

7/2/75

Pontiac, City of

647
In the matter of arbitration between:

City of Pontiac, Michigan
and
International Association of
Fire Fighters, Local No. 376
Pontiac Fire Fighters

7/75

Under Act No. 312
Michigan Public Acts of 1969 as amended

Arbitration Panel

Samuel A. Baker, Delegate representing City of Pontiac
Anthony Zografos, Delegate representing Local 376, Pontiac Fire Fighters
Daniel H. Kruger, Chairman

Appearances

For the City

Chief Albert Rayner
Gary Webster, Deputy City Manager
Joe Young, City Controller
Douglas C. Dahn, Attorney

For the Union

Gerald Buckmaster
Edward Hunter
Gordon A. Gregory, Attorney

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AUG 3 1976

Hearings Reporter

Dorothy Turner (February 14, 1975)
Jerry Kilgore (March 19, 1975)
Hollis M. Harriman (March 19 & 20, 1975)

Opinion and Award of Arbitration Panel

Background

The Union, Local 376, International Association of Fire Fighters (AFL-CIO) is the bargaining unit with 135 members. The current contract which was for two years expired on December 31, 1974. On September 16, 1974, the

City of Pontiac through its Personnel Administrator, Mr. Samuel A. Baker, requested arbitration under Act 312. On November 25, 1974, Mr. Robert G. Howlett, the Chairman, Michigan Employment Relations Commission, appointed Daniel H. Kruger to serve as Chairman of the Panel. The City of Pontiac designated Mr. Baker as its delegate to the Panel. The Pontiac Fire Fighters named Mr. Anthony Zografos, President, Local 376, as their delegate to the Panel.

The Panel started its hearings on February 14, 1975. Since the next date of hearings was scheduled for March 19, 1975, the Chairman strongly suggested that the parties resume bargaining in an effort to resolve the issues in impasse. Bargaining was resumed but the parties were unable to resolve their differences. Additional hearings were held on March 19 and March 20, 1975.

The Panel met to review and discuss the issues on April 4, 1975, and again on April 11, 1975. At the meeting of April 11, 1975, it appeared to the Chairman that the issue of hours could conceivably be resolved through bargaining. Accordingly, in his capacity as Chairman, he remanded the issue of hours to the parties as provided for by Section 7a of the Act. This Section provides for the Chairman to remand the dispute to parties for further bargaining for a period not to exceed three (3) weeks. The Chairman was informed by letter dated May 15, 1975, by Mr. Gregory, Attorney for the Union, that the matter of hours was not resolved through collective bargaining. The letter not intentionally misrepresented the position of the City and the Chairman requested a second letter clarifying the position of the City. Such a letter was received from Mr. Gregory dated May 30, 1975. On June 4, 1975, the Chairman prepared a tentative award on the issue of hours and mailed it to the

members of the Panel. A response was received from Mr. Baker in a letter dated June 5, 1975, and a response was received from Mr. Zografos in a letter dated June 10, 1975. The letter, however, was received by the Chairman on June 18, 1975.

The Award of the Panel is divided into two (2) parts. Part I covers the changes in contract language sought by the City. Part II covers the eight economic issues in impasse between the parties and the two contract language changes sought by the Union. Taken together, the issues before the Panel totaled nineteen (19) and the Award deals separately with each of them.

The parties are in agreement that all economic issues except the award on hours are retroactive to January 1, 1975. The award on hours becomes effective the week beginning September 7, 1975. The changes in contract language included in this Award become effective the date the parties sign the Agreement.

Part I

Contractual changes proposed by the City of Pontiac

1. The City seeks to amend Article III, Section 1 (Reporting Grievances by changing opening paragraph to read:

"Should a grievance arise between an employee or a group of employees and the City over the interpretation, application, or meaning of this collective bargaining agreement, the following steps will be taken in negotiating such grievances. Grievances shall be submitted within ten (10) days of the event, occurrence, or knowledge of the facts giving rise thereto. Matters within the jurisdiction of the Fire Civil Service Commission shall not be subject to the grievance procedure."

Discussion: There are two issues in this proposed contract language change. The first issue is that the City seeks to change the time limitation in filing a grievance from 15 days to 10 days. The second issue is that matters which fall within the purview of the Fire Civil Service Commission shall not be subject to the grievance procedure. Each issue will be handled separately.

- 1a. Change in time limitation in filing a grievance from 15 days to 10 days

The City's rationale for this change is to make the grievance more timely. The change to 15 days was through an arbitrator in a previous Act 312 case. There appears to be no compelling reason to change the language from 15 days to 10 days. Given the work schedule of fire fighters the ten day limitation may be too restrictive.

Award: The Panel reaffirms the 15 day time period during which a grievance may be filed.

VOTE: For 2 Against 1

- 1b. Matters which fall within the purview of the Fire Civil Service Commission shall not be subject to the grievance procedure.

The City seeks to separate those matters which are properly the jurisdiction of the Fire Civil Service Commission from being subject to the grievance procedure of the Collective Bargaining Agreement.

Award: The Panel is unanimous in separating the jurisdiction of the Commission from subject matter of the grievance procedure. However, if for some reason the Fire Civil Service Commission declines to accept a grievance which has been filed with it, then the aggrieved individual shall have access to the grievance procedure as provided in the Agreement. In such instances where the Fire Civil Service Commission declines jurisdiction, the 15 day time period for filing a grievance under the Agreement shall begin as of the date the Commission in writing declined jurisdiction over the matter in question. VOTE: For 3 Against 0

This award will require appropriate language changes in Article III, Section 1, Paragraph D.

2. Time Off for Union Business

The current Agreement, Article IV, Section 1 reads:

Due to abnormal working conditions, the members of the Executive Board shall be allowed to attend all Executive Board meetings when called. The first four (4) Executive Officers available shall be allowed reasonable time off to tend to all Union Business.

The City proposes the following changes in Article IV, Section 1:

- A. Due to abnormal working conditions, the members of the Executive Board shall be allowed to attend all Executive Board meetings when called.
- B. Each of the first four (4) Executive Board Officers, President, Vice President, Secretary and Treasurer, shall be allowed one (1) hour per each duty day to tend to Union Business.

Discussion: The intent of the City in making this proposal is to tighten up on what constitutes reasonable time off to tend to all Union Business. The Panel can understand the desire of the City to define a reasonable time period for the conduct of Union Business.

Award: Article IV, Section 1, shall be amended to read:

- A. Due to abnormal working conditions, the members of the Executive Board shall be allowed to attend all Executive Board meetings when called.
- B. The first four (4) Executive Board Officers, President, 1st Vice President, Secretary and Treasurer shall be allowed reasonable time off to tend to Union Business with the approval of the Fire Chief or his designated representative.

VOTE: For 2 Against 1

3. Maintaining appropriate classifications, Article V, Section 3.

The City seeks to delete the following paragraph, Article V, Section 3, Paragraph A which reads:

- A. Positions of responsibility calling for a certain rank and/or grade of pay will be filled by that rank and/or grade of pay on every normal duty day.

Discussion: The City argues that such a deletion will give it the flexibility it needs to use its manpower resources more effectively. This clause has been in the Agreement since 1966.

Award: The Panel understands the concern of the City to achieve efficiency but in this instance it cannot concur with the City. Firefighting requires a high level of skills as portrayed by the film shown at the Hearing. Firefighters are promoted to higher classifications because of increased skills and knowledge. To give the City the unilateral right to determine the composition of the work force on a given day, in the view of the Panel, will impede the effectiveness of the firefighters to carry out their assigned job

responsibilities.

VOTE: For Contract language change 1

Against Contract language change 2

4. Classification of Employees, Article V, Section 7, Paragraph D

The current Agreement, Article V, Section 7, Paragraph D reads:

D. "When a vacancy occurs in a position and an eligibility list is not in effect, the position may be filled out of the station where the vacancy exists. "Senior employee in that station that day may fill the out-of-classification position if he is qualified." An employee who does not wish to work out-of-classification in a particular position will submit his name to the Chief's Office. Submitting of an individual's name will cause his removal from out-of-classification work in that position until a new eligibility list is in effect.

The Chief, Assistant Chief or Officer-in-Charge may require an employee to work out-of-classification, if in their opinion, the situation warrants it."

The City seeks to change the first sentence to read:

"When a vacant position is to be filled temporarily and an eligibility list is not in effect, the position may be filled out of the station where the vacancy occurs."

Discussion: The City argues that such a change in language will give it the needed flexibility to use its resources more effectively. The second sentence in Paragraph D is highlighted by quotation marks. The reason for this emphasis was not pointed out at the Hearing. It seems to the Panel that the second sentence, "Senior employee in that station that day may fill the out-of-classification position if he is qualified" must be read in conjunction

with the first sentence. Thus it would appear that when a vacancy in a station is to be filled temporarily and no eligibility list is in effect, the senior employee in that station on that day may fill the position if he is qualified. Thus in the Panel's view, the first sentence cannot be changed unless the second sentence in that paragraph is changed.

Award: The Panel does not award the change in contract language as proposed by the City for Article V, Section 7, Paragraph D.

VOTE: For contract language change 1

Against contract language change 2

5. Leaves of Absence, Article VI, Section 5, Paragraph C

The current Agreement, Article VI, Section 5, Paragraph C reads:

- C. Reasonable time off for state business and conventions shall be granted. Two delegates shall be allowed to go to International Fire Fighters' Conventions, and four delegates shall be allowed to go to State Fire Fighters' Conventions.

The City seeks to delete the first sentence of Paragraph C which reads, "Reasonable time off for state business and conventions shall be granted." and to have Paragraph C read:

- C. Two (2) employees shall be allowed to attend International Fire Fighters' Conventions; and four (4) employees shall be allowed to attend State Fire Fighters' Conventions.

Discussion: The Panel agrees with the City that the language of the first sentence of Paragraph C is indeed vague and ambiguous. The language does not specify nor refer to Fire Fighters' state business nor Fire Fighters' conventions. This opens the door to various interpretations as to what constitutes "state business" and "conventions." It recognizes that there are

occasions when the officers of the Local are involved in state Fire Fighters' business and, therefore, there should be some provision in the Agreement to permit the officers of the Local to obtain permission from the Fire Chief to tend to state business of the Fire Fighters at times other than the state conventions.

Award: The first sentence in Paragraph C shall read, "Union Officers shall be granted reasonable time off, with permission of the Fire Chief or his designated representative, to tend to state business of the Fire Fighters Union."

VOTE: For 2 Against 1

The City also seeks to change the word "delegates" in Paragraph C to "employees". Its rationale for this change is that the City's concern is with its employees and not the delegates of the Union. The Panel is concerned that the City in proposing this language change may be interfering in the internal affairs of the Union by designating employees to attend appropriate Fire Fighters' Conventions. It does not concur with the City in this language change. It does suggest to the City that if it is concerned with the language of the second sentence in this paragraph, that it seek to add after the word "delegates" the following: "from the bargaining unit to attend the international and state conventions."

Award: The Panel unanimously agreed to insert after the word "delegates" in Paragraph C the following phrase, "from the bargaining unit". The sentence will read:

Two delegates from the bargaining unit shall be allowed to go to the International Fire Fighters' Convention and four delegates from the bargaining unit shall be allowed to attend the State Fire Fighters' Convention.

VOTE: For 3 Against: 0

6. Tuition Reimbursement, Article VI, Section 11, Paragraph D

The current Agreement, Article VI, Section 11, Paragraph D reads:

D. "Any bargaining unit employee who takes a Fire Science course, at a recognized College or University, which is approved by the Fire Chief will be reimbursed for the cost of tuition upon presentation of a certificate or record showing satisfactory completion of the course."

The City seeks the following change in Paragraph D:

"A. Any bargaining unit employee who receives approval from the Fire Chief to be reimbursed the cost of tuition for taking a Fire Science Course at a recognized College or University will be reimbursed for the cost of tuition upon presentation of a certificate or record showing satisfactory completion of the course.

B. Individual employee entitlement will be worked out between the Fire Chief and the Union."

The City seeks these changes for several reasons. There have been two grievances under Paragraph D which have gone to arbitration. Equally important the City seeks to put a "cap" on the extent of its financial liability for tuition reimbursement. In addition, it seeks greater control over the use of limited funds for tuition reimbursement by requiring prior approval of the Fire Chief.

The Panel recognizes the need for the City to control the funds available for tuition refund purposes and it concurs with the City in requiring the approval of the Fire Chief as one condition for tuition reimbursement.

Award:

"A. Any bargaining unit employee who receives approval from the Fire Chief to be reimbursed the cost of tuition for taking a Fire Science course at a recognized College or University will be reimbursed

for the cost of tuition upon presentation of a certificate or record showing satisfactory completion of the course."

VOTE: For 2 Against 1

Language of new Paragraph B shall read:

"The tuition reimbursement program will be limited by the amount of funds available for such purposes each year. The Fire Chief and the Union will work out the details as to how the available funds for tuition reimbursement will be allocated, with the first consideration being the overall needs of the Fire Department and second consideration, individual educational needs for growth and development."

VOTE: For 2 Against 1

The City has proposed a new section 12, in Article VI, entitled Tuition Reimbursement. Thus Paragraph D will be deleted and appropriate renumbering in Section 11 will be made as well as renumbering of other sections in Article VI.

7. Maintenance of Conditions, Article VII, Section 7, Paragraph A

The current Agreement, Article VII, Section, Paragraph A reads:

A. "Wages, hours and conditions of employment in effect at the execution of this Agreement, shall, except as improved herein, be maintained during the term of this Agreement. No employee shall suffer a reduction in benefits as a consequence of the execution of this Agreement."

The City seeks to change the language of this Paragraph to read:

"Wages, hours and conditions of employment in effect at the execution of this Agreement shall, except as modified herein, be maintained during the term of this Agreement."

Discussion: The City wants to change the word "improved" to "modified".

Its rationale is that all changes do not necessarily improve conditions and the word "modified" better describes the situation. In addition, the City seeks to delete the last sentence of Paragraph A which reads, "No employee shall suffer a reduction in benefits as a consequence of the execution of this Agreement." The rationale of the City for this deletion is not clear to the Panel, as it was not fully discussed at the Hearing.

Award: The Panel does not concur with the City in its proposal to change the language from "improved" to "modified" in Paragraph A. It may be just a matter of semantics for this change. It is clear, however, that any modification which affected the hours, wages and conditions of employment adversely would be bitterly resented by the Union. Moreover, this language has been in the Agreement since its inception, and there was no prior negotiation between the parties on contract language change in either the first sentence or the second sentence in this Paragraph.

The Panel does not concur with the City in its efforts to delete the second sentence of the paragraph. It believes that the Union needs assurance that no employee shall suffer a reduction in benefits as a consequence of the execution of this Agreement except for just cause. Accordingly, the second sentence shall be retained in Paragraph A.

VOTE: For language change 1

Against language change 2

8. Management's Rights, Article VII, Section 10

The current Agreement, Article VII, Section 10 reads as follows:

"The duties at the Fire Department, including but not limited to, maintaining order, efficiency and discipline in the Fire Stations, in the response to alarms, in the extinguishment of fires, in the

protection of persons and property, rescue, and inspection, the direction of the working force, and location and number of fire companies, number of pieces of apparatus, amount of equipment, and method of use and area to be served are vested in management."

The City seeks to change the wording of this Section to read as follows:

"The direction of the work force, the assigning of duties including but not limited to maintaining order, efficiency, and discipline; in response to alarms, in the extinguishment of fires, in the protection of persons and property, rescue and inspection; in determining the location and number of Fire Companies, numbers and kinds of apparatus and equipment; and the method of use and area to be served are vested in Management.

The above rights of Management are not all-inclusive but indicate the types of matters or rights which belong to and are inherent to Management."

Discussion: The City argues that its proposal is a rewording of Section 10 and feels that this is a more realistic statement of its management rights.

Award: Upon close reading of the proposed Section, the Panel unanimously concurs with the City that it is just a rewording of its management rights. It does not change any of the items in the Agreement nor does it restrict any of the rights of the Union which have been negotiated. It states that the direction of the work force is a management right.

VOTE: For 3 Against 0

9. Furnishing a driver for the Assistant Chiefs

There is no provision in the Agreement covering this past practice of furnishing a driver for the Assistant Chiefs.

The City seeks to add the following new provision to the Agreement:

"The City shall not be required to furnish the Assistant Chiefs with drivers."

Discussion: The City's rationale for this new provision is that it wants the option to furnish the Assistant Chiefs with drivers. In other words, it seeks a permissive clause rather than a mandatory obligation to furnish drivers. Arguments were made by the Union that the driver plays an important role at the fire site and they were not refuted by the City.

Award: The Panel supports the City's position because it falls within the management right clause, namely that the City directs its work force. Moreover, the Panel must accept the fact that the City will not deny the Assistant Chiefs a driver if such a denial interferes with the effective conduct of fighting fires which is the mission of the Pontiac Fire Department.

VOTE: For 2 Against 1

Part II

Economic Issues and Non Economic Issues Sought by the Union

Issue #1 Salary

Union's last offer: 12 percent increase in salary

City's last offer: 8 percent contribution to retirement based on base holidays and longevity

Discussion: The Union's last offer of a 12 percent increase in salary is previously based on the increase in the Consumer Price Index prepared by the U. S. Department of Labor. Between January 1, 1974, and March 1975, the Consumer Price Index rose from 139.7 to 157.8, a gain of 12.9 percent.

The City argued that its salary increase was the equivalent of a 11.66

percent increase (see City Exhibit #4). Its calculations were based on a family with four dependents with an \$8000 adjusted taxable income.

Award: The Panel awards a salary increase of 12 percent. The salary schedule below compares the present schedule with the award.

	<u>PRESENT</u>	<u>AWARD</u>
Firefighter	14,718	16,484
Engineer	15,602	17,474
Dispatcher	15,602	17,474
Lieutenant	16,540	18,524
Fire Inspector	16,540	18,524
Captain	17,532	19,635
Master Mechanic	18,059	20,226
Training Officer	18,059	20,226
Fire Marshall	19,716	22,081
Assistant Chief	19,716	22,081

VOTE: For 2 Against 1

The 12 percent increase in the salary schedule will cost the City \$356,655 in new money. The calculations appear on page 27 of this Award.

Issue #2 Cost of Living Adjustment (COLA)

Union's last offer: The Union proposed a quarterly payment of a cost of living adjustment based on the increases in the Consumer Price Index of the U. S. Department of Labor. The amount of the COLA would be calculated by multiplying the average increase in the Consumer Price Index for the quarter times the quarter base salary of a fire fighter.

An example appears below and is based on an annual increase in the Consumer Price Index of 12 percent.

1 quarter salary base Fire Fighter (16,484)	4121.00
3% COLA adjustment 1st quarter	123.63
3% COLA adjustment 2nd quarter	247.26
3% COLA adjustment 3rd quarter	370.89
3% COLA adjustment 4th quarter	<u>494.52</u>
	1236.30

City's last offer: The City does not propose a COLA.

Discussion: The City does not have a COLA for other city employees. Moreover, of the sixteen jurisdictions cited in the Fire Fighters Exhibit (Issue #2, p. 2) nine did not have a COLA. The Panel was also concerned about the cost of a COLA provision. Assuming a COLA adjustment of \$1236.30 as indicated in the example cited above, this would cost the City in 1975 approximately \$166,900. (This is calculated on the basis of 135 Fire Fighters x 1236.30.)

Award: The Panel does not award a COLA provision to be included in the Agreement.

VOTE: For the Award 2

Against the Award 1

Issue #3 Longevity

The present Agreement provides the following longevity payment (Article VI, Section 15):

2% at 7 years
4% at 14 years
6% at 21 years

Union's last offer: 2% at 5 years
4% at 10 years
6% at 15 years
8% at 20 years
10% at 25 years

City's last offer: 2% at 6 years
4% at 12 years
6% at 18 years
8% at 24 years

Discussion: The Union presented data (Exhibit Union Issue #3, Longevity p. 3) showing longevity payments in 18 jurisdictions in Michigan. Some pay a flat amount after five or ten or fifteen years; some pay a percent of base salary after 5, 10, 15 or 20 years. There does not appear to be a uniform

The City's last offer is the same longevity provision which the Pontiac Police Officers have.

The Union in its Exhibit on Longevity (p.2) indicated that the present expenditure for longevity was \$78,533, and that its proposal would cost the City \$109,205 or an increase of \$30,672. The City calculated that the Union's proposal would cost the City an additional \$41,075 (See City Exhibit #2, p. 11). The City estimated that the cost of its proposal based on the present salary schedule was approximately \$20,000 for 1975.

Award: The Panel awards a longevity payment:

2% at 6 years
4% at 12 years
6% at 18 years
8% at 24 years

This is the same longevity payment as for Pontiac Police Officers.

VOTE: For the Award 2

Against the Award 1

Issue #4 Food Reimbursement

The City currently pays each Fire Fighter an annual food allowance of \$330.00.

Union's last offer: The Union seeks a 32.2 percent increase in the food allowance which would raise the food allowance from \$330 to \$436, a gain of \$106.

City's last offer: The City proposes that the current food allowance be maintained.

Discussion: Of the 16 public jurisdictions cited by the Union in Exhibit #9, p. 2, six have a higher food allowance than Pontiac, four have a lower food allowance and five do not have any food allowance.

The City reported that it paid out \$44,500 for food reimbursement in Fiscal Year 1973-74. The increase sought by the Union would cost an additional \$14,310 a year. (This is calculated as follows: $135 \times \$106.$)

Award: The Panel does not award the increase in the amount of the food allowance. It shall remain at \$330 for each Fire Fighter.

VOTE: For the Award 2

Against the Award 1

While it is recognized that food costs have increased, it was difficult for the Panel to award an increase of such magnitude of 32.2 percent. Moreover, the salary award will raise the salaries of the Pontiac Fire Fighters to the third highest in the jurisdictions presented in Union Exhibit #6, p 2. Southfield and Detroit, in that order, have higher salaries than Pontiac.

Issue #5 Dental Care Reimbursement

The existing contract does not have a provision for dental care reimbursement.

Union's last offer: The union seeks a dental reimbursement for employees, their spouses and dependent children under 19 years of age. Employees will be reimbursed for dental expenses up to a maximum of \$300 per year for each employee.

City's last offer: It did not make a specific last offer on dental care reimbursement but it does not want to change its current health insurance program.

Discussion: Of the sixteen jurisdictions presented in Union Exhibit #10, p. 2, ten do not have a dental care program while six do. Detroit, Flint and Ann Arbor are among the large jurisdictions which do not have such a program. No details were presented in the Union Exhibit as to type and scope of dental

care benefits provided by the six jurisdictions.

It is estimated that the total liability to the City for the first several years will be \$40,500 per year. This was calculated as follows: \$300 x 135. Experiences in such plans have shown that in the first few years employees utilized the maximum amount of coverage in order to get their teeth and the teeth of their dependents into good shape.

At the Hearing the City testified that it does not provide any dental care program to its other employees.

Award: No dental care reimbursement is to be provided by the City.

VOTE: For the Award 2

Against the Award 1

Issue #6 Grievances

Union's last offer: The Union seeks to add the following to Article VI, Section 17: In the event a grievance is filed alleging a violation of this Section, the affected employee(s) shall not be required to perform the disputed duties until final resolution of this grievance is made.

City's last offer: The City does not want to amend this Section as proposed by the Union.

Discussion: The Panel believes that the new language to Section 17 sought by the Union will generate additional grievances. It is common practice in collective bargaining for an individual employee to grieve if Management has violated the agreement or if Management has acted in the employee's view in an arbitrary and capricious manner. The Union's amendment in the Panel's view opens the door to a variety of interpretations by members of the bargaining unit.

Award: The Panel does not award the proposed additional language to Article VI, Section 17, as sought by the Union.

VOTE: For the Award 2

Against the Award 1

Issue #7 Uniforms

The current agreement, Article VI, Section 14 B reads: "Uniforms: Rubber goods, work uniforms, dress uniforms, shall be furnished by the City."

Union's last offer: The Union seeks to include in Article VI, Section 14, a new paragraph to read:

"The present practice of providing each employee with the following:

- 3 work uniforms per year
- 2 dress shirts (Class A) per year
- 1 dress pants (Class A) per year
- 1 dress blouse every 5 years
- 1 dress hat every 5 years
- 1 dress topcoat every 5 years

shall be continued."

City's last offer: The City seeks to amend Article VI, Section 14, Paragraph B to read:

"Uniforms: Rubber goods, work uniforms shall be furnished by the City as needed." ("as needed" is the new language.)

Discussion: The Union seeks to include in the Agreement the kinds of clothing and uniforms which the City will issue and a time table for their distribution. It was brought out in the Hearing that some Fire Fighters received their issue of clothing whether they needed them or not. It was understood that the parties are in agreement that the uniforms listed in the Union's last offer do constitute the present policy of the City.

Award: Article VI, Section 14, Paragraph B is to be amended to include

"as needed" as proposed by the City.

VOTE: For 2 Against 1

Issue #8 Hours (Article VI, Section 10)

The present work week for fire fighters is fifty-six (56) hours in accordance with Ordinance #1502. There are two platoons.

At the Hearing the Union's last offer was a 50.4 hour week with a two platoon system. The City's last offer was a 56 hour week with a three platoon system.

Discussion: The voters of the City of Pontiac voted in 1963 to adopt the 56 hour week with a two platoon system. At the Hearing the City testified that if the work week were reduced to 50.4 and the two platoon system, it would necessitate employing approximately 15-20 additional fire fighters to man the equipment. Assuming that a minimum of sixteen additional fire fighters would be hired this would require at least an additional expenditure of \$263,744 for 1975. (This calculation is based on \$16,484 [base salary] x 16.) However, to this amount must be added the costs of retirement, insurance, etc. It became obvious that a two platoon system at 50.4 hours a week would be a costly item.

The Panel sought additional information on how the three platoon system would operate in practice.

At the meeting of the Arbitration Panel on April 11, 1975, the issue of hours was discussed thoroughly with Chief Rayner and Mr. Buckmaster. At one point in the discussion the Union member of the Panel sought to withdraw the Union's last offer of 50.4 hours and two platoons; however, a Panel member cannot under the Act withdraw an issue which is before the Panel.

The nature of the discussion suggested to the Chairman that the parties may be able to resolve this critically important issue through the collective bargaining process. Accordingly, in his capacity as Chairman, he remanded the hours issue back to the parties for a period not to exceed three weeks as provided for by Section 7a, Act 312.

In a letter dated May 15, 1975, Mr. Gordon A. Gregory, Attorney for Local 376, Pontiac Fire Fighters Union, notified the Chairman that the matter had not been resolved. The letter contained the following:

2. "The City's proposal of 50.4 hours on a three platoon system be granted. In addition, the City's proposal on street patrols be granted only to the extent that such patrols relate to and are limited to the fire service. The Union will vigorously oppose any street patrols which intrude on the jurisdiction of other unions and/or are not related to fire prevention and fire fighting. "Albeit somewhat reluctantly, the Union accepts the City's schedule of hours and number of platoons. This is done in part on the basis of City assertions that its proposal will save \$240,000 over the Union's proposal."

Shortly after receipt of the letter the Chairman received a telephone call from Mr. Anthony Zografos, Union Panel member, stating that the City's position was not clearly stated. The Chairman requested through Mr. Zografos that a second letter be sent to the Chairman correcting the information for the record. On June 3, 1975, the Chairman received a letter from Mr. Gregory dated May 30, 1975. The second Paragraph 2, in the May 15, 1975, letter should have read, "The Union's proposal of 50.4 hours on a three platoon system be granted., etc..."

The purpose of remanding the hours issue back to the parties was to see whether the parties could agree to a resolution of this issue through the collective bargaining process. The letter of May 15, 1975, as corrected both by telephone and the May 30, 1975, letter represents a change in the position of the Union. The Chairman on June 3, 1975, called Mr. Baker, City Panel member, to inquire if the City had changed its last offer as a result of the bargaining. The Chairman was informed that the City's last offer of 56 hours and three platoons was interrelated to its last best offers on other issues. Mr. Baker stated that the City would want to modify or alter other issues if it changed its position on hours. The Chairman and the City Panel member both agreed that to do this would not be practical. The negotiations and hearings have been protracted. Moreover, the parties will begin with a month or two to negotiate a new contract. The City, therefore, stated that its last best offer of 56 hours and three platoons would remain before the Panel.

To recap, the Union's last best offer is 50.4 hours and a three platoon system, while the City's position is 56 hours and three platoons.

The Union in bargaining did move from a 50.4 hour work week with two platoons to a 50.4 hour work week with three platoons. It was stated at the Hearing that a 50.4 hour work week and two platoons would necessitate the City's employing 15-20 additional fire fighters. The estimated cost of employing, for example, 16 fire fighters would have required an additional expenditure by the City of more than \$260,000 for the first year. The change in the Union's position from a two platoon to a three platoon system does reduce the projected costs of the reduction in hours.

There, however, still remains a cost which must be given serious

consideration. Reducing the work week from 56 hours to 50.4 hours represents a ten (10) percent reduction in the hours worked per week. It would also represent an increase of ten (10) percent in labor costs per hour for fire fighters since they would be receiving the same pay for 50.4 hours a week as they did for 56 hours a week. In effect the fire fighters hourly rate would be increased by 10 percent. This would certainly have implications for calculation of overtime and other extra payments in which an hourly rate is used.

The Panel has awarded the fire fighters a 12 percent increase in salary plus improvements in longevity and an additional half holiday. To grant in addition a 10 percent reduction in hours worked would further increase labor costs.

The Panel is mindful that according to the Michigan Employment Security Commission the unemployment rate in Pontiac, Michigan, in April 1975, was 29.1 percent which translated means that 3 out of every 10 workers in Pontiac are without a job. In its view it cannot grant a 12 percent increase in salary, plus improvement in longevity and holiday, plus a 10 percent reduction in hours worked per week at a time when the workers and taxpayers of the City are experiencing depression levels unemployment rates.

Award: The work week of the Fire Fighters will be 56 hours and three platoons.

VOTE: For 2 Against 1

The award on hours involving the three platoon system will be implemented the week beginning September 7, 1975. This implementation date is awarded in order to alleviate many of the vacation problems. Members of the bargaining unit must select their vacations in December and January for the entire year. Accordingly, vacations have already been scheduled for the summer months.

Issue #9 Holidays (Article VI, Section 7)

Union's last offer: The Union seeks to add Easter as a full holiday and Good Friday as a half holiday.

City's last offer: The City has proposed Good Friday as a half holiday.

Discussion: The Contract provides for nine (9) full days, two (2) one-half days and one (1) full election day every other year.

During the Hearing on March 19, 1975, the Union accepted the City's last offer of adding Good Friday as a half holiday with pay. Since this was one of the issues in impasse, the Panel includes it in its Award.

The City initially estimated the cost of the half holiday to be \$5225. With the twelve (12) percent increase in salary awarded by the Panel, the cost of the half holiday will be \$5852.00 for 1975.

Issue #10 Injury Compensation (Article VI, Section 6)

Union's last offer: The Union seeks to add the following to present language of Article VI, Section 6:

"Any employee injured while responding to, during, or returning from an alarm shall not be charged with any loss of sick time regardless of the length of time off duty.

"After a period of two years from the date of injury (730 calendar days) the disabled employee must make a decision to take either a disability retirement or begin using his accumulated sick time to supplement workmen's compensation payments, if any."

City's last offer: The City proposes that the following be added to present language:

"If an employee is injured while directly involved in going to a fire or while firefighting at the scene of the fire, he will be paid the

difference between Workmen's Compensation and his full salary for the duration of the disability while an employee of the City of Pontiac or until he receives a disability annuity."

The City's last offer was accepted by the Fire Fighters when it was presented by the City on March 19, 1975. Since it was an issue in impasse, it is included in this Award.

It is impossible to determine the economic costs of this provision.

Retroactivity

The parties have agreed that the awards on economic issues with exception of the hours issue will be retroactive to January 1, 1975, and the duration of the Agreement will be from January 1, 1975, to December 31, 1975.

The three platoon system (the hours issue) will be implemented beginning the week of September 7, 1975.

The changes in Contract language will become effective the date the parties sign the Agreement.

Analysis of Costs of Award

Table I compares the costs of the salary award of 12 percent, (Issue #1) the new longevity schedule (Issue #3) and the half paid holiday of Good Friday (Issue #9) with the present costs of salary, longevity and holidays. The costs of these three awards are \$382,041 in new money, i.e. difference between present and awarded costs. However, as a result of the increase in base salary, the costs of Blue Cross and life insurance will increase \$1,748. Thus the total cost of the Award is \$383,789.

Since there are 135 members of the bargaining unit, the average salary adjustment excluding retirement and Workmen's Compensation is \$2,159.

TABLE I

CITY OF PONTIAC
FIREFIGHTER'S UNION
ARBITRATION 1975

	<u>Present</u>	<u>Awarded</u>	<u>Increase</u>
ISSUE #1 - <u>SALARY</u>			
Base salary	\$ 2,093,730	\$ 2,344,977	\$ 251,247
Retirement (26.47%) and Workmen's Compensation (3.30%)	674,960	759,613	84,653
Holiday Pay	80,528	90,191	9,663
Personal Leave Day	8,053	9,019	966
Longevity	<u>84,388</u>	<u>94,514</u>	<u>10,126</u>
Total	<u>2,941,659</u>	<u>3,298,314</u>	<u>356,655</u>
ISSUE #3 - <u>LONGEVITY</u>			
Longevity Pay (Including 12% Increase)	94,514	109,567	15,053
Retirement and Workmen's Compensation	<u>28,137</u>	<u>32,618</u>	<u>4,481</u>
Total	<u>122,651</u>	<u>142,185</u>	<u>19,534</u>
ISSUE #9 - <u>HOLIDAY</u>			
Holiday Pay (1/2 day added)	80,528	84,554	4,026
12% Pay Increase	<u>9,663</u>	<u>10,146</u>	<u>483</u>
Total Pay	90,191	94,700	4,509
Retirement and Workmen's Compensation	<u>26,850</u>	<u>28,193</u>	<u>1,343</u>
Total	<u>117,041</u>	<u>122,893</u>	<u>5,852</u>

TOTAL AWARDED INCREASE

\$ 382,041

Increased cost of Blue Cross and life insurance
based on base salary

1,748

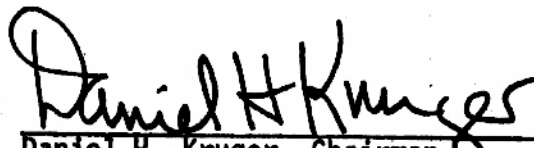
TOTAL INCREASE

\$ 383,789

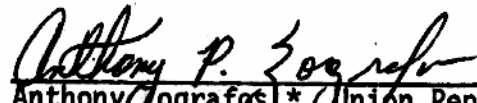
Average salary adjustment excluding Retirement and Workmen's Compensation \$2159.
(Calculation: 382,041 - 84,653 - 4481 - 1343 = 291,564 ÷ 135)

Summary:

The Panel had before it nine contractual changes sought by the City, eight economic issues and two contractual changes sought by the Union. It sought fair and equitable resolution to these issues in impasse.


Daniel H. Kruger, Chairman


Samuel A. Baker,* City Representative


Anthony P. Zografos,* Union Representative

Date: July 2, 1975

*NOTE: Signatures do not indicate that all Panel members are in agreement with all awards included. They only signify that this is the Award of the Panel.