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9/15/09

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC GROWTH
EMPLOYMENT RELATIONS COMMISSION

IN THE MATTER OF THE ARBITRATION ARISING
PURSUANT TO PUBLIC ACT 312 OF 1969,
AS AMENDED BETWEEN:

VILLAGE OF SPARTA (Employer)

-and-

POLICE OFFICERS ASSOCIATION OF MICHIGAN (Association)

MERC CASE # L07 A-7007

FINDINGS OF FACT, OPINION AND ORDERS

APPEARANCES

ARBITRATION PANEL

Don R. Berschback, Impartial Chairperson
John H. Gretzinger, Employer Delegate
Jim DeVries, Association Delegate

FOR THE UNION

Jim DeVries
Police Officers Association of Michigan
27056 Joy Road
Redford, MI 48239-1949

FOR THE EMPLOYER

Nantz, Litowich, Smith, Girard & Hamilton
P.C.
By: John H. Gretzinger
2025 East Beltline, S.E.
Suite 600
Grand Rapids, MI 49546

INTRODUCTION

This is a statutory compulsory interest arbitration conducted pursuant to Act 312, Public Acts of 1969, as amended. The Association filed the October 4, 2007 petition which was received by the MERC subsequent to that date. The impartial Arbitrator and Chairman was appointed via a correspondence from the MERC which was dated March 31, 2008.

On April 22, 2008 a pre-hearing conference was conducted telephonically. The hearing commenced on July 28, 2008 and was concluded on that day. On August 26, 2008, a post hearing conference was held telephonically and all parties agreed that no extensive briefs would be submitted.

By August 26, 2008 the Chairman had exchanged between the parties their respective last offers of settlement.

It is noted that the parties have waived all statutory and regulatory time limits. Further, that the issues to be determined are as follows:

- (a) Retroactivity
- (b) Wages 01.01.07 through 12.31.07
- (c) Wages 01.01.08 through 12.31.08
- (d) Wages 01.01.09 through 12.31.09

These findings of Fact, Opinion and Orders have been issued as soon as possible under the prevailing circumstances.

STATUTORY SUMMARY

Act 312 is an extensive piece of legislation outlining both procedural and substantive aspects of compulsory interest arbitration. Without getting into every provision, but certainly ignoring none, there are aspects of the statute which should be highlighted.

For instance, MCL 423.239 outlines a list of factors which the panel shall base its Findings, Opinion and Orders upon. Those factors read as follows:

- “(a) The lawful authority of the employer.
- “(b) Stipulation of the parties.
- “(c) The interests and welfare of the public and the financial ability of the unit of government to meet those costs.
- “(d) Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally:
 - (i) In Public employment in comparable communities.
 - (ii) In private employment in comparable communities.
- “(e) The average consumer prices for goods and services, commonly known as the cost of living.
- “(f) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
- “(g) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- “(h) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.”

ISSUES

As previously determined, the parties agree that the aforementioned issues were the only issues to be decided by the panel.

Furthermore, the tentative agreements, settlements of the parties, and language in the prior contract which has not been deleted or altered by any agreements or by provisions of this award, are made part of this award. Additionally, it was agreed that each year of the contract

presents a separate issue of wages, so each year of the contract will be dealt with separately. A copy of the last offer of settlement submitted by the parties is attached hereto as Exhibit A for the Association and Exhibit B for the Employer.

THE RECORD

A hearing was held in the Village of Sparta on July 28, 2008. Both parties were afforded every opportunity to present all the evidence they thought was necessary. Extensive exhibits were received by the panel and in most cases without any exception. A few exhibits were admitted after testimony was elicited by a witness.

All factors contained in Section 9 of the Act, along with all the evidence related to each, were carefully considered and applied. Of course, every item and bit of evidence will not be mentioned in this analysis of the issues. However, that doesn't mean anything was ignored. All the evidence and factors were evaluated and these Findings, Opinion and Orders are based strictly thereon.

COMPARABLES

It should be noted that as far as external comparables are concerned, the parties have generally relied on the data from Lowell, Rockford, Otsego, Whelan, Cedar Springs, and Freemont. Because of their close proximity to the Employer, the communities of Cedar Springs and Rockford were given additional attention.

RETROACTIVITY

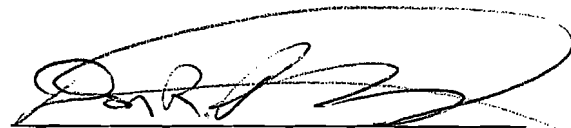
Extensive testimony was provided by witnesses from both parties in the issue of retroactivity versus no retroactivity. The contract between the Employer and the Association (albeit an earlier entity) expired December 31, 2006. A number of factors entered into the inability of the parties to finalize an agreement on all issues for a new contract. (1) A prior manager for the Employer left the employ of the Employer in the fall of 2006. A new manager

was sworn in in early 2007. There were no notes or notations from the prior City Manager and negotiations between the parties basically began in March 2007. In a similar set of circumstances, the employees of the unit also petitioned for representation for a new Association to represent them. That process began in the fall of 2006 and the POAM was certified as the representative of the employees in January of 2007. Negotiations with the new village manager and the new Association commenced in March of 2007.

While there was extensive testimony regarding the employer's wish to "come to an early settlement in order to save expenses, legal fees, etc". the parties were unable to do so and, eventually, the Association filed the petition under Act 312 for the issues involved herein.

There was additional testimony from the witnesses regarding prior negotiation processes, an increase in healthcare costs, the retroactive application of different healthcare insurance costs to the employees and the like. The bottom line is that there has been no agreement by the parties as to retroactivity. Testimony was also elicited during the hearing as to the settlement that the Employer had reached with other unions; including implementation of the wages to those employees upon settlement. The Association's position regarding retroactivity is that all wages should be fully retroactive to January 1, 2007. The Village proposes that there be no retroactivity to January 1, 2007 and that, instead, the 2007 wage increase should be implemented as of 01.01.2008.

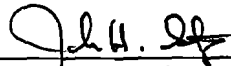
The panel concludes that the Village's proposal on retroactivity shall be adopted.



Don R. Berschback, Chairman

ISSUE: RETROACTIVITY:

I agree that the Village's proposal on retroactivity shall be adopted.

 9-15-2009

John H. Gretzinger
Employer Delegate

I disagree that the Village's proposal on retroactivity shall be adopted.

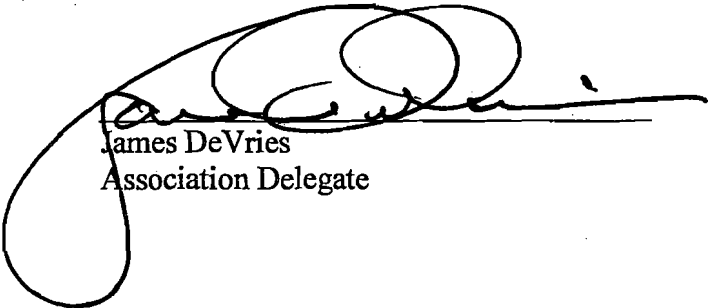
John H. Gretzinger
Employer Delegate

ISSUE: RETROACTIVITY:

I agree that the Village's proposal on retroactivity shall be adopted.

James DeVries
Association Delegate

I disagree that the Village's proposal on retroactivity shall be adopted.



James DeVries
Association Delegate

ALL WAGES

A summary of all of the testimony and exhibits regarding wages included the admittance of the following:

- (a) A current contract between the parties ending December 31, 2006.
- (b) The CBA for the City of Lowell for the time period 07.01.07 to 06.30.10.
- (c) The CBA between the City of Rockford from 07.01.06 to 06.30.09.
- (d) The agreement with the City and the City of Otsego from 07.01.07 to 06.30.10.
- (e) The CBA regarding the City of Wayland from 07.01.06 to 06.30.09.
- (f) The CBA with the City of Cedar Springs ending 06.30.08.
- (g) The CBA with the City of Freemont ending 06.30.08 .

Additionally, the panel received and accepted the following documents:

- (a) A tentative agreement reached as of 07.25.07.
- (b) A tentative agreement reached on 09.10.07.
- (c) The Employer's revised final proposal of 09.10.07.

These exhibits as well as the testimony of the witnesses regarding wages and other settlements in the Village were considered.

The parties agree that when dealing with wages each year shall be considered a separate issue. Thus, the panel will address each year separately.

AWARD – WAGES EFFECTIVE 01.01.07 TO 12.31.07

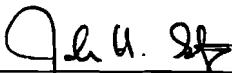
As previously stated, the panel's award is that no retroactivity for calendar year 2007 would be provided. However, in calculating the increased wage beginning January 1, 2008 there shall first be applied a two percent increase prior to the calculation of an increase in wages beginning January 1, 2008. As an example, the highest wage rate in effect is December 31, 2006 was \$46,945.00. A two percent increase would yield an increase of \$938.90. Thus, for

calculating wages beginning January 1, 2008 the “base rate that day for the highest rated employee would be \$47,883.90”.

In this respect, the Employer’s last offer of settlement shall be adopted for calendar year 2007 with no retroactive monies being paid during 2007 but a two percent increase being awarded which would be used to calculate wages as of January 1, 2008.

ISSUE: WAGES EFFECTIVE 01.01.07 THROUGH 12.31.07:

I agree that the Employer's proposal on wages effective 01.01.07 through 12.31.07 shall be adopted.

 9-15-2009

John H. Gretzinger
Employer Delegate

I disagree that the Employer's proposal on wages effective 01.01.07 through 12.31.07 shall be adopted.

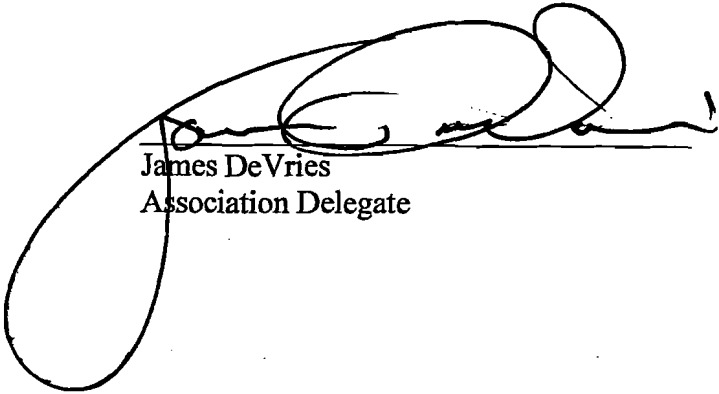
John H. Gretzinger
Employer Delegate

ISSUE: WAGES EFFECTIVE 01.01.07 THROUGH 12.31.07:

I agree that the Employer's proposal on wages effective 01.01.07 through 12.31.07 shall be adopted.

James DeVries
Association Delegate

I disagree that the Employer's proposal on wages effective 01.01.07 through 12.31.07 shall be adopted.



James DeVries
Association Delegate

AWARD – WAGES EFFECTIVE 01.01.08

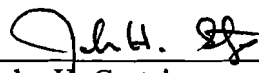
Based upon the above, the Association's last offer of settlement shall be adopted effective January 1, 2008 for all wage steps. In effect, the "base rate as previously applied will increase by 2.75 percent for all wage steps as of that date. Retroactivity to that date will apply and be paid as soon as practical but no less than 30 days from September 4, 2008.

ISSUE: WAGES EFFECTIVE 01.01.08:

I agree that the Association's proposal on wages effective 01.01.08 through 12.31.08 shall be adopted.

John H. Gretzinger
Employer Delegate

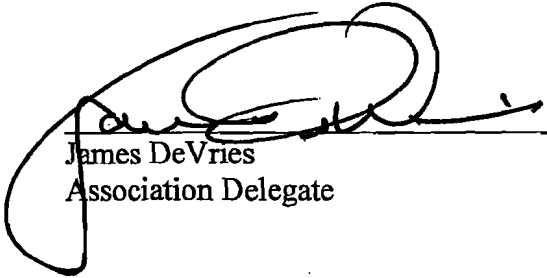
I disagree that the Association's proposal on wages effective 01.01.08 through 12.31.08 shall be adopted.

 9-15-2008

John H. Gretzinger
Employer Delegate

ISSUE: WAGES EFFECTIVE 01.01.08:

I agree that the Association's proposal on wages effective 01.01.08 through 12.31.08 shall be adopted.



James DeVries
Association Delegate

I disagree that the Association's proposal on wages effective 01.01.08 through 12.31.08 shall be adopted.

James DeVries
Association Delegate

AWARD – WAGES EFFECTIVE 01.01.09

Based on all exhibits, comparables, and the testimony, the Association's last offer of settlement shall be adopted effective January 1, 2009. This would then provide a three percent wage increase for all wage steps beginning January 1, 2009.

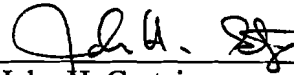
It is noted that in prior discussions and/or "last offer submitted prior to the March 12, 2007 hearing, the Employer had offered a 2.5 percent increase effective January 1, 2008 and a three percent increase January 1, 2009.

ISSUE: WAGES EFFECTIVE 01.01.09:

I agree that the Association's proposal on wages effective 01.01.09 shall be adopted.

John H. Gretzinger
Employer Delegate

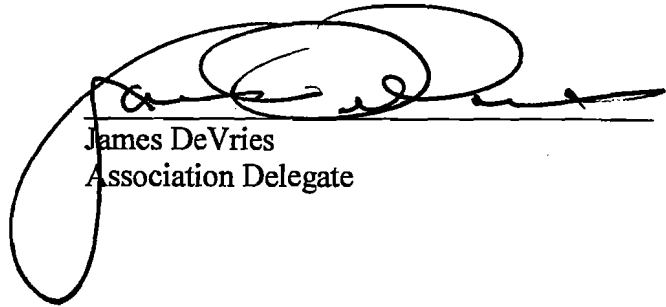
I disagree that the Association's proposal on wages effective 01.01.09 shall be adopted.

 9-15-2008

John H. Gretzinger
Employer Delegate

ISSUE: WAGES EFFECTIVE 01.01.09:

I agree that the Association's proposal on wages effective 01.01.09 shall be adopted.



James DeVries
Association Delegate

I disagree that the Association's proposal on wages effective 01.01.09 shall be adopted.

James DeVries
Association Delegate


MISCELLANEOUS REQUIREMENTS

This written decision includes, as per procedure, the following:

- The names of both parties
- The advocates for both parties
- The names of the members of the arbitration hearing panel
- Each party's final offer of settlement on each issue of dispute listing of the economic issues and dispute identified by the arbitration hearing panel. There were no non-economic issues.
- The finding of Fact and Opinion based upon the record made before the arbitration hearing panel.

As per each economic issue, the arbitration hearing panel has adopted a last offer of settlement, which, in the Opinion of the arbitration hearing panel, more nearly complies with the applicable factors prescribed in MCL 423.239.

This decision by the arbitration panel is rendered as of September 4, 2008.



Don R. Berschback, Chairman



Association Delegate



Employer Delegate

IN THE MATTER OF
ARBITRATION UNDER ACT 312
PUBLIC ACTS OF 1969
AS AMENDED

BEFORE: DON R. BERSCHBACK

VILLAGE OF SPARTA

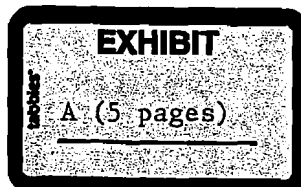
- and -

MERC Case No: L07 A-7007

POLICE OFFICERS ASSOCIATION
OF MICHIGAN

UNION'S FINAL OFFER
OF SETTLEMENT

Police Officers Association
of Michigan
27056 Joy Road
Redford, Michigan 48239
(313) 937-9000



ARBITRATION ISSUES

1. Wages

- A. 2007
- B. 2008
- C. 2009

2. Retroactivity

ISSUE #1

WAGES

- A. January 1, 2007 -December 31, 2007 - 2.25% Wage Increase for all wage steps.
- B. January 1, 2008 -December 31, 2008 - 2.75% Wage Increase for all wage steps.
- C. January 1, 2009 - December 31, 2009 - 3.0% Wage Increase for all wage steps.

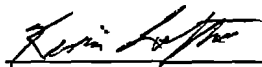
ISSUE #2

RETROACTIVITY

Wages fully retroactive to January 1, 2007.

Wherefore, the Final Offer of Settlement of the Union is tendered in good faith and upon careful consideration.

POLICE OFFICERS ASSOCIATION
OF MICHIGAN



Kevin Loftis
Research Analyst

Dated: August 13, 2008

STATE OF MICHIGAN
DEPARTMENT OF CONSUMER & INDUSTRY SERVICES
Employment Relations Commission
Labor Relations Division
Donald R. Berschback, Chairperson

VILLAGE OF SPARTA

Respondent/Employer,

Case No. L07 A-7007

and

SPARTA POLICE OFFICERS ASSOCIATION

Petitioner/Labor Organization.

VILLAGE OF SPARTA'S FINAL OFFER

1. **Retroactivity of 2007 Health Insurance Premium.** The parties have agreed to increase the employee health insurance premium contribution to 15%, and to phase that increase in by having 10%/90% cost sharing in 2007, 12%/88% effective January 1, 2008; and 15%/85% effective January 1, 2009.

Village Proposal: The increase in health insurance premium should be paid retroactively to September 17, 2007.

2. **2007 Wages.** The Village proposes a 2.00% increase.

3. **Retroactivity of 2007 Wage Increase.** The Village proposes that the 2007 wage increase shall be implemented as of 1-1-2008 and shall not be paid retroactive to 1-1-2007.

4. **2008 Wages.** The Village proposes a 2.00% increase

5. **Retroactivity of 2008 Wage Increase.** The Village proposes that the 2008 wage increase will be paid retroactive to 1-1-2008.

6. **2009 Wages.** The Village proposes a 2.00% increase effective 1-1-2009.

