MICHIGAN EMPLOYMENT RELATIONS COMMISSION ACT 312 ARBITRATION

COUNTY OF SAGINAW,

Arising pursuant to Act 312, Public Acts

of 1969, as amended

Employer,

- and -

Casc No. L01 J3008

POLICE OFFICERS ASSOCIATION OF MICHIGAN,

Union.

ARBITRATOR'S OPINION AND AWARD

Arbitrator Thomas J. Barnes January 16, 2003

CHRONOLOGY

Petition Filed: July 18, 2002 Hearing: January 9, 2003

APPEARANCES

For the Employer:

For the Union:

Stephen L. Borrello Cathy Snyder

James Tignanelli William Birdseye Marvin Dudzinski

WITNESSES

Undersheriff Arnie Burns Sheriff Charles Brown Captain Robert Rae Miguel Gomez Rene Desander Paula Klosowski Michael Andretti Steve Fresorger

OPINION

An Act 312 hearing was held at the County offices on Thursday, January 9, 2003, pursuant to notice and all parties as indicated above were present. Issues before the panel are shift differential, holiday pay, longevity, and health insurance contributions by employees.

As a result of discussions had at the hearing with the impartial arbitrator, and based upon the arbitrator's opinion as to how these matters would be resolved if the case proceeded to formal hearing, the following stipulated award has been agreed to:

- 1. The new contract will include all tentative agreements reached between the parties as well as those provisions of the expired contract for which no changes have been made.
- 2. The County will improve the longevity payment to employees with five years of service to \$100 per year of service (after five years) effective October 1, 2001, the beginning date of the contract.
- 3. Effective June 1, 2003, the employee co-payment PPO option I will increase to 20% and the co-payment for PPO option II will increase to a 10% employee co-payment. There will be a special open enrollment period of at least 30 days from March 1, 2003, through March 31, 2003, for all bargaining unit members. Members of the bargaining unit may also opt into any of the health insurance plans available (PPO I, PPO II, and, if available, PPO III) during the annual open enrollment period established by the County.
- 4. The County will use its best good faith efforts to spread bargaining unit members' payroll deductions over all pay periods rather than once a month.
- 5. Wages and longevity will be paid on all hours compensated for all employees except those who have quit or were discharged since October 1, 2001. This will include employees who have retired, employees who are working elsewhere in the County, and employees who may have been promoted out of the bargaining unit.
- 6. Attached hereto and incorporated herein is a marked copy of the parties' new labor agreement incorporating all of the above.

The arbitrator has determined that, based upon the submissions of the parties, the external and internal comparables with regard to health care co-payments are divergent; the external

comparables suggesting a lower or no co-pay while the internal comparable including all union, non-union, and elected officials of the County supports the above co-pay. In addition, the above co-pay while a substantial increase in co-pays paid by bargaining unit members could actually result in a slight reduction in co-pay if a bargaining unit member chooses PPO II, which plan provides for only slightly less coverage than PPO I. An employee is currently annually paying \$1,073.00 for PPO I and if they re-enroll in PPO II their annual co-payment for 2003 will be \$912.00 or a monthly savings of about \$13. Given the fact that the coverage under PPO II is excellent relative to other insurance plans in the private and public sector, and contains only minimal differences from the PPO I, bargaining unit members need not experience an increase in their premium because the PPO II option is a viable alternative for them. For this reason, and with the increase in longevity (not presently enjoyed by other County employees) it makes good sense to adopt the co-pay increase.

Date:		Thomas J. Barnes, Act 312 Arbitrator
FOR THE UNION		FOR THE EMPLOYER
James Tignanelli (Concurring)	(Dissenting)	Stephen Borrello (Concurring) (Dissenting)

4004/004

comparables suggesting a lower or no co-pay while the internal comparable including all union, non-union, and elected officials of the County supports the above co-pay. In addition, the above co-pay while a substantial increase in co-pays paid by bargaining unit members could actually result in a slight reduction in co-pay if a bargaining unit member chooses PPO II, which plan provides for only slightly less coverage than PPO I. An employee is currently annually paying \$1,073.00 for PPO I and if they re-enroll in PPO II their annual co-payment for 2003 will be \$912.00 or a monthly savings of about \$13. Given the fact that the coverage under PPO II is excellent relative to other insurance plans in the private and public sector, and contains only minimal differences from the PPO I, bargaining unit members need not experience an increase in their premium because the PPO II option is a viable alternative for them. For this reason, and with the increase in longevity (not presently enjoyed by other County employees) it makes good sense to adopt the co-pay increase.

Neto:	Themas Burner
V MIV,	Thomas J. Barnes, Act 312 Arbitrator

FOR THE UNION

FOR THE EMPLOYER

(Dissenting) Stophen Borrello (Concurring)

llo (Dissenting)

Ø004/604

comparables suggesting a lower or no co-pay while the internal comparable including all union, non-union, and elected officials of the County supports the above co-pay. In addition, the above co-pay while a substantial increase in co-pays paid by bargaining unit members could actually result in a slight reduction in co-pay if a bargaining unit member chooses PPO II, which plan provides for only slightly less coverage than PPO I. An employee is currently annually paying \$1,073.00 for PPO I and if they re-enroll in PPO II their annual co-payment for 2003 will be \$912.00 or a monthly savings of about \$13. Given the fact that the coverage under PPO II is excellent relative to other insurance plans in the private and public sector, and contains only minimal differences from the PPO I, bargaining unit members need not experience an increase in their premium because the PPO II option is a viable alternative for them. For this reason, and with the increase in longevity (not presently enjoyed by other County employees) it makes good sonse to adopt the co-pay increase.

Dato:		Thomas J. Barnes, Act 512 Arbitrator
FOR THE UNION		FOR THE EMPLOYER
James Tignanclli (Concurring)	(Dissenting)	Atchich Borreno (Dissenting)