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STATE OF MICHIGAN

ARBITRATION UNDER ACT NO. 312

PUBLIC ACTS OF 1969

In the Matter of the Statutory Arbitration between
CITY OF GROSSE POINTE PARK

-and-

GROSSE POINTE PARK FIREFIGHTERS UNION
LOCAL 533, I.A.F.F., AFL-CIO

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ARBITRATION OPINION AND ORDERS

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ARBITRATOR

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ARBITRATION OPINION AND ORDERS

This arbitration is pursuant to Public Act No. 312, Public Acts of 1969, as amended, providing 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 called the Union, by letter dated June 30, 1975. On August 8, 1975, the Union requested appointment of an Arbitration Panel Chairman and by letter dated August 26, 1975 from the Employment Relations Commission, Alan Walt was appointed Chairman of the Panel of Arbitrators. The City-designated Panel Member was Mr. Robert A. Slone and Mr. Robert E. Baker served as the

Union-designated Panelist, replacing Mr. Ed. Koerber who initially was selected but did not serve.

Pursuant to notice, hearings were held December 10 and 15, 1975, in Detroit, Michigan, with the City represented by Richard D. Rohr, Esq., and the Union by Ronald R. Helveston, Esq. Prior to the close of hearings, the parties submitted final offers on all economic issues. A stenographic transcript was prepared and subsequent to its receipt, post-hearing briefs were received. The Panel met in executive session on February 25, March 15, and April 14, 1976.

STATUTORY STANDARDS

Section 9 of Act 312, as amended [MCLA 423.239; MSA 17.455(39)], establishes the criteria to be applied by the Panel in resolving disputed questions 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 and exhibits introduced in the course of the hearings. Technical application of the rules of evidence was avoided to permit each party to fully present its case. However, the Arbitration Panel has based its findings, opinions, and awards solely upon competent and material evidence, guided by the specific statutory standards set forth above.

UNRESOLVED ISSUES

All unresolved issues as submitted to the Panel are economic which, pursuant to §8 of Act 312, are subject to the last offer provisions of the 1972 amendments to Act 312. The Panel is limited to accepting or rejecting the last offer of settlement which most nearly comports with the criteria set forth in §9 of the Act. It should be noted that in the course of the hearings, agreement was expressed on a two year contract for fiscal years 1975-76 and 1976-77. The parties also stipulated all economic orders issued by the Panel for the 1975-76 contract year will be retroactive to July 1, 1975, and in addition, that in the second year of the contract (1976-77) the deductible requirements of the hospital-medical-surgical insurance program will be reduced from \$100 to \$50. The parties requested the stipulated areas be incorporated into the orders issued by the Panel.

Issues submitted by the Union for resolution are:

1. Wages
2. Food allowance
3. Holidays
4. Prescription drug rider
5. Pensions
6. Call-back pay
 - a. Removal of 10 day maximum
 - b. Paid at premium rates
7. Clothing maintenance
8. Dental insurance rider
9. Cost of living
10. Increase in wage differential for ranks above firefighter

In addition to responding on each Union demand, the City submitted a single issue for resolution:

1. Minimum manpower

GENERAL AND FINANCE BACKGROUND

The government of the City of Grosse Pointe Park is commonly described as a "strong" city manager form with mayor and council serving without pay. It has a population of approximately 16,500 and covers 2.2 square miles. Its state equalized valuation for 1975 was \$87,584,510 of which \$2,243,910 (3%) consisted of personal property, \$3,582,120 (4%) commercial real property, and \$81,758,480 (93%) residential real estate. A charter limitation of 20 operating mills exists and the City currently levies 17.6 mills for operations and .9 mill for debt, for a total of 18.5 in levied millage.

For 1975-76, real and personal property taxes produced \$1,626,523; with other receipts and the preceding year's surplus of \$42,000 revenues totaled \$2,743,710. The City experienced a decline in its tax base from 1974 to 1975, with the 1974 assessed valuation (not equalized) totaling \$85,243,340 while the 1975 assessed valuation (not equalized) was \$84,624,850.

THE FIRE DEPARTMENT

Fire Department manning provides for 22 employees including a chief, an assistant chief, 2 lieutenants, 3 sergeants, and 15 firefighters. At the time of the hearing, a lieutenant was on disability leave and one firefighter had retired for disability reasons, leaving the departmental strength at 21 including the chief.^{1/} There is a single fire station in the community at which the following vehicular equipment is maintained: a 100 foot hydraulic aerial ladder, a 1,000 gallon Seagrave pumper, a 1,000 gallon American LaFrance pumper, a fully equipped ambulance, and a utility vehicle. The City is a party to a mutual aid agreement which includes Detroit, other Grosse Pointe communities, and Harper Woods, and its firefighters have responded to civil disorders and fires in those communities. The department also provides emergency medical service.

Firefighters work 24 hour shifts, each of which extends 16 hours one day and 8 hours the next, resulting in 56 hour workweeks over 210 calendar days (2,920 hours) annually. The previous collective bargaining agreement between the parties was for two years, from July 1, 1973 through June 30, 1975, and, inter alia, provided that newly hired firefighters reach full pay status after four years and that all firefighters annually receive a flat rate night differential of \$125.

^{1/} The City employs 93 full-time employees in all departments.

WAGES

Firefighters currently earn \$14,200 annually. Sergeants, lieutenants, and the assistant chief are paid a 6 $\frac{1}{2}$ %, 12 $\frac{1}{2}$ %, and 18-3/4% differential, respectively, over the firefighter wage rate resulting in annual salaries for sergeants of \$15,087.50; \$15,975 for lieutenants; and \$16,862.50 for the assistant chief.

In the first year of the new contract (1975-76), the Union seeks an annual salary for full-paid firefighters of \$15,500 with percentage differentials remaining the same for higher ranks. For the second year (1976-77), it seeks an annual wage for the full-paid firefighter of \$16,600 with an increase of 1 $\frac{1}{2}$ % in the differential paid the ranks above firefighter, resulting in a 7-3/4% differential for sergeants; a 14% differential for lieutenants; and a 20 $\frac{1}{4}$ % differential for the assistant chief. For the full-paid firefighter, the Union demand amounts to a 9.2% increase in the first year of the contract and a 7.1% increase in the second year.

The City has offered an increase in the annual wage for the full-paid firefighter to \$15,200 for 1975-76, representing a 7% increase, and a wage rate of \$16,300 for the full-paid firefighter in the second year of the contract, or a 7.2% increase. It is the City's position that no change be effected in the differential paid to ranks over firefighter in the second year of the contract.

The Union submits that prior to 1967, wage parity existed between the police and fire departments. Parity was broken for the 1967-68 fiscal year and it is the Union's contention that the wage disparity between the two departments has been increasing. On the other hand, between July, 1974 and June, 1975, the consumer's price index increased 10.3%, establishing the need for the pay increases demanded by the Union. The Union also submits that comparative data reflects the low wage rate received by members of this bargaining unit.

The City contends its wage offers are fair and equitable in view of the deepest recession experienced since the 1930's. Residence of the City have also sustained its impact and have not been immune to existing inflationary factors. There have been no change in the skills required of or the duties performed by firefighters since the last collective bargaining agreement was adopted and no basis exists to award the excessive wage demand of the Union.

The parties have stipulated that regardless of the wage position adopted by the Panel, the \$9700 entry level pay for firefighters will remain and the awarded pay increases will be apportioned above entry level, in accordance with past practice.

FOOD ALLOWANCE

The Union seeks a food allowance in the amount of \$160 in the first year of the contract and an additional \$160 (for a total of \$320) in the second year of the contract. Firefighters may not leave the station for the noon or evening meal which is prepared on the premises or carried to work. Since food costs have increased 7.5% from July, 1974 to July, 1975 and the average food allowance granted firefighters in comparable communities is \$344, the Union believes its demand fully justified.

The City does not believe a food allowance can be justified.

HOLIDAYS

Eight holidays are recognized by the parties: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, Good Friday - $\frac{1}{2}$ day, Christmas Eve - $\frac{1}{2}$ day, and the firefighter's birthday. In addition, November 11 is recognized as a holiday and is compensated by an additional day's pay at straight time rates and in lieu of two holidays granted 40 hour employees, firefighters receive one duty day off (24 hours).

It is the Union contention that while 9 holidays are recognized by the City, firefighters are not compensated for 7 of them while receiving compensation for the remaining 2 at less than \$110. When the benefit granted firefighters in other communities is

reviewed, an average holiday compensation of \$646 is reflected with the mean number of compensated holidays at 8. The Union seeks 3 additional holidays in the first year of the contract (1975-76) and 2 additional days in the second year of the contract (1976-77), for a total of 5 additional paid holidays over the term of the new contract, to be paid at time and one-half the regular rate.

The City contends firefighters enjoy one more week of vacation than do other City employees working a 40 hour week and under Kelly Day scheduling, enjoy five 13 consecutive day periods of off time under the combined vacation-holiday program. When a seventh holiday was granted other City employees, firefighters were paid in cash and that practice continues. The City does not believe increased holiday benefits can be justified on any basis.

PRESCRIPTION DRUG RIDER

The Union seeks implementation in the first year of the contract (1975-76) of a prescription drug rider equivalent to the plan offered by Blue Cross-Blue Shield which provides a \$2.00 co-pay benefit.

The City opposes inclusion of this benefit.

PENSIONS

At present, the annuity factor applied in determining the

pension received by firefighters under the provisions of the Municipal Employee's Retirement System is 1.7%. The Union demand is that the annuity factor be increased to 2% under the B-2 option. It submits that in 28 out of 35 cities compared, the retirement annuity factor is 2% and in six communities, the factor ranges from 2.4% to 2.75%. The Union also seeks adoption and implementation of the E-2 option in the Municipal Employee's Retirement System which would provide a 2.5% "cost of living" adjustment to the pension benefit received by retired firefighters. At present, the E-2 option is not in effect for members of the bargaining unit; pensions are fixed and do not provide sufficient income in view of rapidly increasing living costs.

The City does not believe any modification to the pension plan presently enjoyed by bargaining unit members is justified.

MINIMUM MANPOWER

Three distinct issues are presented concerning minimum manpower. Under the last labor agreement, firefighters called in to maintain a minimum manning of five (including supervisory personnel other than the chief) were paid at straight time. However, when a maximum of 10 days of call-in time had been worked by the entire department under the minimum manpower provision, firefighters no longer received monetary remuneration when called in to maintain

minimum manning but accrued compensatory time off.

The City seeks reduction of mandatory minimum manpower from 5 to 4 (including supervisory personnel other than the chief), contending such manning is sufficient to meet the firefighting requirements of the community. The Union is opposed to any change in minimum manning, contending present manning is inadequate under recognized firefighting practices.

The Union seeks elimination of compensatory time from the minimum manpower provision and adoption of premium rates at time and one-half when employees are called in to work on other than scheduled days to meet the contractual manning requirement. It submits the "general rule", as shown by the manner in which employees are compensated in surrounding communities, is to pay firefighters at time and one-half for all hours worked in excess of 56 and not to grant compensatory time off. The Union also seeks a removal of the 10 day departmental maximum for which firefighters will be compensated so that all call-in time under the minimum manning provision will be compensated at time and one-half. The City opposes any change in the compensation provisions of the minimum manpower clause.

CLOTHING

The Union seeks adoption of a clothing maintenance allowance of \$150 in the second year of the contract (1976-77). It costs a firefighter at least \$170 to maintain his dress uniform -- which he is required to wear at roll call -- and his work clothing, and the Union submits that in comparable communities, firefighters receive an average clothing allowance of \$243.

The City opposes adoption of a clothing allowance since it provides all dress and work uniforms -- other than underwear, socks and shoes. It further responds that when a dress uniform requires repair or cleaning due to a fire, it will pay or replace the item.

DENTAL INSURANCE PLAN

Effective July 1, 1976, the Union seeks adoption of a dental insurance plan of the type currently offered by Delta Dental Plan or an equivalent plan offered by John Hancock Insurance Company on a 50-50 co-payment basis with Class I and Class II benefits (a maximum of \$600 annually), and Class III benefits (a \$500 lifetime maximum). It submits such coverage is an integral part of any comprehensive medical coverage program, the benefits of which cannot be disputed. The dental rider presently is offered in many comparable communities and serves to insure firefighters a degree of financial security while keeping costs within manageable limits

for the employer.

The City opposes adoption of a dental plan.

COST OF LIVING

The Union demand is for a cost of living provision in the second year of the contract (1976-77) providing one cent for each .3 change in the cost of living index with a 20 cent maximum. The need for this benefit is well recognized and is the only means of maintaining a wage level comparable to salaries received by firefighters in other cities. To deny the benefit will result in a decrease in real earnings as the result of inflationary factors.

The City does not believe a cost of living benefit is warranted in view of its wage offer.

ARBITRATION PANEL FINDINGS AND CONCLUSIONS

After analysis of all record evidence, the Arbitration Panel believes the wage demands of the Union are both justifiable and equitable, and it will order adoption of an annual salary of \$15,500 for the full-paid firefighter in the first year of the contract (1975-76) and an annual wage rate of \$16,600 for the full-paid firefighter in the second year of the contract (1976-77). As part of the second year salary, the Panel also grants the Union demand for increases for ranks over firefighters, providing a 7-3/4%

differential for sergeant, a 14% differential for lieutenant, and a 20¹/₄% differential for assistant chief.

The Panel finds the Union demand for removal of the 10 day departmental maximum in monetary compensation to firefighters called in pursuant to the minimum manpower provision of the contract in accordance with fair and equitable personnel practices as is the demand for premium pay at time and one-half the straight wage rate for employees called in to maintain minimum manning on other than scheduled workdays.

In view of the significant wage improvement granted hereunder, the Panel finds it cannot grant other economic benefits demanded by the Union although some or all of them might well be justified if considered without reference to salaries. In regard to the holiday issue, the Chairman of the Arbitration Panel believes it necessary to comment briefly that the language utilized to express the presently received benefit is ambiguous and requires reference outside the collective bargaining agreement. The parties would be well advised to incorporate the benefit as presently received into clear and precise contract language to minimize the possibility of future disputes in this area.

The Panel also rejects the City's demand for reduction in the minimum manpower provisions of the contract. It is not convinced,

under the evidence submitted, that such manning is not justified. The record reflects that some recognized authorities in the area of manpower believe even greater manning is necessary in view of the firefighting equipment maintained by the City.

ARBITRATION PANEL ORDERS

1. The wage demands of the Union for the 1975-76 and 1976-77 contract years are granted.
2. The Union demand for a food allowance is denied.
3. The Union demand for increased holidays is denied.
4. The Union demand for a prescription drug rider is denied.
5. Both Union demands on the pension issue are denied.
6. The Union demands under the minimum manpower provision for removal of the 10 day departmental cap for which firefighters will be paid when called in and for payment for all such days at time and one-half the regular rate of pay are granted.
7. The City demand for reduction in the manning level from 5 men to 4 men (including supervisory personnel other than the chief) is denied.
8. The Union demand for a clothing maintenance allowance is denied.

9. The Union demand for a dental insurance rider is denied.
10. The Union demand for cost of living is denied.
11. Pursuant to stipulation, a two year contract, from July 1, 1975 through June 30, 1976 is ordered.
12. Pursuant to stipulation, the deductible provision in the Major Medical Insurance plan is reduced from \$100 to \$50 in the second year of the contract (1976-77).
13. Pursuant to stipulation, the wage rate of the entry level firefighter shall remain at \$9,700 with the awarded wage increases allocated above entry level in accordance with past practice.
14. By stipulation, all economic benefits ordered shall have retroactive effect to July 1, 1975, except for the reduction in major medical insurance deductible.

THE ARBITRATION OPINION

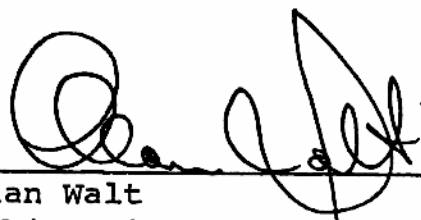
This opinion has been prepared by the Arbitration Panel Chairman and represents his analysis of the record and exhibits. The Panel has met in executive session to discuss and review the transcript, the exhibits, and the respective arguments and the positions of the parties. The concurrence or dissent by City and Union designated panelists on each of the foregoing orders is set forth hereinafter.

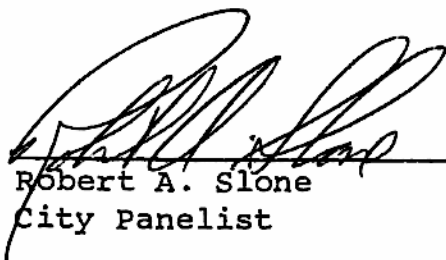
Issues on which the City panelist concurs with the Chairman
and the Union panelist dissents are:

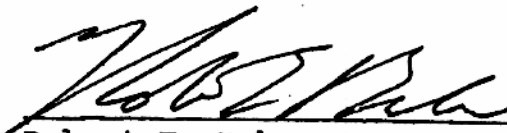
Food allowance
Holidays
Prescription drug rider
Pensions (2 issues)
Clothing maintenance allowance
Dental insurance rider
Cost of living

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

Wages
Minimum manpower (3 issues)



Alan Walt
Arbitration Panel Chairman

Robert A. Slone
City Panelist

Robert E. Baker
Union Panelist

DATED: April 14, 1976