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State of Michigan
Department of Consumer and Industry Services
Employment Relations Commission
In the Matter of
Police Officers Labor Council (Union)
And
City of Kentwood (Employer)
MERC Act 312 Case No. L 99 A-7026
Opinion and Award

Arbitration Panel

Dr. Benjamin Wolkinson, Impartial Chairperson

Fred La Maire, Union Delegate

John Gretzinger, Employer Delegate

For the Union: John Lyons, Attorney

For the Employer: John Gretzinger, Attorney

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3/20/01
(initials)

This is a statutory compulsory arbitration conducted pursuant to Act 312, Public Acts of 1969 as amended. The Union filed a petition for Act 312 arbitration which was received by MERC on June 15, 1999. The impartial arbitrator and chairperson was appointed via correspondence from the Employment Relations Commission dated November 9, 1999.

A pre-hearing conference was held on July 3, 2000. The Arbitration Panel held hearings on May 4 and 19, 2000 and on November 20, 2000. The Chairperson received the parties' last offers of settlement on December 8, 2000. The Union submitted its brief in support of its last position on the issues on January 9, 2001 and the City submitted its brief in support of its final position on the issues on February 12, 2001. On February 23, 2001 the Panel held an executive session at MERC offices in Lansing, Michigan.

Statutory Summary

Section 9 outlines the list of factors upon which the Panel should base its findings, opinions, and awards. These include:

- (a) The lawful authority of the employer.
- (b) Stipulation of the parties.
- (c) The interests and welfare of the public and the financial ability of the unit of government to meet these costs.
- (d) Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and other employees generally: (i) in public employment and 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 medical hospitalization benefits, the continuity and stability of employment, and all other benefits received.
- (g) Changes in any other foregoing circumstances during the pendency of the arbitration proceeding.
- (h) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties in the public service or in private employment.

Issues

During the course of this proceeding, the parties settled many issues. The agreements that they reached were codified on August 2, 2000 and on October 24, 2000. The agreements reached by the parties and the language in the prior contract, which have not been deleted or altered, are made part of this award.

The outstanding issues in this proceeding are: errors in overtime assignment, shift preference, weekly training schedule, payment of health-insurance costs, payment of dental insurance costs, and longevity.

Comparables

At the outset, the Panel must address the parties' dispute concerning the scope and nature of the comparables to be used as evidence in this proceeding. The Union contends that the comparable communities are East Grand Rapids, Grand Rapids, Grandville, Walker, Wyoming, Holland, and Muskegon. In support of its position, it notes that these are the comparables used by Arbitrator Allen in the parties' prior Act 312 proceeding. It further maintains that the City's effort to utilize small communities such as Cedar Springs, Grand Haven, Hudsonville, North Muskegon, Rockford, Roosevelt Park, Sparta, Spring Lake, Ferrysburg are simply an effort to engage in forum shopping. It also contends that these communities should also be rejected out of hand because they have small populations as well as very small police departments. Some of these have less than 10 patrol officers.

The City maintains that Wyoming, Holland, Muskegon are the only communities truly comparable to Kentwood in the Grand Rapids-Muskegon-Holland metropolitan statistical area. In this regard, it notes that these communities are similar to Kentwood both in terms of population and SEV. Grand Rapids is not comparable, as it is significantly larger both in terms of population and SEV. Furthermore, the only characteristic that Grand Rapids has in common with Kentwood is its presence in the same labor market as Kentwood. While this factor may warrant affording Grand Rapids some consideration under article 9(h), which requires the Panel to consider other factors normally taken into consideration in the determination of wages, it is not a true comparable. Finally, it maintains that if the Panel uses the City of Grand Rapids for evidentiary purposes in examining the parties' positions on economic issues, then the Panel should also consider smaller communities that operate within the same labor market as Kentwood. Consequently the City contends that the communities such as Cedar Springs, Sparta,

Rockford, Walker, Grandville, East Grand Rapids, Hudsonville, Zeeland, Grand Haven, Ferrysburg, Spring Lake, Norton Shores, Muskegon Heights, Roosevelt Park, and North Muskegon Heights should also be admitted for evidentiary purposes under section 9(h).

The statute doesn't specifically outline how a comparable community should be determined. Parties frequently argue about the comparability of communities, but usually agree on a few of them. In this case both parties have agreed that the following communities are comparable: Wyoming, Holland, and Muskegon. Muskegon with a population of 39,401 and Holland with a population of 33,000 are roughly equal in size to Kentwood, which has a population of 42,000. Wyoming with a population of 69,275 is substantially larger. Since the parties themselves have adopted Wyoming, Holland, and Muskegon as comparables, the Panel will also accord them such evidentiary weight.

In the previous Act 312 arbitration involving the same parties, Arbitrator Allen found that the communities of East Grand Rapids, Grand Rapids, Grandville and Walker were also comparable. The fact that a particular community was utilized in a prior 312 arbitration does not automatically establish that it should be so considered in the future. Things sometimes change which render a community less comparable. Moreover, no Panel can blindly ignore factors, which raise serious doubts concerning the comparability of communities.

The cities of East Grand Rapids, Grand Rapids, Grandville, and Walker are all part of the metropolitan Grand Rapids area. In finding that these communities were comparable, Chairman Allen noted that they share a common labor market. Additionally he found that there is an interchange of officers in these communities, as they regularly provide backup to each other.

A common labor market in terms of recruitment and hiring is a factor arguing in favor of comparability. Thus to the degree that wages and benefits in Kentwood are substantially lower

than wages in adjacent communities, Kentwood might have difficulty in employing officers. Alternatively, higher wages in Kentwood will provide police personnel from other departments the incentive to seek employment in Kentwood. Consequently, the setting of wages and benefits in Kentwood must be done in a manner that considers prevailing wages within the immediate labor market. Furthermore, interchange of officers exposes employees at times to the same working conditions and renders employees more aware of benefits obtained elsewhere. These factors reinforce demands for comparability.

Significantly, no evidence has been submitted that Arbitrator Allen's analysis influencing his determination that these communities share a common labor market was erroneous. No party has suggested that Kentwood police officers and officers from East Grand Rapids, Grand Rapids, Walker, and Grandville do not provide backup for each other. Additionally, Kentwood is in close geographical proximity to these other communities. Kentwood is adjacent to and contiguous with the City of Grand Rapids. It is only seven miles away from East Grand Rapids, 9.7 miles away from Grandville, and approximately 15 miles from Walker. The short commuting distance between Kentwood and these other communities and the contact these officers share would make it likely that officers are aware of the respective benefits each community provides its police officers and would be receptive to available employment opportunities each community might offer. All these factors help promote a common labor market for Kentwood, Grand Rapids, East Grand Rapids, Walker, and Grandville.

At the same time, the Panel cannot ignore concerns that militate against viewing these communities as fully comparable to Kentwood. The crime rate in terms of homicides, aggravated assault, and theft is significantly higher in Grand Rapids than in Kentwood. Consequently, Grand Rapids police officers may well confront more difficult working conditions than do

officers in Kentwood. Additionally, as noted earlier, Kentwood's population is 43,000; the communities of Walker, East Grand Rapids, and Grandville are considerably smaller with populations respectively of 20,381, 10,016, and 16,502. With their smaller populations, it is unlikely that they are able to generate the tax revenues available in the City of Kentwood to fund the activities of a police department. Given these considerations, while the Panel will give these communities some weight, when applying the factor of comparability, the Panel will not consider them core comparable communities in the same manner as the cities of Muskegon, Wyoming, and Holland.

The City has offered Cedar Springs, Sparta, Zeeland, Rockford, Muskegon Heights, North Muskegon, Norton Shores, Roosevelt Park, Ferrysburg, Grand Haven, Hudsonville and Spring Lake as communities which while not comparable should be included for consideration under section 9(h), which allows the Panel to consider for purposes of evidence any other factors normally taken into consideration during collective bargaining. In support of this position, it maintains that they are part of the same local labor market.

Yet it is important to note that no evidence has been presented that these communities are comparable to Kentwood in terms of population, size of the police force, or property tax revenues. Furthermore only assertions, but no evidence has been presented to support the conclusion that these communities are even part of the same local labor market. Thus merely because communities are part of the Grand Rapids-Muskegon-Holland metropolitan statistical area for reporting purposes do not make them necessarily part of one common labor market. Indeed the vast geographical area contained within this four county region, which includes Allegan, Kent, Muskegon and Ottawa, argue against such a conclusion. Many of the communities that the City wishes the Panel to consider for evidentiary purposes are

geographically far from the City of Kentwood, and consequently there is no reason to believe that individuals in these communities would be interested in or knowledgeable about employment opportunities in the City of Kentwood. Thus, for example, Kentwood is 47 miles away from Roosevelt Park, 48 from North Shores, 53 miles from North Muskegon, 43 miles from Grand Haven, 41 miles from Ferrysburg, 40 miles from Spring Lake, 30 miles from Cedar Springs, 28 miles from Holland, 24 miles from Sparta and 23 miles from Zeeland. In the absence of probative evidence that Kentwood regularly recruits or employs people from these communities or that individuals from these communities have applied for or been employed by City of Kentwood, there is no basis for concluding that these communities share a common labor market with the City of Kentwood.¹ Moreover, no evidence has been presented that officers from these communities provide backup or regularly interact with police officers of the City of Kentwood. Given these considerations, the Panel finds no basis to give evidentiary weight to data drawn from Cedar Springs, Sparta, Rockford, Hudsonville, Zeeland, Grand Haven, Ferrysburg, Spring Lake, Norton Shores, Muskegon Heights, Roosevelt Park, and North Muskegon.

Non-economic Issues

I. Errors in Overtime Assignment (Union Issue)

Section 7.3(d) currently reads:

Errors or omissions in overtime opportunities shall be remedied by offering the employee the next available overtime opportunity rather than payment of compensation.

The POLC proposes to modify this section to provide as follows:

¹ On direct examination, the City Attorney asked the department's Chief of Police whether the City draws officers from some of the communities that are part of the Grand Rapids-Muskegon-Holland metropolitan statistical area. His response was "some and others." This testimony is too imprecise and vague to establish that Kentwood regularly or meaningfully recruits and employs officers from the 12 additional communities that the City maintains should be afforded evidentiary consideration.

Errors or omissions in scheduled overtime opportunities shall be remedied by paying the employee who was passed over at the overtime rate of pay for the scheduled hours.

The City proposes continuation of the existing language

Discussion

The Union maintains that there have been cases where employees have been unfairly denied their overtime. Additionally the remedy it seeks is consistent with that typically awarded by arbitrators. The City maintains that no change is warranted, as the Union had previously agreed when adopting an overtime assignment process to only remedy alleged errors, by seeking to afford the bypassed employee the next available overtime opportunity. Moreover, no change is needed because few errors occur in any given year and implementing the Union's remedy is impossible because of the difficulties involved in reconstructing the potential overtime opportunities an employee may not have been able to exercise.

At the outset the Panel finds unpersuasive the City's contention that no change is warranted, because the parties recognized that mistakes are inevitable. According to Officer Berry, the Union only agreed not to complain if there were occasional mistakes. At the same time, according to Officer Berry, the number of mistakes has increased significantly and therefore the situation requires relief.

To fully understand the advantages and disadvantages of any changes, it is appropriate to briefly identify the current system for the allocation of scheduled overtime. The process by which overtime is allocated begins with Captain Williamson identifying by memorandum the hours, days, and dates of scheduled overtime. A police officer cadet then goes to a black box that contains cards, which identify for each officer their previous overtime. Cards are arranged in reverse order of an employee's prior receipt of overtime. Thus the card for an employee who has just received overtime would be placed at the back of the box. Following his receipt of a

memorandum identifying overtime opportunities, the cadet will call the officer whose card appears first in the box. In the event the officer does not respond, a message will be left on that officer's answering machine and the cadet will go to the next card in the black box and offer the employee identified on that card the same overtime. The overtime opportunity will be assigned to the first employee who affirmatively requests the assignment. At the same time, an employee who does not respond does not lose his or her place in the box.

When dealing with the allocation of overtime, no system is foolproof. Mistakes are bound to be made. At the same time, the Panel is not persuaded that there is sufficient evidence to justify a change in the contractual language. To begin with, the current language does provide for some remedy in case of error. If an employee is not afforded a legitimate overtime opportunity, that employee is next in line to receive overtime. Additionally while Officer Berry indicated that he was aware of at least six instances where employees were bypassed, that testimony was challenged by Captain Williamson who normally is responsible for the assignment of employees to scheduled overtime. He indicated that he was aware of only two or three circumstances in which errors were made.

There is also some evidence to believe that the parties could not easily implement the Union's proposal. As noted earlier, the department keeps track of an officer's overtime through cards. The location of an officer's card will vary depending upon his acceptance or rejection of overtime, his ability to respond to overtime requests, as well as the responses given by the officers. Where numerous phone calls have been made and weeks have elapsed before an error is identified, it will be very difficult to recreate the list and determine the exact amount of overtime an employee should have received. Under these circumstances, the parties would be unable to implement the Union's proposed relief. As a result, in many cases, the most feasible remedy is to

give, as currently required, the bypassed employee the next available overtime. Given all these considerations, it is reasonable to continue the current contractual remedy for overtime errors.

Award

The Panel, with the Union Delegate dissenting, votes to adopt the City's last offer on the issue of errors in overtime assignments.

II. Shift Preference (City Issue)

Section 7.7(d) currently provides:

All applications for a shift preference must be submitted in writing to the applying employee's immediate supervisor at least two (2) weeks in advance of the period requested. Shift preference requests will cover a period of two (2) separate "tours of duty", and eligible employees may designate a separate preference for each separate tour of duty. Probationary employees will be slotted into the Employer's schedule after seniority employees have been given an opportunity to select their preferred shift.

The City proposes to modify this language to provide as follows:

(d) Shift preference selections shall be submitted twice annually, once in April for the first schedule period beginning in May and once in September for the first schedule period beginning in October. Shift preference requests shall be provided in writing to the applying employee's immediate supervisor at least two (2) weeks in advance of the period requested. Employees will be assigned based upon seniority and the needs of the department to a single shift for the entire shift preference period; provided, however, that the Employer reserves the right to modify a shift assignment during the assignment period to meet changing workload or staffing requirements. Probationary employees will be slotted into the Employer's schedule after seniority employees have been given an opportunity to select their preferred shift.

The Union proposes that this provision be modified to require employees to submit applications for shift preference every three months.

Discussion

The City contends that the reduction in the number of times police officers can bid for shifts is justified by a number of considerations. It notes the substantial resources in time that must be expended by command personnel in scheduling six different shifts a year. The change

would also facilitate the capacity of both employees and the department to schedule and plan vacations and achieve as well greater geographical stability in the utilization of manpower. Finally, it notes that its proposal is consistent with the shift assignment authority exercised by police departments in comparable communities.

The Union maintains that it has made a substantial concession by requiring shift bids every three months. Furthermore there is no compelling reason to change the process and the majority of officers do not want a change in the shift bidding process. Additionally, the comparable do not support the request of the City.

The record does support the need for a change in the shift preference scheduling policy. Under the current policy, the shift assignment process takes place every eight weeks, with employees submitting requests for two separate tours of duty at a time. Additionally, an employee may requests an assignment to different shifts during the shift preference period. For example, on one 28 day tour of duty an officer may work days and on a second 28 tour of duty that same officer may work nights.

The current system has imposed constraints on the department. Captain Williamson, who is responsible for scheduling patrol officers, testified that it takes him two and a half to three days to put a schedule together. Over the course of a year, he has to expend up to 144 hours a year in scheduling duties. Additionally, under the current contract, vacation schedules are submitted twice a year. Reducing the frequency with which employees submit their shift scheduling preferences would result in better coordination in the scheduling of vacations and shifts. The chief of police has also noted that frequent shift changes impedes the department's capacity to maintain stability in the geographical assignment of officers. Thus the rotation of officers to different shifts is often accompanied by their reassignment to a different

geographical area. These changes in turn interfere with the department's efforts to promote community policing, as officers are unable to develop community trust and confidence if they are rotated frequently into different geographical areas.

The Union has attempted to address the department's needs by reducing from by monthly to quarterly the frequency of shift preference applications. On the other hand, the department seeks to limit shift preference applications to twice a year. Additionally, its proposal requires employees to remain on a single shift for the entire shift preference period. The City's proposal better enables the department to reduce the time it must expend in scheduling work assignments. By promoting greater geographical stability in the assignment of personnel, its proposal will also reinforce the department's capacity to effect the concept of community policing. It will also allow both the department and employees to more effectively plan and coordinate their work and vacations schedules. Furthermore, no evidence has been presented that employees would suffer any material disadvantage, if they submitted requests for and obtained new work schedules twice yearly.

An examination of the comparables also supports the City's position. In four of the seven comparable communities, Holland, Wyoming, East Grand Rapids, and Walker, police officers do not have any right to exercise shift preferences and the department retains the authority to modify work schedules and assignments. In the City of Grand Rapids, police officers can only bid on shift preferences twice year and changes in shift assignments can occur in order to satisfy departmental needs. Only in Muskegon and Grandville do police officers exercise the right to change shifts more frequently than the standard incorporated in the City's proposal. Yet even in these two communities shift preferences cannot be exercised as frequently as is permitted under the parties' current agreement.

The Union has attempted to support its proposal by noting that the smaller communities of Cedar Springs, Hudsonville, Rockford, Sparta, Grand Haven, Spring Lake, Ferrysburg, as well as Zeeland have no shift preference provisions. Yet the Panel has found that these communities are not comparable. Furthermore, assuming arguendo that they were, reference to practices in these communities would not support the Union's position. Thus the absence of any shift preference provision in these communities' contracts likely reflects the capacity of the police departments in these communities to exercise plenary authority in assigning personnel to shifts. In summary, the record supports modifying the current contractual provision on shift preferences.

Award

The Panel, with the Union Delegate dissenting, adopts the Employer's last offer on the issue of shift bidding and preferences.

III. Weekly Training Schedule (City Issue)

Section 7.8 of the parties' agreement currently provides:

Weekly training session schedule. Notwithstanding any provision of this Agreement to the contrary, the Employer reserves the right to change any employee's schedule to accommodate training programs by (a) reassigning off-duty days, (b) changing starting or quitting times, (c) changing hours from 10 to 8 or vice versa. The Employer agrees that employee shall have at least two consecutive days off-duty.

The City proposes to modify this language to read as follows:

Training schedule. Notwithstanding any provision of this Agreement to the contrary, the Employer reserves the right to change any employee's schedule to accommodate training programs as follows:

Training of one week or longer. In the event that the Employer determines to assign an employee to training that will last for one week or more, the Employer may change the employee's schedule for the week or weeks affected by any combination of reassigning off-duty days, changing starting or quitting times, and/or changing schedule hours from 10 to 8 or vice versa.

Training of less than one week. In the event that the employer determines to assign an employee to training that will last for one day or more but less than a full week, the Employer may change any day or days of an employee's previously assigned schedule during that week to accommodate training opportunities, if during any 24-hour period the combination of the employee's regularly scheduled hours with the hours of required training exceeds fifteen (15). In such an event, the Employer may change the employee's schedule by any combination of reassigning off-duty days, changing starting or quitting times, and/or changing scheduled hours from 10 to 8 or by so versa.

The Employer will endeavor to provide as much advance notice of the schedule change as reasonably possible, and agrees that employee whose schedule is changed to accommodate training shall have at least two consecutive days off during that week.

The Union is opposed to any change in this provision.

Discussion

The City maintains that it must have the authority to adjust employee work schedules in order to afford officers necessary training. Of particular concern to the City is its difficulty assigning officers to one and two day training sessions, when such sessions are scheduled for time periods that follow the completion of an officer's shift. In order to avoid situations where an employee must work an excessive number of hours in any given day, the City contends that it has sought to have employees adjust their work schedules when training must be given them. However, employees have refused to voluntarily change their schedules and as a result, the City has been forced to delay the training of these officers. According to the City, its proposal would rectify this problem.

The Union maintains that the current language contains all the flexibility necessary for the City to provide training to officers. Additionally the evidence does not support further changes to the current contract language. Finally, the Union maintains that the status quo is warranted, because the suggested changes would work substantial hardship on the members.

The record indicates that the City of Kentwood police department places a high priority on the training of its police officers. The department has an in-service training program in which

each officer attends 40 hours of training a year. Additionally, officers are sent to training programs run by outside agencies. The training itself can vary in duration. Some training may last a week, while other training may be for just one or two hours.

It is undisputed that under section 7.8 of the current agreement, if the training is of one-week in duration, then management can alter an officer's work schedule. In practice, section 7.8 (a), which constitutes the first part of the City's proposal on training, reiterates authority the City currently possesses. The basic dispute between the parties concerns training of less than one week in duration. According to Chief Mattice and Captain Williamson, if training is only for two or three days, then the department currently lacks the authority to alter an officer's work schedule to facilitate his receipt of training. Furthermore, the department has encountered problems providing training to officers who work at night. For example, an employee who gets off work at 7:00 a.m. in the morning may need to go training that same day. If the employee's work schedule is not adjusted, that employee might find himself working 18 hours that day. Under the current agreement the City can only request that the employee alter his work schedule to accommodate training. It cannot, however force him to do so. At the same time, because of safety considerations, the department will not schedule training, if such training would result in employees working an excessive number of hours. As a result, where the employee refuses to change his work schedule, the department will not schedule training.

Significantly, this problem is not just theoretical. Chiefly Mattice testified that there have been cases where the department has canceled cancel training classes, because an employee's refusal to alter his work schedule to accommodate such training would have led the employee to be on duty an excessive number of hours. Union president Brian Berry has also

acknowledged that there have been instances when individuals have refused to have their schedule changed and as a result the training was not made available to them.

The Panel finds that the Employer's proposal to add section 7.8 (b) is reasonable, as it provides the department with the necessary authority to facilitate training. Furthermore, it seeks to exercise this authority in a balanced manner. Specifically what the City has proposed is that for instances of less than a full week of training, the employee's normal schedule may be adjusted, when the combination of the employee's regularly scheduled hours and hours in training would otherwise result in that officer working more than 15 hours a day. The establishment of the fifteen hour limitation as the baseline that triggers the City's authority to change an employee's work schedule is also consistent with the department's standard practice to avoid imposing upon officers a double eight-hour shift. Furthermore this approach is consistent with the scheduling practices on overtime. Thus the parties have contractually agreed that in unscheduled overtime situations created by unplanned absences and the need to maintain adequate staffing, the otherwise unmanned ten hour shift would be split in half, with five hours going to the employee who is leaving duty and five hours being assigned to the employee who comes on duty the next following shift. Through such scheduling, employees are never required to work more than 15 hours a day.

The Union has opposed the City's proposal, contending that any change would work substantial hardship on the members. Yet inadequate evidence has been presented to support this contention. Chief Mattice has testified that there is no intent by the City to utilize this proposal as a means to reduce overtime earnings. Rather it is motivated by its desire to avoid situations in which officers must work an unreasonable and unsafe number of hours in order to obtain

necessary training. Thus this proposal is one that protects not only the department's interests, but also that of employees.

Another concern is that employees will not be given reasonable notice of changes in their work schedule. At the same time, the City has sought to address this concern, by implementing contractual language that it will endeavor to provide as much advance notice of schedule changes as reasonably possible. Finally, the Chief has indicated that when assigning employees to training, the department has attempted to accommodate employees who would confront problems or conflicts if their work schedules were changed. Consequently, there is no reason to believe that affording the department somewhat greater authority to change work schedules to facilitate short-term training would impose on employees any material disadvantage. In summary, the record supports the City's efforts to modify the current agreement and to afford it more authority to change work schedules to facilitate employee training.

Award

The Panel, with the Union Delegate dissenting, votes to adopt the Employer's last offer on the issue of training schedules.

IV. Payment of Health Insurance Costs (Economic Issue)

Section 12.2 currently provides:

Payment of Health Insurance Costs. During the terms of this Agreement, the Employer agrees to pay the full monthly premium for single subscriber, two-person and family coverage for eligible employees who elect to participate in the group health insurance plan. This monthly payment amount will be based upon the cost for family coverage under the City's Blue Cross-Blue Shield policy with master medical and a \$5.00 drug co-pay rider. All premium costs for family continuation and sponsored dependent coverage and all premium costs for alternate insurance programs in excess of the cost for the Blue Cross plan shall be paid by the employee electing to have the insurance coverage. In the event the two employees are married to each other, only one insurance policy will be purchased but the other individual will be eligible for

payments in lieu of health insurance. The Employer's liability under this Section shall be limited to these payments.

The City has proposed the following modification to this provision:

Section 12.2. Payment of Health Insurance Costs. During the term of this Agreement, the Employer agrees to pay \$536.18 cents per month towards the premium for single subscriber, two-person and family coverage for eligible employees who elect to participate in the group health insurance plan. This \$536.18 amount shall be adjusted annually to equal the amount of family coverage under the Priority Health plan. All premium costs for family continuation and sponsored dependent coverage and all premium costs in excess of the Priority Health plan shall be paid by the employee electing to have the insurance coverage. In the event that two employees are married to each other, only one insurance policy will be purchased but the other individual will be eligible for payments in lieu of health insurance. The Employer's liability under this Section shall be limited to these payments.

[In addition, the parties will enter into a Letter of Understanding that would provide that the maximum payment cap upon the Priority Health plan would not be applicable to employees currently enrolled in other health care plans until July 1, 2001.]

The Union is opposed to any change in this provision

Discussion

The City contends that its plan should be accepted because it is the plan selected by the largest number of employees. Additionally, its plan is supported by considerations of internal comparability. It notes that the City has established Priority Health as its benchmark payment for all non- union employees, and the Kentwood General Employees Association has also agreed during the last negotiations to change the payment benchmark to Priority Health. Similarly , in prior negotiations it sought to implement the Priority Health plan in the firefighters' bargaining unit. Finally, the City contends that the adoption of its proposal will have no negative effect on four of the five patrol members currently enrolled in Blue Cross/Blue Shield, since the amount they pay for single and two-person coverage is less than the amount for full family Priority Health. This leaves only one individual who would be potentially affected by the change embodied in its proposal. In view of these circumstances, this is the ideal time to make a change in the benchmark.

The Union maintains that the Employer is essentially placing a cap on health care benefits. This effort is not supported by data from the comparable communities. Thus in such communities as East Grand Rapids, Grand Rapids, Grandville, Holland, Muskegon, Walker, and Wyoming, the Employer currently pay the entire premium. The Union also notes that within the City of Kentwood, the City continues to pay the full health insurers premium costs for the firefighters. Similarly, the command officers within the police department receive full payment of health insurance costs. The Union also contends that the City has substantial financial resources and could easily grant its request without encountering any financial difficulties.

Under the current agreement, the City has agreed to make available a group insurance program covering hospitalization, surgical and medical expenses for participating employees and all eligible dependents. These dependents include children and spouses. Employees are currently authorized to select coverage from different health-care providers. These include several HMOs, such as Priority Health, Blue Care Network, Care Choices, and Grand Valley Health Plan. Additionally employees may select the traditional Blue Cross Blue Shield policy with master medical and a \$5.00 co-pay rider.

Under the current agreement, the baseline for determining the amount that the City contributes is the cost for family coverage under the City's Blue Cross Blue Shield policy. The City's proposal would effectively establish the premium cost for family coverage under the Priority Health plan as the new baseline for determining the amount of money the City would contribute for health care. As a result, while employees could continue to enroll in the Blue Cross Blue Shield plan, any premium cost for coverage that would exceed the annual cost for family coverage under the Priority Health plan would have to be paid by the individual employee.

The City has suggested that any retention by employees of existing coverage would have only a minimal effect on bargaining unit employees, as only one employee would be adversely affected. The Panel finds no basis for this assertion. A review of the record (see revised employer exhibit 13) indicates that on November 16, 2000 there were 7 employees enrolled in either two-person or family coverage with Blue Care network. The monthly insurance premium was either \$559.78 or \$575.94. At the same time, the baseline payment under Priority Health for this time period was only \$ 536.18. As a result, these seven employees would have paid up to an additional \$39 dollars per month to retain the health insurance coverage of their choice. Additionally, there were three employees who had obtained either two-person or family coverage with Blue Cross Blue Shield. As of November of 2000 the cost for two family coverage was \$568.15 or \$635.78. As a result, under the City's proposal in which health-care payments would have been capped at \$536.18, these employees would have paid an additional \$32 per month to retain two-person coverage and \$99 more to retain family coverage under Blue Cross Blue Shield.

Effective July 1, 2001, 14 employees will be adversely affected if the Priority Health plan were utilized as the baseline for determining employer payments of premium health care premiums. These 14 employees would pay in the aggregate an additional \$5392, and thereby incur on the average increased out-of-pocket expenses of \$385 per year. Significantly, the City has not presented any compelling evidence that the transfer of such an economic burden from the City to employees is appropriate or necessary. In this regard, the evidence indicates that the City's fiscal position is strong. According to Thomas Chase, the City's finance officer, in its last fiscal year the City ran a budget surplus of \$1,200,000.

The City has contended that establishing Priority Health as the baseline for employer health contributions is warranted, because this plan is in effect among both nonunion workers and employees represented by the Kentwood General Employees Association. At the same time, there is no clear internal City pattern, because for both firefighters and supervisory police personnel, Blue Cross Blue Shield and not Priority Health is the baseline for determining Employer contributions for health-care premiums.

Moreover reference to external comparability data also supports the status quo. In the communities of Holland, Wyoming, Grand Rapids, and Walker the employer provides police personnel Blue Cross Blue Shield coverage. In Muskegon, while the identity of the health insurance carrier is not specified, it is apparent that the employer is not seeking to force employees to change existing health-care coverage. Thus the agreement requires the employer to keep in effect the same insurance that is comparable to what was in effect on January 1, 1989. The same deference to incumbent employees is reflected in the agreement between the Union and the City of East Grand Rapids in which employees in the bargaining unit before January 1, 1997 will have the option of selecting the medical plan that had been in effect prior to that time.

Finally when considering the two proposals, it is important to note that the Union has significantly moved towards the City's goal of having employees covered by a unified policy that might reduce its health care costs. Both parties have agreed that all new employees must select Priority Health as their health-care carrier. Consequently, over time the City will eventually achieve its bargaining objectives in health care. These considerations support the retention of the status quo on health care coverage for incumbent employees.

Award

The Panel, with the City Delegate dissenting, votes to adopt the Union's last offer on the payment of health insurance costs.

V. Payment of Dental Insurance Costs

Section 12.8 currently provides:

During the term of this Agreement, the Employer agrees to pay the full cost of the monthly premium for single subscriber, two-person and family coverage for eligible employees who elect to participate in the group health insurance plan. All premium costs for family continuation and sponsored dependent coverage shall be paid by the employee electing to have the insurance coverage. In the event that two employees are married to each other, only one insurance policy will be purchased. The Employer's liability under this section shall be limited to these payments.

The City proposes to modify this language to read as follows:

During the term of this Agreement, the Employer agrees to pay up to \$68.43 towards the monthly premium for single subscriber, two-person and family coverage for eligible employees who elect to participate in the group dental insurance plan. This amount shall be adjusted annually to equal the amount of family coverage contracted through our dental insurance provider. In the event that two employees are married to each other, only one insurance policy will be purchased. The Employer's liability under this section shall be limited to these payments.

The Union opposes any change in the language of this provision.

Discussion

The Employer maintains that the change it has proposed is in form rather than substance. Under both the current language and the City's proposal, it will pay the entire cost for the dental insurance program. The City's proposal identifies only the exact amount being paid by the coverage. This change is essential, since employees often fail to recognize the cost of their fringe benefit package and the City's contributions in their behalf.

The Union maintains that both internal and external considerations of comparability support the status quo. For example, the communities of East Grand Rapids, Grand Rapids,

Grandville, Walker and Wyoming provide fully paid dental insurance benefit to its members. Additionally, within the City of Kentwood itself, firefighters as well as police command officers receive fully paid dental insurance.

The City's proposal does not seek to modify its commitment to pay the full cost of firefighters' dental insurance benefits. While its proposal seemingly is cosmetic, the Panel is disinclined to approve it, because it fails to identify clearly for employees that the Employer is funding the full cost of monthly premiums for dental insurance coverage. Furthermore, reiteration of this principle is consistent with the language found in the collective bargaining agreements of comparable communities and in the contracts negotiated between the City and the fire fighters and police command personnel.

At the same time, the Panel can appreciate the Employer's interest in having employees understand the scope of the City's contributions in their behalf. Yet this is an economic issue and the Panel therefore has the obligation to select from the Union or Employer's final offer. It can not substitute its own language. The Panel, however, recommends that along with the current language, the parties add a sentence that identifies the monthly premiums that the City is paying to provide employees dental insurance benefits. In this way employees can appreciate both the magnitude of the City's contributions and the City's current commitment to assume the full cost of this benefit.

Award

The Panel, with the City Delegate dissenting, votes to adopt the Union's last offer on the issue of dental insurance coverage.

VI. Longevity (Union Issue)

Under section 13.1, the Employer agrees to provide the following longevity payments:

After 5 years	\$300
After 10 years	\$600
After 15 years	\$900
After 20 years	\$1200
After 25 years	\$1500

The Union proposes to increase these payments in the following way:

After five years	\$400
After 10 years	\$800
After 15 years	\$1200
After 20 years	\$1600
After 25 years	\$2000

Discussion

The Union maintains that its demand is supported by considerations of internal comparability. It notes that the firefighters receive the same longevity payments. Moreover, command personnel within the police bargaining unit receive the same benefits. Additionally, this benefit would not impose serious economic constraints upon the City. In seeking this benefit, the Union is only attempting to provide patrol officers with the same rewards for long service that other City employees receive.

The City maintains that retention of the status quo is warranted, because the current longevity payments that the City provides police is identical to that provided police by Muskegon and Walker, which have the highest longevity payments of any of the proposed comparable communities. Furthermore, the City maintains that reference to internal

comparability on this issue is inappropriate, as the Union itself has rejected the concept of internal comparability with regard to other fringe benefits such as health-care coverage.

Considerations of internal comparability strongly support the Union's position on this issue. Since 1995, employees represented by the Kentwood General Employees Association and the firefighters union have received longevity payments of up to \$2000 a year after 25 years of service. In upholding the Union's position, the City would only be extending benefits long provided to most other City employees. Indeed, besides patrol officers, the only group that did not have this level of longevity benefit has been police command personnel. Yet this group was extended this benefit in the last round of negotiations. Significantly, to deny patrol officers the longevity benefits that are provided to every other City employee would seem to suggest that their service is less important or less satisfactory than that provided by other employee group. Yet no evidence supports this assertion, and in the absence of any such evidence, there is no reasonable basis for rewarding patrol officers for their years of service with fewer benefits than that provided to other public safety personnel and all other City employees.

The City is correct in noting that external comparability data supports its position. In most other comparable communities, police do not receive the longevity benefits sought by the Union in this proceeding. At the same time, the Panel finds that considerations of internal comparability more compelling. As noted above, there is no reasonable basis for denying patrol officers the same level of benefits currently received by all other employees within the City. Moreover, affording patrol officers higher longevity payments is consistent with the City's own interests. The City is a prosperous community intent on providing superior police protective services to its residents. Furthermore, extending higher longevity benefits to patrol officers would only increase City expenditures over three years by \$5300, and no claim has been

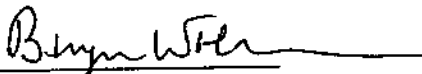
presented that this amount would unduly tax City resources. Consequently, longevity payments are a reasonable mechanism for ensuring that highly experienced and competent officers will continue their employment with the City.

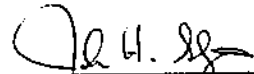
Finally, the Panel finds unpersuasive the City's argument that the Union itself has rejected the concept of internal comparability with regard to health-care coverage, and therefore its reference to internal comparability on this issue is inappropriate. As noted earlier, there is no clear pattern within the City concerning health-care coverage. While non-union workers and employees represented by the Kentwood General Employees Association have opted for Priority Health, the same is not true of other units. Thus in the firefighters' and police command personnel units, Blue Cross-Blue Shield premiums is the benchmark for health care benefits. Consequently, in seeking to continue the status quo with regard to health-care coverage, the patrol officers are only seeking the same benefit currently granted to other emergency service personnel within the City. Examining all the above considerations, the Panel finds the Union's final offer on this issue more reasonable than that of the City.

Award

The Panel, with the City Delegate dissenting, votes to adopt the Union's final offer on longevity.

March 2, 2001


Benjamin Wolkinson
Chairperson

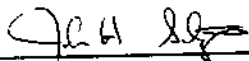

John Gretzinger, City Delegate
(S.W. 4425)


Fred La Maire, Union Delegate

As the City's Delegate to the Act 312 Arbitration Panel, I have signed the Opinion and Award as drafted by Dr. Wolkinson, which correctly indicates that I concur with the result reached on Issue I, Errors in Overtime Assignment, Issue II, Shift Preference and Issue III, Weekly Training Schedule, but dissent from the results reached on Issue IV, Payment of Health Insurance Costs, Issue V, Payment of Dental Insurance Costs and Issue VI, Longevity.

The Opinion and Award also contains certain conclusions regarding the determination of comparable communities for purposes of Section 9(d). As part of his analysis, the Chairperson found that Holland, Muskegon and Wyoming were "comparable communities," but that evidence from Grand Rapids, Walker, East Grand Rapids and Grandville should also be considered but not given the same weight as the three "core comparables." The Chairperson recognized that the population of East Grand Rapids (10,016), Walker (20,381) and Grandville (16,502) was considerably smaller than Kentwood with its population of 43,000, prohibiting them from being true "core comparable" communities. The Chairperson recognized that the working conditions in Grand Rapids were significantly more difficult than in Kentwood, but accorded it some weight because of its geographic proximity. His analysis did not explain why Grand Rapids with a population of 185,000 was appropriately considered to be a comparable community to Kentwood with a population of only 43,000. There was no basis to admit evidence regarding these four disputed communities under Section 9(d) as comparable communities, and I dissent from the conclusion that these communities are considered to be comparable communities to Kentwood under Section 9(d).

Information regarding the terms and conditions of employment for police officers in non-comparable communities that are within Kentwood's labor market is admissible under 9(h), which allows the panel to consider other factors normally taken into consideration during collective bargaining. I believe that the relevant labor market for Kentwood includes the entire Grand Rapids-Muskegon-Holland MSA (metropolitan statistical area). In a 2000 proceeding involving Kentwood's Fire Department, Act 312 Arbitrator Brannick found that Kentwood was part of a labor market that included all of the cities in the Grand Rapids-Muskegon-Holland MSA (metropolitan statistical area) maintaining full time fire departments. This labor market specifically included Rockford and Norton Shores, municipalities excluded by the Chairperson as not being within the relevant labor market. I therefore dissent from any conclusion that the relevant labor market includes Grand Rapids, Walker, Grandville and East Grand Rapids but does not include other cities in the Grand Rapids-Muskegon-Holland MSA (metropolitan statistical area) maintaining full time police departments.



John H. Gretzinger
Delegate for the City of Kentwood