

307
STATE OF MICHIGAN
ARBITRATION UNDER PUBLIC ACT #312
PUBLIC ACTS OF 1969

ARB
11/8/84
FEB 20 1985

IN THE MATTER OF STATUTORY ARBITRATION BETWEEN

CITY OF GROSSE POINTE PARK

-and-

GROSSE POINTE PARK FIREFIGHTERS UNION LOCAL I.A.F.F. AFL-CIO

ARBITRATION OPINION AND ORDERS

The arbitration was conducted in accordance with Public Act #312 Public Acts of 1969, as amended which provides for binding arbitration for the determination of unresolved contractual issues in municipal police and fire departments.

Arbitration was initiated by Grosse Pointe Park Firefighters Local 533 hereinafter known as the Union; the petition for arbitration was filed 9/27/83.

As the result of the Petition for Arbitration, Dawson Lewis was appointed Chairman of the Panel of Arbitrators by letter from the State of Michigan, Department of Labor Bureau of Employment Relations dated January 4, 1983. The case number assigned is M.E.R.C. CASE NO. D83 D1374. The City-designated Panel Member was Mr. James Heimbuch and the Union-designated Panel Member was Mr. Joseph Bialk.

In the petition for arbitration under Act 312, Public Acts of 1969, as amended filed by the Union September 27, 1983, the issues in dispute were listed as:

1. Wages
2. Longevity Pay
3. Sick Leave
4. Holiday Pay
5. Food Allowance
6. Hospitalization for Retirees
7. Optical Insurance
8. Prescription Co-Pay Plan
9. Cost of Living

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The Employer, in the response to the petition for arbitration, listed the issues in dispute as:

1. Residency
2. Minimum Manpower
3. Selection of Health Insurance Carrier
4. Sick Leave Bank
5. Cost of Living
6. Wages
7. Food Allowance
8. Longevity Pay
9. Assignment of Duties

Pursuant to notice a prehearing conference was held February 21, 1984. At that meeting the parties agreed the collective bargaining agreement resulting from the arbitration would be of two (2) years duration effective July 1, 1983, through and including June 30, 1985. The parties also agreed that each year would be treated separately for purposes of the last best offers in accordance with the provisions of Section 8 of Act 312 which provides for a decision of the Arbitration Panel on each economic issue separately.

Grosse Pointe Park, City of

Lewis, Dawson

Prior to the opening of the hearings on the matters in dispute, the parties met to exchange their lists of comparable communities and information and documents needed for preparation of exhibits; the parties then met at a later date to exchange exhibits and lists of proposed witnesses.

The hearings on the matter in dispute were held June 11, 12, 13, 14, 20, and July 13. The Panel met in executive session on September 22 and October 24. A stenographic transcript was prepared and following its receipt, post-hearing briefs were received. Subsequent to the receipt of the briefs, the parties submitted final offers on all economic and non-economic issues.

The parties in the pre-hearing conference stipulated that the issues before the Panel would be:

1. Wages (economic)
2. Longevity Pay (economic)
3. Sick Leave (economic)
4. Holiday Pay (economic)
5. Food Allowance (economic)
6. Hospitalization Insurance for Retirees (economic)
7. Optical Insurance (economic)
8. Prescription Drug Coverage (economic)
9. Cost of Living Allowances (economic)
10. Residency (non-economic)
11. Minimum Manpower (economic)
12. Change in Insurance Carrier (economic)
13. Assignment of Duties (non-economic)

Subsequently the parties resolved Item #7, Optical Insurance and Item #12, Change in Insurance Carriers. The Employer withdrew Item #13, Assignment of Duties, when the last best offers were submitted to the Panel.

The parties stipulated that all provisions of the expired Agreement which were not before the Panel or were not modified by mutual agreement would be carried forward into the 1983-1985 agreement with necessary date changes.

The Arbitration Panel derives its authority from Act 312; Section 9 of Act 312 which establishes the criteria to be applied by the Panel in resolving the disputed issues and formulating its orders:

- a. The lawful authority of the employer.
- b. Stipulations 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 proceeding 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.

The evidence considered in this case consisted of testimony, taken under oath, and exhibits introduced by the parties in the course of the hearing. The Arbitration Panel has based its findings, opinions and awards solely upon the material evidence submitted by the parties guided by the specific statutory standards set forth above.

BACKGROUND

The City of Grosse Pointe Park is primarily a residential community with a population of approximately 13,639 and covers 2.2 square miles in Wayne County. While both parties submitted exhibits detailing the S.E.V. (State Equalized Valuation) and other financial data such as real and personal taxes, etc., the Employer did not argue "ability to pay: and therefore "the interests and welfare of the public and the financial ability of the unit of government to meet those costs" was not at issue.

The standards in Section 9 of Act 312 which were given the most weight and which were carefully considered in reaching the Arbitration Panel's findings, opinions and awards were:

- 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."

- 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."

COMPARABLES

The Union originally submitted the following list of communities which they believed to be most comparable:

1. Allen Park
2. Birmingham
3. Clinton Township
4. Dearborn Heights
5. Ferndale
6. Harper Woods
7. Inkster
8. Lincoln Park
9. Plymouth
10. Royal Oak
11. Shelby Township
12. Sterling Heights
13. Trenton
14. Westland

Utilizing the above listed communities, exhibits were submitted showing the comparisons with Grosse Pointe Park on all the economic issues in dispute.

The City submitted the following list of communities which they contended were more comparable:

1. East Detroit
2. Grosse Pointe Farms
3. Hazel Park
4. Mt. Clemens
5. Roseville

The parties, in their post-hearing briefs, revised their lists of comparable communities. The Union submitted the following list of comparable communities which they contended should be considered in comparing 1983-1984 base wages: (P.H.B. p.13):

1. Sterling Heights
2. Birmingham
3. Hazel Park
4. Royal Oak
5. Lincoln Park
6. Allen Park
7. Harper Woods
8. Plymouth

9. Trenton
10. Inkster
11. Mt. Clemens
12. Ferndale
13. East Detroit

For comparison of 1984-1985 base wages the Union submitted a list of those communities that had settled contracts (P.H.B. p. 14):

1. Sterling Heights
2. Harper Woods
3. Royal Oak
4. Lincoln Park
5. Trenton
6. Plymouth
7. Ferndale
8. Mt. Clemens

The City also revised their list of comparable communities submitting the following cities under 40,000 in population (C 2):

1. Allen Park
2. Birmingham
3. East Detroit
4. Ferndale
5. Harper Woods
6. Hazel Park
7. Inkster
8. Mt. Clemens
9. Plymouth
10. Shelby Township
11. Trenton

However, the City utilized the following cities as comparables in all the economic issues (C-Ex 12, 13, 14, 15, 16 and 17):

1. Allen Park
2. Birmingham
3. East Detroit
4. Ferndale
5. Harper Woods
6. Hazel Park
7. Inkster
8. Trenton

Both parties concede that not all of the communities they selected are comparable in the same degree; some may be more comparable than others and some may be comparable only in certain areas. While the parties could not agree fully on the comparables, and each submitted pertinent data on each of the communities they selected to support their respective selections, there was sufficient agreement on the comparables to enable the Panel to reach a

reasonable conclusion and decision on the last best offers submitted for consideration by the parties on each of the issues in dispute.

THE GROSSE POINTE PARK FIRE DEPARTMENT

There is one fire station in the city, housing 2 ambulances, 1 pumper, 1 aerial, 1 utility vehicle and the Fire Chief's sedan. The department manning is: Fire Chief; 1 Assistant Chief; 2 Lieutenants, 3 Sergeants and 12 Firefighters - 19 men total; 18 of which are in the bargaining unit.

The department is divided into a three-platoon system; each platoon works three 24 hour days in a nine-day period for an average work week of 56 hours; each platoon works three days on an every-other-day schedule with four days off after every three working days.

The platoon manning consists of six (6) employees: 1 Lieutenant (one platoon is headed by the Assistant Chief), 1 Sergeant and 4 Firefighters.

In addition to the primary responsibility to respond to fire calls the department provides ambulance service (E.M.S.) for the community and for the City of Grosse Pointe, the latter service is provided on a fee basis not all the firefighters in the department are trained and certified as Emergency Medical Technicians (E.M.T.) as the firefighters are not required to perform E.M.S. duties, but volunteer for the service; eleven firefighters have been trained and are certified as E.M.T.s and are paid a bonus of 3% of the base wage of a full paid four year firefighter (1981-83 contract p. 13).

The City is also a member of a mutual aid pact which consist of, in addition to Grosse Pointe Park, the other four (4) Grosse Pointe communities and the City of Harper Woods; the pact requires that Grosse Pointe Park firefighters respond to fire alarms in the other community upon request.

Further in addition to the fire fighting duties the firefighters perform other duties: annual inspections of schools, churches and commercial properties; hydrant maintenance, painting, lubrication, flow test, etc; testing of firehose; building maintenance and minor repairs of department vehicles. All of these duties are performed when the firefighters have the time to do so; firefighting is their primary responsibility.

POSITION OF THE PARTIES RELATIVE TO THE REMAINING ISSUES IN DISPUTE:

I. WAGES

Union Position

The Union's last best offer on the issue of first year wages is to amend the wage schedule shown in Article 1 of the collective bargaining agreement by applying a six (6%) percent across-the-board increase for all ranks and classifications effective July 1, 1983.

The present wage schedule is as follows:

1. Base Pay

- a. The salary of all non-supervisory employees represented by the Union:

<u>Continuous Service of Employee</u>	<u>Annual Rate Beginning Jan. 1, 1983</u>
0-12 Months	\$ 14,670
12-24 Months	16,670
24-36 Months	18,670
36-48 Months	20,670
48 Months and thereafter	24,500

- b. The salary of all officers represented by the Union:

<u>Officer</u>	<u>Annual Rate</u>
Corporal	\$ 25,265.63
Sergeant	26,398.75
Lieutenant	27,930.00
Assistant Chief	29,461.25

2. The result of applying a six (6%) percent across the board increase to the above salaries effective July 1, 1983 is:

<u>Continuous Service of Employee</u>	<u>Annual Rate Beginning July 1, 1983</u>
0-12 Months	\$ 15,550.20
12-24 Months	17,670.20
24-36 Months	19,790.20
36-48 Months	21,910.20
48 Months and thereafter	25,970.00

<u>b. Officer</u>	<u>Annual Rate</u>
Corporal	\$ 26,781.57
Sergeant	27,982.68
Lieutenant	29,605.80
Assistant Chief	31,228.93

3. The Union's last best offer on the issue of second year wages is to apply a six (6%) percent across-the-board increase for all ranks and classifications effective July 1, 1984, to the rates which would be effective July 1, 1984. The result of applying this increase to the above schedule:

a. <u>Non-Supervisory Employees</u>		Annual Rate <u>Beginning July 1, 1984</u>
0-12 Months		\$ 16,483.31
12-24 Months		18,730.41
24-36 Months		20,977.61
36-48 Months		23,224.81
48 Months and thereafter		27,528.20
b. <u>Officer</u>		Annual Rate
Corporal		\$ 28,388.46
Sergeant		29,661.64
Lieutenant		31,382.18
Assistant Chief		33,102.67

The Union cites the provisions of Section 9(b) of the Act which requires the panel to consider the wages, hours and condition of employment of employees performing similar services in comparable communities and submits the following list showing the full paid firefighter base wages which were in effect July 1, 1983, for those Union and City selected comparables which had settled contracts in effect on that date:

1983-84 Base Wages

1. Sterling Heights (U)	\$ 27,754
2. Birmingham (U)	27,715
3. Hazel Park (C)	26,842
4. Royal Oak (U)	26,797
5. Lincoln Park (U)	26,780
6. Allen Park (U) (C)	26,592
7. Harper Woods (C) (U)	26,493
8. Plymouth (U)	26,095
9. Trenton (U) (C)	25,425
10. Inkster (C)	25,086
11. Mt. Clemens (C)	24,373
12. Ferndale (U) (C)	24,336
13. East Detroit (C)	22,640
Average	25,918
Median	26,493

The Union claims that the City's offer for the contractual year of 1983-84 of \$25,420 would place Grosse Pointe Park in tenth place among the comparable communities whereas the Union's offer of \$25,970 would place the City in ninth place. The Union contends, however, when considering the average base pay of the comparables there is a noticeable difference: the Union's offer would place Grosse Pointe Park only \$52 below the average whereas the City's offer would place the base pay of Grosse Pointe Park \$498 below the average and in comparison with median of the 13 comparables the City's offer is \$1,073 below the median whereas the Union's offer is

\$523 below the median. The Union argues that the Union's offer is a fair and equitable one which more nearly complies with Section 9 of the Act than the offer made by the City.

Relative to 1984-85 base wages the Union list of comparables includes only those communities which have settled contracts for the 1984-85. Those cities are:

1984-85 Base Wages

1. Sterling Heights	\$ 29,142
2. Harper Woods	28,082
3. Royal Oak	28,070
4. Lincoln Park	27,851
5. Trenton	26,188
6. Plymouth	26,095
7. Ferndale	25,309
8. Mt. Clemens	24,373
Average	26,889
Median	27,020
City Offer	26,440
Union Offer	27,528

The Union points out that both the Union's and the City's offers would place Grosse Pointe Park in fifth place among the above listed communities, but the City's offer would leave Grosse Pointe Park \$449 below the average and \$580 below the median whereas the Union's offer would place the comparable base pay \$639 above the average and \$508 above the median.

The Union contends the Union's offer would finally bring the firefighters to a respectable level above the average and the median and unless the Union's offers are accepted by the Panel the Grosse Pointe Park employees may be in the same position in 1984-85 as they were in 1982-83 in comparison with other communities - at the bottom or near the bottom of the list (citing Union Exb. 15 which shows the City ranked 14th out of 15 communities surveyed).

The Union also claims that the total compensation a firefighter receives should be considered and an examination of the total compensation received by firefighters in comparable communities give a more accurate picture of the relative ranking of firefighter's compensation.

The Union lists 15 comparable communities (p. 16 Union Brief) showing that a ten year service firefighter in Grosse Pointe Park received \$25,640.00 in total compensation (exclusive of E.M.T. pay) which was the lowest amount of total compensation received by a ten year service employee in the list of 15 communities. Another factor which the Union believes merits consideration is the relationship between the compensation received by

firefighters and police officers in the City. According to the Union, a dramatic change occurred in the difference between the police officers wages and firefighters wages in a ten year span. The Union claims that for seven years a firefighter's wages were no more than 2% below those of a police officer. Then in 1980 police officers wages jumped to 4.5% above firefighters' wages without apparent justification. Further, when the annual salaries paid are shown as an hourly rate, a police officer's \$12.69 per hour rate is almost 51% higher than a firefighter's \$8.41 per hour rate. The Union argues there is no evidence on record to justify the differential.

City's Position

The City's last best offer on base wages to be effective July 1, 1983, would establish the following wage schedules:

a.	<u>Continuous Service of Employee</u>	<u>Annual Wage</u>
	0-12 Months	\$ 15,220.00
	12-24 Months	17,300.00
	24-36 Months	19,370.00
	36-48 Months	21,450.00
	48 Months and thereafter	25,420.00
b.	<u>Officer</u>	<u>Annual Rate</u>
	Corporal	\$ 26,214.38
	Sergeant	27,390.05
	Lieutenant	28,978.80
	Assistant Chief	30,567.55

The adjustments represent an approximate increase of 3.75% the first year of the agreement.

Effective July 1, 1984, the City's offer of an approximate increase of 4% for firefighters results in the following wage schedule:

a.	<u>Firefighters Service</u>	<u>Annual Wage</u>
	0-12 Months	\$ 15,830.00
	12-24 Months	17,990.00
	24-36 Months	20,150.00
	36-48 Months	22,310.00
	48 Months and thereafter	26,440.00
b.	<u>Officer</u>	<u>Annual Rate</u>
	Corporal	\$ 27,266.25
	Sergeant	28,489.10
	Lieutenant	30,141.60
	Assistant Chief	31,794.10

In developing the list of comparables, the City selected cities of somewhat comparable size believing that the valid criteria to be used is a population of 40,000 or less and an area of 10 square miles or less, community characteristics and firefighting practices that are reasonably comparable; in addition, those selected cities that require their firefighters to perform ambulance duties and that have current contracts for the period July 1983 to June 1984.

The City contends, in evaluating the offers on base wages, the Panel should compare those offers with salaries of other employees of the City and salaries of firefighters in comparable communities and, when an internal comparison is made, the offer for the first year of the contract provides the firefighters with an increase in salary and benefit which exceeds the percentage increase required to keep the firefighters' wages and benefits in parity with other City employees for the period July 1983 through June 1984.

Because the contracts for other City employees have not been settled for the entire period covered by the City's offer, a parity comparison of the second year cannot be made.

The City asserts that the comparison of the firefighters' wages and benefits under the City offer in Brief Exb. 8 shows that the firefighters' wages and benefits for the period 1983-1984 are equal to or better than those of most other City employees.

The City points out that the firefighters have been offered a 3.75% increase whereas the police received a 3.53% increase and other employees received increases in the range of 2.5% to 3.5% for the same period of time.

When comparing wages paid a police patrolman and a firefighter for the past five years, the difference in base pay has been on the order of 4.0% to 4.5% according to the City (B.Exb. 10) and while the City's last offer would slightly reduce this difference to 3.8% the Union demand would narrow the differential to only 1.7% and when the 3% E.M.T. bonus is factored in, virtual parity exists between the pay of firefighters and police.

The City argues that when comparing the City offer with the base wage earned by firefighters in the comparable cities, the E.M.T. bonus must be considered based on the fact the E.M.T. bonus is available to all Grosse Pointe Park firefighters who choose to become certified; thus, giving them a 3% raise and considering that all new hires must be certified in time everyone in the department will receive the 3% bonus.

The City argues also that when comparing the offer made with the base wages paid to firefighters in the comparable communities the E.M.T. bonus must be considered as some of the comparable cities require E.M.T. certification, but do not pay an E.M.T. bonus (three of the eight comparables shown in B. Exb. 11). Further, the City contends, as shown in B. Exb. 12, the City's offer would pay Grosse Pointe Park firefighters at a rate (\$26,183)

essentially equal to the median paid by the eight (8) comparable communities (\$26,209) and even without the E.M.T. bonus the City's offer (\$25,420) is close to the median of the eight cities (\$26,009); the Union's offer plus the E.M.T. bonus would place the wages paid by Grosse Pointe Park higher than all but two of the comparable cities - Birmingham and Harper Woods.

The City also contends the percentage increase in base wages for firefighters in the comparable cities for the period July 1983 to June 1984 averaged 4% (B. Exh. 13) therefore the City's offer of 3.75% increase is more in line than the Union's "offer" of 6% increase. The City also points out that the increases granted in five (5) of the eight (8) communities that have contracts in effect for the period July 1984 to June 1985, have averaged 4.4% which compares with the City's offer of 4%.

The communities the City contends should be considered by the Panel in comparing the base wage increase proposed by the City and Union are as follows:

<u>City</u>	<u>E.M.T. Bonus</u>	<u>Base Salary</u>	<u>Salary of E.M.T. Qualified Firefighters</u>
Allen Park	None	\$26,592	\$26,592
Birmingham		27,715	27,715
East Detroit	\$100	22,640	22,740
Ferndale	2%	24,336	24,823
Harper Woods	2 - 2½% ²	27,288 ¹	27,834 / 27,970 ²
Hazel Park	None	26,846	26,846
Inkster	\$20 day ³	25,086	25,434
Trenton	\$400	25,425	25,825
Average		25,741	25,976
Median		26,009	26,208
Grosse Pointe Park (Offer 7/1/83) 3%		25,420	26,183

1. Contract on calendar year; base salaries shown are average for 1983 and 1984.
2. Based on level of certification.
3. Bonus is awarded per shift average; approximately \$348 per firefighter if all are certified and share bonus.

The City states that five (5) of the above listed communities have contracts for the 1984-1985 period and the percentage wage increase granted by the five (5) communities is 4.4% slightly more than the 4% offer of the City's but less than the 6% "offer" of the Union (the five (5) communities were not identified).

II. LONGEVITY 1983-84

- A. The Union's last offer is to modify Article 2 of the agreement as follows:

Every employee represented by the Union shall receive a longevity payment in a lump sum (after necessary withholding of taxes) during the period between December 1 and December 15 of each contract year computed as follows:

<u>Full Years of Continuous Service By Employee at Beginning of Contract Year</u>	<u>Total Amount of Longevity Pay to Employee</u>
Less than 2-1/2 years	\$ 0
2-1/2 years but less than 3-1/2 years	120
3-1/2 years but less than 4-1/2 years	155
4-1/2 years but less than 5-1/2 years	190
5-1/2 years but less than 6-1/2 years	225
6-1/2 years but less than 7-1/2 years	260
7-1/2 years but less than 8-1/2 years	295
8-1/2 years but less than 9-1/2 years	330
9-1/2 years but less than 10-1/2 years	365
10-1/2 years but less than 11-1/2 years	400

At 11-1/2 years and each year thereafter longevity pay shall increase \$40 per year subject to a maximum of \$900.

LONGEVITY 1984-85

The Union's last offer is to modify Article 2 by adding the following paragraph:

Effective July 1, 1984, the longevity pay set forth above will be subject to maximum of \$1200.

The Union points out that the current longevity pay provision sets forth a flat dollar amount of \$30 for each year of service after 2-1/2 years with a starting base of \$115. After completion of 10-1/2 years of service the yearly increment drops to \$25 and continues to a maximum payment of \$800. It requires 28-1/2 years of employment to achieve the maximum payment. The dollar amount at each step is the same for all ranks and classifications.

The Union's proposal for the 1983-84 contract year is a base payment of \$120 at 2-1/2 years, \$35 increments through 10-1/2 years and \$40 increments thereafter to a maximum of \$900 achieved after 23-1/2 years of service. For the 1984-85 contract year the Union proposes the same base and incremental steps with a maximum payment of \$1200 reached after 31-1/2 years of employment.

According to the Union longevity pay is an important part of the overall compensation a firefighter receives; each employee is offered increased

compensation as a reward for commitment to the position and as an incentive to continue his employment.

The Union contends the Grosse Pointe Park longevity pay is low; of the fourteen (14) cities surveyed by the Union, half make longevity payments in excess of \$900 after 10 years service (U. Exb. 26). This is the maximum amount proposed by the Union for the 1983-84 contract year and would be reached after 23-1/2 years of service; the average maximum payment in the fourteen cities surveyed is \$918 (U. Exb. 27). The Union's last best offer is half that amount and the \$1200 maximum for the second year is below the average.

B. The City's Offer Re Longevity

The City's offer regarding longevity for the contract year beginning July 1, 1983, is that the clause in the previous contract be continued without change.

The City's offer for the contract year beginning July 1, 1984, is that the longevity payments be made in a lump sum (after necessary withholding of taxes) during the period between December 1 and December 15 of each contract year computed as follows:

<u>Full Years of Continuous Service By Employee at Beginning of Contract Year</u>	<u>Total Amount of Longevity Pay to Employee</u>
Less than 2-1/2 years	\$ 0
2-1/2 years but less than 3-1/2 years	120
3-1/2 years but less than 4-1/2 years	155
4-1/2 years but less than 5-1/2 years	190
5-1/2 years but less than 6-1/2 years	225
6-1/2 years but less than 7-1/2 years	260
7-1/2 years but less than 8-1/2 years	295
8-1/2 years but less than 9-1/2 years	330
9-1/2 years but less than 10-1/2 years	365

After 10-1/2 years of service the rate will increase by \$40 per year with a maximum of \$900 per employee.

The City states that under the offer made for the second year of the contract firefighters will receive the same longevity benefits as the police and the benefits will be better than those offered to other unionized employees.

Further, the City contends the longevity payment at 20 years service under the offer compares favorably with the similar payments in the eight (8) comparable communities (C Brief Exb. 14) in that the payments made by Allen Park, Inkster and Trenton, based on the same formula, are less than the City's offer would provide and the other five (5) cities are an entirely different formula to calculate the payments made.

Based on the above facts, the City believes the offer made to be fair and equitable.

III. SICK LEAVE PAYOUT ON RETIREMENT

A. The Union's position on this issue is that under the current contract the firefighters accumulate sick leave at the rate of 144 hours per year; based on a 24-hour work day; this equates to a total of six (6) full work days per year. As sick leave is utilized it is deducted from the accumulation at an hour-for-hour rate, i.e., for each full 24 hour shift missed, because of illness or injury, 24 hours are deducted from the "bank". Sick leave is accumulated to a maximum of 200 hours. When an employee retires he is paid for one-half the number of days accumulated in his "bank" up to a maximum of thirty (30) days.

The Union's offer is to retain the same formula for calculations, but increase the maximum number of days from 30 days to 60 days effective July 1, 1984.

The Union claims the current provision is deficient in two ways:

1. Although sick leave is accumulated at the rate of 12 hours per month; the firefighters work 24 hours per shift. Sick leave is paid out on the basis of a 40 hour per week employee; the calculation of the sick leave payout is based on thirty (30) eight (8) hour days rather than thirty (30) 24 hours days. The formula is equivalent to one (1) bi-weekly paycheck for each ten (10) sick days or the pro rata portion of same.
2. The maximum payout is far less than any of the comparables selected by either the Union or the City (the only exception being Lincoln Park). The Union claims the Grosse Pointe Park payout is at the bottom of the list of communities which provide a payout. The Union's proposal would move Grosse Pointe Park to 12th on the list of 14 communities and the Union believes their proposal should be accepted by the Panel.

B. The City's offer on sick leave payout is to continue the present procedure with two (2) clarifications:

1. Language be added to the contract to clarify the present method of calculating the payout as follows: The dollar value of the payout is calculated by dividing the accumulated sick leave in half and converting that quotient into pay periods and fractions thereof at the rate of 10 days per pay period with the pay for each pay period being equal to 14/365th of the employee's base wage.
2. The number of accumulated sick days paid under the term of the payment be deducted from the employee's "bank" prior to the

establishment of the sick leave credit account offered by the City under Issue #6.

IV. HOLIDAY PAY

A. The Union points out that the scheduling of firefighters to provide 24 hour per day coverage year around precludes the normal holiday routine for other employees; the work schedule of the fire department includes all holidays as regular work days. In consideration of this "inconvenience" firefighters are compensated in Grosse Pointe Park by being paid an annual bonus of \$290.00 and are given four (4) scheduled duty days off per year which may be chosen by an employee if approved by the Fire Chief.

The Union's proposal is to retain the current provision of four (4) days off per year, but increase the annual payment from \$290.00 to \$350.00 in the first year 1983-84 and increase this payment to \$500.00 in 1984-85.

The Union contends, as U. Exb. 31 shows, Grosse Pointe Park is at the bottom of the list of comparables in holiday pay and even considering the five (5) additional cities cited by the City as comparable (three on the Union's list were also on the City list) Grosse Pointe Park still ranks at the bottom.

Under the present system a firefighter may elect to take the four (4) holidays as vacation days adding these days to his scheduled vacation if days on the vacation schedule are available. A firefighter with ten (10) or more years of service can elect to take a cash payment of three vacation days and if this employee signs up the holidays as vacation days, he in effect receives an additional holiday bonus. The City made a point of this fact and contended it should be considered, but the Union argues this is a separate benefit and should not be considered as part of the holiday pay issue.

The Union cites the fact that because of the difference in work schedules, it is difficult to compare this benefit with the holiday benefit provided 40 hour per week employees; however, they point out that the police officers are granted nine additional vacation days in lieu of holiday and are paid double time for holidays worked.

The Union believes the evidence presented supports the Union's proposal for both years of the agreement.

B. The City's proposal regarding the holiday pay issue to:

1. For the first year of the contract continue the present holiday pay provision of four (4) paid days off plus an annual payment of \$290.00.
2. In the second year of the contract continue the four (4) days off provision and increase the cash payment to \$350.00.

The City contends the four holidays can be used just like vacation days as the day can be taken off any time during the year - vacation schedules permitting. Further, these holidays have a cash value in that having four (4) paid holidays which are used as vacation days this converts into a cash benefit for firefighters with ten (10) years service who can "cash in" three days of vacation for pay in lieu of vacation days and almost the entire department does so.

The City in C. Exb. 17 examined the comparable amounts of holiday pay received by the firefighters in the eight (8) cities surveyed, but to make a direct comparison is difficult because of the many variations of compensation for holidays that are utilized. Therefore to put Grosse Pointe Park on a somewhat comparable basis with the other communities it is necessary to convert the holiday provisions into equivalent cash payments and converted Grosse Pointe Park holiday compares favorably with most of the other cities; it is approximately \$150 more than the amount paid by Ferndale and only \$40 less than that paid by Birmingham, and when the City's offer of an increase of \$60.00 in holiday pay in the second year is considered, the Grosse Pointe Park amount exceeds that paid by Birmingham.

V. FOOD ALLOWANCE

A. The Union accepts the City's last best offer on the issue of food allowance for the 1983-1984 contract period of \$420 per employee per year.

Effective July 1, 1984, the Union proposes that food allowance be increased to \$500.00 per employee per year payable in increments of \$250.00. The first payment in the first pay period of December, in a separate check; the second payment in the first pay period of June.

The Union argues that since the firefighters work 24 hour shifts, they are required to eat two meals, lunch and dinner, at the station with the cost of meals borne initially by the employees; each firefighter pays \$5.00 per day into a "cook" fund. In that these employees are the only ones required to work 24 hour shifts with no time off for meals the parties negotiated a food allowance to partially defray the cost of the meals. Currently the allowance is \$400 per year per employee paid in installments of \$200.00 in June and December of each year.

While the City has offered to increase the food allowance to \$435.00 the second year, the Union contends this is inadequate to meet future cost increases in the price of food stuffs. The Union contends the proposal is justified on the basis of the comparison of allowances paid in comparable communities, i.e., of the fourteen (14) communities the Union selected as being comparable only three (3) have allowances less than that currently paid by Grosse Pointe Park; the average allowance was \$473.00 in 1983, substantially more than the City proposal for 1984 of \$435.00. The Union also points to the fact six (6) of the cities specified by the Employer as comparable, four (4) pay allowance of at least \$500.00 (the other two are without contract for 1984).

The Union claims that acceptance of the Union's last best offer will merely accomplish the purpose of the food allowance as it is a realistic amount directly related to actual dollar amounts spent on food by the average and the cost is modest; \$65.00 per year per man for a total cost of \$1170.00 over the City's proposal.

B. The City's position on the food allowance is that the offer made is at approximately the middle of the range for the eight (8) comparable communities (C.B. Exb. 16). The proposal to increase the allowance to \$420 per year in the first contractual year represents an increase of 5% over the present allowance and the offer for the second year increase of 3.6% which will approximately keep pace with inflation in the period.

The City points out although a Union witness (Smith) testified that the present allowance does not cover the full cost of meals at the station the contract nor any evidence presented obligates the City to cover the full cost of the meals for the firefighters and no other employees of the City receives a food allowance as is the case in this instance.

VI. HOSPITAL, MEDICAL & SURGICAL COVERAGE FOR RETIREES

A. Under the present contractual provision an employee who retires before the age of 65 may continue hospital, medical and surgical coverage for himself and family until he is eligible for Medicare or reaches the age of 65. The cost of the coverage is paid for by the City.

The Union is proposing that Blue Cross - Blue Shield Medicare Supplement coverage be provided for an employee and his spouse who retire after July 1, 1984; this coverage would become effective when the employee no longer is eligible for the coverage provided under the present agreement, i.e., he is eligible for Medicare or reaches the age of 65. The Medicare Supplement to be provided to the employee and spouse for life or until a widowed spouse remarries. The cost of the coverage to be paid by the City.

The Union points out that while many employees, both in the private and public sector including all employees of the City except the firefighters and the police, are entitled to Medicare benefits through social security, there is no coverage for the firefighters (the police have accepted the "sick bank" coverage). The Union argues that it is a costly and undue burden on retirees who must provide their own coverage paying the cost from a reduced monthly income.

Further the Union cites U. Exb. 35-36 that show that 17 out of 20 cities provide some type of medical coverage to retirees after age 65 and only two cities do not provide any coverage to retirees after 65 - Grosse Pointe Farms and Grosse Pointe Park.

The Union rejects the City's proposal that would establish a "sick bank" fund to pay the premiums for insurance coverage for retirees on the basis:

1. The proposal is based on the premise a retiree will have sick leave days accumulated and unused over and above the payout of thirty days.
2. The current sick leave program provides a maximum accumulation of 200 sick leave days; to accumulate 200 sick leave days takes 33 years of service provided an employee does not use any sick days during these years.
3. Under the City's proposal, the maximum payment would be only 100 days.
4. The maximum cost would be \$8400 which equates to 100 eight-hour days; the firefighters work 24-hour days.
5. If the benefit was provided based on the firefighters actual work days the value would be \$25,200.
6. If a retiree were to take advantage of both the maximum sick leave payout and the "sick bank" benefit, he would have to accumulate at least 130 unused sick leave days which would take over 21 years provided the employee never used any sick days. It is highly unlikely any employee would be eligible for the full benefit.
7. The City's proposal is not equitable in that not all retirees would receive the same benefit; those who had used sick days would not have enough left in the "sick bank" to provide the necessary coverage.

The Union contends their proposal should be adopted on the basis of equity and fairness on the basis of Section 9 requirements of the Act.

B. As was stated above the City's offer is to set up an account for each retiree (firefighter) from which premium for health insurance would be paid; this account would be established as a function of the unused "sick leave bank" the retiree has at the time of retirement.

The sick leave bank would have a maximum value of \$8400 for employees who retire with 100 or more days of unused sick leave. Each sick leave day in the "bank" would be converted at the rate of eight (8) hours per day and \$10.50 per hour.

The City contends that the Union's proposal of providing a Blue Cross - Blue Shield plan known as M-65 which provides supplementary coverage to Medicare could be costly. There was conflicting evidence presented in the hearing as to the cost; the City's evidence showed an annual cost of \$1,400 per retiree; the Union's evidence was that the annual cost was \$744.00. But, more importantly, according to the City, the premium cost is not fixed and can be expected to increase in the future and this obligation could continue for many years after a retiree reaches the age of 65. The benefit represents a large deferred cost for each firefighter.

The City offer is an attempt to provide some health insurance coverage for retirees while not exposing the City to an open ended liability for the life of a retiree firefighter and his spouse.

The City also argues that the "sick bank" proposal if implemented will encourage firefighters to avoid unnecessary use of sick leave time thus reducing the costs for the City. The Union's proposal on the other hand would provide expensive health care coverage for life for the firefighters without encouraging them to use sick leave time wisely and conscientiously.

The City further argues that with a mature department with quite a few employees eligible for retirement in the next few years, selection of the Union's proposal could put an undue strain the City's finance in the future.

VII. PRESCRIPTION DRUG COVERAGE 1983-1984 CONTRACTUAL YEAR The City proposal and the Union proposal are in agreement.

A. Effective 1984-1985, the Union proposes that the present hospital, medical and surgical coverage be expanded to include a prescription drug rider with a \$2.00 co-pay provision.

The Union points out that the sole rationale for the City's position regarding the issue - nothing is based on the fact that the other employee units in the City do not have this coverage. This, according to the Union, is not a good and sufficient reason for not giving this benefit to the firefighters in that the Union's proposal is to add the prescription drug rider in 1984-1985 and the other bargaining units in the City have not concluded negotiations for the period 1984-1985; therefore, it cannot be determined whether or not the benefit will be extended to them.

The Union contends Act 312 by stressing comparability reflects the legislature's conclusion that the norm in fire and police services is the best measure of evidence (U.B. p. 40). Therefore, using both the City and Union comparables, it is clear that eighteen out of nineteen cities provide this coverage (U. Exb. 39-40).

B. The City contends providing the prescription insurance benefit in fact duplicates coverage already provided under the present health insurance plan in that under master medical coverage, an employee is reimbursed for 80% of medical costs such as doctor visits and prescriptions not covered by Blue Cross / Blue Shield once an annual deductible has been exceeded; the annual deductible per family is \$100.00. This coverage provides almost full payment for prescription costs.

The City does not believe the coverage should be added for two reasons:

1. There is the issue of parity with other City employees; no other City employees are provided this coverage.
2. This is not a cost effective benefit to add, as a prescription rider will cost \$242.00 per firefighter per year, existing

coverage pays for 80% of prescription costs and provides better benefits when any prescription costs less than \$10.00. The City contends it is not cost effective to provide what will be superfluous medical coverage.

VIII. COST OF LIVING ALLOWANCE

A. The Union's position on the issue of C.O.L.A. is:

1. Under the C.O.L.A. provision in the Agreement between the parties each firefighter received a semi-annual payment of one cent for each 0.4 increase in B.S.S. Consumer Price Index All Urban Consumers Detroit Area; the specific payment received equals one cent for each hour worked during the previous six month period with a maximum payment of \$200.00. The Union proposed to continue the above formula for the contractual year 1983-1984.
2. The Union proposal for the contractual year 1984-1985 is that the formula remain the same, but the maximum semi-annual payment be increased to \$300.00.

Regarding the City's proposal to eliminate the C.O.L.A. provision for the first contractual year and allow the question to be decided by M.E.R.C. in a pending unfair labor practice complaint. The Union contends this proposal is improper in that according to the Act (Section 8) each party is directed to "submit ... its last offer of settlement on each economic issue" and "the Arbitration Panel shall adopt the last offer of settlement which, in the opinion of the Arbitration Panel, more nearly complies with the applicable factors prescribed in Section 9." The Union argues that the City's offer provides more than one option and is not in fact a last best offer.

The Union contends the proposal to retain the C.O.L.A. provision for the 1983-1984 contractual year is supported by an examination of the comparables:

1. Both parties submitted exhibits showing nineteen (19) comparable cities (U. Exb. 41 and C. Exb. 30) showing that ten (10) of the comparables provided a C.O.L.A. benefit for firefighters.
2. Of the four employee groups shown on City Exhibits 16 and 16A, three are provided with a C.O.L.A. benefit.

The Union contends that the increases in the cap proposed for 1984-1985 is not out of line when C.O.L.A. provisions of the comparables utilized by both the City and Union are examined: of all the comparables having a C.O.L.A. provision, only Birmingham has a lower maximum than Grosse Pointe Park.

B. The City's offer for the year beginning July 1, 1983, is that no

C.O.L.A. provision be included in the contract and the City's liability for C.O.L.A. payments during the period July 1, 1983, to June 30, 1984, be determined by M.E.R.C.

The City's offer for the year beginning July 1, 1984, is that the C.O.L.A. formula in the recent contract be included in the Agreement reached with the cap remaining at \$400.00. This offer would provide C.O.L.A. payments equal to those received by other City employees.

The City contends when reviewing City Exb. 15, which compares the C.O.L.A. formulas of eight (8) cities, the comparability analysis of both the cap and the formula must be considered. According to the City Grosse Pointe Park's formula is more generous than any other except Harper Woods and Ferndale.

The City also contends the C.O.L.A. cap proposed by the City offer is in the middle of the range of the eight (8) comparable cities and with its higher than average rate and slightly lower than average cap the proposed C.O.L.A. provision is in line.

IX. RESIDENCY

A. Currently newly hired employees are required to establish residency within the City; they are given twelve (12) months from date of hire to comply as a condition of employment. The City proposes that if any Fire Department employee changes the location of his principal family residence, then he must relocate in the City.

The Union contends that residency requirements in general are abnormalities in employment. New hires have a choice they can accept the job or seek employment elsewhere, but to require present employees to make a choice to move into the City if they decide to change their residence, is an unfair burden on the employees.

According to the Union the sole justification for the proposal is to have off-duty firefighters readily available for call back or overtime. While the Union does not dispute the need to have rapid response of backup personnel in the case of an emergency, the City has not shown there has been a problem in this area; the call-back of firefighters on an emergency basis does not occur often.

Further, the Union claims that on the basis of the comparability standards; of the fifteen (15) Union designated comparables, the majority do not require residency (U. Exb. 15) and the six (6) communities selected by the City four do not require residency within City boundaries (U. Exb. 52).

The Union contends the burden of proof for this change in the condition of employment rests on the City and they have not sustained that burden. The City has failed to prove that the departmental operations would be more effective or economical.

B. The City contends the proposal regarding residency is consistent with the present requirement that all newly hired firefighters reside in Grosse Pointe Park. The City's proposal will help achieve the goal of an entirely resident workforce in the department in a shorter period of time.

The City argues the proposal offers advantages to the City without imposing any hardship on the firefighters:

1. Firefighters who live in the City are immediately available in case of an emergency.
2. Overtime savings would result because on a call-back the firefighter's pay is measured on a postal-to-postal basis.

X. MINIMUM MANPOWER

A. The proposal made by the City is that the minimum manpower requirement of five (5) firefighters remain but in the event for any reason on duty platoon strength falls to four (4), the City will be permitted to meet the minimum requirement by placing an off-duty fireman on standby; the standby would be required to remain at home during the standby period and would receive 12 hours pay for each 24 hours of standby service.

The Union contends that the minimum manpower requirement at present is borderline contending that the reduction would pose a threat to the safety of the firefighters and to the community. The Union argues that standards indicated by studies and the experience of other fire departments show that a minimum of four men on duty does not represent an adequately manned company (U. Exh. 59, p. 1).

The Union further contends the fact that the Grosse Pointe Park firefighters also perform E.M.S. services further weakens the City's position on the matter in that two men are sent on E.M.S. calls and that leaves only three men on duty under the present system. If there are other medical calls or a fire call, the compliment of three is not enough to respond to fire calls.

The Union states of all the comparables used by the City and Union, only two cities do not have a manpower minimum; and the balance have a minimum greater than Grosse Pointe Park; not any have a minimum and a stand-by procedure as is now proposed by the City.

The Union also contends the stand-by provision is vague and not clear as to how it would be implemented. It also would impose an undue burden on the employees in that the person on stand-by would not be able to leave his home during the 24 hour period.

B. The City contends the proposal is workable and should be awarded by the Panel in that:

1. The stand-by firefighter would be stationed at home during the period and would stand ready to be called should a fire alarm or an ambulance run require his presence.

2. The City would place on stand-by only those firefighters who live within communities determined to be within a reasonable response time; those within a radius of five miles would be considered within the time.
3. The stand-by system would be implemented as soon as it is determined that the member of firefighters living within a reasonable response time provide an adequate pool without requiring any one firefighter to be on stand-by an undue amount of time.
4. Testimony indicated there were two standards for initial fire response:
 - a. Response should be within five (5) minutes.
 - b. The minimum safe initial response to a fire call is two (2) firefighters.
5. As long as there are at least two firefighters at the station, both standards can be met.
6. A manpower shortage at a fire will not often occur because of the proximity of the stand-by and the availability of nearby mutual aid fire departments.

ARBITRATION PANEL FINDINGS AND CONCLUSIONS

After careful analysis and review of the positions of the parties on the issues presented to the Panel for an opinion and award, the Panel finds on each of the issues as follows:

I. WAGES

A. The Panel is persuaded that the last offer of the Union to apply a six percent (6%) across-the-board increase for all ranks and classifications of firefighters effective July 1, 1983 to be justified on the following basis:

1. Pursuant to Section 9(b) of the Act the Panel must consider the wages, hours and conditions of employment of employees performing similar services in comparable communities. Accordingly the comparison of 1983-84 base wages for full-time firefighters submitted by the Union (U.B., p. 13) shows the average wage to be \$25,918 and the median to be \$26,493. The Union's offer of \$25,970, while higher than the average is less than the median, and the City's offer of \$25,420 would place the base wage paid both under the average and under the median.

The analysis of the comparables submitted by the City (C. Exb. 13) shows that the City offer would place the base wage paid below the average of \$25,741 and below the median of \$26,009.

The last best offer made by the Union more nearly complies with the applicable factors prescribed by Section 9 of the Act and it will be so ordered.

B. The wage offer of four percent (4%) proposed by the City to be effective July 1, 1984, more nearly complies with the applicable factors prescribed by Section 9 of the Act in that:

1. Applying a 4% increase to the acceptable Union offer of \$25,970, effective July 1, 1983, would make the full paid base wage \$27,008.80.

When compared with the list of communities submitted by the Union (U.B. p. 14), a list which the Panel found to be more applicable since it included only those cities who have settled contracts for the period 1983-84, the above base wage would be above the average (\$26,889), but below the median (\$27,020). The Union's offer of \$27,528, would be well above the average and above the median whereas the four percent (4%) offer of the City's would be only slightly above the average (\$19) and only slightly below the median (\$12).

It should be noted that the City contends that the bonus paid qualified E.M.T. firefighters should be applied when considering the base wage offers of the parties. This position cannot be supported in that the 3% bonus is not a part of base wage for all firefighters, only eleven (11) of eighteen qualify for the bonus. Unless the bonus is applied to all base pay for firefighters it cannot be considered a part of base pay as shown in Section 1 of the previous Agreement.

Both parties took the position that total compensation paid firefighters should also be considered, but because of the many variables that were found both in the comparables and internally in the City, reasonable comparisons could not be made; it should also be noted that the issue presented to the panel was "base pay" (see Union and City last best offers) and this was what was addressed in the decisions.

4%

The last best offer of the City's to apply a four percent (5%) across-the-board increase for all ranks and classifications of firefighters to be effective July 1, 1984, is more compatible with the standard in Section 9 and will be accepted.

II. LONGEVITY

The Panel Chairman finds that the Union's offer on the longevity issue for the first year 1983-84, raising the maximum to \$900, to be acceptable; however, in the opinion of the Panel, The City's offer for the second year 1984-85, is more compatible with the comparables used by both parties and will be accepted (Note: A discrepancy in the 10-1/2 year, but less than

11-1/2 year period exists which should be addressed by the parties as the Panel accepted the offers as made).

While the \$900.00 maximum is somewhat below average of the City comparables (C. Exb. 14), it places Grosse Pointe Park above the average of \$720 shown in Union Exb. 26.

III. SICK LEAVE PAYOUT OF RETIREMENT

The City and the Union offers for the contractual year 1983-84 are the same (the language of the proposal by the City regarding this issue in the last best offer (p. 3) should be a matter of negotiation by the parties). The City's offer on sick leave payout on retirement is to continue the present practice of paying the employee at retirement for one-half of his accumulated and unused sick days up to a maximum of thirty (30) days pay. The Union concurs and it will be so ordered.

The Union offer for the second year 1984-85 effective July 1, 1984, of any employee who retires or dies and is eligible for retirement will receive one-half (1/2) of his accumulated sick leave days not to exceed 60 days is denied. The only difference between the City's offer and the Union's offer on this matter was the maximum of thirty days paid and sixty days paid in the second year of the contract. The City's position is more compatible with the standards set by the Act.

IV. HOLIDAY PAY

The Union's last best offer on the holiday pay issue, to be effective July 1, 1983, that each employee receive \$350.00 holiday pay in addition to the four (4) scheduled days off is accepted.

The City's last best offer to be effective July 1, 1984, encompasses the same benefits and will be accepted.

In reviewing the comparables, it was difficult to reach any reasonable conclusion because of the many different ways of computing the benefit and as was stated by the Union, because of the unique work schedule of firefighters it was difficult to make an internal comparison of this benefit with the 40 hour per week employees of the City.

V. FOOD ALLOWANCE

Effective July 1, 1983, the Union's offer is an allowance of \$400 per employee per year; the City's offer is \$420 per year. The Union's offer seems more realistic considering the fact that the first year of the proposed two (2) year contract has ended. The Union's offer will be accepted.

Effective July 1, 1984, the Union's offer is a food allowance of \$500.00 per employee per year; the City's offer is \$435.00 allowance per employee per year. The Union's offer will be accepted as an examination of the

exhibits, offered by both parties, shows the increase will place the benefit at the median of the City comparables (C. Exb. 16) and somewhat above average of the Union comparables (U. Exb. 32).

VI. HOSPITAL, MEDICAL AND SURGICAL COVERAGE FOR RETIREES

The City's offer to establish a sick leave credit account for retirees from which premiums can be paid for health insurance after age 65 is accepted.

Here again an examination of the insurance plans offered by the comparable communities shows many variations as to how this benefit is offered; therefore, since a sick leave credit account plan is in effect for the police officers, it is reasonable to believe it is an acceptable plan for the firefighters.

VII. PRESCRIPTION DRUG COVERAGE

The City offer and the Union were the same for the contractual year 1983-84 and it will be so ordered.

The Union's offer that the existing hospital, medical and surgical coverage be expanded to include a prescription drug rider with a \$2.00 co-pay provision is accepted. The offer reads: "Effective July 1, 1984, the City shall provide and pay all premiums for, a prescription drug rider, \$2.00 co-pay, in addition to the existing hospital, medical and surgical coverage referred to in the foregoing paragraph (a)."

This benefit is included in almost, if not all, the contracts of the comparables communities used by both the City and the Union and on that basis it was considered to be a reasonable demand.

The City's concern regarding the fact that the other units of City employees are not offered this benefit was noted, but the wide-spread inclusion of this benefit in the comparable cities' benefit programs caused the Panel Chairman to reach the conclusion the Union's offer was a reasonable one and should be accepted.

VIII. COST OF LIVING ALLOWANCE

The Union's offer on the C.O.L.A. issue is to maintain the current provisions of Article 1, Section (d) with the necessary date changes for the contractual year beginning July 1, 1983.

The City's offer for the year beginning July 1, 1983, is that no cost of living provision be included in the contract and that the City's liability for C.O.L.A. payments for the period from July 1, 1983, to June 30, 1984, be determined by the pending M.E.R.C. Unfair Labor Practice Complaint #C-84.A.20.

The latter part of the City's offer is not within the jurisdiction of the Panel, in the opinion of the Chairman. Section 9 of Act 312 establishes

the criteria to be applied by the Panel in resolving disputed questions and formulating its orders and there is nothing in Section 9 that would indicate the Panel may not address a dispute over an economic issue and allow the issue to be resolved by others. The economic issues to be considered must be decided pursuant to Section 8 of Act 312 which states in part: "As to each economic issue, the Arbitration Panel shall adopt the last offer of settlement which, in the opinion of the Arbitration Panel, more nearly complies with the applicable factor prescribed in Section 9. The findings, opinions and awards as to all other issues shall be based upon the applicable factors prescribed in Section 9." (Emphasis added.)

Considering the above, the findings of the Panel were based only on the question as to whether a C.O.L.A. provision, as proposed in the Union's last offer, should be included in the first year of the Agreement.

It is the conclusion of the Panel Chairman that the inclusion of the C.O.L.A. provision as proposed by the Union for the contractual year 1983-84 should be accepted.

The basis for this conclusion is that on examination of the comparables submitted on the question of C.O.L.A. shows that all but two of the eight (8) communities used by the City (C. Exb. 15) have a C.O.L.A. provision and those communities used by the Union for wage comparisons (U.B. p 13) all but three of the thirteen cities have C.O.L.A. provisions; therefore, in accordance with the standards set in Section 9, of the Act, it seems reasonable that the C.O.L.A. provision in the agreement between Grosse Pointe Park and the firefighters be continued in the contractual year of 1983-84 and it will be so ordered.

For the contractual year of 1984-85, the City's offer for the year beginning July 1, 1984, that the C.O.L.A. formula in the most recent contract be unchanged with the cap remaining at \$400.00 is accepted. Contrary to the Union's assertion that the need for improvement is supported by the record, there does not seem to be good reasons to increase the cap to \$600.00; inflation is down and the proposed formula provides adequate protection to maintain the level of earnings of the firefighters. Internally the balance with the other units of City employees on C.O.L.A. payments remains the same.

IX. RESIDENCY

The question of residency is an issue that has been raised in many cities in the State and there have been many divergent viewpoints on the subject, but it has been generally held that a municipality or other public agencies, such as school districts, may enforce a residency rule provided it is applied uniformly.

In the instant matter, the residency proposal made by the City that any Fire Department employee now living outside Grosse Pointe Park be required to move into the City if he decides to change the location of his principal residence would discriminate against those employees who for some reason

find it necessary or desirable to change their place of residence. Further the requirement, if implemented, would limit the firefighter's freedom of choice.

If all employees of the Fire Department were ordered to live within the City limits as a condition of employment and, this order was applied uniformly, this then would place all the employees in the same position - live in the City or seek employment elsewhere and this order would not, in effect, discriminate against an employee(s) who because of circumstances elect(s) to change his place of residence. All employees would be subject to the same rule and would be treated the same and such regulation would be enforceable and equitable.

The Panel Chairman recognizes the possible cost savings to the City, but such savings would not materialize for many years and considering the fact that there is no immediate benefit, there does not seem to be any good and sufficient reason the City's proposal should be accepted. The City's proposal on residency is rejected.

X. MINIMUM MANPOWER

The City's proposal on this issue is that the minimum manpower requirement of five (5) firefighters per shift remain, but in the event on-duty platoon strength falls to four (4) firefighters, the City may meet the minimum requirement by placing off-duty firefighters on stand-by. While on stand-by the person would be required to remain at home and available for call in if needed. The firefighter would receive 12 hours pay for each 24 hours of stand-by service.

Here again, the City's proposal seems to discriminate against certain employees of the department in that, according to testimony, only those firefighters living within a five mile radius of the station would be required to be on stand-by duty. Further considering the fact that E.M.S. duties are an integral part of the responsibilities of the Fire Department, it would seem apparent that the persons on stand-by duty would have to be verified E.M.T.s, otherwise a condition could arise that there would not be enough trained E.M.T. firefighters to cover all calls. When it is recognized there are seven of the firefighters who are not trained in E.M.S., this factor would seem to limit the selection of stand-bys.

The proposal is not clear as to how the stand-by duty would be assigned. Would the duty be on a volunteer basis or would the employees be required to accept the assignment?

It is recognized in Labor Management relations that employees in designated classifications, are required to perform the duties of the classification and the requirement is applicable to all persons in the given job classification, but in this instance, would this stand-by duty be a part of the firefighter classification? It would not appear to be so in that only certain employees would be required or asked to perform the duty because others do not live within the five mile radius or for other reasons.

If the duty was voluntary, how would it be assigned? Generally, the opportunity to earn extra income, as in the case of overtime, is distributed as equitably as possible - all employees are given the opportunity to participate. In this case, this would not be possible considering the limitations placed on the employees, i.e., location of residence and training. It is the opinion of the Chairman of the Panel that the system would not be workable in that if it were on a voluntary basis: How could the City be assured there would be people available for stand-by duty?

The Union raises the question of whether, under the present manning, there is enough coverage in the Fire Department and claims the number of firefighters now required by contract is the absolute minimum considering the hazards and dangers faced in firefighting. The evidence presented in testimony and exhibits seem to support this position.

There is another factor that would indicate that the minimum in the number of firefighters has been reached, in that the F.M.S. services are provided, not only to the citizens of Grosse Pointe Park, but those people living in Grosse Pointe; as the exhibits show there are more E.M.S. calls than there are fire calls.

It is the opinion of the Panel Chairman that the City's proposal on minimum manpower is not within the standards set by the Act when the comparables are examined and considering this fact and the ambiguity of the proposed as to how it could be implemented, and it is recommended the offer be rejected.

ARBITRATION PANEL ORDERS

I. WAGES

A. The Union's last best offer to amend the wage schedule set forth in Article 1 of the parties previous collective bargaining agreement to reflect a six percent (6%) across-the-board increase for all ranks and classifications effective July 1, 1983, is granted.

B. The City's last best offer to amend the wage schedule for all ranks and classifications by the application of a four percent (4%) increase across-the-board effective July 1, 1984, is granted.

II. LONGEVITY

The Union's last best offer to modify the provision relative to longevity payments for 1983-84 is granted.

The Union's last best offer to modify the contractual provisions relative to longevity payments for 1984-85 is rejected.

III. SICK LEAVE PAYMENT AT RETIREMENT

The Union's and the City's last best offers are to maintain the current

provisions of Article 10 of the previous Agreement during the contractual year of 1983-84 and the offers will be granted.

The Unions last best offer to amend the provisions of Article 10 of the previous Agreement to provide a retiree one-half (1/2) of his accumulated sick leave credits not to exceed sixty (60) days is rejected.

IV. HOLIDAY PAY

The Union's last best offer to amend Article 6 of the previous Agreement to provide a payment of \$350.00 holiday pay in addition to the four (4) scheduled days off effective July 1, 1983, is granted.

The Union's last best offer to amend Article 6 of the Agreement to provide a payment of \$500.00 effective July 1, 1984, is rejected.

The City's last best offer to amend Article 6 of the Agreement to provide a payment of \$350.00 in addition to the four (4) scheduled days off effective July 1, 1984, is granted.

V. FOOD ALLOWANCE

The Union's last best offer to maintain the current provisions of Article 17 of the previous Agreement during the contractual year 1983-84, is granted.

The Union's last best offer to modify Article 17 to increase the annual food allowance to \$500.00 effective July 1, 1984, is granted.

VI. HOSPITAL, MEDICAL AND SURGICAL COVERAGE FOR RETIREES

The City's offer to establish a sick leave credit account for retirees from which premiums can be paid for health insurance after age 65 during the contractual years 1983-1984 and 1984-1985 is granted.

The Union's last best offer to provide Blue Cross / Blue Shield Supplemental coverage during the two contractual years is rejected.

VII. PRESCRIPTION DRUG COVERAGE

The City's last best offer and the Union's last best offer on this issue for the contractually year of 1983-84 were the same and so will be granted.

The Union's last best offer that prescription drug coverage be added to the present health medical and surgical coverage effective July 1, 1984, is granted.

VIII. COST OF LIVING ALLOWANCE

The Union's last best offer to maintain the current provisions of Article 1, Section (d) of the previous Agreement with the necessary date changes during the contractual year of 1983-84, is granted.

The Union's last best offer to modify Article 1, Section (d) effective July 1, 1984, is rejected.

IX. RESIDENCY

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

X. MINIMUM MANPOWER

The City's last best offer that the minimum manpower provision (Article 14) in the previous Agreement be amended to provide for stand-by services is rejected.

The parties have stipulated that the following agreements will be included for the contractual years 1983-84 and 1984-85 and it is so ordered:

COST OF LIVING ALLOWANCE

The parties have agreed to modify Article 1, Section (d) by adding a reference to the specific Consumer Price Index as follows:

- (d) Effective July 1, 1983, all members of the bargaining unit shall receive a cost of living allowance in accordance with the following plan, utilizing the BLS Consumer Price Index, all Urban Consumers (CPI - U) Detroit Index 1967 = 100.

OPTICAL INSURANCE

The parties have agreed to implement an optical insurance plan for all employees covered by this Agreement, their spouses and dependent children, effective as soon as practicable after issuance of this Panel's Opinion and Award. A new section shall be added to Article 3, Insurance, as follows:

The City will participate in a plan (Co-op Optical) to replace and/or provide eyeglasses for the employee, his spouse and children under age 19 provided that the City shall not be required to contribute more than \$37.00 per employee per year to such plan.

Pursuant to stipulation a two-year contractual Agreement from July 1, 1983 to June 30, 1985, is ordered.

The parties have stipulated that those matters agreed upon in the negotiations for an Agreement between the parties and those contractual provisions that were not at issue will be incorporated into the two-year Agreement and it is so ordered.

THE ARBITRATION OPINION

This Opinion has been prepared by the Chairman of the Arbitration Panel and represents his analysis of the record and exhibits. The Panel has met in

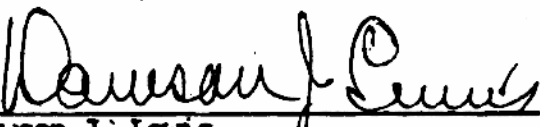
executive session to discuss and review the transcript, the exhibits and the respective arguments and the position of the parties. The concurrence or dissent by City and Union designated panelists on each of the foregoing orders is set forth here in after.

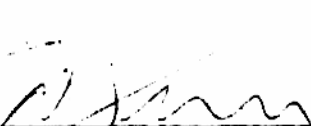
Issues on which the City panelist concurs with the Chairman and the Union panelist dissents are:


Issues on which the Union panelist concurs with the Chairman and the City panelist dissents are:

- I) Wage Award, first contract year
- II) Longevity, first contract year
- IV) Holiday Pay, first contract year
- V) Food Allowance, second contract year
- VII) Prescription Drug Coverage, second contract year
- IX) Residency
- X) Minimum Manpower

SIGNATURES:


Dawson J. Lewis
Arbitration Panel Chairman


James T. Heimbuch
City Delegate


Joseph Blalk
Union Delegate

DATE: 11-8-1984