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In the Matter of 312 Arbitration  
Between:

8/29/92  
Sub.  
MERC CASE NO.  
L90 J-0505

COUNTY OF LIVINGSTON

-and-

COMMAND OFFICERS ASSOCIATION  
OF MICHIGAN

REVIEW AND FINDINGS

Arbitration Panel

Samuel S. Shaw, Chairman

David G. Stoker, Esq., County Designee

William Birdseye, Association Designee

\* \* \* \* \*

Hearing Held

Livingston County Administration Building

Howell, Michigan

May 7, 1992

Michigan State University  
LABOR AND INDUSTRIAL  
RELATIONS LIBRARY

Appearances

For the County

David G. Stoker, Attorney

For the Association

William Birdseye

STATE OF MICHIGAN  
BUR. OF EMPLOYMENT RELATIONS  
DETROIT OFFICE

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Livingston County of

## FINDINGS OF FACT, OPINION AND ORDER

### INTRODUCTION

The petition for arbitration is dated March 22, 1991. The Chairperson was appointed via a communication from MERC dated May 13, 1991. A pre-hearing conference was conducted on June 25, 1991. The parties waived all of the time limits contained in the statute and the regulations. The hearing was conducted on May 7, 1992 and the parties filed their last offers of settlement shortly thereafter. An executive session was held by the panel and these findings of fact, opinion and order are being issued as soon as possible thereafter.

In addition to a transcript generated at the hearing, there were numerous exhibits. The record was painstakingly examined and analyzed.

### SECTION 9 FACTORS

The issues involved in this dispute are economic in nature and, thus, pursuant to Section 8 of the Act, the panel shall adopt the last offer of settlement which, in its opinion, more nearly complies with the applicable factors prescribed in Section 9. Section 9 of the Act contains a litany of factors upon which the panel must base its findings, opinions and order. Those factors appear as follows:

- (a) The lawful authority of the employer.
- (b) Stipulations of the parties.
- (c) The interests and welfare of the public and the financial ability of the unit of government to meet those costs.
- (d) Comparison of the wages, hours and 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:
  - (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, the continuity and stability of employment, and all other benefits received.

(g) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.

(h) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

## ISSUES

### 1. DURATION

The parties have agreed to a four year agreement retroactive to January 1, 1990 through and including December 31, 1993.

### 2. WAGES

Union's Final Offer of Settlement:

## ARTICLE LV CLASSIFICATION AND WAGES

55.1: Effective January 1, 1990, Sergeants of Livingston County Sheriff's Department will be paid as follows:

Continuous Service at the  
Rank of Sergeant

Less than 4 years	8% above the "Deputy" Classification Salary Schedule within the POAM Law Enforcement Unit
4 years but less than 8 years	10% above the "Deputy" Classification Salary Schedule within the POAM Law Enforcement Unit
8 or more years	12% above the "Deputy" Classification Salary Schedule within the POAM Law Enforcement Unit

55.2: All employees with less than four (4) years of continuous service in the rank of Sergeant who are currently being paid at 10% above the Deputy classification may, in lieu of joining the schedule in Section 55.1 above, remain at the 10% differential for four (4) years plus an additional number of years equal to the years of continuous service they currently hold in the rank of Sergeant, before advancing to the next step of 12% above the Deputy classification. This option must be exercised within thirty (30) days of [date of award].

55.3: Employees must be employed on the date of ratification by all the parties, or the date of any 312 award, to be eligible to receive retroactive increase.

Wages to be retroactive to January 1, 1990.

Employer's Final Offer of Settlement:

Modify Article 55, Classification Wages to read as follows:

Effective January 1, 1990, Sergeants of Livingston County Sheriff's Department will be paid as follows:



3. PENSION - CONTRIBUTION

Union's Final Offer of Settlement:

ARTICLE XXXIV  
RETIREMENT PLAN

34.1: Employees covered by this Agreement shall continue to participate in the county-adopted retirement program administered by the Michigan Municipal Employees' Retirement System as provided by Act 135, the Public Acts of 1945, as amended, including the C-2 benefit level, the E-2 escalator and the F-50 with 25 years of service waiver.

34.2: The Employer shall contribute 100% of the cost of the MERS Retirement Program.

Pension - Contribution to be retroactive to January 1, 1990.

Employer's Final Offer of Settlement:

Modify Section 34.3 concerning Retirement Contribution to read as follows:

34.3: Effective January 1, 1990 all eligible employees shall contribute 1.1% of payroll to fund the C2, E2, and F-50 plans, to be paid by the employees through payroll deduction.

The panel orders that the Employer's final offer of settlement be adopted.

Samuel S. Shaw  
Samuel S. Shaw, Chairperson

David G. [Signature]  
Employer Delegate

Agree ✓ Dissent       

[Signature]  
Union Delegate

Agree        Dissent ✓

4. PENSION - BENEFIT LEVEL

Union's Final Offer of Settlement:

ARTICLE XXXIV  
RETIREMENT PLAN

34.1: Employees covered by this Agreement shall continue to participate in the county-adopted retirement program administered by the Michigan Municipal Employees' Retirement System as provided by Act 135, the Public Acts of 1945, as amended, including the B-2 benefit level, the E-2 escalator and the F-50 with 25 years of service waiver.

Pension - Benefit Level effective January 1, 1993.

Employer's Final Offer of Settlement:

Employer proposes current contract for Section 34.1 as follows:

Employees covered by this Agreement shall continue to participate county-adopted retirement program administered by the Michigan Municipal Employees' Retirement System as provided by Act 135, the Public Acts of 1945, as amended, including the C-2 benefit level, the E-2 escalator and the F-50 with 25 years of service waiver.

Discussion:

The members of this bargaining unit belong to the Michigan Employment Retirement System (MERS). The current retirement benefits enjoyed by this bargaining unit include MERS C-2 (Base C-1 Old) with the F-50/25 year waiver (which permits normal retirement at age 50 after 25 years of service) and the E-2 escalator benefit.

The Union is seeking to improve the group's pension multiplier from the current MERS C-2 (Base C-1 Old) to B-2. The present multiplier provides 2.0% of FAC times years of service until Social Security age, at which time the multiplier is diminished to 1.7%. The requested B-2 multiplier would provide 2.0% for all years including those beyond Social Security age. The Union has requested two changes to the retirement system in addition to this increase in benefit level.

The Employer desires to maintain the status quo.

There was substantial evidence introduced into the record by both parties regarding overall retirement benefits in comparable communities, including comparisons of multipliers. Union Exhibit 9 illustrated that all the Union comparables had a benefit level of at least 2.0% except for Huron Clinton Metropolitan Authority which was 1.9%, and all but Brighton had no reductions in the benefit level at Social Security age. Ingham County also had the MERS C-2 plan, however, effective June 30, 1993, their plan is scheduled to improve to MERS B-3, a 2.25% multiplier, without any reduction for Social Security.

The Employer's external comparables likewise appear to support the adoption of the B-2 benefit level. All Employer comparables which have a defined benefit retirement system have at least a 2.0% multiplier in their pension systems with no reduction in benefit levels at Social Security age. The only exception was Calhoun County, which operates under a defined contribution pension system.

Employer Exhibit 32 illustrated the level of pension benefits for all internal employee groups in Livingston County. The Deputy unit currently has the MERS C-2 benefit level (2.0% reduced at Social Security age) and the AFSCME, ambulance and non-union groups have the MERS C-1 (Old) program. The County correctly points out that no other bargaining unit or group within the County has a pension benefit level of B-2. The Employer objects to it being adopted for the Sheriff's Command group as this would represent a breakthrough in the benefit level beyond what currently exist within the County. Other County groups would arguably demand that the County provide this benefit in their negotiations in the future.

When considering the record as a whole, however, the fact cannot be ignored that a 2% multiplier with no reduction at Social Security age is the prevailing benefit in the overwhelming majority of external comparables presented by both



parties. The panel orders that the Union's final offer of settlement be adopted. However, in light of my ruling on the Union's offer in this instance, rulings on the Employer's behalf will be made in the other two pension issues.

Samuel S. Shaw  
Samuel S. Shaw, Chairperson

David L. Hays  
Employer Delegate

Agree        Dissent   ✓  

        
Union Delegate

Agree   ✓   Dissent       

5. PENSION - MILITARY SERVICE CREDIT

Union's Final Offer of Settlement:

ARTICLE XXXIV  
RETIREMENT PLAN

34.5: Effective [date of award], an employee who has at least ten (10) years of credited service with MERS may be credited with military service not to exceed five (5) years under the procedures outlined within the MERS statute. Payment due from the member is five (5%) percent of the last four quarters of earnings reported to the retirement office multiplied by the years and months to be credited.

[Cost to the Employer will be determined by the actuary.]

Pension - Military Service Credit to be effective date of award.

Employer's Final Offer of Settlement:

Employer proposes in lieu of pension - military service credit see following:

Employer proposes to adopt a F50 with 15 years of service waiver window opening to occur under the MERS plan effective from January 1, 1993 through June 30, 1993. Any employees electing to utilize the window period early retirement shall pay 100% of any retiree health insurance selected by such employees pursuant to Section 34.4, until such time as they would have been eligible for retirement under the contractually adopted F50 with 25 years of service program, or at the MERS normal retirement age of 60 with 10 years of service.

The panel orders that the Employer's final offer of settlement be adopted.

Samuel S. Shaw,  
Samuel S. Shaw, Chairperson

David B. Altman  
Employer Delegate

Agree ☒ Dissent ☐

[Signature]  
Union Delegate

Agree ☐ Dissent ☒

6. LONGEVITY

Union's Final Offer of Settlement:

ARTICLE XLIX  
LONGEVITY

49.4: The longevity bonus payment schedule shall be as follows:

<u>Continuous Service</u>	<u>Annual Bonus</u>
5 years or more, but less than 11 years	1% of current base salary
11 years or more, but less than 16 years	2% of current base salary
16 years or more years	3% of current base salary

Longevity to be retroactive to January 1, 1990.

Employer's Final Offer of Settlement:

The Longevity bonus payment schedule shall be as follows:

<u>Continuous Service</u>	<u>Annual Bonus</u>
5 years or more, but less than 11 years	\$339.00
11 years or more, but less than 16 years	\$678.00
16 years or more years	\$1,017.00

Effective January 1, 1991, the longevity bonus payment schedule shall be as follows:

<u>Continuous Service</u>	<u>Annual Bonus</u>
5 years or more, but less than 11 years	\$352.00
11 years or more, but less than 16 years	\$705.00
16 years or more years	\$1,057.00

Effective January 1, 1992, the longevity bonus payment schedule shall be as follows:

<u>Continuous Service</u>	<u>Annual Bonus</u>
5 years or more, but less than 11 years	\$367.00
11 years or more, but less than 16 years	\$733.00
16 years or more years	\$1,100.00

Effective January 1, 1993, the longevity bonus payment schedule shall be as follows:

<u>Continuous Service</u>	<u>Annual Bonus</u>
5 years or more, but less than 11 years	\$379.00
11 years or more, but less than 16 years	\$759.00
16 years or more years	\$1,138.00

The panel orders that the Employer's final offer of settlement be adopted.

Samuel S. Shaw  
Samuel S. Shaw, Chairperson

David E. Hols  
Employer Delegate

Agree ✓ Dissent     

[Signature]  
Union Delegate

Agree      Dissent ✓

7. HEALTH INSURANCE - PREMIUM LEVEL CO-PAY

The Employer withdraws this issue from consideration, therefore the status quo shall be maintained.

8. RETIREE HEALTH INSURANCE - EMPLOYEE CONTRIBUTION

The Employer withdraws this issue from consideration, therefore the status quo shall be maintained.

9. LOSS OF SENIORITY

The Employer withdraws this issue from consideration, therefore the status quo shall be maintained.

10. SHIFT ROTATION

Union's Final Offer of Settlement:

The Union desires to maintain the status quo and proposes no change to contract language or practice.

Employer's Final Offer of Settlement:

Shift Rotation. The Employer proposes that the option of 12 hour shifts be put to a vote of those Sergeants regularly assigned to work on a shift basis, with the 12 hour shifts to be implemented on the same basis as they have been implemented with the Deputies Unit as set forth in the attached Letter of Understanding for that Unit.

The panel orders that the Employer's final offer of settlement be adopted.

Samuel S. Shaw  
Samuel S. Shaw, Chairperson

Alan B. Stiles  
Employer Delegate

Agree ✓ Dissent     

[Signature]  
Union Delegate

Agree      Dissent ✓

Date: August 29, 1992