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**MICHIGAN DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES
EMPLOYMENT RELATIONS COMMISSION
FACT FINDING PROCEEDINGS
CASE NO. LO2-D-3026**

In the Matter of

**SAGINAW COUNTY DEPARTMENT OF PUBLIC HEALTH
and THE COMMISSION ON AGING, Employer**

-and-

**SAGINAW COUNTY DEPARTMENT OF PUBLIC
HEALTH EMPLOYEES UNION, Union**

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DECISION

This Decision is related to Hearings held in Saginaw on March 10, 2003 and April 17, 2003, and the documents submitted prior to the Hearing, the exhibits presented at the Hearing, and the Briefs each party subsequently filed.

Issue 1 – Insurance Benefits For Part-Time Employees.

The County is facing a deficit of \$2.7 million dollars. To cut costs, the County proposed to eliminate health insurance for part-time employees hired after the date of this Agreement.

Most employers in private industry do not offer health insurance to part-time employees. The County is self-insured by Blue Cross and Blue Shield of Michigan. If the County hired a part-time employee, namely an older person who had a potentially dangerous health problem, or particularly a spouse or dependent/s/ in a similar situation, the cost could be horrendous. The County does not have an excess or umbrella policy, as testified to by the Administrative Director for the County of Saginaw, Cathy J. Snyder. It might be highly commendable, but it is not the obligation of the County to place itself in a precarious position, or an unreasonable assumption of risk, which could be too great.

Part-time employees should be able to obtain health insurance after becoming permanent part-time employees, after a 2 year employment period.

The parties could agree that part-time employees, who work over 20 hours per week obtain health insurance after a 2 year employment period. This protects part-time employees with seniority, while keeping the cost and risk factor.

Issue 2 – Wage Increases

Since all parties now agree on a 3% increase in each of three years of the contract, this becomes a NON - ISSUE.

Issue 3 – Paid Time Off and Holidays

The Union should be granted one – half day off on Good Friday as a paid holiday. The contract language with respect to Section 9:1 and Section 9:12 should remain as contained within the 1998-2001 Agreement. This keeps all of the County's employees in the same category, and precludes possible dissension within the County ranks.

Issue 4 through 11 – Insurance

The language of Section 12:1 requires the Employer to notify the Union of any proposed changes in coverage or carrier of health insurance. This

should remain as written in the 1998-2001 Agreement. Unilaterally changing insurance coverage is too great to be permitted.

Employees who have accumulated significant seniority should enjoy a 100% employer paid insurance benefit upon retirement. However, the Employee should not be able to purchase additional insurance for non-covered eligible dependents. This presents too great a risk of an aging retiree possibly adding a sickly dependent, and having the County pay for same. Insurance is a risk, but it should not be an unreasonable risk.

Furthermore, people should be required to pay something for the cost of medical care, and dollar coverage is always the most expensive. If someone is taking prescription drugs, they should pay something for them. Therefore, an increase of prescription co-pay is recommended, to 5/10 to PPO1 and 10/20 10/20 prescription co-pay for PPO2. These savings have been demonstrated by the exhibits presented. Also, people are less likely to have an oversupply of drugs in their medicine cabinets if they have co-pay, and would have less of them to dispose of when they become obsolete or unnecessary. The possible lower cost for drugs, which might be used, was not and could not be presented. but these figures should be available in the next several years on the savings taking into consideration the other variable factors, such as the in drugs, or new drugs on the market, etc,

Employees should be able to keep the existing right of opportunity to switch to other existing options on an occasion prior to age 65. However, the proposal to eliminate the eligibility of medical benefits for part-time employees should be modified to allow part-time employees to become eligible after a 2 year-period, whichever the parties might decide to negotiate. This protects part-time employees with seniority, while keeping the risks down for the employer.

In 12.9, the employees contributions to the health care plan should remain the same and not be doubled. This is offset by the decrease in prescription drug costs, as outlined herein.

Issue 12 through 14 – Retirement

Employees who are eligible to be members of Michigan Municipal Employees Retirement System (MERS) the B-3 Benefit Package based upon a five-year final average compensation and vesting after six years, and make no contribution towards this retirement plan should remain in effect. Final compensation should be based upon five years rather than three years. This prevents soon to be retiring employees from being disproportionately granted pay raises towards the end of their career and receive a higher pension, than the early years of their employment would provide. It is fair to the employees and to

the employer. The E-2 Rider, allowing an adjustment in the cost of living, should be included.

As far as employees hired after November 1, 1994, finding that the Union's proposal with respect to changes in Section 16:10 should be adopted.

With regard to the purchase of generic service time with the County paying 20 percent of the cost of the purchase, the bargaining Union should enjoy this benefit as do other County employees, again, with regard to the purchase of generic service time.

It is further recommended that the employer's contribution to defined contribution plan be increased.

Since this contains all the issues before the fact finder, this Opinion is concluded.



Paul F. Carrier, P11662
Fact Finder

Dated: 5/4/03