

487

OFFICE OF THE
LABOR AND INDUSTRIAL
RELATIONS COMMISSION

9/9/83
ARB

STATE OF MICHIGAN
DEPARTMENT OF LABOR

MICHIGAN EMPLOYMENT RELATIONS COMMISSION
BUREAU OF EMPLOYMENT RELATIONS

In the Matter of the Arbitration
between:

CITY OF MADISON HEIGHTS

Case No. D81-E2737

and

MADISON HEIGHTS FIRE FIGHTERS
ASSOCIATION, LOCAL 1357,
I.A.F.F., AFL-CIO

OPINION AND AWARD
OF ARBITRATION PANEL

* * * * *

RECEIVED
SEP 12 PM 3 27
OFFICE OF THE
LABOR AND INDUSTRIAL
RELATIONS COMMISSION

Madison Heights, City of

ROBERT G. HOWLETT
ARBITRATOR

700 FREY BUILDING
GRAND RAPIDS, MICHIGAN 49503

MICHIGAN STATE
LABOR AND INDUSTRIAL
RELATIONS COMMISSION

STATE OF MICHIGAN
DEPARTMENT OF LABOR

MICHIGAN EMPLOYMENT RELATIONS COMMISSION
BUREAU OF EMPLOYMENT RELATIONS

In the Matter of the Arbitration
between:

CITY OF MADISON HEIGHTS

Case No. D81-E2737

and

MADISON HEIGHTS FIRE FIGHTERS
ASSOCIATION, LOCAL 1357,
I.A.F.F., AFL-CIO

OPINION AND AWARD
OF ARBITRATION PANEL

A p p e a r a n c e s:

For the City:

For the Union:

Allen J. Kovinsky,
Attorney

George H. Kruszewski,
Attorney

Panel Members:

Robert G. Howlett, Chairman
Bernard Friedman, For the City
Ronald Helveston, For the Union

* * * * *

The MADISON HEIGHTS FIRE FIGHTERS ASSOCIATION, LOCAL 1357,
I.A.F.F., AFL-CIO (Union) represents employees in the Fire
Department of the CITY OF MADISON HEIGHTS (City).

The City and the Union have engaged in collective bargaining
to replace the contract between the parties which covered the
period from July 1, 1981, through June 30, 1982. The City and
the Union reached impasse on several subjects of the bargaining.
Thereupon, an application was filed under the statute for

arbitration of labor disputes in municipal police and fire departments (MCLA 423.201 et seq.; MSA 17.455[31] et seq.) (commonly known as Act 312).

A prehearing conference was held on January 5, 1983, at the office of the Michigan Employment Relations Commission, 1200 Sixth Avenue, Detroit, Michigan. Thereafter, hearings were held at the Commission office on March 28, March 29, March 31, April 11, April 13, and April 15, 1983. A court reporter was present at each of the hearings to prepare a record thereof.

The City is located in the southeastern portion of Oakland County, north of Detroit. It covers approximately 7 square miles and has a population of approximately 35,000 residents. The City has a mixture of residences in the \$25,000 to \$85,000 range, commercial enterprises, and manufacturing enterprises. In addition to single family dwellings, there are 4 high-rise buildings, three of which house senior citizens; three trailer parks, containing 368 units; and 18 apartment buildings, with 2,000 units.

The City has two fire stations, staffed by 36 members of the bargaining unit, plus the Fire Department Chief. There are three platoons, each of which works, within a 9-day period, three 24-hour days beginning at 8:00 a.m. and ending at 8:00 a.m. the next day. This equates to an average 54-hour workweek. Two members of the bargaining unit perform fire inspection work; they work a 40-hour per week schedule.

The following issues were presented to arbitration by the Union:

Wages

Food Allowance
Vacation
Safety Manning or Minimum Staffing

The City presented an issue involving the Hospitalization Program.

Following the hearings, the Union and the City each presented their last offers for each of the economic issues. The parties also presented "last offers" for the Safety Manning or Minimum Staffing issue. The Union withdrew the Vacation issue.

WAGES

The Union last offer, as quoted from the Union submission, is as follows:

I. WAGES

(Effective July 1, 1982 to June 30, 1983)

... The Union's last offer of settlement is to modify Article XVI, Section 1 "Wages", as contained at page 23 of the recently expired collective bargaining agreement as set forth below. These modifications will provide annual salary increase of 5%, across the board, for all classifications. The Union's last offer is as follows:

"ARTICLE XVI- WAGES

Section 1. The following rates shall apply:

EFFECTIVE JULY 1, 1982 to JUNE 30, 1983

	<u>START</u>	<u>12 MONTHS</u>
Fire fighters	\$20,862.91	\$22,419.73
	<u>24 MONTHS</u>	<u>36 MONTHS</u>
	\$23,977.86	25,528.06
	<u>START</u>	<u>6 MONTHS</u>
Sergeant	\$27,157.62	\$28,080.86
Fire Marshall	29,873.12	30,888.96

Lieutenant 29,873.12 30,888.96

II. WAGES

... The Union's last offer of settlement is to modify Article XVI, Section 1 "Wages," as contained at page 23 of the recently expired collective bargaining agreement as set forth below:

"ARTICLE XVI - WAGES

EFFECTIVE JULY 1, 1983 to JUNE 30, 1984

The wage rates effective from July 1, 1982 to June 30, 1983 for each classification and step shall be increased 7.5%."

The City's last offer, as quoted from the City's submission, is as follows:

1st. year 7-1-82 to 6-30-83	Wage freeze
2nd. year 7-1-83 to 6-30-84	4% increase effective 7-1-83. 4% increase effective 1-1-84.

Section 9 of Act 312 requires the Panel to "base its findings, opinions and order upon the following factors, as applicable:"

- (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 primary factors for this issue are (c), (d), (e), and (f). The post-hearing briefs mention relatively minor items under (g). The parties also entered into certain stipulations (factor [b]).

At the pre-hearing conference, the parties stipulated that the following cities in the Detroit area are to be used for factor (d)(i): Allen Park, Birmingham, East Detroit, Ferndale, Garden City, Hazel Park, Inkster, Pontiac, Royal Oak, Southfield, Southgate, Sterling Heights, Warren, Wyandotte, and Ypsilanti (hereafter referred to as the Comparison Cities).

Article XVI of the 1981-82 contract provides in relevant part:

Section 1. The following wage rates shall apply during the term of this one year agreement:

8% Increase

July 1, 1981 to June 30, 1982

	<u>Start</u>	<u>12 Months</u>
Fire Fighter	\$19,869.44	\$21,352.12
	<u>24 Months</u>	<u>36 Months</u>
	\$22,836.06	\$24,312.44

	<u>Start</u>	<u>6 Months</u>
Sergeant	\$25,864.40	\$26,743.68
Fire Marshal	\$28,450.59	\$29,418.06
Lieutenant	\$28,450.59	\$29,418.06

Section 2. In addition to the above wages, there shall be provided to each fire fighter and officer for contract year 1981-82 an annual Food Allowance of Three Hundred Sixty dollars (\$360.00). This Food Allowance shall be figured on a fiscal year basis and shall be prorated for new employees from their date of hire to the following July 1st. All such "Food Allowances" shall be paid in two (2) equal installments payable on July 15th and December 15th, and shall not be paid in advance.

...

Section 4. Cost of Living Allowance. Beginning with the effective date of this agreement, employees covered under this agreement shall receive a cost of living allowance in accordance with the following provisions:

- (A) The amount of the cost of living allowance for fiscal year 1981/1982 shall be determined with the change in the Bureau of Labor Statistics Consumer Price Index for Detroit, Michigan, (1967=100), hereinafter referred to as the "Index", from the Index at the end of June, 1981. The allowance shall be as follows:

24-hour Personnel. The allowance shall consist of a base which shall be the amount in effect at the end of June, 1981 plus one cent per hour for each 0.4 change in the Index up to a maximum of 24.99 cents per hour which shall include the base which existed at the end of June, 1981. In no event shall the allowance exceed 24.99 cents per hour.

8-hour Personnel. The allowance shall consist of a base which shall be the amount in effect at the end of June, 1981 plus one cent per hour for each 0.4 change in the Index up to a maximum of .35 cents per hour which shall include the base which existed at the end of

June, 1981. In no event shall the allowance exceed .35 cents per hour,

- (B) The cost-of-living allowance shall be paid to each employee in one lump sum at the end of each quarter next following July 1st of each year. Such compensation shall include vacation payments, holiday payments and call in pay. Cost of living adjustments shall not be considered as part of the base wage for purposes of collective bargaining.

The Union bases its argument for the selection of its last offer primarily on the wages for fire fighters in the Comparison Cities and the cost of living.

The City bases its argument for adopting its last offer primarily on the City's financial condition and the agreement by the unions representing the non-uniformed employees to accept a wage freeze for the July 1, 1981, to June 30, 1982, fiscal year.

The Union stresses evidence which establishes the following:

1. Union's Proposal. The Union's proposed wage increase is 12.5 percent over two years, or a total of 6.25 percent per year. It is more equitable than the amount proposed by the City, which, with a wage freeze the first year, amounts to 3.04 percent for each of the two years.

2. Cost of Living. From 1976 through June 30, 1982, Madison Heights Fire Fighters received wage increases of 40.3 percent, or an average of 8.6 percent per year. During the same period, the cost of living increased a total of 48.6 percent, or 9.72 percent per year. Thus, the Fire Fighters' buying power decreased a total of 8.3 percent, or 1.66 percent per year. This is a \$1,836 loss of purchasing power due to inflation.

3. City's Position After Settlements in Comparison

Cities Where Bargaining or Arbitration Is Pending. The Union asserts that "it is quite likely that the firefighters' relative position will become even worse under the City's offer (as) Ypsilanti, Allen Park, Warren, and Wyandotte had not settled on their 1982-83 wage rates at the time of these hearings." In Warren, a three-percent increase and in Wyandotte a 7.5-percent increase would move the fire fighters in those two communities ahead of the Madison Heights Fire Fighters.

The Union's first-year proposal of 5 percent would move Madison Heights from 9th to 5th among the 12 Comparison Cities which have settled their 1982-83 wage rates, or \$791 (3.2 percent) above the average wage of \$24,737 in the 12 Comparison Cities. A fire fighter in Ypsilanti would need a 2.93-percent increase and a fire fighter in Allen Park, a 2.22-percent increase to drop Madison Heights to its place held at the expiration of the 1981-82 agreement.

4. Comparison Cities. An examination of the Comparison Cities discloses that Madison Heights Fire Fighters are entitled to an increase. As of June 30, 1982, a Fire Fighter who had been on the force for 36 months received \$24,312.44.¹ This places the Madison Heights Fire Fighters at a rank of 7th among the 16 Comparison Cities. A copy of Union Exhibit 31 listing

1. The parties used, for comparison purposes, the salaries of Fire Fighters who have been on the force for 36 months. The sergeants, fire marshalls, and lieutenants have a starting salary for each of the three ranks which is increased to the full amount of salary at the end of 6 months. In addition, bargaining unit employees receive Longevity Pay which starts at two percent of base salary for employees with 5 years of service and increases to 8 percent of base salary for employees with 20 or more years of service.

the salaries of fire fighters in Madison Heights and the Comparison Cities is attached hereto as Exhibit 1.²

With increases in other cities which have been made since June 30, 1982, Madison Heights Fire Fighters are now \$190 behind the \$24,502 average, thus dropping the Madison Heights Fire Fighters from 8th to 9th place out of the 16 Comparison Cities. A copy of Union Exhibit 32 is attached hereto as Exhibit 2. Also attached hereto as Exhibit 3 is Union Exhibit 33, which sets out the amounts and percentages by which the Comparison Cities are above and below the Madison Heights wage rate.

5. 1983-84 Wage Rates and the City's Proposal. Only 6 of the 16 Comparison Cities have negotiated wage rates commencing July 1, 1983. The City's proposal of an effective 6.08-percent wage increase for the second year (combined with the first-year wage freeze) would rank Madison Heights 6th of the 7 Comparison Cities which have completed their 1983-84 negotiations. This would be \$25,790 (based on an effective increase of 6.08 percent), which is \$613, or 2.4 percent, below the \$26,403 average. Three of the 9 Comparison Cities which have not settled are "almost guaranteed to pass Madison Heights." Royal Oak needs a one-year wage increase of .89 percent to do so; Ypsilanti and Allen Park need a 4.1 and 4.3 percent increase, respectively, (slightly over two percent per year) to drop Madison Heights to no better than 9th out of 16. The fire fighters in Southgate would need a 6.3-percent increase to place Madison Heights 10th among the

2. The compensation information submitted by the City and Union was the best available at the hearing. Some of the cities had not resolved the wage issue for their fire fighters at that time.

Comparison Cities.

6. 1983-84 Wage Rates and the Union's Proposal. The Union's last offer of a 7.5-percent increase the second year would increase the base rate to \$27,442, which would place Madison Heights 4th among the 7 Comparison Cities which have settled their 1983-84 wage rates. This would be \$763, or 2.9 percent, over the average wage among the 7 Comparison Cities, the average wage being \$26,679.³

7. Total Cost of Fire Fighters. When the total compensation, i.e., wages plus fringe benefits, is considered, a Madison Heights Fire Fighter receives an average of \$26,413, 9th among the 16 Comparison Cities. This is \$711, or 2.7 percent, below the average total compensation of \$27,124. Union Exhibit 37, which discloses these costs, is attached hereto as Exhibit 4.⁴

8. Impact of City's Proposal on Wages. If the City's last offer is accepted by the Panel, Madison Heights Fire Fighters will remain in their below-average position and will "undoubtedly deteriorate even further," as Ypsilanti fire fighters need a

3. The Union post-hearing brief notes that "if abnormally low wages" in Pontiac were eliminated from the calculations, Madison Heights Fire Fighters would be only slightly above the average wage of \$27,396.

4. There are differences between the Union's and City's calculations of the cost of wages and fringe benefits. The Union presented evidence to show the "total compensation," i.e., the amount of money which an employee receives. The City presented evidence of the total "cost" of a Fire Fighter, which includes amounts of money which the Fire Fighters do not receive directly: payments for retirement, hospitalization, dental insurance, optical insurance, life insurance, disability insurance, and worker's compensation. Based on this criteria, Madison Heights ranks 10th among the 16 Comparison Cities. Some of the exhibits include education tuition allowances, which in Madison Heights is \$400, but which all employees do not receive.

1.1-percent increase and Warren, a two-percent increase to drop Madison Heights to 11th place. Under the City's calculations, Madison Heights, with the proposed wage freeze, would rank 10th out of 16, and Warren would need a \$275, or 1.3 percent, increase to drop Madison Heights to 11th. If the Union's last offer of a 5-percent increase for the first year is accepted, Madison Heights Fire Fighters' total compensation would increase as follows: Wage, \$25,528; COLA, \$728; 5-year longevity, \$511; holiday, \$217; food, \$300; clothing/cleaning, \$320; total, \$27,664. This would place Madison Heights 7th among the 16 Comparison Cities, or 1.7 percent above the new average of \$27,202. Allen Park would need a \$52 increase, Ypsilanti a 5.85-percent increase, and Warren a 6.87-percent increase to drop Madison Heights to 10th place.

9. Impact of "Total Cost" on the Position of Fire Fighters. The evidence concerning "total cost" of maintaining a Fire Fighter also supports the Union position. The total cost of \$36,452 places Madison Heights 12th out of the 16 Comparison Cities. A Madison Heights Fire Fighter is \$1,265, or 3.5 percent, below the \$37,718 average. The City's last offer of no wage increase the first year would return Madison Heights to 12th place. Undoubtedly, the total cost in the below-average group of Comparison Cities will increase as the cities still in negotiations for 1982-83 settle their agreements.

10. Impact of Union Proposal on Total Cost. The Union's last offer of a 5-percent wage increase will place the total cost of the Madison Heights Fire Fighter at \$38,043, computed as

5
follows:

<u>Wages</u>	<u>COLA</u>	<u>Longevity</u>	<u>Holiday</u>	<u>Food Allowance</u>
\$25,528	\$728	\$510	\$217	\$360
<u>Uniform</u>	<u>Education/ Tuition</u>	<u>Sub- Total</u>		
\$320	\$400	\$28,063		
<u>Retire- ment</u>	<u>Hospitali- zation</u>	<u>Dental</u>	<u>Optical</u>	<u>Life</u>
\$5,274	\$2,146	\$408	\$52	\$156
<u>Disability</u>	<u>Worker's Comp</u>	<u>Total Employee Cost</u>		
\$331	\$1,613	\$38,043.		

11. The Impact of the Settlements With the Non-Uniformed Employees. The contention that its proposed wage freeze should be adopted because the non-uniformed employees in three bargaining units have agreed to a wage freeze for 1982-83 and a 4-percent raise effective July 1, 1983, and a 4-percent raise effective January 1, 1984, should be rejected. The three bargaining units of non-uniformed employees had "very little choice." The City took a "bad-faith bargaining stance" by stating it would not grant any wage increases for the fiscal year 1982-83. The non-uniformed employees may not strike and do not have binding arbitration, so they had no choice.

The City stresses evidence which establishes the following:

1. Families Receiving Welfare Assistance. A large

5. The Union brief states: "The COLA, Food Allowance, Uniform, Education/Tuition, Dental, Optical, and Life Insurance Costs will not escalate with an increase in compensation. The announced increase in the costs of hospitalization is assumed to apply to all communities."

number of families in Madison Heights receive ADC, general assistance, food stamps, and participate in the school free or reduced-price lunch program. In January, 1983, 502 families were receiving ADC, 831 were receiving food stamps, and 161 received general assistance. Out of 2,452 children in the school lunch program, 1,000 received free lunch and 223 received lunch at a reduced price.⁶

2. City's Revenues. The City's revenues are received from the following sources: property taxes, 60 percent; state shared revenue, 21 percent; permits, court fines, and other revenue, 13 percent; interest income, 6 percent.⁷

3. Property Tax Revenues. Property tax revenue is determined by multiplying the authorized City millage times the state equalized value (SEV). In 1982-83, the City levied 13.35 mills, slightly higher than the state average of 13.26 mills. It is the opinion of expert witness Thomas D. Doescher of the accounting firm of Plante and Moran that the City's SEV on existing properties will not climb in the next few years. While there is new commercial development, the City will experience a decline in future property tax revenues resulting from a declining SEV, unless the millage rate is increased.

6. Unfortunately, there are no comparisons with the Comparison Cities in evidence. Hence, it is not possible to tell, for example, whether 502 families receiving ADC is high or low as compared with the populations of the Comparison Cities.

7. In addition, the City receives \$400,000 from the Federal Government in revenue sharing, which it uses to finance the library and senior citizens program. While the monies are available for general fund purposes, the City separates them "to more fully comply with the federal laws."

4. State Addition to SEV May Be Lost. There may be a further loss in property taxes. The state had added a 6-percent factor to Oakland County's SEV. The 6-percent factor is now being litigated and may be eliminated by the courts. In that event, the City's income from property taxes would be reduced by 6 percent.

5. Loss of Revenues from Board of Review Action. The City lost \$2,824,800 in SEV after Board of Review hearings, which translates to a loss of \$37,711.08 in tax revenues at the 13.35⁸ millage tax rate.

6. City Council Reduction of Millage. The City Council rolled back millage rates by .4 of a mill, which resulted in lost cash to the City in the sum of \$160,000. This action reflects the wishes of the citizens of Madison Heights. The Panel should not issue an award which would cause an increase in the operating millage rate contrary to the desires of the citizens of Madison Heights.⁹

7. Effect of State of Michigan's Financial Problems. The state is in serious financial condition; hence, state shared revenues have declined. In 1979-80, 30 percent of the total

8. There was testimony concerning the City's revolving fund, which is used for capital improvements. The Union brief did not make a point of this. It should not be considered as income available for the payment of salaries to City employees.

9. This is not a persuasive argument. If the argument were carried to its logical extreme, the City Council could roll back millage further and thus reduce the salaries of City employees. While the financial condition of a city is, pursuant to statute, a consideration in the payment of employees' wages and salaries, city employees cannot be expected to make a "gift" of their services to the citizens of the municipality.

City revenues were received from the state. This dropped to 21 percent in 1982-83. The original anticipated revenue from the state for 1982-83 was \$1,985,271. As of March, 1983, the City had received only \$1,093,696. The City revised its budget for the 1982-83 fiscal year by \$176,267 because of the reduction in state shared revenues.

8. 1983 State Income Tax Increase. The recent state income tax increase will reduce the state's deficit, but the state's cash deficit is projected to exceed \$400,000 as of September 30, 1983. Thus, the state has delayed payment to the cities and has reduced payments to the cities. The state is also eliminating the June, 1983, intangibles tax payment to cities.¹⁰ This will result in a loss of \$8,800 to the City.

9. City Population Loss. The population of the City declined between 1970 and 1980, resulting in an 8-percent reduction in state shared revenues, or a \$342,500 decrease, between 1980-81 (based on the 1970 census) and 1981-82.

10. Aging City Population. Not only was there a population decline of 3,224 citizens from the census of 1970 to the census of 1980, but the City population has "aged." In 1970, 42.91 percent of the City's population was between the ages 0-18; in 1980, the percentage had decreased to 29.78. In 1975, .2 percent of the population was in the over-60 category; in 1980, 11.15 percent of the population was in the over-60 category.

10. Recent newspaper accounts report that the state will have a surplus. It is clear, however, that cities are unlikely to receive any substantial increase in state shared revenues within the next year or two.

11. Interest Income. Recently, there has been a decline in interest income, resulting in loss of revenue to the City.

12. Tax Collection Fee. The City budgeted \$170,000 for the recently adopted tax collection fee, but the constitutionality of this tax is being contested in court. An Oakland County circuit judge, in a case involving the City of Southfield, held the one-percent collection fee unconstitutional.¹¹

13. Deficit Budget for 1982-83. For the fiscal year 1982-83, Madison Heights has a deficit budget of \$357,000. This amount will be paid from a fund balance retained by the City in the sum of \$627,000. Expert witness Doescher testified that a city should have a fund balance equal to 10 percent of general fund revenues. Such a fund for the City would be approximately \$900,000. Expenditures of \$8,988,912 for 1982-83 were budgeted. The general fund revenues for the year ended June 30, 1983, were estimated at \$8,631,628.

14. Medical Premium Increase. Recently, there has been an increase in Blue Cross/Blue Shield premiums, an expense over which the City has no control.¹²

15. Reduction in Costs. The City has made attempts to reduce costs. For example, a police sergeant's position was eliminated by attrition in January of 1983, saving approximately \$36,000 in anticipated expenditures. No increases have been paid

11. Presumably, the case is being appealed to the Court of Appeals. Subsequently, the Legislature changed the description from collection fee to administrative fee, apparently on the theory that this might stand the test of constitutionality.

12. The City might consider a different insurance carrier.

in 1982-83 to employees not in bargaining units. The City's fiscal responsibility is disclosed by not replacing employees who have left City employment during the last 5-year period. The attrition of 20 employees (two in the Fire Department) has¹³ resulted in an expenditure reduction of \$1,257,420.

16. Bankruptcies. Several bankruptcies in the City resulted in loss of income for the City.

17. Ten-Year Operating Cost Increase. The City's operating expenses have risen from \$5,000,000 in 1972-73 to approximately \$10,500,000 in 1982-83. During that period, federal shared revenues have declined; and in recent years, state shared revenues have declined. Property taxes have been increased¹⁴ in an effort to make up the difference.

18. Increase in Personnel Costs. In 1972-73, personnel services accounted for 50.25 percent of the budget; in 1982-83, they had risen to 62.69 percent of the budget. The work force increased from 1972-73 to 1977-78 from 200 employees to about 250 employees. Work forces again increased to slightly over 300 employees. Excluding CETA employees, between 15 and 20 positions have been eliminated in 1982-83 as compared with 1977-78.

13. The employees who have left through attrition do not include CETA employees.

14. An exhibit discloses that in 1972-73, property taxes were 49.3 percent of actual expenditures, whereas in 1982-83, they were 47.74 percent of actual expenditures. State revenues decreased from 25.99 percent in 1972-73 to 22.84 percent in 1982-83, with a high of 29.56 percent in 1979-80. Federal revenues were about the same: 3.62 percent in 1972-73 and 3.36 percent in 1982-83, but with a high of 11.63 percent in 1975-76. "Other revenues" increased from 21.09 percent in 1972-73 to 25.79 percent in 1982-83, with a high of 29.51 percent in 1977-78.

All CETA funds have been eliminated. Approximately one half of the City's total expenditures are for the police and fire departments. An exhibit disclosed a low of 49.3 percent for the police and fire departments in 1981-82 and a high of 56.2 percent in 1977-78. Payments to the retirement fund have increased from \$192,443 in 1972-73 to an estimated \$549,000 for 1982-83, with a high of \$603,790 in 1981-82. The Fire Department's percentage of the budget increased from 16 percent in 1977-78 to 18.1 percent in 1982-83; whereas, all other units or departments of the City experienced a percentage decline from 56.2 percent in 1977-78 to 50.7 percent in 1982-83. "[I]s it too much," the City inquires in its post-hearing brief, "now to ask the firefighter to take a wage and fringe benefit freeze for the 1982-83 budgetary year?"

19. Vacant Land. As of January, 1983, there were 502,191 square feet of vacant land in the City, land which does not generate a substantial amount of taxes.

20. Long-Term Debt. The City has a long-term debt of \$1,051,881 for several items, plus \$648,300 for the Fire Department and the Police Department. Of this amount, \$556,860 is for the demolition and construction of Fire Station No. 2 and \$91,440 for an addition to the Police Department building.

21. Utility Costs. Utility costs have increased, a factor over which the City has no control.

The City also offered evidence in support of its wage offer¹⁵ and to counter the Union's offer.

15. The City brief states that the Union proposed a 7-percent increase for 1982-83. Its arguments are all based on the 7-percent figure. The Union's first-year offer was a 5-percent increase, not a 7-percent increase.

1. Increase in Wages Since 1973-74. The average Fire Fighter's wage increased from 1973-74 to 1981-82 at the rate of 7 percent per year. The wages of patrolmen increased an average of 7.39 percent per year. There has been "rough parity" between Fire Fighters and police for many years. However, during the last three years, Fire Fighter wage increases have been greater than the increases of patrolmen, e.g., in 1979-80, a patrolman received a 6-percent increase; a Fire Fighter received an 8-percent increase. In 1980-81, a Fire Fighter received an 8-percent increase; a patrolman, a 7-percent increase.

2. Fire Department as Percent of Total Budget. Fire Department personnel services as a portion of the total Fire Department budget is higher than that of the Police Department in each of the years listed. Attached hereto as Exhibit 5 is a copy of City Exhibit 3C, which discloses the percentages of the cost of the Police Department and Fire Department as compared with total City costs. Also attached hereto as Exhibit 6 is a copy of City Exhibit 3E, which discloses the "cost of a Fire Fighter."

3. Paid Leave. The Fire Fighters received \$815.06 in paid leave time more than the police officers receive.

4. Cost of Living Increase. The Consumers Price Index for the City of Detroit has increased slightly over 4 percent for 1982. The Union proposal (which the City brief lists as 7 percent) "bears no relationship to the Consumer Price Index."

As noted in the text above, the Union stresses the Index increase over several years, whereas the City stresses the fact that the Index is now partially under control. Analysis of the

Comparison Cities discloses that there is "clearly a wage freeze trend in the comparable communities." Pontiac and Ferndale froze wages in 1981-82; Birmingham in 1982-83. In Southgate, there was a reduction in fiscal 1982-83. Attached hereto as Exhibit 7 is City Exhibit 3J, which discloses the cost data for the Comparison Cities. Also attached hereto as Exhibit 8 is City Exhibit 3K, which discloses wage comparisons in the Comparison Cities and the status of the negotiations where there has not been a settlement. In only two of the Comparison Cities was there a wage increase from 1981-82 to 1982-83 which exceeded 6 percent. If the Union proposal (7 percent) were granted, the City would move from 9th position among the Comparison Cities to 4th. If 7½ percent were granted in 1983-84, the City would "zoom" (the City brief states) to second place among the Comparison Cities.

5. Total Cost of Union Proposal. Total cost to the City, including wage and pensions, of the Fire Fighter demand¹⁶ would be \$163,518.69. The City offer, "while still generous," amounts to \$65,124.63.

The Union reply to the City's financial testimony stresses (1) the relatively modest cost of its first-year offer and the relatively small difference between the City's and the Union's second-year offers, (2) the increasing financial strength of the City over recent years, and (3) the "surplus" which the City had at the end of 1981-82.

16. This is not correct. It is based on a 7-percent increase for the first year.

The cost of the offers on wages is as follows:

1982-83 cost of Union offer:	\$ 54,652
1983-84 cost of Union offer:	\$85,456
1983-84 cost of City offer:	<u>65,125</u>
Difference	<u>20,331</u>
Total Cost	<u>\$ 74,983</u>

The difference, the Union asserts, is of slight consequence to the City in light of the City's financial position, which has shown increasing strength over the years.

The Union offered rebuttal exhibits to disclose the following:

1. The City's general fund balances for the years¹⁷ 1978 through 1982.
2. The history of general fund revenues, budget versus actual.
3. Audited revenues and expenditures.
4. History of percentages of general fund expenditures devoted to police and fire departments.
5. General operating millage rates of the Comparison Cities.
6. A comparison of the property tax rates (in mills) and SEV over the last five years for the Comparison Cities.
7. Average property taxes paid by homeowners in the Comparison Cities.
8. Percentage of median family income devoted to property taxes in the Comparison Cities.

The exhibit presented by the Union on the general fund

17. The years were listed as calendar years. It is apparent the years are for fiscal 1977-78 to 1981-82.

balance discloses the sum of \$999,791 at the end of 1981-82. However, the \$999,791 includes amounts reserved for fringe benefits, subsequent years' expenditures, and encumbrances; hence, the unreserved balance is, in fact, \$435,075.

The City brief points out that the City has operated at a deficit budget for 1982-83 and will be required to use an estimated \$357,000 of the fund balance to cover 1982-83 expenditures. The City brief further points out that expert witness Doescher testified that a city should have a fund balance equal to approximately 10 percent of general fund revenues, i.e., one month's expenditures, which in the case of the City would be approximately \$900,000.

The City's financial experience discloses an increase in revenues, budget, and the amount spent from 1977-78 to 1981-82. The Union's exhibit also discloses an increase in general fund expenditures from 1977-78 to 1981-82. In 1981-82, the general revenues were \$255,245 greater than the expenditures. The Union notes that the City's budgeted revenues and expenditures were changed each year after audits so that the revenues received were higher than estimated.

The Union presented an exhibit disclosing that the percent of general fund expenditures devoted to the Police Department is higher than the percentage of general fund expenditures devoted to the Fire Department. The City points out, correctly, that the Union's exhibit has no weight, as the Police Department is larger than the Fire Department, and also that the percentage of general fund expenditures devoted to the Police Department and the Fire Department has increased for both departments between

1977-78 and 1981-82.

Madison Heights, the Union notes, levies 13.35 mills, whereas other cities range from Sterling Heights' 10.59 mills to Pontiac's 24.8836 mills. The City is 14th among the 16 Comparison Cities.

The Union points out, correctly, that the City has reduced the property tax rate millage from 14.57 in 1978-79 to 13.35 mills in 1982-83, whereas the SEV has increased from \$265,070,000 to \$397,400,000 in 1982-83.¹⁸

The City stresses the fact that its evidence establishes that the City was expending more than it was receiving in income for 1982-83, and that at the end of the fiscal year, the City would be required to use an estimated \$357,000 of its fund balance for its 1982-83 budget.

The Union's post-hearing brief spends considerable time discussing the City's actions:

1. The City took a position that it would not agree to wage and fringe benefit increases for 1982-83 before bargaining started.

2. The City Council would not increase property tax revenues "so that it could attempt to inflict the proposed wage and benefit freeze upon its employees."

3. Property tax revenues did not increase, because the City determined before negotiations began that it did not wish to grant any wage and fringe benefits increases for 1982-83.

The City's action, the Union avers, made a "mockery of negotiations, and the Act 312 process itself."

18. See footnote 9.

The Union notes that the City could have totally eliminated its deficit through additional property tax revenues by retaining the 13.83 mills of the previous year or raising the millage another .4 mills to 14.23 mills, which still would have been below the total millage rate in all but one of the past 5 years. The Union further notes that the City could levy an additional 1.52 mills, which would raise \$603,440 in additional revenue.

The Union notes that of the 16 Comparison Cities, the average homeowner in Madison Heights pays less in city taxes, i.e., \$265, than the average homeowner in any of the other Comparison Cities. The average city tax of the Comparison Cities is \$378. The average taxpayer in Madison Heights also pays only 84 percent of the average of \$1,430 in property taxes (city, county, and school district) paid in the Comparison Cities.

The average taxpayer in Madison Heights uses only 1.07 percent of his income for city taxes, whereas the average of the Comparison Cities is 1.54 percent. With respect to all property taxes (city, county, and school district), the City taxpayer spends 4.86 percent of his income, which is 85.10 percent of the average of 5.71 percent in the Comparison Cities.

The relatively low taxes, the Union asserts, are not justified by the financial position of the Madison Heights taxpayer. The median family income in Madison Heights is \$24,650, which places it 9th among the 16 Comparison Cities.

The City taxpayers could have easily absorbed the "minimal additional taxes" which they would have paid if the City had maintained its millage rate at the 1981-82 level. Had the tax

rate remained at 13.83 mills, the average taxpayer would have paid only an additional \$9.50 per year in taxes.

It is doubtful that the City's projected \$357,000 deficit for 1982-83 is valid. The deficit is a "budgeted one," and not based upon any "post fiscal year audit."

Over the last 5 years, a Union exhibit discloses, the City has experienced a favorable variance of \$50,000 per year in budgeted versus actual revenues and of nearly \$140,000 per year in budgeted versus actual expenditures. Thus, the City took in an average of \$50,000 per year more than budgeted and spent \$140,000 per year less than budgeted.

The City has budgeted for deficits in each of the last 5 years averaging nearly \$79,000, while actually realizing an average surplus of over \$127,000 per year.

During 1980-81, the City had a total surplus of \$244,758, which gave the City its largest unreserved general fund balance in its history. This was a variance of \$600,000 in predictions made by the City at the 1980 Act 312 hearing.

The foregoing casts doubt on the City's projections at this hearing.

In summary, the Union avers:

1. The evidence does not support the City's argument that it is unable to meet the cost associated with the Union's last offer. The City can easily meet these costs in accumulated funds.

2. The City's "inability to pay" argument is an inadequate foundation upon which to base an award, and is overshadowed by the more reliably proven factors of comparable benefits,

cost of living indices, and the need for the public to have a well paid, well trained fire fighting corp.

Decision on Wages

The City and Union appointed delegates have agreed--and the Chairman concurs--that the years 1982-83 and 1983-84 are each separate last offers, hence are to be treated separately.

The Chairman finds merit in the position, evidence, and arguments of both the City and the Union. On balance, the Chairman has determined that the City's last offer for 1982-83 should be accepted as more consistent with the Section 9 standards on which the Panel is to "base its findings, opinions and order." The City delegate concurs.

The Chairman further finds that the Union's last offer for 1983-84 is more consistent with the Section 9 standards than the City's last offer. The Union delegate concurs.

The Union asserts, correctly, that the City has not disclosed "inability to pay" the Union's last offer for 1982-83.

Factor (c) of Section 9 of Act 312 does not require that a union offer be accepted merely because a unit of government has the financial ability to meet the cost of the offer. The factor requires that the Panel consider the interest and welfare of the public and the financial ability of the unit of government to meet the cost of the offer.

The Chairman is persuaded by the evidence that as of June 30, 1983, the City's general fund was in a deficit position, i.e., that expenditures (without the addition of an increase in wages for employees of the Fire Department and the Police Department, which has, as of this date, not settled with the City) will be

greater than the revenues received for 1982-83.

It is in the public interest that city budgets be balanced.

If a wage freeze for 1982-83 would substantially damage or harm the Fire Fighters, the Chairman might find that the 5-percent increase proposed by the Union is warranted. However, denial will not drop the City Fire Fighters to the bottom of the Comparison Cities. To the contrary, it will result in their remaining near the middle of the Comparison Cities.

Also persuasive is the agreement by the non-uniformed City employees to a wage freeze for 1982-83. The City, recognizing that there would be financial difficulties in 1982-83, requested a wage freeze from the unions representing the non-uniformed employees. The unions agreed.

The Union asserts that such agreement should have no impact on decision in this case, because non-uniformed employees do not have the right to strike and do not, as do employees of police and fire departments, have recourse to binding arbitration.

It is true that non-uniformed employees are (as are uniformed employees) prohibited by state law from striking, and that arbitration of impasses for non-uniformed employees is not mandated. However, the non-uniformed employees could have appealed to fact finding. Had a fact finder determined that the non-uniformed employees were entitled to an increase, there would have been pressure on the City to accede. Instead, the non-uniformed employees recognized the City's difficulties and were willing to cooperate in resolving the City's financial problem. The Fire Fighters should be willing to follow the example of their fellow City employees. They were reasonably well paid during 1982-83.

Coupled with the public-spirited action of the non-uniformed employees is the fact that freezing the Fire Fighters' wages for 1982-83 would not significantly affect their rank among the Comparison Cities. Factors (c), (d), and (f) are involved in this aspect of the case.

The evidence does disclose some loss in earning power by the Fire Fighters over the years because of the increase in the cost of living. The cost of living has, however, been partially controlled; hence, the Fire Fighters have, the past two or three years, been at less of a disadvantage than previously. In addition, there is a cost of living provision in the collective bargaining agreement which is of assistance in maintaining the Fire Fighters' buying power.

The Union brief cites an Act 312 arbitration involving the City of Southgate, 54 LA 901 (1970), which involved the fire fighters in that city. The chairman of the panel was Arbitrator/Lawyer George T. Roumell, Jr.

To the extent that it is persuasive, Arbitrator Roumell's opinion supports the City's case here.

Arbitrator Roumell found that Southgate faced a "serious" financial situation, but that it had the ability to pay the increase requested by the union representing the fire fighters. He noted that "there are other factors besides purely the 'financial ability' of the unit which reflect upon that financial ability and also have to be considered."

Arbitrator Roumell found that the city had recently installed a new (and apparently highly competent) city manager and a new (and apparently highly competent) city comptroller, hence the

future for the city was considerably brighter than it had been.

But of greater significance, as applicable here, was the fact that the City of Southgate had voluntarily agreed to an increase for the police officers. Arbitrator Roumell noted that in Southgate, the fire fighters and police officers "through their respective collective bargaining contracts have basically achieved parity between themselves." Here, non-uniformed employees voluntarily accepted a wage freeze. The City has not offered an increase for 1982-83 for the police officers.¹⁹

In summary: The City's financial condition and the Fire Fighters' reasonably good compensation as compared with fire fighters in the Comparison Cities, leads the Chairman to the conclusion that the City's offer should be accepted for the 1982-83 fiscal year, i.e., a wage freeze for that period.

The City's offer and the Union's offer are reasonably close for the 1983-84 fiscal year. The City's proposal is a two-step increase which amounts to slightly less for the entire year than the Union's proposal of a 7.5 percent increase effective July 1, 1983.

In view of the wage freeze for the 1982-83 fiscal year, the Chairman concludes that it is equitable and consistent with factors (c), (d), (e), and (f) to adopt the Union's last offer for 1983-84.

FOOD ALLOWANCE

The Union last offer is to continue the \$360 Food Allowance

19. The police officers case is pending in Act 312 arbitration.

which was in effect July 1, 1982, until June 30, 1983, and to increase the Food Allowance on July 1, 1983, to \$450.

The City's last offer is no increase in the Food Allowance for either of the two contract years.

The City brief assumed that the Union was seeking an increase in the Food Allowance to \$500, the Union position during the hearing.

The current Food Allowance of \$360 per year is payable in equal installments on July 15 and December 15.

The evidence establishes that food allowances are common in fire departments and that all of the Comparison Cities have food allowances, ranging from \$600 in Garden City to \$250 in Southfield. The rationale for a food allowance is that fire fighters are on duty for a substantial number of hours and are required when on duty to eat all their meals at the fire station. In Madison Heights, the Fire Fighter serving as cook at the beginning of the work shift at 8:00 a.m. collects \$5 from each Fire Fighter on duty for the purchase of food. The cook shops, returns to the station, and based upon the actual cost of the food purchased, either collects more money or returns money to each of the Fire Fighters.

The Union's presentation is based on the increase in inflation, and the City's presentation on its rank among the Comparison Cities.

The City, in its presentation, avers that it is "unrealistic to argue that one Food Allowance should increase with the rate of inflation," and that during the past 4 years, the Food Allowance for the City Fire Fighters has "virtually kept pace with inflation."

The Union presented an exhibit which discloses the food costs for the period from February 16, 1983, to March 1, 1983. The average daily expense per man was \$5.69.

The City questions the exhibit on the ground that it discloses only the food costs for this limited period and notes that the Union witness conceded that employees "may have spent less than the figures shown (on the exhibit) in any given month."

The Chairman is persuaded from the testimony that the computation presented by the Union is reasonably accurate. Clearly, there will be variations from month to month.

In 1967-68, Madison Heights Fire Fighters did not receive a Food Allowance. Since then, the history has been as follows: 1968-72, \$200; 1972-75, \$235; 1975-79, \$260; 1979-80, \$310; 1980-82, \$360.

The Union points to the evidence which discloses that from 1976 to 1982, the cost of purchasing food has increased 58.5 percent and the cost of living as a whole, 71.5 percent. During this period, the Food Allowance increased 38 percent, i.e., from \$260 to \$360. To have kept pace with inflation, the Union asserts, the Food Allowance should have been \$411 as of June 30, 1982.

The City points out that the average increase in the Consumer Price Index for the last 4 years is 7.9 percent per year, whereas the average increase in the Food Allowance during the past 4 years has been 7.05 percent.

The Union also points to the evidence which discloses that among the 16 Comparison Cities, Madison Heights ranks 15th, and that even if its last offer of \$450 is accepted by the Panel, it

will rank 7th. In addition, the Union brief asserts, 5 cities (Allen Park, Ferndale, Royal Oak, Warren, and Ypsilanti) are still in negotiations.²⁰

The City countered with an exhibit which combined the Food Allowance with the cost of living as provided in the Comparison Cities' contracts. This comparison discloses that the City Fire Fighters are second among the Comparison Cities, with a total of \$1,088 (\$360 Food Allowance plus \$728 COLA). The Comparison Cities range from a high (Pontiac) of \$1,808 to a low (Southfield) of \$250.

The total cost to the City of the increase, the Union points out, will be \$3,240, slightly less than .2 percent of the current Fire Department expenditures.

The City brief, computing the increase at \$500 per year, places the additional cost at \$5,040.

Decision on Food Allowance

The Chairman is persuaded that the Union's last offer should be adopted. It will keep the Food Allowance reasonably equal to the increase in the cost of food since the last increase in the Food Allowance. The Union delegate concurs.

The acceptance of the Union offer will result in the City Fire Fighters having a rank at about the middle of the Comparison Cities. The increase does not significantly increase the overall

20. Exhibit CI 3B offered by the City discloses that two cities (Wyandotte and Allen Park) are still in negotiations. In any event, the Union brief is correct with respect to the present position of the City and also correct that the City would be no higher than 7th at the completion of negotiations for the other cities, whether two or 5.

compensation received by the Fire Fighters.

Factors (d)(i), (e), and (f) are involved in this decision.

HOSPITALIZATION INSURANCE

Section 2 of Article III of the 1981-82 collective bargaining contract provides:

The City of Madison Heights will pay Blue Cross-Blue Shield on a certified plan for semi-private service for all full time employees who have been disabled according to the Michigan Worker's Disability Compensation Law Standards and for as long as they are unemployed as a result of an on-the-job injury until retirement age, OR, will pay the same benefits for any employee disabled under any circumstances after one (1) year of employment with the City according to Michigan Worker's Disability Compensation Law Standards, for as long as he/she is unemployed.

The Union proposes to add the following to Section 2 of Article III:

"Effective upon the signing of this agreement, the City of Madison Heights will pay the benefits set forth in this Section for any employee disabled under any circumstances after one (1) year of employment with the City according to Michigan Workers Disability Compensation Law Standards for a period of two (2) years beginning the month after the employee is disabled."

The City proposes to replace Section 2 of Article III with the following:

"Section 2. The City of Madison Heights will pay Blue Cross-Blue Shield on a certified plan for semi-private service for all full time employees who have been disabled according to the Michigan Workers Disability Compensation Law Standards and for as long as they are unemployed as a result of an on-the-job injury until retirement age."

The City also proposes to add a new paragraph as follows:

"The City will provide the same Blue Cross-Blue Shield coverage hereinabove set forth

"for an employee who has at least one year of seniority who suffers a non duty connected disability, said coverage shall terminate one year after the date the employee becomes disabled."

Neither the Union nor the City proposes to change the current contract provision that hospital insurance coverage continues for an employee injured on the job during the period of the employee's inability to work.

The Union explains that under its last offer, a Fire Fighter who is disabled off the job would be allowed to use his accumulated sick leave, which would allow him to remain on the payroll for a maximum of two months. Currently, hospitalization insurance premiums continue to be paid by the City for an employee who is injured while off the job for as long as the injury continues.

The City would limit hospitalization premium payments to one year, provided the injured employee has at least one year of seniority.

The Union would continue the insurance for two years for an employee who has at least one year of employment with the City.

The City presented the only exhibit offered on this subject. It discloses that 13 of the Comparison Cities do not have a similar provision in their contracts. A provision in the Garden City contract provides that insurance shall continue for an employee disabled for either occupational or non-occupational reasons for the period of the disability, or until the employee is placed on a personal leave of absence or retirement pursuant to other provisions of the contract.

The Union points to the evidence, which discloses that the City has not been required to carry insurance for any Fire Fighter

who suffered a non-duty related disability.

Both City and Union witnesses agreed that currently, as long as employees continue to be carried on the payroll, even though on sick leave or annual leave, hospital insurance premiums are paid for such employee.

At the meeting of the Panel, the Panel members appointed by the City and the Union advised the Chairman that the City and Union have agreed to place in effect the Union's last offer; hence, no award on the issue of Hospitalization Insurance is necessary.

SAFETY MANNING OR MINIMUM STAFFING

The Union proposes the addition of an article to the contract to read as follows:

"ARTICLE - SAFETY MANNING

Effective upon the date of this award, a minimum of three (3) personnel shall be assigned to, and shall respond on, any vehicle responding to a call, with the exception of the emergency rescue vehicle which shall respond to a call with a minimum of two (2) personnel."

The City proposes the following:

The City will move to implement the technical changes in telephone and alarm systems which will allow Police to handle Fire emergency calls (Police now monitor Fire radio) and thereby free up the Fire Dispatcher to respond as required to emergency calls for service. This will have the effect of making one additional employee available on each platoon.

There are two fire stations in the City of Madison Heights: Station No. 1 at the north end of the City and Station No. 2 at the south end of the City. The equipment is as follows:

Station No. 1
One 1250 G.P.M. Pumper

One 1250 G.P.M. 851 Snorkel
One Fire Department Ambulance
(Reserve apparatus consists of one
additional rescue truck)

Station No. 2
One 1250 G.P.M. Pumper
(Reserve apparatus consists of one
additional 1000 G.P.M. Pumper)

The Union proposal is directed primarily at Station No. 2 where, at times (more fully discussed below), there are only two Fire Fighters available to man the fire engine. Under the operating procedure, the Fire Fighters with the fire engine from Station No. 2 immediately respond to fires in the south end of the City; the vehicles in Station No. 1 immediately respond to fires in the north end of the City. The rescue vehicle located at Station No. 1 also responds immediately to fires in the south end of the City, unless the rescue vehicle is away from the station. If additional equipment is deemed by the officer in charge to be necessary, the fire engine or snorkel from Station No. 1 responds.

The City has an arrangement with the neighboring cities of Birmingham, Ferndale, Hazel Park, Pontiac, Royal Oak, and Southfield for support of personnel or fire equipment, or both, if needed. The evidence discloses that on occasions, other cities have assisted Madison Heights, but such assistance has been infrequent.

The Union asserts that, due to the loss of Fire Fighters by attrition, there are only 34 Fire Fighters (plus the Chief) who engage in fire fighting operations, working an average of 54 hours per week on 24-hour shifts. The 34 employees are divided into three units with 11 on two shifts and 12 on one shift. There are occasions when only two Fire Fighters are on duty at Station

No. 2. This occurs when only 7 Fire Fighters are on duty during a shift. In 1980, there were 4 occasions when only 7 Fire Fighters were on duty; in 1981, there were 21 such occasions; and in 1982, 22 such occasions.

The Union is concerned over this minimum manning for two reasons:

1. Fire Fighters cannot perform as well when only two Fire Fighters arrive at a fire on one truck.

2. There is a danger of injury to the Fire Fighters when there are only two men on a truck.

The City responds:

1. The time when there are only 7 Fire Fighters on duty, hence only two assigned to Station No. 2, has been infrequent over the years.

2. The evidence does not disclose that there has been any problem with fire fighting. Back-up equipment at Station No. 1 arrives shortly after the equipment from Station No. 2 has arrived.

3. There is no evidence to disclose any safety problem due to the 7-man shift.

The Union further asserts that only two Fire Fighters on No. 1 truck is contrary to the Fire Department's own rules, which require that one Fire Fighter must remain with the truck; thus, it is not safe for a single Fire Fighter to enter a burning building to engage in rescue operations or even attempt to extinguish a fire.

The City does not disagree completely with the Union argument, but points to its financial condition as a reason weighing

against its increasing the fire fighting force. In partial recognition, the City would change the dispatch or watch operations by having the police monitor fire emergency calls, thereby freeing up one Fire Fighter for each platoon.

The City suggests that 6 new Fire Fighters would be required to comply with the Union proposal. This seems an excessive number, as the condition of 7 Fire Fighters on duty has happened only occasionally. Even one additional Fire Fighter, plus freeing the dispatcher, would be a step toward complying with the Union proposal.

The Union avers that personnel manning equipment from Station No. 2 have no assurance that help will arrive from Station No. 1. The Union points to the Occupational Procedure Document which states, among other things, "REMEMBER YOU HAVE NO ASSURANCE THAT ADDITIONAL HELP WILL ARRIVE."

There was no evidence that additional help would never arrive. The City says this is a cautionary admonition to Fire Fighters.

Evidence was offered (Union Exhibit 46) that 8 of the Comparison Cities have minimum manpower provisions in their contracts, city charters, or by directive of the fire chiefs.

The City points out, correctly, that only one of the Comparison Cities (Allen Park), so far as the Union exhibit discloses, specifies the number of fire fighters on a "rig." The other minimum staffing provisions provide for a specified number on a shift or platoon.

The Union offered evidence (Union Exhibit 49) disclosing that the total runs have increased from 1,071 in 1971 to 1,886 in 1982. Manpower, the exhibit discloses, was 33 in 1971,

increased to 36 in 1975-80, then fell to 35 in 1981 and to the present 34 in 1982.

The City points out, correctly, that fire runs were approximately the same in 1982 (683) as they were in 1971 (656), with a high of 864 in 1979. Rescue runs have increased dramatically, from 415 in 1971 to 1,203 in 1982.

The Union offered evidence of the number of alarms during 1982 in the Comparison Cities (Union Exhibit 50). The evidence has no impact on decision, as the cities differ in size.

The Union offered evidence (Union Exhibit 51) of the alarms per population in thousands, a more meaningful exhibit than the number of alarms. In Madison Heights, there were 53.31 alarms per thousand in population. The other cities range from 79.57 in Inkster to 25.76 in Sterling Heights; thus, Madison Heights is about in the middle of the Comparison Cities.

Union Exhibit 67A, prepared by Union witness James Martin from telephone calls to the departments in the Comparison Cities, discloses that minimum personnel in all but two cities is three or 4 fire fighters on an engine.

The Union offered evidence (Union Exhibit 52) of the number of alarms per manpower, which was calculated by dividing the number of alarms by departmental manpower. This is a more meaningful exhibit than the prior exhibits.²¹ In Madison Heights, there were 52.39 alarms "per manpower," placing Madison Heights 8th (midway between the 16 cities) in a range from a high of 140

21. The number of alarms per manpower includes rescue runs.

in Inkster to a low of 28 in Birmingham.

The Union offered evidence (Union Exhibit 31) of manpower per square mile. The exhibit also discloses that Madison Heights is in the middle, i.e., 8th among the 16 Comparison Cities. The manpower per square mile in Madison Heights is 5.07; in Ferndale, which has the highest manpower per square mile, it is 10.26; in Sterling Heights, the lowest, it is 2.47.

In manpower per population (Union Exhibit 54), Madison Heights is again 8th of the 16 Comparison Cities, having manpower per population of 1.02. Birmingham has 1.84, the highest manpower per population; Inkster with .57 has the lowest.

The Union offered evidence (Union Exhibit 57) concerning the average time for rescue runs by the emergency equipment. The average during 1982 was 24.30 minutes. The City points out that as there are less than 4 rescue runs per day (in 1982, there were 1,203), the rescue vehicle is away from Station No. 2 only about 1½ hours per day.

The Union offered evidence in the form of studies made by the National Fire Protection Association, the Burbank Fire Department, United States Fire Administration, and the International Association of Fire Fighters which recommend the optimum number of fire fighters who should be assigned to each piece of equipment. Also presented (Union Exhibit 66) is an article which appeared in Fire Engineering in October, 1969, which asserts that "[f]our men on duty with each company should be the absolute minimum standard of every fire department," and that "[p]rogressive fire chiefs are of the opinion that companies should never be allowed to respond with less than five men."

The Union presented evidence (Union Exhibit 67) of the state equalized value of commercial, industrial, and residential property and personal property in the Comparison Cities. The purpose of the exhibit is to disclose that Madison Heights has a high percentage of both commercial and industrial property, which results in more difficult fire fighting than in a residential community.

Decision on Safety Manning or Minimum Staffing

The Union did not offer persuasive evidence that the Fire Fighters have suffered an increased hazard because on infrequent occasions there have only been two employees assigned to a shift at Station No. 2. As noted in the text above, this occurred 4 times in 1980, 21 times in 1981, and 22 times in 1982. The City's offer should reverse the trend.

No evidence was offered that any of the injuries received by Fire Fighters resulted from two Fire Fighters (rather than three or more) having been on duty at Station No. 2.

The evidence suggests that there is some loss in fire fighting efficiency when two Fire Fighters are on duty at Station No. 2, as some time (though not a large amount of time) is required before equipment from Station No. 1 reaches a location in the original jurisdiction of Station No. 2. If the City is willing to accept this slight disadvantage in fighting fires, the Panel should not, when compared to the City's financial situation and the lack of persuasive evidence of hazard to the Fire Fighters, direct the City to employ additional Fire Fighters.

The City's last offer should assist in the amelioration of the situation of which the Union complains. The City's last

offer will be adopted by the Panel. The City delegate concurs.

This case was very well presented by Counsel for both the Union and the City at the hearing and in the post-hearing briefs.

A W A R D

WAGES

The City's last offer for wages to be paid the Fire Fighters from July 1, 1982, to June 30, 1983, is adopted by the Panel.

The Union's last offer for wages to be paid the Fire Fighters from July 1, 1983, to June 30, 1984, is adopted by the Panel.

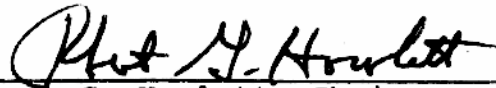
FOOD ALLOWANCE

The Union's last offer is adopted by the Panel.

SAFETY MANNING OR MINIMUM STAFFING

The City's last offer is adopted by the Panel.

Issued at Grand Rapids,
Michigan
September 9, 1983



Robert G. Howlett, Chairman



Bernard Friedman, Appointed to the Panel by the City of Madison Heights. Dissenting on Wages for 1983-84 and Food Allowance



Ronald Helveston, Appointed to the Panel by the Madison Heights Fire Fighters Association, Local 1357, I.A.F.F., AFL-CIO. Dissenting on Wages for 1982-83 and Safety Manning or Minimum Staffing

MADISON HEIGHTS FIRE FIGHTERS ASSOCIATION
1983 ACT 312 ARBITRATION

EXHIBIT 1

FULL-PAID FIRE FIGHTER WAGES

<u>City</u>	<u>Effective Date of Wage</u>	<u>Wage</u>	<u>Contract Expiration Date</u>
Allen Park	7/01/81 7/01/82	\$24,750 \$24,972*	6/30/82 ^{1/}
Birmingham	7/01/81 7/01/82 7/01/83 1/01/84	24,149 26,132 27,673 27,949	6/30/84
East Detroit	7/01/81 7/01/82	21,981 22,640	6/30/83
Ferndale	10/01/80 9/01/81 7/01/82	22,100 23,400 23,400	6/30/83
Garden City	7/15/81 7/01/82 7/01/83	24,200 25,168 26,175	6/30/83
Hazel Park	7/01/81 7/01/82 7/01/83	24,000 24,960 26,300	6/30/84
Inkster**	7/01/81 7/01/82	21,573 23,891	6/30/83
MADISON HEIGHTS	7/01/81	24,312	6/30/82 ^{1/}
Pontiac	12/23/79 10/31/83 3/11/84	21,437 22,079 22,936	6/30/84
Royal Oak	6/01/81 6/01/82	24,504 25,582	5/31/83
Southfield	7/01/81 7/01/82 7/01/83	24,730 27,390 29,030	6/30/84
Southgate	1/01/81 1/01/82 6/24/82 5/01/83	24,287 25,973 24,287 Wage Reopener	6/30/84

MADISON HEIGHTS FIRE FIGHTERS ASSOCIATION
1983 ACT 312 ARBITRATION
PAGE TWO CONT.

FULL-PAID FIRE FIGHTER WAGES

<u>City</u>	<u>Effective Date of Wage</u>	<u>Wage</u>	<u>Contract Expiration Date</u>
Sterling Heights	7/01/81	\$24,730	6/30/85
	1/01/82	24,915	
	7/01/82	25,662	
	1/01/83	26,432	
	7/01/83	27,754	
	7/01/84	29,142	
Warren	7/01/81	23,597	6/30/82 ^{1/}
Wyandotte	10/06/80	22,604	10/05/83
	10/04/82	Economic Reopener	
Ypsilanti	7/01/81	24,800*	6/30/82 ^{1/}

* Includes COLA roll-in

** Per Act 312 Award issued March, 1983 (Schwimmer, Arbitrator).

1/ Currently in Act 312 arbitration or negotiations.

SOURCE: Collective Bargaining Agreements

MADISON HEIGHTS FIRE FIGHTERS ASSOCIATION
1983 ACT 312 ARBITRATION

COMPARISON OF CURRENT
FULL-PAID FIRE FIGHTER BASE WAGE

Southfield .	\$27,390
Sterling Heights	26,432
Birmingham	26,132*
Royal Oak	25,582
Hazel Park	25,389*
Garden City	25,168
Allen Park	24,972*
Ypsilanti	24,800*
MADISON HEIGHTS	24,312
Southgate	24,287
Inkster	23,891
Warren	23,597
Ferndale	23,400
East Detroit	22,640
Wyandotte	22,604
Pontiac	21,436

* Includes COLA roll-in

SOURCE: Collective Bargaining Agreements.

MADISON HEIGHTS FIRE FIGHTERS ASSOCIATION
1983 ACT 312 ARBITRATION

WAGES ABOVE AND BELOW
MADISON HEIGHTS

<u>City</u>	<u>Wage</u>	<u>Amount Above (Below)</u>	<u>Percent Above (Below)</u>
Southfield	\$27,390	\$ 3,078	11.23%
Sterling Heights	26,432	2,120	8.70
Birmingham	26,132 ^{1/}	1,820	7.50
Royal Oak	25,582	1,270	5.22
Hazel Park	25,389 ^{2/}	1,077	4.43
Garden City	25,168 25,186	856 874	3.50
Allen Park	24,972 ^{2/}	660	2.71
Ypsilanti	24,800 ^{1/}	488	2.01
MADISON HEIGHTS	24,312	-	-
Southgate	24,287	(25)	(.10)
Inkster	23,891	(421)	(1.76)
Warren	23,597	(715)	(3.03)
Ferndale	23,400	(912)	(3.75)
East Detroit	22,640	(2,331)	(7.40)
Wyandotte	22,604	(1,708)	(7.56)
Pontiac	21,436	(2,876)	(11.83)

^{1/} COLA included in base wage.

^{2/} Includes COLA rolled in on 7/1/82.

SOURCE: Collective Bargaining Agreements.

MADISON HEIGHTS FIRE FIGHTERS ASSOCIATION
1983 ACT 312 ARBITRATION

EXHIBIT 4

TOTAL ANNUAL COMPENSATION (1982-1983)

<u>City Ranking</u>	<u>Wage</u>	<u>COLA</u>	<u>5 year Longevity</u>	<u>Holiday</u>	<u>Food Allowance</u>	<u>Shift Differential</u>
Southfield	\$27,390	0	\$548	\$2710	\$250	0
Sterling Heights	26,432	0	500	1525	410	0
Royal Oak	25,582	<u>1/</u>	510	2161	400	0
Birmingham	26,132	<u>343 1/</u>	531	1077	350	0
Hazel Park	25,389 ^{2/}	<u>113 40</u>	802 ^{3/}	1344	500	0
Garden City	25,168	0	180	1452	600	0
Allen Park*	24,972 ^{2/}	0	125	1400	415	325
Southgate	24,287	0	100	1102	410	349
MADISON HEIGHTS*	24,312	728	486	207 ^{4/}	360	0
East Detroit	22,640	780	453	1469	540	0
Inkster	23,891	0	115	1362	550	0
Ypsilanti*	24,800	<u>1/</u>	-	849 ^{6/}	485 ^{7/}	0
Warren*	23,597	125	300	1287	425	0
Ferndale	23,400	<u>561</u>	468	950	353	0
Wyandotte*	22,604	0	<u>9/</u>	1553	465	0
Pontiac	21,436	<u>1368 8/</u> <u>883 8/</u>	429	948	440	0

1/ Included in base wage
2/ Includes COLA roll-in, effective 7/1/82
3/ Percentage of Base Wage and Holiday Pay;
City also includes overtime.
4/ Based on assumption:
3 holidays - 16 hours worked
3 holidays - 8 hours worked; in addition, employees are granted 8/ January 1st
5/ City provide
6/ Plus 3 vac
7/ \$4.85 per c
8/ January 1st

Cloth/
Clean

Total
Compensation

\$375 \$31,273

400 29,267

350 29,003

140 28,230

125 28,230

450 27,850

375 27,612

325 26,633

320 26,413

475 26,351

375 26,293

5/ 26,134

150 25,884

5/ 25,733

325 24,947

5/ 24,136

es
tion days
ay at 100 days
2 - January, 1983

POLICE AND FIRE DEPARTMENT
ACTUAL EXPENDITURES IN DOLLARS
AND AS A PERCENTAGE OF THE
GENERAL FUND
1978 TO 1982

	<u>Audit General Fund</u>	<u>Police</u>	<u>Fire</u>	<u>All Others</u>
77 - 78	\$ 6,906,442 100%	\$ 1,920,545 27.8%	\$ 1,105,764 16.0%	\$ 3,880,133 56.2%
78 - 79	7,477,404 100%	2,227,576 29.8%	1,235,421 16.5%	4,014,407 53.7%
79 - 80	7,764,195 100%	2,426,307 31.2%	1,343,928 17.3%	3,993,960 51.5%
80 - 81	8,285,177 100%	2,645,331 31.9%	1,477,390 17.8%	4,162,456 50.3%
81 - 82	8,604,812 100%	2,789,575 32.4%	1,574,762 18.3%	4,240,475 49.3%
82 - 83	8,988,912 100%	2,807,492 31.2%	1,623,920 18.1%	4,557,500 50.7%

TOTAL COMPENSATION ANALYSIS
FULLY PAID 5 YEAR FIREFIGHTER
CITY OF MADISON HEIGHTS
7/1/81 TO 6/30/82

Base Wage	\$ 24,312.44	<i>Direct payment</i>
C.O.L.A.	728.00	
Longevity	486.25	
Holiday	207.79	
Optical	52.00	<i>Insurance</i>
Dental	407.76	
Hospital Insurance	2,145.60	
Worker's Compensation	1,536.35	
Retirement	5,023.37	<i>Direct payment</i> <i>only if used</i>
Life Insurance	156.00	
Disability	315.48	
Food Allowance	360.00	
Uniform Allowance	320.00	
Tuition	200.00	
Education Incentive	200.00	
	<u>\$ 36,451.04</u>	
		\$ 36,451.04

Fringes as a percentage of wages = 49.93%

Paid Leave Time	<u>Hours</u>
Vacation	192
Sick	180
Personal	24
Holidays	80
Bereavement	<u>48</u>
	524

Cash Value	<u>6,802.04</u>
Total	\$43,253.08

Paid leave time as a percent of annual hours 18.65%

TOTAL CASH TO EMPLOYEES (FIVE YEAR FIREFIGHTER) ALL COMPARABLE CITIES

<u>City</u>	<u>Wages</u>	<u>COLA</u>	<u>Longevity</u>	<u>Holiday</u>	<u>Shift Differential</u>	<u>Food Allowance</u>	<u>Uniform</u>	<u>Educational Tuition</u>
Southfield 82/83	\$27,390	-	\$ 548	\$1264	\$ -	\$250	\$375	\$500
Royal Oak 82/83	25,582	-	1023	1950	-	400	350	450
Sterling Hts. 82/83	26,432	-	500	1525	-	410	400	360
Birmingham 82/83	26,132	393	531	1564	-	350	140	240
Garden City 82/83	25,168	-	180	1452	-	600	450	-
Allen Park 81/82	24,750	446	125	1400	325	415	375	-
Hazel Park 82/83	24,960	113	749	1344	-	500	125	-
Ypsilanti 81/82	24,800	421	-	849	-	484	245	-
Southgate 82/83	24,287	-	100	1239	349	410	325	-
Madison Hts. 81/82	24,312	728	486	207	-	360	320	400
Warren 81/80	23,597	125	300	1287	-	425	350	400
East Detroit 82/83	22,640	145	453	1469	-	540	475	300
Ferndale 82/83	23,400	561	468	950	-	371	114	-
Wyandotte 81/82	22,604	-	-	1451	-	465	325	300
Pontiac 82/83	21,437	1368	428	948	-	440	350	-
Inkster 80/81	21,573	-	115	1185	-	550	375	-

Physical Exam	Total
\$ -	\$ 30,327
-	29,755
-	29,627
-	29,350
-	27,850
-	27,836
-	27,791
166	26,965
109	26,819
-	26,813
55	26,539
-	26,022
-	25,864
-	25,145
-	24,971
-	23,798

TOTAL BENEFITS TO EMPLOYEE (5 YEAR FIREFIGHTER) ALL COMPARABLE CITIES

<u>City</u>	<u>Retirement</u>	<u>Hospitalization</u>	<u>Dental</u>	<u>Optical</u>	<u>Life</u>	<u>Disability</u>	<u>Worker's Comp.</u>
Southfield	\$ 6132	\$ 2841	\$ 580	\$ 68	\$175	\$ 167	\$ 2191
Royal Oak	6864	2744	468	91	198	1442	1288
Sterling Heights	4758	2532	220	-	86	925	2643
Birmingham	4129	2746	240	67	204	37	1564
Garden City	3992	2820	322	-	-	1107	1238
Allen Park	5123	2808	315	36	160	1812	1544
Hazel Park	4768	2751	346	129	218	-	753
Ypsilanti	7600	2773	307	67	106	-	1628
Southgate	10,033	1907	349	36	101	40	1218
Madison Heights	5023	2146	408	52	156	315	1536
Warren	6335	3265	372	-	134	250	1409
East Detroit	4239	2268	240	18	126	-	-
Ferndale	6240	3430	-	-	135	-	1840
Wyandotte	5464	2488	200	-	103	-	472
Pontiac	6375	1758	270	-	209	-	1279
Inkster	2780	2500	-	-	121	98	2147

//

✓
✓

<u>Total</u> Employee Cost	
\$12,154	\$ 42,481
13,095	42,850
11,164	40,791
8,987	38,337
9,479	37,329
11,798	39,634
8,965	36,756
12,481	39,446
13,684	40,503
9,639	36,452
11,765	38,304
6,891	32,913
11,645	37,509
8,727	33,872
9,891	34,862
7,646	31,444

WAGE COMPARISON, ALL COMPARATIVE
CITIES FIREFIGHTERS, ARRANGED FROM
HIGHEST TO LOWEST

<u>BASE WAGES</u>	<u>FY 81/82</u>	<u>FY 82/83</u>	<u>FY 83/84</u>
1. SOUTHFIELD	\$24,730	\$27,390	\$29,030
2. STERLING HEIGHTS	24,915	26,432	27,754
3. BIRMINGHAM	24,161	26,132	26,132
4. ROYAL OAK	24,504	25,582	NEGOTIATION
5. GARDEN CITY	24,200	25,168	26,175
6. HAZEL PARK	24,000	24,960	26,300
7. YPSILANTI	24,800	MEDIATION	MEDIATION
8. ALLEN PARK	24,750	ARBITRATION	ARBITRATION
9. MADISON HEIGHTS	24,312	ARBITRATION	ARBITRATION
10. SOUTHGATE	25,973	24,287	24,287
11. WARREN	23,597	ARBITRATION	ARBITRATION
12. FERNDALE	23,400	23,400	NEGOTIATION
13. EAST DETROIT	21,981	22,640	OPEN
14. WYANDOTTE	22,604	NEGOTIATION	NEGOTIATION
15. INKSTER (FY 80/81 \$21,573)	ARBITRATION	ARBITRATION	ARBITRATION
16. PONTIAC	21,437	21,437	22,079