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MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

EMPLOYMENT RELATIONS COMMISSION

LABOR RELATIONS DIVISION

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IN THE MATTER OF THE ACT 312

Arbitrator William P. Borushko

ARBITRATION BETWEEN:

MERC Case No. L05 K-7012

COUNTY OF ALLEGAN,

Public Employer,

-and-

POLICE OFFICERS LABOR COUNCIL,

Labor Organization,

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ACT 312 ARBITRATION AWARD

Appearances:

For the Employer:

Peter H. Peterson  
250 Monroe Avenue NW  
Suite 800  
Grand Rapids, MI 49501

For the POLC:

Thomas R. Zulch  
675 E. Big Beaver, Ste. 105  
Troy, MI 48083

Panel Delegates:

Peter H. Peterson  
For the Employer

Homer LaFrinere  
For the POLC

## INTRODUCTION

The petition for arbitration in this case was filed on December 7, 2005. It was assigned to this arbitrator on February 2, 2006. The parties had not reached agreement on the issue of comparable communities. Their respective positions and supportive arguments were submitted and on June 15, 2006, this arbitrator issued the "Interim Award on Comparable Communities". An Act 312 arbitration hearing was held in this matter on September 13 and October 24, 2006. As a result of the vast number of issues remaining, the parties agreed to hold executive sessions on December 12 and December 20, 2006, and January 9, 2007. All last best offers and supporting data were submitted to this arbitrator on a timely basis.

## STATUTORY AUTHORITY

As are all such cases, this matter 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 in to 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.

#### COMPARABLE COMMUNITIES

The parties in this case had not reached agreement on the issue of comparable communities, and submitted the issue to this arbitrator for decision. On June 15, 2006 I issued an “Interim Award on Comparable Communities”, in which I determined the following counties to be comparable within the definition set forth in the governing statute:

|                  |                       |
|------------------|-----------------------|
| Barry County     | Van Buren County      |
| Eaton County     | Lenawee County        |
| Kalamazoo County | Grand Traverse County |
| Ottawa County    |                       |

The interim award is attached hereto and is hereby incorporated into this award.

## AWARD

As previously indicated, the parties held executive sessions in this case, in the presence of, and with the assistance of, the arbitrator. After extensive discussion at those sessions, and continued discussion thereafter, the parties have entered into a stipulated award, which has been submitted to, and adopted by this arbitrator. The award covers all outstanding issues and is set forth below:

**1. Contract Term**

February 1, 2006 through December 31, 2008

**2. 2006 Wages**

Modify Appendix A by deleting the existing last paragraph and adding a new sentence reading "2006: Wage tables reflect a 2.5% increase effective February 1, 2006" and modify the remainder of Appendix A accordingly.

**3. 2007 Wages**

Modify Appendix A by deleting the existing last paragraph and adding a new sentence reading "2007: Wage tables reflect a 2.5% increase effective January 1, 2007" and modify the remainder of Appendix A accordingly.

**4. 2008 Wages**

Modify Appendix A by deleting the existing last paragraph and adding a new sentence reading "2008: Wage tables reflect a 2.5% increase effective January 1, 2008" and modify the remainder of Appendix A accordingly

**5. Retroactivity**

The only items in this Stipulated Award that are retroactive are the above wage increases. In connection with this, modify Appendix A by adding a new final sentence reading as follows:

Retroactive wages will be paid only to those employees who are on the Employer's payroll as of March 9, 2007.

**6. Health Insurance**

Modify Section 12.1 by adding language reading as follows (and add a new Appendix B as described therein):

Effective January 1, 2007, the above language shall no longer apply and the following language shall apply instead:

The Employer will provide health care coverage under the Allegan County Medical, Dental and Vision Plan for the employee, spouse and children (one person, two person and family) under the following conditions and with the following benefit options:

PPO Plan---Community Blue PPO Plan 1 (prescription drug co-pay \$10/\$15/\$20)

POS Plan---Blue Choice POS Plan 4 (prescription drug co-pay \$10/\$15/\$20)

New Traditional Plan---Blue Managed Traditional Comprehensive Major Medical Plan---Plan 2 (prescription drug co-pay \$10/\$40)

See Appendix B for the benefits-at-a-glance summary sheets for each of the plans.

Employees who elect the New Traditional Plan will pay 5% of the required premiums and the Employer will pay the remaining 95%. Employees who elect the PPO or POS plans will pay 10% of the required premiums and the Employer will pay the remaining 90%.

Those employees declining coverage under the Allegan County Medical Dental and vision Plan shall receive \$3,000 on an annual basis as an opt-out benefit (pro-rated monthly if applicable).

**7. Retiree Health Insurance**

Modify Section 12.6 by changing "\$10.00" to "\$12.00" and changing "\$250.00" to "\$300.00".

**8. Call-in Pay**

Maintain the current contract language.

**9. Paid Time Off**

Maintain the current contract language.

**10. Shift Premium**

Maintain the current contract language.

**11. Equipment Allowance**

Maintain the current contract language.

**12. Educational Incentive**

Maintain the current contract language.

**13. Humanitarian Clause**

Maintain the current contract language.

**14. Defined Benefit Pension Plan: E-2 Benefit**

Maintain the current contract language.

**15. Defined Benefit Pension Plan: Employee Contribution**

Maintain the current contract language.

**16. Longevity**

Maintain the current contract language.

**17. Medical Leave**

Maintain the current contract language.

**18. Hours Counted for Overtime Purposes**

Maintain the current contract language.

**19. Defined Contribution Pension Plan**

Maintain the current contract language.

**20. Compensatory Time Off Cap**

Modify Section 9.3 by adding the following language to the second paragraph:

The Employer shall have the right to reduce the cap on accrued compensatory time off to 150 hours, provided it notifies the Union in writing at least 30 days prior to taking such action.

CONCLUSION

The above list constitutes resolution of all issues in this matter. I believe it has been said that the goal of Act 312 arbitration should be to arrive at an award that the parties would have achieved on their own. In that sense, this Stipulated Award fulfills that mission. I commend the parties for their diligent efforts in attaining this result.

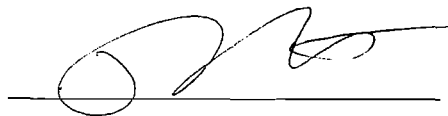
ACT 312 ARBITRATION PANEL:

UNION DELEGATE



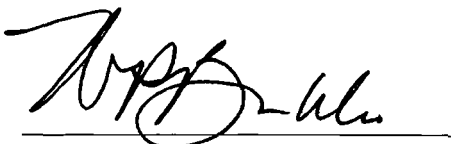
Dated: 4-2-07

EMPLOYER DELEGATE



Dated: 3-29-07

PANEL CHAIRPERSON



Dated: 4/5/07