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17/92

STATE OF MICHIGAN  
ARBITRATION UNDER ACT 312  
PUBLIC ACTS OF 1969, AS AMENDED  
PETER D. JASON, CHAIRMAN

In The Matter Of The Statutory  
Arbitration Between

CITY OF HOLLAND

Case No. G91 K-0297

-and-

INTERNATIONAL ASSOCIATION OF  
FIREFIGHTERS, LOCAL NO. 759.

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COMPULSORY ARBITRATION

Pursuant to Act 312, Michigan Public  
Act of 1969, as amended.

AWARD

Arbitration Panel

Peter D. Jason  
Arbitrator/Chairman

Michael A. Snapper, Esq.  
Employer Delegate

Randall D. Fielstra, Esq.  
Union Delegate

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**INTRODUCTION**

These proceedings were commenced pursuant to Act 312 of the Public Acts of 1969 as amended. The arbitration panel was comprised of the Chairman, Peter Jason; Employer Delegate, Michael A. Snapper; and Union Delegate, Randall D. Fielstra.

The prehearing conference was held on January 7, 1992, and hearings were held on March 30, 1992 and April 13, 1992 at the City Hall for the City of Holland. Final offers were submitted by the parties on the remaining unresolved issues on May 15, 1992, and exchanged soon thereafter. The City was represented by Michael A. Snapper of the firm of Miller, Johnson, Snell & Cummiskey. The union was represented by Randall D. Fielstra of the firm of Fielstra & Wierengo, P.C. The record consists of 30 exhibits and 179 pages of recorded testimony. After submission of last best offers on May 15, 1992, the parties forwarded written briefs on June 22, 1992. The panel met in executive session on August 11, 1992.

The parties stipulated that the outstanding issues in this matter were all economic and so the panel was guided by Section 8 of Act 312. This section provides that each economic issue must be decided by the panel selecting the last best offer which more nearly complies with the applicable factors in Section 9. The applicable factors to be considered as set forth in Section 9 are as follows:

- (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 and 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 panel considered the factors delineated in the statute.

#### **BACKGROUND**

The City of Holland is located in western Michigan on the eastern shore of Lake Michigan. It is situated in both Ottawa and Allegan counties. It has a population of approximately 31,000.

Among its services, the City provides fire protection for its citizens. The fire department is organized into four sectors that are housed at two stations. In addition to the normal fire prevention and suppression activities, the fire department also responds to medical emergencies.

The Union represents all full-time members of the department except the chief. All but the fire inspector work a 24 hour day on a schedule that averages 56 hours per week. There are twenty-five people in the bargaining unit.

### COMPARABLE COMMUNITIES

Act 312 requires the panel to consider wages and benefits in comparable communities when making its decision. The parties did not agree on which communities were comparable and both submitted some for the panel's consideration. The City selected the following: Grand Haven, Grand Rapids, Kentwood, Muskegon, Muskegon Heights, Norton Shores, and Wyoming. The City's rationale for the selection of these communities was that these are all the cities that employ full-time firefighters in the counties where Holland is located and the adjacent counties and so there is no "forum shopping." In addition, all are in the same labor market and in sufficient number to provide statistically significant comparisons.

The Union proposed the same communities as proposed by the City with the addition of Kalamazoo, St. Joseph, Portage, and Benton Township. Although the Union did not articulate its selection criteria, the fact that seven of its eleven communities are the same as the City's suggests that it used similar criteria. On the other hand, the fact that the Union included Kalamazoo, which has a public safety department and no full-time firefighters, made me doubt the Union's judgment concerning which communities are comparable. Thus, where this factor became critical, I relied on the comparable data supplied by the City.

Finally, the City has asked the chairman to resolve the comparable issue for the future by declaring that the City's criteria are reasonable and that the communities resulting from this process are the most comparable. I must decline this

invitation. Not only do I believe that I am not sufficiently informed to do this for the future, I am not certain that the City has selected the best comparables for these proceedings. Based on the record in this case, I believe the City has selected better comparables than the Union but I believe that it is at least possible to use other criteria that may achieve an improved result both now and in the future.

### ISSUES

The panel will now resolve the remaining issues.

### WAGES

City's Position: The City's last best offer on wages was:

The City proposes that Article XXIV; Section 6 and accompanying schedules with respect to wages be amended to provide for wage increases as follows:

July 1, 1991	5%
July 1, 1992	Not less than 3% nor greater than 6% based on the published C.P.I. for the applicable period
July 1, 1993	Not less than 3% nor greater than 6% based on the published C.P.I. for the applicable period.

Union's Position: The Union's last best offer on wages was:

The Union proposes that Article XIV, Sec. 6 and accompanying schedules with respect to wages be amended to provide for wage increases as follows:

July 1, 1991	5%
July 1, 1992	The wage increase for the fiscal year 1992-93 will be 1% greater than the

C.P.I.-U (US Average) for the period June 1991 through May 1992 but not less than 5% nor greater than 7%.

July 1, 1993

The wage increase for the fiscal year 1993-94 will be 1% greater than the C.P.I.-U (US Average) for the period June 1992 through May 1993 but not less than 5% nor greater than 7%.

I have selected the City's last best offer on wages after reviewing the comparable data submitted by both parties and considering the other factors mandated by law. I believe the City's offer on wages is superior to the Union's. With regard to the external comparables, the City's last best offer will probably improve its relative position. Also, the cost of living is factored in so that the firefighters real buying power will be improved over the term of this contract.

The most persuasive aspect, however, is that the City's offer continues a consistent internal relationship with other City of Holland employees and the Union's offer does not. As long as the City's offer is fair in relationship to the external forces that affect wages, then the internal comparisons should be maintained.

#### **PENSIONS**

City's Position: The City's last best offer concerning these issues was to retain all current contract language.

Union's Position: The Union's last best offer was:

The Union proposes that existing contract Article XVI, Section 6, be modified by

increasing the basic pension benefit from the current level, "B-3," to the "B-4" level effective 7/1/93.

The panel agreed to consider the Union's last best offer on the pension issue as two offers. The first was to increase the benefits from B-3 to B-4 and the second was to reduce the employees contribution level from 5% to 4%.

Regarding the increase from B-3 to B-4, the Union argued that the City of Holland firefighters are deserving. The Union proved that the level of effort and the increase in training have enabled the firefighters to do more work on a more professional basis over recent years. Also, the Union argued that the City could afford this increase. The actuarial evidence tended to support this Union assertion and I was convinced by other evidence that this department has become more efficient and professional over time. However, I do not think it is appropriate in a 312 proceeding, for a panel to set future trends. As I understand the law, the thrust of the factors to be considered by the panel is to put wages and benefits within the reasonable range of comparables. Since no other comparable community has this benefit, I choose the City's last best offer on this issue.

Regarding the decrease in the employees' contribution level from 5% to 4%, the Union argued that the City granted this benefit to the Holland police in 1990. The City countered when it did so that the police union traded in its longevity benefit for this reduction. Although this issue can be compared externally, the convincing comparison is internal. The public safety employees of



the City of Holland had a recognizable relationship that was changed in 1990. Although it is true that the police gave up longevity to attain this improvement, cost figures suggest that the benefit received was greater than what the police traded and the police were granted this reduction in 1990. It is now time to move the firefighters toward their former relationship with police officers. Therefore, I choose the Union's last best offer on this issue.

#### **FOOD ALLOWANCE**

City's Position: The City's last best offer on this issue is to retain the current contract language.

Union's Position: The Union's last best offer on this issue is to increase this annual benefit from \$300 to \$400.

There are no other City of Holland employees who receive a food allowance so the panel reviewed the data from the other communities. This data was far from convincing because of a wide range of practices in the comparable communities. However, it did appear that among the comparables offered by the City, the ones who provided a food allowance averaged approximately \$400. Consequently, even if I disregard the Union comparables, that averaged somewhat more, \$400 seems to be a fair amount. Therefore, I choose the Union's last best offer on this benefit.

## DENTAL INSURANCE

City's Position: The City's last best offer on this issue is to retain the current contract language.

Union's Position: The Union's last best offer was:

The Union's final offer on this issue is as follows:

Article XVI Sec. 7. Dental Insurance. Effective July 1, 1993, bargaining unit members will be provided with a group dental insurance plan of the Blue Cross/Blue Shield, known as the 75-50-50 plan, with an \$800.00 maximum benefit per year. (See Section 10 for Dental Insurance caps by Employer). [Proposed modifications are emphasized.]

Article XVI Sec. 10. Dental Insurance Caps. Increase caps to present premium levels, effective as soon as practicable after issuance of the award. These levels, which would constitute the maximum monthly employer contribution for the life of the agreement, are Ten and 34/100 (\$10.34) Dollars for one person, Sixteen and 08/100 (\$16.08) Dollars for two (2) persons, and Twenty-Seven and 91/100 (\$27.91) Dollars for full family. [This dental plan and caps seeks to duplicate the benefit currently contained in the collective bargaining agreement between the City and Fraternal Order of Police and other bargaining units. It is believed the premiums caps proposed here are the same as those in existing contracts in which the 75-50-50 plan has been adopted. To the extent that they do not duplicate those caps, the Union would propose in this offer that the caps currently in effect for the F.O.P. be provided to the union.] [Modifications are emphasized.]

The Union proposal on this issue is to grant to firefighters the same dental insurance that is provided to all other City employees. The City rejected this proposal for the reason that the

Union was seeking inconsistent improvements in other benefit areas. Since the panel has tried in this award to maintain internal consistency, it seems only fair to do so in this instance also. Therefore, I choose the Union's last best offer on this issue.

#### **VOLUNTEER WAGES**

This issue was withdrawn during panel discussions.

#### **SUMMARY**

The Chairman's decisions on the issues are as follows:

#### **WAGES**

Effective July 1, 1991	5%		
Effective July 1, 1992	Not less than 3% nor greater than 6% based on published CPI for applicable period		
Effective July 1, 1993	Not less than 3% nor greater than 6% based on the published CPI for the applicable period		
<b>CITY</b>	<u>✓</u>	<b>AGREE</b>	<u>      </u> <b>DISAGREE</b>
<b>UNION</b>	<u>      </u>	<b>AGREE</b>	<u>✓</u> <b>DISAGREE</b>

#### **PENSIONS**

<b>ISSUE #1</b>	Retain "B-3"		
<b>CITY</b>	<u>✓</u>	<b>AGREE</b>	<u>      </u> <b>DISAGREE</b>
<b>UNION</b>	<u>      </u>	<b>AGREE</b>	<u>✓</u> <b>DISAGREE</b>

**ISSUE #2**

Reduce contribution level from 5% to 4%.

CITY

       ☒ **AGREE**        ☒ **DISAGREE**

UNION

       ☒ **AGREE**        ☐ **DISAGREE****FOOD ALLOWANCE**

Increase annual benefit from \$300 to \$400.

CITY

       ☒ **AGREE**        ☒ **DISAGREE**

UNION

       ☒ **AGREE**        ☐ **DISAGREE****DENTAL INSURANCE**

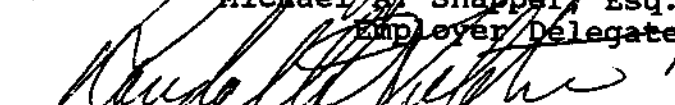
Article XVI Sec. 7, Dental Insurance. Effective July 1, 1993, members will be provided the Blue Cross/Blue Shield 75-50-50 plan with an \$800.00 maximum benefit per year.

Article XVI Sec. 10, Dental Insurance Caps. Effective as soon as practicable after award is issued, increase caps as follows: \$10.34 for one person; \$16.08 for two persons; \$27.91 for full family.

CITY

       ☒ **AGREE**        ☐ **DISAGREE**

UNION

       ☒ **AGREE**        ☐ **DISAGREE**Peter D. Jason  
Arbitrator ChairmanMichael A. Snapper, Esq.  
Employer DelegateRandall B. Fielstra, Esq.  
Union Delegate

12/3/92

DATED:

Dec 1, 1992