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STATE OF MICHIGAN
DEPARTMENT OF CONSUMER & INDUSTRY SERVICES
EMPLOYMENT RELATIONS COMMISSION
COMPULSORY ARBITRATION UNDER ACT 312
(Public Acts of 1969, as amended)

In the Matter of:

CITY OF KALAMAZOO

-and-

MERC Act 312 Case No. L01 J-4012

KALAMAZOO POLICE OFFICERS
ASSOCIATION

OPINION AND AWARD OF ARBITRATION PANEL

ARBITRATION PANEL:

George T. Roumell, Jr., Chairman
Kevin M. McCarthy, City Delegate
Michael F. Ward, Association Delegate

APPEARANCES:

FOR THE CITY OF KALAMAZOO:

Kevin M. McCarthy, Attorney
Doreen Brinson, Director, HR/Labor Relations
Jerome Post, Labor Relations Specialist
Dan Weston, Chief of Public Safety
Kathy Straits, HR Advisor

FOR THE KALAMAZOO POLICE
OFFICERS ASSOCIATION:

Michael F. Ward, Attorney
Theodore Lupina, KPOA President
Charles Culver, KPOA Vice President
Patrick Wujkowski, KPOA Board
Larry Preston, KPOA Board
John Shubnell, KPOA Board

STATE OF MICHIGAN
BUR. OF EMPLOYMENT RELATIONS
DETROIT OFFICE

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Introduction

The Kalamazoo Police Officers Association, Kalamazoo Lodge No. 98 of the Fraternal Order of Police, represents some 200 employees of the City of Kalamazoo Public Safety Department. The unit was described in the Petition implementing this Act 312 procedure as:

All full-time and part-time public safety officers, police officers, detectives, lab techs, polygraph examiners, crime lab I & II, deputy fire marshal, community service officer, dispatchers, group leaders and computer services employees.

Over the years, the City of Kalamazoo and the Kalamazoo Police Officers Association have had a series of collective bargaining agreements. Around 1985, the Department became a Public Safety Department with most of the Police Officers becoming Public Safety Officers.

The last labor agreement between the City and the Association ran from the period of January 1, 1998 expiring on December 31, 2001.

Following negotiations for a successor Agreement and at least two mediation sessions one lasting nine hours and the second lasting three hours, on January 3, 2002, the Association filed a Petition for Arbitration with the Michigan Employment Relations Commission. The Association listed fourteen issues in dispute, namely:

1. Critical illness/funeral leave
2. Hourly rate for 56 hour employees
3. Additional holiday
4. Longevity
5. Opt-out of health insurance, amount and payment
6. Dental coverage for retiree and spouse
7. Use of sick leave for FLMA absences
8. Workers' compensation supplement
9. Increase pension multiplier
10. Pension post retirement adjustment for employees retiring at 50 or 25 years of service
11. Duration
12. Classification upgrade for school safety CSO and crime lab

13. Wages
14. Seniority for employees returning to bargaining unit

The City of Kalamazoo responded in an answer to the Act 312 Petition by challenging two of the issues that the Association claimed were at issue, namely:

A. Relative to the listing of issues identified by the Union in its Petition, the Employer agrees that such issues were raised and unresolved in negotiations, except the following:

Union Issue #7 - Use of Sick Leave for FMLA Absences. This issue was withdrawn by the Union in a bargaining session on July 16, 2001.

Union Issue #14 - Seniority for Employees Returning to the Bargaining Unit. This issue was never raised in negotiations by the Union and was not discussed or the subject of negotiations by the parties.

In addition, the City maintained that from its perspective, the following issues were unresolved:

- C. The Employer maintains the following proposals:
1. Management Rights (Article I, Section 2)
 2. Conditions of Employment (Article I, Section 3)
 3. Association Executive Board (Article I, Section 6(a))
 4. Association Representative (Article I, Section 6(b))
 5. Probation Period (Article IV, Section 2)
 6. Termination of Seniority (Article VI, Section 5(d))
 7. Temporary Transfers (Article VI, Section 10)
 8. Medical Leave of Absence (Article VII, Section 2)
 9. Normal Duty Days (Article VIII, Section 1(a))
 10. Training Time (Article IX, Section 5)
 11. Drug Testing (Article XVII, Section 4)
 12. Backfilling for Officers on Transport (Article XVIII, Section 8)
 13. Health Insurance Contribution by Employees (Article XIII, Section 1)
 14. Prescription Insurance Co-Payments by Employees (Article XIII, Section 1(a))

15. Dental Insurance Employee Contribution (Article XIII,
Section 1(b))

By the time the Act 312 hearings were concluded, the following Association issues were withdrawn (using the numbering on the Petition for Act 312):

1. Critical Illness/Funeral Leave
3. Additional Holiday
5. Health Insurance Opt-Out
6. Retiree and Spouse Dental Insurance
12. Classification Upgrade for School Safety, CSO and Crime Lab Officers

Similarly, the following Employer issues were withdrawn (using the numbering on Employer's Answer to Act 312 Petition):

2. Conditions of Employment.
3. Association Executive Board
6. Termination of seniority
8. Medical Leave of Absence
15. Dental Insurance Employee Contribution

The parties also entered into a Stipulation that the successor agreement to the 1998-2001 agreement would be a three year agreement running from January 1, 2002 through December 31, 2004.

This recitation indicates that of the 14 claimed unresolved issues set forth by the Association in its Act 312 Petition, eight issues needed to be addressed by the Panel by an Opinion and Award, recognizing that the duration was stipulated to by the parties. These issues were (again using the numbering set forth in the Association's Petition):

2. Hourly Wage for 56 Hour Employees
4. Longevity
7. Use of Sick Leave for FMLA Absences
8. Workers' Compensation Supplement
9. Pension Multiplier
10. Post-Retirement Pension Benefit Adjustment
13. Wages

14. Seniority for Employees Returning to the Bargaining Unit

Of the City's 14 unresolved issues set forth in the answer to the 312 petition, the following ten issues remained to be resolved by an Opinion and Award were (using the original numbers):

1. Management Rights
4. Association Representation
5. Probation Period
7. Temporary Transfers
9. Normal Duty Days
10. Training
11. Drug Testing
12. Backfilling for Officers in Transport
13. Health Insurance Contribution
14. Prescription Insurance Co-Pay

This Opinion and Award will address these open issues.

Authorship of Opinion

The Opinion has been written by the Chairman. The language and the views expressed are those of the Chairman. Each issue will be awarded by the Chairman, concurred in by at least one Delegate in order to reach a majority award as to the issue. However, the signature of the Delegate in such capacity does not necessarily mean that that Delegate agrees with all of the statements made by the Chairman. Yet, at a minimum, said signing Delegate concurred in reaching a majority decision on the given issue. The dissenting Delegate as to each issue has elected not to file a written dissent in the interests of brevity, but does register his dissent.

Economic and Non-Economic Issues

Pursuant to Section 8 of Act 312 (MCLA 423.238), the Panel must decide which issues are economic and which are non-economic, recognizing that, as to economic issues, the last best offer of a party must be accepted. All of the Association's issues are economic issues subject to

a last best offer, except possibly the seniority issue. As to the City issues, the Chairman believes that management rights and drug testing may not be economic issues but the remaining City issues are economic issues. In any event, since the parties did present last best offers on all issues, even as to what the Chairman perceives to be non-economic issues. The Chairman has elected to accept one of the other of the last best offers on both economic and any alleged non-economic issues.

Comparables

The Association contends that the appropriate comparables are the Kalamazoo County Sheriffs' Department, Kalamazoo Township and the City of Portage, which have police departments whose officers are part of the Kalamazoo County Police Officers Association. The Association listed areas of cooperation between these Departments, including back-up, area club meetings and similar activities. It was also pointed out that the four units shared financially from the same funding sources, noting that Kalamazoo County has a law enforcement millage shared by all four Departments. The City would expand the list beyond the Kalamazoo County Sheriffs' Department, Kalamazoo Township and Portage. As a result, the Chairman was advised that neither party would object to the following list of communities being used as comparables in this proceeding:

- Battle Creek
- East Lansing
- Grand Rapids
- Jackson
- Kalamazoo County
- Kalamazoo Township
- Lansing
- Portage
- Saginaw
- Wyoming

The Criteria

Section 9 of Act 312 (MCLA 423.239) provides for the criteria that an arbitration panel is to apply in reaching an award. Section 9 reads in its entirety:

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 the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally
 - i) In public employment in comparable communities
 - ii) In private employment in comparable communities
- e) The average consumer prices for goods and services, commonly known as the cost of living
- f) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays and other excised time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received
- g) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings

- h) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties in the public service or in private employment.

Section 9(c) and (d) represent the basic economic driving force in any collective bargaining for a contract, whether it be in the public or private sector. Section 9(c) addresses financial ability. Section 9(d) addresses comparables. In negotiations, an employer, in this case the City of Kalamazoo, in providing wages and other economic benefits to employees, is driven by its financial ability to do so. A union, here the Association, is driven by its desire to receive wages and other economic benefits comparable with other similarly-situated employees employed by other employers, particularly in the geographical area involved.

The Section 9(e) criteria, the consumer cost of living, also drives negotiations with the employer assessing whether its revenues and therefore its financial ability are impacted by the cost of living, and the employees assessing whether they are being offered wages and economic benefits consistent with the cost of living.

Section 9(f), overall compensation, is always a factor, coupled with a point very carefully noted in that section, "the continuity and stability of employment." As members of the Association have not experienced layoffs in the past, the police officers can expect "continuity and stability" of employment. Such a fact can influence the economic considerations because, in the end, it is the employees' annual income and benefits that are crucial, when contrasted with employees who may expect, at points during a year's time, not to have income because of layoffs.

Section 9(h) is a "catch-all" criteria. It recognizes that in reaching collective bargaining agreements, parties have developed certain guides or criteria in mutually arriving at collective

bargaining agreements. One of such criteria is the bargaining history of the parties. Collective bargaining is not done in a vacuum, but against a historical background. Such history can guide the parties toward a current agreement.

In other words, the pattern of the parties' bargaining over the years in negotiations gives some guidance as to the result they may have reached, absent Act 312 arbitration. Likewise, the current bargaining history, or what went on at the bargaining table and what tentative offers were made, would give some guide as to what the parties may have reached in their current bargaining atmosphere.

Negotiators in collective bargaining apply common sense in arriving at collective bargaining agreements. This concept of "common sense" includes the "art of the possible" criteria, or what is possible under the given circumstances of the negotiation situation. The aim is to reach a collective bargaining agreement. The "art of the possible" is a criteria encompassed in 9(h). For example, the City wishes to control its costs. The officers, through their negotiating team, expect pay increases and other improvements. Somewhere between these positions there is the "art of the possible" in formulating a collective bargaining agreement.

Encompassed in Section 9(h) is the strike criteria. Strikes in the geographical area which have been settled may offer some clue of what a settlement may be in a given situation, if one recognizes that interest arbitration is a substitute for a strike. Thus, settlements following strikes in the area can give some guidance. The strike criteria can be utilized in assessing whether the parties, if a strike was an option, would permit an issue to cause a strike, particularly if all other issues were settled. Such an assessment can be a guide in resolving the dispute.

Section 9(h), as well as Section 9(c), "the interests and welfare of the public,"

encompasses the concept that bargainers consider the nature of the work of the employees involved in arriving at collective bargaining agreements. This concept is a factor here because of the nature of police and public safety work and the public's expectations as to public safety performance.

The above discussion explains the criteria that the Chairman has followed in drafting the Opinion and Awards and in urging a given delegate to join in an award on a particular issue.

Municipal and Department Background

The City of Kalamazoo is the major city in Kalamazoo County. The City is home to a major state university as well as two well-known private colleges. In addition, the City has an industrial base.

Around 1982, the Police Department became a Public Safety Department and, by the time of this Act 312 proceeding, most of the Police Officers are cross-trained in police and fire service and are known as Public Safety Officers (PSO). There are a few officers who are not cross-trained, known as police officers (PO). There are, as set forth in Article VIII, Section 1(a), Hours of Work, some IAFF bargaining unit members assigned to district stations as equipment operators. PSO's engage in fire fighting as well as traditional police activities. PSO's working in operations divisions and patrol officers work a 12 hour schedule and average a 42 hour work week.

Against this background, the City, in Exhibit 9CR, set forth a net pay exhibit comparing the compensation of cross-trained City of Kalamazoo officers with the compensation of officers in the Kalamazoo County Sheriff's Deputies Association, Kalamazoo Township and City of Portage, as follows:

20 Year Patrol Officer - 2001 - Taking full family Health Insurance

Employer	Salary	Longevity	Employee Pension contribution	Employee Health Insurance Contribution	Social Security Deduction	NET PAY	Net Pay - officer with College Degree (130 credit hours)
Kalamazoo County Sheriff's Deputies Assn.	\$51,896.00	\$3,373.00	\$0.00	\$0.00	(\$4,146.00)	\$51,124.00	\$500.00 \$51,124.00
Kalamazoo Township	\$49,753.00	\$2,400.00	\$0.00	\$0.00	(\$3,911.00)	\$48,242.00	\$0 \$48,242.00
City of Portage	\$51,200.00	\$3,840.00	\$0.00	(\$432.00)	\$3,808.00)	\$46,960.00	\$500.00 \$47,460.00
Average						\$48,775.33	\$48,942.00
City of Kalamazoo	\$58,400.00	\$1,800.00	(\$3,288.00)	(\$540.00)	\$0.00	\$56,372.00	\$56,372.00

None of the three other departments compared in the above exhibit are public safety departments having cross-trained officers. In fact, none of the comparables proffered by the parties are public safety departments. Rather, these communities have traditional police departments.

In the City of Kalamazoo, officers classified as PO II's, who are not cross-trained, receive a base wage of \$53,114.88. This compares with the base salaries noted above of the Kalamazoo County Sheriff's Deputies Association, Kalamazoo Township and the City of Portage along with other comparable communities, namely:

	2001 Salary		
	P.O. II	Longevity	Total
Kalamazoo (Current)	\$53,114.88	\$1,800.00	\$54,914.88
Battle Creek	\$44,484.96	\$1,000.00	\$45,484.96
East Lansing	\$46,113.60	\$1,289.60	\$47,403.20
Grand Rapids	\$51,094.32	\$990.00	\$52,084.32
Jackson	\$46,221.00	\$3,092.00	\$49,313.00

Kalamazoo County	\$52,415.00	\$3,407.00	\$55,822.00
Kalamazoo Twp.	\$49,765.00	\$3,000.00	\$52,765.00
Lansing	\$50,228.66	\$4,018.00	\$54,246.66
Portage	\$51,200.41	\$3,840.00	\$55,040.41
Saginaw	\$52,144.00	\$3,128.00	\$55,272.00
Wyoming	\$47,819.00	\$1,000.00	\$48,819.00

The Chairman recognizes that the longevity in some of these communities would increase the officers' total compensation. In Kalamazoo, it was represented that the longevity was \$1,800.00 whereas in Jackson, the longevity was \$3,092.00, bringing the compensation in Jackson to \$49,313.00.

Historically, the City and the Association have negotiated a 10% premium for cross-trained officers (see Exhibit 13AC). This premium is reflected in a higher wage comparable as compared with the other comparables which, as noted, are not public safety departments. This phenomena has also resulted in PO II's in Kalamazoo having a higher base salary than any of the comparables. Some of the comparables do have higher longevity.

Thus, as to base wages, the Section 9(h) factor of past bargaining history is applicable in analyzing the wage offers of the parties because by examining the bargaining pattern over the years, particularly since the City's Police Department became a Public Safety Department, the parties have bargained a salary that is higher than the comparables.

Against this background, the Chairman turns to the Association's issues beginning with two key economic issues, wages and longevity.

Association Issues

Issue No. 13 – Wages

In the background discussion, the Chairman set forth the comparables of wages or salary for public safety officers as well as PO II's. Noting these comparables, the question is, what would be the appropriate pay increase for the coming years. Obviously, the Association desires to be kept in its relative comparable position. The City seeks to offer increases consistent with economic conditions considering that this is a time of moderate cost of living increases and a struggling economy.

In this regard, the following contractual percentage increases among the comparables is as follows:

Contractual Percentage Increases

Employer	2002	2003	2004
Battle Creek	1/1 - 1.5, 7/1 - 3.0	Open	
East Lansing	Open	Open	
Grand Rapids	3.15	Open	
Jackson	2.75	3.25	
Kalamazoo County	3.5	Open	
Kalamazoo Twp	3.75	3.75	
Lansing	1/1/02-7/2/02-1.5 7/1/02-1.55	1/1/03-1/7/03 -1.5 1/7/03-1.6	1/1/04-1/7/04-1.6 1/7/04-1.6
Portage	Open	Open	Open
Saginaw	Open	Open	Open
Wyoming	6.02	3.25	

Not all of the comparables have reached agreement covering any of the years at issue here. This appears to be the case at East Lansing, Portage and Saginaw. The remaining comparables have reached agreement for 2002, but only Jackson, Kalamazoo Township, Lansing and Wyoming have reached agreement for 2003. Only Lansing has reached agreement for 2004.

What these comparables illustrate is that, though there are the wage increases in

Kalamazoo County of 3.5% and Kalamazoo Township of 3.75% for 2002, this could be attributable to the fact that, as compared to the City of Kalamazoo PO II, officers in the County and Township could argue that they needed more than a 3% increase to catch up with the comparable City of Kalamazoo as to non-cross trained police officers. This might well explain Kalamazoo Township's 3.75% for the second year 2003. But noting this phenomena, other communities for the year 2002 have hovered around 3%, give or take. Jackson is at 2.75%. Though Lansing by the end of the fiscal year will have its officers at 3.05%, there is a split wage increase, meaning that the total monies that Lansing officers will earn by way of increase for the year represented by Lansing's 2002 fiscal year is somewhat less than 3%. The same can be said for the Lansing settlements for 2003 and 2004. The Battle Creek 2002 increase ends at 4.5% but is less money for the year because it is a split increase. Furthermore, of the comparables, Battle Creek has the lowest base wage rate which suggests that the 2002 raise is in the catch up category. Wyoming at 6.02% seems to be in a catch up mode as the Wyoming base wage was substantially below the adjacent Grand Rapids.

For 2003, Kalamazoo Township is at 3.75%, which the Chairman suggests may be a function of the perceived need to be more comparable with the City of Kalamazoo PO's. Jackson and Wyoming in 2003 have increases of 3.25% and 3.20%, respectively, in 2003. This increase is slightly over 3% and may still be a factor of catch up because, with the comparables, both Jackson and Wyoming are quite low. Lansing's increases are split increases and, though representing a 3.10%, as already pointed out, actually over the year, because of the split, represents compensation-wise less than a 3% increase. The same can be said for Lansing in 2004 where the total increase is 3.2%, but is a split increase, suggesting that the total compensation for

the year involved is less than 3%.

As the Chairman has noted, the parties historically have negotiated a premium for the PSO's, recognizing cross-training. Presumably, the PO's in Kalamazoo have profited from this factor because their base wage among the comparables without considering longevity is at the top of the comparables.

Obviously, the Association historically has reached a certain ranking with comparables in Kalamazoo County and elsewhere in Michigan. The aim is to at least keep this relative position and obtain a pay raise that is consistent with that being given by the comparables. This aim recognizes the historical bargaining pattern in the City of Kalamazoo.

It is based upon the above comments that the Chairman reviews the last best offer of the City and the Association. The offers are presented on a year-to-year basis and therefore will consider the offers for each year as separate from the offers of other years. In other words, the offer for 2002 will be considered separately from the offer for 2003. Likewise, the offer for 2004 will be considered separately from the offers for 2002 and 2003.

The Association's last best offer on this issue is that Appendix A. Kalamazoo Police Officers Association Hourly Wage Schedule, of the Agreement be changed as follows:

First Year of the Agreement, i.e., January 1, 2002 through December 31, 2002 and retroactive to said dates each step of each classification and/or pay grade of the hourly wage schedule shall be increased by three and one half (3.5%) percent.

Second Year of the Agreement, i.e., January 1, 2003 through December 31, 2003 and retroactive to said dates each step of each classification and/or pay grade of the hourly wage schedule shall be increased by three (3.0%) percent.

Third Year of the Agreement, i.e., January 1, 2004 through December 31, 2004 each step of each classification and/or pay

grade of the hourly wage schedule shall be increased by three (3.0%) percent.

The last best offer of the City is as follows:

Each year will be dealt with as a separate issue. All pay rates contained in Appendix A will be increased by the following percentages:

- A. Effective January 1, 2002: 2.85%
- B. Effective January 1, 2003: 2.75%
- C. Effective January 1, 2004: 2.75%

It is true that in the year 2000, Kalamazoo County and Kalamazoo Township did give increases of 3.5% and 3.75%, respectively. On the other hand, as the Chairman has observed, some comparables seem to hover around 3%, give or take. And in those cases, including Kalamazoo County and Kalamazoo Township, where there were increases above 3%, one could characterize these increases, based upon the comparables with the City of Kalamazoo for PO II, as catch up. True, the City's offer for January 1, 2002 is 2.85%, which is somewhat less than 3%. But when one factors in Lansing and Jackson, this percentage increase is consistent with at least some of the comparables, whereas the 3.5% increase offered by the Association is not, recognizing that Kalamazoo Township, for example, at a PO salary of \$49,765.00, is about \$3,349 behind the Kalamazoo PO II rate. This could explain the 3.75% increase in Kalamazoo Township. As for Kalamazoo County, the comparison at a PO salary is \$53,114.88 for the City of Kalamazoo versus \$52,415.00 for Kalamazoo County which, again, could explain the 3.5% increase in the County as a catch up factor, as already noted.

The Chairman must select one of the two last best offers. Considering the above discussion and recognizing that some increases in 2002 have hovered around 3%, the Chairman believes that the 3.5% offer of the Association effective January 1, 2002 is inconsistent with the

comparables. The 2.85% of the City effective January 1, 2002 is approximately consistent with some of the comparables and will keep the Association members at their relatively previously bargained position as compared to the comparables. For this reason, the Chairman, joined by the City Delegate, will adopt the last best offer of the City as to wages, namely, 2.85% effective January 1, 2002. The Association Delegate dissents.

As to the wages effective January 1, 2003, considering that Wyoming, Jackson and Kalamazoo are over 3%, it would seem on the same rationale as for the first year that the last best offer of the Association of 3% is more in keeping with the comparables than the 2.75% offer of the City. The Chairman therefore, joined by the Association Delegate, will adopt, effective January 1, 2003, a 3% wage increase. The City Delegate dissents.

Likewise, the same rationale would apply for the year effective January 1, 2004. There is only one community in the comparables that has an agreement covering 2004, namely, Lansing. Though the Chairman has pointed out that the Lansing wages are split, the fact is that at the end of the year Lansing officers will, for example, be paid at a 3.2% increase rate. Remember, there are historical bargaining patterns between the Association and the City establishing a certain comparable positions. It would seem, therefore, that if this Chairman opted for the City's offer of 2.75%, such an increase would not keep the comparable ratio that has been established by the parties by their previous bargaining patterns. For this reason, the Chairman, along with the Association Delegate, will award a 3% increase effective January 1, 2004. The City Delegate dissents.


It should be understood that the increases awarded are across-the-board, namely, the percentage increases are for each classification.

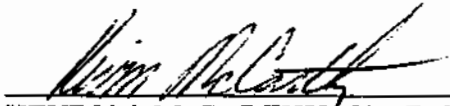
AWARD


Effective January 1, 2002, the members of the Association in each classification shall receive a 2.85% increase.

Effective January 1, 2003, the members of the Association in each classification shall receive a 3% increase.

Effective January 1, 2004, the members of the Association in each classification shall receive a 3% increase.


GEORGE T. ROUMELL, JR., Chairman


KEVIN M. MCCARTHY, City Delegate
Concurring as to the award effective January 1, 2002; dissenting as to the award effective January 1, 2003 and January 1, 2004


MICHAEL F. WARD, Association Delegate
Dissenting as to the award effective January 1, 2002; concurring as to the award effective January 1, 2003 and January 1, 2004

Issue #4 – Longevity

The expiring 1998-2001 Agreement in Article XII, "Longevity Pay." provided in Section

1:

Section 1: Employees who, during the calendar year, complete six (6) years of continuous service with the Employer and who, as of the day of payment thereof, in such year are still employed by the Employer shall qualify for a lump sum longevity payment on or before December 7 of that year which shall be computed as

follows:

6-10 years of service = 2% of \$30,000 base salary.
11-14 years of service = 4% of \$30,000 base salary.
15+ years of service = 6% of \$30,000 base salary.

Only full time employees are eligible for longevity payment.

The configuration of the longevity pay provision is that longevity is based upon years of service, with those having more service receiving increased longevity pay, with the pay being based on a percentage of a \$30,000 base salary. This \$30,000 base salary serves as a cap.

In the comparable charts already quoted in this Opinion, it is noted that the maximum longevity pay in the City of Kalamazoo is \$1,800.00, namely, 6% of \$30,000 after 15 years of service. This is compared with, on a 20 year Patrol Officer level, longevity of \$3,373 for Kalamazoo County, \$2,400 for Kalamazoo Township, and \$3,840 in Portage. There are other comparables that suggest less longevity such as East Lansing at \$1,289.60, Lansing and Wyoming at \$1,000, East Lansing, Battle Creek at \$1,000. But then Lansing is slightly over \$4,000, Jackson slightly over \$3,000. In other words, the longevity payments vary among the compared communities.

The City certainly can find communities paying less than the City pays. On the other hand, the Association in particular points out that, within Kalamazoo County, three other departments are paying more longevity payments. Yet, the City maintains that it is competitive. The problem, however, is that longevity becomes part of overall compensation. For this reason, the Association, particularly since most of its members are Public Safety Officers, to keep a competitive position, particularly within the County, does make a case for an increase in longevity payments. The last best offer of the City is to maintain the status quo.

The Kalamazoo Police Officers Association's last best offer is that Section 1 of Article

XII - Longevity Pay, be changed to read as follows:

Section 1. Employees who, during the calendar year, complete six (6) years of continuous service with the Employer and who, as of the day of payment thereof, in such year are still employed by the Employer shall qualify for a lump sum longevity payment on or before December 7 of that year which shall be computed as follows:

6-10 years of service =	2% of \$30,000.00 base salary
11-14 years of service =	4% of \$30,000.00 base salary
15+ years of service =	6% of \$30,000.00 base salary

Effective January 1, 2003:

6-10 years of service =	2% of \$35,000.00 base salary
11-14 years of service =	4% of \$35,000.00 base salary
15+ years of service =	6% of \$35,000.00 base salary

Effective January 1, 2004:


6-10 years of service =	2% of \$40,000.00 base salary
11-14 years of service =	4% of \$40,000.00 base salary
15+ years of service =	6% of \$40,000.00 base salary

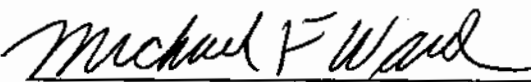
Only full time employees are eligible for longevity payments.

It is noted that for the year effective January 1, 2002, the last best offer of the Association is to maintain the status quo. However, effective January 1, 2003, the base or cap is increased to \$35,000.00. Otherwise, the years of service and the percentage remain the same as in the expiring contract. Effective January 1, 2004, the same configuration is followed as in the current contract, except the cap is increased to \$40,000.00. This means that at the 15 year patrol level, an officer would receive longevity pay of \$2,400.00, which compares favorably with Kalamazoo Township, but still below the County and the City of Portage.

As the Chairman views it, the proposed increases are modest and designed to be competitive with the comparables, whereas remaining the status quo, particularly within the County is not competitive. It is for these reasons the Chairman, along with the Association Delegate concurring, will award the last best offer as outlined above of the Kalamazoo Police Officers Association. The City Delegate dissents on this award.


GEORGE T. ROUMELL, JR., Chairman


KEVIN M. MCCARTHY, City Delegate
Dissenting as to the award on longevity


MICHAEL F. WARD, Association Delegate
Concurs as to the award on longevity

Issue #2 – Hourly Rate for 56-Hour Employees

The City introduced Exhibit 2CA, "Letter of Agreement," which is undated but, by its contents, suggests that it was entered into at the time the Department converted to a Public Safety Department.

This Letter of Agreement referenced PSO/EO positions which have their origin in fire services. The Letter of Agreement in part reads:

* * *

1. The sixteen (16) PSO/EO positions which were filled by K.P.O.A. members shall remain K.P.O.A. positions and shall be filled by K.P.O.A. members as vacancies in those positions occur in the future. in accordance with the contractual bid procedures. provided that in no event will the City be required to staff fire apparatus equipment with a

total of more than thirteen employees per shift plus additional employees at the City's discretion. The city has no present intention of changing its current practice of overstaffing each shift by at least one employee (i.e., for a total of fourteen employees per shift).

2. In addition to the sixteen (16) PSO/EO positions, K.P.O.A. members will be allowed to bid on Equipment Operator openings when they are vacated by I.A.F.F. Equipment Operators hired prior to January 1, 1982, provided no existing I.A.F.F. Firefighters (i.e., Giacobone or Chambers) bid on the openings and these twenty-six (26) positions shall become K.P.O.A. positions....

* * *

4. In addition the parties agree that K.P.O.A. members occupying the classification of PSO/EO will work the same Saturday work schedule as worked by I.A.F.F. equipment operators.
5. For the purpose of calculating PSO/EO overtime the following guidelines shall apply:
 - a. The wage rate for all OT duties performed in the capacity of PSO/EO will be calculated by multiplying the appropriate Appendix A rate for PSO II times 2088 and then dividing by 2912 to obtain the base rate then multiply said base rate by one-and-one-half (1-1/2).

* * *

Obviously, this Letter of Agreement was a recognition that members of the Kalamazoo Police Officers Association who are cross-trained with field positions that were traditionally filled by fire fighters and work the traditional 56 hour work week cycle associated with the fire services. Except for the reference in Paragraph 5a of the Letter of Agreement as to calculating overtime, there is nothing in the expiring Collective Bargaining Agreement or previous Agreements that referred to the calculation of the rate for PSO/EOs who work the traditional fire service 56-hour

service. The Association has proposed to add language to the Agreement setting forth the rate of pay for 56 hour employees.

The Kalamazoo Police Officers Association's last best offer of settlement on this issue is that a Section 1 be added to the Hourly Wage Schedule specified in Appendix A of the Collective Bargaining Agreement which shall read as follows:


Section 1. The hourly pay rate for 56-hour PSO/EOs will be adjusted effective 1/01/02 by multiplying the 42-hour PSO II hourly rate by 2.132 and dividing by 2.912. Effective 1/01/03, the hourly pay rate for 56-hour PSO/EOs will be adjusted by multiplying the 42-hour PSO II hourly rate by 2.184 and dividing by 2.912.


The City's last best offer is to maintain the status quo by leaving the 56-hour PSO/EO hourly rate as at present, with the only increase being the across-the-board increase pursuant to Union Issue #13.

The Chairman has reviewed the respective last best offers. He agrees with the Association that there should be language in the Collective Bargaining Agreement setting forth the hourly pay rate for 56-hour PSO/EOs. The Chairman has also made reference to the Letter of Agreement, noting that the formula proposed is similar to the formula in Paragraph 5a of the Letter of Agreement. There is a modification of the formula effective January 1, 2002 and January 1, 2003. There is nothing out of the ordinary in the last best offer of the Association. Using the criteria of the art of the possible, it would seem that if the parties were in bargaining and had reached an agreement without Act 312, such a proposal would have been agreed to if the Association insisted on same. By making a last best offer and keeping the 56-hour issue on the table, the Association by its actions has indicated that this would be an issue that it would insist on if bargaining without the aid of Act 312. Therefore, applying the art of the possible criteria,

and noting that the formula is not too different than what the parties agreed to in the Letter of Agreement some time ago, as quoted above, the Chairman will award the last best offer of the Association. The Association Delegate concurs in said award. The City Delegate dissents.


GEORGE T. ROUMELL, JR., Chairman


KEVIN M. MCCARTHY, City Delegate
Dissents as to the award on 56-hour employees


MICHAEL F. WARD, Association Delegate
Concurs as to the award on 56-hour employees

Issue #3 – Use of Sick Leave for FMLA Absences

The Kalamazoo Police Officers Association's last best offer on this issue is that subsection (a) of Section 3, Article XIV - Sick Leave be changed to read as follows:

- (a) When an employee's absence from work is due to a non-work incurred illness, injury or pregnancy, provided such illness or injury was not attributable to causes occurring while doing work for which he or she is paid by someone other than the Employer. Employees may use their paid sick leave for any absence which would qualify for a FMLA leave.

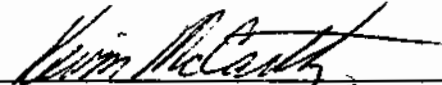
The City's last best offer on this issue is to maintain the status quo of Article XIV, Section 3(a). This section would continue to read:


When an employee's absence from work is due to a non-work incurred illness, injury or pregnancy, provided such injury, illness or pregnancy was not attributable to causes occurring while doing work for which he or she is paid by someone other than the Employer.

The parties submitted comparables as to this issue with the Association noting that in the City of Kalamazoo the use of sick leave for FMLA absences was "only for employee and dependent illness or injury."

The comparables are far from consistent on this issue. Given the representation in the Association's exhibit as to when sick leave can be used, the Chairman believes that, if the parties had bargained without the aid of Act 312, they would have reached an agreement based upon the City's last best offer, for this issue is not a main thrust of the Association. For this reason, the Chairman will adopt the last best offer of the City, joined by the City's Delegate. The Association's Delegate dissents.


GEORGE T. ROUMELL, JR., Chairman


KEVIN M. MCCARTHY, City Delegate
Concurs as to the award as to use of sick leave for
FMLA absences


MICHAEL F. WARD, Association Delegate
Dissents as to the award as to the use of sick leave
for FMLA absences

Issue #8 – Worker's Compensation Supplement (Article XIV, Section 3(b))

The Kalamazoo Police Officers Association's last best offer on this issue is that subsection (b) of Section 3. Article XIV - Sick Leave of the agreement be changed to read as follows:

(b) There shall be no deduction from sick leave credits from the first (1st) day of and for a period of fifty two (52) weeks, when an employee's absence from work is necessitated because of an injury or illness arising out of or in the course of his or her employment by the Employer and which is compensable under the Michigan Workers' Compensation Act. During such period, the Employer will make up the difference between the amount of daily benefit to which he or she is entitled under the Act and the amount of daily pay he or she would have received in his or her own job classification had he or she worked, but not to exceed the daily pay for the regularly scheduled hours lost from work. Thereafter, in accordance with past practice, an employee's unused accumulated paid sick leave credits shall be reduced by the difference between the amount of daily benefit he or she is entitled to under the Act and the amount of daily pay he or she actually receives. It is understood that agreed that in the event the Employer's medical doctor certifies that the employee is capable of performing light police duty, he or she shall report for such duty, unless the employee's medical doctor certifies that the employee should not return to work in which event, if the Employer continues to desire the employee to return to light duty, the employee shall then be sent to a medical doctor jointly selected by the Employer and the Association. The Employer shall pay the fee for this examination. The decision of such medical doctor shall be final and binding upon the Employer and the Association.

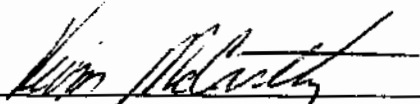
The City's last best offer is to maintain the status quo by retaining the current language of the first sentence of Article XIV, Section 3(b), which reads:

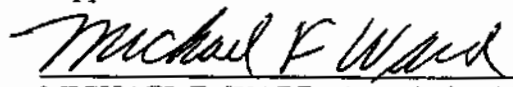
There shall be no deduction from sick leave credits for a period of fifty two (52) weeks, when an employee's absence from work is necessitated because of an injury or illness arising out of or in the course of his or her employment by the Employer and which is compensable under the Michigan Workers' Compensation Act.

In reviewing this matter, the Chairman has reviewed the comparables and notes there are variations as to this issue. Given the fact that the current language has been in the contract for some time, the Chairman relies on the bargaining history of the parties to conclude that at the present time there is no basis to change the contract language. For this reason, the Chairman will

sign an award with the City Delegate concurring, adopting the last best offer of the City on this issue. The Association Delegate dissents.


GEORGE T. ROUMELL, JR., Chairman


KEVIN M. MCCARTHY, City Delegate
Concurs as to the award on Worker's Compensation Supplement


MICHAEL F. WARD, Association Delegate
Dissents as to the award on Worker's Compensation Supplement

Issue #9 - Pension Multiplier

The Kalamazoo Police Officers Association's last best offer on this issue is that the first full paragraph of subsection (b) of Section 1, Article XV - Pension of the Agreement be changed to read as follows:

(b) Effective January 1, 1999, the Plan shall be amended to provide: (1) a Normal Retirement Benefit after 25 years of credited service or age 50 with 10 years of credited service, whichever occurs first and to provide a Normal Retirement Benefit calculated on the basis of 2.6% times Final Average Compensation times the years of credited service with a maximum benefit equal to 67.5% of Final Average Compensation. Effective for employees retiring after December 31, 2001, the Normal Retirement Benefit shall be calculated on the basis of 2.75% times Final Average Compensation times the years of credited service with a maximum benefit equal to 71.5% of Final Average Compensation: (2) an Early Retirement Benefit for employees retiring on or after completion of 20 years of service, but their benefit shall be based upon 2.0% times Final Average Compensation times years of credited service; (3) a Vested Benefit for employees who terminate employment with a vested benefit shall be based upon 2.0% times Final Average Compensation times years of credited service and

such benefit shall be payable when the employee would have qualified for a Normal Retirement Benefit had he or she remained employed; (4) the following definition for on the job injury:

'If a Police member, Fire member or Public Safety Officer member is totally incapacitated for duty as a Police Officer, Fire Fighter or Public Safety Officer and the Board finds that his or her disability is the natural and proximate result of causes arising out of and in the course of his or her employment as a Police Officer, Fire Fighter or Public Safety Officer with the Employer and that the employee will likely be permanently so incapacitated, the member shall be entitled to a duty disability retirement allowance calculated in the same manner as a Normal Retirement Benefit.'

The last best offer on the pension multiplier of the City is to modify the pension multiplier from its current level of 2.6% to 2.7%, effective January 1, 2003, by adding a second sentence to Article XV, Section 1(b), so that the first two sentences of this section will read,


Effective January 1, 1999, the Plan shall be amended to provide:
(1) a Normal Retirement Benefit after 25 years of credited service or age 50 with 10 years of credited service, whichever occurs first, and to provide a Normal Retirement Benefit calculated on the basis of 2.6% times Final Average Compensation times the years of credited service with a maximum benefit equal to 56.5% of Final Average Compensation. *Effective for employees retiring after January 1, 2003, the Normal Retirement Benefit shall be calculated on the basis of 2.7% times Final Average Compensation times the years of credited service with a maximum benefit equal to 70.2% of Final Average Compensation.* [The remainder of the section remains unchanged]


The current pension multiplier is 2.6% with a maximum benefit of 67.6% of final average compensation. The Association has proposed that the multiplier be increased to 2.75% with a maximum of 71.5% of final average compensation. Within Kalamazoo County, the County, Kalamazoo Township and the City of Portage have defined contribution plans. The other

comparables have a variety of multipliers varying from 3% of the first 25 years (Battle Creek) to 2.6% for the first 25 years (Saginaw) and 2.5% in Wyoming. The comparables with such variables do not serve as much of a guide.

But what is impressive on the Chairman is that the City did recognize that there should be a change in this contract as to the multiplier and cap. What the City has done is to meet the Association, so to speak, "half way", albeit not until January 1, 2003, which has now come about, by providing a multiplier of 2.7% as contrasted to the Association's 2.75% and a maximum benefit of 70.2% of final average compensation, as contrasted to the Association's proposed 71.5%. Given the art of the possible, with such a compromise on the part of the City, coming close to the Association's request, the Chairman believes that, if left to their own bargaining, the parties would have arrived at the City's last best offer. For this reason, the Chairman, joined by the City's Delegate, will sign an award adopting the City's last best offer. The Association's Delegate dissents.


GEORGE T. ROUMELL, JR., Chairman


KEVIN M. MCCARTHY, City Delegate
Concurs as to the award on pension multiplier


MICHAEL F. WARD, Association Delegate
Dissents as to the award on pension multiplier

Issue #10 – Post-Retirement Pension Adjustment for Employees Retiring at Age 50 with 10 or More Years of Service.

The Kalamazoo Police Officers Association's last best offer on this issue is that

subsection (g) of Section 1, Article XV - Pension of the agreement be changed to read as follows:

(g) Effective 1-1-95, a post retirement adjustment of 2% in January of each year, compounded annually, for those who retire after 1-1-95 shall be provided. Said adjustment will be implemented for the first (1st) January following the actual retirement date.

In order to receive the 2% compounded post-retirement adjustment, an employee must have at least 25 years of service or have at least 10 years of service and be at least 50 years old.

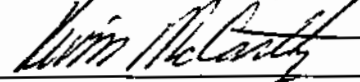
The City's last best offer on this issue is to maintain the status quo:

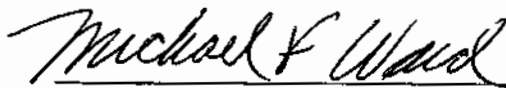
Effective 1-1-95, a post retirement adjustment of 2% in January of each year, compounded annually, for those who retire after 1-1-95 shall be provided. Said adjustment will be implemented for the first January following the actual retirement date.

In order to receive the 2% compounded post-retirement adjustment, an employee must have at least 25 years of service.

The comparables are not helpful to the Association's last best offer. As already noted, Kalamazoo County, Kalamazoo Township and the City of Portage are defined contribution plans. The City of Lansing does have a pension post-retirement adjustment. However, Battle Creek, East Lansing, Grand Rapids, Jackson, Saginaw and Wyoming have no pension post-retirement adjustments. For this reason, the comparables do not support the Association's last best offer, causing the Chairman to sign an award with the City Delegate concurring, adopting the City's last best offer on this issue. The Association Delegate dissents.


GEORGE T. ROUMELL, JR., Chairman


KEVIN M. MCCARTHY, City Delegate
Concurs as to the award on pension post-retirement adjustments



MICHAEL F. WARD, Association Delegate
Dissents as to the award on pension post-retirement
adjustments

Issue #14 – Seniority for Employees Returning to the Bargaining Unit

The Kalamazoo Police Officers Association's last best offer on this issue is to change

Section 11 of Article VI - Seniority of the agreement to read as follows:

Section 11. If a bargaining unit employee is promoted to a position within the Department of Public Safety, said employee(s) will be allowed to return to the bargaining unit under the following conditions:

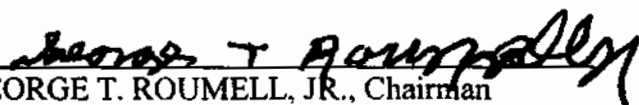
1. Employees returning to the bargaining unit shall have no classification seniority in any classification which has a higher pay rate than the PSO II classification.
2. Employees promoting or transferring out of the bargaining unit shall have his/her classification and department seniority frozen as of the date he/she was promoted or transferred out of the bargaining unit and therefore he/she shall not have accumulated any classification seniority in any bargaining unit classification after the date of promotion or transfer but shall retain the classification seniority he/she had at the time of promotion or transfer in the PSO II classification or lower paid classification and the department seniority he/she had at the time of promotion or transfer. Employees promoting or transferring out of the bargaining unit to another job with the City shall continue to accumulate City seniority.
3. Upon returning to the bargaining unit the employee will be placed in a vacant position (job) and, at the next scheduled job and shift bid, the employee will be allowed to bid, in accordance with the provisions contained in Section 4 of Article VIII. Employees shall not be displaced from their bid job and/or shift due to a returning to the bargaining unit after the annual job and shift bid.
4. The provision of this Section 11 shall control the classification and department seniority rules and definition for all returning employees and shall control said employee's classification and department seniority after his/her return and not


Section 1 of this Article.

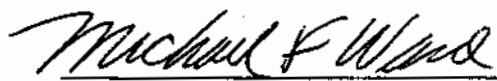
The City's last best offer on this issue is to maintain the status quo, with the following language:

If an employee is promoted to a position in the department not included in the bargaining unit and is thereafter returned to a position within the bargaining unit, he or she shall have accumulated departmental and classification seniority while working in the position to which he or she was promoted. Employees returning to the bargaining unit under the above circumstances shall retain all rights accrued for the purpose of any benefits provided for in this Agreement.

Considering the bargaining history and the fact that the current language has been in the parties' contract for some time and has become part of their labor relations culture, the Chairman is convinced that the Association has not made a persuasive case for a change. For this reason, the Chairman will sign an award, along with the City Delegate concurring, adopting the last best offer of the City on this issue. The Association's Delegate dissents.


GEORGE T. ROUMELL, JR., Chairman


KEVIN M. MCCARTHY, City Delegate
Concurs as to the award on seniority for employees
returning to the bargaining unit


MICHAEL F. WARD, Association Delegate
Dissents as to the award on seniority for employees
returning to the bargaining unit

CITY ISSUES

Introduction

There are four City issues – management rights, Association representation, training and backfilling for officers in transport – that the Chairman has grouped together in the sense that the same analysis as to the applicable criteria applies. As to each of these issues, the City is seeking a change over present contract language – language that has come about through negotiation over the years. Considering this history of bargaining, coupled with the art of the possible, if the parties were left to their own devices in bargaining, there would not be any changes in the current language as to these issues. This explains the Chairman's vote on said issues as set forth below.

City Issue #1(a) - Management Rights (Article I, Section 2)

The City's last best offer on this issue is to add a subsection (a):

The Employer has the right to remove an employee from any assignment or job classification when that employee has demonstrated an inability or unwillingness to satisfactorily perform the job.

City Issue #1(b) - Management Rights (Article I, Section 2)

The City's last best offer on this issue is to add a subsection (b):

The Employer has the right to utilize personnel where it determines they are needed when they are on duty, including when they are assigned to training.

City Issue #1(c) - Management Rights (Article I, Section 2)

The City's last best offer on this issue is to add a subsection (c):

Because employees are obligated to perform tasks assigned to them, disciplinary action up to and including discharge may be implemented for an employee's failure or refusal to perform assigned tasks. When the Employer has provided training to an employee to enable that employee to perform a function, that

employee will be required to perform that function when directed to do so.

Issue #1(a) - Removal of an Employee from Any Assignment or Job Classification

The Kalamazoo Police Officers Association's last best offer on this issue is that the proposed addition to Article 1, Section 2 be denied and that Section 2 of Article 1 be unchanged.

Issue #1(b) - Management Rights (Article 1, Section 2)

Add a subsection (b) which states the Employer has the right to utilize personnel where it determines they are needed when they are on duty, etc.

The Association's last best offer on this issue is that the requested change or addition be denied and that Section 2 of Article 1 remain as in the current agreement. i.e., status quo.

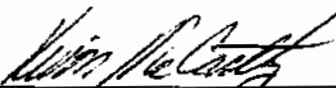
Issue #1(c) - Management Rights (Article 1, Section 2)

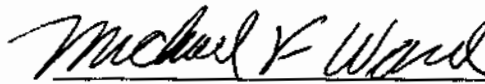
"Add a subsection (c)"

The Association's last best offer on this issue is that the requested addition of subsection (c) be denied and that Section 2 of Article 1 remain as in the current agreement. i.e., status quo.

For the reasons set forth in the Introduction to the City Issues, the Chairman will sign an award adopting the last best offer of the Association, namely, keeping the status quo, with the Association Delegate concurring. The City's Delegate dissents.


GEORGE T. ROUMELL, JR., Chairman


KEVIN M. MCCARTHY, City Delegate
Dissents as to the award on management rights



MICHAEL F. WARD, Association Delegate
Concurs as to the award on management rights

City Issue #4 - Association Representative (Article I, Section 6(b))

The City's last best offer on this issue is to make two modifications to this section, so that it will read:

(b) The Grievance Committee Chairperson will serve as the primary representative for the Association for the purposes of (1) receiving, investigating and processing grievances including preparation for arbitration; and (2) representing bargaining unit employees during investigation and administration of discipline. *If the Bargaining Committee Chairperson is not working and available at the time that Association representative is needed for such purposes, the Employer will either use an alternate Association Committee person or defer holding the meeting and waive applicable time limits in order to facilitate the presence of the Grievance Committee Chairperson during his or her regularly scheduled hours [deletion below].* The Grievance Committee Chairperson shall upon request be allowed necessarily spent time away from his or her normal assigned duties without loss of pay to perform Association duties. In addition, the Grievance Committee Chairperson's job responsibilities shall be reduced to reflect the time spent on Association business.

When the Grievance Committee Chairperson is unavailable for his or her regular shift duties because of pre-determined need to perform Association business then he or she shall not be counted for minimum manning purposes. On such days that are pre-scheduled for Association business, the shift commander may correspondingly deny a request from an employee for compensatory time in order to maintain minimum shift strength.

These changes include the deletion of the following language from the first paragraph of Article

I, Section 6(b):

If the Employer calls the Grievance Committee Chairperson to come in for the purpose of representing bargaining unit members, he or she shall be paid a minimum of two hours at time and one-half his or her regular hourly rate or if needed for more than two


(2) hours shall be permitted to select compensatory time off or be paid actual time spent at time and one-half his or her regular hourly rate. Under normal circumstances, the Employer will either (1) obtain the Grievance Committee Chairperson's consent to use an alternate Association Committee person or (2) will defer holding meetings and will waive applicable time limits in order to facilitate the presence of the Grievance Committee Chairperson during his or her regularly scheduled work hours.


These changes also include the deletion of the following language from the second paragraph of Article I, Section 6(b):

It is further agreed that when the Grievance Committee Chairperson is scheduled only for one (1) day during the business week (Monday through Friday) he or she shall be paid 4 hours at time and one half his or her regular rate to conduct Association business.

The Association's last best offer on this issue is to maintain the status quo. For the reasons set forth in the Introduction to the City Issues, the Chairman will sign an award adopting the last best offer of the Association, namely, keeping the status quo, with the Association Delegate concurring. The City's Delegate dissents.


GEORGE T. ROUMELL, JR., Chairman


KEVIN M. MCCARTHY, City Delegate
Dissents as to the award on Association
representative


MICHAEL F. WARD, Association Delegate
Concurs as to the award on Association
representative

City Issue #10 - Training Time (Article IX, Section 5)

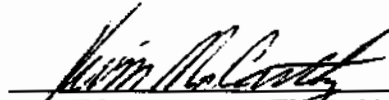
The City's last best offer on this issue is to replace the current section with the following:


If an employee is assigned to work and attends training during the time he/she is assigned to work, the employee will be paid at his/her regular straight time rate of pay. Employees may be temporarily transferred between shifts in order to facilitate training and minimize the need for overtime. An employee who is so transferred and attends training during the shift to which he has been temporarily transferred will be paid at his/her regular straight time rate of pay. Employees in training will be counted toward minimum manning levels and may be called to regular duty as the need arises, in the judgment of command personnel.

The Kalamazoo Police Officers Association's last best offer on this issue is that the requested modification and/or change to Section 5 of Article IX be denied, thus leaving Section 5 as in the current agreement, i.e., status quo.

For the reasons set forth in the Introduction to the City Issues, the Chairman will sign an award adopting the last best offer of the Association, namely, keeping the status quo, with the Association Delegate concurring. The City's Delegate dissents.


GEORGE T. ROUMELL, JR., Chairman


KEVIN M. MCCARTHY, City Delegate
Dissents as to the award on training time


MICHAEL F. WARD, Association Delegate
Concurs as to the award on training time

City Issue #12 – Backfilling for Officers on Transport (Article XVIII, Section 8)


The City's last best offer as to this issue is to add a new section:

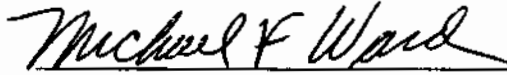
The Employer will not be required to backfill for Officers who are transporting prisoners, regardless of the distance to be traveled by such Officers in effecting the prisoner transport.

The Kalamazoo Police Officers Association's last best offer on this issue is that the additional section requested by the Employer be denied, thus leaving the status quo.

For the reasons set forth in the Introduction to the City Issues, the Chairman will sign an award adopting the last best offer of the Association, namely, keeping the status quo. with the Association Delegate concurring. The City's Delegate dissents.


GEORGE T. ROUMELL, JR., Chairman


KEVIN M. MCCARTHY, City Delegate
Dissents as to the award on backfilling


MICHAEL F. WARD, Association Delegate
Concurs as to the award on backfilling

ADDITIONAL COMMENTS

At this point, the remaining City Issues require individual analysis rather than a common analysis noted in the introduction section to the City's Issues.

City Issue #5 - Probation Period (Article VI, Section 2)

The City's last best offer on this issue is to modify this section to read:


All new employees shall be probationary employees until they have completed one (1) year of employment. *This one (1) year period shall not include time spent in the Police Academy.* The purpose of the probationary period is to provide an opportunity for the Employer to determine whether the employee has the ability and

other attributes which will qualify him or her for regular employee status. During the probationary period, the employee shall have no seniority status and may be terminated at the sole discretion of the Employer without regard to his or her relative length of service, and without recourse to the Grievance Procedure. At the conclusion of his or her probationary period, the employee's name shall be added to the seniority list as of his or her last hiring date. Employer acknowledges the value of input from the union officers in making the final probationary evaluation of employees. Management agrees to receive and consider input from the Executive Board in making its determination of permanent status.

The Kalamazoo Police Officers Association's last best offer on this issue is that the requested change in Section 2 of Article VI be denied, thus leaving Section 2 of Article VI unchanged from the current agreement.

The comparables to a community all provide for a one-year probationary period. The City's proposal continues this proposition, except the City would not include in the one-year period the time spent in the Police Academy. Recognizing that a probation period is a testing period for officers working in the field, it seems reasonable and consistent with the art of the possible to not include the time in the Academy, which is not working field work. It is highly doubtful that in reaching a final agreement the Association would resist such a modest change. For this reason, the Chairman will sign an award, concurred in by the City's Delegate, adopting the City's last best offer on this issue. The Association's Delegate dissents.


GEORGE T. ROUMELL, JR., Chairman


KEVIN M. MCCARTHY, City Delegate
Concurs as to the award on probation period



MICHAEL F. WARD, Association Delegate
Dissents as to the award on probation period

City Issue #7 - Temporary Transfers (Article VI, Section 10)

The City's last best offer on this issue is to revise this section to read:


The Employer shall have the right to temporarily transfer employees within the bargaining unit for up to sixty (60) days, irrespective of their seniority status, from one job classification to another to cover the employees who are absent from work due to illness, accident, vacations or leaves of absence for the period of such absence. The Employer shall also have the right to temporarily transfer employees within the bargaining unit, irrespective of their seniority status and shifts, to fill jobs or temporary vacancies and to take care of unusual conditions or situations which may arise for a period of not to exceed *twenty (20)* working days in any calendar year. It is understood and agreed that any employee within the unit temporarily transferred in accordance with the provisions of this section, shall not acquire any permanent title or right to the job to which he or she is temporarily transferred, but shall retain his or her seniority in the permanent classification from which he or she was transferred.


The Kalamazoo Police Officers Association's last best offer on this issue is that the requested change in Article VI, Section 10 be denied, thus leaving Section 10 of Article VI as in the current agreement.

The current language does provide for transfers "for a period not to exceed fourteen (14) working days in any calendar year." In reviewing the comparables, a number of communities, including Kalamazoo County, Kalamazoo Township and Portage, have a 60 day provision as proposed by the City. Some communities even have longer periods such as Jackson, "four calendar months within a twelve month period" and Battle Creek, "not to exceed six months". It would seem that with these comparables the City's proposal is modest and consistent with the comparables, which seem to recognize certain needs in a police/public safety department. For

this reason, the Chairman will sign an award, along with the City's Delegate concurring, adopting the City's last best offer. The Association's Delegate dissents.


GEORGE T. ROUMELL, JR., Chairman


KEVIN M. MCCARTHY, City Delegate
Concurs as to the award on temporary transfers


MICHAEL F. WARD, Association Delegate
Dissents as to the award on temporary transfers

City Issue #9 - Normal Duty Days (Article VIII, Section 1(a))

The City's last best offer on this issue is to modify this section to read:

The normal work week for Public Safety Officers assigned to a district station as an Equipment Operator or back up Equipment Operator shall average fifty six (56) hours and the normal work day shall consist of twenty four (24) hours. The normal duty is from 7 a.m. until 4:00 p.m. each work day. However, station assigned personnel will be expected to handle walk in complaints and those teleserve complaints transferred to them up to 9 p.m. Absent such complaints, employees are free to pursue other legitimate interests in the station pending an alarm. *All days worked are considered normal duty days with respect to station duties and training which may be scheduled, provided however, that members need not perform any building inspections or building maintenance on Sundays or Holidays. Members need not perform training on Holidays, but up to four (4) hours of training may be performed on Sundays between the hours of 7:00 a.m. and 11:00 p.m. [deletion below]* It is understood and agreed that the Equipment Operator assignment and Fire Fighter assignment at district stations will be filled by IAFF bargaining unit members pursuant to an IAFF Memorandum of Understanding (April 1, 1985) until such time as there are no IAFF bargaining unit members available for the normal duty assignment. This shall not be construed to mean that IAFF members must be called back on overtime to fill normal duty

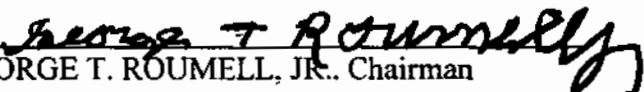
assignments.

The deleted language is:


All days worked are considered normal duty days with respect to station duties and training which may be scheduled, provided however, that members need not perform any training, building inspections, or building maintenance on Sundays or Holidays or as indicated in the IAFF contract.

The Kalamazoo Police Officers Association's last best offer on this issue is that the requested modification to subsection (a) of Section 1, Article VIII be denied, thus leaving said subsection unchanged.

In reviewing the comparables, the statement made next to each of the comparables in Exhibit 23CA is "No limitations and functions to be performed during working hours." Such an overwhelming trend from the comparables suggests that the City's last best offer on this point is consistent with the prevailing contracts being compared. For this reason, the Chairman, joined by the City's Delegate concurring, will sign an award adopting the last best offer of the City on this issue. The Association's Delegate dissents.


GEORGE T. ROUMELL, JR., Chairman


KEVIN M. MCCARTHY, City Delegate
Concurs as to the award on normal duty days


MICHAEL F. WARD, Association Delegate
Dissents as to the award on normal duty days

City Issue #11 - Drug Testing

The City's last best offer on this issue is to insert a new provision into the Agreement, consistent with the drug testing program for Command Officers:

Purpose of Policy

The City of Kalamazoo Department of Public Safety ('DPS') is committed to the establishment and maintenance of a drug and alcohol free work environment. The Department of Public Safety is charged with the responsibility of enforcing and administering various drug and alcohol laws and regulations and therefore, must obtain and retain the respect of the community and at all times maintain and protect the integrity of the Department.

Policy Coverage

This policy shall be applicable to all employees of the City of Kalamazoo employed in the KPOA bargaining unit.

Policy Content

1. Transfers

All applicants¹ for employment in the DPS and any City employee requesting transfer to the DPS shall be subject to an in-depth background investigation of a degree and nature that previous illegal use, manufacture, or sale of illegal drugs/substances should be discovered. If the background investigation reveals that the individual has engaged in the illegal use, possession, sale, manufacture or distribution of any illegal or controlled drugs or substances, said individual shall be permanently rejected for employment in the DPS.

Upon passing the background investigation, all qualified applicants for employment or transfer into the DPS must, prior to being hired/transferred/assigned, submit to an appropriate body fluid test administered by a medical doctor, or medical clinic, selected by the City. The City shall pay the cost of said testing and

¹Inclusion of applicants in this Policy does not waive the circumstances that employment conditions of applicants are not a mandatory subject of bargaining, and the City reserves its right to change the policy regarding applicants.

the individual must sign the appropriate release forms allowing the doctor or medical clinic to release the results of said testing to the City. Should the testing procedure reveal the presence of any illegal drug/substance, in levels in excess of those specified in this policy, the applicant shall be rejected for employment/transfer into the DPS.

2. Current Employees of the Department of Public Safety

If DPS management has reasonable cause to believe, based upon observation or information, that an employee, while present on the City's property and/or on duty for the City, is being influenced by the use of illegal or controlled drugs or substances or alcohol, the following procedure will be followed:

A. The employee will be immediately placed on administrative leave with pay until notified of any disciplinary suspension or action resulting in cessation of pay, and promptly after placement on administrative leave, the employee will be given a hearing with the following persons present:

- 1. Employee;*
- 2. Employee's Union representative, if applicable;*
- 3. Employee's supervisor; and*
- 4. Chief of the DPS, or designee.*

B. The facts forming the basis for reasonable cause shall be disclosed to the employee at the commencement of the hearing and the employee shall, at the same time, be given the opportunity to explain his or her behavior or actions.

C. If it is determined by the Chief of the DPS, or designee, that the reasonable cause to believe is substantiated, the employee will be placed on administrative leave, with pay, pending the results of an appropriate test.

D. Said employee shall be required to submit to an immediate blood/urine/hair/breathalyzer and/or other appropriate test to determine whether or not the employee is under the influence of alcohol, a controlled substance, or illegal drugs.

E. Such test shall be given pursuant to the testing procedure as outlined in this policy.

F. *The employee shall submit to such test and release of test results to the City; failure to do so shall be a presumption that the employee has violated the policy. The employee will then be subject to disciplinary action, up to and including discharge.*

G. *After the test has been given and the results known, the employee:*

1. *will be put back to work with full pay for time lost, should the test results be negative; or*
2. *will be subject to discipline, up to and including discharge, should the test results be positive as indicated in paragraph #6 of this policy.*

4. **Random Testing**

The DPS will maintain a random drug testing program which shall apply to all employees in the KPOA bargaining unit ("covered employees"). The random drug testing procedure is as follows:

- (A) *The DPS shall assign a number code or code name to each covered employee. The DPS shall then furnish the City's physician with these numbers or codes and the City's physician shall enter these into his or computer program for random testing selection. At unannounced times spread throughout the year (once or more per month), the City's physician shall have his or her computer randomly select covered employees for testing. The number of annual computer selections shall be up to the number of employees in the bargaining unit as of January 1 of each calendar year. Thus, although each covered employee has an equal chance of being randomly selected each time computer selections are made, theoretically each covered employee could be randomly tested once each year. Once computer selections are made, the City's physician shall furnish the Chief of the DPS or designee with the code number(s) or code name(s) randomly selected. The Chief or designee shall thereafter match the code number(s) or code name(s) with the appropriate employee(s) and*

either he or she, or designee, shall privately, on a one-on-one basis, notify the employee(s) that he or she has been selected for random testing and instruct said employee(s) to report for testing. A supervisor will accompany the employee to the City physician's office for purposes of urine testing. If the randomly selected employee is on vacation or a leave of absence, the Chief or designee shall ask for another randomly selected code number or name. If the randomly selected employee is not on duty, the notification of selection will be made on the first day when the employee is next scheduled for duty. Once selected, the testing procedures shall be in accordance with the testing procedures contained in this policy.

5. *Testing Procedures for Illegal or Controlled Drugs or Substances*

(A) *Laboratory Selection*

The laboratory selected to conduct the analysis shall be certified by the National Institute on Drug Abuse and any State of Michigan Agency that determines certification for police employment. In addition, the laboratory selected shall use Smith-Kline Laboratories security procedures or equivalent. Any and all costs associated with testing shall be paid by the City.

(B) *Obtaining Urine and Hair Samples*

- (1) *All sample collection shall occur at the medical clinic, doctor's office, or laboratory designated by the City as its testing facility. When the employee reports to the testing facility he or she must be identified prior to any sample being given.*
- (2) *The room where the sample is obtained must be private and secure with documentation maintained that the area has been searched and is free of any foreign substance. For urine tests, an observer of the appropriate*

sex shall be present for direct observation to ensure the sample is from the employee and was actually passed at the time noted on the record. Specimen collection will occur in a medical setting and the procedures should not demean, embarrass, or cause physical discomfort to the employee.

- (3) An interview with the employee prior to the test will serve to establish use of drugs currently taken under medical supervision.*
- (4) Urine and hair samples shall be sealed, labeled and checked against the identity of the employee to ensure the results match the testee. Urine samples shall be stored in a secured and refrigerated atmosphere until tested or delivered to the testing lab representative.*

(C) Processing Samples

- (1) The testing or processing phase shall consist of a two-step procedure:
 - (a) Initial screening step, and*
 - (b) Confirmation step.**
- (2) The sample is first tested using a screening procedure. A specimen testing positive will undergo an additional confirmatory test. An initial positive report should not be considered positive; rather, it should be classified as confirmation pending.*
- (3) Any confirmatory testing shall be done by chromatograph mass spectrometer. In those cases where the second test confirms the presence of drug(s) in the sample in excess of the confirmation levels listed below, the sample will be retained for twelve (12) months to allow further testing in case of dispute. After a confirmed positive test, the employee has the right to receive a sample*

from the specimen by directing the City's designated laboratory (in a signed writing), to send the sample directly to another certified laboratory.

- (4) *If the initial screening test is positive, the confirming test shall be run. Employees who have participated in the drug test program where their test was negative shall receive a letter confirming that fact. If the employee requests such, a copy of the letter will be placed in the employee's personnel file.*

(D) *Chain of Evidence/Storage*

- (1) *Where a confirmed positive report is received, urine and hair specimens shall be maintained under secured storage for a period of not less than sixty (60) days; twelve (12) months in contested cases.*
- (2) *Each step in the collecting and processing of urine/hair/blood specimens shall be documented to establish procedural integrity and the chain of evidence/custody.*

6. *Drug and Alcohol Cut-Off Levels*

- (A) *The initial and confirmatory drug test "cut-off" levels on urine specimens shall be as follows:*

<u><i>Drug/Metabolite</i></u>	<u><i>Decision Level</i></u>	<u><i>GC/MS Confirmation</i></u>
<i>Amphetamines</i>	<i>1000 ng/ml</i>	<i>500 ng/ml</i>
<i>Barbiturates</i>	<i>300 ng/ml</i>	<i>200 ng/ml</i>
<i>Cocaine metabolites</i>	<i>2,000 ng/ml</i>	<i>2,000 ng/ml</i>
<i>Marijuana metabolite</i>	<i>50 ng/ml</i>	<i>15 ng/ml</i>
<i>Opiates-Codeine</i>	<i>300 ng/ml</i>	<i>300 ng/ml</i>
<i>-Morphine</i>	<i>300 ng/ml</i>	<i>300 ng/ml</i>
<i>Phencyclidine (PCP)</i>	<i>25 ng/ml</i>	<i>25 ng/ml</i>

- (B) *The initial and confirmatory drug test "cut-off" levels on hair specimens shall be as follows:*

<u>Drug/Metabolite</u>	<u>Decision Level</u>	<u>GC/MS Confirmation</u>
Amphetamines	10 ng/10 mg	5 ng/10 mg
Cocaine metabolites	10 ng/10 mg	5 ng/10 mg
Marijuana metabolite	.025 ng/10 mg	.0005 ng/10 mg
Opiates-Codeine	10 ng/10 mg	5 ng/10 mg
-Morphine	10 ng/10 mg	5 ng/10 mg
Phencyclidine (PCP)	3 ng/10 mg	3 ng/10 mg

- (C) Tests for alcohol levels shall be considered to verify impairment when the blood alcohol level is .04 percent or higher. A blood sample may be taken and subjected to testing in those cases where a working breathalyzer is unavailable.

7. Self-Recognized Substance Dependence

Should an employee recognize himself or herself to be substance dependent (including alcohol), and if he or she asks the Chief or designee for a leave of absence (the request cannot be made at the time the employee is directed to submit to an appropriate test), he or she will be granted a leave of absence (the employee must first exhaust his or her accrued sick leave, and may use vacation leave as part of the approved leave time) consistent with the City's FMLA policy and Article VII, Section 2 of the contract, while under the care of a City recognized rehabilitation program (the cost, if not covered by insurance, to be borne by the employee). If the employee fails to successfully complete, withdraws from, and/or otherwise fails to fulfill the conditions of the rehabilitation program, he or she shall be discharged. Upon successfully completing the rehabilitation program, and upon passing an appropriate return-to-duty test, the employee will be returned to duty from said leave. After returning to duty, the employee will remain on probation for one (1) year during which time he or she must remain substance free, and will be subject to random unannounced testing at any time in accordance with the testing procedures set forth in Section 5 of this policy. Should the employee test positive during the one (1) year probation period he or she shall be discharged.

8. Prescription Drug Use

An employee may possess and use a drug or

controlled substance, providing such drug or controlled substance is dispensed to said employee pursuant to a current valid medical prescription in the employee's name.

- (A) Should the employee's prescribing physician indicate that the known side effects of the drug makes it dangerous for the employee to safely work, the employee shall notify the employer or supervisor.*

9. *Effect of a Confirmed Positive Drug or Alcohol Test*


- (A) An employee who has a confirmed positive test for illegal or controlled drugs or substances shall be subject to discipline up to and including discharge.*
- (B) After a test showing a blood alcohol concentration of 0.04 or greater, the employee will be immediately removed from his or her assignment and will not be permitted to return to his or her assignment for at least twenty-four (24) hours (absent available sick or vacation leave, the time will be unpaid), and then only if he or she first undergoes a return-to-duty alcohol test with a result indicating an alcohol concentration of less than 0.02. After returning to work the employee is thereafter subject to unannounced follow-up testing for up to twelve (12) months after the employee returns to a covered function. A second positive test within this twelve (12) month period will subject the employee to discipline up to and including discharge.*

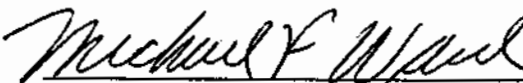
The Kalamazoo Police Officers Association's last best offer on this issue is that the Drug Testing provision requested by the Employer be rejected, thus leaving the drug testing provision in effect in the current City policy, i.e., status quo on drug testing.

Succinctly put, this issue can be resolved by referring to an internal comparison. The Command Officers of the Department have the drug policy that is being proposed by the City. It seems logical that within the same Department involving police and fire services there should be

one drug policy. For this reason, the Chairman will sign an award, joined by the City's Delegate, adopting the City's last best offer on this issue. The Association's Delegate dissents.


GEORGE T. ROUMELL, JR., Chairman


KEVIN M. MCCARTHY, City Delegate
Concurs as to the award on drug testing


MICHAEL F. WARD, Association Delegate
Dissents as to the award on drug testing

City Issue #13 – Health Insurance Contribution by Employees (Article XIII, Section 1)

The City's last best offer on this issue is to amend the first paragraph of this Section to read:

The Employer agrees for the life of this Agreement to maintain the level of group insurance benefits in effect for permanent and regular full-time employees as of this date with an insurance carrier or carriers authorized to transact business in the State of Michigan on the same basis and under the same conditions as prevailed immediately prior to the execution of this Agreement. The Employer agrees to provide false arrest and negligence protection insurance, as provided by a standard policy, in an amount of One Hundred Thousand Dollars (\$100,000.00) per person and Three Hundred thousand dollars (\$300,000.00) per incident. In lieu of purchasing a false arrest and negligence protection insurance policy, the Employer may provide the same level of benefits through self insurance. The Employer agrees to continue to pay the entire premiums for group life insurance for each active employee in the bargaining unit after such employee has completed nine (9) months of continuous employment with the Employer in the amount of Twenty Thousand Dollars (\$20,000) with a double indemnity rider. Additionally, the Employer agrees to pay the total subscription rate for group health insurance for each participating employee or employees and dependents after satisfaction of the

qualification period required by the insurance carrier. Part-time positions (Dispatchers and Community Service Officers) receive only single person health insurance coverage, and negligence protection insurance as outlined above. Additionally, these part-time employees participate in the general member retirement system. Effective January 1, 1997, all employees shall contribute 5% of the monthly cost of single, two-party, or family coverage for any of the three options (BCBS, BCN, KHP) with a maximum employee contribution of \$25.00, whichever is lower. Effective January 1, 2000, employees will contribute Twenty Dollars (\$20.00) per month toward the cost of double coverage; and Forty-five Dollars (\$45.00) per month to the cost of family coverage, regardless of which form (BCBS, BCN or KHP) of insurance is selected. *Effective January 1, 2004, these contribution amounts will change to: Twenty-six Dollars (\$26.00) per month toward the cost of single coverage; Fifty Dollars (\$50.00) per month toward the cost of double coverage; and Fifty-eight Dollars (\$58.00) per month toward the cost of family coverage.*

The Kalamazoo Police Officers Association's last best offer on this issue is that the requested change in Section 1 of Article XIII be denied and that Section 1 of Article XIII remain as in the current agreement, i.e., status quo.

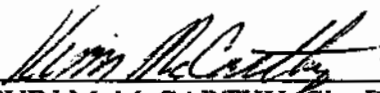
As Article XIII, Section 1, of the expiring contract provides, there is a history of employee contribution to health care costs. Health care costs have been increasing, causing concern both to labor and management. What the City has proposed in its last best offer is, in the third year of this contract, to provide for some increase in the contribution.


The Chairman acknowledges that in the comparisons there is only one community (Portage) that provides for contributions. Portage contributions in the year 2002 are a single \$20.22 with the member paying 5% of the cost and the City paying 95% of the cost. The rate for a double family is a contribution of \$43.47 and for a family, \$45.13. The Chairman acknowledges that these rates in Portage are less than that proposed by the City. But these are the rates for the year 2002. The City's rates are not proposed until January 1, 2004. The City's

proposals are realistic, given the fact that the cost of health insurance is escalating at a rapid rate, requiring some relief. Since, as noted, there are pay increases plus an increase in the longevity payments, the modest change is consistent with the past bargaining history where there has been increased contributions provided for over the years. This is a difficult decision, but it reflects a fact of life in modern America that is becoming a growing pattern, even though only one comparable does have contributions. But these other comparables are not a guide because the concept of health care contributions has already been established between the City and the Association.

For these reasons, the Chairman, joined by the City's Delegate, will sign an award adopting the City's last best offer on this issue. The Association's Delegate dissents.


GEORGE T. ROUMELL, JR., Chairman


KEVIN M. MCCARTHY, City Delegate
Concurs as to the award on health insurance
contribution by employees


MICHAEL F. WARD, Association Delegate
Dissents as to the award on health insurance
contribution by employees

City Issue #14 – Prescription Insurance Co-Payments by Employees (Article XIII, Section 1(a))

The City's last best offer on this issue is to amend the first paragraph of this subsection to read:

The Employer agrees to provide Blue Cross and Blue Shield M.V.F.I. —L rider group health insurance, with a Five Dollar (\$5.00) deductible prescription drug rider, and Master Medical insurance with a One Hundred Dollars (\$100.00) deductible for single coverage and Two Hundred Dollars (\$200.00) deductible for two-person or family coverage for regular full-time employees or substantially equivalent benefits with another insurance carrier or carriers authorized to transact business in the State of Michigan. *Effective January 1, 2003, the Five Dollar (\$5.00) prescription drug deductible will increase to Ten Dollars (\$10.00).*


The Kalamazoo Police Officers Association's last best offer on this issue is that the requested change in Section 1(a) of Article XIII be denied and that said Section 1(a) remain as in the current agreement, i.e., status quo.

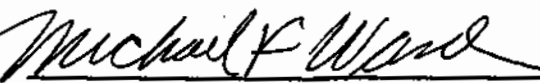
Presently, Article XIII, Section 1(a), provides for a \$5.00 deductible prescription drug rider. The fact is that the fastest rising element of health insurance is the cost of drugs. This is being recognized throughout the country as is even evident in the parties' Agreement. There has been the adoption of drug co-pays so that those who use drugs contribute toward the rising costs. Among the comparables, there is Grand Rapids with a \$4.00 co-pay, Jackson with a \$3.00 co-pay, Kalamazoo Township with a \$5.00 co-pay, and Portage with a \$2.00 or \$5.00 co-pay, with Wyoming at \$5.00. Yet, in Battle Creek, there is a \$10.00 generic, \$15.00 clinical, and \$20.00 non-clinical co-pay. East Lansing is at \$6.00 for non-generic and \$3.00 for generic. But Kalamazoo County is at \$5.00 generic and \$10.00 brand name, as is Lansing. Saginaw has a \$10.00 across-the-board co-pay.

This analysis of the comparables recognizes that the comparables are also increasing the co-pay. The \$5.00 to \$10.00 co-pay increase is modest and is in keeping with the trend as to drug co-pays. For this reason, the Chairman, joined by the City's Delegate, will sign an award

adopting the City's last best offer on this issue. The Association's Delegate dissents.


GEORGE T. ROUMELL, JR., Chairman


KEVIN M. MCCARTHY, City Delegate
Concurs as to the award on prescription co-payment


MICHAEL F. WARD, Association Delegate
Dissents as to the award on prescription co-payment

Duration

Based upon the parties' stipulation, the duration of the contract will be from January 1, 2002 through December 31, 2004.


GEORGE T. ROUMELL, JR., Chairman


KEVIN M. MCCARTHY, City Delegate


MICHAEL F. WARD, Association Delegate

The parties have reached tentative agreements on a number of issues. These tentative agreements are incorporated into this Award.


GEORGE T. ROUMELL, JR., Chairman


KEVIN M. MCCARTHY, City Delegate


MICHAEL F. WARD, Association Delegate

February 13, 2003