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STATE OF MICHIGAN
DEPARTMENT of CONSUMER and INDUSTRY SERVICES
EMPLOYMENT RELATIONS COMMISSION

IN THE MATTER OF ACT
312 INTEREST ARBITRATION
BETWEEN:

CITY OF KALAMAZOO

EMPLOYER

and

Act 312 Case No.:
L04 L-4003

**KALAMAZOO PUBLIC SAFETY
OFFICER'S ASSOCIATION**

UNION

ARBITRATION OPINION AWARD AND ORDER

ARBITRATION PANEL:	HIRAM S. GROSSMAN, ESQ.	(P-14425)	CHAIRMAN
	KURT N. SHERWOOD, ESQ.	(P-39639)	EMPLOYER
	MICHAEL F. WARD, ESQ.	(P-21975)	UNION DELEGATE

APPEARANCES AND REPRESENTATIVE:	KURT N. SHERWOOD, ESQ.	(P-39639)	FOR EMPLOYER
	MICHAEL F. WARD, ESQ.	(P-21975)	FOR UNION

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APPEARANCES

FOR THE UNION:

LAURA MISNER
RONALD YORK
MIKE SLANCIK
CRAIG JOHNSON

FOR THE EMPLOYER:

JEROME POST
MARK STUHLDTREHER
JULIE SESSIONS
MIKE MCCAW
KATHY STRAITS

WITNESSES

FOR THE UNION:

RONALD YORK
LAURA MISNER

FOR THE EMPLOYER

MARK STUHLDTREHER
MIKE MCCAW
JEROME POST

INTRODUCTION

Upon petition for arbitration under Act 312, Public Acts of 1969 as amended filed by the City of Kalamazoo (hereafter referred to as the “employer”) indicated a contract dispute between it and the Kalamazoo Public Safety Officer’s Association (Hereafter referred to as the “union”), on behalf of all Public Safety employees enumerated in the parties collective bargaining agreement identified as Exhibit A was assigned to the chairman by letter dated August 25, 2005 for resolution under the terms of Act 312.

A pre-arbitration conference was held on October 10, 2005 at the City Hall in the City of Kalamazoo. At the pre-arbitration conference, several issues were identified by the parties as still being in dispute. Due to the large number of unresolved issues, the Chairman issued an order remanding the parties back to mediation with Mediator James Spaulding. The arbitration hearings were conducted on the following days, August 28, 31, September 15, 20, and October 23, 2006. The parties used hearing dates of September 20 and October 23, 2006 to discuss and narrow the health insurance issue. Also, the parties have used the period between scheduled hearing dates to narrow differences on some disputed issues, to settle and withdraw other disputed issues resulting in fewer issues remaining in dispute which required the taking of testimony. Executive session(s) were used by each party to present their positions and evidence on the remaining disputed issues enabling the arbitration panel to issue its Opinion Award and Order on these issues. Each party submitted its last best offer of settlement for exchange, Exhibit A City’s, Exhibit B, KPSOA’s and the chairman; by letter dated December 20, 2006 exchanged the parties’ last offers of settlement. Each of the parties filed a brief in support of their last offer for exchange and the chairman exchanged the party’s briefs in support of their last offer. The arbitration panel met in executive session to discuss and review each party’s final offer and positions in support thereof.

The collective bargaining agreement, which is the subject matter of this 312 proceeding expired December 31, 2004. The parties have availed themselves of the 312 Act procedures previously. Prior to filing the petition in the case at bar, the parties entered into collective bargaining negotiations and continued thereafter until an impasse

was reached on the unresolved issues. Subsequently, on June 23, 2005, City of Kalamazoo filed its petition for arbitration under Public Acts of 1969, Act 312, MCLA §423.31 et seq. and as previously stated, the chairman of the arbitration panel remanded the parties back to mediation with Mediator James Spaulding by an order dated October 10, 2005. The parties were unable to resolve all disputed issues and the first day of Act 312 hearing took place on August 28, 2006. The parties' executed a Stipulation waiving Act 312 time limitation requirements set forth in Section 6 (1) and (2) MCL 423.276 (1) and (2) indicating the time when Act 312 hearing proceedings are to commence and conclude.

USE OF COMPARABLE

The parties were unable to agree upon all the comparables that would be used for comparing the various economic requests. The City submitted a list of ten (10) external comparables which it claims are comparable to Kalamazoo. Of the ten external comparable the Union agreed on six, Grand Rapids, Kalamazoo County, Kalamazoo Township, Lansing, Portage and Saginaw, the remaining four comparables the City will be using that the Union cannot agree upon are: Battle Creek, East Lansing, Jackson and Wyoming. Rather than making a ruling to exclude any of the City's four comparables that the Union would not agree upon, a majority of the arbitration panel concluded the City can use and argue all ten of its comparables even though the Union agrees with only six of them. The City of Kalamazoo's choice of comparables is based upon the fact its comparables are sufficiently similar to Kalamazoo there is a degree of equality, and they are capable of being compared to the City of Kalamazoo. In the past the city has used 10 comparable communities, three of which are local (T116). None of the 10 comparables the city uses has a public safety department (T116); each of the city's 10 comparables was used by the city in its last Act 312 arbitration (T116). The 3 local comparables were used because of their geographic proximity; the other 7 comparables have similar population size (T117). Since the city recruits state-wide it believes the other seven (7) comparables are representative (T118). Each party was afforded ample opportunity to raise objections and the basis for the objections with respect to comparisons selected by the other party on each economic matter. However,

testimony was adduced during the hearing, each party's final offer was made, and the briefs in support of their final offers have been filed, and each party has expressed their respective position on each economic matter presented for determination and has relied upon their comparables whether accepted or protested, and other City of Kalamazoo employees were referred to or proposed for support or refutation of particular positions vis-à-vis the economic items in dispute.

STATUTORY AUTHORITY

Statutory basis for these proceeding are Act 312 of Public Acts 1969, as amended (MCLA 423.231 et seq.). Section 8 provides in pertinent part:

At or before the conclusion of the hearing held pursuant to section 6, the arbitration panel shall identify the economic issues in dispute and to direct each of the parties to submit within such time limit as the panel shall prescribe, to the arbitration panel and to each other its last offer of settlement on each economic issue. The determination of the arbitration panel as to the issues in dispute as to which of these issues are economic shall be conclusive. . . . As to each economic issue, the arbitration panel shall adopt the last offer of settlement which, in the opinion of the arbitration panel, more nearly complies with the applicable factors prescribed in section 9.

Section 9 of the Act provides in pertinent part:

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 an 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) Stipulation of the parties.
- (c) The interest and welfare of the public and the financial ability of the unit of government to meet those costs.
- (d) Comparison of wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours, and conditions of employees performing similar services and with other employees generally.
 - (i) Public employment in comparable communities.
 - (ii) Private employment in comparable communities.

- (e) The average consumer price for goods and services commonly known as 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 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.

The constitutionality of Act 312 was affirmed by the state supreme court in **City of Detroit vs. Detroit Police Officers Association**, 408 Mich 410 (1980). The court underscored the significance of the section 9 factors and the role they play in an Act 312 proceedings. In its opinion, the court concluded:

(T)he panel's decisional authority has been significantly channeled by section 9. . . . That section trenchantly circumscribes the arbitral tribunal's inquiry only to those disputes including wage rates or other conditions of employment braced by a newly proposed or amended labor agreement and commands the panel to base its finding, opinions, and order relevant to these narrow disputes on the eight listed factors as applicable. . . . 408 at 453.

The court in **City of Detroit** concluded Act 312 does not constitute an unconstitutional delegation of authority because:

. . . . The eight factors expressly listed in section 9 of the Act provides standards at least as, if not more than as, reasonably precise as the subject matter requires or permits in effectuating the Act's stated purpose 'to afford an alternate, expeditious, effective and binding procedure for the resolution of disputes.' MCL §423.231; MSA 17.455(31). These standards must be considered by the panel in its review of both economic and non-economic issues. In its resolution of non-economic issues, the panel 'shall base its findings, opinions, and orders upon the following factors, as applicable', MCL§423.239; MSA §17.455(39). (Emphasis supplied). See MCL 423.238; MSA §17455(38). "The findings, opinions and

orders as to all other issues (i.e., non-economic issues) shall be based upon the applicable factors prescribed in section 9. (Emphasis supplied). When these eight specific section 9 factors are coupled with the section 8 mandate that: '[a]s to each economic issue, the arbitration panel shall adopt the last offer of settlement which, in the opinion of the arbitration panel, more nearly complies with the applicable factors prescribed in section 9, MCL §423.238; MSA §17.455(38). (Emphasis supplied)' the sufficiency of these standards is even more patent (footnote omitted) 408 at 461, 462.

In determining whether the panel's arbitration award should be enforced, the court in the **City of Detroit** case underscored the critical importance of the section 9 factors as well as Sections 8, 9, and 12 of the Act interdependence with each other.

[A]ny finding, opinion or order of the panel on any issue must emanate from a consideration of the eight listed section 9 factors as applicable.

. . . Construing sections 9 and 12 together then, our review must find that the arbitration panel did indeed base its findings, opinion or order upon competent material and substantial evidence relating to the applicable section 9 factors. **Caso vs. Coffey**, 41 NY 2d 153, 158; 391 NW 2d 88, 91; 359 NE 2d 683, 686 (1976). In other words, the order of the panel must reflect the applicable factors and the evidence establishing these factors must be competent, material and substantial evidence on the whole record. It is only through this judicial inquiry into a panel's adherence to the applicable section 9 factors in fashioning its award that effectuation can be given to the legislative directive that such awards be substantiated by evidence of, and emanate from, consideration of applicable section 9 factors. (emphasis in original) 408 at 483.

In the **City of Detroit**, the court left for the arbitration panel the decision of determining relative importance of each of the section 9 factors to the particular case; however, in every 312 Act case, each of the section 9 factors must be considered.

[T]he legislature has made the treatment, where applicable, mandatory on the panel through the use of the word 'shall' in sections 8 and 9. In effect, then, the section 9 factors provide a compulsory checklist to ensure that arbitrators render an award only after taking into consideration these factors deemed relevant by the legislature and codified in §9. 408 at 484.

In the **City of Detroit**, the court concluded the non-economic award was defective because the arbitration panel did not consider all the applicable section 9 factors in making its award as Act 312 mandates.

[T]he panel does not have the discretion to ignore any applicable section 9 factors. Moreover, this legislative directive is no less obligatory on the panel when the parties themselves have failed to introduce evidence on an applicable factor. In such a case, the panel, in order to comply with the intention of Act 312 that arbitral decisions be substantiated by evidence of, and emanate from consideration of the applicable section 9 factors, must direct the parties to introduce evidence relating to the applicable factors. By so doing, the panel will be able, per the dictates of sections 8 and 9 to make findings based upon the applicable factors enumerated in section 9 from the evidence of record before it.

* * *

Such Pro forma deference to the requirements of sections 8 and 9 of the Act will not do. These sections, by their terms require rigid adherence. . . (footnote omitted) 408 at 496, 497.

From the Supreme's court holdings in the **City of Detroit** case, the decision making process of the arbitration panel must, in Act 312 cases, be based upon the factors enumerated in section 9 of the Act and the panel's decision, must be based upon competent material and substantial evidence on the record considered as a whole.

ISSUES

The issues in dispute are all economic. Finally, the panel will list those areas that the parties acknowledge agreement has been reached or the issues were withdrawn by the party raising the issue.

1. Economic issues in dispute.

- | | |
|----------------------------|------------------------|
| a. Critical Illness Leave. | g. Pension |
| b. Vacation | h. Clothing allowance |
| c. Holidays | i. Education bonus |
| d. Longevity | j. Wages |
| e. Health Insurance | k. Night shift premium |
| f. Sick leave workers comp | l. Orthodontic Rider |

2. Issues that have been resolved.
 - a. KPOA changed to KPSOA
 - b. Article VII, Section 3 – Paying Military Differential on a fiscal year from Oct 1 – Sept 30.
 - c. Article VII, Section 5(b) – Funeral Leave to add Step-Child, Step-Parent, Daughter-in-Law, Son-in-Law, and domestic partner.
 - d. Article VIII – Power Shift Staffing/Minimum Staffing Clarification
 - e. Article IX, Section 11 – Designating Financial institution for Direct Deposit.
 - f. Article XIV – Probationary Employees Use of Sick Leave During First 6 Months of Employment
 - g. Article XV, Section 1(c) – CSO Pension
3. Issues that have been withdrawn.

The KPSOA withdrew the following:

- a. Article IV, Section 1 (c) – Grievances/Information
- b. Article XIII, Section 1 – Health Insurance – increase opt out amount
- c. Article XIII – Health Insurance, Family Continuation Rider increase dependant age to 25
- d. Article XV, Section 1(b) – CSO 30 and Out
- e. Article XV, Section 1(h) – Reducing Employee Pension Contribution
- f. Article XVIII – Fire Marshal’s Car – ability to take it home

The City withdrew the following:

- a. Article I, Section 6(b) – Grievance Committee Chairperson and Association Time.
- b. Eliminate Minimum Staffing
- c. Article VIII, Section 4 – Filling Teleserve and Traffic Positions
- d. Fire Marshals Working a 56 Hour Schedule

BACKGROUND

The City of Kalamazoo is an urban core community, having little developable land available (T10)¹. The City of Kalamazoo provides a full range of services to its citizens: police, fire, community development, parks and recreation, code enforcement, building licensing permitting, occupancy, water, wastewater operation, infrastructure, maintenance, replacement and maintenance of streets, bridges, and sidewalks. (T10) The current population is approximately 70,000 which is down from the 2000 census population figures of 75,000 (T10). The total budget for the City of Kalamazoo is currently 145 million; the public safety budget for the combined police and fire protection is 50.6 million (T10 & 11). The City of Kalamazoo's revenues are generated through property taxes 60%, State shared revenue and 20%, fees and fines 20% (T14). The City charter limits the City millage rate that the City can charge its residents to 20 mills (T15); currently the city is at the maximum millage rate it can charge its residents (T15). The state equalized value of property in Kalamazoo is 1.5 billion dollars; however, the taxable value is somewhat less than that (T107). The millage is applied to the taxable value not the SEV (T107). Property tax revenue growth over the last 5 to 7 years has been in the low 2% range per year (T26). The City charter allows taxpayers to pay their property taxes on 12 monthly equal installments T26. There is no local sales tax in Michigan (T16). State shared revenue is comprised of two components (1) a constitutional and (2) a statutory (T16). The constitutional component is a formula; the statutory component is subject to annual appropriation by the state legislature (T16). In the recent past 3 to 5 years, the statutory share of state shared revenues has declined (T16). It had dropped from 13 million in 2001 to 10 million in 2006 (T16). 40% of the property in the city is tax exempt property such as; hospitals Borgess and Bronson, county government buildings as Kalamazoo is a County seat, Western Michigan University, and religious buildings (T17). The city collects 98 to 99% of the property taxes it levies (T18). A number of expenses the city incurs it has little control over such as gasoline purchases and health insurance costs for its employees (T19). Wages and benefits of its employees account for between 75 to 80% of the general fund budget

¹ The letter "T" followed by a number refers to the page in the transcript where the testimony providing the evidence is found.

expenditures (T19). The number of employees working for the City of Kalamazoo has been reduced from 845 in 2004 to 819 in 2006 (T21). The financial condition and situation for Kalamazoo is not unique to core communities in Michigan; all have been experiencing similar conditions (T22).

The city's policy has been to maintain a 15% fund balance which is 15% of general fund revenues being held in reserve (T22). The fund balance is used to cover catastrophic expense(s) not planned or budgeted and as a source of cash flow (T23). More recently the city has been budgeting approximately 11% of general fund revenues as a fund balance (T24). The City of Kalamazoo has a credit rating of AA showing a stable outlook; however, recently the credit agencies have changed the city's out look to negative even though the city has maintained its AA credit rating (T25).

The city is attempting to contain the rate of growth of its expenses; since personnel costs represent 75 to 80% of the city's expenses; the city has reduced the number of employees from 935 in 1995 to 822 in 2005 (T29). Also, the city has attempted to limit the rate of wage increases recently; certain employee groups have received no wage increase at least once over the last couple of years. The city has eliminated longevity pay for certain groups of employees, instituted health care plan design changes, and cost sharing strategy changes (T28). The city has reduced services to the community since there are fewer residents, deferred capital maintenance and construction (T28). However, one of the costs that the city has not been able to successfully address is the healthcare costs of its retirees; the city contractually incurred these obligations over the years (T33). Due to accounting rule changes, in the future employers will have to account for retiree medical benefits, the city has not been funding the retiree health care costs as it has done for its employee's pensions (T33). However, there is no requirement that the city prefund the retiree health insurance (T68). Currently the city has an annual required contribution of fourteen million (\$14,000,000.00) dollars; the city currently pays six million (\$6,000,000.00) dollars; the differential of eight million (\$8,000,000.00) will soon be required is to be posted as a liability (T3,4). The city has not made any cash contribution to its public safety employee's pension fund since 1996, but the bargaining unit employees contribute 6.5% of their wages to the pension fund (T46).

In the year 2005 the general revenue fund increased by 5.37% and taxes per capita have increased each year since 1992 (T55). Kalamazoo's revenues have been trending upwards over the past several years although not steeply (T55). Kalamazoo's tax revenues increased by 57% over the last fifteen (15) years (T56). Kalamazoo's revenue increase over the past fifteen years has averaged 2.64% per year; during the same period of time expenditures increased 28% or 1.78% per year (T56). Examining taxes per capita over the 15 year period, Kalamazoo's revenues have increased 72% or 3.94% per year. Taking into account inflation over the past 15 years, Kalamazoo's revenues have trended upward, although not steeply at approximately $\frac{3}{4}$ of 1% per year on average (T57-58). After inflation taxes per capita have increased at 1.33% per year (T59). Since 2001 general fund revenues have increased 6.62% while expenditures have increased by 4.92% during the same period (T60). Since 2001 property taxes have increased 12% (T60). In 2005 Kalamazoo's general fund expenditures went down from the prior year (T61). Over the past five years Kalamazoo's average deficit was \$112,000 per year rather than the \$1.9 million per year that was projected in Kalamazoo's budget for that five year period (T63-64).

Kalamazoo Department of Public Safety is a fully combined police, fire, and public safety operation (T78). The largest division is the patrol division, which is also referred to as operations (T78). Operations are made up of patrol officers and public safety officers assigned to fire apparatus (T78). Additionally, there is the criminal investigations division, detective bureau and lab service (T78). There is a Kalamazoo Valley Enforcement Team, a multi-jurisdictional county drug enforcement unit comprised primarily of the city's public safety personnel (T78). There is also a services division that includes dispatch employees and the records bureau (T78). Kalamazoo went to a public safety department in 1982 (T79). The public safety department is authorized at approximately 300; approximately 180 to 185 are KPSOA members (T79). There are approximately 48 employees in the supervisory and command officer unit of the public safety department (T98). There are approximately 20 public safety departments in Michigan (T79); Kalamazoo, Public Safety Department is the largest (T79). The various classifications comprising the Public Safety Department that are members of KPSOA are, Public Safety officers assigned and working in police; cars and public safety

officers assigned and working as fire fighters. There are 39 of these positions. There are PSO EO's that are in classifications other than patrol such as court officers, tele-serve, and traffic (T80). Also, part of the KPSOA unit is the detective, lab technician and lab specialist classification (T80). Additionally, there are some civilian classifications community service officers, dispatchers, evidence technicians and investigative aides (T80). What differentiates a public safety officer from a police officer or a fire fighter is that the public safety officer does both jobs; they are certified both as police officers and as fire fighters (T80). Public safety officers are paid more than a police officer (T81). Recruitment of public safety officers is through colleges having law enforcement curriculums and police academies (T81-82). A majority of the PSO's have a bachelor's degree; at a minimum PSO's will have an associates degree (T-155). These recruits then go through the city's in house fire academy to become certified firefighters (T82). PSO's work a 42 hour per week 12 hour shift schedule (T82), they are not paid overtime unless they work more than 42 hours per week (T152). PSO's assigned to fire apparatus work a 24 hour schedule 56 hours per week (T82); they are not paid overtime unless they work in excess of their scheduled shifts (T152,153).

The number of calls for service the Public Safety Department dealt with in 2005 was 86,477, an increase of approximately 2,700 over 2004 (T92). The supervisory unit had a four year contract with 2005 being the 4th year; the supervisory unit received a 3.1% pay increase in 2005 (T95). The KPSOA negotiated a 3 year contract expiring December 31, 2004. In the supervisory unit contract, the city and the supervisory union have agreed a sergeant's salary is to be at least 12% greater than the top paid PSO, 24% greater for lieutenant, and 36% greater for captain (T95). Beginning in 2000, the Public Safety Department has made \$6.6 million in cuts as a result of increases in expenses and expenditures within the public safety department (T86). The Public Safety Department does not make the decision on the amount of funds available for the Public Safety Department (T90).

Kalamazoo has five (5) collective bargaining units represented by five different unions (T115). An AFSCME unit comprised of employees working public service areas: water, waste water, streets and parks and recreation (T115). A KMEA unit comprised largely of clerical, professional and technical employees. An ATU unit made up of bus

drivers and mechanics (T115). Two law enforcement units, the KPSOA and the KPSA unit made up of supervisory and command unit employees (T115). There is a group of unrepresented employees (T115). The ATU unit has binding arbitration for wages in their contract (T115). The public safety officers rate is 10% higher than the rate for a police officer who is not cross trained (T122, 149). Looking at the city's five bargaining units and its unrepresented employees as depicted in Ex 16, the AFSCME unit received 0% increase in 2005, the unrepresented employees received 0% increase in 2005, ATU received 0% increase in 2005, and KMEA received a 0% increase in 2005, KPSA the command officer unit received 3.1% increase in 2005, the 4th year of their existing contract (T124,125).

There is regular interaction and contact between the City of Kalamazoo, Kalamazoo County Sheriff's Department, Kalamazoo Township and Portage law enforcement departments (T157). This is true with respect to both firefighting and law enforcement (T157, 158). On the fire side there are mutual aid and initial aid agreements (T157). On the policing side, Kalamazoo Township quite frequently received aid and assistance from the city (T158). To a lesser extent this is true with Portage (T158). A lot of fire training occurs with the city's and Portage fire personnel (T158). The county and city use and share the same crime lab; the county's Sheriff's Department and deputies use the same crime lab as the city's crime lab personnel located in the city's Public Safety Department building (T158). The county, the city and Kalamazoo Township share the same dispatch center in the city's Public Safety Building (T159, 160). Occasionally employees from these three (3) units of government answer each others 911 calls (T160). The city's gun range is shared with the Kalamazoo Township and the county's deputies (T162). There are joint trainings, mass casualty training, and first responder training which takes place at the city's facility involving personnel from these government components (T162). There is a county wide drug enforcement team called Kalamazoo Valley Enforcement team (KVET); although primarily staffed by city law enforcement personnel there are county, township and Portage personnel in KVET (T162). KVET is involved with undercover drug investigations and interdiction (T163). Whenever county wide investigations occur the sheriff's department deputizes the city's public safety officers (T163).

Economic Issues in Dispute

I. **Critical Illness Leave Article VII Section 5a**

A. Current Language:

- (a) Paid leaves for critical illness of a member of the employee's immediate family shall be available only in case of such illness on the part of the employee's then current spouse, the employee's child or parent and for a period not to exceed three (3) regularly scheduled working days (one (1) regularly scheduled working day for fifty-six (56) hour employees) at any one time.

B. City's last best offer: Maintain the current language; deny KPSOA requested change/addition to the language.

C. KPSOA's last best offer: Proposes changing the language by adding the following family members: step child, step parent, and domestic partner, so section 5a will read:

Section 5(a): Paid leaves for critical illness of a member of the employee's immediate family shall be available only in case of such illness on the part of the employee's then current spouse or domestic partner (as defined by the City's Domestic Partner Benefit Policy), the employee's child, step-child, parent or step-parent and for a period not to exceed three (3) regularly scheduled working days (one (1) regularly scheduled working day for fifty-six (56) hour employees) at any one time.

D. City's Basis for its Position:

Bargaining unit members may already request an unpaid personal leave of absence or take FMLA leave to care for a family member who has a critical illness or a serious health condition. The Critical Illness Leave policy therefore simply provides a means for employees to receive paid time off when caring for a covered family member (for up to 3 regularly scheduled working days) without having to use other available paid time off. The City therefore believes the current Critical Illness Leave policy is adequate and there is no compelling reason to expand this benefit by adding step-child, step-parent and domestic partner.

With specific regard to domestic partners, the City believes it ill-advised to add domestic partner benefits at a time when the constitutionality of such benefits is legally uncertain. The City also believes KPSOA's proposal to be ill advised because it does not define "domestic partner," and given the City already has an existing domestic partner benefits policy.

Finally, KPSOA's proposal involves increased cost to the City. In an era when the City has been compelled to repeatedly cut its operating budget, the public's interest in containing costs weighs in favor of following bargaining history and therefore maintaining the status quo.

E. KPSOA's Basis for its Position:

The City of Kalamazoo has adopted a Domestic Partner Policy, by action of the City Commission, which allows health insurance benefits to be available to the domestic partners of all employees. The City has voluntarily recognized that domestic partners are members of the employee's immediate family and, in fact, are placed in the family in the same position as a spouse for health insurance benefits. To deny the employee access to critical illness leave to attend to his/her domestic partner is an affront to the status given domestic partners by the City's own policy.

The City offers its other employees the same benefit requested by the Association. The City allows employees who are not represented and employees who are members of the AFSCME union critical illness leave for their domestic partners and step-children. Step-children are the children of the employee's spouse and an integral member of the employee's household. When a step-child suffers a critical illness care, by the employee, is just as necessary as care for his/her own child.

Opinion, Award and Order of Critical Illness Leave Issue

A majority of the arbitration panel conclude, find and adopt as its award the KPSOA last offer on the critical illness leave Article VII Section 5(a) by expanding the immediate family members to include domestic partner (as defined in the City's Domestic Partner Benefit Policy), step-child and step-parent. The arbitration panel has considered all applicable Section 9 requirements in arriving at its decision to adopt KPSOA's last settlement proposal on this issue.

The reasons and grounds for accepting KPSOA's proposal on this issue are as follows: A majority of the panel find significant the City already has adopted a Domestic Partner policy for health insurance making health insurance benefits available to domestic partners of all of its employees. Additionally, the City already offers critical illness leave to its employees who are unrepresented and to its AFSCME members. Each of those group's employees are provided critical illness leave for their domestic partners, step-children and step-parents. Step-children are the children of the employee's spouse and an integral member of the employee's family.

Based upon the foregoing and the record as a whole and after considering all applicable Section 9 factors, the award and order of a majority of the arbitration panel is KPSOA's final offer of settlement and Section 5a shall read as set forth below.

Section 5(a): Paid leaves for critical illness of a member of the employee's immediate family shall be available only in case of such illness on the part of the employee's then current spouse or domestic partner (as defined by the City's Domestic Partner Benefit Policy), the employee's child, step-child, parent or step-parent and for a period not to exceed three (3) regularly scheduled working days (one (1) regularly scheduled working day for fifty-six (56) hour employees) at any one time.

Section 5(a)'s application shall be prospectively from the signing and implementation of the Act 312 Award and Order.

Dated: 1-12, 2007 
 Hiram S. Grossman, Chairman

Dated: 1/12, 2007 (dissent) 
 Kurt N. Sherwood, Esq., Employer delegate

Dated: 1/12, 2007 
 Michael F. Ward, Esq., Union delegate

II. Vacation Article X Section 1

A. Current Language Article X Section 1:

Section 1 – Vacation Accrument: Employees who, as of December 31 of any year, have completed less than one (1) year of continuous employment shall be entitled, during the next calendar year, to receive, pro rata, their applicable portion of vacation with pay calculated on the basis of paid vacation for one (1) completed year of continuous service. Employees who, as of December 31 of any year, have completed one (1) or more years of continuous service with the Employer shall receive vacation pay in accordance with the following schedule:

<u>Completed Years Of Service</u>	<u>40 Hour Employee</u>	<u>42 Hour Employee</u>
1 but less than 5	80	84
5 but less than 11	120	126
11 but less than 12	128	132
12 but less than 13	136	144
13 but less than 14	144	150
14 but less than 15	152	156
15 or more	160	168

**Duty Days Off
24 Hour Shift Employee**

1 but less than 5	5
5 but less than 11	9
12 but less than 15	10
15 or more	11

- B. City's last best offer: Maintain the current amount of vacation time as set forth in the January, 2002 – December, 2004 contract; thereby deny the KPSOA's proposed changes set forth in its last best offer.
- C. KPSOA's last best offer: The current vacation schedules for 40, 42 and 56 hour employees be changed to reflect the following paid vacation hours based upon years of service and their scheduled hours worked per week. This represents an increase of 1 work day at each step for the employees working any of the 3 different work schedules.

Effective January 1, 2007:

Vacation Schedule

Completed Years of Service	40-Hour Employees	42-Hour Employees
1 but less than 5	88	96
5 but less than 11	128	138
11 but less than 12	136	144
12 but less than 13	144	156
13 but less than 14	152	162
14 but less than 15	160	168
15 or more	168	180

**Duty Days Off
24-Hour Shift Employees**

1 but less than 5	6
5 but less than 11	10
12 but less than 15	11
15 or more	12

D. Basis for City's Position: The KPSOA's proposal involves increased cost to the City. In an era when the City has been compelled to repeatedly cut its operating budget, the public's interest in containing costs weighs in favor of following bargaining history and therefore maintaining the status quo. The City also notes that one of its important negotiating objectives (as evidenced by numerous City proposals) was to improve efficiency with respect to how the Department utilizes personnel. This has become especially important given that staff reductions caused by budget cuts have greatly challenged the Department's ability to meet contractual minimum staffing requirements. Ultimately, granting more vacation time means more officers unavailable for work, which means greater staffing challenges, which means compromised Departmental efficiency. Finally, the City believes it inappropriate to increase KPSOA vacation time, especially where KPSOA work schedules – when taken in tandem with the Agreement's current vacation time off language – permits KPSOA members comparable if not more time off than is accorded police officers in "comparable" departments..

E. Basis for KPSOA's Position:

The current vacation schedule is vastly inadequate as compared to the local police agencies within Kalamazoo County. Kalamazoo County officers, City of Portage officers and Kalamazoo Township officers have much more paid vacation. In addition each one of these comparable jurisdictions has paid personal leave days to supplement their vacation allotment.

Opinion, Award and Order on Vacations

Article X Section 1

A majority of the arbitration panel concludes, find and adopt as its award the KPSOA's last offer on vacations by adding one additional work day at each step of the vacation scale for the bargaining unit employees working any of the three (3) different weekly work schedules. The arbitration panel has considered all applicable Section 9 requirements in arriving at its decision to adopt KPSOA's last best offer on the vacation issue.

The reasons and grounds for a majority of the arbitration panel accepting KPSOA's proposal is that they found persuasive the fact that the three (3) external law enforcement agencies that both the City and KPSOA are using as comparables Kalamazoo County Sheriff's deputies, Kalamazoo Township and City of Portage, provide for more paid vacation days than the KPSOA currently receive. Additionally, the

three named comparables provide paid personal days to supplement their vacation allotment. Finally, there has been no showing the City replaces a KPSOA member who is taking their vacation days.

Based upon the foregoing and the record as a whole, and after considering all applicable Section 9 factors, the Award and Order of a majority of the arbitration panel is KPSOA's last best offer to add one additional work day at each step of the vacation scale for employees working the 3 different weekly work schedules. The vacation schedule shall be as set forth in the KPSOA's vacation schedule proposal set forth above, and it is to be effective January 1, 2007, after the execution and implementation of the Act 312 Award and Order.

Dated: 1-12, 2007 Hiram S. Grossman
Hiram S. Grossman, Chairman

Dated: 1/12, 2007 Kurt N. Sherwood
(dissent) Kurt N. Sherwood, Esq., Employer delegate

Dated: 1/12, 2007 Michael F. Ward
Michael F. Ward, Esq., Union delegate

III. Holidays Article XI Section 1

A. Current Language:

Section 1 – Holidays: The following days are recognized as holidays under this Agreement: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, the day celebrated as Veterans' Day (November 11th), Thanksgiving Day, the day after Thanksgiving Day, Christmas Eve Day and Christmas Day. Additionally, New Year's Eve Day shall be treated as a one-half day holiday. An employee may substitute Martin Luther King Day for another worked holiday if he/she is scheduled to work on Martin Luther King Day by notifying his/her supervisor at least two weeks in advance. If there are sufficient employees scheduled, the employee may take Martin Luther King Day as a day off.

B. City's last best offer: The City's last offer of settlement is that the requested changes/additions be denied and that Article XI, Section 1 remains as in the current contract (i.e. status quo).

C. KPSOA's last best offer: Make New Years eve day a full holiday and Martin Luther King a full paid holiday in lieu of the current language with respect to how Martin Luther King's Day is now treated.

KPSOA's Proposal Section 1 will read:

Section 1 – Holidays: Effective January 1, 2007, the following days are recognized as holidays under this Agreement: New Year's Day, Martin Luther King Jr. Day, Good Friday, Memorial Day, Independence Day, Labor Day, the day celebrated as Veterans' Day (November 11th), Thanksgiving Day, the day after Thanksgiving Day, Christmas Eve Day, Christmas Day and New Year's Eve Day.

(a) Effective January 1, 2007 Holidays shall be considered as starting at the beginning of each regularly scheduled shift on which the actual holiday falls.

This will also change Section 2(a) to read:

"The Employer agrees to continue its current practice of paying holiday pay. The Employer agrees to pay each regular, full-time fifty-six (56) hour employee a lump sum payment, in lieu of additional payment for hours actually worked on a holiday, equal to one hundred forty four (144) hours of pay at the employee's regular straight time hourly rate of pay....."

- D. Basis for City's Position: The KPSOA's proposal involves increased cost to the City and will likely result in decreased Departmental efficiency. In an era when the City has been compelled to repeatedly cut its operating budget, the public's interest in containing costs weighs in favor of following bargaining history and therefore maintaining the status quo. The City also notes that one of its important negotiating objectives (as evidenced by numerous City proposals) was to improve efficiency with respect to how the Department utilizes personnel. Ultimately, granting more holiday time off means more officers unavailable for work, which means greater staffing challenges, which in turn means compromised departmental efficiency. Finally, the City believes it inappropriate to increase KPSOA holiday time off, given the current amount of holiday time off (measured in hours) is comparable to if not more than is accorded to police officers in "comparable" departments.
- E. Basis for KPSOA's Position: The Department of Public Safety has a significant number of African-American employees who desire to celebrate the Dr. Martin Luther King, Jr. holiday on the day it is actually celebrated nationally. The current agreement allows employees to substitute another recognized holiday for Martin Luther King Day only if he/she is scheduled to work on the actual day, and then only if there are sufficient employees scheduled to work. The City has already recognized Martin Luther King, Jr. Day as a holiday but has placed conditions on the holiday that relegate the day to second class and, in some cases, make it unavailable for use. The Association's last best offer would elevate Dr. King's day to the same status as all other holidays.

The Association also requests that the half day, now recognized for New Year's Eve Day, be extended to a full day. The current number of holidays given to Association members is deficient when compared to paid time off made available to other comparable communities. As mentioned earlier, other comparable communities have paid personal leave days that employees may use as they

please, including use on New Year's Eve. In addition, the majority of comparable communities have more holidays than the City of Kalamazoo.

Opinion, Award and Order on Holidays

Article XI Section 1

A majority of the arbitration panel conclude, find and adopt as its Award and Order KPSOA's last best offer of making New Years Eve Day a full paid holiday instead of a ½ day paid holiday and making Martin Luther King Day a paid holiday without any conditions in lieu of the language in the current contract. The arbitration panel has considered all applicable Section 9 requirements in arriving at its decision to adopt the KPSOA's Last Best Offer on the holiday issue.

The reasons and grounds for accepting the KPSOA's proposal making New Year's Eve Day a full paid holiday instead of a ½ day paid holiday and recognizing Martin Luther King Day as a full paid holiday without any conditions in lieu of the current practice set forth in its contract. The department has a significant number of African American employees. The City has already recognized Dr. Martin Luther King Day as a holiday but has imposed conditions upon relegating it to a lesser position than other paid holidays it provides. The United States Government, most states and local government entities recognize, observe and provide Dr. Martin Luther King Day as a paid holiday.

Currently the number of paid holidays the City provides is less than provided to employees of other comparable communities in Kalamazoo County that both parties are using as comparables. Also, other comparable communities afford their law enforcement employees paid personal leave days off which they can use as they please including for New Years Eve Day. Finally, a majority of the comparable communities used by the City and KPSOA have more paid holidays than the City of Kalamazoo.

KPSOA's position is adopted that effective January 1, 2007, holidays shall be considered as starting at the beginning of each employees regularly scheduled shift on which the actual holiday falls. Finally, KPSOA's position is adopted changing the lump sum payment to 144 hours of pay from 126 hours of pay for a 56 hour employee.

Based upon the foregoing, and the record as a whole, and after considering all applicable Section 9 factors the Award and Order of a majority of the panel is the KPSOA's last best offer that Article XI Section 1 Paid Holidays is to be changed by making New Years Eve Day a full paid holiday and Martin Luther King Day a full paid holiday without any conditions in lieu of as currently provided. Holidays are to be considered as starting at the beginning of each regularly scheduled shift on which the actual holiday falls. Finally, the lump sum payment for 56 hour employees is to be changed to 144 hours from 126 hours. This award is prospective upon execution and implementation of the Act 312 Award and Order by the City and KPSOA.

Dated: 1-12, 2007 Hiram S. Grossman
Hiram S. Grossman, Chairman

Dated: 1/12, 2007 Kurt N. Sherwood
(dissent) Kurt N. Sherwood, Esq., Employer delegate

Dated: 1/12, 2007 Michael F. Ward
Michael F. Ward, Esq., Union delegate

IV. Longevity Article XII Section 1

A. Current Language:

Section 1 – Longevity Payment: 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:

Effective January 1, 2004:

6-10 years of service	=	2% of \$40,000 base salary
11-14 years of service	=	4% of \$40,000 base salary
15+ years of service	=	6% of \$40,000 base salary

Only full time employees are eligible for longevity payment.

B. City's last best offer: The City's last offer of settlement is that the requested changes/additions be denied and that Article XII, Section 1 remains as in the current contract (i.e. status quo).

C. KPSOA last best offer:

Effective January 1, 2005

6-10 years of service	= 2% of \$45,000 base salary
11-14 years of service	= 4% of \$45,000 base salary
15+ years of service	= 6% of \$45,000 base salary

Effective January 1, 2006

6-10 years of service	= 2% of \$50,000 base salary
11-14 years of service	= 4% of \$50,000 base salary
15+ years of service	= 6% of \$50,000 base salary

- D. Basis of City's Position: The KPSOA's proposal involves increased cost to the City. In an era when the City has been compelled to repeatedly cut its operating budget, the public's interest in containing costs weighs in favor of following bargaining history and therefore maintaining the status quo. Given that longevity is also part of total compensation, and recognizing the City's total compensation package, there is no compelling reason to increase longevity in the 1/1/05 – 12/31/08 Agreement. The City contends the KPSOA proposal should be rejected/denied and the current contract language should remain as is (i.e. status quo).
- E. Basis of KPSOA's Position: Examination of the comparable community data establishes that the last best offer of the Association should be awarded. The comparable communities with Kalamazoo County have longevity programs and none of these communities have caps on the salary. City of Portage and the Kalamazoo County Sheriff's Department have longevity schedules which are calculated as a percentage of base salary with no cap on the base salary; in addition, the longevity schedule dictates a higher percentage of calculation at the top end of the scale. The Kalamazoo Township longevity schedule is stated in terms of number of years of service times a fixed dollar amount with no cap on years of service multiplier. The City of Portage and Kalamazoo County Sheriff's Department longevity schedules generate a much larger longevity bonus than does the City of Kalamazoo due to the fact they are uncapped. The Kalamazoo Township longevity schedule generates a larger longevity bonus for employees with more than twenty (20) years service than does the City of Kalamazoo.

Service rendered by Kalamazoo Public Safety Officers Association members to the City of Kalamazoo should be valued on the same basis as service rendered by officers to the City of Portage, Kalamazoo Township or the Kalamazoo County Sheriff.

Opinion, Award and Order on Longevity

Article XII Section 1

A majority of the arbitration panel concludes, find and adopt as its Award and Order the City's last offer on the longevity issue which is the current language is to

remain unchanged thereby rejecting KPSOA's proposal which would increase the base salary amount in 2005 by \$5,000.00 to \$45,000.00 and in 2006 by \$5,000.00 to \$50,000.00. The arbitration panel has considered all applicable Section 9 requirements in arriving at its decision in adopting the City's last best offer on the longevity pay increase issue. Thus the language of Article XII Section 1 is to remain unchanged from the provision in the contract that expired on December 31, 2004.

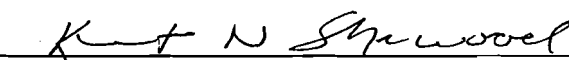
The reasons and grounds for adopting the City's last best offer position are: the KPSOA proposal involves increased costs. The City has been compelled to repeatedly cut its operating budget. Given that longevity is a part of total compensation, and it will not benefit all the bargaining units, only those with 6 or more years of service, the prudent consideration would be to provide for a compensation benefit that benefits the entire unit and not just a segment of the unit employed at least 6 years. With limited resources it makes the most sense that any benefit increase provided should inure to the entire bargaining unit and not just to a segment.

Based upon the foregoing and the record as a whole, and after considering all applicable Section 9 factors, the Award and Order of a majority of the arbitration panel is the City's last best offer: that the present contract provision regarding longevity remains unchanged.

Dated: 1-12, 2007


Hiram S. Grossman, Chairman

Dated: 1/12, 2007


Kurt N. Sherwood, Esq., Employer delegate

Dated: 1/12, 2007


(dissent) Michael F. Ward, Esq., Union delegate

V. Health Insurance Article XIII

- A. Current Proposal: See exhibit C attached.
- B. City's last best offer: See exhibit D attached.
- C. KPSOA's last best offer: See exhibit E attached.

- D. Basis for City's Position: Health insurance costs are doubling approximately every 6—7 years, and arguably have become the most contentious issue in every contract negotiations. During the 1/1/02 – 12/31/04 Agreement, KPSOA members paid \$20/month for single, \$40/month for two person, and \$45/month for family coverage through 12/31/03. Effective 1/1/04 KPSOA members paid \$26/month for single, \$50/month for two person, and \$58/month for family coverage (an increase of approximately 8%; these rates have also remained unchanged since the Agreement expired on 12/31/04). During the same time period that KPSOA members experienced an 8% increase in their health insurance costs/contributions (1/1/02 – late 2006), the City's costs/contributions to insure KPSOA members increased by approximately 80% (given the above trend).

During the 1/1/02 – 12/31/04 Agreement, and continuing through late 2006, the City bore a disproportionate and unsustainable share of the ever increasing health care cost burden attributed to the KPSOA bargaining unit. Compounding this problem was the fact the City experienced annual budget cuts during this same time frame. As tight budget times are predicted through 12/31/08, and as health care costs continue to increase every year at many times the rate of inflation, health insurance relief (both for active employees and KPSOA retirees) is imperative if the City is to maintain its existing public services.

The City's proposal substitutes a BCBS PPO plan in place of the existing and more expensive traditional BCBS, BCN and KHP plans. As KPSOA members are accustomed to making health insurance premium contributions, the City also proposes modest increases in those contribution rates in the two years remaining under the proposed Agreement.

The City's proposal does not solve the health insurance problem facing the City, nor is it a proposal which reduces the City's annual health insurance costs. Rather, the proposal simply slows the annual growth rate of the City's insurance costs and thereby provides the City with temporary relief. The City's proposal also continues to provide KPSOA members with very good health insurance, and a plan and contribution rates comparable to those negotiated by other "comparable" departments who have had the resolve to address this contentious issue. The City's proposal also creates a common health insurance platform and therefore promotes internal comparability given that the City's AFSCME, KMEA and non-represented employees are already participating in the proposed BCBS PPO and are already paying contribution rates equal to or higher than those which the City proposes in its last offer of settlement. Finally, KPSOA consultant Ronald York commended the City for the manner in which it has managed, and continues to manage its budget during these difficult economic times. The City's health insurance proposal is critical to sustaining the City's good budget management practices.

Retiree health insurance costs pose the same, if not a greater challenge to the City (E 8), and require similar reform. Addressing the cost issue for active employees without addressing the cost issue for future KPSOA retirees would be irresponsible. The City's proposal therefore calls for future KPSOA retirees to

receive the same benefits as negotiated and received by their active brethren. However, to protect retirees living on a fixed income, the City's proposal guarantees that a retiree's contributions will never be more than 50% higher than he/she was paying immediately prior to his/her retirement. For all of the above reasons, the City believes the interests and welfare of the public (providing City employees and retirees with good health insurance, but reining in the City's costs to better match the City's financial abilities), weigh in favor of the city's last offer of settlement.

E. Basis for KPSOA's Position:

The Association, by its last best offer, has proposed changing the existing health insurance and prescription drug coverage from the three (3) plans currently offered by the City to a single IBA Dual Select Network Benefit Plan 81100 with the Option A 7/12/25 prescription drug plan.

The IBA insurance program offered by the Association saves the City a substantial amount in premium cost each year. Most importantly the IBA plan offers the family continuation rider at no extra cost. Therefore, employees who have children attending college do not have to buy the family continuation rider. The City's proposed insurance would require employees to purchase the family continuation rider. The cost of the family continuation rider is approximately four-hundred (\$400.00) dollars per month.

The Association's last best offer on insurance gives the City the cost savings it was seeking and still provides the employees with family continuation coverage at no additional cost.

Opinion, Award and Order of Health Insurance

Article XIII

A majority of the arbitration panel conclude, find and adopt as its Award and Order the City's last best offer on the health insurance issue, which is to substitute a Blue Cross Blue Shield PPO plan in place of the existing and more expensive traditional BCBS, BCN and KHP plans that will include modest increases in the bargaining unit members' contribution rates that they are currently paying. This is to be effective upon the first month following the execution and implementation of this Act 312 Award and Order. The arbitration panel has considered all applicable Section 9 requirements in arriving at its decision to adopt the City's last best offer on the Health Insurance Issue.

The reasons and grounds for accepting the City's proposal are as follows: Several employees groups within the City already are covered by the BCBS PPO plan; they are AFSCME, KMEA and the unrepresented employee units. With each of these

employee groups, the members are paying contribution rates equal to or higher than the City is proposing the KPSOA unit pay. The City has borne a disproportionate portion of the increase health insurance costs during the term of the 1/1/02 through 12/31/04 contract and since its expiration until the present. As there seems to be no end in sight to the ever increasing cost of health insurance; by switching to a BCBS PPO and having the KPSOA members paying moderately higher premium contributions, the City is attempting to keep the rate of health insurance increases somewhat in check.


Also, the City is attempting to address the increase and spiraling expenditure for retiree health insurance cost. This is to be effectuated by future KPSOA retirees retiring in January of 2007, and thereafter to receive the same health insurance benefits and plan as in the future is negotiated for the KPSOA's bargaining unit members. The future KPSOA retirees contribution rate he/she pays will never be more than 50% more than the KPSOA member was paying immediately prior to his or her retirement. In light of the many years that health insurance costs have increased in double digit rates when the cost of living increases were moderate, a majority of the arbitration panel conclude the prudent and practical decision is to adopt the City's last best offer.

Based upon the foregoing and the record as a whole and after considering all applicable Section 9 factors the Award and Order of a majority of the arbitration panel is the City's last best offer. The Blue Cross Blue Shield PPO is to be applied to both active and newly retired members prospectively to be effective upon the first month following the execution and implementation of the Act 312 Award and Order. All KPSOA members retiring in January of 2007, and thereafter will receive the same health insurance benefits and plan as is negotiated for the KPSOA's bargaining unit members.

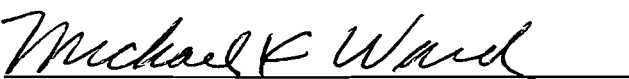
Dated: 1-12, 2007


Hiram S. Grossman, Chairman

Dated: 1/12, 2007


Kurt N. Sherwood, Esq., Employer delegate

Dated: 1/12, 2007


(dissent) Michael F. Ward, Esq., Union delegate

VI. Dental Coverage Expansion

A. Current Language:

Section 1e—Dental Coverage: The Employer shall pay the total cost for the existing Delta Dental Insurance Plan for each employee and his or her dependents.

B. City's last best offer: The requested change to add an Orthodontics Rider be denied and that the contract remain as is (i.e. status quo; no City paid Orthodontics Rider).

C. KPSOA's last best offer: An orthodontics rider be added to the dental insurance coverage provided to members of the KPSOA with a lifetime maximum benefit of \$1,000.00 for each employee and his/her dependents under the age of 19. The cost for this rider to be paid by the City.

D. Basis for City's Position: The KPSOA's proposal involves increased cost to the City. In an era when the City has been compelled to repeatedly cut its operating budget, the public's interest in containing costs weighs in favor of following bargaining history and therefore maintaining the status quo. The City therefore proposes the KPSOA's proposal to add an Orthodontics Rider be rejected/denied (i.e. status quo).

E. Basis for KPSOA's Position:

The Association's proposed orthodontics rider is the exact same rider that the City has provided to employees in its other union and to non-union employees. The Association believes equity dictates that the City should provide the Kalamazoo Public Safety Officers Association with the same orthodontic rider as the other City employees. Comparable communities provide orthodontic riders to their employees and therefore the Association's proposal should be awarded.

Opinion, Award and Order for Dental Coverage Expansion

A majority of the arbitration panel conclude, find and adopt as its award and order the last best offer of the KPSOA on the Dental Coverage issue. The arbitration panel has considered all applicable Section 9 requirements in arriving at its decision to adopt the KPSOA's last best offer on the Dental coverage issue. An orthodontic rider to be provided and paid for the City consisting of a maximum lifetime benefit of \$1,000.00 for the KPSOA members and dependents under 19 years of age.

The reasons and grounds for accepting the KPSOA's last best offer are: It is the same rider the City has already provided to its other union and unrepresented employees. Additionally, comparable communities provide orthodontic riders to their

employees. There is no compelling reason not to provide this orthodontic rider to the KPSOA bargaining unit employees when the City's other employees already have this benefit.

Based upon the foregoing and the record as a whole and after considering all applicable Section 9 factors the Award and Order of a majority of the arbitration panel is the KPSOA's last best offer: on the Dental Coverage issue by adding the Orthodontic Rider described in Part C above. This benefit is to be paid by the City. A maximum lifetime benefit of \$1,000.00 for the KPSOA member and dependents under age 19. This benefit is to be prospectively applied upon execution and implementation of the Act 312 Award and Order.

Dated: 1-12, 2007 
Hiram S. Grossman, Chairman

Dated: 1/12, 2007 
(dissent) Kurt N. Sherwood, Esq., Employer delegate

Dated: 1/12, 2007 
Michael F. Ward, Esq., Union delegate

VII. Sick Leave/Workers Compensation Article XIV Section 3b

A. Current Language:

(b) 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. 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 and 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 employees' 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 medial 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.

B. City's last best offer:

The City's last offer of settlement is that the requested changes/additions be denied and that Article XIV, Section 3(b) remain as in the current contract (i.e. status quo).

C. KPSOA's last best offer:

Adding the following words to the first sentence from the first day of and so the first sentence will now read:

(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,...

D. Basis for City's Position:

The City's longstanding practice in applying the Agreement's current language requires a short waiting period before the City makes up the difference between an employee's regular pay and his/her workers compensation payments. The KPSOA proposes doing away with the short waiting period. The City contends that bargaining history weighs in favor of not changing the current contract language and therefore retaining the status quo.

E. Basis for KPSOA's Position:

Employees injured on the job currently must use their own accumulated sick leave credits during the first seven (7) days of injury. If the employee does not have sick leave accumulated, he/she must go without pay. The Association, by its last best offer, seeks to change the current contract to provide that there shall be no deduction from sick leave credits from day one (1) of any on-the-job injury; i.e., the City shall pay the employee's wage during the first seven (7) days of an on-the-job injury and, in combination with Workers Compensation benefits, continue the employee's wage from the eighth (8th) day of injury up to fifty-two (52) weeks.

Virtually every comparable community in Kalamazoo county as well as other comparable communities recognize the need to compensate employees, without deduction from sick leave, for time lost from work due to on-the-job injury from day one (1) of said injury. The public safety officer position is a dangerous job. Employees receive injuries performing their job. Often times these injuries are minor and require only a short period of absence from work. However, the employee and his/her family should not suffer financially while recovering from a job-related injury.

Opinion, Award and Order on Sick Leave/Workers Compensation Issue

Article XIV Section 3b

A majority of the arbitration panel conclude, find and adopt as its Award and Order the KPSOA last best offer on the sick leave/workers compensation issue Article XIV Section 3b, adding the phrase “from the first day of and” to the first sentence. This eliminates all the confusion that existed with the current language. The arbitration panel has considered all applicable Section 9 requirements in arriving at its decision to adopt KPSOA’s last settlement proposal on this issue.

The reasons and grounds for accepting KPSOA’s proposal on this issue are as follows: Almost all comparable communities in Kalamazoo County as well as the other comparable communities recognize and provide for compensating their employees without deductions from the first day for time lost from work due to an on the job injury from the first day of the on the job injury. The PSO job is inherently dangerous; employees quite often receive injuries performing their job duties. Occasionally the injuries are minor and do not require the employee to miss a lot of work because of the injury; the employee should not suffer financially while recovering or be required to use their accumulated sick leave days. Presently an employee must use his accumulated sick days for the 1st 7 days of a work related injury; if the employee does not have an accumulation the employee goes without pay unless they have accumulated unused vacation time.


Based upon the foregoing and the record as a whole and after considering all applicable Section 9 factors the Award and Order of a majority of the arbitration panel is the KPSOA’s last best offer on sick leave/workers compensation issue and the

language of Article XIV Section 3b is changed by adding the following words to the first sentence "from the first day and." Thus the first sentence is to read: There shall be no deduction from sick leave credits from the 1st day of and for a period of fifty-two (52) weeks. This award and order is prospective from the execution and implementation of the Act 312 Award and Order.

Dated: 1-12, 2007


Hiram S. Grossman, Chairman

Dated: 1/12, 2007


(dissent) Kurt N. Sherwood, Esq., Employer delegate

Dated: 1/12, 2007


Michael F. Ward, Esq., Union delegate

VII. Pension Article XV Section 1a, b, f & h

A. Current Language:

Section 1: The Employer agrees to maintain the City of Kalamazoo Pension Plan and to provide benefits under the same eligibility conditions as were in effect on the date of execution of this Agreement, the Plan shall continue amended as follows:

(a) Effective January 1, 1982, the Plan shall be amended to include the military buy-back provision.

(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 67.6% 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; (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."

(f) Effective 1/1/95, the addition of REGULAR OVERTIME to base pay for purposes of calculating final average compensation for pension amount shall be eliminated. The employees and the Employer will not contribute to the pension fund on regular overtime earned. The following items are included for purposes of calculating final average compensation: night shift premium, longevity, comp time lump sum payment (requested on or before December 31, 1998), holiday premium pay, and any other payments where employee/employer pension contributions are required. All comp time lump sum payments will be eliminated from the calculation of final average compensation for 1999 and later years.

(h) Effective January 1, 1998, employees' contribution to the pension plan shall decrease from 8.5% to 8.0% of wages; in 1999 it shall decrease from 8.0% to 7.25%; and in 2000 it shall decrease from 7.25% to 6.50%.

B. City's last best offer:

The City's last best offer is that the KPSOA's requested changes/ additions to Article XV Sections 1a, b, f, and h be denied and that each of the Articles remain as they are in the contract that expired on 12/31/2004.

C. KPSOA's last best offer:

(1) Change Article XV, Section 1 (a) – Pensions by adding a sentence which shall read:

"The City shall designate a thirty (30) day period of time during which employees who failed to buy back military time will be allowed to buy back up to three (3) years of military time in accordance with the military buy back provisions of the pension plan. The City shall notify employees in writing at least thirty (30) days prior to commencement of the thirty (30) day buy back period of the starting and stopping period for the buy back of military time."

(2) Add a sentence to Article XV, Section 1(b) – Pensions which shall read as follows:

"Effective January 1, 2007, an annual retirement benefit shall be made available to employees retiring on or after twenty (20) years of service but their benefit shall be based upon 2.6% of final average compensation times years of credited service and a post adjustment of two (2%) percent shall be provided and compounded annually in January of each year."

(3) Change the first sentence of Article XV, Section 1(f) – Pensions to read as follows:

“Effective January 1, 2007, up to six-thousand (\$6,000.00) dollars of regular overtime pay shall be added to the final average compensation for purpose of calculating their pension benefit during each of the employee’s final three (3) years prior to retirement.”

(4) Change Article XV, Section 1(h) – Pensions by adding a sentence which shall read:

“Employees shall not be required to make any contribution to the pension plan during their 27th, 28th and 29th year of employment.”

D. Basis for City’s Position:

As to Section 1a, Per City ordinance KPSOA members have all had the opportunity to buy back military time (i.e. service credit). The City therefore does not believe KPSOA members should be accorded another opportunity to buy back military time. The City therefore contends that bargaining history weighs in favor of not changing the current contract language and of retaining the status quo.

As to Section 1b, KPSOA members have very generous retirement benefits and there is consequently no compelling reason (as demonstrated by any “comparable” police department) to provide KPSOA members with enhanced retirement benefits. As it is also becoming ever more difficult to find and retain good cross-trained Public Safety Officers, the City believes it counterproductive to provide enhanced early retirement benefits which will only encourage more officers to retire early. The City therefore contends that bargaining history weighs in favor of not changing the current contract language and of retaining the status quo.

As to Section 1f, In prior negotiations the quid pro quo for the annual 2% post-retirement adjustment (PRA) referenced in Article XV, Section 1 (g) was the elimination of overtime as part of final average compensation. The KPSOA’s proposal would not only enhance retirement benefits which need no enhancement, the proposal would also negate that which was accomplished in prior negotiations. The City therefore contends that bargaining history weighs in favor of not changing the current contract language and of retaining the status quo.

As to Section 1h, The KPSOA pointed to no external comparable police departments possessing such language, and the City therefore believes bargaining history weighs in favor of not changing the current contract language and of retaining the status quo.

E. Basis for KPSOA’s Position:

As to Section 1a, Military Buy Back – Article XV, Section 1(a). The pension plan currently allows employees to buy back military service. However, the employee must buy back the allowed military service during his/her first year of

employment. The Association has proposed that a special thirty (30) day period be established when employees who failed to buy back their military service during the first (1st) year of their employment will be allowed to buy said service.

The Association's position on this issue is that the requested thirty (30) day period would have no financial impact upon the City or the pension plan since the employee is buying the additional service. There is no reason not to allow the purchase. In addition, the special open purchase period would allow employees who could not originally purchase military service due to financial constraints during their first year of employment be allowed to now purchase their military service.

As to Section 1b, Pension – Article XV, Section 1(b) – 20-year Retirement Multiplier. The current collective bargaining agreement provides for a retirement benefit based on a 2.0% multiplier for employees who retire with twenty (20) or more years of service, but less than twenty-five (25) years of service. Employees retiring with twenty-five (25) or more years of service receive a retirement benefit based on a 2.7% multiplier. The Association is proposing that the multiplier for early retirement be changed to 2.6%.

Employees of the Department of Public Safety do not participate in the Federal Social Security system. The City does not pay into the social security system for employees therefore the years of service with the City do not count toward social security benefits. Employees retiring from the City have lost twenty (20) years or more of social security credits. A slight increase in the pension multiplier for early retirees would be of little or no cost to the City and would give greater financial recognition to the twenty-plus (20+) years an employee worked with no contribution to his/her social security retirement benefit.

As to Section 1f, Article XV, Section 1f – Overtime Added to FAC. Currently overtime compensation cannot be used for purposes of calculating the final average compensation under the pension plan. The Association proposes that during the last three (3) years of employment prior to retirement up to six-thousand (\$6,000.00) dollars of overtime compensation in each year be included in the employee's final average compensation for purposes of calculating the pension benefit.

The City requires officers to work overtime and, in fact, officers work an extraordinary amount of overtime each year. As a result of working this required overtime employees and their family's standard of living includes this overtime compensation. When the overtime payment is eliminated totally from the pension calculation it impacts severely on the pension benefit.

In addition, if this overtime was included in FAC the senior employees would more actively seek overtime opportunities.

As to Section 1h, Article XV, Section 1(h) – Contributions of Employees During the 27th, 28th, and 29th Years of Service. The Association has proposed by its last best offer that employees not be required to make the contractual contribution to the pension fund during the 27th, 28th, and 29th year of

employment. The employee benefit received from the pension plan is capped at twenty-six (26) years of service, i.e., the employee receives no additional benefit for working after twenty-six (26) years. It is the position of the Association that since the employee receives no additional benefit after twenty-six years; he/she should not have to pay into the pension fund.

In addition, the Command Officers at the City Department of Public Safety do not pay into the pension fund during their 27th, 28th, or 29th years of service and equity demands that Kalamazoo Public Safety Officers Association members not pay into the fund.

Opinion, Award and Order, Article XV Section 1a

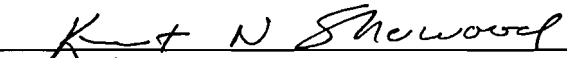
A majority of the arbitration panel conclude, find and adopt as its Award and Order the KPSOA's last offer on Pensions, Military Buy Back Issue Article XV Section 1a, which will permit KPSOA employees a thirty day period to buy back up to 3 years of military time in accordance with the military provisions of the pension. It is the City that is to designate the thirty (30) day buy back period. The arbitration panel has considered all applicable Section 9 requirements in arriving at its decision in adopting KPSOA's last best offer on this issue. Thus, the language of Article XV Section 1a is to read as set forth in the KPSOA's last best offer with respect to Article XV Section 1a.

The reasons and grounds for adopting KPSOA's last best offer is there is no financial impact or exposure to the City. Testimony revealed the City's pension funds are in very good financial condition. This permits an additional chance to KPSOA members to purchase up to 3 years of their military service who were financially unable to do so during their first year of employment with the City.

Based upon the foregoing, and the record as a whole, and after considering all applicable Section 9 factors the Award and Order of a majority of the panel is the KPSOA's last best offer on Article XV Section 1a to permit KPSOA members to buy

back up to 3 years of military service for those KPSOA members who were unable to do so in their first year of employment. The City is to designate and determine the 30 day period in which the buy back is to occur. This award is prospective and is to be effective upon the Act 312 Award and Order execution and implementation.

Dated: 1-12, 2007 
Hiram S. Grossman, Chairman

Dated: 4/12, 2007 
(dissent) Kurt N. Sherwood, Esq., Employer delegate

Dated: 1/12, 2007 
Michael F. Ward, Esq., Union delegate

Opinion, Award and Order, Article XV Section 1(b)(f) and (h)

A majority of the arbitration panel conclude, find and adopt as its award the City's last best offer on Article XV Section 1(b)(f) and (h) being 20 year retirement multiplier, overtime being added to Final Average compensation, and the cessation of contribution on the employee's part during their 27 through 29 years of service. In adopting the City's last best offer their will be no change to the current contract language for these 3 sections. The arbitration panel has considered all applicable Section 9 requirements in arriving at its decision to adopt the City's Last Best Offer on Article XV Pensions Sections 1(b)(f) and (h).

The reasons and grounds for accepting the City's last best offer of no change to their contract provisions are as follows regarding 1(b): KPSOA has not provided nor shown that any of its comparables have the benefit it is seeking. With the difficulty in finding and retaining good cross trained PSO employees it is counterproductive to

provide them with an incentive to leave early. Regarding Section 1(f): in previous negotiations the parties negotiated a quid pro quo of 2% post retirement adjustment and for that overtime was eliminated as part of final overage compensation. Granting the KPSOA changes in Section 1(f) would enhance the KPSOA member retirement and negate the parties' bargaining history. Regarding Section 1(h): the KPSOA has not shown any external comparable police departments possessing such a benefit. Bargaining history weighs in favor of not changing Article XV Section 1(h) as the KPSOA has proposed and adopting the City's final best offer of no change.

Based upon the foregoing, and the record as a whole, and after considering all applicable Section 9 factors, the Award and Order of a majority of the arbitration panel is the City's last best offer with respect to Article XV Section 1(b)(f) and (h): that the present contract provisions regarding the 20 year retirement multiplier, overtime be added to final average compensation and contributions of employees during their 27th through 29th year of employment shall remain unchanged as it presently is in the collective bargaining that expired December 31, 2004.

Dated: 1-12, 2007



Hiram S. Grossman, Chairman

Dated: 1/12, 2007



Kurt N. Sherwood, Esq., Employer delegate

Dated: 1/12, 2007



(dissent) Michael F. Ward, Esq., Union delegate

VIII. Clothing Allowance Article XVIII Section 2

A. Current Language:

Section 2: In lieu of receiving uniforms supplied by the Employer each plainclothes officer shall receive a clothing allowance of Six Hundred Fifty-five Dollars (\$655.00) per year, except for employees newly assigned to SIU after January 1, 1981. Effective January 1, 1989, the clothing allowance will be Seven Hundred Dollars (\$700.00). The benefit for employees newly assigned to SIU on and after January 1, 1981, shall be calculated on the basis of One Hundred Seventy-nine Dollars (\$179.00). Effective January 1, 1989, the SIU allowance will be 50% of \$700. Such payment shall be made no later than the first pay day in July and be in the form of a voucher check. Effective in 1994, the allowance shall be Seven Hundred Fifty Dollars (\$750) for plainclothes officers and Three Hundred Seventy-five Dollars (\$375) for SIU; effective in 1995, it shall be Eight Hundred Dollars (\$800) and Four Hundred Dollars (\$400), respectively; and 1996 it shall be Eight Hundred Fifty Dollars (\$850) and Four Hundred Twenty-five Dollars (\$425) respectively. Employees who are not in a plainclothes assignment for the entire calendar year shall be entitled to a prorated payment and those officers leaving such assignment before the end of the year shall have the amount of any unearned payment deducted from their pay. The Employer agrees to continue the current practice of cleaning the clothing of plainclothes officers.

B. City's last best offer: The requested changes/additions be denied and that Article XVIII, Section 2 remain as in the current contract (i.e. status quo).

C. KPSOA's last best offer: Change Article XVIII Section 2 as follows:

Effective January 1, 2007 plainclothes officers shall receive a clothing allowance of eleven-hundred (\$1,100.00) dollars per year except for officers assigned to KVET, who shall receive a clothing allowance of six-hundred (\$600.00) dollars per year.

Such payment shall be made no later than the first pay day in July and be in the form of a voucher check. Employees serving in plainclothes assignments for less than the full calendar year will qualify for a pro-rated amount of that year's allowance. The Employer agrees to continue the current practice of cleaning the clothing of plainclothes persons.

D. Basis of City's Position: The City believes there is no compelling reason to increase the clothing allowance. The City therefore contends that bargaining history weighs in favor of not changing the current contract language and of retaining the status quo.

E. Basis of KPSOA's Position:

The current clothing allowance provides for a clothing allowance of eight-hundred fifty (\$850.00) dollars per year for each plainclothes officer (i.e. detectives) and four-hundred twenty-five (\$425.00) dollars per year for employees assigned to SIU (i.e. undercover operations). Officers working in the plainclothes assignment must, at their own expense, purchase suits, shirts, skirts, blouses,

shoes, ties, belts and coats. Under normal wear suits, skirts, shirts, blouses, ties must be replaced yearly; a KPSOA plain clothes officers at bare minimum at least twice yearly. The cost of replacing each of these items once a year would exceed the eleven-hundred (\$1,100.00) dollar requested allowance for detectives or the six-hundred (\$600.00) dollars requested for undercover officers.

Opinion, Award and Order, Article XVIII Section 2
Clothing Allowance

A majority of the arbitration panel conclude, find and adopt as its Award and Order the KPSOA's last offer on clothing allowance Article XVIII Section 2 by increasing the clothing allowance for plainclothes officers to \$1,100.00 from \$850.00, except plainclothes officers assigned to KVET whose clothing allowance is to be increased to \$600.00 from \$425.00. Said payments are to be made no later than July 1, 2007 and the 1st of July each year thereafter. The increase in the clothing allotment is to be effective upon execution and implementation of the Act 312 Award and Order. The arbitration panel has considered all applicable Section 9 requirements in arriving at its decision to adopt KPSOA's last best offer on the clothing allowance issue.

The reasons and grounds for a majority of the arbitration panel accepting KPSOA's proposal is: a majority of the arbitration panel found persuasive the fact these items of clothing plainclothes officers purchase, at their expense: suits, shirts, skirts, blouses, shoes, ties, belts and coats have increased in price significantly since 1996 the last time their clothing allowance was increased. The frequency these items must be replaced, often times is more than once a year. The cost of these items of clothing and replacing them exceeds the \$1,100.00 requested allowance for detectives and the \$600.00 per year for undercover officers. If the City believed these amounts were

excessive, they would have proposed that the City purchase these items of clothing and provide them to their detectives and undercover officers, which they have not.

Based upon the foregoing and the record as a whole and after considering all applicable Section 9 factors the Award and Order of a majority of the arbitration panel is the KPSOA's last best offer: increasing to \$1,100.00 per year the clothing allowance the City is to pay its plainclothes detectives except the plainclothes officers assigned to the KVET whose clothing allowance is to be increased to \$600.00 per year. Payment is to be made prior to July 1, of each year. This Award and Order is prospective and to be effective upon the execution and implementation of the Act 312 Award and Order.

Dated: 1-12, 2007 
Hiram S. Grossman, Chairman

Dated: 1/12, 2007 
(dissent) Kurt N. Sherwood, Esq., Employer delegate

Dated: 1/12, 2007 
Michael F. Ward, Esq., Union delegate

IX. Education Bonus – New Section

- A. Current Language: None.
- B. City's last best offer: The requested change adding an Education Bonus be denied and that the current contract remain as is that no such language to be included (i.e. status quo).
- C. KPSOA's last best offer: An educational bonus be provided to the KPSOA members and the language shall read as follows:

Section 8: Education Bonus: Employees who attain a higher education degree shall receive an annual educational bonus to be paid during the first (1st) pay period of December. The qualifying degree must have been awarded prior to the beginning of the first (1st) pay period of December to be included in that year's payment.

Educational Bonuses will be awarded in the following amounts:

Bachelors Degree	\$1,000.00
Masters Degree	\$1,500.00

- D. Basis of City's Position: Existing City policy provides all City employees with a tuition reimbursement benefit of up to \$600 per year. Furthermore, the incentive for a bargaining unit member to further his/her education is to enhance his/her prospects for advancement/promotion to a higher paying command position. There is consequently no compelling reason to provide an education bonus to any bargaining unit member who chooses to, for whatever reason, further his/her education. The City therefore contends that bargaining history weighs in favor of not changing the current contract language and of retaining the status quo.
- E. Basis of KPSOA's Position: The educational bonus proposed by the Association is the exact same bonus given by the City to the command Officers of the City. The City has voluntarily recognized, by payment of the educational bonus to Command Officers, the value of advanced education. Public Safety Officers deal with citizens on a daily basis and are faced with many diverse and challenging situations which require the use of skills obtained and learned by advanced education. The Public Safety Officers should receive the same education bonus as command officers since they are required to use their advanced education skills daily.

Opinion, Award and Order on New Education Bonus
Article XVIII Section 8

A majority of the arbitration panel conclude, find and adopt as its Award and Order the City's last offer on the KPSOA's proposal for an educational bonus of \$1,000.00 for obtaining a bachelors degree and \$1,500.00 for obtaining a masters degree. The City's proposal is to deny the change proposed by KPSOA and that the City's current policy of providing educational reimbursement of up to \$600.00 per year shall continue as the operative language governing educational reimbursement for KPSOA's members. The arbitration panel has considered all applicable Section 9 requirements in arriving at its decision in adopting the City's last best offer on the educational bonus issue. Thus, no additional or new language governing educational bonus be added to the contract that expired on December 31, 2004.

The reasons and grounds for adopting the City's last best offer are: the KPSOA proposal involves an increased cost. The City has been compelled to repeatedly cut its operating budget. Given an educational bonus would be part of total compensation, and it will not benefit the entire bargaining unit, only those who obtain the degrees while in the bargaining unit, the prudent consideration would be to provide for a compensation benefit that benefits the entire unit and not just a segment of the unit. With limited resources it makes the most sense that any benefit increase provided should inure to the entire bargaining unit and not just to a segment. Additionally, a majority of the panel find the City's argument persuasive, the incentive for obtaining a higher degree should be for purposes of advancement to the command unit and to advance their career objectives and not to obtain an educational bonus.

Based upon the foregoing and the record as a whole and after considering all applicable Section 9 factors, the Award and Order of a majority of the arbitration panel is the City's last best offer, which is not to have this new and additional language added that would provide an increased educational bonus for obtaining an advanced degree while a member of the KPSOA bargaining unit.

Dated: 1-12, 2007

Hiram S. Grossman, Chairman

Dated: 1/12, 2007

Kurt N. Sherwood, Esq., Employer delegate

Dated: 1/12, 2007

(dissent) Michael F. Ward, Esq., Union delegate

X. Wages -- Appendix

- A. Current Wage Provisions: See exhibit F
- B. City's last best offer: Wage increases 2005 through 2008 to be computed to then current existing hourly wage for each calendar year.

2005	-	0%
2006	-	2%
2007	-	2%
2008	-	2.5%

- C. KPSOA's last best offer: Wage increases 2005 through 2008 to be computed to then current existing hourly wage rate for each calendar year:

Effective January 1, 2005 and retroactive to said date the wage schedule contained in Appendix A for contract year 2004 shall be increased by 3.1 percent at each year of the wage schedule and these rates will be in effect for 2005.

Effective January 1, 2006 and retroactive to said date the wage schedule contained in Appendix A for contract year 2005 shall be increased by 2.5 percent at each year of the wage schedule and these rates will be in effect for 2006.

Effective January 1, 2007 and retroactive to said date the wage schedule contained in Appendix A for contract year 2006 shall be increased by 2.0 percent at each year of the wage schedule and these rates will be in effect for 2007.

Effective January 1, 2008 the wage schedule contained in Appendix A for contract year 2007 shall be increased by 2.5 percent at each year of the wage schedule and these rates will be in effect for 2008.

See Exhibit G containing the hourly wage schedule for all the covered classifications for the calendar years of 2005 through 2008.

- D. Basis for City's Position: Historically Act 312 Arbitrators have focused heavily on wages received by "comparable" police departments. The City, for a number of reasons, urges the Arbitrator to focus more heavily on the interests and welfare of the public and the City's financial ability to pay. First, focusing on comparable departments leads to wages driven more by whipsawing than by a public entity's actual ability to pay. Second, each public entity is different and has its own unique economic/budget challenges. Therefore, the award should be unique to the particular public entity, not driven by alleged "comparables" who have their own unique economic/budget issues. Third, there is no "comparable" to the City or the Kalamazoo Department of Public Safety, given that not one proposed comparable is a public safety department (all are pure police departments, and not one fire department was discussed as a "comparable").

As this is a time of moderate cost-of-living increases, and recognizing that both the State and City of Kalamazoo economies are struggling, the City offers increases consistent with its economic/budget condition and its financial ability to pay. As Mr. York testified, the city has been and is doing a good job of managing its finances in these difficult economic times. This commendable job which the KPSOA's own expert acknowledged is the result of difficult decisions designed to

preserve the City's financial solvency. Such decisions mean the city is not always able to give every employee group the wages that particular group demands or believes it deserves. Under these conditions the City believes modest, fair and affordable wage increases are appropriate.

Of further consideration is the fact the City has traditionally negotiated a 10% premium for public safety (as opposed to pure police) officers. There is no scientific basis for this premium (that a public safety officer, which is cross-trained at City expense, is worth 10% more or works 10% harder than a pure police officer or pure fire fighter). Yet, when taking the 10% premium into account, KPSOA public safety officers are paid more than police officers working in any other proposed "comparable" department (E 14). Given this fact, KPSOA members are in a position to take modest pay increases during this contract's term in order to help the City deal with its current financial hardships.

The City's wage offers are presented on a year-to-year basis and therefore each year should be considered separately.

In 2005 the City offers 0%. All other City groups, with the exception of the KPSA (public safety command) have experienced a 0% increase at one time or another in the past few years designed to help the City with its current financial hardships (E 16). The KPSA has not yet experienced a 0% only because it has yet to negotiate a successor to its currently expired Agreement. This 0% offered looks to the interests and welfare of the public and the City's financial ability to pay, and is designed to maintain consistency with the City's internal comparables. Given the City's financial ability and considering the internal comparables, the City believes 0% to be more appropriate than the KPSOA's proposed 4%. The City's last offer of settlement is therefore 0% for 2005.

The City offers 2% in 2006. The majority of "comparables" offered 2006 wage increases much closer to 2% than to the 4% proposed by the KPSOA (E 13). Therefore, given the cost of living and external comparables, the City believes 2% to be more appropriate than the KPSOA's proposed 4%. The City's last offer of settlement is therefore 2% for 2006.

E. Basis for KPSOA's Last Best Offer:

The KPSOA's wage offers are presented on a year to year basis; therefore each year should be considered separately.

KPSOA's 2005 Wage Proposal:

First and foremost, the City has already granted a 3.1% wage increase for 2005 to the Command officers. The command officers have a contractually established percentage differential between the highest paid public safety officer and the lowest paid sergeant. This contractual parity relationship has existed for many years. To grant the command officers a 3.1% raise for 2005 and refuse to give the PSO's the same raise would destroy the long established parity relationship. Secondly, not a single comparable community has given a 0.0% wage increase to its employees in 2005. Finally, the comparable data submitted at the hearing established that the Kalamazoo police officer net take-home

wages are already thirteen (13%) percent below the comparable communities in Kalamazoo when factoring in contributions made to health insurance and the one-hundred-four (104) hours worked by Kalamazoo Public Safety officers as a result of the forty-two (42) hour work week for which they receive no overtime compensation. All other comparable officers receive overtime for work in excess of forty (40) hours in a week. (See Union Exhibit #21). Granting a zero (0.0%) percent increase for 2005 would further extend the inequity.

KPSOA's 2006 Wage Proposal:

The second year of the Agreement, i.e. 2006, the Association is proposing a 2.5% wage increase. The third year, i.e. 2007, the Association is proposing a 2.0% increase, and in the fourth year, i.e. 2008, the Association is proposing a 2.5% wage increase. The City is proposing a 2.0% increase for 2006, a 2.0% increase for 2007. The Association's last best offer and the City's offer on wages for 2007 is exactly the same and therefore there is no issue in dispute for contract year 2007. The Association's proposal for 2006 is only 0.5% (five tenths of one percent) higher than the City's.

As stated earlier, the Kalamazoo Public Safety officers' net take-home wages are already significantly less than the comparable communities. The 2.5% proposed for 2006 by the Association is significantly less than the cost of living increase in 2006. Granting the Association's request will not even begin to close the gap between the Kalamazoo Public Safety Officers Association and comparable communities take-home pay, but it will at least allow for the maintenance of the wage disparity between the Kalamazoo Public Safety Officers Association wage and comparable communities not to increase.

Opinion, Award and Order for Calendar Year 2005 **Wage Increase**

At the outset the arbitration panel takes notice that the last best offer of the City and KPSOA are in agreement on wages for the years 2007 (2% in 2007) and 2008 (2.5% in 2008). Thus, the arbitration panel will only address the years of 2005 and 2006.

A majority of the arbitration panel conclude, find and adopt as its award the KPSOA's last best offer on the wage increase issue for calendar year 2005 which is incorporated in Exhibit G. The arbitration panel has considered all applicable Section 9

requirements in arriving at its decision to adopt KPSOA's last final offer on the issue of the percent wage increase to be given to the KPSOA bargaining unit.

The reasons and grounds for accepting KPSOA's proposal on this issue are as follows: The most telling ground is that the City has already granted a 3.1% increase to the command unit for the 2005 calendar year. A majority of the panel recognize that the command units 3.1% wage increase was for a 4th year of a contract which the KPSOA had rejected in the negotiation for the contract that expired December 31, 2004. Also, the City had offered the KPSOA a 3.1% increase earlier in its negotiations of this contract as a *quid pro quo* for its Health Insurance Proposal. A majority of the arbitration panel has taken into account that the 3.1% increase for 2005 closely mirrors the cost of living increase for that year. A majority of the arbitration panel has taken into account and considered the increase in contribution KPSOA members will be paying for the health insurance costs in the calendar years 2007 and 2008 as a factor for selecting the KPSOA last best offer over the City's increase of 0% for 2005.

Based upon the foregoing and the record as a whole, and after considering all applicable Section 9 factors the Award and Order of a majority of the arbitration panel is the KPSOA's last best offer of a 3.1% wage increase for calendar year 2005, for all classifications covered by the collective bargaining agreement in all steps of Wage Schedule A. The 2005 wage increase is retroactive to January 1, 2005. The payment of the 3.1% wage increase for calendar year 2005, is to be paid upon execution and implementation of the Act 312 Award and Order.

Dated: 1-12, 2007



Hiram S. Grossman, Chairman

Dated: 1/12, 2007

Kurt N. Sherwood
(dissent) Kurt N. Sherwood, Esq., Employer delegate

Dated: 1/12, 2007

Michael F. Ward
Michael F. Ward, Esq., Union delegate

Opinion, Award and Order for Calendar Year 2006
Wage Increase

A majority of the arbitration panel conclude, find and adopt as its award the KPSOA's last best offer on the wage increase issue for calendar year 2006 and incorporated in Exhibit G. The arbitration panel has considered all applicable Section 9 requirements in arriving at its decision to adopt KPSOA's last final offer of 2.5% wage increase for calendar year 2006 rather than the City's 2.0% wage increase for calendar year 2006.

The reasons and grounds for accepting the KPSOA's last best offer for calendar year 2006, on the wage issue for 2006, are as follows: A majority of the arbitration panel considered the same factors and facts relevant that it cited as reasons for adopting the KPSOA's last best offer for calendar year 2005. Special consideration and emphasis is being given that the KPSOA's 2.5% wage increase more closely mirrors and tracks what the cost of living for calendar year 2006, will be than the City's last best offer of a 2.0% wage increase for calendar year 2006.

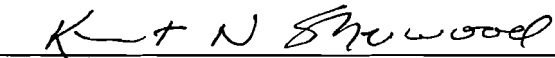
Based upon the foregoing and the record as a whole, and after considering all applicable Section 9 factors the Award and Order of a majority of the arbitration panel is the KPSOA's last best offer of a 2.5% wage increase for calendar year 2006, for all classifications covered by the collective bargaining agreement in all steps of Wage Schedule A. The 2006 wage increase is retroactive to January 1, 2006. The payment

of the 2.5% wage increase for calendar year 2006, is to be paid upon execution and implementation of the Act 312 Award and Order.

Dated: 1-12, 2007


 Hiram S. Grossman, Chairman

Dated: 1/12, 2007


 (dissent) Kurt N. Sherwood, Esq., Employer delegate

Dated: 1/12, 2007


 Michael F. Ward, Esq., Union delegate

XI. Night Shift Premium Appendix B

A. Current Language:

The Agreement currently provides the following night shift premiums:

P.S.O.

Start/6 Mos.	1 Yrs	2 Yrs	3 Yrs	4 Yrs	5 Yrs	6 Yrs
\$400	\$500	\$600	\$700	\$800	\$900	\$1000

C.S.O.

Start/6 Mos.	1 Yrs	2 Yrs	3 Yrs	4 Yrs	5 Yrs	6 Yrs
\$400	\$500	\$600	\$700	\$800	\$900	\$1000

B. City's last best offer:

The City's last offer of settlement is that the requested changes/additions be denied and that Appendix "B" remain as in the current contract (i.e. status quo).

C. KPSOA's last best offer:

Change the Night Shift Premium contained in Appendix B of the current agreement to read as follows:

**Night Shift Premium
 PSO and CSO**

Start/6 Mos	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years
\$600.00	\$700.00	\$800.00	\$900.00	\$1,000.00	\$1,100.00	\$1,200.00

D. Basis for City's position:

Given the interests and welfare of the public and the City's financial ability, there is no compelling reason to believe that working the night shift is any more difficult or demanding today than in prior years. There is consequently no compelling reason to increase the night shift premium. The city contends that bargaining history weighs in favor of not changing the current contract language and therefore retaining the status quo.

E: Basis for KPSOA's position:

The current night shift premium has been in effect for at least twenty-five (25) years. The purpose of night shift premium is twofold. The premium is to compensate the employee for the disruption caused to his/her personal life by not being home during the hours the spouse and children are home, and to induce senior employees to work the night shift, thus bringing their skills and experience to the night shift to mix with the younger, less experienced employees. The current night shift premium for the younger officers is much less than the night shift premium paid to officers in comparable communities. The night shift premium paid to more experienced officers is not enough to induce them to move to the night shift. The proposed increase would support the reasoning for paying a night shift premium for the less experienced officers and further induce the senior officers to work the night shift.

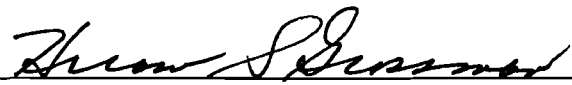
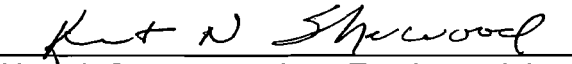
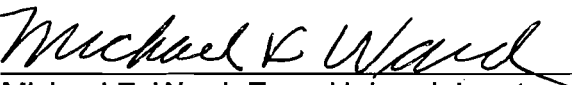
Opinion, Award and Order for The Night Shift Premium
Attachment B

A majority of the arbitration panel conclude, find and adopt as its Award and Order the City's last best offer on the night shift premium issue which is: the current language is to remain unchanged thereby rejecting KPSOA's proposal which would increase each step of the night shift premium by \$200.00. The arbitration panel has considered all applicable Section 9 requirements in arriving at its decision in adopting the City's last best offer on the night shift premium issue. Thus, the language of Attachment B is to remain unchanged from the provision in the contract that expired on December 31, 2004.

The reasons and grounds for adopting the City's last best offer are: the KPSOA proposal involves increased costs. The City has been compelled to repeatedly cut its

operating budget. Given the night shift premium is a part of total compensation, and it will not benefit all the bargaining unit members, only those working the night shift, the prudent consideration would be to provide for a compensation benefit that benefits the entire unit and not just a segment of the unit working the night shift. With limited resources it makes the most sense that any benefit increase provided should inure to the entire bargaining unit and not just to a segment.

Based upon the foregoing and the record as a whole, and after considering all applicable Section 9 factors the Award and Order of a majority of the arbitration panel is the City's last best offer: that the present contract provision Attachment B regarding night shift premium remains unchanged.

Dated: <u>1-12</u> , 2007	 Hiram S. Grossman, Chairman
Dated: <u>1/12</u> , 2007	 Kurt N. Sherwood, Esq., Employer delegate
Dated: <u>1/12</u> , 2007	 (dissent) Michael F. Ward, Esq., Union delegate

The arbitration panel adopts all the terms of the collective bargaining agreement that expired that have not been modified by or through this Award and Order as well as all the terms the parties have agreed upon during their negotiations that have modified, eliminated or are newly agreed new terms to the collective bargaining agreement. All of these changes are to be integrated and be made part of the collective bargaining agreement governing the KPSOA unit and the City of Kalamazoo effective January 1, 2005 through December 31, 2008. The arbitration panel acknowledges both the


KPSOA and the City, during the course of these negotiations, have dropped and abandoned proposals each considered of vital importance to them.

The arbitration panel and particularly its chairman wants to thank both parties for their courtesies they have shown and to the professional presentations they have made.

Dated: 1-12, 2007


Hiram S. Grossman, Chairman

Dated: 1/12, 2007


Kurt N. Sherwood, Esq., Employer delegate

Dated: 1/12, 2007


Michael F. Ward, Esq., Union delegate

SUMMARY

To summarize the awards and orders of the arbitration panel a majority of the arbitration has concluded as follows:

- | | | |
|----|-----------------------------------------------|-------------------------|
| 1. | Critical Illness Leave Article VII Section 5a | KPSOA's last best offer |
| 2. | Vacation Article X Section 1 | KPSOA's last best offer |
| 3. | Holidays Article XI Section 1 | KPSOA's last best offer |
| 4. | Longevity Article XII Section 1 | City's last best offer |
| 5. | Insurance Article XIII | City's last best offer |
| 6. | Orthodontics Rider Article XIII Section B | KPSOA's last best offer |
| 7. | Sick leave Workers Comp Article XIV Sec B | KPSOA's last best offer |
| 8. | Pension A Article XV Section 1(a) | KPSOA's last best offer |
| | B Article XV Section 1(b) | City's last best offer |
| | C Article XV Section 1(f) | City's last best offer |

- | | | |
|-----|----------------------------------------|-------------------------|
| | D Article XV Section 1(h) | City's last best offer |
| 9. | Clothing Allowance Article XVIII Sec 2 | KPSOA's last best offer |
| 10. | Education Bonus Article XVIII new | City's last best offer |
| 11. | A) Wages 2005 Appendix A | KPSOA's last best offer |
| | B) Wages 2006 Appendix A | KPSOA's last best offer |
| 12. | Night Shift Premium Appendix B | City's last best offer |

Dated: 1-12, 2007


 Hiram S. Grossman, Chairman

Dated: 1/12, 2007


 Kurt N. Sherwood, Esq., Employer delegate

Dated: 1/12, 2007


 Michael F. Ward, Esq., Union delegate

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

ARBITRATION UNDER ACT 312

City of Kalamazoo,

Petitioner,

And

Case No. L04-L-4003

**Kalamazoo Public Safety Officers
Association,**

Respondent.

CITY OF KALAMAZOO'S LAST OFFER OF SETTLEMENT

Respectfully submitted by:

Kurt N. Sherwood (P39639)
Miller, Canfield, Paddock and Stone
444 W. Michigan Avenue
Kalamazoo, MI 49007
(269) 383-5853

Attachment A

I. INTRODUCTION

The City of Kalamazoo is a core urban City located in Kalamazoo County. The KPSOA represents approximately 200 employees of the City of Kalamazoo Department of Public Safety.

Over the years the City and KPSOA have negotiated a series of collective bargaining agreements. Around 1985 the Kalamazoo City Police Department and Fire Department merged and became a Public Safety Department, with most KPSOA members cross-training and becoming Public Safety Officers.

The City of Kalamazoo has in recent years suffered the same economic woes as the State of Michigan. State revenue sharing has decreased dramatically since 2000 (E 2), while property tax revenues have experienced modest gains. Put simply, expenses (especially health insurance, pensions, labor, fuel, etc.) have increased faster than revenues. The City has therefore been forced to cut its operating budget (and staffing; E 6) year after year (E 1, E 3, E 4, E 7), and in turn the Department of Public Safety has been compelled to cut its budget year after year. As explained by Deputy Chief McCaw, between 2002 and 2006 the Department was forced to cut more than \$4,000,000 from its operating budget, which in turn required staffing reductions of approximately 28 positions (E 12).

In 2003 the City organized a health insurance task force and invited all represented and non-represented City groups to send representatives. The Task Force's mission was to analyze the City's then current health insurance plan and usage and determine what measures could be taken to reign in unsustainable health care cost increases. The Task

Force selected MERCER consulting to assist with its mission. MERCER consulting conducted an extensive audit and reported back to the Task Force with suggestions/recommendations. Those suggestions/recommendations guided the City in its subsequent negotiations.

The parties' current collective bargaining agreement ("Agreement") expired on 12/31/04. Entering into negotiations the City was mindful of its bleak budget picture. The City never claimed an inability to pay, but made clear that health insurance relief and modest wage/benefits increases were in order. The parties negotiated and participated in mediation, with the City petitioning for Act 312 arbitration on 6/23/05. The KPSOA filed its Answer to the City's Act 312 Petition on 7/20/05. Arbitrator Hiram Grossman was appointed by MERC as Act 312 Arbitrator and a pre hearing conference was held on 10/10/05. On 10/11/05 Arbitrator Grossman remanded the matter back to mediation. Mediation was again held on 12/14/05 with State Mediator Jim Spaulding.

Through mediation and negotiations, which included continued negotiations throughout the Act 312 process, the parties resolved the following:

The KPSOA withdrew the following:

1. Article IV, Section 1(c) – Grievances/Information
2. Article XV, Section 1(b) – CSO 30 and Out
3. Article XV, Section 1(h) – Reducing Employee Pension Contribution

The City withdrew the following:

1. Article I, Section 6(b) – Grievance Committee Chairperson and Association Time.
2. Eliminate Minimum Staffing
3. Article VIII, Section 4 – Filling Teleserve and Traffic Positions
4. Fire Marshalls Working a 56 Hour Schedule

The parties also reached agreement on the following:

1. KPOA changed to KPSOA
2. Article VII, Section 3 – Paying Military Differential on a Fiscal Year from Oct 1 – Sept 30.
3. Article VII, Section 5(b) – Funeral Leave to add Step-Child, Step-Parent, Daughter-in-Law, Son-in-Law, and domestic partner.
4. Article VIII – Power Shift Staffing/Minimum Staffing Clarification
5. Article IX, Section 11 – Designating Financial Institution for Direct Deposit.
6. Article XIV – Probationary Employees Use of Sick Leave During First 6 Months of Employment
7. Article XV, Section 1(c) – CSO Pension

The Act 312 arbitration hearing was conducted on 8/28/06, 8/31/06, 9/15/06, 9/20/06 and 10/23/06. The parties agreed at the hearing that all issues presented to the Arbitrator were economic issues. Any issue set forth in either the Act 312 Petition or Answer that is not addressed below has been resolved (either through withdrawal or settlement) by the parties and therefore does not require action by the Act 312 Arbitrator.

1. **Critical Illness Leave**

Art. VII, Section 5(a):

The Agreement currently reads:

Section 5 – Critical Leave: Qualified employees who furnish proof satisfactory to the Employer that a critical illness exists or a death has occurred within their immediate family may apply for a paid leave of absence, subject to the following limitations:

(a) Paid leaves for critical illness of a member of the employee's immediate family shall be available only in case of such illness on the part of the employee's then current spouse, the employee's child or parent and for a period not to exceed three (3) regularly scheduled working days (one (1) regularly scheduled working day for fifty-six (56) hour employees) at any one time.

KPSOA: KPSOA proposes expanding the list of family members for whom critical illness leave is available, by adding step-child, step-parent, and domestic partner.

City: The City's last offer of settlement is that the requested changes/additions be denied and that Article VII, Section 5(a) remain as in the current contract (i.e. status quo).

2. **Vacation**

Art. X, Section 1:

The Agreement currently reads:

Section 1 – Vacation Accrument: Employees who, as of December 31 of any year, have completed less than one (1) year of continuous employment shall be entitled, during the next calendar year, to receive, pro rata, their applicable portion of vacation with pay calculated on the basis of paid vacation for one (1) completed year of continuous service. Employees who, as of December 31 of any year, have completed one (1) or more years of continuous service with the Employer shall receive vacation pay in accordance with the following schedule:

<u>Completed Years Of Service</u>	<u>40 Hour Employee</u>	<u>42 Hour Employee</u>
1 but less than 5	80	84
5 but less than 11	120	126
11 but less than 12	128	132
12 but less than 13	136	144
13 but less than 14	144	150
14 but less than 15	152	156
15 or more	160	168

**Duty Days Off
24 Hour Shift Employee**

1 but less than 5	5
5 but less than 11	9
12 but less than 15	10
15 or more	11

KPSOA: The KPSOA proposes increasing the amount of vacation time off as follows:

<u>Completed Years of Service</u>	<u>42 Hour Employee</u>	<u>24 Hour Shift Employee</u>
1 but less than 5	increase 24 hours	increase 2 Duty Days
5 but less than 11	increase 18 hours	increase 2 Duty Days
11 but less than 12	increase 36 hours	increase 2 Duty Days
12 but less than 13	increase 24 hours	increase 2 Duty Days
13 but less than 14	increase 18 hours	increase 2 Duty Days
14 but less than 15	increase 12 hours	increase 2 Duty Days
15 or more	increase 48 hours	increase 2 Duty Days

City: The City's last offer of settlement is that the requested changes/additions be denied and that Article X, Section 1 remain as in the current contract (i.e. status quo).

3. **Holidays**

Art. XI, Section 1:

The Agreement currently reads:

Section 1 – Holidays: The following days are recognized as holidays under this Agreement: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, the day celebrated as Veterans' Day (November 11th), Thanksgiving Day, the day after Thanksgiving Day, Christmas Eve Day and Christmas Day. Additionally, New Years' Eve Day shall be treated as a one-half day holiday. An employee may substitute Martin Luther King Day for another worked holiday if he/she is scheduled to work on Martin Luther King Day by notifying his/her supervisor at least two weeks in advance. If there are sufficient employees scheduled, the employee may take Martin Luther King Day as a day off.

KPSOA: The KPSOA proposes adding two holidays (Martin Luther King Day and Easter).

City: The City's last offer of settlement is that the requested changes/additions be denied and that Article XI, Section 1 remain as in the current contract (i.e. status quo).

4. **Longevity**

Art. XII, Section 1:

The Agreement currently reads:

Section 1 – Longevity Payment: 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:

Effective January 1, 2004:

6-10 years of service = 2% of \$40,000 base salary.
11-14 years of service = 4% of \$40,000 base salary.
15+ years of service = 6% of \$40,000 base salary.

Only full time employees are eligible for longevity payment.

KPSOA: The KPSOA proposes increasing longevity payments by increasing the base salary upon which longevity is calculated. The KPSOA proposes increasing the base salary to \$45,000.00 in year one of the Agreement and \$50,000.00 in year two of the Agreement.

City: The City's last offer of settlement is that the requested changes/additions be denied and that Article XII, Section 1 remain as in the current contract (i.e. status quo).

5. Health Insurance

Art. XIII:

The Agreement currently reads:

Section 1 – Insurance Coverage: 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 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 single coverage; Forty Dollars (\$40.00) 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.

(a) The Employer agrees to provide Blue Cross and Blue Shield M.V.F.I. M-L rider group health insurance, with a Five Dollar (\$5.00) deductible prescription drug rider, and Master Medial 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).

Employees who, on the date of execution of this agreement, have either two party or family medical coverage and who are covered under their spouses' medical insurance, may, by execution of the waiver of health insurance coverage form, elect an annual payment of \$1,750 in lieu of their coverage on KHP, Blue Care Network or BC/BS.

The annual payment is payable within thirty (30) days of the employee's election and annually thereafter.

In the event an employee elects to be reinstated in less than the 12 month period, or leaves the employment of the City, the employee must reimburse the City for the remaining pro-rata portion of the above annual payment within (30) days of reinstatement. Reinstatement will be the first of the month following request for reinstatement. Employees leaving employment will be billed for the pro-rata amount due and it will be deducted from their pension refund.

(b) The Employer shall pay the total cost for the existing Delta Dental Insurance Plan for each employee and his or her dependents.

(c) The Employer shall pay the total subscription rate for two-person (employee and spouse) coverage for M.V.F.I. and Master Medical Insurance for employees who retire on or after January 1, 1975 with ten (10) years of credited service and having attained fifty (50) years of age. Effective January 1, 1984, employees who retire with twenty-five (25) years of credited service or age fifty (50) with ten (10) years of credited service shall receive the health insurance benefit provided herein.

Employees who retire with twenty-five (25) years of service on or after January 1, 1989, shall contribute the amount as that in effect during their last month of employment (BC/BS). Employees who retire after January 1, 1991 shall receive the prescription drug rider benefit in effect at date of retirement. Effective January 1, 1984, employees who retire with twenty (20) years of credited service shall receive the health insurance benefit described herein when they would have qualified for a Normal Retirement Benefit had they remained employed. Employees retiring with twenty (20) years of credited service may maintain their health insurance in effect by paying the cost of such coverage in advance to the Employer.

Employees who retire on or after January 1, 1989 with twenty (20) years of credited service may maintain their health insurance in effect by paying the cost

for such coverage in advance to the Employer. Employees who retire on or after January 1, 1989 with twenty years of credited service shall receive the health insurance benefit as described for twenty-five (25) year employees retiring after January 1, 1989 when they would have qualified for a Normal Retirement Benefit had they remained employed. However, such retired employees shall pay the same health insurance contribution in retirement as in effect during the last month of their employment (BC/BS).

Employees who retire on or after January 1, 2000, with twenty-five (25) years of credited service or who have attained at least fifty (50) years of age and ten (10) years of credited service, may continue single or two person (employee and spouse) coverage for M.V.F.I. and Master Medical insurance by contributing twenty-five dollars (\$25.00) per month toward the cost of such coverage.

In the event of the retired employee's death, the Employer will continue to pay its share of the cost of the health insurance protection for the surviving spouse for a period of twelve (12) months. During the period of time that a retired employee is employed by another employer that provides comparable health insurance, the Employer shall have no obligation to provide such benefits. If the benefits are not comparable, the Employer shall pay the retired employee the difference between its cost of providing the health insurance protection and the cost of the health insurance provided by the new employer. As a condition of receiving these benefits, the retired employee must promptly inform the Employer of any changes in his or her employment status and the name, address, and phone number of any employer.

Section 2 – Domestic Partner Benefits: Effective January 1, 2003, the attached City's Domestic Partner Policy will apply to members of this bargaining unit.

City: The City proposes as its last offer of settlement changing health insurance as set forth below:

The current contract language will remain, with the exception that the first paragraph of Section 1 will be revised as follows (additions in **bold**, deletions with strike through):

Section 1 – Insurance Coverage: The Employer agrees for the life of this Agreement to ~~maintain the level of group insurance benefits in effect for~~ **provide** permanent and regular full-time employees as of this date with **the Community Blue PPO Plan, or an equivalent plan through** 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. . . .~~

All employees will convert to and be provided the Community Blue PPO Plan, which includes the following plan modifications (a copy of the Community Blue PPO “benefits at a glance” summary will be attached to the Agreement as Appendix “C”; the actual Plan documents are available in Human Resources):

	<u>In Network</u>	<u>Out of Network</u>
Rx co-pay (2x for 3 mo.)	\$10/\$15/\$20	25% of the approved amount for the drug minus applicable copay of \$10/\$15/\$20
Office Visit	\$25.00	60% after deductible
Preventive Care	100%	None
Other Coverage*	2007 – 90%/10% 2008 – 90%/10%	60%/40%
*Effective Jan. 1 each year		
Deductible	\$100 Single \$200 Family	\$1,000 Single \$2,000 Family
Maximum out of pocket	\$1,000 Single \$2,000 Family	\$3,000 Single \$6,000 Family

Those eligible for insurance will make the following monthly contributions:

	<u>Single</u>	<u>Double</u>	<u>Family</u>
Effective 1/1/07	\$33.00	\$73.00	\$87.00
Effective 1/1/08	\$41.00	\$91.00	\$109.00

Employees retiring after 1/1/07 will, in and throughout their retirement, have the same insurance as active employees and pay the same contribution amounts as active employees, except that a retiree’s contributions will never be more than 50% higher than he/she paid in his/her last month of active service (e.g. monthly contribution payment at retirement = \$87.00; maximum monthly contribution payment in retirement will never be more than \$130.50).

KPSOA agrees to participate in quarterly meetings to review the financial reports from the health plan administrator/carrier, the status of uncommitted funds, and any general issues, problems and/or suggestions.

KPSOA: The KPSOA's health insurance proposal is:

- (a) Increasing the annual opt-out from \$1750 to \$4000.
- (b) Adding a Family Continuation Rider, at City expense, until dependent reaches age 25.
- (c) Adding an Orthodontics Rider, at City expense, with a \$1000 lifetime maximum benefit for Association members and their dependents under age nineteen (19).

City: KPSOA's three proposals, and the City's last offer of settlement relative to each of the three proposals, should be considered separately.

The City proposes as its last offer of settlement that the requested change to the annual opt-out be denied and that the annual opt-out (discussed in Article XIII, Section 1(a)) remain as in the current contract (i.e. \$1750; status quo).

The City proposes as its last offer of settlement that the requested change to add a Family Continuation Rider be denied and that the contract remain as is (i.e. status quo; no City paid Family Continuation Rider).

The City proposes as its last offer of settlement that the requested change to add an Orthodontics Rider be denied and that the contract remain as is (i.e. status quo; no City paid Orthodontics Rider).

6. Sick Leave/Workers Compensation

Art. XIV, Section 3(b):

The Agreement currently reads:

Section 3 – Eligibility: Qualified employees, subject to the provisions set forth in this Article, shall be eligible for paid sick leave from (and to the extent of) their unused accumulated paid sick leave credits in the following manner:

(b) 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 Worker's 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 and 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 employees' 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.

KPSOA: The KPSOA proposes changing the contract to require that the City make up the difference between an employee's regular pay and his/her workers compensation payments from day 1 of any work related illness or injury. KPSOA therefore proposes adding (in bold):

(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, . . .

City: The City's last offer of settlement is that the requested changes/additions be denied and that Article XIV, Section 3(b) remain as in the current contract (i.e. status quo).

7. Pension

Art. XV, Section 1:

The Agreement currently reads:

Section 1 – Pension Plan: The Employer agrees to maintain the City of Kalamazoo Pension Plan and to provide benefits under the same eligibility conditions as were in effect on the date of execution of this Agreement. The Plan shall continue amended as follows:

(a) Effective January 1, 1982, the Plan shall be amended to include the military buy-back provision.

KPSOA: The KPSOA proposes that members who previously served in the military (who failed to buy-back service time when initially provided the opportunity per City ordinance) be given a one year window to buy-back up to five (5) years of service credit.

City: The City's last offer of settlement is that the requested changes/additions be denied and that Article XV, Section 1(a) remain as in the current contract (i.e. status quo).

The Agreement currently reads (pertinent portion in **bold**):

(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 67.6% 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; (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 . . .

KPSOA: The KPSOA proposes modifying the early retirement benefit. Employees retiring after completing 20 years of service would have their benefit calculated using a multiplier of 2.6% times Final Average Compensation times years of credited service with a maximum benefit equal to 67.6% of Final Average Compensation. KPSOA also proposes that early retirees also receive normal retiree insurance and the post-retirement adjustment (PRA) referenced in Article XV, Section 1(g).

City: The City's last offer of settlement is that the requested changes/additions be denied and that Article XV, Section 1(b) remain as in the current contract (i.e. status quo).

The Agreement currently reads:

(f) Effective 1-1-95, the addition of REGULAR OVERTIME to base pay for purposes of calculating final average compensation for pension amount shall be eliminated. The employees and the Employer will not contribute to the pension fund on regular overtime earned. The following items are included for purposes of calculating final average compensation: night shift premium, longevity, comp time lump sum payment (requested on or before December 31, 1998), holiday premium pay, and any other payments where employee/employer pension contributions are required. All comp time lump sum payments will be eliminated from the calculation of final average compensation for 1999 and later years.

KPSOA: The KPSOA proposes modifying paragraph (f) so that up to \$10,000 of overtime per year (in the employee's last 3 years of service), would count toward final average compensation.

City: The City's last offer of settlement is that the requested changes/additions be denied and that Article XV, Section 1(f) remain as in the current contract (i.e. status quo).

The Agreement currently reads:

(h) Effective January 1, 1998, employees' contribution to the pension plan shall decrease from 8.5% to 8.0% of wages; in 1999 it shall decrease from 8.0% to 7.25%; and in 2000 it shall decrease from 7.25% to 6.50%.

KPSOA: The KPSOA proposes there be no employee pension contribution in years 27-28-29 of the employee's employment.

City: The City's last offer of settlement is that the requested changes/additions be denied and that Article XV, Section 1(h) remain as in the current contract (i.e. status quo).

8. **Clothing Allowance**

Art. XVIII, Section 2:

The Agreement currently reads:

Section 2 – Clothing Allowance: In lieu of receiving uniforms supplied by the Employer each plainclothes officer shall receive a clothing allowance of Six Hundred Fifty-five Dollars (\$655.00) per year, except for employees newly assigned to SIU after January 1, 1981. Effective January 1, 1989, the clothing allowance will be Seven Hundred Dollars (\$700.00). The benefit for employees newly assigned to SIU on and after January 1, 1981, shall be calculated on the basis of One Hundred Seventy-nine Dollars (\$179.00). Effective January 1, 1989, the SIU allowance will be 50% of \$700. Such payment shall be made no later than the first pay day in July and be in the form of a voucher check. Effective in 1994, the allowance shall be Seven Hundred Fifty Dollars (\$750) for plainclothes officers and Three Hundred Seventy-five Dollars (\$375) for SIU; effective in 1995, it shall be Eight Hundred Dollars (\$800) and Four Hundred Dollars (\$400), respectively; and 1996 it shall be Eight Hundred Fifty Dollars (\$850) and Four Hundred Twenty-five Dollars (\$425) respectively. Employees who are not in a plainclothes assignment for the entire calendar year shall be entitled to a prorated payment and those officers leaving such assignment before the end of the year shall have the amount of any unearned payment deducted from their pay. The Employer agrees to continue the current practice of cleaning the clothing of plainclothes officers.

KPSOA: The KPSOA proposes increasing the clothing allowances to \$1,200.00 for plainclothes and \$600.00 for KVET (SIU) officers.

City: The City's last offer of settlement is that the requested changes/additions be denied and that Article XVIII, Section 2 remain as in the current contract (i.e. status quo).

9. **Education Bonus (New):**

There is no current contract language.

KPSOA: The KPSOA proposes adding a section to the Agreement providing:

Employees who attain higher education degrees shall receive an annual educational bonus to be paid during the first (1st) pay period of December. The qualifying degree must have been awarded prior to the beginning of the first (1st) pay period of December to be included in that year's payment. Educational bonuses will be awarded in the following amounts:

Bachelors Degree	\$1000.00
Masters Degree	\$1500.00

City: The City's last offer of settlement is that the requested change adding an Education Bonus be denied and that the current contract remain as is (i.e. status quo).

11. **Wages**

Appendix "A":

KPSOA: The KPSOA proposes across the board retroactive wage increases of:

2005	-	4%
2006	-	4%
2007	-	4%
2008	-	4%

City: The City's last offer of settlement is for wage increases of:

2005	-	0%
2006	-	2%
2007	-	2%
2008	-	2.5%

12. **Night Shift Premiums**

Appendix "B":

The Agreement currently provides the following night shift premiums:

P.S.O.						
<u>Start/6 Mos.</u>	<u>1 Yrs</u>	<u>2 Yrs</u>	<u>3 Yrs</u>	<u>4 Yrs</u>	<u>5 Yrs</u>	<u>6 Yrs</u>
\$400	\$500	\$600	\$700	\$800	\$900	\$1000

C.S.O.						
<u>Start/6 Mos.</u>	<u>1 Yrs</u>	<u>2 Yrs</u>	<u>3 Yrs</u>	<u>4Yrs</u>	<u>5 Yrs</u>	<u>6Yrs</u>
\$400	\$500	\$600	\$700	\$800	\$900	\$1000

KPSOA: The KPSOA proposes increasing night shift premiums as follows:

P.S.O.						
<u>Start/6 Mos.</u>	<u>1 Yrs</u>	<u>2 Yrs</u>	<u>3 Yrs</u>	<u>4 Yrs</u>	<u>5 Yrs</u>	<u>6 Yrs</u>
\$800	\$900	\$1000	\$1100	\$1200	\$1300	\$1400

C.S.O.						
<u>Start/6 Mos.</u>	<u>1 Yrs</u>	<u>2 Yrs</u>	<u>3 Yrs</u>	<u>4 Yrs</u>	<u>5 Yrs</u>	<u>6 Yrs</u>
\$400	\$500	\$600	\$700	\$800	\$900	\$1000

City: The City's last offer of settlement is that the requested changes/additions be denied and that Appendix "B" remain as in the current contract (i.e. status quo).

MICHIGAN DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION
ACT 312 ARBITRATION

In the Matter of The Act 312 Arbitration

City of Kalamazoo

And

MERC Case #I04-4003

Kalamazoo Public Safety Officers Assn.
-----/

Kalamazoo Public Safety Officers Association's

Last Best Offer

1. The following Kalamazoo Public Safety Officer's Association Economic Issues have been withdrawn:
 - Grievances – change to Article IV, Section 1(c): Listed on the answer to the petition as 2-A has been withdrawn. Article IV, Section 1(b) will remain as in the collective bargaining agreement.
 - Increase Medical Opt-Out Provision and addition of a family continuation rider: Listed on the answer to the petition for Act 312 as 2-G (a) and (b) are withdrawn. Item 2-G (a) will remain as in the collective bargaining agreement.
 - Fire Marshall Car: Listed as Item #10 of the petition and 2-L of the answer has been withdrawn.

2. The following City Non-Economic Issues have been withdrawn:
 - Grievance Committee Chairperson and Association Time, Article 1, Section 6(b): City Non-Economic Issue #1 listed on its petition for Act 312 arbitration as Item #1, i.e. changes in Article I, Section 6(b) of the current collective bargaining agreement

Attachment B

was withdrawn by the City. Article I, Section 6(b) will remain as in the collective bargaining agreement.

- Elimination of Minimum Staffing: City Non-Economic Issue #2 listed in its petition for Act 312 arbitration as Item #3, i.e. City proposal to eliminate the letter of understanding and any contractual provisions requiring minimum staffing requirements. The City has withdrawn this proposal and, therefore, the letter of understanding on minimum staffing will remain in effect.
- Filing Teleserve and Traffic Positions with non-sworn employees PO's, Filling Court Officer Positions with PO's, Filling temporary vacancies in dispatch with on duty CSO's, non-street PSO's or street PSO's and transferring the Fire Marshall to a 56 Hour schedule: City Non-Economic Issue #4 listed on its petition for Act 312 arbitration as Item #4, these proposals were withdrawn by the City and the current contract language shall be retained and unchanged.

3. The following issues have been agreed to by both parties:

- Power Shift Proposal: City Non-Economic Issue #3 listed on its petition for Act 312 arbitration as Item #4, Article VIII, new Section 2, i.e. the City's proposal to add a third shift (Power Shift) has been agreed to between the parties and said agreement is contained in a letter of understanding between the parties.
- Change name of Association from Kalamazoo Police Officers Association (KPOA) to Kalamazoo Public Safety Officers Association (KPSOA).
- Military Leave: Change Article VII, Section 3 to read "The compensation thus paid by the Employer shall not exceed the difference in pay for eighty four (84) hours in any one calendar year. For purposes of this section only, a "calendar year" will be treated as the fiscal year used by the military (Oct 1 – Sep 30).
- Funeral Leave: Change Article VII, Section 5(b) to add step-child, step-parent, daughter-in-law, son-in-law, and domestic partner.
- Direct Deposit of Pay: Article IX, add Section 11 Designating Financial Institution for Direct Deposit.
- Sick Leave Use: Change Article XIV to allow probationary employees to use sick leave during first 6 months of employment.

- CSO Pension: Kalamazoo Public Safety Officers Association Economic Issue #7 which is listed on the petition as Economic Issue #7 (b) and on the answer to the petition as 2-I (b), change Article XV, Section 1(d), CSO Pensions to read as follows:

Effective January 1, 1991 non-sworn Kalamazoo Public Safety Officer Association members will contribute four (4%) percent and will receive a multiplier of 1.7% FAC at the time of retirement.

Effective January 1, 2005 the employee shall receive a multiplier of 2.0% of FAC at the time of retirement.

Effective January 1, 2006 the employee shall receive a multiplier of 2.1% of FAC at the time of retirement.

Effective January 1, 2007 employee contribution to the pension plan will decrease from four (4%) percent to one (1%) percent and the multiplier will remain 2.1% of FAC at time of retirement.

Kalamazoo Public Safety Officers Association submits the following as its last best offer on the issues before the arbitration panel:

1. Critical Illness Leave: Art. VII, Section 5(a):

The last best offer of the Kalamazoo Public Safety Officers Association on its Economic Issue #1 which is listed as Economic Issue #1 on the petition for Act 312 arbitration and in the answer to the petition as 2-C, is that Article VII, Section 5(a) of the agreement be changed as follows:

Section 5(a): Paid leaves for critical illness of a member of the employee's immediate family shall be available only in case of such illness on the part of the employee's then current spouse or domestic partner (as defined by the City's Domestic Partner Benefit Policy), the employee's child, step-child, parent or step-parent and for a period not to exceed three (3) regularly scheduled working days (one (1) regularly scheduled working day for fifty-six (56) hour employees) at any one time.

2. Vacation: Art X, Section 1:

The last best offer of the Kalamazoo Public Safety Officers Association on its Economic Issue #2 which is on the petition as Economic Issue #2 and in the answer to the petition as 2-D, i.e. changing the vacation schedule is that the vacation schedule contained in Article X, Section 1 – Vacations of the current agreement be changed as follows:

Effective January 1, 2007:

Vacation Schedule

Completed Years of Service	40-Hour Employees	42-Hour Employees
1 but less than 5	88	96
5 but less than 11	128	138
11 but less than 12	136	144
12 but less than 13	144	156
13 but less than 14	152	162
14 but less than 15	160	168
15 or more	168	180

**Duty Days Off
24-Hour Shift Employees**

1 but less than 5	6
5 but less 11	10
12 but less than 15	11
15 or more	12

3. Holidays: Art XI, Section 1:

The last best offer of the Kalamazoo Public Safety Officers Association on its Economic Issue #3 which is on the petition as Economic Issue #3 and in the answer to the petition as 2-E, i.e. adding additional holidays, is that Article XI, Section 1 – Holidays of the current agreement be changed by adding the full day, New Years eve, and Martin Luther King Day as paid holidays. Section 1 to be changed as follows:

Section 1 – Holidays: Effective January 1, 2007, the following days are recognized as holidays under this Agreement: New Year's Day, Martin Luther King Jr. Day, Good Friday, Memorial Day, Independence Day, Labor Day, the day celebrated as Veterans' Day (November 11th), Thanksgiving Day, the day after Thanksgiving Day, Christmas Eve Day, Christmas Day and New Year's Eve Day

(a) Effective January 1, 2007, Holidays shall be considered as starting at the beginning of each regularly scheduled shift on which the actual holiday falls.

This will also change Section 2(a) to read:

“The Employer agrees to continue its current practice of paying holiday pay. The Employer agrees to pay each regular, full-time fifty-six (56) hour employee a lump sum payment, in lieu of additional payment for hours actually worked on a holiday, equal to one hundred forty four (144) hours of pay at the employee's regular straight time hourly rate of pay.....”

4. Longevity: Art XII, Section 1:

The last best offer of the Kalamazoo Public Safety Officers Association on its Economic Issue #4 which is on the petition as Economic Issue #4 and in the answer to the petition as 2-F, i.e. change the base salary on which longevity is payable as follows:

Effective January 1, 2005

6-10 years of service = 2% of \$45,000 base salary
11-14 years of service = 4% of \$45,000 base salary
15+ years of service = 6% of \$45,000 base salary

Effective January 1, 2006

6-10 years of service = 2% of \$50,000 base salary
11-14 years of service = 4% of \$50,000 base salary
15+ years of service = 6% of \$50,000 base salary

5. Health Insurance: Art XIII:

The City's Economic Issue #1 listed as Economic Issue #5 on the petition for Act 312 arbitration wherein the City proposes to change the health insurance provisions contained in Article XIII of the current agreement. The Kalamazoo Public Safety Officers Association submits the following as its last best offer on the issue of health insurance: Article XIII – Insurance to be changed as follows:

Section 1 – Health Insurance Coverage: Effective January 1, 2007 or as soon thereafter as reasonably possible the Employer agrees to place into effect for all bargaining unit employees the IBA Dual Select Network Benefit Plan 81100 with the Option A Prescription Drug Program. The coverage for said health insurance and prescription drug program shall be attached to this agreement as Appendix E. [*This document is attached to offer as Attachment 1.*]

Effective *January 1, 2007*, or upon effective date of the IBA insurance coverage whichever occurs last, employees in the bargaining unit who are eligible for health insurance will pay *\$33.00 per month for single coverage, \$73.00 per month for two (2) person coverage, and \$87.00 per month for family coverage* toward the City's cost of such medical insurance for the bargaining unit.

Effective January 1, 2008, employees who are eligible will pay *\$41.00 per month for single, \$91.00 per month for two (2) person and \$109.00 per month for family coverage.*

The amount to be deducted from each paycheck will equal the monthly contribution multiplied by twelve (12) months, divided by fifty-two (52) pay periods.

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.

- (a) Employees who, on the date of execution of this agreement, have either (2) two party or family medical coverage and who are covered under their spouses' medical insurance, may, by execution of the waiver of health insurance coverage form, elect an annual payment of \$1,750 in lieu of their coverage in the IBA Dual Select Network Benefit Plan 81100.

The annual payment is payable within thirty (30) days of the employee's election and annually thereafter.

In the event an employee elects to be reinstated in less than the 12 month period, or leaves the employment of the City, the employee must reimburse the City for the remaining pro-rata portion of the above annual payment within (30) days of reinstatement. Reinstatement will be the first of the month following request for reinstatement. Employees leaving employment will be billed for the pro-rata amount due and it will be deducted from their pension refund.

- (b) The Employer shall pay the total subscription rate for two-person (employee and spouse) coverage for M.V.F.I. and Master Medical Insurance for employees who retire on or after January 1, 1975 with ten (10) years of credited service and having attained fifty (50) years of age. Effective January 1, 1984, employees who retire with twenty-five (25) years of credited service or age fifty (50) with ten (10) years of credited service shall receive the health insurance benefit provided herein.
- (c) Employees who retire with twenty-five (25) years of service on or after January 1, 1989, shall contribute the amount as that in effect during their last month of employment (BC/BS). Employees who retire after January 1, 1991 shall receive the prescription drug rider benefit in effect at date of retirement. Effective

January 1, 1984, employees who retire with twenty (20) years of credited service shall receive the health insurance benefit described herein when they would have qualified for a Normal Retirement Benefit had they remained employed. Employees retiring with twenty (20) years of credited service may maintain their health insurance in effect by paying the cost of such coverage in advance to the Employer.

- (d) Employees who retire on or after January 1, 1989 with twenty (20) years of credited service may maintain their health insurance in effect by paying the cost for such coverage in advance to the Employer. Employees who retire on or after January 1, 1989 with twenty years of credited service shall receive the health insurance benefit as described for twenty-five (25) year employees retiring after January 1, 1989 when they would have qualified for a Normal Retirement Benefit had they remained employed. However, such retired employees shall pay the same health insurance contribution in retirement as in effect during the last month of their employment (BC/BS).
- (e) Employees who retire on or after January 1, 2000, with twenty-five (25) years of credited service or who have attained at least fifty (50) years of age and ten (10) years of credited service, may continue single or two person (employee and spouse) coverage for M.V.F.I. and Master Medical insurance by contributing twenty-five dollars (\$25.00) per month toward the cost of such coverage.
- (f) In the event of the retired employee's death, the Employer will continue to pay its share of the cost of the health insurance protection for the surviving spouse for a period of twelve (12) months. During the period of time that a retired employee is employed by another employer that provides comparable health insurance, the Employer shall have no obligation to provide such benefits. If the benefits are not comparable, the Employer shall pay the retired employee the difference between its cost of providing the health insurance protection and the cost of the health insurance provided by the new employer. As a condition of receiving these benefits, the retired employee must promptly inform the Employer of any changes in his or her employment status and the name, address, and phone number of any employer.

Section 2 – Dental Coverage: The Employer shall pay the total cost for the existing Delta Dental Insurance Plan for each employee and his or her dependents.

Section 3 – Domestic Partner Benefits: Effective January 1, 2003, the attached City's Domestic Partner Policy will apply to members of this bargaining unit.

6. Sick Leave/Workers Compensation: Art XIV, Section 3(b):

The last best offer of the Kalamazoo Public Safety Officers Association on its Economic Issue #5 which is on the petition as Economic Issue #5 and in the answer to the petition as 2-H, i.e. workers compensation supplement, is that Article XIV, Section 3(b) be changed as follows:

(b) There shall be no deduction from sick leave from the first (1st) day 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 Worker's 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 and 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.

7. Pension: Art XV, Section 1:

The last best offer of the Kalamazoo Public Safety Officers Association on its Economic Issue #7 (a),(c),(d) and (e) which is on the petition as Economic Issue #7 (a),(c),(d) and (e) and in the answer to the petition as 2-I (a),(c),(d) and (e), to be changed as follows:

(a) Change Article XV, Section 1(h) – Pensions by adding a sentence which shall read:

“Employees shall not be required to make any contribution to the pension plan during their 27th, 28th and 29th year of employment.”

(b) Change Article XV, Section 1(a) – Pensions by adding a sentence which shall read:

"The City shall designate a thirty (30) day period of time during which employees who failed to buy back military time will be allowed to buy back up to three (3) years of military time in accordance with the military buy back provisions of the pension plan. The City shall notify employees in writing at least thirty (30) days prior to commencement of the thirty (30) day buy back period of the starting and stopping period for the buy back of military time."

(c) Change the first sentence of Article XV, Section 1(f) – Pensions to read as follows:

"Effective January 1, 2007 up to six-thousand (\$6,000.00) dollars of regular overtime pay shall be added to the final average compensation for purpose of calculating their pension benefit during each of the employee's final three (3) years prior to retirement."

(d) Add a sentence to Article XV, Section 1(b) – Pensions which shall read as follows:

"Effective January 1, 2007 an annual retirement benefit shall be made available to employees retiring on or after twenty (20) years of service but their benefit shall be based upon 2.6% of final average compensation times years of credited service and a post adjustment of two (2%) percent shall be provided and compounded annually in January of each year."

8. Clothing Allowance: Art XVIII, Section 2:

The last best offer of the Kalamazoo Public Safety Officers Association on its Economic Issue #8 which is on the petition as Economic Issue #8 and in the answer to the petition as 2-J, i.e. clothing allowance, is to change Article XVIII, Section 2 to read as follows:

Section 2 – Clothing Allowance: In lieu of receiving uniforms supplied by the Employer plain clothes officers shall receive a clothing allowance.

Effective January 1, 2007 plainclothes officers shall receive a clothing allowance of eleven-hundred (\$1,100.00) dollars per year except for officers assigned to KVET, who shall receive a clothing allowance of six-hundred (\$600.00) dollars per year.

Such payment shall be made no later than the first pay day in July and be in the form of a voucher check. Employees serving in plainclothes assignments for less than the full calendar year will qualify for a pro-rated amount of that year's allowance. The Employer agrees to continue the current practice of cleaning the clothing of plainclothes persons.

9. Education Bonus: Art XVIII, Section 8 (New):

The last best offer of the Kalamazoo Public Safety Officers Association on its Economic Issue #9 which is on the petition as Economic Issue #9 and in the answer to the petition as 2-K, i.e. educational bonus, is that a Section 8 be added to Article XVIII of the current contract that shall read as follows:

Section 8: Education Bonus: Employees who attain a higher education degree shall receive an annual educational bonus to be paid during the first (1st) pay period of December. The qualifying degree must have been awarded prior to the beginning of the first (1st) pay period of December to be included in that year's payment.

Educational Bonuses will be awarded in the following amounts:

Bachelors Degree	\$1,000.00
Master degree	\$1,500.00

10. Wages: Appendix A:

The Kalamazoo Public Safety Officers Association proposes a four (4) year agreement dating from January 1, 2005 and ending on December 31, 2008. therefore the last best offer of the Kalamazoo Public Safety Officers Association on its Economic Issue #11 which is on the petition as Economic Issue #11 and in the answer to the petition as 2-M, i.e. wages is as follows: [*This document is attached to offer as Attachment 2.*]

Effective January 1, 2005 and retroactive to said date the wage schedule contained in Appendix A for contract year 2004 shall be increased by 3.1 percent at each year of the wage schedule and these rates will be in effect for 2005.

Effective January 1, 2006 and retroactive to said date the wage schedule contained in Appendix A for contract year 2005 shall be increased by 2.5 percent at each year of the wage schedule and these rates will be in effect for 2006.

Effective January 1, 2007 and retroactive to said date the wage schedule contained in Appendix A for contract year 2006 shall be increased by 2.0 percent at each year of the wage schedule and these rates will be in effect for 2007.

Effective January 1, 2008 the wage schedule contained in Appendix A for contract year 2007 shall be increased by 2.5 percent at each year of the wage schedule and these rates will be in effect for 2008.

11. Night Shift Premium: Appendix B:

The last best offer of the Kalamazoo Public Safety Officers Association on its Economic Issue #12 which is on the petition as Economic Issue #12 and in the answer to the petition as 2-N, i.e. shift premium, is as follows:

Change the Night Shift Premium contained in Appendix B of the current agreement to read as follows:

Night Shift Premium
PSO and CSO

Start/6 Mos	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years
\$600.00	\$700.00	\$800.00	\$900.00	\$1,000.00	\$1,100.00	\$1,200.00

12. Orthodontics Rider: Article XIII, Section 1(b):

The Kalamazoo Public Safety Officers Association offers as its last best offer on its Economic Issue which is in the answer to the petition as 2-G (c), addition of an Orthodontics Rider provision is that Article XIII, Section 1(b) be changed by adding a sentence which shall read:

“Effective January 1, 2007, the Employer shall provide an orthodontics rider with a \$1,000 lifetime maximum benefit for each employee and his or her dependents under the age of 19.”

Dated: December 11, 2006



Michael F. Ward, Attorney
Kalamazoo Public Safety Officers Association

IBA Proposal

Company Name: Kalamazoo Public Safety Officers Association (KPSOA)
 Agent Name: No Agent
 Agency Name:
 Account Executive: Chris Werne
 Effective Date: 12/1/2006
 Today's Date: 8/25/2006



Class	Number of Employees	IBA Plan 81100A	IBA Plan 83220B	IBA Plan 85332C	IBA Plan 81310B
Single	45	\$404.51	\$356.12	\$309.47	\$382.78
Two Party†	31	\$873.74	\$769.22	\$668.45	\$826.81
Family	114	\$1,213.53	\$1,068.36	\$928.40	\$1,148.35
Total Employee Count	190				
Estimated Monthly Cost		\$183,631.51	\$161,664.70	\$140,485.29	\$173,768.86
Summary of Plan Designs*					
Deductible (in network / out of network)		\$0 / \$500	\$250 / \$750	\$500 / \$1,000	\$100 / \$500
Co-Insurance (in network / out of network)		0% / 20%	10% / 30%	20% / 40%	0% / 20%
Office Co-Pay (in network: primary, specialty / out of network)		\$10 / 20%	\$15 / 30%	\$20 / 40%	\$20 / 20%
Prescription Min Copay (Maximum Copay)		\$7/\$12/\$25	\$10/\$15/\$30	\$10/\$25/\$50	\$10/\$15/\$30
Co-Insurance %					
Annual Out of Pocket Max (in network / out of network)		\$1,000 / \$2,000	\$1,000 / \$2,000	\$2,000 / \$4,000	\$1,000 / \$2,000
Network**		Dual Select	Dual Select	Dual Select	Dual Select

† Two Party rates apply to an employee and spouse or employee and child.

* This is intended as a summary only; consult the certificate of coverage for a complete listing of benefits.

** The dual select network includes both Bronson and Borgess Hospitals and the ProMed physicians group.

The monthly premium rates quoted in this proposal are contingent upon the proposal assumptions listed below:

- Minimum participation requirements (excluding waivers):
 - 2-10 employees: 100% participation
 - 11-25 employees: 75% participation
 - 26-50 employees: 50% participation
 - 51+ employees: 75% participation
- Employer contribution toward premium must be at least 50% of the single premium.
- Minimum enrollment for group coverage is two full-time employees. The minimum must be maintained at all times.
- Minimum enrollment for group life coverage is 11 full-time employees.
- IBA is the only carrier offered, unless written approval is given by the Plan.
- Proposed rates are based on census data originally submitted. Plan approval and final rates will be based on actual enrollment at effective date.
- A change in the proposal effective date will require a change in the premium rates. Any change to the number of subscribers or change in coverage classification from that originally provided may require a change in premium rates.
- If a leased network is required (to cover out-of-area employees) the Plan requires a 30-day advance notice for set-up.
- Rates are specific to the group rather than to an agent and/or agency.
- All documentation must be received in our office PRIOR to the 20th for an effective date of the 1st of the following month. Included as part of the documentation should be a copy of the most recent billing statement and a copy of the employer's quarterly wage detail report statement that is filed with the appropriate state agency (groups with 2 to 50 employees).

**Appendix A
KPSOA Hourly Wage Schedule**

Non Sworn ~ Community Service Officers ~ 40 Hour*			01 Start	02 6 Mos	03 1 Yr	04 2 Yr	05 3 Yr	06 4 Yr	07 5 Yr	08 6 Yr
Classification										
P0071	Investigative Aide School Safety CSO	2005	17.07	17.54	19.19	19.61	20.07	20.52	20.99	22.76
		2006	17.50	17.98	19.67	20.10	20.58	21.03	21.52	23.33
P0072	Dispatcher	2007	17.85	18.34	20.06	20.50	20.99	21.45	21.95	23.80
P0076	CSO Jailer	2008	18.30	18.79	20.56	21.01	21.51	21.99	22.49	24.40
P0075	Group Leader	2005	18.87	19.33	21.07	21.63	22.06	22.52	22.94	25.01
	Computer CSO	2006	19.34	19.81	21.60	22.17	22.61	23.08	23.51	25.64
P0077	Service Div CSO	2007	19.73	20.21	22.03	22.61	23.07	23.54	23.98	26.15
P0078	Evidence CSO Quartermaster CSO	2008	20.22	20.72	22.58	23.18	23.64	24.13	24.58	26.80

KPSOA Hourly Wage Schedule - 42 Hour
Sworn Officers**

Classification			01 Start	02 1 Yr	03 2 Yr	04 3 Yr	05 4 Yr	06 5 Yr	05 6 Yr
P0010	Police Officer I	2005	18.06						
		2006	18.51						
		2007	18.88						
		2008	19.36						
P0015	Police Officer II	2005	20.22	21.38	22.38	23.35	24.40	25.87	27.35
		2006	20.72	21.92	22.94	23.94	25.01	26.51	28.04
		2007	21.14	22.36	23.40	24.41	25.51	27.04	28.60
		2008	21.67	22.91	23.99	25.03	26.15	27.72	29.31
P0016	Public Safety Officer I	2005	19.85						
		2006	20.34						
		2007	20.75						
		2008	21.27						
P0117	Public Safety Officer II	2005	22.22	23.58	24.63	25.75	26.82	28.45	30.08
		2006	22.77	24.17	25.25	26.40	27.49	29.16	30.84
		2007	23.23	24.65	25.75	26.93	28.04	29.74	31.45
		2008	23.81	25.27	26.40	27.60	28.74	30.48	32.24
P0217	PSO/EO 56***	2005	16.66	17.68	18.47	19.32	20.11	21.33	22.57
		2006	17.08	18.12	18.93	19.80	20.62	21.86	23.13
		2007	17.42	18.49	19.31	20.20	21.03	22.30	23.60
		2008	17.85	18.95	19.79	20.71	21.56	22.86	24.19

To calculate yearly salary:

- * 40 hour work week = hourly rate x 2080 hours
- ** 42 hour work week = hourly rate x 2184 hours
- *** 56 hour work week = hourly rate x 2912 hours

Appendix A KPSOA Hourly Wage Schedule

KPSOA Hourly Wage Schedule ~ 42 Hour** Sworn Officers									
CROSSTRAINED						NON CROSSTRAINED			
Classification			01 Start	02 1 Yr	03 2 Yr		01 Start	02 1 Yr	03 2 Yr
P0026/P0025	Detective	2005	27.92	28.99	31.55	2005	25.39	26.34	28.68
		2006	28.62	29.72	32.34	2006	26.02	27.00	29.40
		2007	29.19	30.31	32.98	2007	26.55	27.54	29.99
		2008	29.92	31.07	33.81	2008	27.21	28.23	30.74
P0030/O0027	Lab Tech I	2005	27.92	28.99	31.55	2005	25.39	26.34	28.68
		2006	28.62	29.72	32.34	2006	26.03	27.00	29.40
		2007	29.19	30.31	32.98	2007	26.55	27.54	29.99
		2008	29.92	31.07	33.81	2008	27.21	28.23	30.74
P0032/P0028	Crime Lab I	2005	28.45	29.67	32.18	2005	25.84	26.96	29.25
		2006	29.16	30.41	32.98	2006	26.48	27.63	29.98
		2007	29.74	31.02	33.64	2007	27.01	28.19	30.58
		2008	30.48	31.80	34.48	2008	27.69	28.89	31.34
P0033/P0029	Crime Lab II	2005	29.17	30.18	32.71	2005	26.52	27.48	29.75
		2006	29.90	30.93	33.53	2006	27.18	28.16	30.50
		2007	30.49	31.55	34.20	2007	27.72	28.73	31.11
		2008	31.26	32.34	35.06	2008	28.42	29.44	31.89
P0034/P0031	Polygraph Examiner	2005	29.17	30.18	32.71	2005	26.52	27.48	29.75
		2006	29.90	30.93	33.53	2006	27.18	28.16	30.50
		2007	30.49	31.55	34.20	2007	27.72	28.73	31.11
		2008	31.26	32.34	35.06	2008	28.42	29.44	31.89
P0050/P0051	Deputy Fire Marshall	2005	29.17	30.18	32.71	2005	26.52	27.48	29.75
		2006	29.90	30.93	33.53	2006	27.18	28.16	30.50
		2007	30.49	31.55	34.20	2007	27.72	28.73	31.11
		2008	31.26	32.34	35.06	2008	28.42	29.44	31.89

To calculate yearly salary:

* 40 hour work week = hourly rate x 2080 hours
 ** 42 hour work week = hourly rate x 2184 hours
 *** 56 hour work week = hourly rate x 2912 hours

ARTICLE XIII – INSURANCE

Section 1 – Insurance Coverage: 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 single coverage; Forty Dollars (\$40.00) 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.

(a) The Employer agrees to provide Blue Cross and Blue Shield M.V.F.I. M-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,

Attachment C

KPSOA 2002 – 2004 CBA – Article XIII INSURANCE

2003, the Five Dollar (\$5.00) prescription drug deductible will increase to Ten Dollars (\$10.00).

Employees who, on the date of execution of this agreement, have either two party or family medical coverage and who are covered under their spouses' medical insurance, may, by execution of the waiver of health insurance coverage form, elect an annual payment of \$1,750 in lieu of their coverage on KHP, Blue Care Network or BC/BS.

The annual payment is payable within thirty (30) days of the employee's election and annually thereafter.

In the event an employee elects to be reinstated in less than the 12 month period, or leaves the employment of the City, the employee must reimburse the City for the remaining pro-rata portion of the above annual payment within (30) days of reinstatement. Reinstatement will be the first of the month following request for reinstatement. Employees leaving employment will be billed for the pro-rata amount due and it will be deducted from their pension refund.

(b) The Employer shall pay the total cost for the existing Delta Dental Insurance Plan for each employee and his or her dependents.

(c) The Employer shall pay the total subscription rate for two-person (employee and spouse) coverage for M.V.F.I. and Master Medical Insurance for employees who retire on or after January 1, 1975 with ten (10) years of credited service and having attained fifty (50) years of age. Effective January 1, 1984, employees who retire with twenty-five (25) years of credited service or age fifty (50) with ten (10) years of credited service shall receive the health insurance benefit provided herein.

Employees who retire with twenty-five (25) years of service on or after January 1, 1989, shall contribute the amount as that in effect during their last month of employment (BC/BS). Employees who retire after January 1, 1991 shall receive the prescription drug rider benefit in effect at date of retirement. Effective January 1, 1984, employees who retire with twenty (20) years of credited service shall receive the health insurance benefit described herein when they would have qualified for a Normal Retirement Benefit had they remained employed. Employees retiring with twenty (20) years of credited service may maintain their health insurance in effect by paying the cost of such coverage in advance to the Employer.

Employees who retire on or after January 1, 1989 with twenty (20) years of credited service may maintain their health insurance in effect by paying the cost for such coverage in advance to the Employer. Employees who retire on or after

KPSOA 2002 – 2004 CBA – Article XIII INSURANCE

January 1, 1989 with twenty years of credited service shall receive the health insurance benefit as described for twenty-five (25) year employees retiring after January 1, 1989 when they would have qualified for a Normal Retirement Benefit had they remained employed. However, such retired employees shall pay the same health insurance contribution in retirement as in effect during the last month of their employment (BC/BS).

Employees who retire on or after January 1, 2000, with twenty-five (25) years of credited service or who have attained at least fifty (50) years of age and ten (10) years of credited service, may continue single or two person (employee and spouse) coverage for M.V.F.I. and Master Medical insurance by contributing twenty-five dollars (\$25.00) per month toward the cost of such coverage.

In the event of the retired employee's death, the Employer will continue to pay its share of the cost of the health insurance protection for the surviving spouse for a period of twelve (12) months. During the period of time that a retired employee is employed by another employer that provides comparable health insurance, the Employer shall have no obligation to provide such benefits. If the benefits are not comparable, the Employer shall pay the retired employee the difference between its cost of providing the health insurance protection and the cost of the health insurance provided by the new employer. As a condition of receiving these benefits, the retired employee must promptly inform the Employer of any changes in his or her employment status and the name, address, and phone number of any employer.

Section 2 – Domestic Partner Benefits: Effective January 1, 2003, the attached City's Domestic Partner Policy will apply to members of this bargaining unit.

CITY LBO – Health Insurance

City: The City proposes as its last offer of settlement changing health insurance as set forth below:

The current contract language will remain, with the exception that the first paragraph of Section 1 will be revised as follows (additions in **bold**, deletions with strike through):

Section 1 – Insurance Coverage: The Employer agrees for the life of this Agreement to ~~maintain the level of group insurance benefits in effect for~~ **provide** permanent and regular full-time employees as of this date with **the Community Blue PPO Plan, or an equivalent plan through** 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. . . .~~

All employees will convert to and be provided the Community Blue PPO Plan, which includes the following plan modifications (a copy of the Community Blue PPO “benefits at a glance” summary will be attached to the Agreement as Appendix “C”; the actual Plan documents are available in Human Resources):

	<u>In Network</u>	<u>Out of Network</u>
Rx co-pay (2x for 3 mo.)	\$10/\$15/\$20	25% of the approved amount for the drug minus applicable copay of \$10/\$15/\$20
Office Visit	\$25.00	60% after deductible
Preventive Care	100%	None
Other Coverage*	2007 – 90%/10% 2008 – 90%/10%	60%/40%
*Effective Jan. 1 each year		
Deductible	\$100 Single \$200 Family	\$1,000 Single \$2,000 Family
Maximum out of pocket	\$1,000 Single \$2,000 Family	\$3,000 Single \$6,000 Family

Those eligible for insurance will make the following monthly contributions:

	<u>Single</u>	<u>Double</u>	<u>Family</u>
Effective 1/1/07	\$33.00	\$73.00	\$87.00
Effective 1/1/08	\$41.00	\$91.00	\$109.00

Attachment D

CITY LBO – Health Insurance

Employees retiring after 1/1/07 will, in and throughout their retirement, have the same insurance as active employees and pay the same contribution amounts as active employees, except that a retiree's contributions will never be more than 50% higher than he/she paid in his/her last month of active service (e.g. monthly contribution payment at retirement = \$87.00; maximum monthly contribution payment in retirement will never be more than \$130.50).

KPSOA agrees to participate in quarterly meetings to review the financial reports from the health plan administrator/carrier, the status of uncommitted funds, and any general issues, problems and/or suggestions.

Appendix D Health Insurance

Modified Community BlueSM PPO Plan 4, Benefit-at-a-Glance

This is intended as an as-to-read summary. It is not a contract. Additional limitations and exclusions may apply to covered services. For an official description of benefits, please see the applicable Blue Cross Blue Shield of Michigan certificate and riders. Payment amounts are based on the Blue Cross Blue Shield of Michigan approved amounts, less any applicable deductible and/or copay amounts required by the plan. This coverage is provided pursuant to a contract entered into the state of Michigan and shall be construed under the jurisdiction and according to the laws of the state of Michigan.

Preventive Care Services	In-Network	Out-of-Network
Health Maintenance Exam - includes chest X-ray, EKG and select lab procedures	Covered - 100%, one per calendar year	Not covered
Gynecological Exam	Covered - 100%, one per calendar year	Not covered
Pap Smear Screening - laboratory and pathology services	Covered - 100%, one per calendar year	Not covered
Well-Baby and child Care	Covered - 100%, one per calendar year <ul style="list-style-type: none"> • 6 visits, birth through 12 months • 6 visits, 13 months through 23 months • 2 visits, 24 months through 35 months • 2 visits, 36 months through 47 months • 1 visit per birth year, 48 months through age 15 	Not covered
Immunizations	Covered - 100%, up through age 16	Not covered
Fecal Occult Blood Screening	Covered - 100%, one per calendar year	Not covered
Flexible Sigmoidoscopy Exam	Covered - 100%, one per calendar year	Not covered
Prostate Specific Antigen (PSA) Screening	Covered - 100%, one per calendar year	Not covered
Mammography		
Mammography Screening	Covered - 100%	Covered - 100%
One per calendar year, no age restriction		
Physicians Office Services		
Office Visits	Covered - \$25.00 copay	Covered - 60% after deductible, must be medically necessary
Outpatient and Home Visits	Covered - 90% after deductible	Covered - 60% after deductible, must be medically necessary
Office Consultations	Covered - \$25.00 co-pay	Covered - 60% after deductible, must be medically necessary
Urgent Care Visits	Covered - \$25.00 co-pay	Covered - 60% after deductible, must be medically necessary
Emergency Medical Care		
Hospital Emergency Room	Covered - 50% copay, waived if admitted or for an accidental injury	Covered - 50% copay, waived if admitted or for an accidental injury
Ambulance Services - medically necessary	Covered - 90% after deductible	Covered - 90% after deductible
Diagnostic Services		
Laboratory and Pathology Services	Covered - 90% after deductible	Covered - 60% after deductible
Diagnostic Test and X-rays	Covered - 90% after deductible	Covered - 60% after deductible
Therapeutic Radiology	Covered - 90% after deductible	Covered - 60% after deductible
Maternity Services Provided by a Physician		
Prenatal and Postnatal Care	Covered - 100%	Covered - 60% after deductible
Includes care provided by a certified nurse midwife		
Delivery and Nursery Care	Covered - 90% after deductible	Covered - 60% after deductible
Includes care provided by a certified nurse midwife		
Hospital Care		
Semiprivate Room, Inpatient Physician Care General Nursing Care, Hospital Services and Supplies. Note: Non-emergency services must be rendered in a participating hospital	Covered - 90% after deductible	Covered - 60% after deductible
Unlimited days		
Inpatient Consultations	Covered - 90% after deductible	Covered - 60% after deductible
Chemotherapy	Covered - 90% after deductible	Covered - 60% after deductible

Appendix D Health Insurance

Alternatives to Hospital Care	In-Network	Out-of-Network
Skilled Nursing Care	Covered – 90% after deductible	Covered – 90% after deductible
	Up to 120 days per calendar year	
Hospice Care	Covered – 100%	Covered -100%
	Limited to dollar maximum which is adjusted periodically	
Home Health Care	Covered 90% after deductible	Covered – 90% after deductible
	Unlimited visits	

Surgical Services

Surgery – includes related surgical services	Covered – 90% after deductible	Covered – 60% after deductible
Voluntary sterilization	Covered – 90% after deductible	Covered – 60% after deductible

Human Organ Transplants

Specified Organ Transplants – in designated facilities only, when coordinated through the BCBSM Human Organ Transplant Program (1-800-242-3504)	Covered 100%	Covered – in designated facilities only
	Up to \$1 million maximum per transplant type	
Bone Marrow – when coordinated through the BCBSM Human Organ Transplant Program (1-800-242-3504); specific criteria applies	Covered 90% after deductible	Covered – 60% after deductible
Kidney, Cornea and skin	Covered – 90% after deductible	Covered – 60% after deductible

Mental Health Care and Substance Abuse Treatment

Inpatient Mental Health Care	Covered – 80% after deductible	Covered – 80% after deductible
	Inpatient Substance abuse Treatment	
	Covered – 50% after deductible	Covered – 50% after deductible
	60 days per calendar year, lifetime maximum of 120 visits	
Outpatient Mental Health Care • Facility and Clinic • Physicians Office		
	Covered – 80% after deductible	Covered – 80% after deductible
	Covered – 80% after deductible	Covered – 80% after deductible
	50 days per calendar year, lifetime maximum of 120 visits	
Outpatient Substance Abuse Treatment – in approved facilities	Covered – 50% after deductible	Covered – 50% after deductible
	Up to the state dollar amount which is adjusted annually	

Other services

Outpatient Diabetes Management Program	Covered - 90% after deductible	Covered - 60% after deductible
Allergy Testing and Therapy	Covered - 100%	Covered - 60% after deductible
Chiropractic Spinal Manipulation	Covered - \$25.00 copay	Covered - 60% after deductible
	Up to 24 visits per calendar year	
Outpatient Physical, Speech and Occupational Therapy • Facility and Clinic • Physicians Office – excludes speech and occupational therapy	Covered – 90% after deductible	Covered - 60% after deductible
	Covered - 90% after deductible	Covered - 60% after deductible
	A combined 60-visit maximum per calendar year for physical therapy in the outpatient department of a hospital as well as in the physicians office	
Durable Medical Equipment	Covered - 90% after deductible	Covered - 90% after deductible
Prosthetic and Orthotic Appliances	Covered - 90% after deductible	Covered - 90% after deductible
Private Duty Nursing	Covered - 50% after deductible	Covered - 50% after deductible
Prescription Drugs	Not covered	Not covered

Deductible, Copays and Dollar Maximums

Note: If you receive care from a nonparticipating provider, even when referred you may be billed for the difference between our approved amount and the provider's charge.

Deductible	\$100 per member, \$200 family per calendar year Note: Deductible waived if service is performed in a PPO Physicians Office.	\$1,000 per member, \$2,000 family per calendar year Note: Out-of-network deductible amounts also apply toward the in-network deductible.
Copays • Fixed Dollar Copays • Percent Copays	\$25.00 for office visits, chiropractic and osteopathic manipulative treatment, and \$50 for emergency room visits	\$50.00 for emergency room visits
	10% for general services, waived if service is performed in a PPO physician's office, 20% for mental health care, and 50% for substance abuse treatment and private duty nursing.	20% for mental health care, 40% for general services and 50% for substance abuse treatment and private duty nursing. Note: Services without a network are covered at the in-network level.

Appendix D Health Insurance

Copay Dollar Maximums <ul style="list-style-type: none"> • Fixed Dollar Copays • Percent Copays – excludes mental health care, substance abuse treatment and private duty nursing copays 	None	None
	\$1,000 per member, \$2,000 family per calendar year	\$3,000 per member, \$6,000 family per calendar year. Note: Out-of-network copays also apply toward the in-network maximum.
Dollar Maximums	\$1 million lifetime	

Includes additional Riders

Rider CBC-MT, Copay Requirement for Manipulative Treatment	Imposes the same fixed dollar copay requirement for chiropractic and osteopathic manipulative treatment by a network provider as is required for all network physician office visits \$25.
Rider CB-OV\$25, Office Visit Copay Requirement	Increases fixed dollar copay amount from \$10 to \$25.
Rider CB-PCM, Preventive Care Maximum	Removes \$250 annual maximum for covered preventive care services. All age and frequency limitations remain the same.
Rider CB-MHDV20%, Mental Health Days and Visits	Removes copay for outpatient physiological testing. Decreases copay to 20% for mental health care services (not substance abuse services). Replaces annual and lifetime dollar maximums for mental health care services and inpatient and residential substance abuse treatment with day/visit limits (up to 60 days per calendar year with a lifetime maximum of 120 days for inpatient mental health care and inpatient and residential substance abuse treatment; and up to 50 visits per calendar year with a lifetime maximum of 120 visits per member for outpatient mental health care)

KPSOA LBO - Insurance

Health Insurance: Art XIII:

The City's Economic Issue #1 listed as Economic Issue #5 on the petition for Act 312 arbitration wherein the City proposes to change the health insurance provisions contained in Article XIII of the current agreement. The Kalamazoo Public Safety Officers Association submits the following as its last best offer on the issue of health insurance: Article XIII – Insurance to be changed as follows:

Section 1 – Health Insurance Coverage: Effective January 1, 2007 or as soon thereafter as reasonably possible the Employer agrees to place into effect for all bargaining unit employees the IBA Dual Select Network Benefit Plan 81100 with the Option A Prescription Drug Program. The coverage for said health insurance and prescription drug program shall be attached to this agreement as Appendix E. [*This document is attached to offer as Attachment 1.*]

Effective *January 1, 2007*, or upon effective date of the IBA insurance coverage whichever occurs last, employees in the bargaining unit who are eligible for health insurance will pay *\$33.00 per month for single coverage, \$73.00 per month for two (2) person coverage, and \$87.00 per month for family coverage* toward the City's cost of such medical insurance for the bargaining unit.

Effective January 1, 2008, employees who are eligible will pay *\$41.00 per month for single, \$91.00 per month for two (2) person and \$109.00 per month for family coverage.*

The amount to be deducted from each paycheck will equal the monthly contribution multiplied by twelve (12) months, divided by fifty-two (52) pay periods.

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

Attachment F.

KPSOA LBO - 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.

- (a) Employees who, on the date of execution of this agreement, have either (2) two party or family medical coverage and who are covered under their spouses' medical insurance, may, by execution of the waiver of health insurance coverage form, elect an annual payment of \$1,750 in lieu of their coverage in the IBA Dual Select Network Benefit Plan 81100.

The annual payment is payable within thirty (30) days of the employee's election and annually thereafter.

In the event an employee elects to be reinstated in less than the 12 month period, or leaves the employment of the City, the employee must reimburse the City for the remaining pro-rata portion of the above annual payment within (30) days of reinstatement. Reinstatement will be the first of the month following request for reinstatement. Employees leaving employment will be billed for the pro-rata amount due and it will be deducted from their pension refund.

- (b) The Employer shall pay the total subscription rate for two-person (employee and spouse) coverage for M.V.F.I. and Master Medical Insurance for employees who retire on or after January 1, 1975 with ten (10) years of credited service and having attained fifty (50) years of age. Effective January 1, 1984, employees who retire with twenty-five (25) years of credited service or age fifty (50) with ten (10) years of credited service shall receive the health insurance benefit provided herein.
- (c) Employees who retire with twenty-five (25) years of service on or after January 1, 1989, shall contribute the amount as that in effect during their last month of employment (BC/BS). Employees who retire after January 1, 1991 shall receive the prescription drug rider benefit in effect at date of retirement. Effective January 1, 1984, employees who retire with twenty (20) years of credited service shall receive the health insurance benefit described herein when they would have qualified for a Normal Retirement Benefit had they remained employed. Employees retiring with twenty (20) years of credited service may maintain their health insurance in effect by paying the cost of such coverage in advance to the Employer.
- (d) Employees who retire on or after January 1, 1989 with twenty (20) years of credited service may maintain their health insurance in effect by paying

KPSOA LBO - Insurance

the cost for such coverage in advance to the Employer. Employees who retire on or after January 1, 1989 with twenty years of credited service shall receive the health insurance benefit as described for twenty-five (25) year employees retiring after January 1, 1989 when they would have qualified for a Normal Retirement Benefit had they remained employed. However, such retired employees shall pay the same health insurance contribution in retirement as in effect during the last month of their employment (BC/BS).

- (e) Employees who retire on or after January 1, 2000, with twenty-five (25) years of credited service or who have attained at least fifty (50) years of age and ten (10) years of credited service, may continue single or two person (employee and spouse) coverage for M.V.F.I. and Master Medical insurance by contributing twenty-five dollars (\$25.00) per month toward the cost of such coverage.
- (f) In the event of the retired employee's death, the Employer will continue to pay its share of the cost of the health insurance protection for the surviving spouse for a period of twelve (12) months. During the period of time that a retired employee is employed by another employer that provides comparable health insurance, the Employer shall have no obligation to provide such benefits. If the benefits are not comparable, the Employer shall pay the retired employee the difference between its cost of providing the health insurance protection and the cost of the health insurance provided by the new employer. As a condition of receiving these benefits, the retired employee must promptly inform the Employer of any changes in his or her employment status and the name, address, and phone number of any employer.

Section 2 – Dental Coverage: The Employer shall pay the total cost for the existing Delta Dental Insurance Plan for each employee and his or her dependents.

Section 3 – Domestic Partner Benefits: Effective January 1, 2003, the attached City's Domestic Partner Policy will apply to members of this bargaining unit.

IBA Proposal

Company Name: Kalamazoo Public Safety Officers Association (KPSOA)
 Agent Name: No Agent
 Agency Name:
 Account Executive: Chris Werne
 Effective Date: 12/1/2006
 Today's Date: 8/25/2006



Class	Number of Employees	IBA Plan 81100A	IBA Plan 83220B	IBA Plan 85332C	IBA Plan 81310B
Single	45	\$404.51	\$356.12	\$309.47	\$382.78
Two Party†	31	\$873.74	\$769.22	\$668.45	\$826.81
Family	114	\$1,213.53	\$1,068.36	\$928.40	\$1,148.35
Total Employee Count	190				
Estimated Monthly Cost		\$183,631.51	\$161,664.70	\$140,485.29	\$173,768.86
Summary of Plan Designs*					
Deductible (in network / out of network)		\$0 / \$500	\$250 / \$750	\$500 / \$1,000	\$100 / \$500
Co-Insurance (in network / out of network)		0% / 20%	10% / 30%	20% / 40%	0% / 20%
Office Co-Pay (in network: primary, specialty / out of network)		\$10 / 20%	\$15 / 30%	\$20 / 40%	\$20 / 20%
Prescription Min Copay (Maximum Copay)		\$7/\$12/\$25	\$10/\$15/\$30	\$10/\$25/\$50	\$10/\$15/\$30
Co-Insurance %					
Annual Out of Pocket Max (in network / out of network)		\$1,000 / \$2,000	\$1,000 / \$2,000	\$2,000 / \$4,000	\$1,000 / \$2,000
Network**		Dual Select	Dual Select	Dual Select	Dual Select

† Two Party rates apply to an employee and spouse or employee and child.
 * This is intended as a summary only; consult the certificate of coverage for a complete listing of benefits.
 ** The dual select network includes both Bronson and Borgess Hospitals and the ProMed physicians group.

The monthly premium rates quoted in this proposal are contingent upon the proposal assumptions listed below:

- Minimum participation requirements (excluding waivers):
 - 2-10 employees: 100% participation
 - 11-25 employees: 75% participation
 - 26-50 employees: 50% participation
 - 51+ employees: 75% participation
- Employer contribution toward premium must be at least 50% of the single premium.
- Minimum enrollment for group coverage is two full-time employees. The minimum must be maintained at all times.
- Minimum enrollment for group life coverage is 11 full-time employees.
- IBA is the only carrier offered, unless written approval is given by the Plan.
- Proposed rates are based on census data originally submitted. Plan approval and final rates will be based on actual enrollment at effective date.
- A change in the proposal effective date will require a change in the premium rates. Any change to the number of subscribers or change in coverage classification from that originally provided may require a change in premium rates.
- If a leased network is required (to cover out-of-area employees) the Plan requires a 30-day advance notice for set-up.
- Rates are specific to the group rather than to an agent and/or agency.
- All documentation must be received in our office PRIOR to the 20th for an effective date of the 1st of the following month. Included as part of the documentation should be a copy of the most recent billing statement and a copy of the employer's quarterly wage detail report statement that is filed with the appropriate state agency (groups with 2 to 50 employees).

Appendix A

KPOA Hourly Wage Schedule

		01 Start	02 6 Mos	03 1 Yr	04 2 Yr	05 3 Yr	06 4 Yr	07 5 Yr	08 6 Yr
P0071	Investigative Aide School Safety CSO SD CSO	2002 15.61	18.03	17.54	17.93	18.35	18.76	19.19	20.82
		2003 16.08	16.51	18.07	18.47	18.90	19.32	19.77	21.44
		2004 16.58	17.01	18.61	19.02	19.47	19.90	20.38	22.08
P0072 P0078	Fleet Manager Dispatcher CSO Jailor								
P0075	CSO Group Leader Computer CSO	2002 17.25	17.87	19.28	19.78	20.17	20.58	20.97	22.88
P0077 P0078	CSO Radio Syst. Coord Evidence CSO Quartermaster CSO	2003 17.77	18.20	19.84	20.37	20.78	21.20	21.60	23.55
		2004 18.30	18.75	20.44	20.98	21.40	21.84	22.25	24.26
	Non Crosstrained								
P0027	Lab Technician I	2002 23.21	24.09	26.22					
		2003 23.91	24.81	27.01					
		2004 24.63	25.55	27.82					
P0025	Detective	2002 23.21	24.09	26.22					
		2003 23.91	24.81	27.01					
		2004 24.63	25.55	27.82					
P0031	Polygraph Examiner	2002 24.24	25.12	27.20					
		2003 24.97	25.87	28.02					
		2004 25.72	26.65	28.88					
P0028	Crime Lab I	2002 23.82	24.65	26.74					
		2003 24.33	25.39	27.54					
		2004 25.08	26.15	28.37					
P0029	Crime Lab II	2002 24.24	25.12	27.20					
		2003 24.97	25.87	28.02					
		2004 25.72	26.65	28.88					
P0050	Deputy Fire Marshal	2002 24.24	25.12	27.20					
		2003 24.97	25.87	28.02					
		2004 25.72	26.65	28.88					
	Crosstrained								
P0030	Lab Tech I	2002 25.52	26.50	28.64					
		2003 26.29	27.30	29.71					
		2004 27.08	28.12	30.60					
P0026	Detective	2002 25.52	26.50	28.64					
		2003 26.29	27.30	29.71					
		2004 27.08	28.12	30.60					
P0034	Polygraph Examiner	2002 26.87	27.59	29.91					
		2003 27.47	28.42	30.81					
		2004 28.29	29.27	31.73					
P0032	Crime Lab I	2002 26.01	27.13	29.42					
		2003 26.79	27.94	30.30					
		2004 27.59	28.78	31.21					
P0033	Crime Lab II	2002 26.87	27.59	29.91					
		2003 27.47	28.42	30.81					
		2004 28.28	29.27	31.73					

Attachment F

KPOA Hourly Wage Schedule - 42 Hour

		01 Start	02 1 Yr	03 2 Yr	04 3 Yr	05 4 Yr	06 5 Yr	0 6
P0051	Deputy Fire Marshal	2002 26.87	27.59	29.91				
		2003 27.47	28.42	30.81				
		2004 28.29	29.27	31.73				
P0010	Police Officer I	2002 16.51						
		2003 17.01						
		2004 17.52						
P0016	P.S. Officer I	2002 18.15						
		2003 18.69						
		2004 19.25						
P0015	Police Officer II	2002 18.48	19.55	20.47	21.35	22.31	23.65	25
		2003 19.04	20.14	21.08	21.99	22.98	24.38	25
		2004 19.61	20.74	21.71	22.65	23.67	25.09	26
P0117	P.S. Officer II	2002 20.31	21.55	22.51	23.54	24.51	26.01	27
		2003 20.92	22.20	23.19	24.25	25.25	26.79	28
		2004 21.55	22.87	23.89	24.98	26.01	27.59	28
P0217	PSO 58	2002 14.87	15.78	16.48	17.23	17.94	19.04	20
		2003 15.69	16.65	17.39	18.19	18.94	20.09	21
		2004 16.16	17.15	17.91	18.74	19.51	20.69	21

Appendix A KPSOA Hourly Wage Schedule

Non Sworn ~ Community Service Officers ~ 40 Hour*			01 Start	02 6 Mos	03 1 Yr	04 2 Yr	05 3 Yr	06 4 Yr	07 5 Yr	08 6 Yr
Classification										
P0071	Investigative Aide School Safety CSO	2005	17.07	17.54	19.19	19.61	20.07	20.52	20.99	22.76
		2006	17.50	17.98	19.67	20.10	20.58	21.03	21.52	23.33
P0072	Dispatcher	2007	17.85	18.34	20.06	20.50	20.99	21.45	21.95	23.80
P0076	CSO Jailer	2008	18.30	18.79	20.56	21.01	21.51	21.99	22.49	24.40
P0075	Group Leader	2005	18.87	19.33	21.07	21.63	22.06	22.52	22.94	25.01
	Computer CSO	2006	19.34	19.81	21.60	22.17	22.61	23.08	23.51	25.64
P0077	Service Div CSO	2007	19.73	20.21	22.03	22.61	23.07	23.54	23.98	26.15
P0078	Evidence CSO Quartermaster CSO	2008	20.22	20.72	22.58	23.18	23.64	24.13	24.58	26.80

KPSOA Hourly Wage Schedule ~ 42 Hour** Sworn Officers

Classification			01 Start	02 1 Yr	03 2 Yr	04 3 Yr	05 4 Yr	06 5 Yr	05 6 Yr	
Classification										
P0010	Police Officer I	2005	18.06							
		2006	18.51							
		2007	18.88							
		2008	19.36							
P0015	Police Officer II	2005	20.22	21.38	22.38	23.35	24.40	25.87	27.35	
		2006	20.72	21.92	22.94	23.94	25.01	26.51	28.04	
		2007	21.14	22.36	23.40	24.41	25.51	27.04	28.60	
		2008	21.67	22.91	23.99	25.03	26.15	27.72	29.31	
P0016	Public Safety Officer I	2005	19.85							
		2006	20.34							
		2007	20.75							
		2008	21.27							
P0117	Public Safety Officer II	2005	22.22	23.58	24.63	25.75	26.82	28.45	30.08	
		2006	22.77	24.17	25.25	26.40	27.49	29.16	30.84	
		2007	23.23	24.65	25.75	26.93	28.04	29.74	31.45	
		2008	23.81	25.27	26.40	27.60	28.74	30.48	32.24	
P0217	PSO/EO 56***	2005	16.66	17.68	18.47	19.32	20.11	21.33	22.57	
		2006	17.08	18.12	18.93	19.80	20.62	21.86	23.13	
		2007	17.42	18.49	19.31	20.20	21.03	22.30	23.60	
		2008	17.85	18.95	19.79	20.71	21.56	22.86	24.19	

To calculate yearly salary:

* 40 hour work week = hourly rate x 2080 hours

** 42 hour work week = hourly rate x 2184 hours

*** 56 hour work week = hourly rate x 2912 hours

Updated: 1/10/2007

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Appendix A KPSOA Hourly Wage Schedule

KPSOA Hourly Wage Schedule ~ 42 Hour** Sworn Officers											
CROSSTRAINED						NON CROSSTRAINED					
Classification			01 Start	02 1 Yr	03 2 Yr				01 Start	02 1 Yr	03 2 Yr
P0026/P0025	Detective	2005	27.92	28.99	31.55	2005	25.39	26.34	28.68		
		2006	28.62	29.72	32.34	2006	26.02	27.00	29.40		
		2007	29.19	30.31	32.98	2007	26.55	27.54	29.99		
		2008	29.92	31.07	33.81	2008	27.21	28.23	30.74		
P0030/O0027	Lab Tech I	2005	27.92	28.99	31.55	2005	25.39	26.34	28.68		
		2006	28.62	29.72	32.34	2006	26.03	27.00	29.40		
		2007	29.19	30.31	32.98	2007	26.55	27.54	29.99		
		2008	29.92	31.07	33.81	2008	27.21	28.23	30.74		
P0032/P0028	Crime Lab I	2005	28.45	29.67	32.18	2005	25.84	26.96	29.25		
		2006	29.16	30.41	32.98	2006	26.48	27.63	29.98		
		2007	29.74	31.02	33.64	2007	27.01	28.19	30.58		
		2008	30.48	31.80	34.48	2008	27.69	28.89	31.34		
P0033/P0029	Crime Lab II	2005	29.17	30.18	32.71	2005	26.52	27.48	29.75		
		2006	29.90	30.93	33.53	2006	27.18	28.16	30.50		
		2007	30.49	31.55	34.20	2007	27.72	28.73	31.11		
		2008	31.26	32.34	35.06	2008	28.42	29.44	31.89		
P0034/P0031	Polygraph Examiner	2005	29.17	30.18	32.71	2005	26.52	27.48	29.75		
		2006	29.90	30.93	33.53	2006	27.18	28.16	30.50		
		2007	30.49	31.55	34.20	2007	27.72	28.73	31.11		
		2008	31.26	32.34	35.06	2008	28.42	29.44	31.89		
P0050/P0051	Deputy Fire Marshall	2005	29.17	30.18	32.71	2005	26.52	27.48	29.75		
		2006	29.90	30.93	33.53	2006	27.18	28.16	30.50		
		2007	30.49	31.55	34.20	2007	27.72	28.73	31.11		
		2008	31.26	32.34	35.06	2008	28.42	29.44	31.89		
<p>To calculate yearly salary:</p> <p>* 40 hour work week = hourly rate x 2080 hours</p> <p>** 42 hour work week = hourly rate x 2184 hours</p> <p>*** 56 hour work week = hourly rate x 2912 hours</p>											