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STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
LABOR RELATIONS DIVISION

In the Matter of:

CITY OF GRANDVILLE,

Employer,

-and-

MERC Case No. L05 A-9006

POLICE OFFICERS LABOR COUNCIL

Union

ACT 312 ARBITRATION AWARD

WILLIAM P. BORUSHKO, ARBITRATOR

For the Employer:

J. Patrick White
Varnum, Rittering, Schmidt, Howlett
Bridgewater Place, PO Box 352
Grand Rapids, MI 49501-0352

Panel Delegate:

Ken Krombeen, City Manager

For the Labor Council:

Mark P. Douma
John A. Lyons, PC
675 E. Big Beaver, Ste. 105
Troy, MI 48083

Panel Delegate:

Fred La Maire, POLC

INTRODUCTION

The Petition for Arbitration in this case was filed by the Police Officers Labor Council on August 4, 2005. It was assigned to this Arbitrator on December 1, 2005. During the pre-hearing discussion the parties indicated that they had been unable to agree on a list of comparable communities. That issue was submitted to this Arbitrator and on April 10, 2006 the "Interim Award on Comparable Communities" was issued. The arbitration hearing was held on May 15, 2006 at the offices of the Employer in Grandville, Michigan. The parties have exchanged their Last Best Offers and submitted briefs in support of those offers as agreed to at the time of hearing.

This case, of course, is governed by Act 312, Public Acts of 1969, MCL 423.231. The statute provides that any decision of the Panel involved in the proceeding must be based upon the following factors:

- 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 condition of employment of the employees involved in the arbitration proceeding with the wages, hours, and conditions of employment of other employees performing similar service and with other employees generally:
 - (i) in public employment in comparable communities;
 - (ii) in private employment in comparable communities.
- e. the average consumer price 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 proceeding;
- h. such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact finding, arbitration or otherwise between the parties, in the public service or in private employment.

This award has been fashioned after careful consideration of all of the above factors. With respect to the issue of comparable communities, the parties presented their arguments to this Arbitrator. After careful consideration of those arguments and data submitted in support of those positions, I found the applicable communities to be:

Walker
Norton Shores
Traverse City
Kentwood
Holland

The “Interim Award on Comparable Communities” is attached hereto and made a part of this award.

The City of Grandville is a mature, well-developed urban area immediately southwest of Grand Rapids. Its potential for long-term growth and property development is minimal. Currently, the city has a fund balance of approximately \$2 million, which is approximately 23% of its annual budget. Like many other Michigan municipalities, it has seen a steady decline in state revenues. Under Proposal A and Headlee, the tax revenue potential for the city is limited. During the past two fiscal years the city has experienced some budget cuts, which included positions in the Police Department. These budgetary cuts raise some concern as to the long-term financial ability of the city, however, it appears that there should be no issues with respect to the ability to pay the costs associated with the proposed agreement.

At the conclusion of the hearing, the parties requested that this Arbitrator rule on two issues: first, the question of the duration of the agreement, and second, the issue of how the wage proposal would be treated as an offer. This specifically refers to the question of whether the wage offer would be looked at on an individual year basis, or as a package which would include all years of the agreement. The parties requested that this decision be rendered prior to the submission of Last Best Offers so that each offer could be based upon the award. By electronic communication, I rendered my award on these issues to the parties.

With respect to the issue of duration, the POLC proposal was for a three-year agreement, and the City's proposal was for a two-year agreement, which would have expired shortly. In discussing this issue, I was made aware that the City had recently entered into a three-year agreement with the Command Officers. In the course of the hearing, the City Manager indicated that all current agreements negotiated by the city were of three years in duration, including the recent command agreement. I recognized that the issue of health care will be resolved for the duration of this agreement, based upon a previous agreement between the parties, if I concluded that a three year agreement is appropriate in this case. That issue, part of the overall compensation received by the employees in this unit, will be considered by the Panel in this award. In the issue at hand, however, the City failed to put forth sufficient reasons for me to conclude that the patrol agreement should be different in its duration from that of the command. I advised the parties that the duration of this agreement would be three years.

On the issue of the wage package, the POLC proposal was to treat each year of wages as a separate issue. The City proposal was to treat the wage issue as a single package covering all years of the agreement. I found that proposal to be the more acceptable of the two. In view of the differences which existed in the positions of the two parties prior to the Last Best Offers, I believe that treatment of the wage issue as a single issue would have a tendency to bring both Last Best Offers closer together. While I am not sure that that is exactly what happened in this case, that is the award that was transmitted to the parties.

THE ISSUES

There are eight issues that remain to be awarded after the decisions on duration and wage package. Of those issues seven are economic and one is non-economic. They are:

1. Wages
2. Longevity
3. Retirement—Defined Benefit
4. Retirement—Defined Contribution
5. Mileage
6. Shift Schedule
7. Position Rotation
8. Removal of Discipline (non-economic)

Wages

POLC proposal:	Effective July 1, 2005—3%
	Effective July 1, 2006—3.25%
	Effective July 1, 2007—3.25%
City proposal:	Effective July 1, 2005—2.75%
	Effective July 1, 2006—2.5%
	Effective July 1, 2007—2.5%

As one can see from examining the parties' proposals, the hoped-for narrowing of positions has apparently not occurred. The parties are 1.75% apart in their wage proposals for the three-year agreement. An examination of the Patrol Officer wage schedules contained in the comparable agreements reveals the following:

<u>City</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Walker	\$53,134	\$54,462	\$55,823	\$57,219
Tr. City	\$40,040	\$41,246	\$42,078	\$42,702
Nor. Shores	\$47,814	\$49,129	\$50,357	\$51,616
Kentwood	\$53,029	\$54,090	\$55,172	\$56,000
Holland	\$52,749	\$54,067	\$55,419	\$56,804
Average	\$49,353	\$50,596	\$51,769	\$52,742
Grandville	\$49,989			

In 2004, which is the base year from which this agreement will be calculated, the city of Granville's officers averaged almost \$650 per year above the norm. The data contained in the comparable agreements did not, in some cases, covered the projected years of this agreement. In those instances I have assumed the wage increase to be 2.5% per year, and that is where the numbers in the above table came from. Utilizing the Grandville wage rate of \$49,989, and applying the two parties positions, we arrive at the following table:

	<u>Base</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
City Prop.	\$49,989	\$51,363	\$52,647	\$53,963
POLC Prop.	\$49,989	\$51,488	\$53,162	\$54,889
Average	\$49,353	\$50,596	\$51,769	\$52,742

It is readily apparent looking at this table that the City proposal exceeds the average of the comparables in every instance. The difference is large enough so that if my estimate of 2.5% increases is on the low side, the City's proposal would still exceed the averages. As I indicated to the parties at the time of rendering the decision on how the wage proposal was to be treated, I must take into account the fact that the award on duration also provides that the employees do not contribute to their health care coverage for the life of the agreement. Therefore, when looking at the overall compensation package as dictated by the statute, I do not see any basis for acceptance of the higher POLC proposal.

It is the award of the panel that the Employer's position is accepted on this issue.

Longevity

POLC Proposal:	<u>5 years</u>	<u>10 years</u>	<u>15 years</u>
	\$400	\$800	\$1200

City Proposal:	<u>5 years</u>	<u>10 years</u>	<u>15 years</u>	<u>20 years</u>
	\$200	\$400	\$600	\$800

The current agreement between the parties provides for longevity payments at five years, 10 years, and 15 years of service. The amounts payable at those intervals are \$200, \$400, and \$600. In essence, the Union proposal contains the same payment schedule for years of service, but doubles the amount to be payable at those intervals. The City proposal maintains the current schedule, but adds a new step at 20 years of service, payable at \$800. Both parties utilized the comparable agreements in their arguments, and it is therefore appropriate that we examine them closely in the following table:

<u>City</u>	<u>5 years</u>	<u>10 years</u>	<u>15 years</u>	<u>20 years</u>
Walker	\$300	\$600	\$900	\$1200
Traverse City	\$0	\$1,237	\$2,062	\$2,062
(after 1/99)	\$0	\$300	\$500	\$500
Norton Shores	\$1,228	\$1,228	\$2,456	\$3,684
(after 9/01)	\$250	\$250	\$500	\$750
Kentwood	\$400	\$800	\$1,200	\$1,600
Holland	\$0	\$0	\$0	\$0

Calculating the average longevity payment for the comparable communities becomes a tricky matter because of the change in payment amounts that are applicable in Traverse City after January of '99, and Norton Shores after September of '01. For purposes of this discussion, I will examine the current longevity payments for employees with five years of service, 10 years of service, 15 years of service and 20 years of service. My assumption is that the employees currently have that level of service. If I proceed on that basis, and utilize the comparable data, an employee with five years of service receives an average longevity payment of \$385 (The reduction in Norton Shores does not have effect for two more weeks.). That is derived by averaging the \$300 currently paid in the City of Walker, the \$1,228 currently paid in Norton Shores, and \$400 paid in the City of Kentwood as well as the two cities that currently do not pay for five years of service. For

employees with 10 years of service, the average longevity payment is \$773, and for employees with 15 years of service, the average payment is \$1,323. Finally, for employees with 20 years or more of service the current average payment in the comparable communities is \$1,709. The city argues in its brief that longevity is a declining benefit, and cites as further proof of its assertion, the fact that two of the comparable communities have reduced their longevity payments for employees hired after a certain date. I understand quite clearly the rationale behind that assertion but for purposes of this proceeding I believe the panel must consider what employees in the other units currently average for the same years of service. It is true that in the long term longevity payments will be reduced for those communities, and the average will lessen substantially. But as of today, the averages that I have referred to are the amounts in effect. The following table reflects those averages and the parties' positions on the issue:

	<u>5 years</u>	<u>10 years</u>	<u>15 years</u>	<u>20 years</u>
Average	\$385	\$773	\$1,323	\$1,709
City Proposal	\$200	\$400	\$600	\$800
POLC Proposal	\$400	\$800	\$1,200	\$1,200

Looking at the table, it is readily apparent that the POLC's proposal more closely comports with the standards of comparison as provided for in the statute. The City's position does in fact contain one additional step of longevity, but the amounts provided in the proposal are substantially below the average currently being paid in the comparable communities.

It is the award of the panel that the POLC's proposal is accepted on this issue.

Retirement-Defined Benefit

POLC Proposal: Reduce employee contribution from 3.4% to 2.4%.

City Proposal: Keep current employee contribution of 3.4%

In 1999, the parties agreed to a pension plan improvement for the Defined Benefit plan, which resulted in the B-4 rider being attached to the plan. As a result of this agreement, the employees agreed to contribute 4.4% of their wages to MERS. Effective January 1, 2004, the parties agreed to reduce the employee contribution to 3.4%. The current request by the POLC is to reduce that contribution even further. The City, of course, wishes the contribution to remain at its current level of 3.4%. Internally, there are three groups in the City of Grandville who also have the B-4 Defined Benefit plan. Those three groups contribute an average of 3.22% for this benefit. Externally, the plans and levels of contributions vary significantly. The three largest employers require an average contribution of 3%. The two smallest employers, and the two lowest paid, do not require a contribution for the pension benefit. This appears to be appropriate when you look at the overall compensation package received in those two smaller units. The larger units, and arguably the units closest to Grandville in comparison, do require a similar contribution to that currently in effect in Grandville.

This issue is further complicated because the improvement in the pension was a direct result of bargaining in which the Employees agreed to pay for the cost of the benefit. They are now coming to this Arbitrator asking for a reduction in that amount. I am very reluctant to concur with that request, because I do not know what concession or agreement was made in the course of that bargaining. The parties subsequently agreed to lower the contribution amount as a direct result of bargaining toward a successor agreement. That, in my opinion, is the appropriate manner in which to reduce this contribution, since the parties know what price was attached to the original agreement. In view of the fact that the internal and external comparables seem to more closely align with the status quo, I cannot find a basis to support the POLC's proposal.

It is the award of the panel that the Employer's position is accepted on this issue.

Retirement-Defined Contribution

POLC Proposal: Increase City contribution to 10%

City Proposal: Maintain City contribution at 9%.

As in the previous section, the lone issue in the Defined Contribution Plan is the contribution rate, this time on the part of the Employer. As of 1993, all new officers are required to participate in the Defined Contribution Plan, with the initial Employer contributions set at 8%, and each participating employee's contribution set at 3%. Effective July 1 of 2004, the City contribution was increased to 9% of gross annual wages. Looking at the external comparables, there are only two cities that currently have a Defined Contribution Plan. They are the cities of Kentwood and Walker. Kentwood currently has an 8% Employer contribution, which is scheduled to increase to 8.5% in 2007. The required employee contribution in this plan is 5%. The City of Walker currently contributes 10% of base wages for each employee to their Defined Contribution Plan. This differs from Grandville in that Grandville contributes on the basis of gross wages, which will require a higher dollar amount of contribution. The City of Walker currently does not require an employee contribution. Simple mathematics shows the average city contribution to be 9% between the two comparables, and the average employee contribution to be 2.5%. There are four other units in the city of Grandville that have a Defined Contribution Plan. All of these plans have a City contribution of 9% and an Employee contribution of 3%. Based upon both the internal and external comparables, it is extremely clear to me that the City's proposal has considerable merit. While there is a slight difference in the Employee contribution externally, the average City contribution using both internal and external comparables is 9%, which is the City of Grandville's proposal.

It is the award of the panel that the Employer's position is accepted on this issue.

Mileage

POLC Proposal: IRS rate

City Proposal: Current rate of \$.21 per mile.

The City argues that the current rate of \$.21 per mile adequately covers the cost of using a personal vehicle, even taking into account the current cost of fuel. The comparables are somewhat inconsistent on this issue. Two communities, Traverse City and Kentwood reimburse at the IRS rate. The labor agreements covering Norton Shores and Walker are silent on the issue, and Holland reimburses on the basis of Commission policy. The silence of the two agreements does not automatically infer that they do not reimburse at the IRS rate, only that it may be a matter of policy, and not a subject of negotiation in the past. The current rate is lagging behind even the State of Michigan reimbursement rate. Given the current cost of fuel, insurance, and the vehicles themselves, I find that \$.21 is woefully inadequate.

It is the award of the Panel that the POLC position is accepted on this issue.

Shift Schedule

POLC Proposal Current Contract Language

City Proposal New Section 12c.

No more than one officer per shift may be scheduled off in advance for compensatory time or vacation. This shall be inclusive of the Sergeant assigned to the shift. An additional officer may be allowed time off, at the discretion of the shift command officer, depending on the needs of the Department on that day. The Day Shift shall include all shifts that start between 06:00 and 12:00, and the Night Shift shall include shifts that start between 15:00 and 21:00 when working on a 12 hour shift schedule.

With this proposal, the City is attempting to clearly limit the number of officers per shift for compensatory time or vacation. It also includes the Sergeant who is a member of another unit. The POLC argues that the City currently has language in the agreement which gives the Chief of Police the right to approve the use of compensatory and vacation time. Section 34 of the current agreement, which covers vacations, indicates that the City will make an effort to schedule vacations consistent with the seniority of the employee and the workload and manpower requirements as determined by the City. Section 12b of the current agreement, which covers compensatory time, indicates that employees who request compensatory time off, provided they give ten or more days of notice, shall have the request granted, subject to “unusual circumstances and other staffing needs of the department”. After examining those two provisions, I think the POLC position has merit. It appears to me that the city has considerable leeway in granting vacation and compensatory time off requests and additional qualifying or limiting language does not appear to be necessary.

It is the award of the panel that the POLC position is accepted on this issue.

Position Rotation

POLC proposal:

New Section 55c:

- a. In an effort to create well-rounded experienced officers and to provide variety and opportunities which will help foster good morale, position rotation will be highly encouraged.
- b. Two detective positions will have a term of five years each. The term of these detective positions will end on different years so as not to have both veteran detectives end their term on the same year.
- c. All other positions outside of the road patrol will have a term of two years. The positions this currently applies to are: support services, detective training, community policing, school liaison and vice. The two-year limitation is not limited to these positions. Any future positions not specifically mentioned, outside of those listed in section 2 will also have a two-year term limit.

D. At the end of a position's term the Chief of Police or his designee will post the job for applicants to apply. The posting shall be open for new applicants to apply for thirty days. After the thirty days have elapsed, the Chief or his designee shall select a person to fill the position. The Chief or his designee shall put an emphasis on new applicants when selecting a person to fill the new two or five-year term position. If the person whose term just expired is selected to fill the position again over other interested parties, the Chief or his designee shall indicate to those interested parties why they were not deemed suitable to fill the vacancy.

e. Upon execution of this contract anyone who has been in their position longer than the term limitations listed above shall have their position posted for new applicants to apply to that position. If more than one position within one auxiliary unit has exceeded their term limitation, the person who has been in the unit the longest shall have their position posted immediately. If there are two or more expired term positions, the second position shall be posted for rotation one year after the first position was posted. The third expired position will be posted two years after the first posting and so on for all expired positions.

City Proposal: Current contract language

In its brief, the City has objected to the inclusion of this issue as part of this proceeding. The primary basis for the objection is that the proposal was withdrawn during bargaining. At the pre-arbitration conference the POLC raised the issue once again and added it to the list of issues to be arbitrated. There are numerous arguments the City has put forth in support of its position. The City asserts that the Panel in this case has the authority to reject this issue because of its previous withdrawal. They raise concerns over whether allowing this issue to come before the Panel would open the "Pandora's Box" of collective bargaining. Could any issue be re-submitted at any time? What about the mediation effort? How harmful would the resurrecting of old issues be to that process? These concerns raised over the integrity of the bargaining process are clearly legitimate ones. As the City brief pointed out, however, the Panel has the authority to consider last-minute proposals by either side. Counsel for the City knows that proposals are made and dropped at various points in the bargaining process. Some are removed from the table routinely, not having sufficient merit to warrant additional time spent. Some legitimate

with the POLC panel member, I believe that these areas of concern were considered by the POLC prior to making the proposal. The organization, however, believes that the possibility of being considered for other assignments far outweighs the negative factors. I think I must concur in that assessment. I do have concerns, however, with the language as proposed by the POLC. . As set forth by them, position rotation will be "highly encouraged ", and the Chief will put "an emphasis on new applicants when selecting a person". What exactly do these provisions mean, and would they be grievable? After carefully reviewing the proposal, I believe that the City could derive significant benefit from its adoption. I refer specifically to a work force that would have diverse training and experience. That is why I believe employers most often raise this issue. But I would also be very concerned over interpretation of the phraseology I have referred to above. I would not want to recommend new language that would expose both parties to expensive "interpretation by arbitration". In discussions with the parties at the hearing and the POLC panel member, it is clear to me that the sole purpose of this proposed language is to grant the members the opportunity, not the guarantee, of a new position. It is my interpretation also that the responsibility for selecting the applicants rests exclusively with the Chief of Police or his designee. It is on that basis that I cast my vote.

It is the award of the panel that the POLC proposal is accepted on this issue.

Removal of Discipline

POLC proposal:

Article XIII, new Section:

In imposing any discipline on a current charge, the city will not take into account any prior infractions which occurred more than two years prior to the incident giving rise to the current discipline. In the event an employee completes two years of service without a disciplinary action, letters of discipline over two years old shall be permanently removed from the employee's personnel file upon request to the City Manager.

City Proposal:

New Section 15.(a)

An employee who completes a period of two years of service without a disciplinary action may request that records of written discipline shall not be considered in determining future discipline. The Chief of Police may elect at his sole discretion not to consider such items based upon such criteria including but not limited to the employee's work history and the nature of the previous violations. The employee may appeal the Chief's decision to the City Manager.

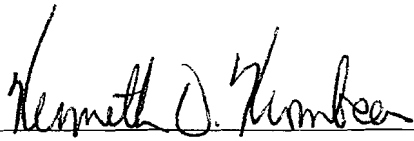
Both of these proposals set a period of two years as the earliest time in which discipline may be removed from an employee's record. In the case of the POLC proposal, the discipline will be automatically removed if there has been no disciplinary action during the two-year period. The City would grant the employee the ability to request that the discipline be removed, provided the employee has a "clean record" for the two-year period. The Chief of Police would have the sole discretion to remove discipline under the City's proposal. In the event that the Chief does not grant the request the employee may appeal to the City Manager. Obviously, except in the very rarest of circumstances, the City Manager is extremely unlikely to overrule the Chief of Police. I have a number of concerns with each proposal. The parties have agreed that this is a non-economic item, and that therefore I am free to fashion an award if I deem it appropriate. With respect to the POLC's proposal, the two-year limitation is one that, I must confess, I have often seen in my days as a mediator. While that language may be the most common, I believe there are disciplinary actions that should not be forgiven within that time frame, and specifically for officers of the law. They must be held accountable to a somewhat higher standard of conduct, in my opinion. Yet, I also have some significant reservations about the City's proposal, because it is entirely possible that an employee's single mistake could never be expunged, even though that may appear to be unlikely at this time. And so, I seek a middle ground. I believe that an employee has the right, under certain circumstances, to expect that prior discipline will never be used against him or her again. I also agree with the City that there are significant disciplines that should not be automatically removed after two years. My difficulty here is attempting to arrive at a solution that takes into consideration both of these concerns. I think that altering the length of time prior to automatic removal is the most logical alternative. If the period of

time is long enough, the likelihood of repetitive behavior increases, and therefore repeated occurrences, which are a concern of the Employer, would likely occur, and prevent removal of the discipline. The City points out that two of the comparables apparently do not remove discipline, one removes only written warnings and complaints from outside individuals, one does not remove documents but will not take into account minor infractions which are more than two years old, and one provides that the City will generally not rely on disciplines over two years old unless the nature of the discipline warrants such consideration. None of these outside comparables contemplate the length of time between suspension and removal of discipline that I am considering. I believe that this makes all the difference. I am therefore awarding the following language on this issue:

When imposing any discipline, the City will not take into account any prior infractions which occurred more than four years prior to the incident giving rise to the current discipline. In the event an employee completes four years of service without a disciplinary action, letters of discipline over four years old shall be permanently removed from the employee's personnel file upon request to the City Manager.


All awards of the Panel were by majority vote.

The City's representative on the Panel voted in the affirmative on the issues of Wages, Retirement-Defined Benefit, and Retirement-Defined Contribution, and dissented on the issues of Longevity, Mileage, Shift Schedule, Position Rotation and Removal of Discipline.




Ken Krombeen, City Delegate (with Dissent-Attached)

The POLC's representative on the Panel voted in the affirmative on the issues of Longevity, Mileage, Shift Schedule, Position Rotation and Removal of Discipline, and dissented on the issues of Wages, Retirement-Defined Benefit, and Retirement-Defined Contribution.



Fred La Maire POLC Delegate

Dated this 30th day of August, 2006



William P. Borushko, Arbitrator

MICHIGAN DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION
LABOR RELATIONS DIVISION

IN THE MATTER OF THE ACT 312 ARBITRATION
BETWEEN:

Case No. L05 A-9006

CITY OF GRANDVILLE,

Public Employer,

-and-

POLICE OFFICERS LABOR COUNCIL,

Labor Organization.

INTERIM AWARD ON COMPARABLE COMMUNITIES

BEFORE:

Arbitrator William P. Borushko
Panel Chairperson

APPEARANCES:

FOR PETITIONER,
POLICE OFFICERS LABOR COUNCIL

Fred LaMaire
Labor Representative
Police Officers Labor Council
667 E. Big Beaver Road
Troy, MI 48083

FOR THE PUBLIC EMPLOYER,
CITY OF GRANDVILLE:

Ken Krombeen
City Manager
City of Grandville
3195 Wilson Avenue SE
Grandville, MI 49418

INTRODUCTION

This Petition for Act 312 Arbitration was filed on or about August 4, 2005, by the Director of Labor Services for the POLC. It was assigned to this Arbitrator on December 1, 2005.

The parties hereto have jointly requested that a preliminary decision on comparable cities be issued so that their respective presentations at the Act 312 hearing may focus on the selected comparables. The Act 312 hearing in this case is scheduled for May 15 & 17, 2006, in Grandville, Michigan.

The Employee delegate on the Arbitration Panel is Mr. Ken Krombeen, and the Union's delegate is Mr. Fred LaMaire.

STATUTORY AUTHORITY

Public Act No. 312 of 1969, MCL 423.231, et. seq., provides for compulsory arbitration of labor disputes involving police officers. Applicable factors to be utilized in determining the award are set forth in Section 9. The pertinent provision is subsection 9(d) which reads:

“Comparison of 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.”

POSITIONS OF THE PARTIES

Both parties have submitted arguments in support of their suggested comparable communities to this Arbitrator. There is only one community that has been submitted by both parties, and that is the City of Walker. Since both have agreed, Walker becomes our first comparable. The remainder of the list of comparables requires a little more consideration and discussion.

Interestingly, neither party, in the course of their argument, indicated to this Arbitrator that virtually the same issue was before Arbitrator Brown in 1997. In that case, the proposed lists were almost the same as in this instance. The Union did state that its presently proposed comparables were the same as in that case. After consideration, Arbitrator Brown concluded that both arguments had merit and adopted all nine proposed communities as comparables. One exception there was the inclusion of Owosso, which is not proposed here.

The City here proposes that this Arbitrator consider Adrian, Niles, Norton Shores, and Traverse City to be comparable communities for purposes of this proceeding. The Union has proposed the cities of Holland, Kentwood, and Wyoming as the comparables to consider. As stated earlier, both parties included the City of Walker on their respective lists.

The two lists of comparables proposed by the parties could not be more divergent. The City's proposed list focuses on a list of traditional considerations such as

SEV, TV, population, budget, department size and crime rate. The list proposed by the Union clearly focuses on geographic proximity as the determining factor when deciding comparability. The City's list contains one contiguous community and also one that is 140 miles away. The Union's list contains three communities, which are basically contiguous, and one which is located within 30 miles.

The Union argues that "Frequently circumstances do not allow strict adherence to comparable selection based on the traditional demographic data. This situation is generally the case when choosing comparables for communities in the "greater Grand Rapids area". Cited in the argument was a decision by Arbitrator Glazer in an East Grand Rapids case, issued in 1995. Of course, the Brown decision referred to earlier took place in 1997, and I assume, perhaps incorrectly, that an attempt was made to persuade Arbitrator to follow Glazer's criteria, apparently to no avail.

To some degree, I concur with the Union's position regarding the proximity argument. I believe that contiguous communities will exert economic pressure upon one another in the area of wages and benefits. However, I do not believe that I can ignore every other factor in favor of geographic proximity. I have not seen any argument that indicates there are circumstances that would preclude adherence to traditional standards of comparison. In reviewing the Union's proposed list, I am of the opinion that the cities of Holland and Kentwood are comparable communities to Grandville. While their numbers are greater than

Grandville's, I believe the proximity factor must be of prime consideration. I cannot agree that Wyoming should be included. All of Wyoming's comparative statistics; SEV, Budget, TV, population, department size, and crime rate are so far above that of Grandville that I cannot include that community in the list of comparables. As will be seen, I have excluded communities from the City's proposed list because they are on the opposite end of the spectrum.

In reviewing the City's proposed list, I find that the use of these regular factors does appear to indicate a significant appearance of comparability in at least two of the proposed communities. I have carefully reviewed each of the tables presented by the City. Utilizing that data, I note that Norton Shores, Traverse City and Grandville, are 2nd, 3rd and 4th in the areas of SEV, Budget, TV, and department size, though not necessarily in that order. In population size, Norton Shores is first, Grandville fourth and Traverse City fifth. I also note that Adrian and Niles do not appear to share the same level of comparison. In most factors, their numbers are far below Grandville's. I believe the conclusion is inescapable that Norton Shores and Traverse City are comparable communities to Grandville. I would also note the parties have mutually proposed Norton Shores as a comparable in the past, but that did not factor into my decision.

AWARD

After careful review of the arguments and evidence presented in support of the party's positions, I find the following to be the communities that shall be considered comparable to the City of Grandville in this matter:

**Walker
Norton Shores
Traverse City
Kentwood
Holland**

/s/William P. Borushko 4/10/06

William P. Borushko Date
Arbitrator