

STATE OF MICHIGAN  
COMPULSORY ARBITRATION

4/26/94 MSN  
Sub.  
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STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
OFFICE OF THE CLERK

In the Matter of:

SCHOOLCRAFT COUNTY SHERIFF  
DEPARTMENT,

Employer,

and

POLICE OFFICERS LABOR COUNCIL,

Union.

Arising Pursuant to  
Act 312, Public Acts of  
1969, as amended

Case No. G93 F-2000

Arbitrator: Thomas J. Barnes

*Schoolcraft County*

CHRONOLOGY

Petition for Arbitration Filed:  
Arbitration Hearing:  
Briefs Received  
Award Issued:

July 8, 1993  
December 9, 1993  
January, 1994  
April 26, 1994

APPEARANCES

For the Employer:  
For the Union:

Peter J. Hollenbeck, Esq.  
Nino E. Green, Esq.

A hearing was held at the Courthouse in Manistique, Michigan, on December 9, 1993, and the parties presented testimony and exhibits regarding the issue submitted to 312 arbitration. The parties agreed the issues were as follows:

1. Wages;
2. Length of contract;
3. Annual clothing allowance;

4. Cleaning allowance;
5. Pension plan.

After reviewing the final offers as amended by the County with its letter of March 28 and the Union by its letter of March 30, it is apparent that the parties are in agreement that the issues submitted to arbitration for the first year of the agreement (11/1/93 to 3/31/94) are resolved as follows:

1. Wages will be 25¢ per hour across the board effective January 1, 1993, for the contract year January 1, 1993, through March 31, 1994.
2. The conditions attached to the payment of the previously established \$300 annual clothing allowance will be removed effective January 1, 1993.
3. The cleaning allowance will be increased from \$300 to \$350 annually, effective January 1, 1993; and effective January 1, 1994, the allowance will be payable in two semi-annual installments.
4. The current MERS B2 pension plan will remain the same.

The parties final offers with respect to the second contract year, that being effective April 1, 1994, through March 31, 1995, are apart in only two respects:

1. The Union seeks to upgrade the pension plan to MERS B4 effective April 1, 1994; the County wishes to maintain the current pension plan during that second contract year.
2. The Union seeks a wage increase of 35¢ per hour across the board; the County's final offer was 25¢ across the board.

For the following reasons, the panel has decided that, consistent with its obligations to evaluate all of the criteria found in §9 of MCLA 423.239 the County's position on the pension plan should be adopted for the second contract year, and with respect to the wages, the Union's position should be adopted. The hearing proofs showed the following with respect to each issue.

### WAGES

The parties are in agreement that the following Counties and wage rates may be used as comparables:

<u>Comparable County</u>	<u>Top Certified Deputy Rate</u>	<u>Year</u>
Gogebic County	\$10.49	(1/1/93)
	\$10.91	(1/1/94)
Baraga County	\$10.58	(1/1/92)
Ontonagon County	\$10.56	(1/1/92; re- opener 11/1/92)
Keweenaw County	\$9.50	(8/1/93)
	\$10.00	(1/1/94)

Iron County	\$10.59	(1/1/92)
Mackinac County	\$11.18	(\$23,254 + 2080)
Schoolcraft County	\$9.89	(\$9.64 + 25¢ agreed to increase)

It is apparent from reviewing the above list of comparables which both parties agree are similarly situated counties and ignoring all the rest which may be disputed (i.e., Marquette, Menominee, Delta, Houghton, Chippewa, Presque Isle, Cheboygan) that beginning April 1, 1994, Schoolcraft has the lowest top deputy rate of all of the agreed comparable counties. Historically, that has not always been the case. It is reasonably clear that even by adopting the Union's final offer of 35¢ per hour, that places Schoolcraft's top deputy at \$10.24 (\$9.89 + 35¢) per hour effective April 1, 1994, still the lowest rate of the comparable counties, with the exception of Keweenaw County which will be \$10.00 per hour until 4/1/95. It can also be observed that while the financial picture in Schoolcraft is bleak, the fate of Keweenaw by comparison is woeful. Keweenaw has a State Equalized Value 27% the size of Schoolcraft, and taxes levied-19% those of Schoolcraft. The remaining counties, Gogebic, Alger, Baraga, Ontonagon, Iron, and Mackinac are from 25¢ to 94¢ per hour higher than the \$10.24 per hour Union final offer and several of those are or will be re-negotiated before March 31, 1995.

An increase of 35¢ per hour amounts to a percentage increase of approximately 3.5 percent on a base of \$9.89. That is not a significant deviation from the current level of the cost of living (2.8 for 1993; 2.9 for 1992) nor is it out of line given the increase that the panel has been advised has been extended to other general employees of Schoolcraft County.

The comparables can lead the panel to no other conclusion than that Schoolcraft is one of the less fortunate counties in the Upper Peninsula given its vast area but low tax base. It may well be that the deputies in Schoolcraft do perform different functions during the year that are not as significant as some of the comparable counties, but there is little evidence to suggest that that is the case on a comparable basis. There are certain benefits which Schoolcraft County employees enjoy such as a shift differential that other deputies in other counties do not enjoy, but the converse is also true in reviewing those agreements.

The award of the Union position on wages for the second year of the contract effective April 1, 1994, through March 31, 1995, is not out of line with the increases extended to other employees within the County is within the "reasonable guideline" furnished by the COL (particularly where no other benefit improvements are made) and still leaves Schoolcraft trailing 5 out of 6 comparable counties.

### PENSION

The Union seeks a pension upgrade from MERS B2 plan to its B4 plan. The estimated cost according to the Union of this benefit would be in the range of 3-6 percent of payroll. The Union points out that the pension fund is over-funded and that any improvement in the pension would have no current impact on the County's general fund. The Union also states that no member of the bargaining unit would qualify for retirement in the near future. The panel awards the Employer's position with respect to the pension plan since this will have no benefit for the bargaining unit if the Union's position were adopted and, more importantly, the additional payroll cost of 3-6 percent is excessive given the general financial instability of Schoolcraft County. This may well be a substantial issue for future bargaining, particularly if the County can avoid further drain on its current

general fund while at the same time affording longer term deputies an enhanced retirement package. However, at the present time, no comparables were presented which would justify a B4 level and there is no current immediate need for such a benefit by any of the bargaining unit members.

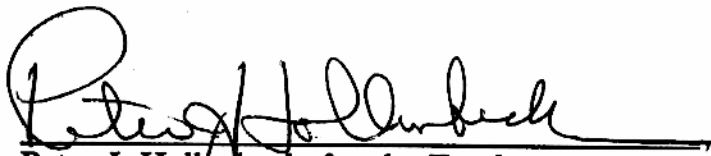
### AWARD

For the foregoing reasons, the panel awards the Union position with respect to a wage adjustment and the Employer position with respect to the pension plan, as follows:

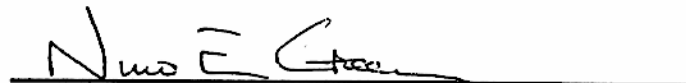
#### Award With Respect to Wages

Effective April 1, 1994, through March 31, 1995, 35¢ per hour increase across the board.


Dated: ~~April~~ <sup>May 3</sup>, 1994

  
Peter J. Hollenbeck, for the Employer  
(~~Concurring~~) (Dissenting) in Award

Dated: April 29, 1994

  
Nino E. Green, for the Union  
(Concurring) (~~Dissenting~~) in Award

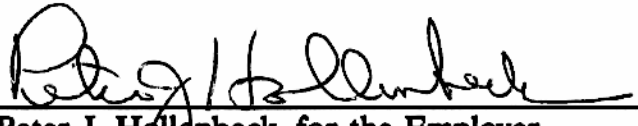
Dated: April 26, 1994

  
Thomas J. Barnes, Impartial Chairman

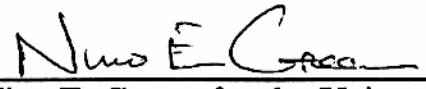
Award With Respect to Pension

Effective April 1, 1994, the pension plan MERS B2 remains as is through March 31, 1995.

Dated: ~~April~~ <sup>May</sup> 3, 1994

  
Peter J. Hollenbeck, for the Employer  
(Concurring) (~~Dissenting~~) in Award

Dated: April 29, 1994

  
Nino E. Green, for the Union  
(~~Concurring~~) (Dissenting) in Award

Dated: April 26, 1994

  
Thomas J. Barnes, Impartial Chairman