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STATE OF MICHIGAN

Department of Consumer & Industry Services

Employment Relations Commission

Arbitration Under Act 312

(Public Act of 1969 as amended)

In the Matter of

**FERNDALE FIRE FIGHTERS UNION LOCAL 812**

And

**CITY OF FERNDALE**

MERC Case No. D 96 C 0583

Award of Panel

Panel Members: John B. Kiefer, Chairman
Ronald R. Halveston, Union Delegate
Andrew T. Baran, City Delegate

November 17, 1997

Ferndale, City of

Michigan State University
LABOR AND INDUSTRIAL
RELATIONS LIBRARY

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## STATEMENT OF PROCEEDINGS

The Fraternal Fire Fighters Union Local 812 (Union) has filed a Petition for Arbitration pursuant to Act 312, Public Acts of 1969, as amended, with the Michigan Consumer & Industry Service Employment Relations Commission requesting the initiation of binding arbitration proceedings regarding terms and conditions of employment to be included in a collective bargaining agreement. On December 16, 1996, John B. Kiefer was appointed to serve as Chairman of a panel of arbitrators. The other members of the arbitration panel selected by the respective parties were Ronald R. Halveston, the Designant for the Union, and Andrew T. Baran, the Designant for the City.

Between February 6, 1996 and September 30, 1997, the arbitrator presided at approximately six (6) prehearing, evidentiary hearing and post hearing conferences.

On July 17, 1997, the parties submitted their last offers of settlement which are attached hereto. Both parties agreed that all issues were economic ones. On May 19, 1997, the parties submitted Briefs in support of their respective positions on all of the issues, and this award results therefrom.

Section 8 of Act 312 provides:

> "At or before the conclusion of the hearing held pursuant to Section 6, the arbitration panel shall identify the economic issues in dispute and direct each of the parties to submit, within such time limit as the panel shall prescribe, to the arbitration panel and to each other its last offer of settlement on each economic issue. The determination of the arbitration panel as to the issues in dispute and as to which of these issues are economic shall be conclusive. The arbitration panel, within 30 days after the conclusion of the hearing, or such further additional periods to which the parties may agree, shall make written findings of fact and promulgate a written opinion and order upon the issues presented to it and upon the record made before it and shall mail or otherwise deliver a true copy thereof 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."

Consistent with the Supreme Court's directive in Detroit v DPOA, 408 Mich 410 (1980), the panel has, with respect to economic issues, adopted the last offer of settlement which more nearly complies with the applicable Section 9 factors as follows:

"Sec. 9. where there is no agreement between the parties, or where there is an agreement but the parties have begun negotiations or discussions looking to a new agreement or amendment of the existing agreement, and wage rates or other conditions of employment under the proposed new or amended agreement are in dispute, the arbitration panel shall 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 wages, hours and conditions of employment of the employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees performing similar services and with the 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 or in private employment."

The Parties stipulated that all tentative agreements reached during contract negotiations would be incorporated in the successor contract and that the balance of the prior labor agreement, not modified by tentative agreement or the proceedings herein, would continue in the successor contract.

There are 18 issues in all and they shall be approached in the following order:

**Economic Issues**

Demands by Union

1. Union Issue #1 - Wages
2. Union Issue #2 - Officer Differential
3. Union Issue #3 - Hazardous Material Premium Pay
4. Union Issue #4 - Food Appropriation
5. Union Issue #5 - Uniform Allowance
6. Union Issue #6 - Retirement - Pension Multiplier
7. Union Issue #7 - Retirement - Pension Escalator
8. Union Issue #8 - Retirement - Duty Death Benefit
9. Union Issue #9 - Dental Insurance
10. Union Issue #10 - Health Insurance
11. Union Issue #11 - Tuition Reimbursement
12. Union Issue #12 - Education Allowance

Demands by City

1. City Issue #1 - Vacation
2. City Issue #2 - Residency
3. City Issue #3 - Longevity
4. City Issue #4 - Health Insurance Opt-In

## UNION ISSUE #1

## Wages

Positions of the Parties

The Union proposes to amend Article II, Section 11.1, of the expired Collective Bargaining Agreement between the parties to provide for a 4% increase in wages for each of the three years of the new Agreement effective July 1, 1996, 1997 and 1998.

The City proposes a 93% increase in 1996 and 1997 with 2.75% in 1998.

Discussion

In its Brief, the Union provides a comparison of each of these proposed amendments to the expired Collective Bargaining Agreement. The chart below sets forth the impact of the party's last offers on the fire fighter's base salary:

| Contract Year | Union LBO | | City LBO | | Money Difference |
|---|---|---|---|---|---|
| 1996-97 | 4% | $42,183.00 | 3% | $41,778.00 | $ 405.00 |
| 1997-98 | 4% | $43,871.00 | 3% | $43,031.00 | $ 840.00 |
| 1998-99 | 4% | $45,626.00 | 2.75% | $44,215.00 | $1,411.00 |

The Union argues that the panel is free to determine which last offer will result in a more reasonable resolution of the wage issues before it and that the panel may select any number of combinations of the parties' last offers in its award on these three issues. On the other hand, the City disputes this method of breaking up the "package"; claims that it has always been treated as one issue before and that this plan amounts to "cherry picking."

The Union maintains that the wages of the Ferndale fire fighters in the expired contract were higher than the averages of the comparables and that the new contract should continue that pattern.

The City, however, argues that its package would bring the fire fighters' wages closer to the average and that its ability to pay would prevent it from meeting the Union's demands.

It would appear to the panel that the City's last best offers for 1996 and 1997 are larger than the average wage increases for the fire fighters in either the mutually agreed--upon comparables or the disputed comparables. If the City's proposal is adopted, Ferndale fire fighters' salaries for 1996 would be $1,180.00 above the average wage in the mutually agreed-upon comparable communities and $406.00 above the average in the comparables proposed by the Union (but not agreed to by the City).

Ferndale's finances are somewhat precarious compared with other communities. Ferndale's general fund balances and SEV do not compare favorably with the other communities and its residents are already taxed at the maximum allowed by Michigan law, and its residents have defeated attempts to override the Headlee Amendment.

Award

Applying the Section 9 factors, in particular subparagraphs (c) and (d) which deal with the City's ability to pay and comparisons of the Union's wages here with those of the employees performing similar services, and weighing all the competent, material and substantial evidence presented to the Panel, the Panel concludes that the Union's proposal on this issue not be adopted and that the City's last best offer on this issue be awarded.

Accept: John B Keefer

Accept: Andrew Bara

Reject: Ronald R. Hobart

## UNION ISSUE #2

### Officer Differential

Positions of the Parties

The Union proposes to amend Article 11.1 by adding 11.1(d) as follows:

(d) Effective July 1, 1997, the indicated pay differentials shall be maintained between the following ranks:

Sergeant rate of pay shall be six and one-half percent (6.5%) above the rank of engineer.
Lieutenant rate of pay shall be ten percent (10%) above the rank of Sergeant.
Captain rate of pay shall be ten percent (10%) above the rank of Lieutenant.

The City proposes that the status quo be maintained.

Discussion

Currently, the rank structure in the Ferndale Fire Department consists of Fire Fighter, Fire Engineer, Fire Sergeant, Fire Inspector (Fire Marshal), Fire Lieutenant, Fire Captain and the Fire Chief. The differential between the ranks, based on the full paid fire fighter's salary of 100% is the following: Fire Engineer 105.5%, Fire Sergeant 110%, Fire Inspector (Fire Marshal) 128%, Fire Lieutenant 120%, Fire Captain 130% and the Fire Chief 170%.

The Union is seeking an increase in the command officer's pay structure in response to what it claims are changing conditions of employment and to provide an equitable adjustment in pay structure that other classifications within the fire department have already received. The Union asserts that the loss of manpower, increased training requirements and the enhanced levels of educational background of the command officers demonstrate the justification for this change.

The Union's 1995/1996 (the last year of the collective bargaining agreement) full paid wage schedule provides the following:

| | |
|---|---|
| Fire Fighter | $40,561.00 |
| Fire Engineer | $42,793.00 |
| Fire Sergeant | $44,621.00 |
| Fire Inspector | $52,434.00 |
| Fire Lieutenant | $49,083.00 |
| Fire Captain | $53,991.00 |

With the Union's officer differential proposal, the wage schedule (based on 1995/1996 wages) would provide for the following:

| | |
|---|---|
| Fire Fighter | $40,561.00 (no change) |
| Fire Engineer | $42,793.00 (no change) |
| Fire Sergeant | $45,575.00 |
| Fire Inspector | $52,434.00 (no change) |
| Fire Lieutenant | $50,132.00 |
| Fire Captain | $55,146.00 |

This results in an increase of $954.00 for Sergeants, $1,049.00 for Lieutenants and $1,155.00 for Captains.

The Union asserts that the command officers are recently burdened with increased demands and duties. Fire officers are now required to take incident command training, and all officers in the department (with the exception of the Fire Chief) are trained in incident command tactics. In 1980, this training was not mandated by OSHA and MIOSHA, and fire officers did not receive it.

In addition, both of the Fire Captains, Fire Lieutenants and one Sergeant are now trained in hazardous materials (to the technician level), and five of the nine officers are trained in confined space. This was not the case in 1980. The lack of training in incident command provides for a situation whereby the Chief of this department does not take control of command operations at a fire scene.

Since the expired agreement establishes no fixed differential in officer pay, the Union has the burden of proof to justify the changes it proposes. The Union argues that the duties and responsibilities of the command officers have increased greatly from 1980 to the present and that the additional pay that they currently receive does not adequately compensate them for these additional burdens.

The Panel finds that the Union has not met its burden of proof. Neither the contracts of the mutually agreed comparables nor the past contracts of the Ferndale fire fighters provide for a fixed differential for command officers.

The Union has not shown that Ferndale Fire Sergeants or other command officers are underpaid compared to other members of the Ferndale Fire Department or to their contemporaries in the comparable communities. Nor has it shown that changes in the Department over the past 17 years were not taken into account in the terms and conditions of the labor agreements entered into by the City and the Union during those years. Thus, it has not justified its demand to change the long existing system of direct negotiation between the parties for wages for all of the members of this bargaining unit.

Award

Weighing all the competent, material and substantial evidence and applying the Section 9 factors recited above, the Panel is persuaded that the Union's proposal on this issue should not be adopted, and the proposed paragraph to Article 11.1 not be added.

Accept: John B Kiefer

Accept: Andrew Bara

Reject: Ronald P. Hoboot

## UNION ISSUE #3

### Hazardous Material Premium Pay

Positions of the Parties

The Union proposes that members of the Ferndale Fire Departments' Haz Mat Team receive a payment of 2% of their base pay for participating in this unit. Currently, members of the team do not receive additional compensation. The Union's last best offer is as follows:

**Hazardous material premium pay, Article 11.9**

Add the following:

Section 11.9

> Effective May 1, 1998, employees of the Ferndale Fire Department that participate as members of the Oakway/Ferndale Fire Department's Hazardous Material Response Team shall receive an annual premium payment of two percent (2%) of their base salary. This payment shall be made in the first pay period of May of each year and is for service on the Haz Mat Team for the previous twelve months commencing May 1, 1997. Should a member fail to serve on the team for a full twelve months, the payment shall be made on a pro rata basis.

The City has proposed that the status quo be maintained.

Discussion

The Union provided testimony regarding the specialized training required to participate on the team and the unique duties demanded of the Haz Mat Team members. The evidence shows that there are five levels of training for the hazardous material Response Team. The levels are 1) Awareness, 2) Operations, 3) Technician, 4) Specialist and 5) Incident Commander. All members of the Fire Department are trained to the second level -- operations. To participate on the Haz Mat Team, an employee must be trained to the third level of technician. The technician course is a two week, eight hours

or more, class that teaches hazardous materials, safety, resources, chemistry, hazard and risk assessments, control and containment, hands-on training with field survey instruments, storage and transport just to name a few. Members of the Haz Mat Team are cross-trained in all aspects of handling hazardous materials. Members volunteering to be on this team not only undergo all the additional, specialized training needed to participate in the operations, but also assume an increased risk to their personal safety. The training for the members of the team is an ongoing activity with the participants training on a monthly basis with the hazardous materials response team in the Oakway Pact.

Evidence also shows that the City of Ferndale has abundant locations within their boundaries that deal with hazardous materials. The City has numerous industrial complexes with hazardous chemicals,petroleum products and bottled gases.

The Grand Trunk Western Railroad yard has had a 7.2 million dollar expansion and is talking about increasing this facility further. It provides for a railroad carrying many unknown chemicals right through the middle of the City. Eighty percent of the chemicals that are moved through the country are moved through tanker cars. Some of these tanker cars are stored in the rail yards located in Ferndale.

The City responds by pointing out that hazardous activity is infrequent.

In terms of training, organization and activity, the Ferndale hazardous material response team is similar to those maintained by fire departments in the comparable communities and by most fire departments in the metropolitan Detroit area.

None of the mutually agreed-upon comparables pay any type of premium or extra compensation to the members of their hazardous material response team. A large

majority of the disputed comparables also have hazardous material response teams, but none of those communities pay any type of premium or extra compensation to the members of their hazardous material team.

Although, as pointed out in Union Issue #2, the party seeking a change from the expiring contract has the burden of proof to justify the change it proposes, the Panel is convinced that the Union has sufficiently met that burden.

The two percent (2%) premium pay is money well earned and well deserved for the people who deal with hazardous material disasters. Team members must be highly trained, confident in their skills, motivated, in control of their emotions, physically fit and level headed. They are expected to don fully encapsulated suits, wear self-contained breathing apparatus, enter highly toxic, often lethal atmospheres and perform rescues and mechanical procedures while doing so. Temperatures inside the suits can rise to dangerously high levels in a matter of minutes, mobility is severely restricted, stress and heart rates go up dramatically and a breach to the suit can mean death or serious injury to the wearer. Hazardous materials response is a highly specialized service of the fire department that requires special people.

Award

Applying the Section 9 factors and weighing all the competent, material and substantial evidence presented to the Panel, it concludes that the Union's proposal on this issue be adopted and that Article 11.9 be added to the contract.

Accept: John B Kelly

Accept: Ronald L. Haber

Reject: Andrew Baran

## UNION ISSUE #4

## Food Allowance

Position of the Parties

The Union proposes the following amendment to Article 11, Section 11.7 of the expired collective bargaining agreement between the parties:

Section 11.7 - Food Appropriation

> Effective July 1, 1995, the City Administration will make an appropriation to the budget of the Fire Department in the amount of $19,164.00 to be used exclusively for the purpose of acquiring food for the personnel of the Fire Service. Effective July 1, 1997, this amount shall be increased by four (4%) percent to equal $19,931.00. Effective July 1, 1998, this amount shall be further increased by an additional four (4%) percent to equal $20,728.00.
>
> Said food allowance is to be paid at the rate of one-twelfth (1/12) of the aforesaid amount on or about the first (1st) of each month during the life of this Agreement, payable jointly to the Fire Chief and a member of the bargaining unit to be designated.

The City asks that the status quo be maintained.

Discussion

While individual fire fighters in the majority of the proposed comparable communities receive an annual lump sum payment, Ferndale fire fighters share a pro-rata portion of the annual appropriation contributed on a monthly basis into a food expenditure fund per fire unit. Monthly, each of the four units receive $399.25. This monthly allotment is intended to cover the expenditures for not only two meals per work day per fire fighter, but also the necessary staples. This monthly allotment doesn't cover the actual food expenditures incurred by each of the fire fighters. As a result, each fire fighter contributes bi-weekly into the food expenditure fund. All bargaining unit members on Unit

1 contribute an additional $11.00 per pay period and bargaining unit members on Units 2, 3 and 4 contribute $15.00 per pay period. On an annual basis, this totals an additional out-of-pocket personal expenditure of $240.00 per fire fighter on Unit 1 and $360.00 per fire fighter on all of the remaining Units.

The Union seeks no increase for the first year of the Agreement. However, effective July 1, 1997, the Union proposal brings the amount to $623.00 per year per fire fighter and effective July 1, 1998, $648.00 per year per fire fighter. Ferndale fire fighters currently expend between $839.00 ($599.00 annual allotment per fire fighter plus $240.00 out-of-pocket expenditures annually) and $959.00 ($599.00 annual allotment per fire fighter plus $360.00 out-of-pocket expenditures annually). The last offer of the Union will serve only to reduce the out-of-pocket expenditure made by each. Fire fighters are unable to go home for their meals, as they must be available to respond at all times to fire and medical emergencies. Thus, fire fighters are required to take their meals at the fire station.

The Union argues that among the proposed comparables, the cities of Allen Park and Pontiac should be excluded because of their uniqueness for various reasons. If excluded, the allowance ranges up to $1,000.00 per year and averages $646.00 compared to the Union proposal of $623.00.

On the other hand, the City asserts that the food allowance is more appropriately seen as merely one part of the total annual compensation of a fire fighter. The City maintains that the fire fighters are already well-compensated, especially in light of the resources and financial condition of the City, and since they will receive further increases

in wages and uniform allowance, an additional increase in the food appropriation is not justified at this time.

The Panel is persuaded that because of the parties' history of negotiated annual improvements in this benefit and because the Ferndale fire fighters already have large out-of-pocket expenditures and the comparables are favorable to an improvement, the Union's proposal is equitable.

Award

Applying the Section 9 factors, and weighing all the competent, material and substantial evidence admitted on this issue, the Panel concludes that the Union's proposal on this issue be adopted.

Accept: John B Kreger

Accept: Ronald R. Richard

Reject: Andrew Baran

**UNION ISSUE #5**

**Uniform Allowance**

Positions of the Parties

Currently, fire fighting employees of the Ferndale Fire Department receive a uniform allowance of $225.00 vendor credit with an additional $150.00 cash allowance to provide items which can not be purchased through the vendor. The Union proposes the following change to this system:

**Uniform Allowance, Article 6.13(b) and (d)**

Amend as follows:

Section 6.13 Uniform Allowance

(b) Effective July 1, 1997 fire fighting employees who are required to wear and continuously maintain prescribed items of uniform clothing will be granted a Three Hundred ($300.00) Dollar per year line of credit with a mutually agreed upon vendor. Unused credit not utilized during the fiscal year will not be allowed to accumulate. All fire fighters are required to purchase a dress uniform.

(d) Effective July 1, 1997, in addition to (b) and (c) above, the City shall provide to each employee a uniform cleaning allowance in the amount of Three Hundred Fifty ($350.00) Dollars per year. This payment shall be made to each employee on the first pay of July of each year.

The City's last best offer is as follows:

Uniform Allowance (Section 6.13(B) and (D):

(b) Effective July 1, 1997, fire fighting employees who are required to wear and continuously maintain prescribed items, such as a uniform clothing, will be granted a $300.00 per year line of credit with a mutually agreed upon vendor. Unused credit not utilized during the fiscal year will not be allowed to accumulate. All fire fighters are required to purchase a dress uniform.

(d) Effective July 1, 1997, in addition to (b) and (c) above, the City shall provide to each employee a uniform cleaning allowance of $200.00 per year.

The Panel finds that either proposal will place Ferndale's fire fighters substantially above the average uniform allowance paid to fire fighters in the comparable communities. The only question is how high above the average they will be.

The evidence does not support any assertion that Ferndale's existing uniform allowance posed any hardship to the members of the Fire Department. The latest report from the agreed upon clothing vendor at the time of the hearing in this matter listed all purchases through the first 11 months of the 1996-1997 fiscal year. At that point, four or five members of the Department had not spent any money for uniform purchases. No more than two or three members had gone over their $225.00 allowance and, in those cases, they were less than $25.00 over the $225.00 maximum.

None of the mutually agreed-upon comparables provide any sort of cleaning allowance. The Panel finds that the City's proposal will provide the fire fighters with an allowance substantially above the average of the comparables. It also finds that the last best offer of Ferndale is the more reasonable of the two and more than adequately covers the uniform needs of the fire fighters.

Award

Applying the Section 9 factors and weighing all the competent, material and substantial evidence before the Panel, the Panel concludes that the City's proposal on this issue be adopted and the Union's proposal be rejected.

Accept: John B Kiefer

Accept: Andrew Bara

Reject: Ronald R. Hoherst

**UNION ISSUE #6**

**Retirement**

Position of the Parties

The Union has proposed an increase in the pension multiplier from the current 2.5% multiplied by years of service to a 3.0% multiplied by 25 years of service and 1% thereafter (to a maximum of 30 years). This proposal would be in effect for members retiring on or after October 1, 1997. The Union's last best offer is as follows:

**Retirement, Article 11.3(d) -- Pension Multiplier**

Amend as follows:

(d) Section 20(a) of the Retirement System shall be modified as follows:

> Effective July 1, 1990, the annuity factor upon which the employee's pension is computed relating to years of credited service shall be computed for a straight life pension at two and 50/100 percent (2.50%) of his final average compensation, multiplied by the number of years of credited service. Effective October 1, 1997, the annuity factor shall be three percent (3.0%) for the first twenty-five (25) years of service and one percent (1.0%) for each year in excess of twenty-five (25) to a maximum of thirty (30) years of service. The maximum benefit shall not exceed eighty percent (80%) of Final Average Compensation. Effective October 1, 1997, with the implementation of the increased pension multiplier, the Union agrees to increase the employee pension contribution an additional 2.97% This would bring the current employee pension contribution of 1.94% to a total of 4.91% This increased pension contribution reflects the actuarial costs of the improved benefit increasing the pension multiplier to 3.0% as certified by the fund's actuaries on May 22, 1997.

The City proposes that the status quo be maintained.

Discussion

The Union maintains that it has put forth this proposal in the interest of providing better pension benefits to its members. In order to ensure that members are provided with this important benefit enhancement, the Union has agreed to absorb the cost of the improvement. Gabriel, Roeder, Smith and Company, the police and fire fighter's pension fund actuaries, have calculated the cost of increasing the pension multiplier to be 2.97% of payroll. The Union's last best offer includes the provision for increasing each member's pension contribution by an additional 2.97%. Hence, this proposal would be a no cost item for the City. The Union asserts that the present actuarial condition of the Retirement System covering the fire fighters continues to be very good. The pension system is over 100% funded and has been for the last five years. For the plan year ending June 30, 1996, the plan experienced assets in excess of the pension benefit obligation of more than two million, three hundred thousand. The Union also claims that

a review of the comparables further justifies the implementation of the increased multiplier. Of the 16 proposed comparables, six provide for a greater multiplier than Ferndale's 2.5% Of the remaining ten cities, four provide social security benefits to their members -- a benefit not received by the Ferndale fire fighters -- thereby essentially providing their members with two pension plans. This brings the total to ten cities of the 16 proposed comparables with superior retirement benefits than those received by this Union. Concentrating for a moment on the six cities providing a greater multiplier, it should be noted that half of those cities also include more items in their member's final average compensation than the Ferndale fire fighters, thus increasing the value of a member's pension benefit.

In addition, three of the six cities -- Birmingham, Pontiac and Southfield -- have this benefit with a lower employee pension contribution than the Ferndale fire fighters will have. Royal Oak's pension contribution will be essentially the same as Ferndale. Five percent compared to 4.9%.

On the other hand, the City claims the advantage of an analysis of the comparables. First of all, the City provided pension benefits to Ferndale's fire fighters are already substantially better than the average of the comparable communities. The proposed change would only increase that difference.

None of the mutually agreed-upon comparable communities, and only one of the disputed comparables uses the 3% annuity factor the Union seeks. Even the lone disputed comparable which uses a 3% annuity factor, Pontiac, does so only for 20 years, not 25 as the Union proposes. Only one of the mutually agreed-upon comparables, Wayne, uses an annuity factor above 2.5%.

However, the evidence shows that the City's pension contribution is higher because (a) a number of City employees -- mostly police employees -- took advantage of a City proposed early retirement window and (b) the pension system is currently amortized over 16 years. With regard to the first item, (a) above, the fire fighters should not be made to be disadvantaged because members of another unit took advantage of the City proposed early buy-out pension. Not a single member of the Ferndale fire fighters received a benefit from that proposal.

With regard to the second item, (b), there are a number of different ways to decrease the City's contribution. The pension board has the option to increase the amortization period thereby decreasing City contributions. The pension board is comprised of six trustees, three of those trustees are City representatives -- the Mayor, City Manager and City Commissioner. For a decision to be made regarding any changes, a majority vote of four must be achieved. The City has control over three of the four votes needed to change the amortization period if they so chose. If a decision was made to keep the amortization period the same, then the City is just paying the same amount of money for retirement benefits in a shorter period of time. They are not contributing more money, they are contributing money faster.

The Panel is persuaded that the cost to the City for providing retirement benefits is identical no matter whether they do 30 years, 16 years or one year. Another option the City would have to relieve their contribution costs would be to have the pension board adopt a double amortization. Also, the new benefit could be amortized over thirty years (an easy and common practice), while keeping the remaining portion of the pension system at status quo. In addition, the City can, and no doubt should, ask the pension

trustees to amortize the entire pension fund over thirty years. In any event, under the Union's last offer, the pension contribution of each employee will be increased to reflect the annual cost of the benefit improvement and the City will incur no greater expense.

Award

Applying the Section 9 factors, and weighing all the competent, material and substantial evidence presented by the parties, the Panel concludes that the Union's proposal on this issue be adopted.

Accept: John B Kiefer

Accept: Ronald R. Ashford

Reject: Andrew Bara

**UNION PROPOSAL #7**

**Pension Escalator**

Positions of the Parties

The Union has proposed that a post retirement escalator be implemented for members retiring on or after October 1, 1997. The Union's last best offer is as follows:

**Retirement, Article 11.3(k) -- Pension Escalator**

Add the following:

(k) Each bargaining unit member retiring on or after October 1, 1997, shall receive an annual post-retirement adjustment of five percent (5%) of the original benefit beginning on the five year anniversary of retirement and an additional five percent (5%) of the original benefit beginning on the ten, 15, 20 year and so forth anniversaries of retirement.

The City proposes that the status quo be maintained.

The Union claims a very real need to provide sufficient retirement benefits to its fire fighters. Members of this department do not receive social security benefits, so whatever amount they retire with is the only pension income they will receive for their retirement years.

Currently, the fire fighters can retire with anywhere from a minimum of 62.5% of final average compensation to a maximum of 75% of final average compensation. The Union's expert witness claims a rule of thumb for replacement of wages is generally anywhere from 70% to 90% or 65% to 85% of a member's final average compensation needed to maintain a decent standard of living. This reduction in earnings is tolerated because a retiree does not have certain expenses that an active employee has. However, retirement income must be escalated to account for increases in the cost of living.

The Union asserts that social security provides for this adjustment. A post retirement adjustment assists with this. Ferndale fire fighters have neither. It introduced evidence through its expert witness that, without the escalator which it proposes, the retiree's purchasing power will be reduced to 34.3% in 20 years after retirement.

Meanwhile, the City points out that four of the six mutually agreed-upon comparables, like Ferndale, provide no post-retirement pension increase. The two comparables which provide some post-retirement increase are Garden City and Wayne. However, in Garden City, a fire fighter's final average compensation is based on the highest three consecutive years out of the last ten worked. In Ferndale, final average compensation is based on computation of highest two out of ten years. Furthermore, Garden City's annuity factor is lower than Ferndale's. A fire fighter with 30 years of

seniority in Garden City would retire with a maximum pension benefit equal to 67.5% of his final average pay, while a similar Ferndale fire fighter would retire with a benefit equal to 75% of his final average pay.

The final average pay for a retiring Wayne fire fighter is also based on an average of the highest three consecutive years out of the last ten years of service. Moreover, increases are provided to fire fighters only during the first ten years of retirement, and Wayne retirees have funded their benefits through a contribution of 7% of salary, rather than the 1.98% paid by Ferndale fire fighters.

The City also claims the Union's evidence concerning this issue fails to take into account the additional earnings that many Ferndale fire fighters obtain from second jobs they hold while employed with the City, or the second careers which many of them are able to start because they are able to retire from the fire department with full benefits so much earlier than more typical employees can.

The Panel finds that since the expired Agreement here does not contain any post retirement adjustment, the Union has the burden of proof to justify the change it proposes. The Panel also finds that the Union has not met its burden since it has not shown that this additional benefit is justified in light of the benefits provided by comparable communities, or that the additional cost to Ferndale is justified, especially in light of the heavy pension contribution the City is already required to make.

Award

Applying the Section 9 factors, especially subparagraphs (c) and (d)(i) and weighing all the competent, material and substantial evidence before the Panel, it

concludes that the Union's proposal be rejected and that its proposed Article 11.3(k) - Pension Escalator not be added to the new Agreement.

Accept: John B Kiefer

Accept: Andrew Bara

Reject: Ronald L. Hebert

**UNION PROPOSAL #8**

**Pension - Duty Death Benefit**

Positions of the Parties

The Union has proposed that unmarried members of this bargaining unit be permitted to designate the spousal portion of their pension benefit to a named beneficiary in the event of duty death. The Union's last best offer is as follows:

**Retirement, Article 11.3(g) -- Duty Death Benefit**

Add the following:

> Effective July 1, 1997 an unmarried member shall have the right to designate a beneficiary eligible to receive the same benefit as the spousal portion of a married member.

The City proposes that the status quo be maintained.

Currently, should a married member of this bargaining unit die in the line of duty, the spouse of that member receives a pension benefit equal to 70% of the employee's final average earnings. This benefit to the spouse shall cease upon remarriage. An unmarried member's duty death would provide that any contributions made by the employee plus interest earned would be refunded to the member's designated beneficiary. The Union is asking that their unmarried members be afforded the same benefit

that the City would provide to them as if they were married at the time of a duty death. The Union argues that whether the recipient was married to the member at the time of death should have no bearing upon the employee's wish to provide for a beneficiary should that employee lose his life in the line of duty.

Meanwhile, the city argues that if funds other than those contributed by an unmarried deceased employee were withdrawn from the Retirement Fund and paid to any designated beneficiary, the assets of the Fund would obviously be reduced and, in future years, the City's future payments would have to be adjusted accordingly.

However, the Panel finds that based on the evidence presented by the Union through Gabriel Roeder, the Pension Plan Actuary, that due to the expected low incidence of duty death, the impact on overall plan costs would probably be negligible. Thus, the Panel is persuaded that the distinction between married and unmarried beneficiaries should be removed, especially since the costs to the City would be minimal.

Award

Applying the Section 9 factors, and weighing all the competent, material and substantial evidence presented by the parties, the Panel concludes that the Union's proposal be adopted and its proposed language for addition to Article 11.3(g) be adopted.

Accept: John B Kieffer

Accept: Ronald R. Hebrod

Reject: Andrew Baran

## UNION PROPOSAL #9

### Dental Insurance

Positions of the Parties

The Union seeks to increase the annual maximum allowed on the current dental coverage from $750.00 per year to $1,000.00 per year. The Union's last best offer is as follows:

**Dental Insurance, Article 13.4**

Amended as follows:

Section 13.4 Dental Insurance

> The City shall provide to each employee, for the employee and the employee's dependents, a plan of dental insurance. The plan shall provide benefit levels referred to as Class I, II and III, as described generally in the Delta Dental Plan specifications, or the equivalent of such insurance.
>
> Benefits payments for Class I (basic service) and Class II (prosthodontics services) shall be made on a 90%/10% co-payment basis, 90% of the total treatment costs paid by the carrier and 10% of the total treatment costs paid by the employee. Benefit payments for Class III (orthodontic services) shall be made on a 50%/50% co-payment basis, the carrier and the employee each paying one-half of the total treatment costs. The maximum co-payment for all treatment costs by the carrier and employee for all classes during any one year shall not exceed $750.00 (seven Hundred Fifty Dollars) per individual family member. The employee shall assume payment for all treatment costs over and above such $750.00 co-payment per family member. Effective July 1, 1997, the annual maximum co-payment shall be increased to One Thousand ($1,000.00) Dollars per individual family member. The City shall pay all premiums for such insurance.

The City's last best offer provides that the status quo be maintained.

The Union asserts that of the 16 proposed comparables, there are only two cities, Roseville and Royal Oak, with a lower annual maximum for Class I and Class II coverage. Thirteen of the proposed comparables have a higher annual maximum than the Ferndale fire fighters with nine of those 13 cities having precisely what the Union proposes. Two

of the proposed comparables have an even greater annual maximum than that sought by the Union. The average of the annual maximum provided to the other fire fighter bargaining units, excluding Ferndale and Trenton, is $947.00. This is more than 26% higher than the $750.00 annual maximum for Ferndale fire fighters. The Union further argues that this inequity is even greater when it comes to orthodontic coverage. Eleven of the proposed comparables provide significantly greater maximum on orthodontic coverage to their fire fighter employees. Four of those same comparables furnish their employees with more than what this Union seeks, with lifetime maximums ranging from $1,200.00 to $1,800.00.

The City acknowledges that Ferndale's current dental benefits are slightly below the average of the comparable communities. Ferndale believes that this is more than offset by the City's health insurance benefits, which are substantially better than those in comparable communities.

The Panel is convinced that based on the comparables presented to it, the Union's proposal on this issue should be adopted.

Award

Applying the Section 9 factors, especially subparagraphs (d), (i) and (f) and weighing all the competent, material and substantial evidence presented by the parties, the Panel concludes that the Union's proposal be adopted and that Section 13.4 Dental Insurance be amended as presented.

Accept: John B Keefe

Accept: Andrew Bara

Reject: Ronald R. Dobert

## UNION PROPOSAL #10

### Health Insurance

Positions of the Parties:

The Union's last best offer on this health insurance proposal is as follows:

**Health Insurance, Article 13.1(b)**

Amend as follows:

(b) Each employee will be provided with hospital and medical insurance for the employee and the family members. Such hospital insurance shall include the MM-4 rider. Effective July 1, 1997, such insurance coverage shall include a Five ($5.00) Dollar deductible prescription rider.

Employees hired after June 13, 1994 shall be provided with hospitalization and medical insurance for him/herself and family members. Such hospitalization insurance shall be the same as the coverage provided to employees hired before the ratification except that the coverage shall include the MM-I Rider and prescription drugs shall be covered under the MM-I Rider. Effective July 1, 1997, such insurance coverage shall include a Five ($5.00) Dollar deductible prescription rider.

The City's last best offer regarding health insurance coverage is the following:

**Health Insurance (Section 13.1(B)):**

- First paragraph - Status quo - no change.
- Second paragraph - Employees hired after the ratification of the 1993 Agreement shall be provided with hospitalization and medical insurance for themselves and family members. Such hospitalization insurance shall be the same as the coverage provided to employees hired before the ratification, except that the coverage shall include the MM-I rider and a $10.00 deductible prescription rider.

Discussion

The parties are very close on this issue, being only separated by the drug prescription with the City offering $10.00 rider and the Union proposing a $5.00 drug card.

The Union claims the advantage of the comparables with 12 of the 16 comparables providing the $5.00 drug card and the other four cities furnishing less of a co-pay than that.

The City, however, traces the recent history of negotiating this issue. They established a two tier system in 1993 and fire fighters retained their existing level with one change: their co-payment obligation for prescription drugs increased from $3.00 to $10.00 while new employees received Blue Cross - Blue Shield Master Medical Option 1 benefits with an 80/20 co-pay rather than a drug prescription card. Instead, they were reimbursed for drug costs under the terms of their Option I coverage. Meanwhile, the fire fighters received many improvements.

The City claims that the Union seeks a roll back of the health insurance cost savings that the City obtained as part of the 1993 labor agreement by proposing that all members receive a $5.00 prescription drug rider. The City asserts that the health insurance benefits provided to the large majority of the members of this bargaining unit are superior to the benefits provided to fire fighters in virtually all other comparable communities. Moreover, the benefits provided to the second tier of fire fighters are still equal to the benefits received by fire fighters in other communities, with the lone exception of the drug card. In 1993, the Union preferred to maintain a superior level of benefits for existing members in exchange for a slightly lower benefit level for future hires. Obviously, since only three or four of the members of the Department are receiving Tier 2 benefits even now, Ferndale is only beginning to receive the benefits of the bargain made in 1993. Having obtained its benefits up front, the Union now seeks to deny the city the opportunity to receive its benefits. The Union would have a basis for asking for the $5.00

drug prescription card for all employees if it was also willing to propose that all employees receive Master Medical Option I with the $100.00/$200.00 deductible and an 80/20 co-pay, such as provided by a majority of both the agreed-upon and disputed comparables.

The Panel must agree with the City's position on this issue based on the history of the improvements in health care negotiated in 1993.

Award

Applying the Section 9 factors, especially subparagraphs (d) and (h), and weighing all the competent evidence before the Panel, the Panel concludes that the City proposal be adopted.

Accept: _____

Accept: _____

Reject: _____

**UNION ISSUE #11**

**Tuition Reimbursement**

The Union sought to increase the amount of money which an employee may be reimbursed for college tuition costs. The Union's last best offer was as follows:

**Tuition Reimbursement, Article 11.8**

Amend as follows:

(a) The City will reimburse an employee for college tuition costs for courses approved by the Fire Chief or his designated representative. The amount of money which an employee can be reimbursed shall not exceed Seven Hundred Fifty ($750.00) Dollars during any one (1) fiscal year of the City. In order for an employee to be eligible for said reimbursement, the employee must present proof that he attended the course and that he obtained a grade of a least a "C" or better.

(b) Seven Hundred Fifty ($750.00) Dollars for tuition reimbursement as spelled out in paragraph (a) above, can also be used to offset the employee's costs for attending courses associated with obtaining a certificate for Fire fighter I and II or Fire Officer I, II and III.

The City has agreed to increase the tuition reimbursement program effective July 1, 1997.

The City's last best offer is as follows:

Tuition Reimbursement (Section 11.8(A) and (B):

(a) Effective July 1, 1997, the City shall pay an employee for college tuition costs approved by the Fire Chief or his designated representative. The amount of money which an employee can be reimbursed shall not exceed $750.00 during any one fiscal year of the City. In order for an employee to be eligible for said reimbursement, the employee must present proof that he attended the course and that he obtain a grade of at least a "C" or better.

(b) The $750.00 tuition reimbursement...

The Union accepts the City's last best offer regarding increased tuition reimbursement with an effective date of July 1, 1997.

Award

The Panel adopts the Agreement of the parties applying subparagraph (b) of the Section 9 factors.

Accept: John B Keeler

Accept: Ronald R Nelson

~~Reject:~~ Andrew Baran

## UNION ISSUE #12

## Education Allowance

Positions of the Parties

The Union is seeking an education allowance for members who have achieved an advanced degree of higher education as recognition of dedication to the employee's career and dedication to their profession. The Union's last best offer is as follows:

**Education Allowance, Article II.9**

Add the following:

Section 11.9 - Education Allowance

Effective July 1, 1997, the City in recognizing the work of fire fighters is enhanced through education and thus beneficial to the Ferndale Fire Department shall compensate any employee attaining a degree in the following manner:

| | |
|---|---|
| Associate Degree: | $200.00 per year |
| Bachelors Degree: | $400.00 per year |
| Masters Degree: | $600.00 per year |

The City has proposed that the status quo be maintained.

Discussion

The Union supported its position by testimony that an advanced degree is an important aspect of a fire fighter's contribution to the Department; that it is difficult to obtain such a degree because of the 24 hour shift schedule which is not harmonious with the academic program but is necessary for improvement of skill and ability. Four comparables pay more to their fire fighters for associate's degrees than the Union's proposal and Ferndale itself pays members of its Police Command the same allowances as the Union proposes.

On the other hand, the City claims that the comparables show the rarity of such a provision and, among those few who do, no city pays for a Masters degree. Ferndale already pays the tuition of those employees who take approved college courses.

The Panel is convinced that there is little comparable precedent for the Union's proposal and the City's ability to pay also militates against granting the Union's request.

Award

Applying the Section 9 factors, especially subparagraphs (c) and (d) the weighing all the competent, material and substantial evidence presented to the Panel, it concludes that the Union's proposal be rejected.

Accept: John B Kreger

Accept: Andrew Baran

Reject: Ronald L. Haber

**CITY ISSUE #1**

**Vacation**

Positions of the Parties

The City proposes a change in scheduling vacation time as follows:

At present, as many as three fire fighters can schedule vacation time on the same day. On some days, the absence of three fire fighters on vacation does not pose any difficulty for the Department, because a sufficient number of other fire fighters are scheduled to work. However, there are occasions when the City will "automatically" incur overtime costs when three fire fighters schedule a vacation on the same day, because their absence will reduce the number of employees on duty to less than eight, and

Ferndale's Fire Chiefs traditionally have attempted to maintain on-duty strength at that level.

The City proposes that three employees may continue to schedule vacation days at the same time, so long as at least eight employees are otherwise scheduled to work on those days.

The Union proposes that there be no change to the current practice of allowing three employees to schedule vacation time.

Discussion

Both parties concede that from January 1, 1996 to September 20, 1996 on 11 occasions, out of 263 days, the City was required to pay overtime because of fire fighters absences for vacation. The City has the burden of proof to support this proposal since it changes existing language in the collective bargaining agreement. The Panel finds that the City has not met its burden to show a hardship.

Award

Applying the Section 9 factors and weighing all the competent, material and substantial evidence presented by the parties, the Panel concludes that the City's proposal be rejected:

Accept: John B. Keefer

Accept: Ronald R. Hoheisen

Reject: Andrew Baran

## CITY'S ISSUE #2

## Residency

Positions of the Parties

The City proposes that all new members of the Fire Department, hired after July 1, 1996, be required to reside within the City limits of the City of Ferndale.

The Union offers to maintain the status quo.

Discussion

In support of its proposal, the City claims that alone among its employees, the Ferndale fire fighters are subject to no residency requirements. Ferndale's non-union employees and employees represented by AFSCME are required to reside within the City. Police officers are required to live within a defined area surrounding the City. In its current negotiations with the police patrol and command officers, Ferndale has proposed that all new members of the Police Department be required to live within the City limits.

Only four members of the Fire Department reside within the City limits of Ferndale. some fire fighters, including members of the Haz Mat Team, live as far away as Port Huron, Fenton, Clarkston and Brighton.

The City asserts that there are occasions when fire fighters are called in even though they were not scheduled to work which can occur because of the absence of another fire fighter or because of an emergency. The likelihood that a fire fighter will be able to respond promptly in such a situation is greater if the fire fighter resides within the City limits than if he lives in Port Huron or Brighton.

The City also contends that all of the mutually agreed-upon comparable communities have some type of residency requirement, with the exception of Mt.

Clemens. However, Mt. Clemens fire fighters who reside a substantial distance outside that City are at risk of losing eligibility for certain overtime. Even a majority of the additional disputed comparables maintain residency requirements of one sort or another.

The Union claims that the status quo is adequate and introduced evidence that, in at least the last 20 years, no citizen has suffered loss of life or property due to problems in emergency call back.

The City again has the burden of proof on this proposal which changes residency and the Panel is convinced that it has failed to meet that burden.

Award

Applying the Section 9 factors and weighing all the competent, material and substantial evidence presented to the Panel, it concludes that the City's proposal be rejected.

Accept: John B Kaplan

Accept: Ronald P. Lehoux

Reject: Andrew Baran

**CITY ISSUE #3**

**Longevity**

Positions of the Parties

The City has proposed to implement a cap on the longevity payments received by the fire fighters. The City's last best offer is as follows:

**Longevity (Section 12.1):**

Add the following language:

> Beginning in 1997, longevity payments for employees hired before April 18, 1994 shall be calculated as a percentage of the July 1, 1997 base pay for their position, so that in 1998 for example, a fire fighter who has completed ten (10) years of service shall receive 4% of a fire fighter's base pay as of July 1, 1997, and so forth.

The Union proposes that the status quo be maintained.

The City claims that current longevity payments to Ferndale's fire fighters are already substantially more generous than those given to Ferndale's other employees, with the exception of four police command officers. The City's last best offer would leave fire fighters with annual longevity pay maximums that would be $542.00 higher than those available to Ferndale police patrol officers.

The Ferndale fire fighter's longevity pay structure also is substantially more generous than that of any of the mutually agreed comparable communities, with the exception of Hazel Park. Assuming the City's proposal of 3% wage increases in 1996 and 1997 is granted, a Ferndale fire fighter will be eligible to receive a maximum longevity payment of $3,442.00, beginning in 1997. With the exception of Hazel Park, the maximum longevity payment to fire fighters in the mutually agreed comparable communities is $2,000.00 or less.

The Union claims that the current collective bargaining agreement provides for a two tier longevity system for the employees of the Fire Department. Members hired prior to April 18, 1994 receive longevity payments on a percentage schedule based upon years of service in the department. Members hired after April 18, 1994 are entitled to receive longevity payments in a flat dollar amount -- based upon years of service -- ranging from $250.00 to a maximum of $1,500.00 at twenty-five years of service. The parties negotiated this two tier system during their last contract negotiations.

The Union agreed to this reduction in benefits for its employees hired after April 18, 1994 in the interest of providing financial relief to the City. The City agreed at that time to drop one of their take away proposals in exchange for the two tier system. The Union asserts that the City has now proposed further reductions in longevity without providing any rationale for the proposal.

The Panel is persuaded that under the City's proposal, Ferndale's longevity payments would remain substantially above the average of the mutually agreed-upon comparable communities during the term of the current agreement.

The City's proposal will allow fire fighters a maximum longevity payment of $3,442.00 and fire captains a maximum longevity payment of $4,582.00.

The evidence shows that uncapped longevity payments using the kind of percentage of pay formulas which Ferndale currently has remain in existence today by-and-large only in the large, wealthy communities with which Ferndale cannot compete financially -- Southfield, Birmingham, Royal Oak, Madison Heights -- or in a community like Pontiac, where a fire fighter's salary is about $7,000.00 below a Ferndale fire fighter's.

Award

Applying the Section 9 factors, particularly subparagraphs (c) and (d)(i), and weighing all the competent, material and substantial evidence presented by the parties, the Panel concludes that the City's proposal be granted.

Accept: John B Kaufer

Accept: Andrew Baron

Reject: Ronald P. Hoban

## CITY ISSUE #4

## Health Insurance Opt In

Positions of the Parties

The City seeks a change in the contract provision regarding a member's ability to re-enroll in the City provided health insurance plan after having chosen to transfer medical coverage to that of their spouse. The current contract language is as follows:

HOSPITALIZATION, ARTICLE 13.1(C)

(c) Any employee who transfer medical coverage to the medical insurance provided by his spouse and signs an Affidavit that he and his family are covered by adequate medical insurance, shall be paid, on the first full pay period ending after July 1 of each year, a lump sum payment in the amount of Two Hundred ($200.00) Dollars per month for each month that he remains outside the City program.

It is understood that this provision is contingent on obtaining assurances from the insurance carrier that employees will be able to promptly reinstate insurance coverage if their spouses lose insurance coverage (i.e., on the first day of the succeeding month or some similar, mutually-agreeable period).

The City's last best offer is the following:

Health Insurance Opt In (Section 13.1(c):

Change the last sentence of this section to state:

Employees will be allowed to re-enter the group plan in accordance with the insurance rules which apply, but in no event later than sixty (60) days after they request to do so.

The Union proposed that the status quo be maintained.

The City explains the basis for this proposal as follows: Members of the bargaining unit who have alternative health insurance coverage have the right to withdraw from Ferndale's insurance plans and to receive a payment of $200.00 per month for every month in which they are not covered by the City's insurance plans. Members also have

the right to resume participation in the City's health insurance plans whenever they choose to do so. All other City employees have the same option pursuant to their collective bargaining agreements.

The City introduced evidence that Ferndale's contract with Blue Cross/Blue Shield imposes certain restrictions on the dates on which a new or reentering employee can resume coverage under the health insurance plan. Specifically, an employee who wants to reenter the system has to do so by the 25th day of a month in order to have coverage as of the beginning of the following month. Several disputes have arisen when employees have been hired or attempted to reenter the system after the 25th day of the month, and yet demanded to be covered as of the 1st day of the following month.

To avoid any further incidents of this sort, Ferndale proposes to add language to the health insurance opt-in section of the labor agreement. The new language would state that employees will be allowed to reenter the group plan in accordance with the insurance rules which apply, but in no event later than sixty days after they request to do so.

The Union has proposed that the status quo continue in this regard.

The Union opposes this change because it extends the current provision -- a provision that has posed no problems -- to up to two months before an employee and his or her family could be qualified to receive the contractually provided health insurance coverage. Two months is too long to be uninsured.

Discussion

The City supported its proposal by stating that several disputes had arisen in the past when employees have been hired or attempted to reenter the system after the 25th

day of the month and yet demanded to be covered as of the first day of the following month. No particulars were given by the City's witness nor identification of the participants. The Panel is convinced that the City has not met its burden of proof and determines that a review of the comparables supports the Union's position on this issue. Seven of the sixteen comparable provide for a similar opt-out/opt-in health insurance provision. None of these seven cities require an employee to wait two months before they are covered under their health insurance plan.

Award

Applying the Section 9 factors and weighing all the competent, material and substantial evidence presented to the Panel, it concludes that the City's proposal be rejected.

Accept: John B Keeley

Accept: Ronald R. Halveston

Reject: Andrew Baran

**SUMMARY**

The Panel commands both parties and their learned and experienced advocates, Andrew T. Baran, Esq., for the City, and Ronald R. Halveston, Esq., for the Union, in the presentation for their proofs and arguments. Without their excellent Briefs, no informed award would be possible in light of the passage of time from the date of the Pretrial until the closing of the Proofs and submission of Last Offers. Throughout, the parties and their representatives maintained a high degree of professionalism, in spite of the emotionally

charged nature of some of the issues. The Panel sincerely hopes that this same climate will prevail in future bargaining.

John B. Kiefer
Chairperson