

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN EMPLOYMENT RELATIONS COMMISSION
ACT 312, AS AMENDED BY PUBLIC ACT 116 OF 2011

*In the Matter of the Act 312
Arbitration Between:*

COUNTY OF MACOMB and the
MACOMB COUNTY SHERIFF

Employer

MERC Case No. D12 K-0949

-and-

COMMAND OFFICERS ASSOCIATION
OF MICHIGAN

Union

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ARBITRATION PANEL OPINION AND AWARDS

**George T. Roumell, Jr., Chairman
Eric A. Herppich, Macomb County Delegate
John T. Barr, Union (COAM) Delegate**

APPEARANCES:

FOR THE COUNTY OF MACOMB
and MACOMB COUNTY SHERIFF:

Dennis B. DuBay, Attorney
Eric A. Herppich, Director HR/LR
Steve Smigiel, Interim Finance Director
Karlyn Semlow, Service Director
Brian Tacks, Service Partner

FOR COMMAND OFFICERS
ASSOCIATION OF MICHIGAN:

Kevin Loftis, Research Analyst
John T. Barr, Delegate
James Tignanelli, Business Agent
Darren Bondy, Union President
Tim McFadden, Vice President
Phiulip Abdor, Treasurer
Stacy O'Brien, Steward
Scott Schulte, Negotiation Team Member

Background

The Command Officers Association of Michigan represents a unit of supervisors in the Macomb County Sheriff's Department consisting of all lieutenants, sergeants, sergeants I,

corrections lieutenants, corrections sergeants, corrections sergeants I, and dispatch supervisors. There are 53 members of the bargaining unit. The most recent contract of the bargaining unit covered the period from 2010 through December 31, 2012.

The parties began bargaining for a successor contract beginning in November 2012. The record reveals there were at least 10 bargaining sessions and four sessions with a State Mediator, with the last ending on March 12, 2014.

On April 9, 2014, the Command Officers Association of Michigan, on behalf of the supervisors in the Macomb County Sheriffs Department, filed a petition for an Act 312 arbitration panel. The issues stated in the Petition and as expanded by the parties, are as follows:

<u>COAM Issues</u>	<u>County Issues</u>
1. Contract duration - economic	1. Wages including holiday pay - economic
2. Wages - economic	2. Longevity - economic
3. Shift premium - economic	3. Health Care Insurance - economic
4. Compensatory time - economic	4. Payroll processing changes - economic
5. Health care insurance - economic	5. Tentative agreements
6. Hazard pay - economic	6. Duration - economic

George T. Roumell, Jr. was appointed Chairman of the Act 312 Panel. John T. Barr became the COAM Delegate. Eric A. Herppich became Macomb County's Delegate. After a pre-trial conference, the hearings commenced on Monday, September 29, 2014 and ended on Monday, October 6, 2014. Last best offers were submitted by the parties on September 24, 2014 prior to the commencement of the hearings. Post-hearing briefs were filed with the last brief being received on November 21, 2014.

The Criteria

Act 312 of Public Acts of 1969, as amended, sets forth the following criteria that an Act 312 Panel is to apply when addressing the issues presented to the Panel. Thus, Section 9 of the

Act provides:

Sec. 9. (1) If the parties have no collective bargaining agreement or the parties have an agreement and have begun negotiations or discussions looking to a new agreement or amendment of the existing agreement and wage rates or other conditions of employment under the proposed new or amended agreement are in dispute, the arbitration panel shall base its findings, opinions, and order upon the following factors:

(a) The financial ability of the unit of government to pay. All of the following shall apply to the arbitration panel's determination of the ability of the unit of government to pay:

(i) The financial impact on the community of any award made by the arbitration panel.

(ii) The interests and welfare of the public.

(iii) All liabilities, whether or not they appear on the balance sheet of the unit of government.

(iv) Any law of this state or any directive issued under the local government and school district fiscal accountability act, 2011 PA 4, MCL 141.1501 to 141.1531, that places limitations on a unit of government's expenditures or revenue collection.

(b) The lawful authority of the employer.

(c) Stipulations of the parties.

(d) Comparison of the wages, hours, and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours, and conditions of employment of other employees performing similar services and with other employees generally in both of the following:

(i) Public employment in comparable communities.

(ii) Private employment in comparable communities.

(e) Comparison of the wages, hours, and conditions of employment of other employees of the unit of government outside of the bargaining unit in question.

(f) The average consumer prices for goods and services, commonly known as the cost of living.

(g) 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.

(h) Changes in any of the foregoing circumstances while the arbitration proceedings are pending.

(i) Other factors that 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.

(2) The arbitration panel shall give the financial ability of the unit of government to pay the most significance, if the determination is supported by competent, material, and substantial evidence.

In 2011, the Michigan Legislature amended Act 312, Section 9, as reflected above, providing a new Section 9(2) requiring that the Panel give ability to pay and defining this statute “the most significance” in the Panel’s decisions in applying the criteria. The amendment also provided the aforementioned Section 9(1)(e) emphasizing the comparisons to be made would be “wages, hours and conditions of employment of employees,” in this case of the County, outside of the COAM bargaining unit under consideration here.

In addition, as in the original version of Act 312(9)(I)(i), provides that the Panel could consider other factors that are taken into consideration through “bargaining, mediation and fact finding arbitration and otherwise.” Two factors that are taken into consideration are the bargaining history of the parties, both currently and over the years, and the “art of the possible,” namely, the recognition that in bargaining there are compromises in order to reach a settlement. These are criteria that the Chairman in particular will consider along with the emphasis on financial ability and comparisons with other employees of Macomb County as well as external

comparisons in reaching awards.

The Panel proceeds to apply the criteria and address the respective Last Best Offers of the parties in the following discussion.

Ability to Pay

Section(2) of Act 312, as amended, emphasizes that a Panel should consider the Employer's ability to pay the resulting award. Macomb County has a population slightly under 900,000 individuals. It contains residential, commercial and industrial properties. The Sheriff's Department is one of many departments of Macomb County's government which is governed by a Board of Commissioners and a County Executive. The Sheriff's Department is headed by a Sheriff and has both a Road Patrol and a Correction Division.

The County's principal sources of revenue are property taxes and state-shared revenue. The County's taxable value in 2007 was \$31,862,669,926. Beginning with the real estate value crash in 2007 and continuing for six years, by 2013 the County's taxable real value had decreased by \$7,698,944,000, or 24.17%, causing serious financial strain on the County. In 2014, the County was beginning to experience a taxable value increase by 1.6% and projected increases in 2015 and 2016 of 2.5% each year, but the value is not expected to reach the same level as in 2007. State-shared revenue hit its highest watermark of \$16.5M in 2009. In 2013, state-shared revenue was \$12.6M and, in 2014, \$13.1M, which is below 2009. The County operates on a January 1 through December 31 fiscal year and attempts to have a balanced budget.

Each drop in state-shared revenue and taxable property value did cause financial strain on the County. In 2006, the County had a fund balance of \$46.2M. This fund balance declined in 2007-2009. It was during this period and thereafter that the County proceeded to engage in

concessionary bargaining to stabilize its finances. By doing so, the County was able to increase its fund balance to \$81.8M in 2013. This was accomplished by the concessionary bargaining and by reducing the number of employees with a decline of general County employees of 622 employees, or 31.8%. In the Sheriff's Department, the decline was 56 employees, or 13%, less than with the general employees. It is interesting to note that the percentage of general employees to expenditures in 2006 was 24.97%. By 2013, this percentage had dropped to 21.88%. By 2015, it is projected that this percentage for general employees will be 17.86%. On the other hand, for public safety, which includes command, in 2006 the percentage of total operating expenditures was 28.77%. By 2013, whereas the expenditures for general employees had been reduced, the percentage of public safety expenditures increased to 32.24%. It is projected that this increase will stabilize in 2015 to around 32.76%.

The point that the County makes is that it is spending more of its income on public safety than previously, as compared to general employees, while attempting to stabilize its finances and provide retirement benefits to its employees, including retiree insurance. Based upon actuarial evaluations, the County was expected to make annual contributions to fund retiree benefits, including health care, for the future. The County has not been able to reach the required contributions so that by 2012, the unfunded retiree insurance liability was \$549.6M, with \$116.7M being attributable to the Sheriff's Department and \$432.9M being attributable to the general employees. To stabilize its finances and meet its obligations for retiree insurance, the County embarked on a two-pronged approach. The retiree health insurance plan was eliminated for all employees hired after January 1, 2016. From an actuarial standpoint, this reduced the unfunded liability to approximately \$262.6M. The County has embarked on a plan to fund this

amount by a bond, and transferring 40M from the general fund along with the bond proceeds to a trust so that the County can earn a higher rate of return to assist in funding the retiree health care program. After the \$40M has been transferred, the County will have a fund balance of \$41.5M which is less than what the County had in 2006 and is 21.7% of the general fund expenditures which is about the same percentage as in 2006. The point is that the County is positioning itself, albeit conservatively, to fulfill its financial obligations including its obligations for retiree insurance by providing means to insure that the funds are available when needed.

By 2016, it appears that the stabilization will have been completed and the County will be clearly financially healthy and, hopefully, the era of concessionary bargaining will by that time be over. In the meantime, it is obvious that there were various avenues that the County has followed to avoid deficit financing and being put in a position of jeopardizing its obligations to its employees and retirees.

The fact is, as will be explained, at least 22 bargaining units voluntarily accepted the County's approach and agreed to certain concessions, counting on eventual improvement in the County's financial situation by 2015 or at least by 2016. The bottom line is that the County is entitled to stabilize its finances. This is what the financial picture reveals. The ability to make some economic adjustments is necessary because the stabilizing process is still an ongoing endeavor.

What follows is an analysis of how the other bargaining units, including the deputies, have responded to the County's desire to stabilize its finances. The question to be considered is, when applying the criteria, what should be the resulting COAM contract, under these circumstances, with the command unit when the bargaining patterns within the County are

observed against the County's financial ability.

The Internal Comparables

Section 9(1)(e) of the Act 312 criteria, part of the 2011 amendments, emphasizes that internal comparables should be considered. The County has 23 separate bargaining units represented by bargaining agents, plus the Command Officers Association. The Command Officers represent 53 employees of the County as compared, for example, to approximately 240 deputies, dispatchers, 150 corrections officers and 2400 County employees. The County now has contracts with all but two of these 23 bargaining units covering the period expiring December 31, 2016. Two units, AdTech and Road Technicians Association, are still in negotiations. All but three of the contracts were negotiated. Three, including the corrections officers, were imposed after fact-finding. The settled contracts with all the units in 2013 provided for a \$3,000 bonus except the MCPDSA. In 2014, no unit received a bonus except the MCPDSA whose members received a \$2,500 bonus which the County witness testified was less than the \$3,000 bonus from the previous year because of the delay reaching an agreement. In 2015, all the units which are settled will receive a \$500.00 bonus, as well as for 2016. There were no wage increases given for 2013 through 2016. But there were reopeners for wages for each of the settled contacts for 2015 and 2016.

Each of the settled contracts including the sheriffs' deputies in 2013 gave up payment for six holidays, amounting to a 2.3% wage reduction. Each of the settled groups adopted the longevity payment schedule which is the last best offer of the County. In summary, in terms of giving up six holidays amounting to a 2.3% wage reduction, the deputies did this in 2012. The command officers have not done this because their contract is in negotiations and subject to Act

312.

In summary, there is a pattern of bargaining in Macomb County, for the bargaining units have been treated similarly, including a major bargaining unit in the Sheriff's Department - namely, the deputies. The correction officers' contract is also treated the same way as the pattern, but that contract was imposed, where as the deputies' contract came about first by an Act 312 award through 2013, and then through subsequent negotiations between the parties.

With this pattern of bargaining, in this case, the 9(1)(e) criteria plays a significant role in considering the last best offers of the parties.

The External Comparables

The parties are not in dispute as to the external comparables. The wage patterns of the external comparables at the lieutenant and sergeant ranks, are set forth in two appendices attached to this Opinion and Award.

Sterling Heights and Clinton Township have traditionally been higher-paid departments than Macomb County. How persuasive these departments are is questionable because of these facts, plus the fact that as a township and a city, these governmental entities have different financial resources. But what is obvious is that Macomb County Command has been competitive with other surrounding counties, with Oakland being traditionally higher over the years.

It is also noted that some counties have not provided wage increases, but Oakland did beginning in 2014. This will be a factor for this Arbitrator to consider, along with the internal comparables.

Not all of the comparable counties have longevity. Oakland County does not have longevity. Monroe County's longevity is less than the county's proposal as to longevity. Other

counties do have higher longevity. But in those counties, namely, Genesee, Livingston, St. Clair, Saginaw, and Washtenaw, the base wage is lower than in Macomb County.

Only two counties have hazard pay.

In terms of holidays, Macomb Command has 15.5 holidays per year, as compared with Oakland and St. Clair's 12. Monroe has 14.5.

When all is said and done, Macomb does have a bargaining pattern that if adopted does not put the command officers at a disadvantage as compared to the external comparables.

The COAM Bargaining Position

When the contract affecting what became the COAM Bargaining Unit Macomb County expired, three points are to be observed. Longevity had been discontinued under the previous contract. These payments were reinstated because of the pendency of negotiations and Act 312. As a result, in 2013, unit members with 20 years of service received \$2,400 longevity payment, namely \$1,600 more than other County 20-year employees, including the deputies. Those with 25 years of service received a \$3,000 longevity payment, \$2,000 more than any other county employee. In 2014, the same situation occurred. Thus, prior to the issuance of this award, the command unit as to longevity at the 20 year level has received \$3,200 more than anyone else in the county and, at the 25 year level, \$4,000 more than anyone else in the county. In addition, while county employees including the deputies were giving up six holidays resulting in a 2.3% pay reduction, the command had not.

It is also true that as a result of Public Act 54, prior to settling a contract, command was required to pay an increased amount of health care costs. It was represented that in 2013, this increased cost was \$26.00 every pay period, namely every two weeks, for a total of some \$600.00

for the year. Since January 2014, there has been another increase with the representation that this increase, at least up until the time of October 6, 2014, meant an approximate increased cost of \$1,018.00 per participating command member.

The record also reveals that the deputies, while negotiating their successor contract, also paid increased health care costs, although not as extensively as the command because the deputies settled their contract.

The bottom line is that even with the cost of paying for health care increases, the command officers fared better economically than anyone else in the county for they did not give up six holidays and received longevity pay worth up to \$4,000, more than the deputies and any other employer in the county. These facts are not lost on the Chairman, particularly when the Chairman is applying internal comparables, bargaining history, and the art of the possible in coming to a resolution of a contractual dispute between the parties.

The Last Best Offers

The parties were in agreement that the contract duration and tentative agreements should run from January 1, 2013 through December 31, 2016 and that all tentative agreements would be adopted in the contract. For this reason, a unanimous Panel will so award.

As to wages, the Chairman took the position that the wage proposals were for each year. Effective January 1, 2013 both the County and the COAM agree that the wages should remain status quo, namely, no wage increase, and the award will so provide. Effective January 1, 2014, the county proposes to maintain the status quo, no pay increase. COAM's offer is a \$3,000 lump sum payment. The Chairman appreciates that the lump sum payment was made to other bargaining units, save one that was settled, in return for the elimination of six paid holidays. The

Chairman intends to adopt the County's offer as to 2015 in this respect and, for this reason, recognizing that the Panel is bound by last best offers, will adopt the COAM's last best offer for 2014. In the overall scheme of wages as adopted by the majority of the Panel, to do so is more consistent with the wage pattern that has been adopted in Macomb County.

Effective January 1, 2015, the County proposes a salary schedule status quo and for the year 2015, to eliminate payment for six recognized holidays. COAM proposes a \$1,000 lump sum payment and a wage re-opener. Here is where the Panel is boxed in, so to speak, by the last best offers. There is no basis for a \$1,000 lump sum payment based upon the internal comparables. But there is a basis for a wage re-opener. On the other hand, COAM did not accept the six holiday reduction which the other settled unions have accepted. For this reason, after COAM has received extra monies as a result of longevity and the \$3,000 bonus, it is appropriate for COAM, in 2015, which is a very practical date to apply the provision, to give up six recognized holidays. Remember, COAM, in 2013 and 2014, was spared this reduction though the other bargaining units had accepted it. This explains the adoption by the majority of the Panel for the County's last best offer as to January 1, 2015 wages.

Effective January 1, 2016, the County proposes a wage re-opener and lump sum payment based upon a schedule which provides lump sum payments based upon years of service. The lump sum proposal, at 15-19 years of service provides for \$1,000 lump sum, and at 10-14 years of service \$1,600, at 5 to 9 years \$2,800, and less than five years of service, \$4,000. The fact is that few, if any, bargaining unit are in the category below 15-19 years of service. There are some in the 20-24 years of service, and 25 and above, which receive no lump sum payment.

Under the circumstances, since COAM is proposing a 2% across the board increase, this,

to the Chairman, seems more equitable and is consistent with the County's ability to pay. For this reason, COAM's last best offer for 2016 will be accepted by a majority of the Panel.

Health Care Insurance

As to the health care insurance issues, the last best offers submitted before the hearings in this matter as to health care were extensive but, by the time that the hearing was completed the parties had agreed on all health care issues but two, namely an amendment to Article 14(D) as to retirees, which the Union in its last best offer opposed and the County proposed that retirees have the same medical and prescription drug plan in retirement as active employees, including any future negotiated changes. The fact is, the deputies do not have this proposed amendment in their contract. Furthermore, promotions into the COAM bargaining unit usually come from the deputies.

Considering the bargaining history and the art of the possible, and a comparable with another major group in the Sheriff's Department, the Chairman will join with the Union delegate and opt to deny the County's proposed amendment to Article 14B.

The other insurance provision deals with a health care task force. The County proposes a task force to review health care plans, recognizing that any changes will be substantially equivalent changes and will be subject to the grievance procedure if not equivalent. It is a reasonable proposal, with representatives from the County and from the Union. The Union's final offer of settlement is status quo. Frankly, there is no reason not to have a combined task force. For this reason, in reviewing health care provisions that are equivalent and beneficial to both employees and cost-wise to the county, under these circumstances, the majority of the Panel will adopt the County's issue as to the task force.

Longevity

The COAM proposes to maintain the current longevity provisions. The County's longevity provision is a change. It is the same longevity provision as in the deputies and captains contract. It is the same provision as in all other settled contracts in the County. It is part of the overall scheme of stabilizing the County's finances. Under the circumstances, there is no reason not to adopt the County's position and to reject the status quo. The two unsettled contracts, ADTech and Road Technician Association, do not have longevity and therefore are not factors. Based upon this analysis, the majority of the Panel will adopt the County's last best offer as to longevity.

Payroll Processing Change

The County has proposed a payroll processing change, which COAM opposes. This change has been agreed to by all bargaining units, including the deputies. Currently, employees are paid every two weeks. The two week payroll period ends on the day paychecks are distributed to the staff members. Employees receive a paycheck for a two week period on Friday covering the two weeks up to and including that Friday. With the deadline for processing payroll being the Tuesday before the issuance of the checks, the result is that the second week of the payroll period, because of the time lines, are filled with inaccuracies because of dated inaccurate information for the second week.

The County's final offer corrects these deficiencies by moving the payroll date back five days from the current pay period, one day per pay period over five consecutive pay periods. There is no reason for a small group in the County to resist a more realistic and accurate payroll system than presently. The arguments made by COAM are not persuasive, particularly, as there

is no reason why the County should run two payroll systems with perhaps increased staff. Under these circumstances, the majority of the Panel will opt with the County's proposed payroll system and deny COAM status quo proposal.

Compensatory Time

Currently, in the Command contract, there is no provision re: compensatory time. There was at one time, but in the previous contract, it was eliminated through negotiations. This bargaining history leads the Chairman to conclude that the County was able to persuade the command to eliminate compensatory time. For this reason, plus the fact that there is no compelling evidence to suggest overlooking this bargaining history, the Chairman will join with the County delegate and decline to award COAM's last best offer to reinstate compensatory time which the County's last best offer rejects.

Shift Premium

The County proposes the status quo of the shift premium which provides that for afternoons, lieutenants receive \$.91 per hour, sergeants \$.83 per hour; for midnights, lieutenants \$1.82 per hour, sergeants \$1.66 per hour. COAM provides that the afternoon shift receive a rate of 3% of their base hourly rate, and the midnight shift receive a premium of 6% of their base hourly rate. It is true that the deputies do have a percentage. It is also true that three counties, Livingston, Oakland, and Saginaw, have no shift premium. Only one county, Genesee, pays a percentage-based shift premium. The hourly rate, converted to percentages, lieutenants would be receiving 2.127% for the afternoon shift and 4.75% for the midnight shift. The sergeants would be receiving 2.63% for the afternoon shift and 5.07% for the midnight shift, almost what the Union has requested.

Although the deputies are receiving a percentage, the fact is Command are making more per hour and almost the same as the percentage claimed. Considering that percentages are not the practice in other sheriffs' departments, the Chairman will side with the County delegate and vote to adopt the County's last best offer to maintain the status quo.

Hazard Pay

The Command receives \$875 payment hazard pay. The Deputies receive an increase of \$225.00 in hazard pay from \$420.00 to \$645.00. COAM seeks to add another \$225.00 to the proposed increase the deputies received. The County points out only two external comparables pay hazard pay, namely Washtenaw County and Clinton Township. Most members of the unit are not assigned to road patrol duties where the hazards exist. Sergeant O'Brien, as a deputy, testified in the Act 312 involving the deputies that the deputies should receive hazard pay as they were the first responders. Sergeant O'Brien testified in this proceeding, suggesting that the sergeants should receive the \$225.00 increase to maintain the differential. In this situation, there is the art of the possible. As the Chairman has pointed out, he is bound by the last best offers of the parties.

In evaluating the economic impact, the Chairman would agree that there is no basis to increase the hazard pay for the command, particularly when all the economic factors are considered, including the command delay in giving up six holidays and adopting a revised longevity schedule. Therefore, the Chairman joins with the County's delegate and votes to adopt the County's last best offer, namely, to make no changes in hazard pay and rejects COAM's offer for an increase.

Conclusion

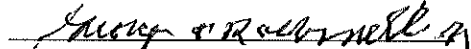
As the Chairman has pointed out, the Panel is bound by the last best offers of the parties. To the Chairman this was frustrating as to the wage offers. On the other hand, on the overall package resulting from the following awards, as compared to the other County bargaining units, the command has fared as well economically as any bargaining unit in the County, including the deputies and captains.

It may be, as COAM's advocate suggests, that the County has an "unwillingness to pay." The Chairman does not accept this view. What has occurred in Macomb County is a continued effort to stabilize its finances and to realistically fund its retiree obligations so that current and future employees and present retirees can look forward to a reasonable expectations of being recipients of the financial obligations that the County has undertaken to them. With this stabilization the County and its unions can proceed in the future on a new approach in negotiations. In this case, COAM has received overall economic benefits consistent with the bargaining pattern in the County in order to obtain the necessary financial stability.

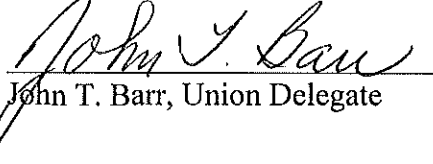
AWARDS

1. Duration:

The contract between the Command Officers Association and Macomb County shall run January 1, 2013 through December 31, 2016.


George T. Roumell, Jr., Chairman

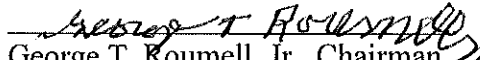

Eric A. Herppich, County Delegate


John T. Barr, Union Delegate

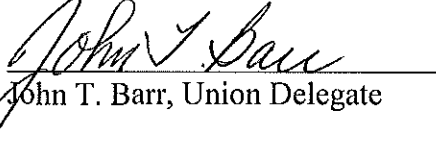
December 18, 2014

2. Tentative Agreements:

All tentative agreements reached by the Command Officers of Michigan and Macomb County shall be included in the January 1, 2013 through December 31, 2016 collective bargaining agreement between the parties.


George T. Roumell, Jr., Chairman


Eric A. Herppich, County Delegate

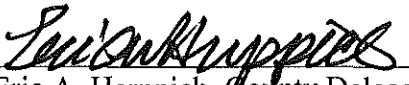

John T. Barr, Union Delegate

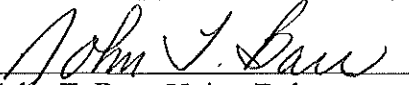
December 18, 2014

3. Wages: January 1, 2013 - December 31, 2013

Effective January 1, 2013 through December 31, 2013 the status quo shall remain, namely, there will be no wage increases for members of the collective bargaining unit.


George T. Roumell, Jr., Chairman

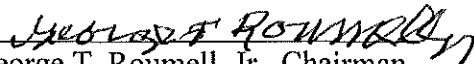

Eric A. Herppich, County Delegate

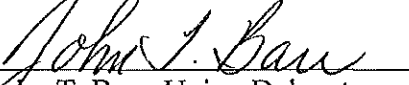

John T. Barr, Union Delegate

December 18, 2014

4. Wages: January 1, 2014 - December 31, 2014

Each member of the Command Officers Association bargaining unit in the Macomb County Sheriff's Department shall receive a \$3,000 lump sum payment. There will be no changes in the wages.


George T. Roumell, Jr., Chairman


John T. Barr, Union Delegate,
concurring



Eric A. Herppich, County Delegate,
dissenting

December 18, 2014

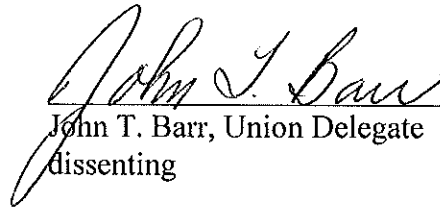
5. Wages: January 1, 2015

The salary schedule shall remain at the status quo with no change in the salary schedule. For the year 2015, payment for six recognized holidays will be eliminated.

George T. Roumell, Jr., Chairman

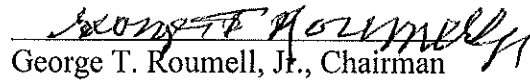

Eric A. Herppich, County Delegate
concurring

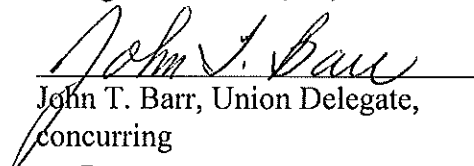
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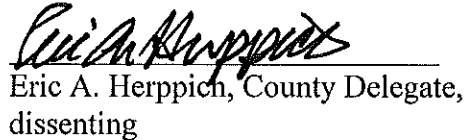

John T. Barr, Union Delegate
dissenting

6. Wages: January 1, 2016

There will be a two percent (2%) salary increase for all steps contained in the collective bargaining agreement effective January 1, 2016.


George T. Roumell, Jr., Chairman

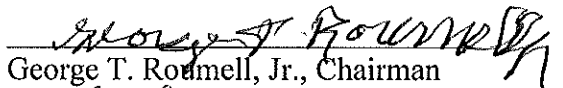

John T. Barr, Union Delegate,
concurring

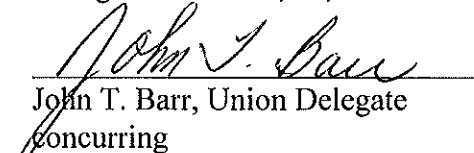

Eric A. Herppich, County Delegate,
dissenting

December 18, 2014

7. Insurance Benefits - Economic.

The County's proposed amendment to Article 14, Section D is rejected.


George T. Roumell, Jr., Chairman


John T. Barr, Union Delegate
concurring


Eric A. Herppich, County Delegate
dissenting

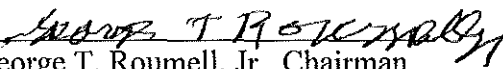
December 18, 2014

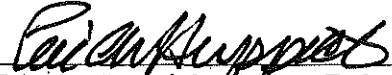
8. Insurance Benefits - Economic.

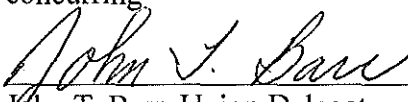
Article 14, Insurance Benefits, shall be amended by adding the following new Section K:

K. A Health Care Task Force Committee will be established, consisting of representatives from the Employer and the Union:

- 1. To receive and review information pertaining to the Employer's Request for Proposals (RFP) for medical, prescription drug, dental and vision plans.**
- 2. To meet and discuss medical, prescription drug, dental and vision plans, prior to any substantially equivalent changes.**


George T. Roumell, Jr., Chairman


Eric A. Herppich, County Delegate
concurring


John T. Barr, Union Delegate
dissenting

December 18, 2014

9. Longevity - economic:

Article 19, Longevity, shall be amended to provide as follows:

Article 19

LONGEVITY

- A. The Parties recognize Macomb County Board of Commissioners hereby establishes a policy of payment of additional compensation to those County employees who have having a record of long continued employment and service with the County of Macomb and value the experience gained through such length of service. ~~as recognition of the value of experience gained by such length of service and to encourage same:~~

~~B. All employees represented by the bargaining unit shall be included in the Macomb County Longevity Compensation Policy:~~

BE. The basis of longevity compensation is as follows:

1. Eligibility of an **full-time** employee shall ~~initially~~ commence when such employee shall have completed at least **fifteen (15)** ~~five (5)~~ full years of continuous employment on or before October 31st of any year. ~~except as the following prorated formula shall apply:~~

~~a. Employees who complete at least five (5) full years of continuous employment during the months of November and December only, of any year, shall receive a prorated share of longevity as follows:~~

~~November 1 through November 15 - 95%~~

~~November 16 through November 30 - 90%~~

~~December 1 through December 15 - 85%~~

~~December 16 through December 31 - 80%~~

~~b. The schedule of payments and provisions of the Longevity Compensation Policy remains unchanged, except as amended above.~~

~~2. Credit shall be given retroactive for continuous employment years of service by County employees existent as of the effective date of this longevity policy.~~

23. Continuous employment for the purpose of this policy shall not be considered as interrupted when absences arise as paid vacations, paid sick leave, paid workers' compensation period not to exceed one year, or leave of absence authorized by the Sheriff and approved by the **Director**, Human Resources **and Labor Relations** Director, provided

such leave of absence periods shall not be considered in the computation of years of service for longevity compensation.

- 34. The following schedule of payment shall be used as a basis for computation of longevity.** The compensation used as a basis for computation of longevity for employees shall be based on a rate of the annual salary not exceeding \$30,000.00, paid to such employee as of October 31st, provided such employee is qualified as to length of service as per Section **BC**, paragraph 1.a., as amended, provided, that the compensation to be utilized for computation purposes for a part-time employee entering upon full-time employment shall be the average compensation received by such employee in the previous **fifteen (15) five (5)** years of employment until such time as **fifteen (15) five (5)** years of full employment is attained.

4. The following schedule of payment shall apply:

<u>Step</u>	<u>Continuous Years of Service</u>	<u>Amount Percent Used But On Base Not in Excess of \$30,000</u>
1	5 through 9	2%
2	10 through 14	4%
<u>13</u>	15 through 19	<u>\$ 600.00 6%</u>
<u>24</u>	20 through 24	<u>\$ 800.00 8%</u>
<u>35</u>	25 and thereafter	<u>\$1,000.00 10%</u>

- CD.** Pro-ration of longevity payments for employees retiring or deceased during any year prior to October 31st will be as follows:

1. Employees who qualify, will receive 1/12th of the applicable amounts as provided for in the Longevity Compensation Schedule of payment formula, for each complete calendar month of service, from the preceding November 1st to the calendar month in which termination takes place. In no case shall less than ten (10) days of service rendered in a calendar month be credited as a month of service.

2. Employees voluntarily leaving the employ of the County or dismissed for cause prior to October 31st of any year shall not be entitled to longevity payments for the year of leaving nor for any portion thereof.
3. An approved Leave of Absence Without Pay for reasons of personal illness/injury shall qualify an employee for a pro-rated longevity payment at the same time that other employees receive their payment. Employees who are on a Leave of Absence Without Pay for illness/injury in immediate family, education and personal reason will be required to return to active employment from said leave to qualify for a pro-rated longevity payment.
4. Employees leaving the employ of the County by reason of retirement and receiving benefits under the Macomb County Employees' Retirement Ordinance, or by reason of death from any cause shall be entitled to and receive a longevity payment upon a pro-rated basis for that portion of the year employed, regardless of date of termination of employment.

DE. Military duty time will be included as continuous service time in the computation of future longevity payments provided the employee returns to the employ of the County within ninety (90) days after release from service with a branch of the U.S. Armed Forces.

EF. Longevity compensation shall be added to the regular payroll check, when due, for eligible employees. This longevity payment shall be considered a part of regular compensation and as such, subject to withholding tax, social security, retirement deductions, and all other deductions required by Federal and State law and the regulations and ordinances of the County of Macomb.


FG. Payments to employees eligible as of October 31 of any year shall be included in the first regular payroll check of December. The annual period covered in computation of

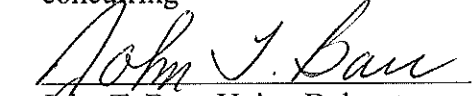
longevity shall be from November 1 of each year and through and including October 31st of the following year.

GH. **DROP Participants:** At the time an employee elects to participate in the DROP program he/she shall receive, as part of their payoff, a prorated amount of longevity compensation as described in Section D, above. Payment for the balance of the DROP years' longevity payment and subsequent longevity payments shall be made in December of each year as described in Section G, above. For DROP participants, the amount of longevity compensation paid in subsequent years shall be determined by the step level achieved by the employee at the time they elected to DROP. (Step levels are described in Section C.5, above).

H. **Employees hired into the County after January 1, 2012 will not be eligible for Longevity.**


George T. Roumell, Jr., Chairman


Eric A. Herppich, County Delegate
concurring


John T. Barr, Union Delegate
dissenting

December 18, 2014

10. Payroll Process Change - Economic

The County's payroll process will change as stated in the following Letter of Agreement:

LETTER OF AGREEMENT

Between

THE COUNTY OF MACOMB

And

COMMAND OFFICERS ASSOCIATION OF MICHIGAN

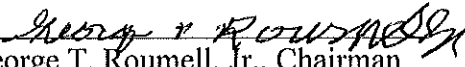
RE: Payroll Process Change


The Parties agree that the Employer has the right to change its payroll processes so that the end of the County's payroll cycle/period is prior to the payroll distribution date. The Employer has the right to determine the timing of this change and will provide a three (3) month notice before implementation. The methodology of this change will be that the payroll distribution date will be delayed by one day per pay period over 5 consecutive pay periods.


FOR THE UNION:

FOR THE EMPLOYER:

Dated: _____


George T. Roumell, Jr., Chairman


Eric A. Herppich, County Delegate
concurring

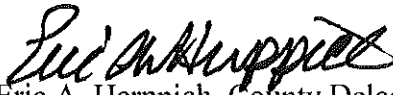

John T. Barr, Union Delegate
dissenting

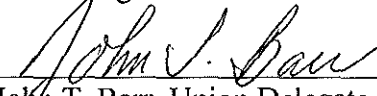
December 18, 2014

11. Shift Premium - economic

The present provisions in the contract shall continue. There will be no changes in shift premium.

George T. Roumell, Jr., Chairman

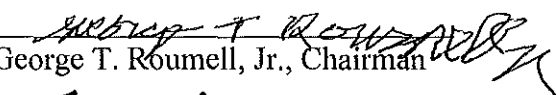

Eric A. Herppich, County Delegate
concurring



John T. Barr, Union Delegate
dissenting

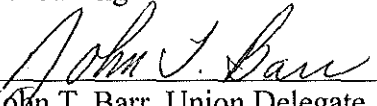
December 18, 2014

12. Hazard Pay - economic

There will be no change in the hazard pay. The status quo shall remain.


George T. Roumell, Jr., Chairman

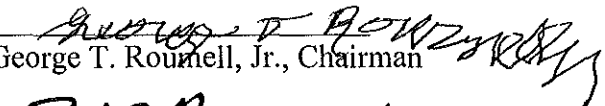

Eric A. Herppich, County Delegate
concurring



John T. Barr, Union Delegate
dissenting

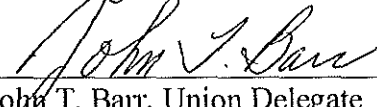
December 18, 2014

13. Compensatory Time - economic

The status quo shall remain. There shall be no compensatory time.


George T. Roumell, Jr., Chairman


Eric A. Herppich, County Delegate
concurring


John T. Barr, Union Delegate
dissenting

December 18, 2014

APPENDIX A

LIEUTENANTS

	<u>1-1-12</u>	<u>1-1-13</u>	<u>1-1-14</u>	<u>1-1-15</u>		
Genesee	70,004	70,004	70,004	(70,004)		
Livingston	72,547	72,547	73,403	(73,403)		
Monroe	75,335	75,335	75,335	75,335		
Oakland	81,163	81,163	81,163	83,614		
Saginaw	64,147	64,147	(64,147)	(64,147)		
St. Clair County	74,228	74,228	74,228	(74,228)		
Washtenaw	76,348	77,111	77,883	77,883		
County Average	73,369	73,505	73,738	74,088		
County Median	74,228	74,228	74,228	74,228		
Macomb County	79,880	79,880	79,880	79,880		
Clinton Twp	90,708	90,708	90,952	90,952		
Sterling Heights	98,242	98,242	98,242	98,242		
Average All	78,080	78,165	78,373	78,645	\$565	.007%
Median All	75,335	75,335	75,335	75,335	0	0%
All salaries based on U. Ex. 88 and U. Ex. 89 Parenthesis indicates the contract expired						

APPENDIX B

SERGEANTS

	1-1-12	1-1-13	1-1-14	1-1-15		
Genesee	65,591	65,591	65,951	(65,951)		
Livingston	61,843	61,843	62,573	(62,573)		
Monroe	69,306	69,306	69,306	69,306		
Oakland	73,784	73,784	75,260	76,012		
Saginaw	58,685	58,685	59,272	(59,272)		
St. Clair County	67,533	67,533	67,533	(67,533)		
Washtenaw	69,042	69,732	70,430	70,430		
County Average	66,541	66,639	67,189	67,297		
County Median	67,553	67,533	67,533	71,452		
Macomb County	72,619	72,619	72,619	72,619		
Clinton Twp	82,462	82,462	82,683	82,683		
Sterling Heights	89,311	89,311	89,311	89,311		
Average All	70,840	70,916	71,380	71,452	\$642	.008%
Median All	69,042	69,306	69,306	69,306	264	.004%
All salaries based on U. Ex. 86 and U. Ex. 87 Parenthesis indicates the contract expired						