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STATE OF MICHIGAN  
DEPARTMENT OF LABOR  
EMPLOYMENT RELATIONS COMMISSION

IN THE MATTER OF THE  
FACT FINDING BETWEEN:

EMMET COUNTY ROAD COMMISSION

CASE NO. L-00 F-5005

-and-

TEAMSTERS LOCAL 214

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**FINDINGS AND RECOMMENDATIONS**

**APPEARANCES:**

FACT FINDER: KENNETH M. GONKO, ESQ.

FOR THE ROAD COMMISSION MICHAEL R. KLUCK, ESQ.  
Michael R. Kluck & Associates  
4265 Okemos Road - Suite G  
Okemos, MI 48864

FOR THE UNION:: JOSEPH VALENTI, PRESIDENT  
Teamsters Local 214  
2825 Trumbull Avenue  
Detroit, MI 48216

**INTRODUCTION**

Pursuant to Section 25 of Act 176, Public Acts of 1939, as amended, and the Commission's regulations, a Fact Finding hearing was held regarding matters in dispute between the above parties. The hearing commenced at 10:00 a.m. at the Emmet County Road Commission's facilities in Harbor Springs, Michigan on January 7, 2002. It was concluded that same day. At the conclusion of the hearing, the parties, through their designated representatives, requested a further opportunity to meet, discuss and bargain over many the issues presented. The Fact Finder agreed to this request. Thereafter, further meetings and efforts toward settlement occurred between the parties. However, no further agreement could be reached on the remaining issues. Both parties submitted post-hearing memoranda on February 19, 2002. The matter is now ready for the Fact Finder's recommendations.

## **PRELIMINARY COMMENTS**

This Fact Finding was initiated by a Petition filed by the Union on July 18, 2001. Prior to the filing of the Petition, two (2) mediation sessions were conducted by Mediator Gerald Kendziorski; on April 16, 2001 and July 13, 2001 respectively. The parties have negotiated extensively and, but for the identified issues below, the remainder of the collective bargaining agreement has been tentatively resolved.

At the hearing, neither party presented any lay or expert witnesses. Indeed, most of the pertinent facts surrounding this dispute have been agreed upon by the parties or, at least, have not been seriously challenged. Both parties have supplied the Fact Finder with extensive documentation in the form of Exhibits and have supplemented the record with post-hearing memoranda that were dated on February 19, 2002.

## **ISSUES**

The following issues were initially identified and placed before the Fact Finder for review and recommendation:

1. Wages/Hourly Rates
2. Retiree Health Insurance
3. Pension Upgrade/Defined Benefit
4. Crew Leader Pay
5. Out-of-Classification Assignment Pay
6. Health Insurance as Proposed by the Employer

However, just before the conclusion of the hearing, the following issues were withdrawn by the Union:

1. Pension Upgrade/Defined Benefit
2. Crew Leader Pay
3. Out-of-Classification Assignment Pay

Accordingly, the only issues remaining before this Fact Finder are as follows:

1. **Wage/Hourly Rates**
2. **Retiree Health Insurance**
3. **Health Insurance as Proposed by the Employer**

### **BACKGROUND**

Emmet County is located on the northwest tip of the lower peninsula. It is northeast of Little Traverse Bay, east of Lake Michigan and south of the Straights of Mackinac. The county contains 468 square miles and is the 7<sup>th</sup> smallest county in the state. The county seat is located in Petoskey. In calendar year 2000, there was a total county-wide workforce of 18,450 and a 6.7% unemployment rate. This compares to a total civilian labor force of 150,825 and a 3.9% unemployment rate in October, 2000 for what is described as the "Northwest Michigan" labor market.<sup>1</sup> Emmet County has experienced a somewhat considerable population growth from 25,040 in 1990, to 31,437 in 2000. *Employer Exhibits 24 and 25.*

The Emmet County Road Commission does not have independent taxing authority but, rather, relies for the majority of its revenue on the statutory provisions of Public Act 51 of 1951 ("MTF revenue"). In 1998, the first year of the most recent collective bargaining agreement, the Road Commission reported revenues of \$4,336,161.00. This revenue grew to \$4,393,720.00 in 1999 and to \$4,880,509.47 in 2000<sup>2</sup>. However, in 2001, the Road Commissions funds shrank slightly to \$4,868,653.74. *Employer Exhibit 13.* The Fact Finder was not presented with 2002 year revenue figures or projections.

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<sup>1</sup>The "Northwest Michigan labor market has been identified as inclusive of Antrim, Charlevoix, Emmet, Benzie, Grand Traverse, Kalkaska, Leelenau, Manistee, Missaukee and Wexford Counties. *Employer Exhibit 25.*

<sup>2</sup>The MTF portion of the Road Commission's revenues in 2000 amounted to \$3,437,094. *Employer Exhibit 9, Union Exhibit labeled "1999/2000 D.O.T. Info."*

In 2000, the Road Commission had financial obligations totaling \$4,592,900.39. 39% or \$1,763,794.74 of that total went to payroll, 7% or \$308,592.83 of the total went to health insurance costs and 5% or \$245,117.62 of the total went to retirement obligations. *Employer Exhibit 14.*

In 2001, the Road Commission's total financial obligations decreased to \$4,206,225.97. 38% or \$1,631,752.63 of that total went to payroll, 8% or \$315,798.50 of the total went to health insurance costs and 4% or \$188,650.29 went to retirement obligations. *Employer Exhibit 14.*

The Union is the exclusive bargaining representative of all Mechanics, Heavy Equipment Operators and Truck Drivers employed by the Road Commission. There are approximately 37 employees in the certified bargaining unit. *See Petition for Fact Finding and Appendix A attached thereto.*

#### **COMPARABILITY ISSUES**

The parties have presented the Fact Finder with their respective lists of proposed comparable counties. Not surprisingly, the lists are, by and large, entirely different.

The Road Commission suggests that the following counties are comparable:

| <b><u>COUNTY</u></b> | <b><u>2000 MTF REVENUE</u></b> |
|----------------------|--------------------------------|
| Antrim               | \$3,224,597                    |
| Benzie               | \$2,377,704                    |
| Charlevoix           | \$2,965,119                    |
| Leelenau             | \$2,666,366                    |
| Mecosta              | \$3,840,265                    |
| Presque Isle         | \$2,591,123                    |
| Wexford              | \$3,437,094                    |

*See Employer Exhibit 9.*

The Union, on the other hand, suggests the following list broken down into the following categories:

**BY IMMEDIATE AREA**

Cheboygen

Otsego

Antrim

Charlevoix

**BY CONTIGUOUS COUNTY**

Cheboygen

Charlevoix

**BY COMPARABLE INCOME**

Otsego

Mason

Menominee

Manistee

***See Union Exhibit labeled "Documents A, B and C".***

The Union also suggests that the Fact Finder consider the municipalities of Petoskey and Harbor Springs as comparable. However, I am inclined to agree with the argument made by the Road Commission that these two communities should not be considered "comparable" because they maintain an independent taxing authority and are not entirely dependent upon an external source of government funding. Accordingly, I do not consider Petoskey and Harbor Springs as comparable for purpose of these recommendations.

Given the above, I am also persuaded that considerable weight should be given to the level of MTF Revenue obtained by the various proposed comparable counties. In this regard, I do consider Mason County (\$3,443,003.56 MTF), Menominee County (\$3,480,062.50 MTF) and Manistee County (\$3,528,417.23 MTF) as comparable counties as the Union suggests. Likewise,

I consider Wexford County (\$3,625,445.66 MTF) and Mecosta County (\$3,840,264.99 MTF) comparable counties as suggested by the Road Commission. The parties agree that Antrim County (\$3,224,597.23 MTF) and Charlevoix County (\$2,965,119.11 MTF) are comparable counties. Accordingly, I will give these counties due consideration in my recommendations.<sup>3</sup>

### **ISSUE 1 - WAGES/HOURLY RATES**

At the outset, the Fact Finder notes that the parties apparently have a difference of opinion concerning the Union's "last position" on wages. Perhaps the best way to approach this issue is to first illustrate the current wage levels of the three (3) bargaining unit classifications at stake in this Fact Finding:

#### **PRESENT WAGE RATE (1/1/2000)**

| <b>Classification</b>    | <b>Rate</b> |
|--------------------------|-------------|
| Mechanic                 | \$13.50     |
| Heavy Equipment Operator | \$13.30     |
| Truck Driver             | \$13.00     |

#### ***Employer Exhibit 1, Appendix A, Section 18.1.***

The Road Commission asserts that the "last position" of the respective parties is illustrated as follows:

#### **WAGES**

| <b>EMPLOYER</b> |     | <b>UNION</b> |     |
|-----------------|-----|--------------|-----|
| At signing      | .30 | 01-01-01     | .30 |
| 07-01-01        | .10 | 07-01-01     | .20 |
| 01-01-01        | .30 | 01-01-02     | .25 |
| 07-01-02        | .10 | 07-01-02     | .25 |
| 01-01-03        | .30 | 01-01-03     | .25 |
| 07-01-03        | .10 | 07-01-03     | .25 |
| TOTAL \$1.20    |     | TOTAL \$1.50 |     |

The proposed increases apply across the board to all three bargaining unit classifications.

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<sup>3</sup>Based upon the MTF revenues, I am not inclined to give much weight to Benzie County (\$2,377,704 MTF), Leelanau County (\$2,666,366 MTF) or Presque Isle County (\$2,591,123 MTF) as necessarily comparable other than for their inclusion in the Northwest Michigan labor market.

The Union, conversely, does not take exception to the Road Commission's last position on wages but submits the following "last position" on its own wage proposal:

**WAGE RATE (1/1/2001)**

| <b>Classification</b>    | <b>Increase</b> | <b>New Rate</b> |
|--------------------------|-----------------|-----------------|
| Mechanic                 | .87 (all steps) | \$14.37         |
| Heavy Equipment Operator | .60 (all steps) | \$13.90         |
| Truck Driver             | .70 (all steps) | \$13.70         |

**EFFECTIVE 1/1/2002**

| <b>Classification</b>    | <b>Increase</b> | <b>New Rate</b> |
|--------------------------|-----------------|-----------------|
| Mechanic                 | 3%              | \$14.80         |
| Heavy Equipment Operator | 3%              | \$14.32         |
| Truck Driver             | 3%              | \$14.11         |

**EFFECTIVE 1/1/2003**

| <b>Classification</b>    | <b>Increase</b> | <b>New Rate</b> |
|--------------------------|-----------------|-----------------|
| Mechanic                 | 3%              | \$15.24         |
| Heavy Equipment Operator | 3%              | \$14.75         |
| Truck Driver             | 3%              | \$14.53         |

***See Union Exhibit labeled "Document F-1".***

The difference between the Road Commission's version of the Union's last wage position and the Union's version of its last wage position is somewhat significant and can be illustrated as follows:

**Employer's Version of Union' Position**

**Union's Version of Its Position**

**Mechanic**     \$1.50 increase after 3 years  
**H. E. O.**     \$1.50 increase after 3 years  
**Truck Driver** \$1.50 increase after 3 years

\$1.74 increase after 3 years  
 \$1.45 increase after 3 years  
 \$1.53 increase after 3 years

As can be seen, the most significant difference between the two versions occurs in the Mechanic's classification with minor variations occurring the remaining two classifications.

I do understand that the Union certainly controls its presentation before the Fact Finder. Yet, I also consider the Road Commission's suggestion that the parties should have a reasonable understanding of their respective positions by the time they resort to Fact Finding. Fact Finding should not be a time for a party to "bump up" its position. I am inclined to accept the Road Commission's characterization of the Union's last position on wages. I do so in light of the fact that the Union was presented with the Road Commission's Exhibits on January 7, 2002; a full six (6) weeks before post-hearing memoranda were filed. Further, the Fact Finder suspended action on his report pending further negotiations between the parties between January 7, 2002 and February 19, 2002 when post-hearing memoranda were submitted by the parties. Nowhere in the Union's post-hearing memorandum did it contest the Road Commission's characterization of the Union's last position on wages. Accordingly, I consider the Union's last position on wages to be that as described by the Road Commission in its Exhibits and post-hearing memorandum.

Given the above, the Fact Finder makes the following observation regarding the wage rates of the three bargaining unit classifications in comparable counties as of July 1, 2001:

| <u>County</u>            | <u>Classification</u> | <u>7/01/01 Wage Rate</u> |
|--------------------------|-----------------------|--------------------------|
| <b>Antrim County</b>     | Mechanic              | 13.51                    |
|                          | H.E.O.                | 13.33                    |
|                          | Truck Driver          | 13.15                    |
| <b>Charlevoix County</b> | Mechanic              | 14.19                    |
|                          | H.E.O.                | 13.69                    |
|                          | Truck Driver          | 13.51                    |
| <b>Manistee County</b>   | Mechanic              | 13.99                    |
|                          | H.E.O.                | 13.79                    |
|                          | Truck Driver          | 13.59                    |
| <b>Mason County</b>      | Mechanic              | 14.87                    |
|                          | H.E.O.                | 14.17                    |
|                          | Truck Driver          | 14.07                    |



|   |              |              |
|---|--------------|--------------|
| <b>Mecosta County</b>                     | Mechanic     | 13.99        |
|   | H.E.O.       | 13.83        |
|   | Truck Driver | 13.83        |
| <b>Menominee County</b>                   | Mechanic     | 15.55        |
|   | H.E.O.       | 14.18        |
|   | Truck Driver | 13.97        |
| <b>Wexford County</b>                     | Mechanic     | 14.78        |
|   | H.E.O.       | 14.03        |
|   | Truck Driver | 13.78        |
| <b>Average of Above</b>                   | Mechanic     | 14.41        |
|   | H.E.O.       | 13.86        |
|   | Truck Driver | 13.70        |
| <b>Emmet County<br/>Employer Proposal</b> | Mechanic     | <b>13.90</b> |
|   | H.E.O.       | <b>13.70</b> |
|   | Truck Driver | <b>13.40</b> |
| <b>Emmet County<br/>Union Proposal</b>    | Mechanic     | <b>14.00</b> |
|   | H.E.O.       | <b>13.80</b> |
|   | Truck Driver | <b>13.50</b> |

As one can see, even under the Union's wage proposal, employees in the Mechanic and Truck Driver classifications fall short of the average of the comparable counties while employees in the Heavy Equipment Operator position, while still somewhat short, approximate the comparable county average.

Neither the Union nor the Road Commission provided the projected wage rates for all of the comparable counties through July 1, 2003. However, the Road Commission did provide projected wage rate figures for Charlevoix and Wexford Counties. *See Employer Exhibit 17.* Projecting these wage rates out to July 1, 2003, the following may be noted:

| <u>County</u>            | <u>Classification</u> | <u>7/01/03 Wage Rate</u> |
|--------------------------|-----------------------|--------------------------|
| <b>Charlevoix County</b> | Mechanic              | 14.60                    |
|                          | H.E.O.                | 14.10                    |
|                          | Truck Driver          | 13.92                    |
| <b>Wexford County</b>    | Mechanic              | 15.74                    |
|                          | H.E.O.                | 14.97                    |
|                          | Truck Driver          | 14.71                    |

|   |              |              |
|---|--------------|--------------|
| <b>Average of Above</b>                   | Mechanic     | 15.17        |
|   | H.E.O.       | 14.53        |
|   | Truck Driver | 13.81        |
| <b>Emmet County<br/>Employer Proposal</b> | Mechanic     | <b>14.70</b> |
|   | H.E.O.       | <b>14.50</b> |
|   | Truck Driver | <b>14.20</b> |
| <b>Emmet County<br/>Union Proposal</b>    | Mechanic     | <b>15.00</b> |
|   | H.E.O.       | <b>14.80</b> |
|   | Truck Driver | <b>14.50</b> |

As one may see, by the end of the proposed collective bargaining agreement, the Union's bargaining unit employees have gained considerable ground on employees from comparable counties and, under the Union's proposal, would fall within the upper average wage rate range of employees from Charlevoix and Wexford Counties.

#### **Recommendation**

Given all of the above, and considering the criteria commonly applied in proceedings of this nature, **the Fact Finder recommends that the Union's Wage Proposal, as illustrated in the Road Commission's version of the last best offer, be adopted by the parties.** This proposal provides:

#### **Wage Rates**

Effective 01-01-01: .30  
Effective 07-01-01: .20  
Effective 01-01-02: .25  
Effective 07-01-02: .25  
Effective 01-01-03: .25  
Effective 07-01-03: .25

TOTAL \$1.50

The proposed increases apply across the board to all three bargaining unit classifications and shall given retroactive effect.

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#### **ISSUE 2 - HEALTH INSURANCE AS PROPOSED BY THE EMPLOYER**

Presently, the Road Commission's bargaining unit employees are provided with a Blue Cross Blue Shield PPO-1 health care plan with a \$10.00 prescription drug rider. The Road Commission

reimburses employees \$5.00 for each prescription. The employees currently do not share in the payment of monthly premiums.

Around January 1, 2001, the Road Commission was notified that its premium rates for health care insurance would increase substantially. Although not as large, the Road Commission experienced a premium rate increase in early calendar year 2002 as well. *Employer Exhibits 15, 33 and 34* illustrate the increase that occurred in 2001 and 2002:

|        | <b>1/20/00 Monthly<br/>Premium Rates</b> | <b>1/19/01 Monthly<br/>Premium Rates</b> | <b>2002 Monthly<br/>Premium Rates</b> |
|--------|--|--|---------------------------------------|
| Single | \$209.89                                 | \$257.53                                 | \$306.24                              |
| Double | \$440.87                                 | \$540.99                                 | \$643.33                              |
| Family | \$493.24                                 | \$605.24                                 | \$719.69                              |
| F.C.   | \$104.95                                 | \$128.78                                 | (Not provided)                        |

This amounts to a 22.7% rate increase between calendar years 2000 and 2001 and an 18.9% increase between calendar years 2001 and 2002. Adding the two-year increases together and converting the increase to a per hour basis based upon a 2080 hour year, the Road Commission has experienced an increase from a \$1.21 per hour cost per employee for one-person coverage in 2000 to a \$1.77 per hour cost per employee this same coverage in 2002. For two-person coverage, the per hour cost has increased from \$2.54 to \$3.71 and for family coverage, the premium cost has increased from \$2.85 to \$4.15.

In an effort to stem the rising tide of premium costs, the Road Commission proposes to eliminate, in 2001, the \$5.00 prescription reimbursement it makes to the employees for prescription coverage. Commencing in 2002, the Road Commission proposes to continue to pay the 2001 premium rates plus 5% of any increase over the 2001 premium rate. Any premium cost over the Road Commission's payments would be borne by the employees through a periodic payroll deduction. This would result in the Road Commission paying the following premiums with the employees assuming responsibility for the balance:

#### **PPO-1 2001 Rates**

|        |                 |          |
|--------|-----------------|----------|
| Single | \$257.53 x 1.05 | \$270.41 |
| Double | \$540.99 x 1.05 | \$568.04 |
| Family | \$605.24 x 1.05 | \$635.50 |
| F.C.   | \$128.78 x 1.05 | \$135.22 |

The Road Commission also proposes to adopt, as an employee option, a Blue Cross Blue Shield PPO-2 plan that it presently has in place for its non-union employees. The 2002 PPO-2 rates are as follows:

#### **PPO-2 2002 Rates**

|        |          |
|--------|----------|
| Single | \$274.10 |
| Double | \$575.81 |
| Family | \$644.12 |
| F.C.   | \$137.11 |

Additionally, the PPO-2 plan maintains a \$15.00 generic/\$30.00 brand name prescription drug coverage. The Road Commission does not provide reimbursement to its non-union employees for the prescription drug coverage nor do the non-union employees share in any monthly premium cost.

Effectively, under the Road Commission's proposal, a bargaining unit employee may opt into the PPO-2 plan without suffering any out-of-pocket premium costs. However, regardless of what plan the employee selects, there will be no reimbursement for prescription drug coverage. The Fact Finder does note the Road Commission's assertion that there is little substantive difference in the levels of benefits provided, other than prescription drug coverage, between the PPO-1 and PPO-2 plans. *See Employer Exhibit 19, Brian Gutowski January 16, 2001 memorandum.*

In looking at the comparable communities, the Fact Finder observes as follows:

|                          |   |                           |
|--------------------------|---|---------------------------|
| <b>Antrim County</b>     | PPO-1 Plan<br>\$5.00 Prescription<br>Co-payment                                 | No employee contribution  |
| <b>Charlevoix County</b> | PPO-1 Plan<br>\$10.00 Prescription Rider<br>\$5.00 reimbursement to<br>employee | No employee contribution. |

|                         |   |  |
|-------------------------|---|--|
| <b>Manistee County</b>  | Community Blue Option I<br>\$5.00 drug rider                                | No employee contribution   |
| <b>Mason County</b>     | BC/BS MVF1 Plan<br>Master Medical Class I<br>\$5.00 Drug rider              | No employee contribution   |
| <b>Mecosta County</b>   | PPO Plan<br>\$10.00 generic<br>\$20.00 non-generic                          | ½ the increase in premium rates<br>over 1999 rates                             |
| <b>Menominee County</b> | PPO-2 Plan<br>\$10.00 generic<br>\$20.00 non-generic                        | No employee contribution   |
| <b>Wexford County</b>   | PPO-1 Plan<br>\$5.00 generic<br>\$10.00 non-generic<br>\$5.00 reimbursement | ½ the increase in premium rates<br>over 1994 rates up to \$10.00 per<br>month. |

***See Employer Exhibit 19 and Union Exhibit Document B-6.***

The Fact Finder not only takes "judicial notice" of the crisis facing both employers and employees in the area of rising health care insurance premiums, but he has also considered the submission of the Road Commission in this regard as illustrated by ***Employer Exhibits 28-32***. There appears to be little dispute that, at some point, if not now, these rising premium costs will have a critical impact on the Road Commission's "cost of doing business". However, I also note that of the comparable employers, only two (Mecosta and Wexford Counties) require any employee premium contribution.

The Fact Finder is sensitive to the arguments of both parties on this issue and sees merit in the arguments of both sides. Accordingly, my recommendation is an effort to respond to the Road Commission's cost argument while at the same time recognizing the burden that this will necessarily place upon members of the bargaining unit.

#### **Recommendation**

Given all of the above, **the Fact Finder recommends that portions of both the Road Commission's and the Union's proposal be adopted.** The Road Commission may implement the Blue Cross Blue Shield PPO-2 Plan as an alternative option to the current PPO-1 Plan. Employees

may select, at their option, the PPO-2 Plan at no additional premium cost to them. For those employees who select to remain in the PPO-1 Plan, the Road Commission will continue to pay the 2001 premium rates plus 5% of any increase over the 2001 premium rate. Any premium cost over the Road Commission's payments will be borne by the employees through a periodic payroll deduction. The Fact Finder further recommends that the Road Commission retain the \$5.00 prescription reimbursement for all bargaining unit employees regardless of whether they opt to remain in the PPO-1 Plan or switch to the PPO-2 Plan.

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### **ISSUE 3 - RETIREE HEALTH INSURANCE**

The last issue for consideration is the Union's proposal to implement a health insurance plan for retirees of the bargaining unit. In this regard, the Union proposes a new contract provision that would require the Road Commission to pay \$100.00 per month toward the cost of health insurance for each retiree who retires after January 1, 2002. This benefit would increase to \$150.00 per month effective January 1, 2003 and to \$200.00 per month effective January 1, 2004.

Once again, a review of comparable counties illustrates the following:

|                          |  |
|--------------------------|--|
| <b>Antrim County</b>     | For retirees with at least ten years of service, employer provides \$200.00 per month between the ages of 55 and 65. |
| <b>Charlevoix County</b> | None.  |
| <b>Manistee County</b>   | \$100.00 per month for each retiree.   |
| <b>Mason County</b>      | For retirees with at least ten years of service, employer pays 50% of cost for retiree and spouse up to age 65.      |
| <b>Mecosta County</b>    | Employer pays single person rate for retirees between the ages of 60-65.   |
| <b>Menominee County</b>  | None.  |

**Wexford County**

Retirees only between the ages of 62-65. Retiree pays 50% of the increase in premium rates over 1994 rates up to \$10.00 per month.

***See Employer Exhibit 20 and Union Exhibit Documents A-2, B-2 and C-2.***

There is no dispute that the Union's proposal would add a new "tier" of benefits to the Road Commission's health care insurance obligations. As already indicated above, the Fact Finder is sensitive to the spiraling cost of health care insurance particularly where, as here, the Road Commission has sustained premium increases of 22.7% and 18.9% over the last two years respectively. ***See Employer Exhibit 33.***

Although the Union initiated this proposal (and hence has the "burden of persuasion" in this regard), the Fact Finder has not been presented with any evidence that would indicate the actual "cost" of the proposal or the financial impact it would have on the Road Commission. Further, as noted by the Road Commission, a study of the comparable counties reveals a variety of approaches to this issue; from no benefit provision to fully paid health insurance for certain "classes" of retirees. For purpose of this proceeding, the Fact Finder is dealing with a blank slate.

The Fact Finder cannot analyze the Union's proposal in a vacuum. There is no doubt that adoption of the Union's proposal would add an entirely new benefit to the parties' relationship with an unknown cost effect to the Road Commission and at a time when it is already significantly impacted by rising premium levels for its active employees.

**Recommendation**

Given all of the above, the Fact Finder is not persuaded that bargaining unit retirees should be afforded health care insurance assistance. **The Fact Finder recommends that the Road Commission's position be adopted and the status quo in this area be maintained.**

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**DURATION**

The parties agree, and hence the Fact Finder recommends, a three (3) year duration of the collective bargaining agreement.

## **CONCLUSION**

### **Issue 1 - Wages**

The Fact Finder recommends that the Union's Wage Proposal, as illustrated in the Road Commission's version of the last best offer, be adopted by the parties with retroactive effect.

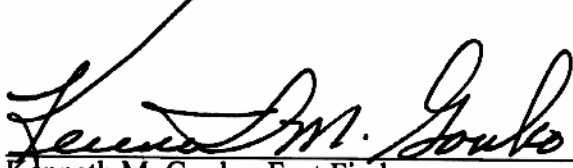
### **Issue 2 - Health Insurance**

The Fact Finder recommends that portions of both the Road Commission's and the Union's proposal be adopted. The Road Commission may implement the Blue Cross Blue Shield PPO-2 Plan as an alternative option to the current PPO-1 Plan. Employees may select, at their option, the PPO-2 Plan at no additional premium cost to them. For those employees who select to remain in the PPO-1 Plan, the Road Commission will continue to pay the 2001 premium rates plus 5% of any increase over the 2001 premium rate. Any premium cost over the Road Commission's payments will be borne by the employees through a periodic payroll deduction. The Fact Finder further recommends that the Road Commission retain the \$5.00 prescription reimbursement for all bargaining unit employees regardless of whether they opt to remain in the PPO-1 Plan or switch to the PPO-2 Plan.

### **Issue 3 - Retiree Health Insurance**

The Fact Finder recommends that the Road Commission's position be adopted and the status quo in this area be maintained.

Respectfully submitted,

  
Kenneth M. Gonko, Fact Finder

Dated: April 5, 2002