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**STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC GROWTH  
EMPLOYMENT RELATIONS COMMISSION**

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**COUNTY OF KENT,  
17<sup>TH</sup> JUDICIAL CIRCUIT COURT,  
PROBATE COURT AND 63<sup>RD</sup> DISTRICT COURT**

**MERC CASE L04 J-7010**

**-and-**

**UAW LOCAL 2600**

**FACT FINDER'S REPORT**

Pursuant to Public Act 176 of 1939, the undersigned was appointed by the Michigan Employment Relations Commission to act as fact finder in this matter.

On November 17 and 18, 2006 a fact finding hearing was held at the offices of UAW Region 1-D at 3300 Leonard NE, Grand Rapids, MI 49525. The Union was represented by Ms. Merry Smith, International Representative. The Employer was represented by Mr. Thomas Drenth, Labor Counsel.

**History**

The parties have two collective bargaining agreements in place. One is between the Union and the County, the other between the Union and the Courts. Both agreements expired on December 31, 2003. Both were renewed unchanged for one year and expired again on December 31, 2004. The parties attempted mediation on March 12, May 12 and May 23,

2005. A petition for fact finding was filed on July 28 and the undersigned was appointed on September 23, 2006.

The Union's letter to the Department of Labor dated June 21, 2005 listed five outstanding issues: Preamble, Health Insurance, Retiree Insurance, Wages and Insurance After Layoff. During the two days of fact finding, the Preamble, Retiree Insurance and Insurance After Layoff issues were resolved. The issues remaining for recommendation by the fact finder are Health Insurance and Wages.

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### **Discussion**

The issue separating the parties on health insurance is the presence of a "cap" on the employee contribution to health insurance premiums. The parties agree that members of the bargaining units will continue to pay a percentage of their health insurance premiums during the term of the contract. The Union would like that amount to continue to be capped so that the member contribution does not exceed a stated dollar amount. The Employer would like to see the cap removed.

With respect to wages, the Employer offered wage increases of 2.5% in each year of the contract. The Union requested increases of 3.0%.

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### **Fact Finder's Recommendation and Reasoning**

#### **Recommendation 1:**

That the cap on employee contribution to health care insurance premiums be removed in the third year of the contract.

**Reasoning:**

In order for union and management to work together to control health care costs it is important that they have the same incentives. As long as member contributions are capped, members are insulated from the risk of cost increases. That arrangement fails to provide the kind of shared incentive necessary if union and management are to manage this complex and challenging problem.

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While it is not expected to have a financial impact on member contributions during the term of this contract, removing the cap is a significant change in the structure of the sharing of this risk. For that reason it is recommended that the parties be given time to adjust to the change in approach and that the cap should not be removed until the last year of the contract term.

Thus, there should be no change in health care premium costs in 2005. In 2006 each member should pay 10% of employee's applicable total health care premium not to exceed \$80.00 per month. In 2007 members should pay 10% of employee's applicable total health care premium.

**Recommendation 2:**

That wages be increased by 2.75% in each year of the contract.

**Reasoning:**

A review of the exhibits provided by the parties shows that an increase of 2.75% would bring members of these bargaining units more in line with similar workers in comparable jurisdictions.

Dated: November 29, 2005

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Respectfully submitted,

A handwritten signature in black ink, appearing to read 'B. Goldman', is written over a horizontal line.

Barry Goldman