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Sub. 9/15/99

**ARBITRATION OPINION AND AWARD**

In the matter of the Act 312 arbitration between:

**TUSCOLA COUNTY SHERIFFS DEPARTMENT**

and

**POLICE OFFICERS LABOR COUNCIL**

Case Number: MERC L98 B-8002

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**Arbitration Panel**

C. Keith Groty, Ph.D., Chair

Thomas Abbey, Employer

Thomas Reed, Union

**Party Advocates**

Thomas Abbey, Employer

Tim Dlugos, Union

Pre Hearing Conference Held: February 4, 1999

Hearing Held: May 10, 1999

Place: Tuscola County Court House Annex

Time: 10:00 a.m.

Post Hearing Briefs Filed: July 12, 1999

**Issues**

Non-Economic – none

Economic – holidays, retirement program, health and dental insurance for  
retirees, and wages.

*Tuscola County*

## **FINAL OFFERS**

### **Holidays**

#### Union

The union requests that article 43, Section I, governing holidays be modified to reflect the following holidays:

December 24, Christmas Eve (full-day instead of one-half day)

December 31, New Years Eve Day

Third Monday in January, Martin Luther King, Jr. Day

#### Employer

The employer proposes an additional half-day to make December 24, Christmas Eve, a full day instead of one-half day.

### **Retirement**

#### Union

The union requests that Article 46 have the addition of Section 4 as follows: Effective July 1, 2000, the M.E.R.S. Retirement Plan shall be changed to the B-4 F50/25. To cover the cost of the improved benefit, the employees will contribute at the rate of 2.43 percent, to begin on the effective date of this benefit.

#### Employer

The employer offers no increase or change in pension benefits.

## **Health and Dental Insurance on Retirement**

### **Union**

The union requests that a new Section 3 be added to Article 44 as follows: Effective July 1, 1999, the employer shall pay 50 percent of the premium for medical coverage equal to that provided to active employees for retirees, spouses, and their dependents who separate their employment after July 1, 1999 with a normal age and service retirement or a duty disability retirement. Such coverage will continue for the retiree and his or her spouse independence until eligible for Medicare coverage. Once eligible for Medicare coverage, the employer's responsibilities shall be limited to providing the Medicare supplement for the cost of a BC/BS Retiree Plan.

### **Employer**

The employer rejects and denies and request to add this new provision.

## **Wages**

### **Union**

The union requests the following wage increases:

Effective July 1, 1998: 7 percent

Effective July 1, 1999: 6 percent

Effective July 1, 2000: 5 percent

### **Employer**

The employer proposes the following wage increases:

Effective July 1, 1998: 6.5 percent

Effective July 1, 1999: 4 percent

Effective July 1, 2000: 3.5 percent

## **Stipulations**

It should be noted that prior to the start of the arbitration hearing, the parties have stipulated the following agreement:

The parties agree to the employer's proposal of converting the health insurance program to the Community Blue-PPO.

The parties agree to the acceptance of a drug co-pay as last proposed by the employer.

## **Findings of Fact and Opinion**

The following award finds it's statutory authority in Act 312 of 1965, MCL 423.231, et seq. Section 8 of Act 312 provides in relation to economic issues as follows:

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. The findings, opinions and orders as to all other issues shall be based upon the applicable factors prescribed in Section 9.

Section 9 of the Act provides in part: "...the arbitration panel shall base it's 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 financial ability of the unit of government to meet those costs.
- d. Comparison of the wages, hours, and conditions of employment of employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees performing similar services and with other communities generally:

- i. In public employment in comparable communities.
  - ii. In private employment in comparable communities.
- e. The average consumer prices for goods and services, commonly known as the cost of living.
- f. The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
- g. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- h. Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

The arbitration panel has taken all of these factors into consideration in the determination of the award in this case. The parties mutually agreed upon a common set of comparable counties for comparison of similarly situated employees to compare wages, hours and conditions of employment. Those counties are Barry, Cass, Clinton, Huron, Ionia, Isabella, Montcalm, Sanilac, and Van Buren.

## **Holidays**

Members of the bargaining unit presently received eleven and one-half (11½) official holidays. The union's proposal would increase that number to fourteen (14). A review of the external comparables shows however that the average is somewhere between twelve (12) and thirteen (13). A review of the internal comparables reveals that court and court house employees, as well as non-union employees within the county, receive fourteen (14) holidays.

## **Holiday Award**

Based on the internal and external comparables and the total package of economic benefits, the majority awards one (1) additional half ( ½ ) day of holiday on Christmas Eve.

## **Retirement**

The union is seeking to increase their retirement plan to the MERS B-4. To accomplish this, the union proposes that employees contribute at a rate increase of 2.43 percent to cover the cost of the new benefit. Testimony reveals that this percentage is meant to cover the cost difference between the present B-3 Program and the proposed B-4 Program. Therefore, there would be no additional cost to the employer if this provision is added to the contract.

## **Retirement Award**

Based on the overall compensation presently received and to be awarded, the union's proposal to increase the retirement program to the B-4 F50/25 is awarded with the proviso that the member rate to be paid by each employee would increase by 2.43 percent or whatever the appropriate amount, should this be an incorrect percentage, to cover the difference in cost between B-3 and the B-4 programs.

### **Health and Dental Insurance on Retirement**

The union proposes that the employer pay fifty (50) percent of the premiums for medical insurance coverage equal to that of active employees for retirees, spouses, and their dependents who separate their employment after July 1, 1999 with a normal age and service retirement or a duty disability retirement. This would continue for the retiree until the retiree and his or her spouse and dependents are eligible for Medicare at which time the employer would pay 100 percent of the Medicare supplement cost. The employer not wishing to increase its benefit costs for retirees, rejects this proposal.

A review of the comparables reveals that while some of them have some type of retirement health plan, each is unique. No employees of the county, in or out of collective bargaining units, now have the program being proposed by the union. In addition, the employer argues that this cost is excessive in relation to the total package.

### **Health and Dental Insurance for Retiree Award**

Based on overall compensation and internal and external comparables, the proposal is rejected, and the employer's position is adopted.

## **Wages**

The union proposes that wages be increased by:

7 percent, effective July 1, 1998

6 percent, effective July 1, 1999

5 percent, effective July 1, 2000

The employer offers:

6.5 percent, effective July 1, 1998

4 percent, effective July 1, 1999

3.5 percent, effective July 1, 2000

The union proposed that the arbitration panel, if it felt it necessary, separate each years wage proposal for purposes of determining an award. The employer, however, objected that proposal has contrary to Section 8 of Act 312. The employer interprets the total wage proposal to be a single economic issue, which must be awarded in its entirety and cannot be separated by year. The majority accepts this proposal and awards on a final offer covering all three years.

In calculating the comparables, the employer argues that the college incentive, longevity pay, and contributions toward the pension fund should be included when making comparisons with the wages of the comparable counties. The union, however, in its comparisons makes straight wage scale comparisons which show that this bargaining unit ranks low or near the bottom of its comparables. The data provided makes it difficult to make straight comparisons because in some cases it is incomplete data and in others it is aged. However, when applying the factors from Section 9 of Act 312 and comparing the final offers by both parties, the majority of the panel finds sufficient support to base its award.



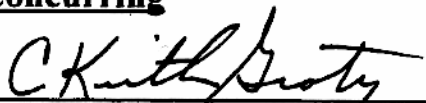
## **Wages Award**

When assessing overall compensation, comparables both internally and external to the employer, the financial ability of the governmental unit and the welfare of the public, the majority of the panel awards the union's final proposal for the three years in its entirety. The cumulative difference between the two final offers is 4 percent. This difference is justified based on the consideration of Section 9 factors and the overall award in this case.


## **Conclusions**

In weighing and balancing the four (4) economic positions unresolved by the parties, the panel majority after applying the factors as required by law believes that the final award serves the public interest and takes into consideration those factors normally contained in voluntary collective bargaining agreements.

## **Concurring**

  
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C. Keith Groty, Ph.D. – Chair

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Thomas Abbey, Employer

  
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Thomas Reed, Union

## **Dissenting**

  
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Thomas Abbey, Employers

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Thomas Reed, Union

September 15, 1999