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STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION

ARBITRATION UNDER ACT No. 312
Michigan Public Acts of 1969 as Amended

IN THE MATTER OF ARBITRATION BETWEEN

COUNTY OF GRATIOT

-and-

FRATERNAL ORDER OF POLICE LODGE #125
GRATIOT COUNTY SHERIFF DEPARTMENT

RECEIVED
JAN 3 1979
INDUSTRIAL
RELATIONS
DIVISION

ARBITRATION PANEL: Stanley M. Nesen Delegate, Gratiot County
William R. Bannister Delegate, Fraternal Order of Police
Daniel H. Kruger Chairman

APPEARANCES

For the County

William L. Hartman, Jr. Director, Administrative Services
Alfred J. Fortino Attorney

For the Lodge

Thomas A. Carlson Attorney
Dan E. Hankins Attorney

HEARINGS REPORTER

W. R. Lauckner

OPINION AND AWARD OF ARBITRATION PANEL

Background

The County of Gratiot is a public employer in the State of Michigan. The Fraternal Order of Police, Lodge #125, hereinafter referred to as the Lodge, is the bargaining agent for twenty-nine (29) employees of the Sheriff's Department. Four (4) are lieutenants and sergeants, eleven (11) are road patrol and fourteen (14) are in other job classifications (County Exhibit #7).

Seventeen (17) employees of the Sheriff's Department are federally funded. Sixteen (16) of these employees are funded through the Comprehensive Employment and Training Act of 1973 as amended and one (1) employee is funded through Countercyclical Funds (County Exhibit #8).

The current Agreement is for three (3) years and expires December 31, 1978 (Lodge Exhibit #5). On August 23, 1977, the Lodge notified the County that it wished to commence negotiations for a reopener for economic and fringe benefits for the third year of the Agreement.

On February 23, 1978, a tentative agreement was reached and the Lodge voted to accept the County's proposal. Subsequent to the Lodge's ratification the Gratiot County Board of Commissioners rejected the settlement which the parties had negotiated. Mediation was instituted with the Michigan Employment Relations Commission. During the mediation the County and the Sheriff's Department substantially changed its economic proposals and an impasse was declared.

During the negotiations which resulted in a tentative agreement, the salary adjustment was to be based on an eight (8) percent increase, the eight (8) percent being based upon the total wage bill. It was pointed out that the County Board of Commissioners rejected this tentative agreement because the figure given as the total payroll was incorrect and the increase amounted to fourteen (14) percent and not eight (8) percent.

On June 16, 1978, the Lodge requested arbitration as provided for by Act 312. The Michigan Employment Relations Commission appointed on August 25, 1978, Daniel H. Kruger as Chairman of the Arbitration Panel. Mr. William R. Bannister was designated by the Lodge as its Delegate and the County of Gratiot designated Stanley M. Nesen as its Delegate to the Panel.

A prehearing of the Arbitration Panel and the parties was held at 10:00 a.m. on October 12, 1978, at the law offices of Mr. Dan E. Hankins, Attorney for the Lodge, 2248 East Mt. Hope Ave., Okemos, Michigan. The arbitration hearing was held on October 18, 1978, at Alma, Michigan, in the law offices of Mr. Alfred Fortino, Attorney for the County, 175 Warwick Drive.

At the prehearing session on October 12, 1978, the following issues were identified as being in impasse:

1. wages
2. shift premium
3. dental insurance
4. prescription drug
5. new holiday (Easter)
6. uniform allowance for Detective Sergeant
7. sick leave vesting

Discussion of Issues and Award

1. Wages

The last best offer on wages of the County is \$875 and the last best offer of the Lodge is an increase of \$1,000 across the board.

The County chose as comparable counties—Clinton, Isabella and Montcalm—because they border on Gratiot County and are similar in make up. Midland and Saginaw Counties which also border on Gratiot County were excluded because of their urban industrial base. The County also included other counties which it considered comparable. In addition, it compared its wages and fringe benefits to other

TABLE I. Comparison of Salaries Ranked by 3-year Rate for January 1978 Salary.

	<u>START</u>	<u>6 month</u>	<u>1 year</u>	<u>2 year</u>	<u>3 year</u>
Clinton	\$ 12,293	\$ 12,875	\$ 13,416	\$ 13,978	\$ 14,518
Barry	10,426	11,516	12,137	12,512	13,500
* Ionia	10,600	11,000	11,500	12,100	13,400
Sanilac	12,667	12,667	12,667	12,958	13,395
Huron	11,000	11,783	12,566	13,350	13,350
** St. Louis	11,271	11,557	11,843	12,441	13,078
Isabella	11,227	11,227	11,676	12,143	12,750
Branch	11,024	11,232	11,460	11,918	12,521
Montcalm	10,504	10,504	11,065	11,752	12,355
Mecosta	10,995	11,236	11,539	11,779	12,332
** Alma	10,646	10,646	11,178	11,737	12,324
Hillsdale	8,694	9,443	10,192	10,940	11,689
** Ithaca	9,504	9,504	10,098	10,502	11,500
** Breckenridge	9,500	9,500	9,500	9,500	9,500
Average	10,739	11,049	11,488	11,972	12,586
GRATIOT	10,495	10,495	11,475	11,800	12,127
*** GRATIOT, 875	11,550	11,550	12,350	12,675	13,002

* 1977 Rate

** Municipal units within Gratiot County

*** 1977 Salary plus \$875 offered

County Exhibit # 17.

municipal units in Gratiot County which have police departments—
St. Louis, Alma, Ithaca and Breckinridge.

Table I shows the ranking of salaries at the three (3) year rate for comparable counties and the municipal units in Gratiot County with police departments. It was pointed out that these data were collected by means of the telephone. The Lodge raised the question of how accurate these data are. The Panel takes note that the City of St. Louis has a higher rate of pay at the three-year rate than Gratiot County wage rate including the \$875 last best offer. The rate of pay for St. Louis at three (3) years is \$13,078. The current pay rate for three years in Gratiot County is \$12,127, and with the last best offer of \$875 the wage rate in 1978 for the third year will be \$13,002.

The Table II below shows the existing cost of salaries for both employees funded by the County and those funded by CETA and other federal funds.

TABLE II			
	<u>Existing Cost of Wages</u>	<u>Cost of County Best Offer Wages</u>	<u>Cost of Lodge Best Offer Wages</u>
General Fund	\$ 116,153	\$ 125,778	\$ 127,153
CETA	<u>197,753</u>	<u>213,503</u>	<u>215,753</u>
	\$ 313,906	\$ 339,281	\$ 342,906
Dollar Difference:	Between Existing Wage Costs and County Last Best Offer		\$ 25,375
Percent Increase:	Between Existing Wage Costs and County Last Best Offer		8.4 percent
Dollar Difference:	Between Existing Wage Costs and Lodge Last Best Wage Offer		\$ 29,000
Percent Difference:	Between Existing Wage Costs and Lodge Last Best Offer		9.2 percent
Total Dollar Difference:	Between Cost of County's Last Best Wage Offer and Lodge Last Best Wage Offer		\$ 3,625

(Source: County Exhibits 15 and 16)

The County's witness, William L. Hartman, Jr., acknowledged under cross examination by Attorney Hankins that his estimate of the wage costs of CETA funded employees was on the high side (see County Exhibit #12). He estimated that this estimate was about \$3,000 on the high side. If his estimate is correct, the difference in new dollars between the wage costs of the County's last best wage offer and the Lodge's last best wage offer is about \$625, a very minor difference considering the total wage cost of \$342,906 for the Lodge's last best wage offer.

Award.

The Panel directs Gratiot County and the Sheriff's Department to grant the Lodge's last best wage offer of \$1,000 effective January 1, 1978.

Vote: FOR Bannister & Kruger

AGAINST Nesen

2. Shift Premium

The County and the Sheriff's Department currently pays a shift premium of fifteen (15¢) cents. The County's last best offer on shift premium is fifteen (15¢) cents. The Lodge's last best offer on shift premium is to increase the shift premium by ten (10¢) cents to twenty-five (25¢) cents.

In County Exhibit #22, of the fourteen (14) jurisdictions with which Gratiot County compared itself two (2) have shift premiums—Sanilac and Mecosta. No other employees of Gratiot County receive a shift premium. (See County Exhibit #21)

The County has estimated the costs of the shift premium as follows:

	<u>Existing Costs of Shift Premium</u>	<u>Cost of County's Last Best Offer</u>	<u>Cost of Lodge's Last Best Offer</u>
Non-CETA	\$ 1,030	\$ 1,030	\$ 1,715
CETA	<u>3,502</u>	<u>3,502</u>	<u>5,887</u>
Total Costs of Shift Premium	\$ 4,532	\$ 4,532	\$ 7,602

Dollar Difference Between Cost of Last Best Offer of County and Last Best Offer of Lodge	\$ 3,070
Percent Increase Between Cost of County's Last Best Offer and Lodge's Last Best Offer	68 percent

(Source: County Exhibits #15 and #16)

Award.

The Panel directs the County to pay a shift premium of fifteen (15¢) cents which is the County's last best offer on shift premiums. The Panel makes this Award because only two (2) of the comparable counties pay a shift premium—Sanilac and Mecosta. Sanilac pays ten (10¢) cents for the afternoon and fifteen (15¢) cents for night whereas Mecosta pays fifteen (15¢) cents for the afternoon and twenty-five (25¢) cents for night. None of the municipal units in Gratiot County pay a shift premium.

Vote: FOR Nesen & Kruger
 AGAINST Bannister

3. Dental Insurance.

The County does not currently provide dental insurance to the employees of the Sheriff's Department. Its last best offer is to continue not providing dental insurance. The Lodge's last best offer is dental insurance at 75/25.

None of Gratio County's other employees are provided dental insurance (County Exhibit #21). Only one (Hillsdale) of the fourteen (14) comparable governmental units provide dental insurance to its employees in the Sheriff's Department. Thirteen (13) do not.

The County estimated the cost of dental insurance for employees in its Sheriff's Department to be \$7,582. This figure was based on a cost of \$2,814 for non-CETA employees (County Exhibit #15) and \$4,768 for CETA employees (County Exhibit #16).

Award.

The Panel accepts the last best offer of the County and directs the parties not to include dental insurance in the 1978 Agreement. The Panel's rationale for this Award is that only one county among the comparable counties provides this kind of benefit for the employees of its Sheriff's Department.

Vote: FOR Nesen & Kruger

AGAINST Bannister

4. Prescription Drugs.

The County currently does not provide a prescription drug program for the employees of its Sheriff's Department. The last best offer of the County is not to include such a benefit in the 1978 Agreement. The Lodge's last best offer is to include a \$3.00 co-payment drug prescription program.

The County has estimated the cost of the prescription program sought by the Lodge to be \$1,949 for 1978. This cost is based on \$905 for non-CETA employees (County Exhibit #15) and \$1,463 for CETA employees (County Exhibit #16).

The County does not provide a prescription benefit to its other employees (County Exhibit #21). Seven (7) of the fourteen (14) comparable jurisdictions provide their employees in their Sheriff's Department a prescription drug benefit.

Award.

The Panel directs the County to provide a \$3.00 co-pay drug prescription benefit in the 1978 Agreement.

The Panel makes this Award because seven (7) of the ten (10) comparable sheriff's departments provide this kind of benefit. The cost is also minimal, \$1,949 for 1978. Since ten (10) months of 1978 have passed, the Panel directs the County to initiate this benefit effective January 1, 1979. Thus this benefit will not be a cost factor in 1978.

Vote: FOR Bannister & Kruger
AGAINST Nesen

5. New Holiday (Easter)

Currently the employees in the Sheriff's Department have 11½ paid holidays. The County's last best offer is to retain these 11½ paid holidays in the 1978 Agreement. The Lodge's last best offer is to add one additional holiday, Easter, making a total of 12.5 paid holidays.

The County has estimated the cost of an additional holiday based on the Lodge's last best wage offer to be \$2,602. This estimated cost of one additional holiday was calculated as follows:

Cost of Existing Holidays

Non-CETA Employees	\$ 5,136
CETA Employees	<u>8,745</u>
Total Cost of 11.5 Holidays Based on Existing Wage Rates	\$13,881

Cost of Holidays Based on Lodge's Last Best Offer

Non-CETA Employees	\$ 6,111
CETA Employees	<u>10,372</u>
Total Cost of 12.5 Holidays Based on Lodge's Last Best Wage Offer	\$16,483

Dollar difference between costs of existing 11.5 holidays
and 12.5 paid holidays based on Lodge's last best wage offer \$ 2,602

Source: County Exhibits #15 and #16.

The other employees of Gratiot County receive 11.5 paid holidays.

The fourteen (14) comparable jurisdictions provide the following
number of paid holidays:

<u>No. of Jurisdictions</u>	<u>No. of Holidays</u>
1 (Ithaca)	7
2 (Alma and Isabella)	8
1 (St. Louis)	8½
1 (Barry)	9
1 (Clinton)	10
2 (Montcalm and Mecosta)	10½
0	11
0	11½ (Gratiot)
2 (Hillsdale and Sanilac)	12
2 (Huron and Branch)	12½
1 (Ionia)	13
Breckenridge	Not listed

(Source: County Exhibit #24)

Eight (8) jurisdictions provide less than 11.5 paid holidays and five (5) jurisdictions provide more than 11.5 paid holidays to its employees.

Award.

The Panel directs the County to provide 11.5 paid holidays to employees of the Sheriff's Department in 1978.

The Panel makes this Award on the basis that the other county employees have 11.5 paid holidays. In addition the 11.5 paid holidays of employees in the Sheriff's Department compares favorably with the number of paid holidays received by employees of comparable sheriff's departments.

VOTE FOR: Nesen & Kruger AGAINST: Bannister

6. Uniform Allowance

The parties are in agreement on the amount of uniform allowance for Detective Sergeant. The last best offer of both the County and the Lodge for uniform allowance for Detective Sergeant is \$250 per year.

Award.

The Panel directs the County to provide a uniform allowance of \$250 for the Detective Sergeant for 1978. Article XXVIII of the existing Agreement will be amended to provide for this uniform allowance for Detective Sergeant.

Vote: FOR Bannister, Nesen & Kruger

AGAINST --

7. Vesting of Sick Leave

Article XXIII Section 3 of the current Agreement provides for a total accumulation of 90 days of sick leave (Lodge Exhibit #5, p. 11).

The County has proposed as its last best offer that once an employee of the Sheriff's Department has been employed for a period of seven and one-half (7½) years, that employee shall have a vested right to fifty (50%) percent of the maximum number of unused sick leave days which can be accumulated and which shall be payable upon death or retirement.

The Lodge has proposed as its last best offer that once an employee of the Sheriff's Department has been employed for a period of seven and one-half (7½) years that employee shall have a vested right to fifty (50%) percent of the maximum number of unused sick leave days which can be accumulated and which shall be payable upon, death, retirement and separation.

The only difference between the parties' last best offers on the vesting of unused accumulated sick leave is when the unused accumulated sick leave will be payable. The County's last best offer is that these sick leave days will be payable on death or retirement while under the Lodge's last best offer these sick leave days will be payable on death, or retirement or separation.

The parties did not provide any cost data on these proposals because they do not know when the employees will either die, retire or quit. No data were presented on which of the comparable public jurisdictions have vesting of sick leave and their payout provisions in their collective bargaining agreements.

Award.

The Panel accepts the County's last best offer and directs the parties to include the appropriate language in the 1978 Agreement to cover the vesting of sick leave after seven and one-half (7½) years of service and the payout of fifty (50%) percent of the maximum unused accumulated sick leave on death or retirement.

The Panel selected the County's last best offer for two reasons. It limits the financial liability of the County by restricting the payout of unused accumulated sick leave to qualifying employees upon death or retirement. Secondly, no persuasive testimony was given as to why employees who quit should receive a windfall at the taxpayers' expense. Sick leave days were introduced to provide employees with income protection during illnesses not work related. It now appears that the trend is for the employer to buy back those sick leave days which are not used.

Vote: FOR Bannister, Nesen & Kruger

AGAINST --

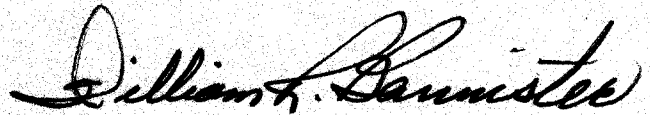
8. Retroactivity

The parties have been negotiating in good faith. It is for this reason that the Panel directed the County to grant the Award on wages effective January 1, 1978. This will necessitate adjustments in the employees' pay for longevity, holiday and vacation pay and other payments based on the new wage structure for 1978.

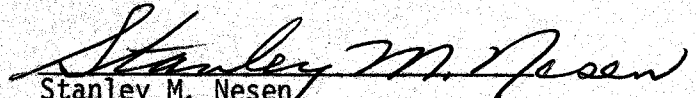
Summary

The Panel sought to make awards on the last best offers of the parties which it considered fair and equitable. The Panel recognizes that collective bargaining is a continuous process and that the parties will shortly begin negotiations for a new agreement. Undoubtedly additional improvements will be negotiated by the parties.

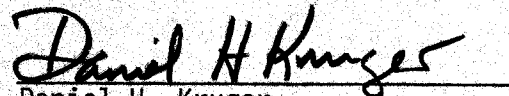
December 6, 1978



William R. Bannister
Delegate for Lodge 125
Fraternal Order of Police



Stanley M. Nesen
Delegate for Gratiot County
Board of Commissioners



Daniel H. Kruger
Chairman

*NOTE: Signatures do not indicate that all Panel members are in agreement with all the awards. The signatures signify that this is the award of the Panel.