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MICHIGAN DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION
LABOR RELATIONS DIVISION

IN THE MATTER OF THE ACT 312 ARBITRATION
BETWEEN:

Case No. L05 A-4006

COUNTY OF CASS,

Public Employer,

-and-

TEAMSTERS, LOCAL 214,

Labor Organization.

ACT 312 ARBITRATION AWARD

BEFORE:

Arbitrator William P. Borushko
Panel Chairperson

APPEARANCES:

FOR PETITIONER,
TEAMSTERS, LOCAL 214

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INTRODUCTION

The Petition for Arbitration in this proceeding was filed by Teamsters Local 214 on or about May 20, 2005. On July 21, 2005 this case was assigned to this Arbitrator. Members of the Arbitration Panel were Michael Fayette for Teamsters Local 214, and Douglas Callander for Cass County. After a number of telephone exchanges and various conversations, the parties requested that the Arbitrator issue an award on comparable communities, since they were unable to agree. On January 9, 2006 the "Interim Award on Comparable Communities" was issued. The hearing in this matter was conducted on February 15, 2006 in Cassopolis, Michigan. At the conclusion of the hearing the parties agreed upon dates for submission of the Last Best Offers and closing briefs, all of which were submitted to this Arbitrator. On Thursday July 6, 2006, discussions were held with the panel members in this case, as a prelude to the issuance of this award. The following award reflects those discussions.

This case, of course, is governed by Act 312, Public Acts of 1969, MCL 423.231. The statute provides that any decision of the Panel involved in the proceeding must be based upon the following factors:

- a. the lawful authority of the employer;
- b. stipulations of the parties;
- c. the interests and welfare of the public and the financial ability of the unit of government to meet those costs;
- d. comparison of the wages, hours, and condition of employment of the employees involved in the arbitration proceeding with the wages, hours, and conditions of employment of other employees performing similar service and with other employees generally:
 - (i) in public employment in comparable communities;
 - (ii) in private employment in comparable communities.
- e. the average consumer price for goods and services, commonly known as the cost of living;
- f. the overall compensation presently received by the employees, including direct wage compensation, vacations, holidays and other

excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.

- g. changes in any of the foregoing circumstances, during the pendency of the arbitration proceeding;
- h. such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact finding, arbitration or otherwise between the parties, in the public service or in private employment.

This award has been constructed after careful consideration of all of the above factors. There is no question regarding the lawful authority of the Employer, Cass County. There have been no stipulations of the parties in this case that were presented to the Arbitrator. Comparable communities determined by the Arbitrator in the Interim Award were: Barry, Berrien, Branch, St. Joseph and Van Buren Counties. The Employer, through the testimony of Terry Proctor, County Administrator, has raised the issue of ability to pay in this case. The County currently has a fund balance of approximately \$3,400,000, or about 22% of its operating budget. It is currently drawing down its reserve to balance the yearly budget. County Commissioners have recently reduced the budget and still expect to use up about \$440,000 of the reserves, leaving a balance of about \$3,000,000. This draw down of the County reserves should be viewed with some concern, but by no means is the County in acute financial distress. That does not mean, however, that any award can be made without regard to the future financial impact. In this period of time, restoration of fund balances is a virtually impossible task. Once depleted they are likely gone forever, barring a millage miracle. Yet one has to balance this concern with the needs of the employee, also. The overall compensation received by Cass County Sheriff's Department must be taken into consideration when weighing the relative value of both the internal and external comparables. And finally, the financial impact of proposals upon the continuity and stability of employment was certainly one of the main factors applied in the area of wages.

THE ISSUES

There were 13 issues that were presented to this arbitrator for decision. All of the issues, save one, are economic in nature, and therefore, the award in those issues will reflect one party's position or the other. One issue, that of a required call in prior to absence, is not economic in nature. In the interests of saving time and space, I will list the issues once and each Party's Last Best Offers on them, discuss the basis for the award and, subsequently, the award itself.

Vacation Scheduling

Union proposal: If two or more Sheriff's Department employees request permission to take their vacations at the same time and both or all cannot be spared from work at the same time, as among those who made the request for vacation time prior to April 1 of that year, preference should be given to the employee(s) with the greater overall department seniority, regardless of classification or bargaining unit. As among those who do not make their wishes known prior to April 1 of any year, preference shall be given in order of receipt by the Employer of the written request for vacation time off, preference shall be given to the employee with the next greater amount of seniority.

Employer proposal: Employees shall turn in their requests for annual vacations between January 1st and April 1st of that year. That year is defined as April 1 to March 31 of the following year. Such requests shall be honored by seniority subject to the Sheriff's determination under Article 10.3 (A) of the other departmental staffing requirements. After April 1st, vacation requests shall be on a first-come, first-served basis.

Discussion and Award

This demand by the Union is predicated by the fact that all employees of the Sheriff's Department, both command officers and patrol officers, must submit their vacation requests at the same time. Presently employees are allowed to take their vacations by unit rather than seniority. In other words, a command officer may be more easily spared during a specific period of time, even though the command officer possesses less department seniority than the patrol officer. It is the request of the union that vacation slots be awarded solely on the basis of department seniority. The Employer argues that this proposal will severely restrict the right of the Sheriff to determine whether or not the vacation scheduling of a certain position would be inconsistent with the needs of the department. The Employer further argues that it cannot agree to the Union's request because even if they did so, it would be inconsistent with another agreement which covers the command officers.

This Arbitrator must agree with the Employer's proposal on this issue. Even if I were to award the Union's position on this issue, it would be successfully argued by the other unit that I have no authority to alter their agreement in any manner. I would find it hard to argue with that position.

It is the award of the panel that the Employer's proposal is accepted on this issue.

Shift Premium

Union proposal: Effective January 1, 2006, Employees shall receive fifteen cents (\$.15) per hour for all hours worked if their shift commences between 5 p.m. and 5 a.m. or if they are assigned to second shift dispatch. In the event the Employer institutes a three shift operation in dispatch, such shift differential shall be paid to those on the third shift.

Commencing January 1, 2007, the shift differential shall be increased to twenty cents (\$.20) per hour.

Employer proposal: No increase in shift differential.

Discussion and Award

With this proposal, the Union seeks to increase the current level of shift premium by five cents (\$.05) per hour for each remaining year of the agreement. In reviewing the data of the comparable communities, Branch County and St. Joseph County appear to have a shift premium payable to their employees, with Branch paying a premium of \$.25 per hour for the afternoon shift period and St. Joseph providing a \$.20 premium for the same shift. The other three counties, Barry, Berrien, and Van Buren do not indicate any shift premium in their agreements. If we average the shift premium paid in those agreements, we would arrive at a figure of \$.09 per hour for the 3 PM to 11 PM time period. Cass County's current shift premium of \$.10 per hour for the same period certainly appears to be in line. In view of the overall County financial condition, it would be easy to conclude that limited resources be spent elsewhere.

It is the award of the panel that the Employer's proposal is accepted on this issue.

ETO

Union proposal: Effective January 1, 2006 and each succeeding January 1 thereafter, all full-time employees shall be credited with 72 hours ETO, which may be used for sick leave or personal time off.

In the first pay period each January each employee shall be paid two-thirds of all unused ETO earned but not used from the previous year at the employee's hourly rate.

Employer proposal: Current contract language.

Discussion and Award

The current contract provides for 64 hours of ETO time in each year. In previous bargaining, the parties agreed to eliminate some forms of paid leave time and replace it with the ETO, or earned time off concept. The agreement calls for 64 hours of ETO time to be credited to each employee as a January 1 of each year. As in the Union's proposal, the agreement provides that this ETO time shall be used for sick leave as well as personal time off. Therefore, in order to properly compare the Cass County agreement with the other comparables, we must look at sick leave as well as personal leave provisions in the absence of any ETO provisions. However, it must also be noted that in the place of an extensive sick leave program Cass County provides its employees with a short-term disability program, which obviates the need for an extensive sick leave accrual. Therefore when looking at other agreements one must be careful to give adequate weight to the disability program. In reviewing the comparables, I find that the average total of sick leave and personal days combined for the five comparables is 13 days. The average of personal days in the comparable units is three. When I deduct those three days, or 24 hours, from the ETO total of 64 applicable to Cass County, I arrive at 40 hours or five days which one could argue is directly attributable as sick leave allowance. That is well below the average, even allowing for the STD plan. The Union is requesting an additional eight hours, or one day, to be added to the ETO time, which would bring the total to 72. I have not been provided data that would indicate how this provision compares to other units internally. I have no choice but to rely on the external comparables. I do not find the total requested by the Union to be excessive when looking at the comparable data. I also do not believe that the request to go from 60% to 66 2/3% payment for unused days at the end of year is excessive. Non-use of these days clearly saves the Employer money during the year, which is welcome at this time, inasmuch as absences would not have to be filled, likely on an overtime basis. Therefore, I do not feel that this provision would significantly impact the overall financial condition of the County, and, in fact, could prove to be beneficial.

It is the award of the panel that the Union proposal is accepted on this issue.

STD/ETO

Union proposal: Current contract language.

Employer proposal: For employees who qualify for short-term disability because of an illness, the Employer shall reimburse an employee for 50 (50%) and percent of all regularly scheduled hours lost during the seven (7) day waiting period.

Discussion and Award

Presently, as is the case in most short-term disability plans, an employee who is off work due to illness must use their own accumulated sick time for the first seven days of the illness. If the employee is still unavailable for work on the eighth day and beyond, the provisions of the short-term disability plan will kick in and cover the employee's absence. Under the current contract arrangement, if an employee who is absent extends into the eighth day and beyond of absence, the Employer reimburses the employee by crediting his accrued sick leave bank with the days that were used during the first seven days of absence. It is the proposal of the Employer in this case to reduce that amount of repayment to 50% of whatever time is used during the initial absence. The Employer argues that its position will eliminate the possibility of malingering on the part of employees who are absent as a result of illness. I am not certain that I can agree with that conclusion of the Employer. Any employee who is absent from work for a period of more than seven days would certainly be required to be under a doctor's care and have the absence verified by that physician. Any payment under the STD plan would also, of course, be made only if a physician certifies the disability of the employee. I am not able to find comparable provisions in any of the other agreements. However, the Employer has not cited any specific instances where it believes that the provisions have been abused. Therefore, in my mind, it has not justified its request for a change in this language.

It is the award of the panel that the Union's proposal is accepted on this issue.

Holiday Pay

Union proposal: In addition to holiday pay as set forth above, employees who work the holiday shall receive pay at one and one-half times the rate they would have received for all hours worked on that day.

Employer proposal: Current contract language.

Discussion and Award

Cass County Sheriff's Department employees who work on a holiday receive holiday pay in the form of compensatory time off or pay, both on a straight time basis. That in itself is not an unusual provision. What is unusual about the current language is that this pay or compensatory time off is awarded based upon the scheduled hours of the employee for the holiday in question. In other words, if an employee works eight hours on the day, they receive eight hours of holiday pay either as compensatory time or pay. If they work 10 or 12 hours on the day, they receive the same amount (10 or 12) in either compensatory time or straight time pay. Most agreements that this Arbitrator is familiar with provide for eight hours of holiday pay on the day itself, no matter what the work schedule of the employee is. That is the case in all of the comparable agreements. Work performed on a holiday is normally paid for at 2 1/2 times the hourly rate of pay, with eight hours being the holiday pay and time and one-half being the compensation for the work being performed during the eight hours. To apply the Union's request for payment of time and one half for all hours worked could result in some employees in this unit receiving 18 hours of holiday pay. That is clearly out of line with the comparables in this case.

It is the award of the panel that the Employer's proposal is accepted on this issue.

Funeral Leave

Union proposal: The three (3) days above referenced shall end no later than two days after the funeral, and to be eligible for such pay, the employee must notify the Employer as soon as possible of the necessity for such absence, and must attend the funeral.

Employer proposal: The three days above referred to shall end within one calendar day after the funeral, and to be eligible for such pay, the employee must notify the Employer as soon as possible of the necessity for such absence, and must attend the funeral.

Discussion and Award

During the arbitration hearing, testimony for the Union was given by Officer Bradley. There appeared to be some confusion as to exactly what the Union was seeking in its proposal. The Employer's contention in its brief submitted after the hearing was that the Union was attempting to seek a guarantee of a minimum of three days off for any funeral covered by the provision. With the submission of the Last Best Offers it appears that the Union proposal is not that, but instead extends the period of absence to a maximum of two days beyond the actual date of the funeral, but maintains all of the other provisions of the language. This does not appear to this Arbitrator to be a guarantee of time off, but simply a broader scope of time in which the absence may be taken. In reviewing all of the comparable County agreements, I noted that without exception, the funeral leave provisions provided for a certain number of days off, usually three, and did not specify how the days were to fall within the mourning period (that is, in or around the date of the funeral). It certainly seems, then, that the Union proposal is well within the parameters established by the comparables, and, in point of fact, is slightly less. Once again, there is no evidence on the record of how the amount of funeral leave time in this agreement differs from any other internal comparables. This is not a request for more days off, but a request to realign the days off already in the agreement.

It is the award of the panel that the Union position is accepted on this issue.

Retiree Health Care

Union proposal: For those who retire while an employee of the Employer after 20 years of County service, for each of full year of service by the retired employee, the Employer shall pay 2% percent of the monthly health insurance premium.

Employer proposal: The Employer proposes to establish a "Retirement Health Savings Plan" which will allow the employees to contribute pre-tax funds for health insurance after their retirement.

Discussion and award

At the present time, there is no provision for retiree health care in the labor agreement. The Union's proposal in this regard would create a maximum payment of 50% of the applicable monthly health insurance premium for employees at 25 years of service. The Employer, on the other hand, proposes to establish a Health Care Savings Plan in which the employees may contribute pre-tax dollars to establish an account to be utilized for health care purposes after retirement. Some of the comparable counties offer limited coverage for retiree health, ranging from a flat dollar contribution of \$150-\$200, up to a maximum of approximately \$850 per month. In one instance, Van Buren County, employees hired prior to 1992 enjoy retiree health care, but those hired after 1992 do not. There is no doubt that health care for retirees is an expensive proposition. While the Union's proposal establishes a 50% contribution rate on the part of the Employer, it does not set a dollar limit on that contribution. As we all know, with healthcare rising at the rate it is currently increasing, today's \$1,200 per month healthcare will soon become tomorrow's \$2,000 per month healthcare, and so on. In view of the fact that the County is already utilizing what resources it has to balance its current budget, I fail to see how they would be financially able to absorb the additional cost of this proposal. I must keep in mind in looking at matters such as this an additional factor contained in Section

9 (f) of the act; the stability and continuity of employment. The cost of this proposal in the future would have a drastic effect on the total number of individuals who could be, or would be, employed by the department. If I assume \$1,500 per month health care, and 10 future retirees eligible, the cost for those ten would be almost \$100,000 per year, or about two officers. This potential decrease in force levels would also have a significant impact on the welfare of the community with a reduction in law enforcement coverage. The potential cost of this proposal prevents me from considering it further. I believe the Employer's proposal to establish a savings plan has considerable merit. There is no timetable associated with the proposal, but I assume that since it was made in conjunction with this agreement, that the plan will be established sometime during the remaining time covered by the agreement.

It is the award of the Panel that the Employer position be accepted on this issue.

Vision & Dental Insurance

Union Proposal: The Employer agrees to provide and maintain dental and vision programs which are substantially comparable to that in effect for permanent full-time employees as of the date of the agreement. The Employer may not implement any change in a plan prior to sixty (60) days after giving notice of the same, and the details of the new plan, to the Union's Business Representative.

Employer proposal: All members of the bargaining unit shall be entitled to participate in a vision and dental plan substantially equal to that which is currently provided to full-time employees of the County of Cass.

Discussion and award

The Union's proposal is taken directly from the existing labor agreement, Article XII - Insurance. The Employer has agreed to this language as it applies to the existing health care plan in Cass County. The only difference that exists is the Union's inclusion of the second

sentence, which requires the Employer to give 60 days notice of any change in the plan. It does not take away the Employer's unilateral right to change the plan, only that any implementation may not take place sooner than 60 days after giving notice of the change. I fail to see where this has significant impact on the Employer. In fact, I believe this to be a reasonable proposal in that giving the Union 60 days of notice will allow the Union representatives time to determine whether or not a better, or more viable, alternative exists. The more involvement in insurance issues from both sides, the better. Inasmuch as the Employer still maintains the unilateral right to implement if it so desires, I cannot see the negative impact on any of the factors the panel must consider.

It is the award of the panel that the Union's proposal is accepted on this issue.

Health Insurance Opt-Out

Union Proposal: Employees who do not have the hospitalization coverage shall receive \$100 per month in lieu of health insurance.

Employer proposal: Union proposal is okay, provided that the Employer's health insurance proposal is adopted by the Panel.

Discussion and award

The only difference between the positions of the parties in this area of the contract is the fact that the Employer has tied its approval to the adoption of the Employer's health insurance proposals by the Panel. I fail to see the reasoning behind the Employer's attempt to connect the proposals. Standing by itself, the \$100 per month in lieu of proposal is designed to save team Herald the Employer money by encouraging those who have coverage available elsewhere not to take the health care plan and instead, receive the in lieu of amount, which is substantially less than the current health coverage. In fact, larger amounts are becoming

increasingly a part of collective bargaining agreements around the State of Michigan. I would certainly be concerned over any individual who may elect to drop health care just for the in lieu of payment. I assume that the parties have some sort of safeguards to prevent this occurrence. Once again, I see this as nothing but a benefit for the Employer, since it may actually help to reduce costs related to health care.

It is the award of the panel that the Union's proposal is accepted on this issue.

Wages

Union Proposal: 1/1/05 Increase all classification, all steps 3% over previous year.
 1/1/06 Increase all classifications, all steps 3% over the previous year.
 1/1/07 Increase all classifications, all steps 4% over the previous year.

Employer proposal: 2% across the board increase for each year of the contract.
Retroactivity tied to Employer proposal on health care premium share payment.

Discussion and award

The parties have agreed that the proposals with respect to wages are to be considered as a single economic issue. This means that consideration of both proposals must be made on an 'all or nothing' basis. It is beyond my authority to separate each wage year as a separate issue, and each classification as a separate issue. That raises several concerns which I will address. The Employer's proposal provides for a 2% wage increase for each year of the agreement. There has not been an indication that there is an inability to pay this increase on the part of the Employer. There was nothing said by witnesses at the hearing that would lead me to conclude that layoffs are necessary to implement this wage proposal by the Employer, although given the financial circumstances it is entirely possible. There is of course substantial difference between the two positions. Looking at the comparables that were

decided in the interim award, we see that the average for Deputies is \$20.15 per hour. The Employer's proposed 2% wage increase would take the Cass County Deputies rate to \$20.09 per hour, six cents below the average. The Union's proposal of a 3% increase would take the Deputies rate to \$20.29 per hour, which is \$.14 above the average. Corrections officers are paid an average of \$18.40 per hour by the comparable communities. The Employer's proposal would increase the rate to \$17.12 per hour, and the union proposal would raise it to \$17.28 per hour. Dispatchers receive the rate of \$16.60 per hour on average. In this case, the Employer's proposal would raise the rates to \$16.43 per hour, and the Union proposal would raise the rate to \$16.59 per hour. Unfortunately, in years two and three, the comparison becomes murky because we do not have agreements in place for Barry and Branch County in year two, and all of the comparables in year three. Therefore, it is difficult to fashion the appropriate award in the absence of verifiable comparable rates. The Employer has chosen not to interpolate new rates based upon projections. It has chosen instead to argue against the Union's position by pointing out that the impact of the Union's proposal, including wages and all areas affected by wages, is \$240,000 more than the Employer's proposal. This is not a single year's impact, but rather the cumulative effect of the difference of the two proposals. Since the Employer is operating in a deficit, this total amount would come out of the fund balance for the period of the agreement. While this is of course a major concern, I think it necessary to attempt to ascertain what the relative position of Cass County would be, assuming either a 2% or 3% wage increase in the comparables. Looking at the Deputies, if we apply a 2% increase for the unknown years in the comparable agreements, we can determine the average in year two to be \$20.57 per hour. The Employer's proposal in the second year is \$20.49 per hour, and the Union's proposal is \$20.90 per hour. In the third year, the same application of a 2% increase for the unknown comparable wages would result in an average of \$20.98 per hour. The Employer's proposed increase for year three would place the rate at \$20.90 per hour, and the Union's proposed rate for year three would place the classification at \$21.74 per hour. It is clear that the Employer's proposal would more accurately reflect the average if a 2% wage increase were applied. However, let us now look at the application of a 3% wage increase for the unknown comparables in year two. That would raise the average for the deputies to \$20.66 per hour and in year three \$21.27. The Employer's proposal of \$20.90 per hour in year three would be \$.37 below the average, and the Union's proposal of \$21.74 per hour would be \$.47

above the average. I do not believe the average increase in these units will exceed 3% per year, and is more likely to be between 2% and 3%.

Of course, another significant factor which must be considered is the question of the Employer's increasing inability to fund significant increases without dipping into its reserves. As previously indicated, the Employer estimates, and I concur, that the cumulative difference between the two proposals exceeds \$240,000 over the span of the three years. This would equate to more than three officers, perhaps closer to four. A potential loss of that many officers because of the inability to fund increases would certainly have a negative impact on the welfare of the citizens of Cass County. It is hard for me to award an increase in pay that might have these disastrous circumstances, particularly when we are only estimating what the comparable data may show in subsequent years. For the sake of argument, I will assume that the average rate of increase for those units will be about 2 1/2 percent. This would place the Employer's proposal much closer to the average rate, although not above it. It would place the Union's proposal substantially above the average, most especially when we look at the last year proposal of 4%.

Because of the agreement of the parties in restricting the Arbitrator's authority with respect to the wage issue, I cannot fashion an award to my liking. Because of the 'all or nothing' approach which I must take, there will be some dissatisfaction with the result, particularly in the corrections classification, which I believe warrants additional monies. Even the higher Union proposal does not appear to adequately address the difference in this classification. However, the numbers of employees in the other two classifications and the significant overage of the Union's proposal in year three, leave me no alternative. I will deal with the retroactive issue in a subsequent section of this award.

It is the award of the panel that the Employer's proposal be accepted on this issue, with the exception that retroactivity shall be separately determined.

Health Insurance

Both parties have proposed the same three health care plans. The difference in their respective positions lies in the choice of the basic plan, and the amounts the employees would contribute as premium share payments. The plans are:

Plan A: Community Blue PPO with a \$250 individual deductible per year and a \$500 family deductible per year, \$1000 co-insurance maximum, with a \$30 office call employee co-pay, \$30 chiropractic therapy employee co-pay, and a drug rider consisting of \$15 for generic and \$50 for brand-name MOPD2X drug card and vision.

Plan B: Community Blue PPO with a \$100 individual/\$200 family deductible and a \$500 co-insurance maximum; \$20 office call employee co-pay, \$20 chiropractic therapy employee co-pay with a drug rider of \$10 for generic and \$20 for name brand MOPD2X drug card and vision.

Plan C: Community Blue PPO with a \$0 deductible, a \$0 co-insurance maximum, a \$10 office call employee co-pay, a \$10 chiropractic therapy visit co-pay, and a \$10 generic and \$20 name brand MOPD 2X drug card and vision.

Union proposal: The Employer will not provide a family continuation rider. Any employee who wishes to purchase a family continuation rider may do so at his/her expense.

The base plan will be Plan B. The Employer will pay 90% of the monthly premium for Plan B. and the employee will pay 10% of the monthly premium. The Employer's contribution of 90% will be deemed the "Base Contribution".

If an employee chooses Plan A or Plan C, the Employer will contribute the Base Contribution towards such plan. If the Base Contribution is sufficient to cover the entire cost of the plan, the employee will pay nothing. If the Base Contribution is not sufficient to cover the cost of

the plan, the employee will be responsible for 100% of the difference in cost between the plan elected by the employee and the Base Contribution.

Employer proposal: The Employer will not provide a family continuation rider. Any employee who wishes to purchase a family continuation rider may do so at his or her expense.

The Employer is currently providing this new plan for permanent full-time non-union Sheriff Department employees. The employee cost during the plan year (September 1, 2005 to August 31, 2006) is:

	<u>Monthly premium</u> <u>09/2005-08/2006</u>	<u>County pays</u> <u>Monthly</u>	<u>Employee pays</u> <u>Monthly</u>
<u>One Person</u>			
PPO Plan A	\$363.83	\$342.36	\$21.47
PPO Plan B	446.86	342.36	104.50
PPO Plan C	476.86	342.36	134.50
<u>Two Persons</u>			
PPO Plan A	809.42	762.03	47.39
PPO Plan B	988.16	762.03	226.13
PPO Plan C	1,055.72	762.03	263.69
<u>Family</u>			
PPO Plan A	960.94	905.08	55.86
PPO Plan B	1,166.27	905.08	261.19
PPO Plan C	1,247.33	905.08	342.25

For the plan year effective September 1, 2006; the Employer shall absorb the first 3% of any cost increase of Plan A over the above rates. The Employees will absorb any cost increases between 3% and 6% and the Employer and the Employees will share equally in any increase in costs of Plan A over and above 6%.

In addition to the Employee share of the cost increases in Plan A, if any Employee elects to be covered under Plan B or Plan C, he or she shall absorb 100% of the difference in cost between the plan elected by the Employee and the cost of Plan A.

Discussion and award

If the Union's proposal is adopted, it would call for an employee premium share payment of \$116.63 per month for full family coverage. Under the rates illustrated above the Employer's payment would be \$1049.64. The Union's proposal provides for a higher monthly contribution on the part of the employee, but also provides for a higher coverage plan. The Employer's proposal is one that reflects the insurance arrangement currently in place for all Cass County employees except represented employees in the Sheriff's Department. The Employer, of course, urges this Arbitrator to strongly consider the internal comparable of other Cass County units as the controlling factor in this portion of the award. That argument would elevate the value of the internal comparable to that of out-weighting all other factors. I do not believe that is the intent of the Legislature when they crafted that section of the law. No comparables appear to be given additional status in the statute. Absent any obvious direction other than equal weight, the panel will consider all comparables, as well as any other relevant factors. Of the counties selected as comparable, two have Community Blue 1 as the base plan, and two have Community Blue Option 2. Both of these plans, and therefore four of the comparables, provide a higher level of coverage than that proposed by the Employer in this case. The only comparable with similar coverage, Berrien County, is one that the Employer did not want me to include, and, in fact, argued further in its brief against inclusion. In addition, only Berrien County required an employee premium share contribution of 10%. All others provided for 5% contributions or less. We therefore have on one hand the internal comparable, which strongly supports the Employer, and the external list of comparables, which strongly supports the Union's proposal. The Employer further argues that adoption of the Union's proposal will result in virtually all of the employees in the unit opting for coverage under Plan B. The estimated cost of this is calculated by the Employer to be \$44,208. The argument put forth by the Employer makes assumptions that are not necessarily correct, and therefore calls into question the actual additional cost. Further, even if this

amount proves to be correct, I do not find it to be an amount that would cause an undue burden on the Employer. Another factor which must be considered is the overall compensation of the employees involved. As I indicated in the discussion of the wage proposals, I believe that the Employer's proposal will place the Cass County Deputies at an amount slightly less than the average of the comparables. However, given the alternative, it is the panel's award. If the panel adopts the Employer's position in health care, it would put the deputies in a further compensation disadvantage relative to the comparables and possibly, the surrounding counties. This could have significant impact on the ability of the Employer to attract and retain employees. As much as I can see the desirability of a uniform health care package for all county employees, the total impact of other factors must be considered.

It is the award of the panel that the Union's proposal is adopted on this issue.

Retroactivity

There are two questions concerning retroactivity in this award. The first is the issue of wages and their effective date. The second question concerning retroactivity involves the issue of health care premium co-payments on the part of the employees.

The Employer argues that, because of numerous delays which were caused by the Union, the award of the panel should not be applied retroactively with respect to wages. There are numerous reasons set forth by the Employer in support of its argument. While I recognize that there may have been some unnecessary delay in reaching the stage of the process, I am also cognizant of the fact that this is inherently a lengthy and time consuming process, further complicated in this instance by the election of a new bargaining representative. I do not feel that it serves anyone's best interest for the panel to get into a lengthy debate of who was at fault for the various delays which the Employer insists occurred. In all of the arguments set forth by the Employer, I see nothing that I have not seen in my years of service as a mediator. This peculiar set of circumstances is not all that unusual. I do not see any reason to disallow a retroactive application of the wage proposal.

Secondly, the Employer, in its proposal, attempted to tie any wage increase with a retroactive application of the increase in monthly premium co-pays. In the expired agreement, employees paid \$45 a month for a single coverage, \$50 for two-person coverage, and \$55 for family coverage. In all other units of the Employer those amounts were increased by five dollars per month in each of the ensuing two years. This brings the total contribution in the second year of this agreement to \$55 per month for single coverage, \$60 per month for two-person coverage, and \$65 per month for family coverage. I think the Employer's argument makes a great deal of sense here. Inasmuch as the employees in this unit enjoyed the same coverage as others who paid this amount, I see no reason that they should not contribute on the same basis.

It is the award of the panel that the wage increase previously adopted shall be retroactively applied that to January 1, 2005.

It is the award of the panel that the increase in employee premium co-pays shall be retroactively applied back to January 1, 2005.

ETO Notice

Employer proposal: In order to qualify for ETO payments for illness purposes, the employee must report to his supervisor or to the Sheriff not later than one (1) hour before his normal starting time on the first day of absence, unless in the judgment of the Sheriff, the circumstances surrounding the absence made such reporting and possible, in which event such report must be made as soon thereafter as is possible.

In correspondence to this Arbitrator dated March 31, 2006, the Union panel member stated that: "We do not challenge the concept of requiring notice of one hour before the normal starting time, if possible."

It is the award of the panel that the Employer's proposal is adopted on this issue.

All issues contained in this award are by majority vote of the panel.

The Employer representative on the panel, Mr. Douglas Callander, voted in the affirmative on the issues of Holiday pay, vacation scheduling, shift differential, wages, retiree health insurance, ETO notice, and health premium retroactivity, and dissented on the issues of funeral leave, ETO, health insurance opt-out, vision and dental insurance, ETO and STD, retroactivity on wages, and health insurance.

Douglas L. Callander, Employer Panel Member

The Union representative on the panel, Mr. Michael Fayette, voted in the affirmative on the issues of funeral leave, ETO, health insurance opt-out, vision & dental insurance, ETO and STD, retroactivity on wages, and health insurance, and dissented on the issues of Holiday pay, vacation scheduling, shift differential, wages, retiree health insurance, ETO notice, and health premium retroactivity.

Michael L. Fayette, Union Panel Member

Dated this 17th day of July, 2006



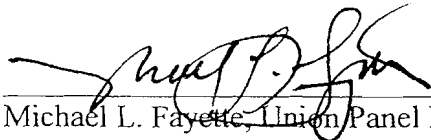
William P. Borushko, Arbitrator

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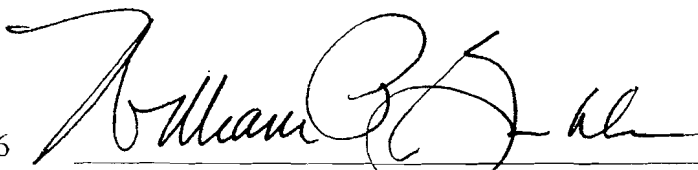
Douglas L. Callander, Employer Panel Member

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Michael L. Fayette, Union Panel Member

Dated this 17th day of July, 2006



William P. Borushko, Arbitrator

All issues contained in this award are by majority vote of the panel.

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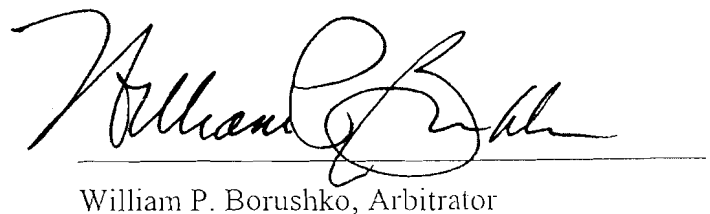


Douglas L. Callander, Employer Panel Member

The Union representative on the panel, Mr. Michael Fayette, voted in the affirmative on the issues of funeral leave, ETO, health insurance opt-out, vision & dental insurance, ETO and STD, retroactivity on wages, and health insurance and dissented on the issues of Holiday pay, vacation scheduling, shift differential, wages, retiree health insurance, ETO notice, and health premium retroactivity.

Michael L. Fayette, Union Panel Member

Dated this 17th day of July, 2006



William P. Borushko, Arbitrator