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STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
LABOR RELATIONS DIVISION

In the matter of Arbitration Between:

PRESQUE ISLE COUNTY, Employer

And

POLICE OFFICERS LABOR COUNCIL, Union

MERC Act 312 Arbitration
Case No. L00 H-5005

Delegates

Employer – John H. Gretzinger, Esq.

Union – Thomas Kreis – Union Representative

Advocates

Employer – John H. Gretzinger, Esq.

Union – Mark P. Douma, Esq.

Also present

Nancy Cicone – P.O.L.C. Research Analyst

Deputy John C. Kasuba – Presque Isle County Sheriff Dept.

Sgt. Larry A. Krezek – Presque Isle county Sheriff Dept.

Allan Bruder – Presque Isle County Commissioner

Robert Schell – Presque Isle County Commissioner

Robert L. Wozniak – Presque Isle County Commissioner

Tiffany Dubois (via telephone)

BACKGROUND

The Agreement between Presque Isle Sheriffs' Department and the Police Officers labor Council expired on December 31, 2000. Negotiation took place, followed by mediation by mediator G. Kendziorski.

The parties were deadlocked and the Union filed for arbitration under Act 312 on November 13, 2000. A pre-arbitration conference was held by telephone on January 23, 2001. It was agreed at that time that the parties needed time for preparation plus some hope of some further negotiation to narrow down the outstanding issues, so the first date of Hearing was set for April 18, 2001 in Rogers City, the county seat of Presque Isle County. At the time of filing the outstanding issues were:

Union

Vacation, health insurance, retirement and wages

Employer

Health insurance, retirement

The Hearing was held on April 18, 2001 in Rogers City. The parties had agreed on comparable communities to be used in comparison. They were the counties of Alcona, Alpena, Benzie, Crawford, Cheboygan, Kalkaska, Mackinac, Missaukee, Montmorency, Ogemaw, Oscoda and Otsego.

The day long Hearing was a lengthy one with most of the argument centering on pension changes and wages. Actuarial testimony (by telephone) was disputed and the actuary agreed to submit a corrected estimate. The additional information was received from the Michigan

Employee Retirement System on June 7, 2001. The record of the Hearing was then closed. The Last Best Offers of the parties was received July 9, 2001 and the post-hearing 24, 2001. A delay was requested and the briefs were received September 25, 2001.

The delay between the submission of the Last Best Offers and the Post Hearing Briefs revealed that the parties were closer to agreement on some issues and even held informal negotiations to see if they couldn't reach agreement. They did not succeed, but a meeting was held on October 29, 2001 in which the arbitrator and the delegates discussed the remaining issues. The meeting was held at the P.O.L.C. offices in Troy at which Mark Douma, Attorney for the P.O.L.C. also attended. At that point there were only four remaining issues. This was narrowed down to three since the Union in its Last Best Offer accepted the Employer's position on health insurance.

There then remained for the panel the issues of wages, vacation and retirement. The positions of the parties, reasoning and conclusion of the panel are as follows:

Vacation

The Union requested that for employees with over 20 years of service and additional vacation days be granted raising the entitlement to a maximum of 25 days or a maximum of 200 hours. The 25th day would actually be granted after 24 years of service. The Union contends that this would reward longevity. While admitting that this would place Presque Isle sheriffs above those of most of the comparable counties, they point out that all but one of the comparables allow employees to carry over unused vacation days from one year to another while Presque Isle County only allows carrying over a maximum of four days if their non use was not the fault of the employee.

The Employer sees no need for change and points out that Presque Isle County is "at or above the average" of the comparable communities. While a few of the comparables provide more than the 23 days, several have reduced the allowable number for new hires.

The majority of the panel agrees with the Employer's position and sees no need for changing the current system in regard to vacation.

Wages

The Union's demand was for a 5% increase across the board for each year of the Award – effective January 1, 2001, 2002, 2003.

The Employer's offer was for a \$.50 an hour increase in the Deputy rate in each of the three years of the Award.

While the Employer makes a good argument in terms of the lower increases in the cost of living for these past two years, the Union points out that the average wages of this bargaining unit lags behind those of the comparable communities and the majority of the panel felt that this would justify adoption of the Union's proposal on wages. Further justification was based on the Union having dropped its proposals on health care and gone along with the Employer's proposals – a savings to the Employer and an additional justification of adopting the Union's proposal on wages.

Wages – differential

The Union also proposed that effective January 1, 2001, sergeants be paid at a rate 10% above the top deputy rate. The Employer proposed an additional \$1.25 an hour for sergeants over the top deputy rate. There was not much argument over each of these offers and the panel agrees with the Union proposal, again to place the members of this bargaining unit in a better position among the comparable communities.

The Union also proposed an additional 5% increase in pay for the Investigator over the top deputy rate beginning January 1, 2001. The Employer proposed an increase of \$.10 an hour for the Investigator. There was some discussion about the duties of the Investigator and whether they merited an add-on at all. The majority of the panel felt that the duties of the Investigator were sufficiently different and did justify adoption of the Union's proposal of an additional 5% over the wages of the top Deputy.

Retirement

The Union requested switching from Plan B-3 to Plan B-4 while keeping all the current waivers and riders. They also requested that there be no required contribution by the employee until the Employer is required to contribute and then that the employee contribution be no more than 3%. Whenever the Employer is not required to contribute, neither would the employee.

The Employer's Last Best Offer would switch to Plan B-4 (2.5% as against 2.25% multiplier) for all the years of service after January 1, 2001. Employees may under the Employer's Offer elect to purchase the upgrade for the years of service prior to January 1, 2001. In addition, the Employer would credit the amount contributed by the employee during 2001 toward the purchase of prior service credit and if there is any part of the employee not used for 2001, it would be credited toward their contribution for 2002.

This issue was a real sticking point between the parties and as with other issues there were strong points in each side's argument. Several points led the panel to choose the Employer's last offer on this issue. First of all the idea of having the Employer pick up the cost of the upgrading for prior years of service when employees worked under different contractual requirements seemed excessive even if legal (a big "if"). Secondly while it is understandable that the Union would want to gain a better benefit from the success of MERS recent investment

experience, it should be noted that the Employer has to make up the shortfall when the investment income of the system falls below actuarial requirements. Finally, the reading of the retirement plans of the comparable communities does not place Presque Isle County out of range. Only five of the comparable counties have a 2.50% multiplier. A few still have only a B-2 multiplier. The award on wages retroactive to January 1, 2001 should enable some of the employees to fund part of the prior years upgrade as is the case with the Employer's applying the 2001 contribution toward that goal as well. Therefore, the panel has adopted the Employer's Offer on pensions.

Award

The panel hereby awards the following:

VACATION – The panel hereby adopts the Employer offer on vacation, no change from the current Agreement.

HEALTH – The Union went along with the Employer's Offer on Health and this was noted by the panel.

WAGES – The panel hereby awards the Union position on wages, namely a 5% across the board increase each year 2001, 2002 and 2003. In addition, there is a 10% add-on for Sergeants above the top Deputy rate and a 5% add-on for the position of Investigator.

RETIREMENT – The panel hereby adopts the Employer's offer on retirement. In effect, this changes the system to a B-4 plan (a 2.50% multiplier from a 2.25% multiplier) for years of service beginning January 1, 2001. The employee contribution shall be 4% beginning January 1, 2002.

MISCELLANEOUS – This award covers the three-year period January 1, 2001 to December 31, 2003. Its provisions where applicable are retroactive to January 1, 2001.

This award plus all issues agreed to by the parties themselves shall constitute the Agreement. It is understood that each partisan delegate dissented on that portion o the Award where the opposing offer was adopted.

It is the opinion of the panel that this Award is fair and equitable and should be the basis of amicable relations between the parties for its duration.

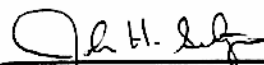
Respectfully submitted



Bernard Klein
Arbitrator

Dated: December 19, 2000

Farmington Hills, Michigan



John H. Gretzinger
Employer Delegate (dissent on
to wages, severance differential and investment
differential.)



Thomas Kreis
Union Delegate (Dissenting As
to Retirement, Retirement Contributions
& Vacation)