

358
359

Sub.

2/3/94
h5u

STATE OF MICHIGAN

ARBITRATION UNDER PUBLIC ACT 312, PUBLIC ACTS OF 1969

IN THE MATTER OF:

COUNTY OF HILLSDALE,

Employer,

MERC Case No. L92 J-0776

MERC Case No. L92 J-0777

-and-

POLICE OFFICERS LABOR COUNCIL,

Labor Organization.

Hillsdale County

OPINION AND AWARD OF COMPULSORY ARBITRATION PANEL

Karen Bush Schneider, Arbitrator

Olin Hinkle, Employer Delegate

Homer Lafrinere, Labor Organization Delegate

STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
DETROIT OFFICE

1094 FEB 18 AM 9:52

RECEIVED

INTRODUCTION

This arbitration was conducted in accordance with the provisions of Public Act 312 of the Public Acts of 1969, as amended, which provides for binding arbitration of unresolved contractual issues in public sector police and fire departments.

The parties stipulated that collective bargaining had taken place and when all of the issues were not resolved, the remaining issues in dispute were submitted to mediation in accordance with the provisions of Act 312. Upon failure to resolve the remaining issues in mediation, the Police Officers Labor Council, hereinafter known as the "Union", petitioned for arbitration of the matters in dispute in accordance with Public Act 312, the petitions being filed on or about February 8, 1993.

The petition on behalf of the Sergeants bargaining unit, being Case No. L92 J-0776, identified the following unresolved issues in disputes:

1. Length of contract
2. Wages and back pay
3. Retirement
4. Shift differential
5. Personal days
6. Vacation
7. Disability
8. Health insurance

The petition on behalf of the Deputies, including jail guards, marine, dispatchers, and animal control, being Case No. L92 J-0777, described the following unresolved issues in dispute:

1. Length of contract

2. Wages and back pay
3. Retirement
4. Shift differential
5. Personal days
6. Vacation
7. Disability
8. Health insurance

The foregoing petitions were consolidated for hearing and Karen Bush Schneider was selected by the parties as the impartial Arbitrator and chairperson of the Arbitration Panel. MERC transmitted a letter of appointment to her on or about May 14, 1993. The Employer designated Olin Hinkle as the Employer member of the Panel and the Union appointed Homer Lafrinere as the Union member of the Panel.

A Pre-Hearing Conference was held on July 15, 1993, wherein the parties confirmed the outstanding issues between them as follows:

1. Duration of contract
2. Wages
3. Retirement
4. Shift differential
5. Personal days
6. Vacation
7. Disability insurance
8. Health insurance
9. Retroactivity of economic benefits
10. Ability to pay

The parties stipulated that all prior contract provisions not at issue were to be carried forward in the successor agreement. Tentative agreements reached by the parties in collective bargaining shall also be carried forward. The parties waived all time lines under Act 312.

An evidentiary hearing was held in this matter on November 10, 1993, in Hillsdale, Michigan. All parties and Panel delegates participated. At the hearing, the Union withdrew the issue of health insurance.

The parties submitted Last Best Offers which were exchanged by the neutral chairperson on or about November 30, 1993. Briefs in support of the Last Best Offers were subsequently filed by the parties and the hearing was deemed closed by the impartial chairperson on January 7, 1994.

Thereafter, the Arbitration Panel met on January 17, 1994, to discuss the terms of an award to be prepared by the impartial chairperson.

Act 312 of 1965 provides for compulsory arbitration of labor disputes of municipal police officers and fire fighters. Section 8 of Act 312 states in relation to economic issues that:

An arbitration panel shall adopt the last offer of settlement which, in the opinion of the arbitration panel, more nearly complies with the applicable factors described in Section 9. The findings, opinions, and orders as to all other issues shall be based upon the applicable factors prescribed in Section 9.

Section 9 of Act 312 contains eight factors in which the Arbitration Panel shall base its opinion and orders. The factors are as follows:

- a. The lawful authority of the employer;
- b. Stipulation of the parties;
- c. The interest and welfare of the public and financial ability of the unit of government to meet those costs;
- 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 with other communities generally:

- (i) In public employment in comparable communities;
 - (ii) In private employment in comparable communities
- e. The average consumer prices 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, continuity and stability of employment, and all other benefits received;
 - g. Changes in any of the foregoing circumstances presented during the pendency of the arbitration proceedings;
 - h. Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in 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.

The Panel was guided by Sections 8 and 9 of Public Act 312 in selecting the Last Best Offer which is hereby awarded. The evidence, considered by the Panel consisted of testimony taken under oath, the stipulations of the parties, the exhibits introduced by the parties in the course of the hearing and the arguments made by the parties in their post-hearing briefs.

BACKGROUND AND INABILITY TO PAY

The County of Hillsdale is a rural county, located in the most southerly tier of Michigan counties, directly north of and contiguous to Steuben County, Indiana, and Williams County, Ohio.

The population of Hillsdale County as of 1990 derived from U.S. Department of Commerce census was 43,431. (See County Exhibits 5 and 6). In 1993, Hillsdale SEV was 610,001 (rounded to nearest \$1,000.00). (See County Exhibit 7, and Union Exhibit 1). Hillsdale's SEV per capita in 1993 was 14,045. Its general fund budget for 1993 was \$5,823,315. (See County Exhibit "9"). The median household effective buying income was \$22,206. (County Exhibit "11").

In August of 1992, the electorate of Hillsdale County approved extra millage as follows: 3/4 of a mill for the medical care facility and 1/4 of a mill for County ambulance service, both commencing in 1993. (T-121-122). Through that same election, a Headlee rollback vote which would have raised additional funds and which would have allowed the assessment of the full 5.75 mills allocated for County government, was defeated. (Id).

In 1992, the County ended the year with a negative balance or deficit of over \$477,000. (T-118). In an attempt to wipe out the deficit, no raises or positive wage adjustments were included in the 1993 budget for any County employee. (T-118-132). In 1993, all County employees, with the exception of the police sergeants and deputies accepted a wage freeze in return for the Employer paying the increased insurance premiums which went in effect in June of 1993. Despite the fact that the Employer was able to seek a contribution toward insurance from the sergeants and deputies, it voluntarily provided the officers with Blue Cross and Blue Shield coverage at no cost.

The major deficit the County experienced at the end of 1992 was being brought into balance in 1993 due largely to employee wage freezes, the special millage funding , and expenditure containment. (T-188-132).

COMPARABLES

In accordance with the provisions of Act 312 relative to the applicable factors to be considered as set forth in Section 9, the Panel considered the economic benefits paid in comparable communities when deciding the economic issues. The parties did not agree on what comparable communities should be considered.

The Employer offered the counties of Barry, Branch, Cass, Gratiot, Huron, Mecosta, Montcalm, Newaygo, Sanilac, and Tuscola as comparables. In so doing, the Employer analyzed such factors as population (County Exhibit 5), population change (County Exhibit 6), state equalized valuation (County Exhibit 7, and 8), County budget (County Exhibit 9), compensation for County commissioners (County Exhibit 10), and effective buying income (County Exhibit "11").

The Union offered the counties of Barry, Branch, Gratiot, Ionia, and Isabella, in addition to Hillsdale City. In so doing, the Union looked at population, land area, police department composition, officers per square mile, officers per capita, state equalized valuation/SEV per capita, crime statistics, per capita income, housing, and median household income. (See Union Exhibit "1").

The Arbitration Panel noted that in a recent Act 312 proceeding, the parties agreed on four County comparables, to wit, Gratiot, Ionia, Berrien, and Branch. (Joint Exhibit "3").

Thus, the parties have in common the counties of Barry, Branch, and Gratiot. The Panel looked to those three counties in resolving the economic issues, as well as generally to the other counties propounded as comparables by the parties.

POSITION OF THE PARTIES RELATIVE TO THE ISSUES IN DISPUTE

A. Duration of Contract.

In its Last Best Offer of November 24, 1993, the Employer proposed a two year labor agreement covering the period from January 1, 1993 through December 31, 1994.

In support of its proposal regarding contract duration, the Employer asserts that a two year agreement is reasonable given the financial uncertainty of the County due to its budget shortfall in 1992, as well as to the uncertainty of education finance on a state basis. This uncertainty, the Employer argues, deprives the Panel of making any meaningful prediction concerning labor costs beyond the current calendar year.

In the Union's Last Best Offer of November 24, 1993, the Union requested that the duration of the successor collective bargaining agreement be as follows: Effective January 1, 1993 through December 31, 1995.

In proposing a three year agreement, the Union takes the position that the County of Hillsdale's economic woes are on the wane and that to award only a two year agreement would throw the parties immediately back into collective bargaining, since the entire first year of the successor agreement would have expired. Since the parties have been through two Act 312 arbitrations within the past two years, the Union asserts that a contract of a longer duration is appropriate.

B. Wages.

The Employer, through its Last Best Offer, offered a wage freeze for 1993, based upon its inability to pay and a four percent (4%) wage increase across the board commencing January 1, 1994. The Employer relies chiefly on the inability to pay argument as described

in the section of this award entitled, "Background and Inability to Pay," supra. In its Last Best Offer, the Union proposed the following across-the-board salary increases for all classifications:

Effective 1/1/93: Three percent (3%) across the board.

Effective 1/1/94: Four percent (4%) across the board.

Effective 1/1/95: Four percent (4%) across the board.

The Union justifies its wage proposal by reference to the relatively low position of Hillsdale County deputies and sergeants when compared to the agreed-upon comparables, the Union's proposed comparables, as well as the Employer's proposed comparables. Additionally, the Union points to the increased crime rate in Hillsdale County, its view that the County's economic condition is solid, and that the wage increases in the second year and third year of the contract would keep pace with wages paid to police personnel in the comparable counties.

C. Retroactivity.

The Employer offers retroactivity of wage benefits starting January 1, 1994, and step increases in 1993, based upon anniversary date only. The Employer supports its position by reference to its inability to pay argument.

By contrast, the Union requests that all salary increases be retroactive to the dates set forth in its Last Best Offer regarding wages. The Union asserts that to do otherwise would cause its constituent bargaining unit members to fall even further behind the wages paid to police personnel in comparable counties.

D. Retirement.

The Union, in its Last Best Offer, proposes that the retirement provisions for deputies and sergeants be amended to read as follows:

The Employer shall continue the present pension plan for the employees covered by this agreement and shall pay as a contribution to said pension plan four percent of the gross pay of all of its employees.

At present, the Employer contributes four percent (4%) of an employee's "base" wage to retirement. In its proposal, the Union looks to base the four percent (4%) contribution not on the "base" wage, but on the "gross" wage. In support of its proposal, the Union asserts that internal parity requires a defined contribution based upon gross wages. All other County employees receive a retirement contribution based upon their "gross" wage. This includes the sergeants.

The Employer proposes to maintain the status-quo for both units. Currently, the sergeants participate in the County retirement plan, while the deputies are in a plan separate from all other County employees. Despite this different treatment of the deputies, the Employer maintains that no change in the retirement contribution is reasonable since the Sheriff's deputies receive a substantial amount of overtime. On an annual basis, the County pays appropriately \$59,000 in overtime. (T-89).

E. Shift Differential.

The Union proposes a new provision be incorporated into the collective bargaining agreement to provide for a one percent (1%) shift differential payable on the second and third shifts. The proposed contract language would read as follows:

Any employee working the second (4 p.m. to 12 a.m.) or third (12 a.m. to 8 a.m.) shift shall receive shift differential pay in an amount equal to one (1%) percent of the employee's current hourly rate.

The Union's proposal seeks an increase in the hourly wage for correction officers of eleven cents (11¢) an hour, deputies thirteen cents (13¢) an hour, and sergeants fourteen cents (14¢) an hour for those individuals who work on the afternoon and midnight shifts. In support of its proposal, the Union points to the increasing crime rate in Hillsdale County, asserting that the increase in crime occurs chiefly on the afternoon and midnight shifts. Thus, a shift differential would recognize the increased work load which officers incur on those shifts. The Union also asserts that the counties of Branch, Gratiot, and Isabella all provide shift premium for afternoon and midnight shifts. (Union Exhibit 3).

The Employer offers no shift differential. The Employer relies on its inability to pay proofs in support of its position.

F. Personal Days.

The Union withdrew its proposal regarding personal days and, therefore, the issue will not be addressed by the Arbitration Panel.

G. Vacations.

The Union requests that the current vacation schedule be modified effective January 1, 1994, as follows:

Section 1. All employees covered by this agreement who are on the seniority list of the County shall on each anniversary of their employment date be entitled to vacation with pay at their current rate in accordance with the following schedule:

1 year - 5 days
2 years - 10 days
5 years - 15 days
6 years - 16 days
7 years - 17 days
8 years - 18 days
9 years - 19 days
10 years - 20 days

The Union supports its vacation proposal on the basis that comparable communities provide better vacation accrual than the Employer. In this regard, Barry County, Isabella County, and Hillsdale City provide at least fifteen (15) days of vacation after five years of service. (See Union Exhibit "5"). Furthermore, Barry County, Ionia County, Isabella County, Hillsdale City provide twenty (20) vacation days after ten years of service. (Union's Exhibit "5"). The Union desires additional time off in order to permit bargaining unit members time to spend with their respective families, as well as due to considerations of stress reduction.

The Employer proposes to maintain the status quo with regard to the deputies' and sergeants' current vacation accrual. The Employer relies on its inability to pay proofs, as

well as to the vacation earned in comparable counties by Sheriff's Department employees. (See County Exhibit "12").

H. Disability Insurance.

The Union proposes that the current disability plan already in place for all other county employees be implemented for deputies and sergeants, to wit:

- (a) Employees that elect not to be covered by the County's medical insurance or their spouse is also employed by the County shall have disability coverage paid by the County.
- (b) All other employees may participate in disability coverage at their own cost.

All other County employees have the option of receiving disability insurance.

The Union asserts that considerations of internal parity dictate similar treatment for Sheriff's Department personnel. The Union also points out that the counties of Barry, Branch, and Hillsdale City all provide disability insurance. (Union Exhibit "6").

The Employer proposes in its Last Best Offer to maintain the status quo. The Employer maintains that disability insurance is one additional benefit which the County can ill afford to pay. Further, the Employer points out that the Sheriff's Department deputies and sergeants already have dental insurance fully paid by the Employer and that no other County employees receive dental insurance.

I. Health Insurance.

The Union withdrew its proposal regarding health insurance. The Employer proposes the following:

The Union has withdrawn its request to change the health coverage. For 1993, the employer plans to continue the health

insurance currently in existence through Blue Cross/Blue Shield at **NO** cost to the Deputies or Supervisory personnel. Indeed, the increased premiums have already been paid.

For **1994**, it is expected that the cost will not increase until June 27, 1994. At that time the employer would offer to share any increase in premium with the Union personnel in both bargaining units on a 50/50 basis over and above the following amounts:

Full Family	\$396.20
Two Persons	\$361.68
Single Person	\$173.41

Rates effective from June 28, 1993 through June 27, 1994.

The Union contends that the Employer's health insurance proposal is not properly before the Arbitration Panel due to the Union's withdrawal of the issue, as well as due statements made by the County at the arbitration hearing. (See T-6-7).

ARBITRATION PANEL FINDINGS AND CONCLUSIONS

After careful analysis and review of the positions of the parties on the issues presented to the Panel for an opinion and award, the Panel finds on each of the issues as follows:

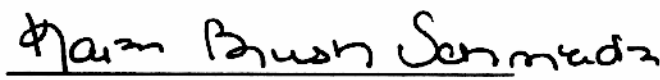
A. Duration of Contract.

In their respective last best offers, the Employer proposed a two year labor agreement covering the period from January 1, 1993 through December 31, 1994, while the Union proposed a three year labor agreement covering the period from January 1, 1993 through December 31, 1995.

The Employer argues that a two year agreement is more appropriate given the volatility of government finance and tax issues. By contrast, the Union argues that since one year of the successor labor agreement has already elapsed, a three year agreement would provide the parties with more labor stability. To award a two year agreement would require the parties to resume negotiations almost immediately for a successor labor agreement.

The Arbitration Panel has carefully considered the arguments of the parties and believes that a three year agreement is appropriate. While not unmindful of the concerns of the Employer regarding its inability to make financial predictions, the Panel finds it significant that one year of the successor labor agreement has already elapsed. Therefore, the future award of the Panel amounts only to a two year agreement, it will provide the parties with some labor relations stability, as well as provide the County with requisite notice of its labor costs for a reasonable period of time.

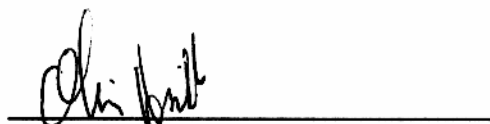
Therefore, the Arbitration Panel, with regard to the issue of duration, awards and orders that the successor labor agreement cover the period from January 1, 1993 through December 31, 1995.


Karen Bush Schneider
Panel Chairperson

Concur:


Homer Lafrinere

Dissent:



Olin Hinkle

B. Wages.

In its last best offer, the Employer offered a wage freeze for 1993 and a four percent increase across the board for calendar year 1994. The Employer made no wage offer for 1995.

The Union proposed wage increases of three percent, four percent, and four percent, effective January 1, 1993, January 1, 1994, and January 1, 1995, respectively.

The parties are in agreement on their wage proposal for calendar year 1994. Therefore, the Panel has chosen to treat the wage for that year as stipulated by the parties.

The remaining dispute between the parties centers on calendar years 1993 and 1995.

Both parties make compelling arguments in support of their respective wage proposals. In analyzing the positions of the parties in connection with Section 9 of Act 312, the factors which most crucially come into play are (c) the interests and welfare of the public and financial ability of the unit of government to meet those costs; (d) comparison of the wages of the employees involved in the arbitration proceedings with the wages of other employees performing similar services and with other communities generally in public employment and private employment, and (e) the average consumer prices for goods and services, commonly known as the cost of living.

With regard to the interest and welfare of the public and the financial ability of the unit of government to meet those needs, the Arbitration Panel considered the argument of the Employer regarding inability to pay. The Employer ended the 1992 fiscal year with a negative balance or deficit of approximately \$477,000. (T-118). Nonetheless, through a County-wide wage freeze, extra millage for the medical care facility and County ambulance service, and other economies, the County was able to eliminate its deficit in calendar year 1993.

By contrast, the Union contends that its bargaining unit members were compensated at below the average wage of similarly situated officers employed by comparable counties and to impose a wage freeze for 1993 would cause them to fall even further behind the comparables. (See Union's Exhibit "1" and Employer's Exhibit "15").

Despite the compelling nature of the Employer's inability to pay argument on the issue of wages, the Panel is persuaded that an analysis of factor (d) outweighs an analysis of factor (c) in this case. It appears that the bargaining unit members in Hillsdale have been

compensated substantially below that of the average paid by comparable communities. To impose a total wage freeze for 1993 would cause further compensation slippage. The public interest in the provision of police services in Hillsdale County, coupled with the crime statistics, would also seem to favor the position of the Union.

The Panel also notes that in the expired collective bargaining agreement was settled through interest arbitration proceedings under Act 312. In that proceeding, the Employer also raised an inability to pay argument which was found by the Arbitration Panel to be subverted by considerations of comparability, as well as by the interests of the citizens of Hillsdale County in comprehensive law enforcement services. (See Joint Exhibit 3.) Therefore, the Panel awarded the Union's wage proposal while limiting the duration of the agreement to two years.

With regard to the third year of the contract, the Panel notes that the Union is proposing a four percent increase. The Employer has made no proposal given its position that the contract should have a two year duration. A four percent wage adjustment is reasonable in light of the stipulation of the parties to a four percent increase in calendar year 1994, the relative position of the employee's of Hillsdale County vis-a-vis comparables, and the level of proposal in light of the rate at which the cost of living has been running.

WHEREFORE, the Arbitration Panel awards the following wage adjustments:

1993	three percent
1994	four percent
1995	four percent

Karen Bush Schneider
Karen Bush Schneider
Panel Chairperson

Concur:

Homer Lafrinere
Homer Lafrinere

Dissent:

Olin Hinkle

Olin Hinkle

C. Retroactivity.

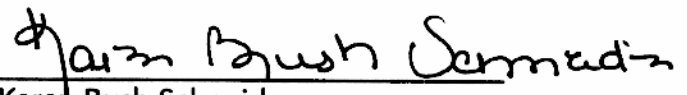
The Employer offers retroactivity of wages commencing January 1, 1994, whereas the Union requests that all wage increases be retroactive to January 1 of each individual year of the contract.

It is in the area of retroactivity that the Arbitration Panel has determined that the Employer's inability to pay argument should predominate. It cannot be gainsaid that the Employer ended its fiscal year 1992 with an almost \$500,000 deficit. It is further undisputed that the Employer imposed a wage freeze on a County-wide basis.

Considerations of the deficit, as well as internal parity, cause the Arbitration Panel to make its wage award retroactive to January 1, 1994. In other words, the three percent wage adjustment awarded in 1993, carries no retroactivity. In actual operation, it will merely be built into the base of the bargaining unit member's wages which will then be increased by

four percent commencing January 1, 1994. In this way, the Panel believes it is maintaining the relative placement of the bargaining unit members vis-a-vis comparables, while at the same time recognizing the Employer's financial problems and the potential morale problem with regard to other County employees if a full retroactive wage adjustment were awarded. Considerations of internal comparability and parity are certainly as important as considerations of external comparability.

WHEREFORE, the Arbitration Panel awards no retroactive payment of its wage adjustment for calendar year 1993, but awards retroactivity of the wage adjustment it awarded commencing January 1, 1994.


Karen Bush Schneider
Panel Chairperson

Concur:

Dissent:

Homer Lafrinere



Olin Hinkle



D. Retirement.

The Union requests that the retirement provisions for deputies be amended to read as follows:

The employer shall continue the present pension plan for the employees covered by this agreement and shall pay as a contribution to said plan four percent of the gross pay of all its employees.

The Employer proposes to maintain the status quo with regard to the retirement contribution for the duration of the new contract.

At present, the Employer contributes four percent of the deputies "base" wage to their retirement plan. With respect to all other County employees who are eligible for a defined contribution, the Employer makes a contribution of four percent of "gross" wages. This includes the police sergeants.

The Union therefore seeks to support its proposal by pointing to internal comparability or internal parity.

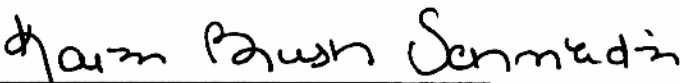
The Employer argues that to accept the Union's proposal to base the deputies' retirement contribution on gross wages, rather than base wages, would be inequitable since the deputies receive so much overtime annually. The Employer estimated annual overtime to be approximately \$59,000. (T-89). No other classifications of County employees receive as much overtime as the deputies do.

The Arbitration Panel is persuaded that the Union's proposal should be accepted. It is estimated that the cost of the proposal is approximately \$2,400 on an annual basis. This modest cost, coupled with the fact that other County employees receive contribution based on gross wages causes the Arbitration Panel to view the Union's proposal more favorably. The Panel also notes that the retirement contribution made by the Employer is currently at the level of four percent. From the standpoint of a defined contribution plan,

this contribution is modest and thus to use this contribution figure on gross wages would seem reasonable.

Consistent with the analysis provided in Section C, *supra*, this modification to retirement shall be retroactive only to January 1, 1994.

WHEREFORE, the Arbitration Panel awards the Union's last best offer regarding retirement.



Karen Bush Schneider
Panel Chairperson

Concur:



Homer Lafrinere

Dissent:



Olin Hinkle

E. Shift Differential.

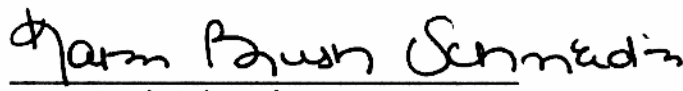
The Union has proposed a new provision be incorporated in the successor labor agreement to provide for a one percent shift differential to employees working the second and third shifts. This would amount to an hourly wage increase for correction officers of 11 cents per hour, deputies 13 cents per hour, and sergeants 14 cents per hour for those individuals working afternoon and midnight shifts. The Union bases its proposal on the increasing crime rate which correlates with crime committed in the afternoons and evenings, as well as on the

basis of external comparability, when compared to the counties of Branch, Gratiot, and Isabella. (See Union Exhibit "3").

The Employer proposes to maintain the status quo in reliance on its inability to pay proofs.

While the Arbitration Panel recognizes that shift differentials or shift premiums are a common form of wage enhancer, it is persuaded, due to the economic adjustments already made, when coupled with the Employer's financial condition, to view the Section 9 criteria in a light most favorable to the Employer. Further, the comparables do not overwhelmingly support the payment of the shift differential requested.

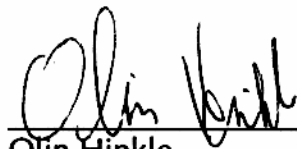
WHEREFORE, the Arbitration Panel awards the position of the Employer on the issue of shift differential.


Karen Bush Schneider
Panel Chairperson

Concur:

Dissent:

Homer Lafrinere


Olin Hinkle



F. Personal Days.

The Union withdrew its proposal regarding personal days and, therefore, the issue is not addressed by the Arbitration Panel.

G. Vacations.

The Union has proposed to modify the vacation schedule, effective January 1, 1994, by increasing the number of vacation days available to employees. The schedule proposed is as follows:

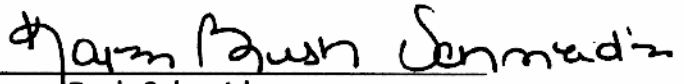
Section 1. All employees covered by this agreement who are on the seniority list of the County shall on each anniversary of their employment date be entitled to a vacation with pay at their current rate in accordance with the following schedule:

1 year - 5 days
2 years - 10 days
5 years - 15 days
6 years - 16 days
7 years - 17 days
8 years - 18 days
9 years - 19 days
10 years - 20 days

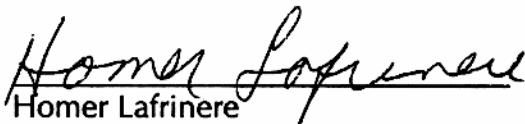
In considering the proposal of the Union, the Arbitration Panel looked to the comparable communities' vacation schedules offered by both the Union and the Employer. Barry County currently offers 15 days of vacation after 5 years of employment and 20 days of vacation after an employee has completed ten years of service. Branch County offers 10 days of vacation after 5 years of service and 15 days of vacation after 10 years of service and Gratiot County offers 14 days and 19 days, respectively. With regard to the other disputed comparables, it would appear that the vast majority of the Employer's comparables offer 15 days of paid vacation after an employee has completed five years of service and 20 days after an employee has completed ten years of service. (See County Exhibit 12.)

Therefore, from a review of comparables, it would appear that the Union's proposal regarding vacation leave is reasonable and consistent with Section 9 criteria.

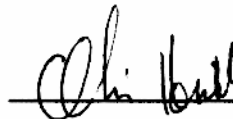
WHEREFORE, the Arbitration Panel awards the vacation schedule proposed by the Union, effective January 1, 1994.


Karen Bush Schneider
Panel Chairperson

Concur:


Homer Lafrinere

Dissent:



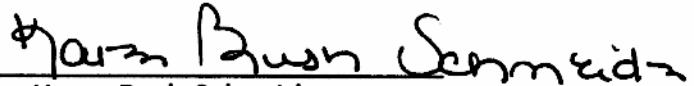
Olin Hinkle

H. Disability Insurance.

The Union proposes that the disability plan already in place for all other County employees be implemented for deputies and sergeants, while the Employer offers to maintain the status quo. The Union asserts that considerations of internal parity dictate that the bargaining unit members have the option of receiving disability insurance, whereas the Employer counters that disability insurance is one additional benefit it can ill afford to pay.

While the Arbitration Panel is mindful of the internal parity argument of the Union on this issue, it is nonetheless sensitive to the Employer's financial ability to pay the

myriad of economic benefits proposed by the Union. For the reasons aforementioned in connection with inability to pay, the Arbitration Panel awards the Employer's position on the issue of disability insurance.



Karen Bush Schneider
Panel Chairperson

Concur:

Dissent:

Homer Lafrinere





Olin Hinkle

I. Health Insurance.

The Union withdrew its proposal regarding health insurance while the Employer proposed a 50-50 co-pay between Employer and bargaining unit members for any increases in premiums after June 27, 1994.

The Union has objected to the Employer's proposal on the basis that it is not properly before the Panel. The Panel must concur with the position of the Union in this regard.

In examining the documents submitted by the parties prior to the hearing, there does not appear to be an issue concerning health insurance raised by the Employer. Further, when the Union withdrew its proposal regarding health insurance at the arbitration hearing,

the Employer reserved the right to put in proofs regarding health insurance but only as to its position on inability to pay and as to how health insurance impacted the total compensation received by the bargaining unit members. (T-6-7). Therefore, the Panel cannot properly consider the Employer's proposal on this issue.

Respectfully submitted,

Karen Bush Schneider
Karen Bush Schneider
Panel Chairperson

Concur:

Homer Lafrinere
Homer Lafrinere

Olin Hinkle

Olin Hinkle