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STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
ACT NO. 312 ARBITRATION

In the Matter of:

COUNTY OF HILLSDALE,

Employer,

-and-

LABOR COUNCIL, MICHIGAN
FRATERNAL ORDER OF POLICE,

Labor Organization.

MERC Act 312
Case No.: L90 D-0885

GEORGE J. BRANNICK, Chairperson
CHARLES TURNER, Employer Delegate
HOMER LAFRINERE, Union Delegate

OPINION AND AWARD

This matter is before this panel pursuant to Act 312, of the Public Acts of 1969 (hereinafter the Act). Hearings were conducted at Hillsdale, Michigan on February 24th and 25th, 1992. The parties submitted last best offers, identifying the issues as either economic, or non-economic, as required by the Act, and have submitted Briefs in support of their last best offers.

This Panel is required to review the evidence adduced at the Hearing, and apply specific statutory criteria in determining which of the last best offers it should adopt as its Decision and Award, as to economic issues. At the Hearing, the parties resolved all, then pending, non-economic issues.

The remaining unresolved issues are: Wages, Insurance, Retroactivity, and Duration of Contract.

WAGES

Addressing the issue of wages, the parties have submitted the following last best offers:

<u>EMPLOYER:</u>	1991	\$0.25 per hour, effective 01/01/91
		\$0.05 per hour, effective 07/01/91
	1992	\$0.30 per hour, effective 01/01/92
		\$0.15 per hour, effective 07/01/92

The Employer offers retroactivity as to the above wage increases.

<u>UNION:</u>	1991	5% effective 01/01/91
	1992	5% effective 01/01/92
	1993	5% effective 01/01/93

The Union requested that each wage offer be treated separately, and that it be granted full retroactivity.

The Statute in this case requires this Panel to choose between the last best offers of all economic issues, based upon the nine criteria set forth in Section 9 of the Act.

Those nine criteria need not be repeated here, since the parties and their respective Counsel are well acquainted with Section 9 of the Act.

Specifically at issue, however, with respect to the economic issues is criteria (c), to wit, "the interest and welfare of the public and the financial ability of the unit of government to meet those costs", and (b), which provides for the comparison of the wages, hours, and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and

conditions of employment of other employees performing similar services and with other employees generally:

- (i) in public employment in comparable communities
- (ii) in private employment in comparable communities

The Employer relies heavily on criteria c, stating that it does not have the ability to meet the demands of the Union. In support of its position, the Employer offers substantial evidence that the County is "broke", or will be broke by the end of 1992 according to its Financial Officer, Gary Leininger. Further evidence is offered on the basis that the taxpayers of Hillsdale County had previously defeated a millage and that there will be no opportunity to seek additional millage until 1993. Originally the Employer relies on the fact that there is an extraordinary high number of full-time Deputies when reviewed with respect to the comparables.

With respect to the comparables, the parties could not stipulate as to agreed-upon comparables, however, in submitting the comparables both parties included 4 counties, to wit, Gratiot, Ionia, Berrien and Branch, and the Union suggests that by such submission it constitutes a stipulation for this Panel to consider. By utilizing the counties to which the parties agree are comparable, it appears that the wages in Hillsdale County are below the average of such comparables.

That conclusion seems undisputed, however, the critical question rests not upon the comparables, but on the ability of the Employer to pay the requested wages. The criteria in question

states,

- (c) The interest and welfare of the public and financial ability of the unit of government to meet those costs.

The Employer submits that its inability to pay is attributable to the fact that the budgetary surplus for 1991 was budgeted for 1992, and that it was further attributable to increases in the Probate Court's Child Care Fund, being the Department of Social Services Child Care Fund, and the Health Insurance Fund, as indicative of increased costs.

However, it is apparent that in its decisional processes, the County Commission had determined that the "interest and welfare" of the public of Hillsdale County required a large and effective Sheriff's Department. The issue of manning apparently lies within the discretion of the governing body, and it can only be concluded that it was based upon the needs and general welfare of the public.

If the needs of the public and its general welfare require additional or, as indicated, an extraordinarily high number of deputies, then the additional cost burden must be attributable to the needs and general welfare of the public. This apparently has been absorbed by the Employer in the past for that purpose. Additionally, on the basis of evidence and exhibits submitted and the geographics and demographics of Hillsdale County, it is readily apparent that the dominant law enforcement agency of that County is the Sheriff's Department and that the public welfare relies heavily upon the resources of that Department.

Further, this Panel would observe that those Deputies employed would be required to have much further knowledge of the County than would be required in the more urbanized sections of the State, whereas the majority of the crime and law enforcement is concentrated in such urbanized areas. A Deputy in Hillsdale County, it would appear, would be required to have substantial knowledge of the entire County and that such knowledge would be attainable only by the years of experience, thus making that Deputy, from the standpoint of law enforcement, more valuable.

If the citizens of Hillsdale County require an inordinate number of Deputies for their welfare and well-being, then, of course, they assume the burden of payment of those Deputies. Today law enforcement requires higher and greater skills, more education and certification, which will actually be required in attracting better trained personnel as time progresses. Hillsdale County must recognize this requirement to the same extent as all other geographic areas who are demanding greater law enforcement and police protection as the crime rate grows.

Accordingly, in reviewing the lawful authority of the Employer, the stipulations of the parties, the interest and welfare of the public, the comparison of wages, the average consumer price of goods, the overall compensation, and the fact that the only change that occurred over the last bargaining period was that the County was able to ^{CPD} ~~defer the payment of 4 percent to the Retirement Fund due to a change in the unit's representation, this Impartial Panel finds, in reviewing all other factors which are normally and~~ ^{defer the payment of 4 percent to}

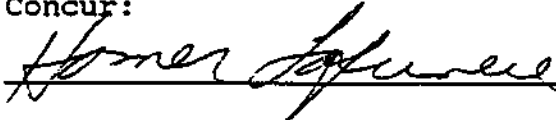
traditionally taken into consideration, that the last best offer of the Union with respect to wages becomes its Decision and Award, restricted, however, to the years 1991 and 1992, since the Union's last best offer asked that each wage demand be treated separately.

Accordingly, this Panel awards the Union's last best offer of wages, to wit, 5% for the 1991 Contract year and 5% for the 1992 Contract year.


GEORGE S. BRANNICK
Imparzial Arbitrator

Non Concur:

Concur:



INSURANCE


After reviewing all the evidence presented, the Briefs, and taking into consideration all of the nine factors required by the Statute, it is this Panel's Decision and Award that the last best offer of the Employer regarding health insurance be accepted.

This Decision is based upon several of the factors enumerated in Section 9, but is heavily weighted in respect to criteria (h), since the cost of health and medical insurance is a dominant consideration in all collective bargaining undertakings in the current economic circumstances.

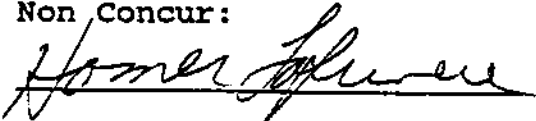
The cost of medical and health insurance is a national problem which will not be resolved until those benefitting from these programs are made fully aware of the costs involved in

providing the same. Accordingly, while it appears that at the same time this Panel giveth, it also taketh, it is this Arbitrator's opinion that those factors established by the Act require that such Decision and Award be made to involve the beneficiaries of the insurance program in its procurement and cost, for it is only at such time that the quid pro quo becomes apparent that the problem of health care costs will be properly addressed.

Accordingly, the last best offer of the Employer with respect to health insurance is the Decision and Award of this Panel.


GEORGE J. BRANNICK
Impartial Arbitrator

Non Concur:



Concur:

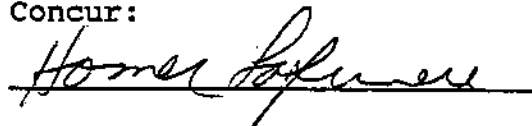
RETROACTIVITY

With respect to retroactivity, reviewing all of the data as established against the criteria set forth in the Act, this Panel finds that the wages heretofore awarded be together with the Employer's last best offer regarding insurance shall be retroactive to the expiration of the previous Contract.


GEORGE J. BRANNICK
Impartial Arbitrator

Non Concur:

Concur:



DURATION OF THE CONTRACT

Having before determined upon all of the factors required that the wages would be increased, that the last best offer for insurance was limited to a 2-year period, and understanding all of the problems of both parties with respect to this issue, while this Panel favors longer duration of Contracts to meet the stability of employment needs, it does not feel, in view of all of the factors, that it would be appropriate and in the best interest of all parties to extend this Contract beyond ^{December} ~~June~~ of this year. While it will require the parties to return to the bargaining table, it is the hope of this Panel that they will return and address the issues in the same manner that they addressed the non-economic issues during the Contract negotiations and will focus upon the critical issues and resolve the same appropriately.

Accordingly, it is the Decision of this Panel that the duration of the Contract be 2 years.

~~Insurance Question H.F.~~
Non Concur:
Homer Lofgren

George J. Brannick
GEORGE J. BRANNICK
Impartial Arbitrator
Concur: wages H.F.
Homer Lofgren

Respectfully submitted,

George J. Brannick
GEORGE J. BRANNICK
Impartial Arbitrator