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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 #F-1396

IN THE MATTER OF ARBITRATION BETWEEN:

LABOR AND INDUSTRIAL
RELATIONS COLLECTION
Michigan State University

CITY OF GROSSE POINTE FARMS

and

GROSSE POINTE FARMS FIRE FIGHTERS UNIT
POLICE OFFICERS ASSOCIATION OF MICHIGAN

OPINION AND AWARD

Chairman of Arbitration Panel: Dawson J. Lewis

City's Delegate: Carrol C. Lock

Fire Fighters' Delegate: Robert Wines

Representing City: Timothy H. Howlett

Representing Firefighters: William Birdseye

Pre-Arbitration Conference: August 24, 1987, at the City of Grosse Pointe Farms Offices, 90 Kerby Road, Grosse Pointe Farms.

Hearings Held: October 7, Nov. 5, 6, 23, 30, Dec. 17, 21, 1987, at the City of Grosse Pointe Farms Offices, 90 Kerby Road, Grosse Pointe Farms.

Exchange of Final Offers of Settlement: Jan. 15, 1988

Briefs Received: Feb. 29, 1988

Executive Meeting of the Arbitration Panel: Oct. 12 and April 15, 1988, at the City of Grosse Pointe Farms Offices, 90 Kerby Road, Grosse Pointe Farms. March 25, 1988, at M.E.R.C. facilities in Detroit, Michigan.

Opinion and Award Issued:

RECEIVED
MAY 10 1988
STATE OF MICHIGAN
DEPT. OF LABOR & INDUSTRY
DIVISION OF INDUSTRIAL RELATIONS

Grosse Pointe Farms, City of

1. INTRODUCTION:

Pursuant to Section 3 of Public Act 312 a petition for arbitration was filed by the above named Union dated March 18, 1987. In the petition the Union 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, Dawson J. Lewis 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. Robert Wines for the Union.

A pre-arbitration conference was held on August 24, 1987, to allow the parties the opportunity to acquaint the panel regarding the unresolved issues. 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.

Union issues:

1. Wages
2. COLA
3. Holidays
4. Vacations
5. Overtime
6. EMT Premium
7. Sick Time Payout
8. Pension - 2.5 Multiplier
9. Pension - BC/BS after retirement
10. Pension - COLA after retirement
11. Pension - Annuity withdrawal

The City identified the following issues as unresolved City issues:

- a. Hospitalization insurance
- b. Sick leave incentive pay
- c. Food allowance
- d. Public safety
- e. Boundaries

The arbitration panel conducted hearings on Oct. 7, Nov. 5, 6, 23, 30, Dec. 17 & 20, 1985, at the City of Grosse Pointe Farms Offices, 90 Kerby Road, Grosse Pointe Farms. The last best offers were exchanged through the chairman, postmarked no later than Friday, Jan. 15, 1988. Subsequently, on Feb. 29, 1988, 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 March 25 and April 15, 1988, 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 Fire Fighters 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 recognition that there exists a majority vote in support of each item contained in the final award.

BACKGROUND

The City and the Fire Fighters were signatory to a Collective Bargaining Agreement with an expiration date of June 30, 1985. The parties commenced negotiations for a new contract. Several bargaining sessions were fruitless and the Union requested mediation.

Subsequently, on March 18, 1987, a demand was made for interest arbitration under Act 312. The parties mutually agreed to waive the time limit requirements of the act. No issue with respect to the proper appointment or constitution of arbitration panel was raised during the course of these proceedings. Neither was any question raised about the arbitrability of the disputes raised by the City or the Fire Fighters.

LAST BEST OFFER

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 Fire Fighter's final offer of settlement.

UNIONS ISSUES

Issue #1 - Wages

A. Current Provision:

APPENDIX A WAGES

The annual rate of pay of Employees in the Grosse Pointe Farms Fire Department, being the entire Fire Department except the Fire Chief, shall be as follows:

Beginning July 1, 1983

Base	6 Months	18 Months	30 Months	42 Months
21,548	22,697	23,812	24,928	26,047

Firefighter Hourly Rate

Sergeant	28,065	56	8.7878
Lieutenant	29,692	54	9.2760
		40	12.5226

Beginning July 1, 1984

Base	6 Months	18 Months	30 Months	42 Months
22,539	23,741	24,914	26,075	27,245

Firefighter Hourly Rate

Sergeant	29,356	56	9.1920
Lieutenant	31,059	54	9.7026
		40	13.0986

B. Unions Final Offer:

APPENDIX A
WAGES

The annual rate of pay of Employees in the Grosse Pointe Farms Fire Department, being the entire Fire Department except the Fire Chief, shall be as follows:

Beginning July 1, 1985

Base	6 Months	18 Months	30 Months	42 Months
22,539	23,741	24,914	26,075	29,288

Sergeant 31,558
Lieutenant 33,388

Beginning January 1, 1987

Base	6 Months	18 Months	30 Months	42 Months
22,539	23,741	24,914	26,075	30,605

Sergeant 32,978
Lieutenant 34,890

Wages to be retroactive to July 1, 1985.

C. City's Final Offer:

1. The City proposes that Appendix A of the Collective Bargaining Agreement be revised as follows:

Beginning July 1, 1985

Base	6 Months	18 Months	30 Months	42 Months
\$22,990	\$24,216	\$25,411	\$26,596	\$27,790

Sergeant \$29,944

Lieutenant \$31,681

Beginning January 1, 1986

Base	6 Months	18 Months	30 Months	42 Months
\$23,599	\$24,858	\$26,085	\$27,301	\$28,526

Sergeant \$30,737

Lieutenant \$32,520

Beginning January 1, 1987

Base	6 Months	18 Months	30 Months	42 Months
\$24,614	\$25,927	\$27,207	\$28,475	\$29,762

Sergeant \$32,069

Lieutenant \$33,929

Issue #2

A. Current Provision:

ARTICLE XXVII
COST OF LIVING

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. The new base rate will be effective as of June 30, 1984 and June 30, 1985.

B. Unions Final Offer:

ARTICLE XXVII
COST OF LIVING

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 shall be paid twice yearly as a separate lump sum check, payments to be made in August and February of each year through and including the payment of February 1988 and thereafter. The amount of the first cost of living allowance payment shall be based upon the increase in the Index for June 1986 over the Index for December 1985. The amount of the next cost of living allowance payment shall be based upon the increase in the Index for December 1986 over the Index for June 1986 and continuing on in the same manner. 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 using 1000 hours for each employee as hours worked for a six (6) month period. Each COLA payment will cover the preceeding six (6) month period provided the employee was on the payroll during the respective six (6) month period for which payment is made, ending December 31 and June 30 respectively of any year. In the event that an employee separates from service with the Employer during a 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.

Cost of Living Allowance to be retroactive to July 1, 1985.

C. City's Final Offer:

ARTICLE XXVII
COST OF LIVING

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, 1986, the second payment to be made in August, 1986. Payments shall also be made in February, 1987 and August, 1987. The amount of the first cost of living calculation shall be based upon the increase in the Index for December, 1985 over the Index for June, 1985. The amount of the second cost of living calculation shall be based upon the increase in the Index for June, 1986 over the Index for December, 1985. The February, 1987 figure shall be based upon the increase for December, 1986 over June, 1986 and the August, 1987 figure shall be based upon the increase in the Index for June, 1987 over December, 1986. Each cost of living calculation shall be made 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 calculation using one thousand (1,000) hours for each employee as hours worked for a six (6) month period. However, the payment made shall be based only on the increase in the cost of living over \$.10 per hour based upon the above calculation and under the cap of \$.20 per hour, any one payment not to exceed \$.10 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, 1985, June 30, 1986, December 31, 1986, or June 30, 1987, 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.

24.7: 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 .2 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. The new base rate will be effective as of June 30, 1986 and June 30, 1987.

Issue #3 - Holidays

A. Current Provision:

ARTICLE XXXIII
HOLIDAY

33.1: Employees are granted a total of four (4) compensatory working days each calendar year in lieu of all holidays worked. In addition, beginning on July 1, 1981, on or about May 15th each year, a total of Five Hundred Dollars (\$500.00) will be paid to each employee.

B. Union's Final Offer:

ARTICLE XXXIII
HOLIDAY

33.1: Employees are granted a total of five (5) compensatory working days each calendar year in lieu of all holidays worked. In addition, beginning on July 1, 1981, on or about May 15th each year, a total of Five Hundred Dollars (\$500.00) will be paid to each employee.

Holidays to be effective December 31, 1987.

C. City's Final Offer:

ARTICLE XXXIII
HOLIDAY

The City proposes that the holiday provisions remain the same.

Issue #4 - Vacation

Current Provision:

ARTICLE XXXVI
VACATION

36.1: Employees who have commenced employment with the City after July 1, 1973, will be granted vacation according to the following schedules:

Upon completion of six (6) months of employment by January 1 of any year - 1½ working days.

After completion of one (1) calendar year following the January 1st occurring after employment as a permanent full-time employee - three (3) working days.

After completion of two (2) calendar years following the January 1st occurring after employment as a permanent full-time employee - four (4) working days.

After completion of three (3) calendar years following the January 1st occurring after employment as a permanent full-time employee - five (5) working days.

After completion of forty-two (42) months following the January 1st occurring after employment as a permanent full-time employee - eight (8) working days can be taken after January 1 of the following calendar year.

After completion of ten (10) calendar years following the January 1st occurring after employment as a permanent full-time employee, and thereafter - nine (9) working days.

After completion of fifteen (15) calendar years following the January 1st occurring after employment as a permanent full-time employee, and thereafter - ten (10) working days.

After completion of twenty (20) calendar years following the January 1st occurring after employment as a full-time employee, and thereafter - eleven (11) working days.

B. Union's Final Offer:

ARTICLE XXXVI
VACATION

36.1: Employees who have commenced employment with the City after July 1, 1973, will be granted vacation according to the following schedule:

Upon completion of six (6) months of employment by January 1 of any year - 1½ working days.

After completion of one (1) calendar year following the January 1st occurring after employment as a permanent full-time employee - three (3) working days.

After completion of two (2) calendar years following the January 1st occurring after employment as a permanent full-time employee - four (4) working days.

After completion of three (3) calendar years following the January 1st occurring after employment as a permanent full-time employee - five (5) working days.

After completion of forty-two (42) months following the January 1st occurring after employment as a permanent full-time employee - eight (8) working days can be taken after January 1 of the following calendar year.

After completion of ten (10) calendar years following the January 1st occurring after employment as a permanent full-time employee, and thereafter - nine (9) working days.

After completion of fifteen (15) calendar years following the January 1st occurring after employment as a permanent full-time employee, and thereafter - twelve (12) working days.

After completion of twenty (20) calendar years following the January 1st occurring after employment as a full-time employee, and thereafter - fourteen (14) working days.

Vacation to be effective December 31, 1987.

C. City's Final Offer:

ARTICLE XXXVI
VACATION

The City proposes that the vacation provision remains the same.

Issue #5 - Overtime

A. Current Provision:

Appendix B
LETTER OF UNDERSTANDING

The Grosse Pointe Farms Firefighters Association and the the City of Grosse Pointe Farms have agreed upon and bargained for, and periodically do agree upon and bargain for, a fair rate of compensation for a fifty-six (56) hour workweek. It is the intention of the parties that the rate of compensation agreed upon by them in their collective bargaining agreement for a fifty-six (56) hour workweek be the compensation for a fifty-six (56) hour workweek. Accordingly, the parties agree that should the workweek be reduced other than through the collective bargaining process or Act 312 arbitration, then the rate of compensation shall be changed so that the new base rate of compensation will result in the same total compensation of a fifty-six (56) hour workweek even when overtime is included for that number of hours necessary to add to the number of hours in the new workweek in order to equal fifty-six (56) hours. It is also the intention of the parties that overtime pay of at least time and one-half be paid for those hours in excess of any new statutory workweek.

This Letter of Understanding incorporates by reference any applicable articles of the Agreement between the City of Grosse Pointe Farms and Police Officers Association of Michigan on behalf of the Grosse Pointe Farms Firefighter Association replaces any agreement to the contrary concerning the same subject matter.

B. Union - Overtime

The Union withdraws this issue.

C. City's Final Offer:

The Letter of Understanding would be eliminated and Article XI would be changed as follows:

11.1: Normal Overtime. Any overtime work shall be paid as provided by federal law.

11.2: Holdover. In the event an employee is required by the City to remain on duty for a period after completion of his regular shift and such holdover is fifteen (15) minutes or less, he shall not be compensated for such holdover time. If such holdover period is sixteen (16) to thirty (30) minutes, he shall be compensated for one-half (1/2) hour at time and one-half rates.

11.3: The hourly rate for overtime other than that described in 11.4, shall be computed as provided by federal law.

11.4: The hourly rate for 40 hour work week is arrived at by dividing Annual Salary by 2080. This only applies if such overtime is the result of the need for emergency response to a working fire.

Issue # 6 - EMT Premium

A. Current Provision:

No provision or contract language.

B. Union's Final Offer:

Add language to the contract:

Any employee who is or becomes certified as an Emergency Medical Technician (EMT) shall be paid in addition to his regular salary two and one-half (2½%) annually of the base wage of a full paid four (4) year firefighter. Payment shall be by separate check in the first pay period of June.

EMT Premium to be retroactive to July 1, 1985.

C. City's Final Offer:

The City proposes that there be no EMT Premium.

Issue #7 - Sick Leave Payout

A. Current Provision:

ARTICLE XXIV
SICK LEAVE

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. Union's Final Offer

ARTICLE XXIV
SICK LEAVE

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, 1985 employees shall receive a payout of fifty (50%) percent of all accumulated sick leave units. (maximum 80 units or 40 days pay) upon retirement and fifty (50%) percent of the remainder of maximum shall be paid to an employee at age sixty-five (65) or to his beneficiary if death occurs before retiree reaches sixty-five (65) years of age. In the event of death of an employee prior to retirement, seventy-five (75%) percent of all accumulated sick leave units to maximum shall be paid to the employee's beneficiary.

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.

Sick Leave Payout to be effective December 31, 1987.

C. City's Final Offer:

ARTICLE XXIV
SICK LEAVE PAYOUT

The City proposes that Article XXIV be revised as follows:

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.

Subsequent to December 31, 1987, the maximum accumulation shall be 80 units.

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 for 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.

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: $1/2$ (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 following a qualifying year and will not be included in compensation for purposes of computing pension.

24.3: Members of the unit shall receive payment for one-half 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, 1987. Sick units shall be paid at the rate of pay in effect December 31, 1987. 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.

Issue #8

PENSION MULTIPLIER

A. Current Provision:

No contract language.

Pension multiplier is 2.0% of Final Average Compensation for the first twenty-five (25) years of service and 1.0% for years in service in excess of twenty-five (25).

B. Unions Final Offer:

Add language to the contract:

Bargaining unit members who retire under the City of Grosse Pointe Farms Charter Pension Plan shall receive a pension multiplier of 2.25% of Final Average Compensation for the first twenty-five (25) years of service and 1.0% for years of service in excess of twenty-five (25).

Pension - Multiplier to be effective December 31, 1987.

C. City's Final Offer:

Pension Multiplier - The City proposes the following new Article XXXIII and changing the numbering by one of the current Articles XXXIII through XL.

33.1: Amount of Straight Life Pension.

Effective for retirements and deaths occurring on and after July 1, 1985, the amount of straight life pension provided by Chapter 17, Section 17.16(a) of the City Charter, applicable at the time of retirement or death, shall be computed in accordance with the following Pension Formula in lieu of the method of computation specified in Section 17.16(a).

Pension Formula. The amount of straight life pension is equal to 2.25 percent of the member's final average compensation multiplied by the member's credited service with a cap of 70%.

Issue #9

HOSPITALIZATION INSURANCE
FOR RETIREES

A. Current Provision:

ARTICLE XXXII
GROUP HEALTH INSURANCE - RETIRED MEMBERS

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

32.2: 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 17.13 and the spouse is the named beneficiary.

32.3: 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.

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

B. Union's Final Offer:

Replace present language with the following:

Bargaining unit members who retire from service may elect to remain in the Blue Cross group with benefit level identical to that of active employees. In such event, the Employer shall pay full premium for the retiree and spouse. In the event a retiree qualifies for Medicare, 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 December 31, 1987.

C. City's Final Offer:

Health Insurance for Retirees - Replace Article XXXII, Section 32.2A. as follows:

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 July 1, 1985.

Issue #10

PENSION ESCALATOR

A. Current Provision:

No provision or contract language.

B. Union's Final Offer:

Add language to the contract:

For firefighters retiring on or after June 30, 1987 the monthly retirement benefit shall be increased annually, commencing with the second year of retirement, to the amount of benefit otherwise payable multiplied by one hundred (100%) percent plus two (2.0%) percent of the original amount for each year of retirement.

Pension - Escalator to be effective December 31, 1987.

C. City's Final Offer:

The City proposes no change.

Issue #11

PENSION ANNUITY WITHDRAWAL

A. Current Provision:

None.

B. Union's Final Offer:

Union withdraws this issue.

C. City's Final Offer:

City proposes no change.

Issue #12

CITY ISSUES

ARTICLE XXX
HOSPITALIZATION

A. Current Provision:

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.

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

B. Union's Final Offer:

Union proposes no change.

C. City's Final Offer:

Replace Article XXX, Section 30.2 as follows:

The Employer shall have no obligation to pay more for Hospitalization, Surgical, Medical and Dental Benefits than \$368.39 per employee per month for full family coverage; \$331.75 per employee per month for two persons coverage; or \$153.69 per employee per month for one person coverage.

Issue #13

ARTICLE XXXVII
FOOD ALLOWANCE

A. Current Provision:

37.1: A food allowance of three hundred and thirty-two dollars (\$332.00) per year shall be paid to all bargaining unit members effective July 1, 1984.

B. Union's Final Offer:

36.1: A food allowance of three hundred and thirty-two dollars (\$332.00) per year shall be paid to all bargaining unit members effective July 1, 1984. Effective January 1, 1987, such amount shall be increased to three hundred and fifty-one dollars (\$351.00) per year for all bargaining unit members.

Food allowance to be retroactive to January 1, 1987.

C.. City's Final Offer:

The City proposes the following:

Replace Article XXXVII as follows:

37.1: As 24-hour fire fighters, because of their schedule, eat on an average 5 meals per week during work hours, similar to the average 5 lunches eaten by a 40 hour employee, no food allowance will be provided. However, fire fighters will be permitted paid time to eat off the premises as scheduled by the Fire Chief in a manner similar to police officers, as well as to continue their current opportunity to prepare meals on the premises.

Issue #14

ARTICLE XIX
BOUNDARIES OF RESIDENCE

A. Current Provision:

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 "C" to this Agreement and by this reference made a party hereof.

B. Union's Final Offer:

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

C. City's Final Offer:

Residency - The City proposes the following:

Replace Appendix C per Article XIX with the attached boundary map. Replace Article XIX as follows:

Residential boundaries for present fire fighters who may change their residence after December 31, 1987, and new hires shall be established as outlined on a map of southeastern Michigan, a copy of which is attached hereto as Appendix "C" to this Agreement and by this reference made a part hereof.

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 Panels 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 agreed, as subsequently stipulated by the parties, 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

The parties have agreed on a two and one half (2½) year with a contract duration of July 1, 1985, through December 31, 1987.

In its last best offer, the City proposes an increase of 2+% effective January 1, 1986, and an increase of 4.3% effective January 1, 1987.

The Union's proposal would result in a 7.5% increase effective July 1, 1985, and a 4.5% increase effective January 1, 1987.

The City's total, in added dollars, for two and one half (2½) years is essentially:

1. Pay increased annual wages to \$29,762.00 (42 mos. service), a total of \$2,517.00 or 9.2%.
2. Pay increased overtime costs of approximately \$363.00 resulting from increased compensation.
3. Pay cost of living of \$400.00.
4. Provide additional hospitalization costs for retirees in excess of \$1,832.00 per employee.
5. Pay additional sick leave incentive pay of \$778.00.
6. Pay increased pension costs of \$410.00 per employee resulting from increased compensation.
7. Provide additional pension benefits from an increase in the multiplier - an additional cost of \$2,449.00.
8. Decrease food allowance by \$332.00.

The City asserts that the cost of this total package is approximately \$8,417.00 per person.

In contrast, the wage increase proposed by the Union would bring the firefighters top rate (42 month service) to \$30,365.00; an increase of \$3,360.00 for a percentage increase over two and one half (2½) years of 12.3%. This percentage does not factor other Union demands, i.e., EMT, vacations, holidays, etc.

One of the factors the arbitration panel is required, by Section 9 of the Act, is the comparison of wages, hours and conditions of employment of those employees involved in the arbitration proceedings, with those of employees in public employment in comparable communities.

As was previously noted, the parties stipulated, and the panel agreed, that the communities of Grosse Pointe, Grosse Pointe Park, Grosse Pointe Woods, Grosse Pointe Shores and Harper Woods would be the choices to be designated comparable communities.

It should be noted however that only two of the above named communities are comparable in all aspects with Grosse Pointe Farms: Harper Woods and Grosse Pointe Park. Grosse Pointe, Grosse Pointe Woods and Grosse Pointe Shores have combined the police and fire functions into public safety departments and therefore cannot be compared in all categories with Grosse Pointe Farms. The panel has recognized these differences in making the comparison of the parties respective positions.

The two remaining external comparable cities, Grosse Pointe Park and Harper Woods, had separate fire departments during the period in question, (Grosse Pointe Park is in the process of changing over to a public safety department.)

The Union contends that three of the comparable communities should be considered when making the comparison of wages: Grosse Pointe Woods, Grosse Pointe Park and Harper Woods. This contention is questionable as only Harper Woods has a "pure" fire department. Grosse Pointe Woods has a cadre of employees stationed at the fire stations but these employees are classified as Public Safety Officers and paid the same wages as other employees performing a dual function. Grosse Pointe Park has had nine (9) firefighters graduate from the police academy, and while the Fire Department and Police Department have recently been converted to Public Safety, the City continues to employ some people in firefighting capacities.

Harper Woods maintains a separate fire department but the department is much larger with a much greater work load than Grosse Pointe Farms.

An examination of bargaining settlements within the City of Grosse Pointe Farms (City exb. 20) reveals that the City's last best offer, percentage wise, compares favorably with that of any other bargaining unit, i.e.: the Grosse Pointe Farms Police Officers Association (non-supervisory) and the City have agreed to a contract which provides for a 2% increase and a 2.65% in 1985-86 and a 4.3% increase effective 1-1-87. In addition, administrative personnel received a 5% increase + 1% to those who only received lump sum in 83-84. The increase in 1986-87 was 4.5%.

While it is accepted that parity in wages does not exist between the firefighters unit and the police officers unit, the percentage increases are significant. The Union's proposal for a 12.3% increase over the two and one half (2½) year period would create a morale problem when one recognizes that the wage settlements, dating back to 1981-82, for the firefighters and the police officers have been very close percentage wise. In 1981-82 the firefighters received a 9% increase; the police officers an 8% increase. In 1982-83 the firefighters received a 5.7% increase and the police officers a 5% increase. In 1983-84 the wage increase for firefighters was 4.2% and for the police officers, 4%. In 1984-85 the firefighters received an increase of 4.6% and the police officers received the same percentage increase, 4.6%.

In essence, not any of the cited communities are truly comparable with the possible exception of Grosse Pointe Park and Harper Woods. Both of these communities had full time firefighters during the period being examined. Even these two are suspect in that the Park firefighters unit is in transition to a Public Safety Department and Harper Woods have a much larger work force with a greater number of potential fires because of the number of commercial and industrial establishments in the area.

It was difficult to make a comparison of wages between the three most comparable communities: Grosse Pointe Farms, Grosse Pointe Park and Harper Woods, as neither the City's final offer on wages nor that of the Union will place the Grosse Pointe Firefighters wage rate close to the average of the wages paid in the two comparable communities, as the following graphic shows for the period from 1-1-85 to 1-1-87:

	<u>7-1-85</u>	<u>1-1-86</u>	<u>7-1-86</u>	<u>1-1-87</u>
Grosse Pointe Park	28,000	28,000	29,000	29,000
Harper Woods	29,627	31,256	31,256	31,256
Average	28,813	29,628	30,128	30,128
City Offer	27,790	28,526	28,526	29,762
	-1,123	-1,102	-1,602	- 366
	<u>7-1-85</u>	<u>1-1-86</u>	<u>7-1-86</u>	<u>1-1-87</u>
Average	28,813	29,628	30,128	30,128
Union Offer	29,288	29,288	29,288	30,605
	+ 475	- 342	+ 840	+ 477

Another factor to be considered are the percentage increases granted by the comparable communities (City exb. 39); While actual wage rates are not, in all cases, comparable because of the different classification, i.e., Public Safety Officers and Firefighters, the percentage increases granted by other communities are significant as shown below:

Grosse Pointe Park increased wages 3.7% in 1985-86 and 3.5% in 1986-87, total 7.2% over two years. Harper Woods increased wages 5.5% in calendar year 1986 and froze the wages in 1987, total 5% over two years. Grosse Pointe increased wages in 1985-86 4% and 4.5% in 1986-87. Grosse Pointe Woods increased wages 4.5% in 1985-86 and 4.25% in 1986-87.

Considering the above, 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, while not fully comparable with average wages paid for similar services in the comparable communities, does fit the pattern of wage increases, percentage wise, granted other units of employees within the City, a fact that must be realized as most important in maintaining a good relationship with the employees throughout the City; the offer is consistent with other collective bargaining settlements within the City.

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

City's Panel Member:
Carrol C. Lock

Concurs X P.C.L.
Dissents _____

Union Panel Member:
Robert Wines

Concurs _____
Dissents P.W.

ISSUE #2 - C.O.L.A.

The City's last best offer is:

- 1) Retain the cap of 20¢ on payments of COLA.
- 2) Change the payment dates to reflect the changed dates of the contract with the COLA provision termination date coinciding with that of the Agreement.
- 3) Insert a provision that would limit the payments made by adding this language: "the payment made shall be based only on the increase in the cost of living over \$.10 per hour based upon the above calculation and under the cap of

\$.20 per hour, any one payment not to exceed \$.10 per hour for each payment using one thousand (1000) hours for each employee as hours worked for a six month period."

The Union's last best offer on C.O.L.A. would remove the cap of .20¢ and also remove the termination dates so that COLA would be continued into the succeeding contracts.

Neither position taken by the Union or the City in the last best offers are entirely satisfactory but as other 312 arbitrators have pointed out, last best offers must be considered in toto and are not severable.

The Union's proposal to remove the cap of .20¢ on the cost of living payout would cause the C.O.L.A. contractual provision to be materially different and possibly more generous than the allowances in the comparable communities, all of whom have a cap on C.O.L.A. payments with the exception Harper Woods. For example:

Grosse Pointe Woods' COLA has a maximum bonus paid annually of \$1,200.00.

Grosse Pointe Park's COLA has a cap of \$200.00 for each 6 month period.

Grosse Pointe pays a semi-annual lump sum payment of \$500.00 every 6 months for the P.S.O. II position and \$200.00 every 6 months for the P.S.O. III position.

Grosse Pointe Shores' cost of living provision contains a \$1,200.00 annual cap.

Considering the above, the Union's last best offer would not be acceptable but in reviewing the City's last best offer, the inclusion of the limitation on the payout of the cost of living to one half of the total amount of .20¢ (if the increase in the index caused the payout to reach that amount) makes a major change in the C.O.L.A. language.

This language was inserted in the City's last best offer, however, there was no supporting evidence offered during the hearings nor does the City's brief make any reference to this new and different method of computing the payout of cost of living or present any arguments in support of this proposed change. The purpose of this change and the rationale, in support of this change, was not presented to the panel.

In view of the fact the panel must select one or the other last best offer there is little support for removing the cap of the cost of living payout, but the proposal made by the City reduces the payout to 50% of the allowable payments and would mean a substantial reduction in the amount of cost of living payment the firefighters could receive. Further, the proposed change would make the C.O.L.A. provision materially different from the C.O.L.A. provisions of the comparables and would make the C.O.L.A. provision different from the C.O.L.A. provision in the Grosse Pointe Police Officers's contract with the City.

Considering the above factors, it is the opinion of the majority of the panel that the Union's last best offer on the C.O.L.A. is less onerous of the two offers and the panel believes the Union's offer in light of the record and

the factors reviewed above is the most reasonable and should be adopted.

Award: The Union's last best offer on C.O.L.A. is adopted.

The City's Panel Member:
Carrol C. Lock

Concurs _____
Dissents W. C. Lock

The Union's Panel Member:
Robert Wines

Concurs RW
Dissents _____

ISSUE #3 - HOLIDAYS

The Union's last best offer is to add one compensatory working day each calendar year making a total of five (5) compensatory working days each calendar year in lieu of all holidays worked.

The City's last best offer is: No change in the number of compensatory days off.

The Union contends a comparison of the holiday benefits of the comparables supports the Union's proposal of one more compensatory day off and submitted the following data in support of their position:

The present benefit of four (4) days off plus \$500.00 per year equates to a total of six days. The proposal would generate the equivalent of approximately seven (7) days.

Other communities (comparables) provide varying amounts as shown in Union exb. 5:

Grosse Pointe Farms:	4 days off plus \$500.00 or 6 days.
Grosse Pointe Woods:	12 days paid in lump sum (equivalent to 6 24-hour days) plus 8 hours additional pay for each holiday worked.
Grosse Pointe Park:	12 - 12-hour days off (6 - 24-hour days off) plus time and one half for holiday hours worked.
Grosse Pointe City:	102.4 hours additional pay for not working eight (8) hours (4.26 days pay) plus nearly double time for holidays worked.
Grosse Pointe Shores:	9 extra days pay in 1987, 10 extra days pay in 1988. Additional days pay for each holiday worked.

According to the Union's analysis, Grosse Pointe Farms Firefighters are ahead of Grosse Pointe Park, but receive a lesser benefit than Harper Woods and Grosse Pointe Woods Firefighters. Grosse Pointe City has a slightly better benefit while Grosse Pointe Shores does not. The Union's proposal would place the Grosse Pointe Firefighters in the mid range.

The City argues that there is no support for the Union's proposal for an additional holiday as with the current vacations and holidays an employee can schedule five (5) different thirteen (13) day periods off in a given year or four (4) different thirteen (13) day periods off plus three (3) six (6) day periods off, equivalent to almost five (5) two (2) week vacations in any given year.

The City also points out that an internal comparison shows that no City employees have received comparable increases in time off over the past six (6) years (City exb. 20).

It is somewhat difficult to make a true comparison of the holiday benefits provided by the communities being used as comparables because of the different methods used in expressing the holiday benefits, however, the Grosse Pointe Farms Firefighters appear to be an average in the mid range of the comparables and there seems to be no valid reason to support the Union's last best offer on holidays.

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

City's Panel Member:
Carrol C. Lock

Concurs X C. L.
Dissents _____

Union's Panel Member:
Robert Wines

Concurs _____
Dissents Pen

ISSUE #4 - VACATIONS

The Union's last best offer on vacation allowances proposes to increase the vacation allowance for employees with fifteen (15) years to twenty (20) years of service and for employees with twenty (20) and over years of service. Employees with fifteen (15) years and up to twenty (20) years of service presently receive ten (10) working days as vacation allowance. Employees with twenty (20) years and above receive eleven (11) working days as vacation allowance.

The Union's proposal would increase the vacation allowance for those employees with fifteen (15) to twenty (20) years of service to twelve (12) working days and for those employees with twenty (20) or more years of service to fourteen (14) days. The increases to be effective 12-31-1987.

The City's last best offer is no change in the vacation allowances.

An examination of the vacation allowances provided by the comparable communities relative to the allowances provided by Grosse Pointe Farms (Un. exb. 6) shows:

	<u>15 - 20 Years</u>	<u>20+ Years</u>
<u>Grosse Pointe Farms</u>	10 - 24-hr. days	11 - 24-hr. days
<u>Grosse Pointe Woods</u>	13½ - 24-hr. days	15 - 24-hr. days
<u>Grosse Pointe Park</u>	9 - 24-hr. days	12 - 24-hr. days
<u>Harper Woods</u>	12 - 24-hr. days	15 - 24-hr. days
<u>Grosse Pointe</u>	15 - 24-hr. days	16 - 24-hr. days
<u>Grosse Pointe Shores</u>	*12½ - 24-hr. days	*13½ - 24-hr. days

*plus two (2) additional days after 15 years service.

Considering the above factors, it is apparent that the Union's position is supported by the comparisons of the other communities and the Union's last best offer will be adopted.

Award: The Union's last best offer on vacation allowances is adopted by the panel.

City's Panel Member:
Carrol C. Lock

Concurs _____
Dissents X C. 3

Union's Panel Member:
Robert Wines

Concurs RW
Dissents _____

ISSUE #5 - OVERTIME

The Union withdraws this issue.

The City's last best offer is:

"The Letter of Understanding would be eliminated and Article XI would be changed as follows:

11.1: Normal Overtime. Any overtime work shall be paid as provided by federal law.

11.2: Holdover. In the event an employee is required by the City to remain on duty for a period after completion of his regular shift and such holdover is fifteen (15) minutes or less, he shall not be compensated for such holdover time. If such holdover period is sixteen (16) to thirty (30) minutes, he shall be compensated for one-half (1/2) hour at time and one-half rates.

11.3: The hourly rate for overtime other than that described in 11.4, shall be computed as provided by federal law.

11.4: The hourly rate for 40 hour work week is arrived at by dividing Annual Salary by 2080. This only applies if such overtime is the result of the need for emergency response to a working fire."

Award: Inasmuch as the issue of overtime was withdrawn by the Union, no award is issued by the panel.

City's Panel Member:
Carrol C. Lock

Concurs X C.L.
Dissents _____

Union's Panel Member:
Robert Wines

Concurs RW
Dissents _____

ISSUE #6 - E.M.T. PREMIUMS

The Union's last best offer proposes to add the following language to the contract:

"Any employee who is or becomes certified as an Emergency Medical Technician (E.M.T.) shall be paid, in addition to his regular salary, two and one half percent (2½%) annually of the base wage of a full paid four (4) year firefighter. Payment shall be by separate check in the first pay period of June."

"E.M.T. premiums to be retroactive to July 1, 1985."

The City's last best offer is that no E.M.T. premiums should be awarded.

The Union cites the comparison of the communities considered as comparables:

Grosse Pointe Woods:	No comparable classification.
Grosse Pointe Park:	3% of base wages of a four-year firefighter.
Harper Woods:	2% of average annual base salary.
Grosse Pointe City:	Contracts with Grosse Pointe Park.
Grosse Pointe Shores:	3% of base wage.

The Union contends that Grosse Pointe Farms Firefighters, with E.M.T. certification, who perform E.M.T. duties are deserving of at least a minimum of 2½% of salary as a premium for the additional responsibilities, duties performed, training possessed and skills achieved.

The City on the other hand objects to the proposal on:

1) The proposal is based on a percentage of salary thereby containing an inflator, providing an automatic increase each time the salary is increased.

2) The Union's proposal would provide every employee who completes E.M.T. training with the benefit, thus each firefighter would receive the premium whether or not he performs E.M.T. duties.

3) Paying an E.M.T. premium would create a pay differential between those firefighters who are certified and those who are not.

4) The City allowed the firefighters, who were trained, to attend four (4) hours of class and allowed them twelve hours off and they were paid overtime; the average payment for overtime was \$1,500.00. They also receive \$400.00 every three years to keep their certification.

In considering the above factors, it is quite apparent that the payment of an E.M.T. premium is common practice among the comparable communities and one would be inclined to agree with the Union's position that Grosse Pointe Firefighters who perform E.M.T. duties are justifiably deserving of a premium for the duties performed and the special training they must have to be certified, but the Union's proposal contains two provisions that makes the proposal unacceptable:

1) The proposal is that any employee, who is or becomes certified, shall be paid the premium. This would mean whether or not there was need, in the Grosse Pointe Farms Fire Department, for additional E.M.T. trained personnel, anyone who became certified would be entitled to the premium even if the person was not performing the duties.

2) The proposal establishes the premium as a percentage of the wage paid firefighters with four (4) years service (the top rate paid firefighters in Grosse Pointe Farms). A check of the comparables shows that only one of the communities, that pay a premium, bases the premium on a percentage of a four (4) year firefighter's wage (in effect, the top rate), the others that pay a premium (Harper Woods and Grosse Pointe Shores) base the premium on a percentage of base wage.

To pay the E.M.T. premium to all personnel who become certified is grossly unfair to those firefighters who perform the work and to pay the premium to those employees not assigned to E.M.T. duties defeats the purpose of the premium; that is to pay employees for the additional responsibilities and for the duties performed.

Secondly, to base the premium on the top wage would reduce the pay differential between the wage classifications which would result in an inequitable wage structure.

Based on these reasons and on the record as a whole, the Union's last best offer is rejected.

Award: The panel rejects the Union's last best offer on E.M.T. Premiums.

City's Panel Member:
Carrol C. Lock

Concurs X C. L.
Dissents _____

Union's Panel Member:
Robert Wines

Concurs _____
Dissents RW

ISSUE #7 - SICK LEAVE PAYOUT

The Union's last best offer on this issue proposes to change the amount of payment of all accumulated sick leave units upon retirement.

The City's last best offer is a proposal to change the structure of the sick leave payout upon retirement by allowing employees to receive incentive pay if they do not exceed six units absent from work due to illness or injury.

The current provision allows a payment of 25% payout of up to 40 sick leave units or 20 days pay upon retirement (Sick leave units are expressed as one unit equaling one half of a 24-hour day).

The Union seeks to change the payout to 50% of all accumulated sick leave units (maximum 80 units or 40 days pay) upon retirement plus 50% of the remainder of the maximum to be paid to an employee upon reaching the age of 65 or to the beneficiary, if death occurs before the retiree reaches age 65. If an employee dies before retirement, 75% of all accumulated sick leave units up to the maximum shall be paid to his beneficiary.

The City's last best offer proposes a sick leave plan that would reduce the maximum accumulation of sick leave units to 80 from the current 160. The plan establishes an incentive pay plan to reduce the use of sick leave. To qualify for the incentive plan, an employee must have accumulated 80 sick units as of January of the qualifying year.

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: 1/2 (12 total units absent from work due to illness or injury) current rate of pay, paid in a lump sum.

The Union seeks a payout of unused sick leave at death or retirement that matches the sick leave payout plan now in effect for the police officers in the City of Grosse Pointe Farms.

In addition, the Union contends that an examination of the comparables demonstrates that the plan, now in effect for Grosse Pointe Farms firefighters, is deficient in several respects:

<u>Grosse Pointe Farms:</u>	25% of accumulated sick leave units (maximum of 40 units)
<u>Grosse Pointe Woods:</u>	50% of unused units at termination, 25% at retirement, plus 25% of unused units converted to paid-up life insurance, 100% of accumulation at death.
<u>Grosse Pointe Park:</u>	Up to 30 days of sick leave or one half of accumulated days, whichever is less.
<u>Harper Woods:</u>	50% of sick leave time accumulated to a maximum of 100 days. Upon reaching the maximum, 50% of the hours are paid and the balance added to a "Reserve Sick Bank" to be used for illness or injury.

Grosse Pointe City:

Up to 50% of accumulated sick days upon retirement. Payment based on average of retiree's base wage for a number of days, not to exceed 37.5.

Grosse Pointe Shore:

50% of sick leave over 200 day maximum paid out annually to active employees.
Up to 200 days at 75% upon retirement.
Up to 200 days at 50% upon death.

Based on the above comparisons, the Union argues that all the comparables provide sick leave payout benefits superior to the current provision for Grosse Pointe Farms Firefighters.

The City asserts that the proposed plan is designed to reduce the use of sick leave pay by providing an annual incentive pay each year to employees who do not exceed six units absence from work due to illness or injury. The City claims that an incentive is needed to reduce the number of sick days taken; the average number of sick days taken per employee between 1952 & 1956 was 1.5 days; the average taken between 1981 & 1986 was 4.5 days. The use of sick leave has increased 300 percent.

The City contends that those retiring under the plan will have a much better payout than under the current plan.

The claim made by the City that the adoption of the incentive plan would reduce the number of sick day per employee is a supposition not supported by any factual evidence. Further, the plan would eliminate the sick leave payouts the firefighters have received upon retirement in the past years.

While the City points out that the plan has been accepted by the Police Officer Command Unit and put into effect for the City Administration Staff, it is still a dramatically different plan than any of the sick leave plans in any of the comparable communities. While it is understandable why the City wants to install the incentive plan and there are undoubtedly abuses of sick leave, the panel must reject the City's last best offer based on the reasons stated above and on the examination of the comparables.

The Union's last best offer on the sick leave payout goes beyond in many respects of those benefits in effect in the comparable communities but on the whole is more equitable to the employees of the Grosse Pointe Farms Fire Dept. than that of the City's. As has been previously noted by other arbitrators in Act 312 proceedings last best offers must be considered in total and are not severable. Based on the record as a whole, the Union's last best offer must be accepted.

Award: The City's last best offer on Sick Leave Payout is rejected.

The Union's last best offer on Sick Leave is adopted.

City's Panel Member:
Carrol C. Lock

Concurs _____
Dissents X C X

Union's Panel Member:
Robert Wines

Concurs RW
Dissents _____

ISSUE #8 - PENSION MULTIPLIER

The City's last best offer is to add a new Article (XXXIII) to the contract, 33.1 Amount of Straight Life Pension, effective for retirements and deaths occurring on and after July 1, 1985, the amount of straight life pension provided by Chapter 17, Section 17.16 (a) of the City Charter, applicable at the time of retirement or death, shall be computed in accordance with the following pension formula in lieu of the method of computation specified in Section 17.16 (a) Pension Formula. The amount of straight life pension is equal to 2.25 percent of the member's final average compensation multiplied by the member's credited service with a cap of 70%.

The Union's last best offer is, upon review of the final offers by the parties, the Union accepts the Employer's final offer on this issue. The Employer's language shall become part of the award.

Award: The last best offer of the City on Pension - Multiplier is adopted.

City's Panel Member:
Carrol C. Lock

Concurs X C.L.
Dissents _____

Union's Panel Member:
Robert Wines

Concurs _____
Dissents RW

ISSUE #9 - PENSION - ANNUITY WITHDRAWAL

The Union withdraws this issue.

The City proposes no change.

Inasmuch as the Union withdraws this issue, no award is issued by the panel.

City's Panel Member:
Carrol C. Lock

Concurs X C.L.
Dissents _____

Union's Panel Member:
Robert Wines

Concurs _____
Dissents RW

ISSUE #10 - HEALTH INSURANCE - RETIRED MEMBERS

The City's last best offer on Health Insurance for retired members is: Replace Article XXXII, Section 32.2A, as follows:

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 July 1, 1985. The remainder of Article XXXII would remain the same as shown in the current contract.

The Union's last best offer on health insurance for retired members is to replace the present language of Article XXXII with the following:

Bargaining unit members, who retire from service, may elect to remain in the Blue Cross Group with benefit level identical to that of active employees. In such event a retiree qualifies for Medicare, 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.

The City's final offer, in essence, maintains the health insurance coverage for retirees at the present levels with only a change in the date of retirement; The current contract states: members who retire with an effective date after June 30, 1983, but prior to July 1, 1985. The change would update the effective date of retirement to after July 1, 1985.

The Union seeks to gain full health benefits for retirees and their spouses, paid by the Employer. The proposal would reduce the Employer's liability by providing that if a retiree later qualifies and receives Medicare coverage, the Employer would only be liable for the cost of the Medicare supplement.

The Union points out that the present plan provides coverage only after retirees reach the age of 60; employees who retire before age 60 are not provided with any coverage, paid for by the Employer. The Union also cites the fact that if a retiree is not eligible for Medicare, the Employer's contribution to the cost of the coverage drops to one-half of the cost of the insurance.

The Union's proposal would provide the same level of coverage, now in effect, for active employees to all retirees, regardless of age, fully paid for by the Employer. When the retiree reaches the age of 65 and becomes eligible for Medicare, he would be required to apply for Medicare and, if eligible, the cost of the supplemental coverage would be paid by the Employer. In the event of a retiree not being eligible for Medicare because of not having qualified for Social Security, the Employer would pay the full cost of the same level of benefits as provided active employees.

According to the Union, a review of the comparable communities shows that the majority of those considered as comparable (Un. exb. 17) indicates that the most relevant comparables provide fully paid coverage for retirees and spouses at the same level as active employees, i.e.:

Grosse Pointe Woods provides fully paid coverage for retiree and spouse.

Harper Woods provides fully paid coverage for retiree and spouse as long as the retiree's taxable wages do not exceed the amount paid by the City pension.

Grosse Pointe Park converts unused sick time at retirement to fund health insurance for the retiree and spouse; the plan may be better or less generous than the Grosse Pointe Farms plan depending on the amount of unused sick leave and the number of years of survival by the retiree.

Grosse Pointe Shores pays the full cost of the retirees's health insurance at the same level of coverage provided active employees and provides the coverage for the spouse as long as he/she remains unmarried.

City of Grosse Pointe pays a portion of the coverage for retirees.

The City contends that the present level of coverage provided retirees from the Grosse Pointe Farms firefighter unit is the identical health insurance coverage as that provided for the police officers and for other units of employees of the City. According to the City, the City's proposal (a continuation of the present level of benefits now provided retirees in the current contract) costs \$21,474.00 the first year, approximately \$1,832.00 per employee which equates to a 6.7% increase in wages. The continuation of the benefit would result in an unfunded actuarial accrued liability increase of \$255,100.00, almost \$17,000.00 per employee.

The City claims the Union's proposal would result in an additional \$32,314.00 the first year and an additional \$198,000.00 in unfunded actuarial accrued liability.

The City also points out that the Union's proposal would include dental benefit coverage which not any of the internal units of employees enjoy and which only one of the comparables provide - Grosse Pointe Shores.

An examination of the parties proposals on health insurance for retirees reveals some rather significant differences. For example, the City's proposal (the current plan) does not provide coverage for employees who retire before age 60 and employees may voluntarily retire at age 55 (mandatory retirement age is 65). Employees who may elect to retire at age 55 are not provided health insurance coverage paid for by the Employer. The Union's proposal would provide that coverage.

Both proposals provide fully paid coverage for employees who retire at age 60; at age 65, if they are eligible for Medicare, Part A, they must apply for that coverage and, if they are eligible to receive Medicare, Part A, coverage, the Employer pays the cost of the supplemental coverage. However, the City's proposal is: if the retiree is not eligible, because of not having qualified for Social Security benefits, the Employer would pay for 50% of the cost of the supplemental coverage.

The Union's proposal would provide for supplemental coverage, even though the retiree was not eligible for Medicare coverage, fully paid for by the Employer.

In addition the Union's proposal would provide dental coverage fully paid for by the Employer, a benefit now not available to retirees or their spouses and a benefit not covered by Medicare.

In looking at the comparables (Un. exb. 17), it is apparent that two of the five comparables pay the full cost of providing health care coverage for retirees and spouses - Grosse Pointe Woods and Grosse Pointe Shores. All the others have qualifiers that limit the Employer's liability. Only one of the comparables provide dental coverage paid for by the Employer - Grosse Pointe Shores.

A review of the record shows that a majority of the comparables do not provide fully paid health care coverage for all retirees as the Union proposes and, as noted above, only one of the comparables provides dental coverage.

Further, the record shows that the health insurance coverage plan, proposed by the City, is the same plan as that provided for the Grosse Pointe Farms police officers and the Grosse Pointe Farms Police Officers Command unit and other City employees.

For the above reasons and based on the record as a whole, the City's last best offer on Health Insurance - Retired Members is accepted.

Award: The City's last best offer on Health Insurance - Retired Members is approved by the panel.

City's Panel Member:
Carrol C. Lock

Concurs X C.L.
Dissents _____

Union's Panel Member:
Robert Wines

Concurs _____
Dissents RW

ISSUE #11 - PENSION ESCALATOR

The City's last best offer is: No change. (at present no contract language).

The Union's last best offer is to add language to the contract: "For firefighters retiring on or after June 30, 1987, the monthly retirement benefit shall be increased annually, commencing with the second year of retirement, to the amount of benefit otherwise payable multiplied by one hundred (100%) percent plus two (2.0%) percent of the original amount for each year of retirement."

"Pension - Escalator to be effective December 31, 1987."

The Union seeks a 2% annual increment to pension amounts non-cumulative; the provision to take effect on the last day of the contract for persons retiring on or after December 31, 1987.

The Union contends that the acceptance of the pension multiplier issue whereby the pension multiplier is capped at 70% of final average compensation will adversely limit the pension amount for any retiree with more than 31 years service whose pension would cap out at 69.75%. The 2% pension escalator would allow the retiree's pension to grow beyond the 70% limit.

The Union argues that because Grosse Pointe Farms Firefighters do not earn Social Security credits while employed by the City, this protection is needed. The Union likens the proposed pension escalator to that in effect for Social Security recipients.

The City contends that the Union has presented no evidence to support the pension escalator proposal. According to the City, the increase in the pension multiplier and the additional hospitalization for retirees will cost \$4,281.00 per firefighter annually, an 11% increase of payroll. The escalator of 2% would cost \$2,108.00 per person, per year, a 5.8% increase of payroll. The cost would be \$31,617.00 the first year and increase the accrued liability \$255,000.00.

Further, the City claims that the firefighters have retirement income from Social Security in that no firefighter has retired in the last ten years without Social Security coverage.

The City also asserts that the internal comparisons do not support an escalator provision, in the retirement plan, as no other employees of the City have such a benefit. The City also contends that this type of request should be brought to the bargaining table and not in Act 312 proceedings.

The Union's proposal for 2% escalator in the pension plan is not supported by any evidence that any of the comparable communities have such a benefit and as the City points out, not any of the other units of employees within the City have this benefit. The City is correct in its contention that a provision such as this should be discussed in collective bargaining. The arbitration panel does not have the background information to properly decide a matter such as this whereas the parties, in collective bargaining, can marshal the facts to support their respective positions on the question. The proposal is not a matter that should be decided in an Act 312 proceeding, therefore, the Union's proposal on the pension escalator is rejected.

Award: The Union's last best offer on the issue of Pension - Escalator is rejected.

City's Panel Member:
Carrol C. Lock

Concurs _____
Dissents _____

X C.L.

Union's Panel Member:
Robert Wines

Concurs _____
Dissents _____

RW

ISSUE #12 - HOSPITALIZATION - INSURANCE PREMIUM

The City's last best offer on Hospitalization - Insurance Premium is:

Replace Article XXX - Section 30.2, as follows:

The Employer shall have no obligation to pay more for Hospitalization, Surgical, Medical and Dental Benefits than \$368.39 per employee, per month, for full family coverage; \$331.75 per employee, per month, for two persons coverage; or \$153.69 per employee, per month, for one person coverage.

The Union's last best offer on Hospitalization - Insurance Premium:

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

The City proposes that the health insurance premium be fixed at the current rate and that any additional premiums be a subject of negotiation, rather than an automatic inflator, in the collective bargaining agreement. According to the City, this proposal is designed to treat health insurance costs like other items in the collective bargaining agreement that are a subject of negotiations.

The City claims that 80-85% of fire department budget is labor costs and a fixed health insurance premium would assist the City in determining the budget items and the premium could be a subject of negotiation and recognized as a part of the total cost of the overall contract.

The City asserts a fixed cost provision has been negotiated with the Department of Public Works and requests that this comparable be followed by the Arbitration Panel.

The Union's position is that the City does not present a compelling need or problem with the insurance premium. Nor has the City shown that a majority of external or internal comparables have health insurance premiums capped.

The Union further asserts that the City has had the option of replacing the current carrier, Blue Cross - Blue Shield, with a potentially less costly carrier and has not exercised this option.

An examination of the record shows that not any such plans have been put into effect in any of the other comparable communities. Further, the only other unit of employees, within the City that have a capped health insurance premium, are in the Department of Public Works; the Police Officers and the Police Command Officers have an uncapped health insurance plan similar to the current plan for the fire department employees; the other employees of the City also are provided with an uncapped health insurance plan.

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 on Hospitalization - Insurance Premium is approved.

City's Panel Member:
Carrol A. Lock

Concurs _____
Dissents X C. L.

Union's Panel Member:
Robert Wines

Concurs RW
Dissents _____

ISSUE #13 - FOOD ALLOWANCE

The City's last best offer on this issue is: Replace Article XXXVII as follows:

37.1: As 24 hour firefighters, because of their schedule, eat on an average five (5) meals per week during work hours, similar to the average five (5) lunches eaten by a forty (40) hour employee, no food allowance will be provided. However, firefighters will be permitted paid time to eat off the premises, as scheduled by the Fire Chief.

The Union's last best offer on this issue is:

37.1: A food allowance of three hundred and thirty-two dollars (\$332.00) per year shall be paid to all bargaining unit members effective July 1, 1985. Effective January 1, 1987, such amount shall be increased to three hundred and fifty-one dollars (\$351.00) per year for all bargaining unit members. Food allowance to be retroactive to January 1, 1987.

The City does not believe a food allowance is justified and no reasons exist to justify such a food allowance.

According to the City, firefighters are paid while they eat, while they shop for food and while they prepare the food and the firefighters, on the average, eat only five meals away from home, per week - the same as other employees in both private and public sectors.

The City contends that any individual firefighter can bring food from home already prepared or prepare food at work. The City proposal provides that firefighters can eat their meals at a restaurant, therefore, a firefighter can eat all the meals away from home as cheaply as any other employee.

The City argues that the firefighters should not be given the special treatment of a food allowance when other City employees do not receive one.

The City cites the fact that three of the comparables do not provide a food allowance to employees: Grosse Pointe, Grosse Pointe Woods, and Grosse Pointe Park.

The Union contends that the Employer presented no evidence to demonstrate why this benefit should be eliminated. In fact, the Union claims the evidence points to an increase in the dollar amount of the allowance.

The Union refers to last 312 Arbitration (Jnt. exb. 2) that set the food allowance at \$332.00 per year (up from \$200.00) in recognition of 66.2% increase in the "Food at Home" segment of the Consumer Price Index. The Union asks that the arbitration panel continue the adjustment of the food allowance consistent with increases in the "Food at Home" segment of the Consumer Price Index.

According to the Union, the "Food at Home" segment of CPI is available as a public record; at July 1985, this index was recorded as 285.7. By December 1986, the index had increased by 5.7% to 302.1. The Union added 5.7% to the current food allowance of \$332.00 to arrive at \$351.00.

It is understandable why the City wants to eliminate the food allowance for firefighters as a cost saving factor. However, it is somewhat questionable when the City claims that firefighters on the average eat only five (5) meals per week away from home. According to the testimony the firefighters are working 24 hour schedules and eat two meals during the shift. Therefore, it is difficult to accept the claim they only eat one meal in a 24 hour period.

It is also difficult to understand how the time off for meals could be scheduled so as to allow personnel to leave the fire station and eat a meal; There was no testimony offered on how much time would be allowed, but the other question is, how could people be spared when according to the record, on the average only four firefighters, including Command personnel, are on duty? The normal complement on a shift is three firemen (Pipemen), and one Command Officer. Considering the amount of furlough time available to the firefighters and the probability of personnel being absent on sick leave, the number of personnel on duty would be minimal.

While there is no question that the number of fire calls are comparatively few in Grosse Pointe Farms, there is the need for E.M.T. trained personnel on each shift and if a response to a fire call and an emergency medical run were necessary at the same time, it is conceivable that there would not be enough people available if one person was off on a meal break.

Although the City claimed three of the comparables did not provide a food allowance for firefighters, no evidence was introduced as to how the shifts in the cited communities were manned in numbers or how the people were allowed to leave the fire stations for meal breaks. Without this information it is difficult for the panel to compare the policies regarding meal allowance of Grosse Pointe Farms and the cited communities.

Based on these reasons and on the record as a whole, the Union's last best offer on the issue of food allowance is approved.

Award: The Union's last best offer on Food Allowance is approved by the panel.

City's Panel Member:
Carrol C. Lock

Concurs _____
Dissents X ✓ L

Union's Panel Member:
Robert Wines

Concurs RW
Dissents _____

ISSUE #14 - RESIDENCY (NON-ECONOMIC)

The City's last best offer on the issue of residency is:

Replace Appendix C per Article XIX with the attached boundary map.
Replace Article XIX as follows:

Residential boundaries for present firefighters who may change their residence after December 31, 1987, and new lines shall be established as outlined on a map of southeastern Michigan, a copy of which is attached hereto as Appendix "C" to the Agreement and by this reference made a part hereof.

The Union's last best offer, on the issue of residency is: The Union rejects any changes, additions or deletions to the present contract regarding this issue, thereby maintaining the status quo.

The City states that the proposed change in the boundaries does not limit the firefighters to living in the immediate Grosse Pointe area or in Grosse Pointe Farms. According to the City the proposed boundaries are comparable to the boundaries established in the Police Command Officers' contract and are consistent with the anticipated boundaries for the proposed public safety department and, among the comparables, the City of Harper Woods has a similar requirement. The City argues that the change is necessary because of the distance some firefighters live from the City; these people are not called in case of emergencies because of the distance between home and work.

The City asserts the reason for the proposal is to insure quicker availability of people and response, and what the City would like is to have people available in 5 to 10 minutes, not 45 minutes, as is the case in some instances at the present time (one firefighter lives in New Baltimore).

The Union asserts that the City failed to demonstrate a need for the change or a problem with the present residency policy and therefore urges maintenance of the status quo.

The City proposal would bring the limits of the area, in which firefighters could live, closer to Grosse Pointe Farms; new lines would be required to live within the established boundaries and present employees, not living within the stated area, would be required to move into the area if they changed their residence. The City believes the proposal is supported by the comparables of Harper Woods and the Police Command Officers.

The record indicates that to date there have been no problems due to the current contract language regarding residency; there was no evidence entered into the record that there had been problems because of the unavailability of those employees who now live outside the proposed boundaries.

The panel has concluded that the City has failed to demonstrate a need or any problem with the current residency policy and therefore the panel rejects the City's proposal to change the current residency requirements now shown in the current 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 is adopted.

City's Panel Member:
Carrol C. Lock

Concurs _____
Dissents X C.C.L.

Union's Panel Member:
Robert Wines

Concurs RW
Dissents _____

AWARD

The contract between the City of Grosse Pointe Farms and the Police Officers Association of Michigan for the period of July 1, 1985 through December 31, 1987 shall contain the City's Last Best Offers on Issues 1, 3, 6, 8, 10 & 11, and shall contain the Union's Last Best Offers offers of Settlement on Issues 2, 4, 7, 12, 13, & 14.

Issues # 5 and # 9 were withdrawn by the Union.

All tentative agreements between the parties are stipulated to for inclusion in the new contract.

Panel of Arbitrators

Carrol C. Lock
Carrol C. Lock, City Delegate

Robert Wines
Robert Wines, Union Delegate

Dawson J. Lewis
Dawson J. Lewis, Panel Chairman