City sponsored coverage if the covered person is age 60 years or older but has not attained age 65 years or older.

(b) The full cost of City sponsored coverage which supplements medicare coverage, if the covered person is age 65 years or older and is eligible for Medicare Part A coverage by reason of Social Security covered earnings.

(c) One-half of the cost of Medicare Part A voluntary coverage and one-half of the cost of City sponsored coverage which supplements Medicare coverage, if the covered person is age 65 or older, is not eligible for Medicare Part A coverage by reason of Social Security covered earnings, but has enrolled for Medicare Part A voluntary coverage.

(d) One-half the cost of City sponsored coverage, if the covered person is age 65 years or older, is not eligible for Medicare Part A coverage by reason of Social Security covered earnings, and has not enrolled for Medicare Part A voluntary coverage.

Other Conditions. A covered person must enroll for Medicare Part B coverage if eligible to do so.

C. Firefighters Final Offer of Settlement: Add new language as follows:

Bargaining unit members who retire from service may elect to remain in the Blue Cross group for retirees in the City of Grosse Pointe Farms. In such event, the Employer shall pay full premium for the retiree and spouse. In the event a retiree qualifies for Medicare by virtue of Social Security credits, such retiree shall apply for same. In the event that the retiree receives Medicare coverage, the Employer's liability shall be limited to the Medicare filler only.

Hospitalization Insurance for Retirees to be effective June 30, 1985.

Issue 6. EMT Premium

- A. Current Provision: None.
- B. City's Last Best Offer: No change.
- C. Firefighters Final Offer of Settlement: Add new language as follows:

Any employee who is or becomes certified as an Emergency Medical Technician (EMT) shall be paid in addition to his regular salary three percent (3%) of his base wage. Payment shall be in the first pay period of June. In the event such employee is not on the payroll for the full calendar year, he shall receive a pro-rata amount.

Issue 7. Cost of Living Allowance

- A. Current Provision: Article XXVII

27.1: Employees shall receive a cost of living allowance in accordance with the following plan.

- A. Cost of living increases in base wages will be determined in accordance with increases in the revised Consumer Price Index for Urban Wage Earners and Clerical Workers, Detroit, Michigan, All items (1967 = 100) based on the 1972-1973 Survey of Consumer Expenditures as published by the Bureau of Labor Statistics, U.S. Department of Labor, hereinafter referred to as the "Index".
- B. Cost of living allowance shall be paid twice yearly as a separate lump sum check, the first payment to be made in February, 1982, the second payment to be made in August, 1982, the third payment and fourth payment to be made in February, 1983 and August, 1983 respectively. The amount of the first cost of living allowance payment shall be based upon the increase in the Index for December, 1981 over the Index for June, 1981. The amount of the second cost of living allowance payment shall be based upon the increase in the Index for June, 1982 over the Index for December, 1981. The third and fourth payments shall be based upon the same respective months. Each cost of living allowance payment shall be calculated on the basis that four tenths (.4) increase in the Index shall equal one cent (\$.01) per hour up to a cap of twenty cents (\$.20) per hour for each payment using one thousand (1,000) hours for each employee as hours worked for a six (6) month period. The first and third

payments will cover the six (6) month period from July to December, and the second and fourth will cover the six (6) month period from January to June, provided the employee was on the payroll during the respective six (6) month period for which payment is made. In the event that an employee separates from service with the employer prior to the last day of each six (6) month period by reason of retirement, death, resignation, discharge or an unpaid leave of absence, such employee shall receive a pro rata amount for the respective six (6) month period for which he is entitled to payment.

B. City's Last Best Offer: Article XXVII

27.1: Employees shall receive a cost of living allowance in accordance with the following plan.

- A. Cost of living increases in base wages will be determined in accordance with increases in the revised Consumer Price Index for Urban Wage Earners and Clerical Workers, Detroit, Michigan, All Items (1967 = 100) based on the 1972-1973 Survey of Consumer Expenditures as published by the Bureau of Labor Statistics, U.S. Department of Labor, hereinafter referred to as the "Index."**
- B. Cost of living allowance shall be paid twice yearly as a separate lump sum check, the first payment to be made in February, 1984, the second payment to be made in August, 1984, the third payment and fourth payment to be made in February, 1985 and August, 1985 respectively. The amount of the first cost of living allowance payment shall be based upon the increase of the Index for December, 1983 over the Index for June, 1983. The amount of the second cost of living allowance payment shall be based upon the increase in the Index for June, 1984 over the Index for December, 1983. The third and fourth payments shall be based upon the same respective months. Each cost of living allowance payment shall be calculated on the basis that four tenths (.4) increase in the Index shall equal one cent (\$.01) per hour up to a cap of twenty cents (\$.20) per hour for each payment using one thousand (1,000) hours for each employee as hours worked for a six (6) month period. The first and third payments will cover the six (6) month period from July to December, and the second and fourth will cover the six (6) month period from January to June, provided the employee was on the payroll during the respective**

six (6) month period for which payment is made. In the event that an employee separates from service with the employer prior to the last day of each six (6) month period by reason of retirement, death, resignation, discharge or an unpaid leave of absence, such employee shall receive a pro rata amount for the respective six (6) month period for which he is entitled to payment.

C. Firefighters Final Offer of Settlement: Article XXVII

27.1: Employees shall receive a cost of living allowance in accordance with the following plan.

27.2: Cost of living increases in base wages will be determined in accordance with increases in the revised Consumer Price Index for Urban Wage Earners and Clerical Workers, Detroit, Michigan. All items (1967 = 100) based on the 1972-1973 Survey of Consumer Expenditures as published by the Bureau of Labor Statistics, U.S. Department of Labor, hereinafter referred to as the "Index".

27.3: Cost of living allowance shall be paid twice yearly as a separate lump sum check, the first payment to be made in February, 1984, the second payment to be made in August, 1984. Payments shall also be made in February, 1985 and August, 1985. The amount of the first cost of living allowance payment shall be based upon the increase in the Index for December, 1983 over the Index for June, 1983. The amount of the second cost of living allowance payment shall be based upon the increase in the Index for June, 1984 over the Index for December, 1983. The February, 1985 payment shall be based upon the increase in the Index for December, 1984 over June, 1984 and the August, 1985 payment shall be based upon the increase in the Index for June, 1985 over December, 1984. Each cost of living allowance payment shall be calculated on the basis that a four tenths (.4) increase in the Index shall equal one cent (\$.01) per hour up to a cap of twenty cents (\$.20) per hour for each payment using one thousand (1,000) hours for each employee as hours worked for a six (6) month period. The first payment each fiscal year will cover the six (6) month period from July to December and the second each fiscal year will cover the six (6) month period from January to June, provided the employee was on the payroll during the respective six (6) month period for which payment is made. In the event that an employee separates from service with the employer prior to December 31, 1983, June 30, 1984, December 31, 1984 or June 30, 1985, by reason of retirement, death, resignation, discharge or unpaid

leave of absence, such employee shall receive a pro-rata amount for the respective six (6) month period for which he is entitled to payment.

27.4: If the Index calls for an increase in excess of the twenty cents (\$.20) cap in either of the above two (2) six (6) month periods, that excess will carry-over into the period following the two (2) successive six (6) months identified in paragraph .3 above and will be added to the base rate not to exceed however, ten cents (\$.10) per hour for two thousand (2,000) hours or two hundred (\$200) dollars. This new base rate will be effective as of June 30, 1984 and June 30, 1985.

COLA to be retroactive to July 1, 1983.

Issue 8. Hospitalization Insurance Premiums

A. Current Provision: Article XXX

30.1: The city will maintain Hospital, Medical and Surgical Insurance comparable to the coverage under Blue Cross-Blue Shield, existing on October 1, 1982, including Master Medical.

30.2:* Effective July 1, 1975, the City shall pay any and all increases in the cost of Hospital, Medical and Surgical Insurance so long as the terms and provisions of the Collective Bargaining Agreement are in effect, either during the term of the Agreement or otherwise.

*Per Arbitration Award of Barry C. Brown dated August 27, 1976.

B. City's Last Best Offer: Add new language as follows:

Section 30.1

The Employer shall have no obligation to pay more than \$219.32 per employee per month for Hospitalization, Surgical, Medical and Dental Benefits, and should the costs of said insurance exceed the amount herein stated, it shall be the obligation of the employee to pay the additional amount should the employee desire to continue the coverage. In the event the employee fails or refuses to make arrangements to pay the additional sums necessary to maintain coverage, such employee's coverage shall be terminated.

C. Firefighters Final Offer of Settlement:

The Union rejects any changes, additions or deletions to the present contract regarding this issue, thereby maintaining the status quo.

Issue 9. Sick Leave Incentive Plan

A. Current Provision: Article XXIV

24.1: An employee shall be eligible for sick leave after thirty (30) days of service with the City and he shall be allowed to accumulate one (1) unit of sick leave for each calendar month of service. This may accumulate up to one hundred sixty (160) units. At the end of each calendar year any units exceeding one hundred sixty (160) will be lost to the employee.

24.2: Effective July 1, 1975, upon retirement, employees will be paid at the rate of one-quarter (1/4) of the accumulated sick leave units (maximum of forty (40) sick leave units).

24.3: When an employee is sick and unable to report for work, and has accumulated sick leave units, he will be paid for the day and charged two (2) sick leave units for each twenty-four (24) hour tour of duty for which he is absent.

B. City's Last Offer: Article XXIV Replacement

24.1: Employees shall be eligible for sick leave after thirty (30) days service with the City.

Employees shall be allowed to accumulate one (1) unit of sick leave for each calendar month of service.

When an employee is sick and unable to report for work, and has accumulated sick leave units, he will be paid for one day and charged two (2) sick leave units for each twenty-four (24) hour tour of duty for which he is absent.

24.2: Annual Incentive Pay to Reduce Use of Sick Leave. To qualify, an employee must have accumulated eighty (80) sick units as of January 1 of the qualifying year, starting with January, 1985.

If an employee does not exceed six (6) units absent from work due to illness or injury, he will receive Incentive Pay computed as follows: 1/4 (12-total units absent from work due to illness or injury) X current rate of pay. Incentive pay will be paid in a lump sum by February 1st of each year, starting with February 1986,

and will not be included in compensation for purposes of computing pension.

24.3: Members of the unit shall receive a lump sum Incentive Payment for one-fourth of their accumulated sick leave between eighty (80) units and one hundred and sixty (160) units, if any, as of the date of December 31, 1984. Sick units shall be paid at the rate of pay in effect July 1, 1984. Such payment shall not be considered as compensation under the provisions of Chapter 17 of the City Charter.

If an employee exhausts his sick leave bank because of extended illness, and has previously cashed in his accumulated sick leave over eighty (80) units as described above, he may re-purchase sick units to the extent needed at the rate at which they were cashed in.

C. Firefighters Final Offer of Settlement: No change.

Issue 10. Food Allowance

A. Current Provision: Article XXXVI

36.1: *A food allowance of \$200 per year shall be paid to all bargaining unit members effective July 1, 1975.

*Per Arbitration Award of Barry C. Brown dated August 27, 1976.

B. City's Last Best Offer: Delete

C. Firefighters Final Offer of Settlement:

36.1: A food allowance of three hundred and thirty two dollars (\$332) per year shall be paid to all bargaining unit members effective July 1, 1984.

Food Allowance to be retroactive to July 1, 1984.

Non-Economic Issue In Dispute

Issue 11. Residing

A. Current Provision: Article XXIX

19.1: Employees covered by this Agreement must maintain a residence within the boundaries as outlined on a map of southeastern Michigan, a copy of which is

attached hereto as Appendix "B" to this agreement and by this reference made a party hereof.

B. City's Last Best Offer: Substitute new Language:

19.1: Residential Boundaries for present officers who may change their residence after June 30, 1985, and new hires shall be established in accordance with the attached map.

Map includes all Grosse Pointe municipalities, City of East Detroit, City of Harper Woods, City of Roseville, and the City of Fraser.

C. Firefighters Last Offer of Settlement: No change.

IV. Findings and Conclusions

The following opinions and orders have taken into consideration each of the factors enumerated in Section 9 of Act 312. Section 9 of Act 312 lists the eight areas upon which the Arbitration Panel shall base its final opinions and orders as follows:

- (a) The lawful authority of the Employer.
- (b) Stipulation of the parties.
- (c) The interests and welfare of the public and the financial ability of the unit of government to meet those costs.
- (d) Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally:
 - (i) In public employment in comparable communities.
 - (ii) In private employment in comparable communities.
- (e) The average consumer prices for goods and services, commonly known as the cost of living.
- (f) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays and other excused

time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.

- (g) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- (h) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

Relative to the above eight (8) areas listed in Section 9 of Act 312:

- a) There was no question of the lawful authority of the Employer.
- b) The parties stipulated there are eleven issues in dispute.
- c) The Employer did not assert the "ability to pay" as a defense.
- d) Comparison of wages, etc. of other employees performing similar services in public employment in comparable communities is the primary area upon which the Arbitration Panel based its final opinion and orders.
- e) The COLA factor is a consideration that was reviewed as a major part of overall wages.
- f) The overall compensation received by the employees was reviewed by the Panel.
- g) No changes occurred during pendency of arbitration proceedings.

Section 10 of Act 312 indicates that the decision of the Arbitration Panel must be "supported by competent, material and substantial evidence on the whole record." The onus is on the parties to introduce supporting evidence, within the evidentiary guidelines as detailed in Section 9 of the statute. The Panel is required to make written findings of fact and to

promulgate a written opinion and order based upon the record developed by the parties. In effect, then, any finding, or opinion, or order of the Panel on any issue must emanate from a consideration of the eight listed Section 9 factors as applicable.

The panel has reviewed the record (Union exhibit 1 and City exhibit 3) and, as subsequently stipulated by the parties, concludes that because of the similarities in population and residential and business configuration, the geographic proximity, the comparable level of city services offered to the community, and the City's adopted as comparables in previous interest arbitrations, the communities of Grosse Pointe Woods, Grosse Pointe Park, Grosse Pointe City, Grosse Pointe Shores, and Harper Woods will be used for comparisons. These comparisons and the elements contained in Section 9 of Act 312 previously described herein have been the basis of the following findings, opinions and orders.

Issue 1. Wages

An interim award was published on May 13, 1985 designating a two-year contract duration of July 1, 1983 through June 30, 1985. In its last best offer, the City proposes an increase of 4.1% effective July 1, 1983 and 4.6% effective July 1, 1984. The Union proposes parity with the Grosse Pointe Farms Police Officers which would result in an 8.8% increase effective July 1, 1983 and a 5.3% increase effective July 1, 1984.

The City's total offer for two (2) years in additional dollars is essentially:

1. Pay increased annual wages to \$27,245. a total of \$2,245. or 9%.
2. Pay increased overtime cost of approximately \$64.00 resulting from increased compensation.
3. Provide additional hospitalization cost for retirees in excess of \$1,000. per employee.
4. Pay additional sick leave incentive of \$337.00.
5. Pay increased pension cost of \$383.00 per employee, resulting from increased compensation.
6. Decreased food allowance by \$200.00.

The cost to the City of this total package is approximately \$3,829. per person.

In contrast the Union requests an increase of \$3,650. or 14.6% increase over two-years. This percentage does not factor other Union demands such EMT premium and pension improvements.

Where the panel has adopted the Union's last position in the following portion of this opinion, this overall compensation improvement would be increased accordingly.

A comparison of the working conditions between the Police and Firefighters (City exhibit 12) demonstrates a significant difference in "workload" activities.

The record reveals that none of the comparable cities have established parity between Police Officers and Firefighters. The record is also clear that historically parity has not existed between Police Officers and Firefighters in the City of Grosse Pointe Farms.

A comparison of bargaining settlements within the City of Grosse Pointe Farms (City exhibit 11) reveals that the City's last best offer percentagewise exceeds that granted to any other bargaining unit. The Grosse Pointe Farms Police Officers Association have executed a two-year agreement with a 4.1% wage increase for 1983-1984 and a 4.6% wage percent increase for 1984-1985. In addition, the Grosse Pointe Farms Command Officers Association has agreed to a 4% increase in 1983-84 and a 4.5% increase in 1984-85. All other administrative personnel received a 3.5% increase for fiscal year 1983-84. The Union ignores these internal comparables and asserts that both the Unions and the Employers final offers fall below the cumulative average over the two year period (1983-1985) but that the Union's final wage position comes closest to a reasonable deviation while the Employers does not (Union exhibit 5 revised). However, three of the five comparable cities, Grosse Pointe City, Grosse Pointe Shores and Grosse Pointe Woods have Public Safety Officers and not Firefighters. Public Safety Officers perform both police and fire fighting functions and accordingly are paid more than Firefighters and Police Officers. This distinction has previously been recognized by two arbitrators in Act 312 proceedings involving the City of Grosse Pointe Farms (Joint exhibit 2 and 3).

The two remaining external comparable cities, Grosse Pointe Park and Harper Woods have separate fire departments. The workloads of those two cities are significantly higher than the workloads in the City of Grosse Pointe Farms (City exhibit 5 & 6). Moreover, the record indicates that the City of Grosse Pointe Farms had only sixteen (16) active fires, while Harper Woods had one-hundred and

seven (107) and the City of Grosse Pointe Park had ninety-seven (97) (City exhibit 9). Modernization of firefighter equipment, the prevalence of smoke alarms, etc., and the effective fire prevention programs of the City, as carried out by its Firefighters has resulted in a moderate emergency workload. All of these factors have contributed to improving the working conditions of the Firefighters in the City of Grosse Pointe Farms. In contrast to the Police Officers in the City of Grosse Pointe Farms, the Firefighters schedule ten (10) working days a month (City exhibit 1) which allows them the option to have regular employment outside the City. The record indicates that the vast majority of Firefighters have regular outside employment. In comparison, very few Police Officers maintain regular outside employment. It is concluded, therefore, that the City's Firefighters are a skilled and effective work force, but that their working conditions are above average considering the nature of their workload.

As other 312 arbitrators have concluded, the continuity and stability of employment in Grosse Pointe Farms is good and must be considered in reviewing an appropriate level of compensation for its employees (Joint exhibit 2 & 3). The Firefighters in Grosse Pointe Farms have had, and continue to have, job security. Not one of the bargaining unit members has ever been laid off or even threatened with layoff in the past thirty (30) years.

From the foregoing discussion, the panel concludes that the City's last best offer more nearly complies with the factors prescribed in Section 9 of the Act. The City's last best offer adequately meets the pressure of inflation, is comparable with those wages for similar services in comparable communities and is most reasonable in light of the fact that the Union's demand for parity is not supported by comparables outside the city. In addition, the City's last best offer is most reasonable when considered with the overall compensation of the Grosse Pointe Farms Firefighters. In summary the City's last best offer is supported by

improved working conditions, is consistent with other collective bargaining settlements within the City of Grosse Pointe Farms as well as with comparable communities.

Award: The City's last best offer on wages is adopted.

Carrol C. Lock	Concurs: <u> X </u>	Dissents: <u> </u>
William Birdseye	Concurs: <u> </u>	Dissents: <u> X </u>

Issue 2 Workers' Compensation Supplement

The record establishes that all Police Officers in the City of Grosse Pointe Farms receive the Workers' Compensation pay filler not to exceed eight (8) weeks, when disability is job related for any reason. The Union seeks the same treatment with the same maximum of eight (8) weeks. The City argues that the risk faced by Police Officers and Public Works Employees are far greater than that of Firefighters (City exhibit 12M). The Workers' Compensation Supplement varies greatly among the comparable communities (Union exhibit 11). However, none of the comparable communities differentiate their workers compensation supplement by treating their Firefighters on the job injuries any different than those of their Police Officers. The panel believes that all on the job injuries should be treated equally, as they all occur while performing duties for the City. The Firefighters in the City of Grosse Pointe Farms should not be singled out and treated any differently. The panel concludes, based on the record as a whole, that the Union's final offer settlement is reasonable..

Award: The Union's final offer settlement is adopted.

Carrol C. Lock	Concurs: <u> </u>	Dissents: <u> X </u>
William Birdseye	Concurs: <u> X </u>	Dissents: <u> </u>

Issue 3 Pension - Multiplier Factor

The Union seeks to increase the pension multiplier for the first twenty-five years of service from 2.0% to 2.5%. The Employer's final offer maintains a status quo. The record reveals that only the City of Grosse Pointe Shores has a multiplier factor of 2.5%. In addition, the percentage of City contribution by the City of Grosse Pointe Farms is at least 17.5%. Only the City of Grosse Pointe Shores has a higher percentage of City contribution. (Union exhibit 17) Moreover, the City of Grosse Pointe Farms has a more lenient qualification requirement than any other comparable community. When reviewing internal comparables, it is noted that no other employee group has a multiplier factor in excess of 2% for the first twenty-five years. A total reliance upon the retirement income goals as determined by the President's Commission on pension policy (City exhibit 25), is misplaced unless all income available at retirement is considered. The consideration whether or not employees are entitled to social security benefits must be factored when determining "replacement ratios." The record discloses, however, that the vast majority of Firefighters in the City of Grosse Pointe Farms have regular outside employment and thus accrue credits for social security benefits. At no time during these proceedings did the City raise the inability to pay. However, as pointed out by arbitrator Barry Brown (Joint exhibit 2) the fact that there is a surplus or that the City is conservative in its fiscal management does not provide an impetus to disburse such sums to employees. Since last best offers must be considered in total and are not severable, the panel concludes after evaluating the internal as well as external comparables that although the City's final offer is too low, the Union's is too high. For these reasons and based on the record as a whole, the final position of the City is adopted.

Award: The City's last best offer is adopted.

Carrol C. Lock	Concurs: <u> X </u>	Dissents: <u> </u>
William Birdseye	Concurs: <u> </u>	Dissents: <u> X </u>

Issue 4 Pension - Final Average Compensation

Both parties agree to maintain the status quo. Therefore, the present contract language shall remain the same.

Award: The panel adopts the position of both parties.

Carrol C. Lock	Concurs: <u>X</u>	Dissents: <u> </u>
William Birdseye	Concurs: <u>X</u>	Dissents: <u> </u>

Issue 5 Health Insurance for Retirees

Both parties have made last best offers which would provide hospitalization insurance for retirees. The City has proposed the identical health insurance for retirees' benefit that are currently in effect for the Police Officers and the Command Officers in the City of Grosse Pointe Farms. Since the record is void of any evidence relating to external comparable communities, the panel must rely on the remaining seven factors contained in Section 9 of Act 312. The Union has failed to present evidence which would justify a more lucrative retirement benefit than those received by other Grosse Pointe Farms employees. The City's last best offer represents a more reasonable approach in enhancing health insurance benefits for retirees. For these reasons and based upon the record as a whole, the City's last best offer on health insurance for retirees is adopted.

Award: The City's last best offer is adopted.

Carrol C. Lock	Concurs: <u>X</u>	Dissents: <u> </u>
William Birdseye	Concurs: <u> </u>	Dissents: <u>X</u>

Issue 6 EMT Premium

The Union seeks an EMT premium of 3% of base wage for qualified employees retroactive to July 1, 1983. The employer offers no premium. The Union's final position would result in every Firefighter who completes EMT training with an

increase of 3% of their base salary. Only two of the comparable communities, the City of Grosse Pointe Park and the City of Grosse Pointe Shores, pay a premium of 3%. The City of Grosse Pointe Woods EMT's are in a separate bargaining unit and therefore not appropriate for comparison. The City of Grosse Pointe does not have EMT's but contracts its EMT service with the City of Grosse Pointe Park. Such contracting arrangement therefore is inappropriate for comparison purposes. The final City use for comparison purposes, the City of Grosse Pointe Woods, compensates Firefighters with EMT training with a 2% premium over their base salary. As indicated earlier, the overall working conditions for the City of Grosse Pointe Farms Firefighters have improved when compared to the stipulated comparable communities. The record also discloses that due to the close proximity of three local hospitals comprehensive EMT treatment is not warranted. The City has clearly demonstrated that it incurred overtime cost in order to allow any Firefighter who desired to be trained as an EMT, to receive such training at the City's expense. If the panel only considered external comparables, it is likely that a 3% premium could be justified in recognition of those Firefighters with EMT training. However, the panel has reviewed not only the external comparable communities, but also the fact that the State of Michigan only requires one individual to be certified as an EMT on any given ambulance run. The fact is that such premium would narrow the salary differentials between ranks within the Grosse Pointe Firefighters department. Equally salient is the fact that the City has already purchased these EMT skills through the use of overtime pay as well as time off for the City of Grosse Pointe Farms Firefighters. For these reasons and based upon the record as a whole, the City's last best offer on EMT premium is adopted.

Award: The City's last best offer is adopted.

Carrol C. Lock	Concurs: <u> X </u>	Dissents: <u> </u>
William Birdseye	Concurs: <u> </u>	Dissents: <u> X </u>

Issue 7 Cost Of Living Allowance

The City has emphasized the point that the salaries for Grosse Pointe Farms Firefighters have more than kept pace with increases in the cost of living during the last four years. The City also points out that the City of Grosse Pointe Park Police Officers have an identical cost of living allowance provision. The City also indicates that its last best offer of \$26,047 exceeds the necessary wage (\$25,754) to keep pace with inflation. Effective July 1, 1984 these rates would be adjusted to \$27,245 and \$25,421 respectfully (City exhibit 23). The City of Grosse Pointe Woods, Harper Woods and Grosse Pointe Shores contain formulas which generate \$.01 per hour based on a .3 movement in the Consumer Price Index. The City of Grosse Pointe Farms index generates \$.01 per hour up to a cap of \$.20 per hour based on a .4 movement in the Consumer Price Index. Consequently, a majority of the comparable communities provide their employees with potentially higher cost of living protection than currently provided in the City of Grosse Pointe Farms. Notwithstanding the foregoing, the final position of the City and the Union regarding cost of living allowance, are almost identical with the exception that the Union requests a roll in provision where the employer's does not provide this feature. The record discloses that the roll in provision of the Union's last offer settlement mirrors that currently being received by Police Officers in the City of Grosse Pointe Farms. The panel believes that the Union's last best offer settlement, in light of the record and the factors reviewed above (internal equity and external comparability), is the most reasonable and should be adopted.

Award: The Union's final offer of settlement is adopted.

Carrol C. Lock	Concurs: _____	Dissents: <u> X </u>
William Birdseye	Concurs: <u> X </u>	Dissents: _____

Issue 8 Hospitalization Insurance Premium

The City proposes that the health insurance premiums be fixed at the current rate of \$219.32 per month and that any additional premiums be subject to negotiations rather than being passed automatically on to the City as additional labor cost. The Union urges the panel to maintain the status quo. While the City's basic motivation of seeking a better or less costly hospitalization insurance premium is meritorious, there is no showing on the record that such plans have been implemented in any other comparable community. The City's heavy reliance on only one other negotiated agreement with the department of Public Works is misplaced. The City can, as it has in the past, determine its liability in this area without the necessity of having exact dollar premiums in advance. For these reasons and based on the record as a whole, the last best offer of the City is rejected.

Award: The Union's final offer of settlement is adopted.

Carrol C. Lock	Concurs: _____	Dissents: <u> X </u>
William Birdseye	Concurs: <u> X </u>	Dissents: _____

Issue 9 Sick Leave Incentive Plan

The City proposes a sick leave incentive pay program that is identical to a program negotiated with the Grosse Pointe Police Command Officers. This plan would reduce the use of sick pay by providing an annual incentive pay each year to those employees who have not exceeded six units absence from work due to illness or injury. The City believes that such an incentive is needed in order to reduce the number of sick days taken per employee each year. The record indicates that the number of sick days taken per employee between 1952 and 1956 was 1.5 days, while the average taken between 1978 and 1983 was 5.8 days. However, the City has

failed to provide evidence that its proposed plan would indeed result in reducing the number of sick days utilized by an employee each year. The City's proposal would also eliminate the sick leave pay outs upon retirement that the Firefighters have been granted for years. The record discloses that no other comparable community provides a similar sick leave incentive program and only one other bargaining unit within the City of Grosse Pointe Farms has negotiated such an arrangement. The City's basic motivation of seeking to reduce the utilization of sick time is meritorious. However, there is no showing on the record that any comparable community has negotiated such a plan and only recently has the sick leave incentive as proposed by the City been negotiated with one bargaining unit in the City of Grosse Pointe Farms. As previously noted last best offers must be considered in total and are not severable. Thus, even though the panel might favor a portion of the City's last best offer, it must reject same based on the reasons stated above and on the record as a whole. Consequently, the City's last best offer regarding sick leave incentive plan is rejected.

Award: The Union's final offer of settlement is adopted.

Carrol C. Lock	Concurs: _____	Dissents: <u> X </u>
William Birdseye	Concurs: <u> X </u>	Dissents: _____

Issue 10 Food Allowance

The City proposes to delete food allowance in its entirety in that the last Act 312 arbitration (Joint 2) is not justified. The City presented evidence that unlike other City employees Firefighters are paid while they shop for food, while they prepare the food and even while they eat the food. Moreover, the City has emphasized the point that Firefighters on an average only eat five meals away from home per week -- the same number as most other employees in both the public and private sector. Testimony also reveals that individual Firefighters can

bring their own food from home either prepared or to be prepared at work. Accordingly, a Firefighter can eat all of his meals away from as cheaply as any other employee and should not be granted special treatment for food allowance. The Union on the other hand proposes to increase the food allowance from \$200.00 per year to \$332.00 in the second year of the contract to be retroactive to July 1, 1984. The Union's proposal would increase food allowance to \$332.00 which coincides with the percentage increase for the "food at home" segment of the Consumer Price Index, i.e., 66.2%. Notwithstanding the above, the City failed to present any evidence that any of the other comparable communities failed to provide a food allowance for its Firefighters. This panel can only echo the conclusions reached by arbitrator Barry C. Brown, when he referenced the Act 312 award issued by Jerold Lax on February 17, 1975 to wit ". . . both parties agree that because Firefighters are required to be on duty during ordinary meal times and are expected to provide their food, it is appropriate that a food allowance be granted . . ." The panel believes that an increase in food allowance is warranted in order to reflect the increased cost of same since 1975. From this and the record as a whole, the panel concludes that the Union's final offer of settlement is more reasonable and rejects the City's last best offer to delete food allowance.

Award: The Union's final offer of settlement is adopted.

Carrol C. Lock	Concurs: _____	Dissents: <u> X </u>
William Birdseye	Concurs: <u> X </u>	Dissents: _____

Issue 11 Residency

The City proposes a change in the residency requirements in the current contract. In capsule form the City proposes that after June 30, 1985 all new and current Firefighters who decide to sell their homes live in East Detroit, Harper Woods, Roseville, Fraser or in one of the Grosse Pointe Cities. The City also

believes that its proposal is supported by the comparables of the City of Grosse Pointe Park and Harper Woods (City exhibit 29A & 29B). The record clearly discloses that to date no problems have existed due to the current contract language regarding residency. The panel has concluded that the City has failed to demonstrate a need or cite any problem with the current residency policy and that notwithstanding the residency provisions of two comparable communities (Cities of Grosse Pointe Park and Harper Woods), the panel rejects the City's proposal to change the current residency requirements of the contract. For these reasons and based on the record as a whole, the last best offer of the City is rejected.

Award: The Union's last best offer of settlement is adopted.

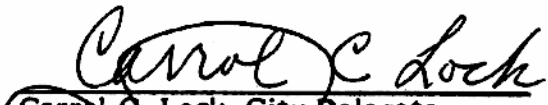
Carrol C. Lock	Concurs: _____	Dissents: <u> X </u>
William Birdseye	Concurs: <u> X </u>	Dissents: _____

AWARD

The contract between the Cities for the period of July 1, 1983 through June 30, 1985 shall contain the City's Last Best Offers on Issues 1, 3, 5, 6, and shall contain the Union's Final Offer of Settlement on Issues 2, 7, 8, 9, 10. Issue 4 has been withdrawn, therefore the status quo shall prevail. In addition, the Residency clause will remain unchanged.

PANEL OF ARBITRATORS


Edward D. Callaghan, Chairman


Carrol C. Lock, City Delegate


William Bruseye, Firefighters Delegate

Date: October 30, 1985