

STATE OF MICHIGAN
DEPARTMENT OF CONSUMER & INDUSTRY SERVICES
MICHIGAN EMPLOYMENT RELATIONS COMMISSION
ACT 312, PUBLIC ACTS OF 1969 AS AMENDED

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

COUNTY OF MACOMB and the
MACOMB COUNTY SHERIFF,

-and- Employer

MERC Act 312
MERC Case No. D09 A-0734

POLICE OFFICERS ASSOCIATION
OF MICHIGAN

ARBITRATION PANEL OPINION AND AWARDS

**George T. Roumell, Jr., Chairman
Eric A. Herppich, Employee Delegate
John T. Barr, Union (POAM) Delegate**

APPEARANCES:

FOR THE COUNTY OF MACOMB AND
MACOMB COUNTY SHERIFF:

Dennis B. DuBay, Attorney
Kent Lagerquist, Undersheriff
Gilbert Chang, Finance Director
Steve Smigiel, Accounting Manager
Steve Mellen, Equalization Director
John H. Foster, Assistant Finance Director
Karlyn Semlow, Human Resources
Coordinator

FOR POLICE OFFICERS ASSOCIATION
OF MICHIGAN:

William Birdseye, Advocate
Kevin Loftis, Research Analyst
Patrick Maceroni, MCDDA
Aaron Hurley, MCDDA
Greg Tench, MCDDA
Tom Sauve, MCDDA
Charles Missig, MCDDA

Background

Macomb County is one of 83 county units of government within the State of Michigan. It is located in southeastern Michigan with Warren, Sterling Heights and Clinton Township being

other units of government within the County having substantial police departments. Macomb County for statistical purposes is part of an area that is sometimes referred to as the Tri-County Area constituting Oakland and Wayne Counties. At times this area is expanded to include Genesee, Lapeer and Monroe Counties.

Each county in Michigan has a constitutional elected Sheriff. In Macomb County, the Sheriff operates the department referred to as the Macomb County Sheriff Department. The Department operates a detention facility, provides police services to the Macomb County Circuit Court, operates road patrols in the County and contracts with the City of Mount Clemens and Townships for police services. Macomb County is the primary funding source of the Macomb County Sheriff's Department along with contract services for the City of Mount Clemens and Townships plus grant funds. Though the figures varied in the record testimony, the Department employs approximately 187 budgeted Deputy positions of which 185 are filled and 22 Police Dispatchers plus two Dispatch Leaders. (Compare Exhibit 2 with Tr. 134-137).¹

There are also, among other employees of the Sheriff's Department, approximately 163 Correction Officers, 62 Command Officers and five Captains and Jail Administrators. The Correction Officers are represented by the Macomb County Professional Deputy Sheriff's Association. The Command Officers and the Captains and Jail Administrators are represented by the Police Officers Labor Council.

The Police Officers Association of Michigan represents the Deputies, Dispatchers and Dispatcher Leaders in a 24/7 operation that includes the referenced Road Patrol, Detective services, and services in Units such as MATS and a SWAT Unit.

¹ "Tr." refers to the transcript of the record in the Act 312 proceedings.

The most recent Collective Bargaining Agreement between the County of Macomb and the Police Officers Association of Michigan representing the bargaining unit consisting of the Deputies, Dispatchers and Dispatcher Leaders covered the period January 1, 2005 through December 31, 2007.² The parties engaged in negotiating a successor contract including three mediation sessions with a State appointed Mediator on February 27, April 27 and May 21, 2009, respectively. Subsequently, Macomb County by its attorney filed a petition for Act 312 listing 34 issues that remained in dispute between the parties, though in fact the parties had reached agreement on several issues. The parties selected Delegates and the Undersigned was appointed Chairman. There was a pre-trial conducted on November 3, 2009 setting forth the procedure for conducting the Act 312. Hearing dates were held on June 2, 14 and 17, 2010, respectively. Last Best Offers were submitted and reached the Chairman on July 10, 2010. There were Panel meetings held on June 23 and July 14, 2010. By agreement of the Panel and the parties, amendments were permitted to the Last Best Offers. The final Panel meeting was the date of this Opinion and Award.

The Issues

Attached to the County's Petition for Act 312 were a list of 34 issues with the list reading:

1. Duration
2. Wages 5% decrease
3. Health insurance (actives) - coverage
4. Health insurance (actives) - drug coverage and co-pays
5. Health insurance (actives) - for two County employees who are married one insurance plan for both employees and dependents
6. Health insurance (actives) opt-out payment - eliminate if spouse

² The Unit consists of Deputies, Dispatch Leaders and Dispatchers. In this Opinion, there are times when the Chairman will use just the term "Deputies" but, in doing so, the Dispatcher Leaders and Dispatchers are meant to be included in that term.

- has County healthcare coverage
- 7. Health insurance (actives) - eliminate BC/BS Traditional coverage
- 8. Health insurance (actives) - employee contribution
- 9. Retiree health insurance- coverage
- 10. Retiree health insurance - eligibility
- 11. Retiree health insurance - future coverage the same as active employees, including future negotiated changes
- 12. Retiree health insurance - drug coverage and co-pays
- 13. Retiree health insurance - spouse's coverage
- 14. HMO health insurance (actives) - coverage
- 15. HMO health insurance (actives) - drug coverage and co-pays
- 16. HMO health insurance (actives) - for two County employees who are married one insurance plan for both employees and dependents
- 17. HMO health insurance (actives) opt-out payment - eliminate if spouse has County healthcare coverage
- 18. Retiree HMO health insurance - future retirees' coverage is the same as active employees, including future negotiated changes
- 19. Retirement - overtime to be excluded from FAC
- 20. Retirement (Deputy) - New hires- revised multiplier
- 21. Retirement (Deputy) - Pension maximum - not to exceed 100% of the employee's base salary at the time of retirement
- 22. Retirement (Deputy) - New hires- revised employee pension contribution
- 23. Retirement (Deputy) - New hires- revised years in FAC
- 24. Retirement (Deputy) - New hires - revised retirement eligibility
- 25. Retirement (Dispatcher) - New hires- revised multiplier
- 26. Retirement (Dispatcher) - Pension maximum - not to exceed 100% of the employee's base salary at the time of retirement
- 27. Retirement (Dispatcher) - New hires- revised employee pension contribution
- 28. Retirement (Dispatcher) - New hires- revised years in FAC
- 29. Retirement (Dispatcher) - New hires - revised retirement eligibility
- 30. Longevity - eliminate for new hires after January 1, 2008
- 31. Longevity (actives) - cancellation of two years longevity payments
- 32. Overtime pay and procedure - eliminate the option of compensatory time
- 33. Annual Leave - change references to military leave
- 34. Tentative agreements to be added to be made part of award and added to contract

As noted, the last issue was a statement rather than an issue, namely, "Tentative agreements to be added to be made part of award and added to contract."

During the Act 312 proceedings, POAM set forth as its issues the following:

1. Duration
2. Wages
3. Retirement; Drop Plan
4. Sub Stations by Seniority
5. Increase of Vacation Slots
6. Dive Team; Pay Increase
7. Ability to cash out Sick Bank
8. Ability to cash out Vacation Bank
9. Two Person Patrol Units

However, during the hearings, POAM dropped the following issues:

4. Sub Stations by Seniority
6. Dive Team; Pay Increase
7. Ability to cash out Sick Bank
8. Ability to cash out Vacation Bank
9. Two Person Patrol Units

Therefore, the Panel will issue no Awards as to those issues. The increase of vacation slots is an issue as it relates to Dispatchers.

The Criteria

When the legislature enacted the provisions for binding arbitration in police and fire disputes, namely, Act 312 of Public Acts of 1969, the legislature provided in Section 9 (MCLA 423.239) that Act 312 Panels are to consider the following criteria when fashioning opinions and awards:

Where there is no agreement between the parties, or where there is an agreement but the parties 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, as applicable.

- (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.

Essentially, the Act 312 criteria address the cost of living, the financial ability of the employer to fund the awards, and internal comparables as well as external comparables with other similarly situated public and private employees. In other words, the economic realities of the situation must be considered.

In addition to the enumerated criteria the Legislature, in setting forth Section 9(h), incorporated criteria sometimes used by fact finders in making recommendations as to collective bargaining agreements, which are not specifically enumerated in Section 9. This means that, in addition to the enumerated Section 9 criteria, an Act 312 Arbitration Panel can utilize criteria

used by fact finders.

Among the criteria utilized by fact finders are the bargaining history of the parties, both past and current, as well as the “art of the possible,” namely, what is a possible settlement between the parties recognizing the give-and-take of negotiations.

The Chairman described the “art of the possible” in a previous 312 Opinion that he issued in *County of Lake and Command Officers Association of Michigan*, MERC Case No. L02 H-9004 (2004), where he wrote at page 4:

The “art of the possible” in concept means that if the parties were left to their own devices and the public employees involved had the right to strike, as a strike deadline loomed the parties would attempt to compromise in order to avoid a disruption in public service and loss of employee income. The concept is that, in compromising, the parties would review their respective positions and attempt to reach a resolution based on the art of the possible, as the art of the possible is the essence of compromise.

In an earlier 312 opinion, this Chairman articulated the concept of the “art of the possible” when he noted that the goal of an Act 312 Chairman is to effect the settlement the parties would have reached if negotiations continued when the parties are confronted with the realities of the situation for, in *County of Ottawa Sheriff's Department and Police Officers Association of Michigan*, MERC Case No. L96 H-6011 (1998), this Chairman observed:

A very distinguished arbitrator, Theodore St. Antoine of the University of Michigan Law School, in two recent act 312 Arbitration proceedings, pointed out that as to an Act 312 panel, to best preserve health, voluntary collective bargaining, “the soundest approach for an outsider in resolving union-employer disputes is to try to replicate the settlement the parties themselves would have reached, had their negotiations been successful.” *See, e.g., County of Saginaw and Fraternal Order of Police*, MERC Case No. I90 B-0797 (1992); *Macomb County Professional Deputies Association and County of Macomb*, MERC Case No. E91 I-1674 (1992). This is, indeed, an appropriate consideration and falls within the concept of Section 9(h).

In other words, the concept of the art of the possible is that, in compromising, the parties would

review their respective positions and attempt to reach a resolution based on the art of the possible, as the art of the possible is the essence of compromise.

There is no reason why the art of the possible, along with the consideration of other criteria, should not be a driving force in arriving at the Awards that follow.

It also should be recognized that the particular circumstances may dictate that certain criteria be emphasized more than other criteria.

The Michigan Supreme Court, in ruling on the constitutionality of Act 312 and its application, in an opinion of Justice Williams in *Detroit v Detroit Police Officers Association*, 408 Mich 410 (1980) at 484, Justice Williams wrote:

We disagree with the city's contention. The fact that an arbitral majority may not be persuaded by a party's evidence and argument as to certain items does not mean that those arbitrators failed to give the statutory factors that consideration required by law. The Legislature has neither expressly nor implicitly evinced any intention in Act 312 that each factor in § 9 be accorded equal weight. Instead, the Legislature has made their treatment, where applicable, mandatory on the panel through the use of the word "shall" in §§ 8 and 9. In effect then, the § 9 factors provide a compulsory checklist to ensure that the arbitrators render an award only after taking into consideration those factors deemed relevant by the Legislature and codified in § 9. Since the § 9 factors are not intrinsically weighted, they cannot of themselves provide the arbitrators with an answer. It is the panel which must make the difficult decision of determining which particular factors are more important in resolving a contested issue under the singular facts of a case, although, of course, all "applicable" factors must be considered. Our comment in *Midland Twp v State Boundary Comm*, 401 Mich 641, 676; 259 NW2d 326 (1977), is here apposite.

"Merely because some criteria were factually inapplicable or were found by the commission to be of less importance than other criteria does not mean that the commission 'ignored' relevant criteria. The commission may regard a particular criterion to be of decisive importance outweighing all other criteria."

In other words, though the Panel must consider all applicable factors, as Justice Williams noted, the Panel can emphasize certain criteria over others in resolving contested issues.

The criteria are there to be followed. External comparables are to be considered, as is the cost of living. But there are two dominant criteria that are applicable in this situation. There is the financial ability of Macomb County, particularly the financial realities facing the County, Southeastern Michigan and, for that matter, the State of Michigan. In addition, the unions representing other employees in Macomb County, including Sheriff Department employees, recognizing the County's financial difficulties, have arrived at certain agreements which cannot be overlooked in applying the internal comparable criteria. When the criteria are considered along with the economic realities facing Macomb County as portrayed in its agreements with the other internal bargaining units, then the path to the Awards in this matter, combined with the art of the possible, become clear.

The External Comparables

County Exhibit 10 sets forth the parties' dispute as to the external comparables to be used, namely:

County Proposed Comparables

Genesee County
Lapeer County
Livingston County
Monroe County
Oakland County
Saginaw County
St. Clair County
Washtenaw County

Union Proposed Comparables

Clinton Township
Oakland County
St. Clair County
Sterling Heights
Washtenaw County

As noted, the County and POAM disagree as to the inclusion of Genesee, Lapeer, Livingston,

Monroe and Saginaw Counties as well as Clinton Township and Sterling Heights. The County did present a number of Exhibits which its Advocate argued supported the proposition that Clinton Township and Sterling Heights should not be comparables primarily because they were not County units of government allegedly not having the same funding sources as county units of government. The County also presented evidence in support of its belief that Lapeer, Livingston, Monroe, Genesee and Saginaw Counties should also be included in the comparables. The Chairman will not add to the volume of this Opinion in doing a detailed analysis on the issue of external comparables for one cardinal reason. Concurrently with this Act 312, the County was engaged in an Act 312 involving the Police Officers Labor Council and the Command Officers Unit in MERC Act 312 Case No. D09 H-0878 with Karen Bush Schneider as Panel Chairperson.

On June 4, 2010, two days after the first hearing in this matter, Chairperson Schneider issued an Interim Arbitration Award on the issue of external comparability and concluded that as to the disputed comparables all should be included except Lapeer County. In doing so, Chairperson Schneider relied on the Act 312 Opinion issued by Chairman Ammeson between POAM and the County involving the Deputies Unit on January 17, 2007 in MERC Act 312 Case No. D04 I-1217 where he did include Genesee, Livingston, Monroe and Saginaw Counties as well as Sterling Heights and Clinton Township, but not Lapeer County. Noting "the proximity in time of the most recent arbitrable designation of comparables," Chairperson Schneider followed Chairman Ammeson's lead in including Genesee, Livingston, Monroe and Saginaw Counties as well as Sterling Heights and Clinton Township, but did not include Lapeer County.

To not follow the Ammeson/Schneider conclusions as to comparables would amount to forum shopping which should not be a factor in an Act 312 proceeding when there is such recent

decisions selecting the comparables. Thus, this Chairman will follow the Ammeson/Schneider precedent and include all the disputed comparables except Lapeer County.

There is another reason that there is no need to even consider following the precedent at this time. As pointed out by Justice Williams in *City of Detroit v DPOA*, though all §9 factors are to be considered, in a given situation there could be dominant factors. The dominant factors, as will be pointed out here, will be the internal comparables when compared with the County's financial situation which suggests that the external comparables are not in this situation a dominant factor.

Macomb County's Financial Situation

Financial ability is a §9 factor for obvious reasons. The financial ability of the employer can be a factor in reaching an agreement. It comes as no surprise that the current recessionary trend in the United States has particularly been felt in Southeastern Michigan where Macomb County is located because of the impact of the automobile industry, among other factors.

About 72% of the revenue of Macomb County comes from real and personal property tax. Including real and personal property, the total taxable value as of December 31, 2009 in Macomb County was \$31 billion, of which two-thirds came from residential real property, namely, almost \$22 billion. Of the compared counties and Sterling Heights and Clinton Township, only Oakland County at \$62 billion had a higher property taxable value with the next comparable being Washtenaw at \$15 billion.

In terms of the projected property tax declines, Macomb in 2010 had a 10.18% projected decline, for 2011 a 13% decline projection, and for 2012 a 10% decline projection. Oakland at 13% and St. Clair and Lapeer Counties at 11% for 2010 had higher decline projections. Clinton

Township and Sterling Heights for 2010 were in the 10% (Clinton Township) and 10.20% (Sterling Heights) range. However, none of the comparables projected the property decline of 13% that Macomb County projected for 2011 and those who projected a property decline for 2012 were no where near Macomb County's 10% projected property decline for 2012.

In 2006, tax appeals were taken on 300 parcels of property in Macomb County. In 2009, tax appeals have been taken on 2,523 parcels – double the number of tax appeals in 2008. The total tax revenue under appeal in 2009 is \$2,220,000 as compared to \$262,500 in 2002.

In 2001, there were 706 scheduled property foreclosure sales in Macomb County. By 2009, the number of property foreclosure sales in Macomb County had gone up to 2,247.

In 2002, based upon the cost of living index, the assessor could increase taxable value by 3.2%. By 2010, the assessor could only increase taxable value by 0.3%. The ratio of taxable value to SEV in Macomb County was 87.73% in 2008, topped only by Sterling Heights, Clinton Township and Saginaw County. This ratio by 2009 in Macomb County increased to 93.06%.

These economic factors have had an adverse effect on the County's finances. These factors were beyond the County's control.

In addition, the County's State revenue sharing payments have been constantly reduced. In 2002, the County received \$14,500,000 in State shared revenue. In 2003, this amount was reduced to \$12,833,000. Beginning in 2004, the State shared revenue was eliminated by the State Legislature effective September 20, 2004 and replaced with the County "revenue sharing reserve fund" which is a fund created by advancing the County tax collection from December to July. In 2006, this reserve fund for Macomb County reached \$77,800,000, permitting the County in that year to draw \$14,500,000 from the fund. The County continued to draw from that fund.

In 2007, the County drew \$15,000,000; in 2008, \$15.4 million; in 2009, \$16.5 million; in 2010, the estimate draw is \$16 million. In the meantime, the revenue sharing reserve fund has gone down so that the estimate revenue sharing reserve fund for 2010 is \$20,949,000. For 2011, it is \$5,000,000.

What this means is that the County can no longer rely on State revenue sharing payments whether the payments come from the State or from the revenue sharing reserve fund. The State has its own financial woes, causing State shared revenue to be cut back. The fund balance sharing reserve fund as to Macomb County has drastically been reduced to the point where by 2012 it will be non-existent.

The impact of the above described declining economic indicators on the County's statement of revenue, expenditures and changes in fund balances can be observed by noting that in 1999 the County's revenues exceeded expenditures by \$7 million. This amount was added to the fund balance equity to increase it to \$39.1 million when the total County expenditures were \$96 million with \$36.3 million for public safety, *i.e.*, the Sheriff's Department. From 2000 through 2003, revenues exceeded expenses causing addition to the fund balance whereby the fund balance was \$65.5 million. Beginning with the fiscal year 2004, the County began running annual deficits so that by 2008 the annual deficit was \$7.3 million with the high being in 2005 of \$9.1 million. By 2008, the fund balance had dropped to \$32.5 million.

The record also reveals that in 2007 the total expenses were \$155.3 million; in 2008, \$154 million. The expenses for Public Safety in each of those years (2007, 2008) was \$63.9 million. The significance of these figures is that the expenditures of the County in the 10 year period had increased about 62%. Public Safety had increased about 56%. The increase in costs

in the Sheriff's Department represented the highest increase in cost of expenditures among legislative, judicial, general government, health and welfare. The only area that was higher was an approximate 100% increase in "other" from \$2.4 million to \$5.2 million which accounts for the overall 62% increase.

In 2003, the fund balance of Macomb County as a percentage of budget was 16.6%. By 2008, the fund balance had dropped to 6.6% or approximately \$32.5 million. With the possible exception in 2007, this is the lowest percentage of fund balance that the County has experienced in the last ten years. It is the fund balance that brings into question the County's financial liquidity.

The above factors illustrate a declining ability to pay and a downward spiral of Macomb County's economic capabilities. This fact was recognized by Moody's Investors Service when on December 4, 2009 Moody's downgraded its ratings of the County's outstanding debt to Aa1 from Aaa. In doing so, the email of December 5, 2009 from Moody's explained its rationale for the downgrade in part as follows:

MOODY'S DOWNGRADES TO Aa1 FROM Aaa RATING ON
MACOMB COUNTY'S (MI) GOLT RATED DEBT; ASSIGNS
NEGATIVE OUTLOOK

\$178 MILLION OF GOLT DEBT AFFECTED

Macomb (County of) MI
County
Michigan

NEW YORK, December 4, 2009 Moody's Investors Service has downgraded the rating to Aa1 from Aaa on \$178 million of outstanding debt secured by Macomb County's general obligation limited tax pledge, including debt issued by the Macomb County Building Authority. Concurrently, Moody's has assigned a negative outlook. The Aa1 rating reflects the county's declining yet still satisfactory reserve levels; substantial tax base experiencing some pressure; and manageable debt profile. The negative outlook reflects Moody's belief that the county's

economic profile has weakened over time relative to other highly rated counties with continued economic challenges likely. Additionally, the negative outlook reflects the county's persistent structural imbalance primarily attributed to revenue shortfalls and a lack of significant expenditure controls in the recent past, leading to steady declines in the county's once ample (yet still moderate) operating reserves.

CONTINUED DRAWS ON RESERVES ADDS PRESSURE TO OPERATIONS; SIZABLE ALTERNATE LIQUIDITY PROVIDES SOME FINANCIAL FLEXIBILITY

Moody's expects the county's financial position to remain satisfactory in the near-term, despite recent General fund deficits given the flexibility provided by sizable alternate liquidity. Following operating deficits in fiscal 2004 through fiscal 2008, the county's General Fund balance decreased to \$32.4 million (15.3% of General Fund revenues) at the end of fiscal 2008. This compares to a healthier \$65.5 million in General Fund balance, 37% of revenues, in fiscal 2003. Declining state aid revenues, the challenged regional economy and lack of considerable expenditure cuts were primary factors that drove these results. With significant expenditure controls in place and additional property tax revenues of approximately \$11 million from the increase in the county's property tax millage to its legal limit, county officials expect to record at least a \$2.5 million General Fund operating surplus at the end of fiscal 2009. Officials have recently passed a balanced budget for fiscal 2010 and have also committed to balancing operating budgets in fiscal 2011. Going forward, Moody's expects financial operations to maintain structural balance, consistent with the high grade rating.

Additional financial flexibility is provided by approximately \$91.4 million in unrestricted assets in the Delinquent Tax Revolving Fund (DTRF). Macomb County's DTRF is self-supporting in that available liquidity is sufficient to annually reimburse underlying jurisdictions for delinquent property taxes, thereby eliminating the need for delinquent tax note borrowings, typical of other Michigan counties. Although the Delinquent Tax Revolving Fund reserves may offset operational challenges and is a considerable credit asset to the county's financial position, given the primary purpose of the fund, it could be exposed to draws on reserve in the event of sustained regional economic slowdown. Historically, Moody's has viewed the large reserves as a key mitigating factor to a more economically vulnerable region. However, the county's combined General Fund balance and unrestricted net asset DTRF balance has declined from \$151 million in fiscal 2003 (85% of revenues) to \$127 million in fiscal 2008 (60% of revenues). While Moody's believes that existing liquidity remains satisfactory, continued reductions of liquidity could lead to future credit pressure.

Effective October 1, 2004, the State of Michigan temporarily suspended

revenue sharing payments to counties. At the same time, to offset the impact of the loss of this revenue stream, the state called for the county's property tax levy to be shifted in phases from December to July over three years under a schedule that calls for the establishment of a Revenue Sharing Reserve Fund (RSRF). In the new RSRF certain portions of the levy were deposited and managed by the county, which accesses this fund in an amount equal to what it would have received in 2004 plus an inflationary adjustment for operations. At this time, the county anticipates this fund will be depleted in 2011, after which time the state is statutorily required to reinstate revenue sharing payments. While all counties have been working through the nuances of implementing this change, Mood s does not expect that this will impact Macomb County in a material way in the very short-term. Budgetary pressures at the state level in the mid term however, could negatively impact revenues and therefore the financial flexibility of the county moving forward.

AUTOMOTIVE SECTOR RETRACTION CONTINUES AND SERVICE SECTOR GROWS MODESTLY

The county's proximity to employment centers of Oakland County (rated Aaa/stable outlook) and Wayne County (Baa1/negative outlook) as well as major arterial highways, and relatively affordable housing, continue to make it an attractive location. Macomb County's top taxpayers include Chrysler Corporation (ratings withdrawn), General Motors Corporation (ratings withdrawn), Ford Motor Company (senior unsecured rated Caa1/stable outlook). Combined these companies employ over 35,000 people in the county and comprise a modest 2.8% of the county's taxable valuation. Although employment opportunities are somewhat concentrated in the automotive sector, growth in service sector jobs has served to provide some balance as medical systems and midsized technology and advance manufacturing firms invest throughout the county. Wealth indices are above average and population continues to expand, as the county's residents increased nearly 5.4% between 2000 and 2008.

Despite relative diversity in the economic base, ongoing challenges remain as the regional economy adapts to the persistent challenges in the automotive manufacturing sector and slowing in residential and commercial development. The county's full valuation is substantial at \$73 billion. In 2008, the county recorded its first drop in valuation of approximately 3% mainly due to the decline in property valuations currently being experienced throughout the region. Officials expect to report additional declines of between 10% and 13% through 2012 as the prolonged economic slow-down forces market valuations, particularly residential housing prices, to fall further. Unemployment throughout the county continues to climb (18.1 % in September 2009) and is expected to remain elevated through the near term.

MANAGEABLE DEBT LEVELS WITH MODEST FUTURE BORROWING

Moody's expects the county's debt burden, at 3.4%, to remain manageable, given average principal amortization, and moderate future borrowing needs. Direct debt burden is very modest at 0.1%, since about 70% of the county's outstanding debt is issued on behalf of and paid by underlying jurisdictions. While some development within the county will likely increase the debt of overlapping jurisdictions, debt burden should remain manageable given the already substantial size of the county's tax base. The county's does not plan to issue any new direct debt in the immediate future however officials do expect to continue to issue debt on behalf of underlying municipalities over the long term.

OUTLOOK:

The negative outlook reflects Moody's belief that the county's economic profile has weakened over time relative to other highly rated counties with continued economic challenges likely. Additionally, the negative outlook reflects the county's persistent structural imbalance primarily attributed to revenue shortfalls and a lack of significant expenditure controls in the recent past, leading to steady declines in the county's once ample (yet still moderate) operating reserves.

What could lead to a rating upgrade or revision of outlook to stable from negative:

- Improvement in regional economic trends, including tax base, job growth, and unemployment indicators.
- Indication that improvements in the general economy will result in alleviation of operating pressures of county operations, including improved revenue streams and no marked increase in expenditure pressures.
- Restoration of balanced or surplus General Fund operations with limited reliance upon non-recurring revenue enhancements or expenditure reductions.

What could lead to a rating downgrade:

- Continued structural imbalance resulting from negative budget variances yielding further declines in General Fund reserve levels.
- Further economic deterioration, resulting in continued stagnation of major revenue streams and increasing pressures on county operations.

KEY STATISTICS:

2000 population: 788,149
Change in population (1990-2000): 9.9%
2008 Full valuation: \$72.8 billion
Full value per capita: \$87.650
Unemployment, 2/08: 8.0% (state 7.9%; national 5.2%)
Overall debt burden: 3.4%

The Moody's downgrade does recognize that the County still has liquidity noting that the fund balance still represents "satisfactory reserve levels." Nevertheless, this outlook notes "that the County's economic profile has weakened over time." Moody's also noted, at least as of February 2008, that Macomb County had a higher unemployment rate than even the State of Michigan.

The bottom line is that the Panel is faced with a county that is located in Southeastern Michigan that is plagued with economic factors that have caused a national rating agency to conclude as of December 4, 2009 that its economic profile has weakened which affects the County's ability to fund the cost of operations, including the cost reflected in collective bargaining agreements.

The County, recognizing that deficits were beginning to build in 2005, proceeded to take steps to address its weakening financial situation. With its 22 non-Sheriff employee bargaining units, the County negotiated labor contracts that provided for no wage increases, changes in health care, eliminating longevity for two successive years, and provided for six so-called "docked" days for two successive years.³ These contracts cover the period from January 1, 2007 to December 31, 2010. Subsequently, the County negotiated a similar type contract with the Macomb County Professional Deputy Sheriff Association covering the Correction Officers and

³ The Chairman has used the term "docked days" as a generic term. Some of the contracts provided that the six days of no pay involved a combination of reduction in holidays and days off without pay. The combination varied from contract to contract. But, in the end, there were six days without pay. The only groups that did not take docked days, the Juvenile Justice Center and the Correction Officers, took corresponding pay reductions.

with the Captains and Jail Administrators. This approach reduced the County's expenditures by approximately \$10 million. The Board of Commissioners increased the tax rate to its Headlee maximum. In doing so, an additional \$11 million in revenue for 2009 was generated. The Board of Commissioners obtained another \$15 million in reduced costs by department budget cuts through layoffs, eliminating vacant positions and eliminating programs. In addition, the budget for 2009 provided for a contribution from the County to the Martha T. Berry Facility which, as it turned out, required a \$3 million contribution less than what had been projected. (Tr. 76-79).

In regard to the budgeted positions, the Sheriff's Department experienced no layoffs though from 2006 to 2010 there are 21 less Sheriff's Department employees for a drop of 4.3%. This is the lowest drop of any department, division or unit within Macomb County. The only exception is the Circuit Court which did have an increase of two persons and positions at the 42nd District Court where there was no change in personnel as well as the budget kept the one person in Family Counseling and the four persons in Risk Management and Safety.

Even with the constraints and efforts put forward by the bargaining units in the County, there is still a concern about the County's weakening financial ability. And, if the County had not taken the steps outlined above by cutting expenses by approximately \$36 million, the County would have continued operating in a deficit position, causing the fund balance for 2009 and 2010 to be substantially below \$32.5 million that was the fund balance in 2008 which could have had the effect of the County having no liquidity, thereby affecting its ability to meet current expenses.

Two points should be observed. Until this point in time, this bargaining unit – the Sheriff Deputies – have not made any changes to contributing to reducing labor costs to assist the County in addressing the County's economic concerns except there has been no pay increase

since 2007. In addition, the Sheriff's Department has suffered no layoffs and, as noted, with certain exceptions has the lowest reduction in personnel.

Special Circumstances

Section 9(h) of Act 312 recognizes that there are other circumstances that may be considered other than the enumerated criteria. There is a unique circumstance that at least tangentially should be acknowledged. The voters of Macomb County have voted to have a County Executive form of government. The voters have also modified the size of the County Board of Commissioners.

The Chairman is advised that this change of government will take place on January 1, 2011; that the election for Commissioners and the County Executive are taking place in the August 3, 2010 primary and the subsequent November 2, 2010 general election. This governing structure change could lead to the consolidation of the guidelines and restraints that may be necessary in order to address the issues raised by the Moody's rating agency. This change may also set the foundation, from an economic standpoint, for more flexible negotiations in the future once the County has been able to address its economic issues. This is not to say that the present Commissioners have not done their very best. All evidence is that they have done so.

But, with the growing urbanization of Macomb County and the financial pressures on the County, it seems to some extent there needs to be a period of permitting the new governmental structure the opportunity to stabilize the economics of operating the County so that future negotiations are on a sound economic footing benefitting both the County and its employees. This factor may be enough reason to encourage the Chairman to take heed in what has occurred with the County's finances coupled with the internal comparables to be discussed in the next

segments of this Opinion.

The Internal Comparables

Representing the Deputies-Dispatchers, the bargaining unit at issue in this 312 expired on December 31, 2007. There has not been an economic settlement since that time.

The County employs approximately 1,981 employees in its various departments, divisions and units, including the Courts. These employees are in 26 separate bargaining units represented by unions including the Macomb County Professional Deputies Sheriff's Association, Teamsters Local 214, AFSCME Local 411, two UAW Locals, Local 547 of the International Union of Operating Engineers, the Building Trades Association, the Michigan Nurses Association, the Police Officers Labor Council, the TPOAM, as well as the Police Officers Association of Michigan. Within the Sheriff's Department there are four bargaining units. The Macomb County Professional Deputy Sheriff's Association represents the Correction Officers. The Police Officers Labor Council represents the Command Officers consisting of about 62 persons and the Captains and Jail Administrators representing five persons. The POAM represents the Deputies and Dispatchers.

When the 312 hearings began on June 2, 2010, all but two of the bargaining units had collective bargaining agreements with settlements through December 31, 2010. Within the Sheriff's Department the Macomb County Professional Deputy Sheriff's Association, representing the Correction Officers, did settle before the hearings began in this matter, as did the Captains and Jail Administrators. The Captains and Jail Administrators' contract actually goes until December 31, 2011.

The Police Officers Labor Council represents the Command Officers. The Command

Officers' contract expired on December 31, 2009. The Command Officers were in an Act 312 proceeding with Karen Schneider Bush as Chairperson. Hearings in that proceeding were set to begin after the hearings of this Panel. After the hearings in this matter were closed and while the Panel was in deliberations and before this Opinion was written, the Command Officers negotiated and ratified a collective bargaining agreement without an Act 312 opinion and award effective January 1, 2010 to December 31, 2012.

Subsequently, on August 2, 2010, the attorney for the County moved to reopen the record to include the Command Officers' 2010-2012 contract which had been ratified by the Command Officers. With the Union Delegate dissenting, the majority of the Panel granted the motion to reopen the record and receive a copy of the Command Officers' contract for consideration as one of the internal comparables.

In summary, as of June 2, 2009, all but three of the 26 bargaining units had economic settlements through December 31, 2010. The Captains and Jail Administrators reached an agreement going through December 31, 2011. The Police Officers Labor Council agreement for the Command Officers that was subsequently reached goes through December 31, 2012.

With the exception of the Juvenile Justice Center, all non-Sheriff Department bargaining units in the County accepted a wage freeze for three years, the elimination of longevity for two years, the docking of six days for two years, and a redesigned health insurance plan. There were also retirement changes. The POAM did negotiate an exception for the Juvenile Justice Center as to the above pattern.

There was no wage increase for 2008. In 2009, there was a 3.5% reduction in base salary only (effective May 2, 2009 - December 31, 2009). In 2010, there was a 2.3% reduction in base

salary only (effective January 1, 2010 - December 31, 2010). In 2009 and 2010 the Juvenile Justice Center employees had their longevity payment cancelled. There was a benefit plan design change in health care in 2009 as with the other bargaining units as well as the retirement changes. However, the Juvenile Justice Center employees did not give up six days in 2009 and 2010. Apparently the reduction in base salaries referenced for each of those two years were in lieu of the docked days.

The Correction Officers are not subject to an Act 312. However, a Petition for Fact Finding was filed and an MERC Case No. D09 D-420 between the County of Macomb and Macomb County Professional Deputy Sheriff's Association, representing the Correction Officers, Fact Finder Joseph P. Girolamo issued a Fact Finding Report and Recommendations on February 20, 2010. Subsequently, the County and the Macomb County Professional Deputy Sheriff's Association negotiated an agreement that provided for no wage increase for 2008, 2009 and a 7.4% reduction in total compensation (effective May 1, 2010 - December 31, 2010), a cancellation of longevity payment for 2010, a reduction of holiday pay benefits in 2010 by six days and a health care benefit plan design change. Instead, they agreed to the aforementioned 7.4% reduction in total compensation. The Correction Officers' contract was ratified on April 29, 2010.

The POLC on behalf of the Captains, Chief of Staff and Jail Administrator negotiated a two year contract for 2010-2011 which provided for no wage increases for each of the two years, a cancellation of longevity payments for each of the two years, three docked days of choice and reduced holiday pay by three days per calendar year for both 2010 and 2011, and a change in the medical/hospitalization plan. There was also the elimination of compensatory time. In addition,

there was the following changes as to the pension plan, namely:

The Employer will provide fully paid Blue Cross/Blue Shield Preferred Provider Organization (PPO) coverage or its substantial equivalence, to the employee and the employee's spouse, after twenty-five (25) years of actual service with the Employer.

An employee promoted or hired into this bargaining unit may apply for voluntary retirement after completing twenty-five (25) years of service with the County regardless of age or upon completing fifteen (15) years of service with the County and attaining age sixty (60).

The POLC on behalf of the Command Officers settled their contract which expired on December 31, 2009 with no wage increases for 2010, 2011 and 2012. The contract runs from January 1, 2010 to December 31, 2012. The contract provides for no longevity payments for each of those three years, one day docked and five day holiday pay reduction for 2010, three days docked and three days holiday pay reduction each year for 2011 and 2012. The Command Officers' contract provides for a Tier II health care, a change in retirement vesting, the modification of their DROP Plan and the elimination of compensatory time.

It is clear that the other 25 bargaining units, including two units that were eligible for Act 312 with one that was actually in Act 312 (the Command Officers) engaged in what could be called concessionary bargaining due to the County's financial situation.

What must be understood is that this pattern of negotiations was part of the overall strategy of the County to stabilize the County's economic situation which involved a three-prong approach – voted tax increases, a reduction in the work force, curtaining expenses and reducing labor costs. These internal comparables, along with the County's economic situation, are indeed most persuasive. The Sheriff Deputies for the most part have not established that they should be treated differently. There are no special circumstances as to the Deputies as a general proposition.

With the exception of the historical fact that Clinton Township and Sterling Heights officers have been paid higher than Macomb County, the only other comparable in terms of base salary for a 13 year employee that is higher than Macomb County, at least as of 2007, was Oakland County. In terms of total compensation including longevity, shift premium, holiday pay and other benefits, the same phenomena exists for Macomb County. It is true that with the concessions that have been bargained with the other unions, if extended to the Sheriff Deputies, this comparable with the external comparables may not hold if the external comparables continue to give wage increases which, of course, depends on their own situation. But, then, as pointed out, there is the factor of the economic conditions of Macomb County which cannot be overlooked and the fact that all of the bargaining units in the County have recognized this fact in their negotiations.

The Other Criteria

Cost of living is a criteria. However, in the economic times facing the nation and particularly Southeastern Michigan, the cost of living is not a persuasive criteria. There is no longer inflation. The economy in terms of prices is flat. And even Macomb County assessors cannot take advantage of the cost of living in increasing the assessments because the cost of living has moderated.

The fact is with the economic difficult times in general and Macomb County's economic situation in particular plus the internal comparables, the cost of living is not a persuasive factor in these circumstances.

As already indicated, the factors that are most persuasive are the County's economic situation plus the internal comparables. In addition, because of the situation in Macomb County

and the facts as just mentioned, this is a case where the art of the possible is a consideration.

Twenty six bargaining units have reached agreement, albeit one experiencing fact finding and the other was in the 312 process. Nevertheless, they did reach agreements. This suggests that, although it has been a difficult road for the parties, if left to their own devices and faced with the consequences of not reaching an agreement, the parties would have engaged in compromise or the art of the possible. There comes a point where compromise becomes essential. An Act 312 Panel should attempt under the art of the possible criteria to predict this point, as will this Chairman in this case.

With the discussion of the criteria and its application to these facts, the Chairman now turns to the issues that are in dispute and the parties' Last Best Offers.

Duration

The Deputies' contract expired by its terms on December 31, 2007. As a three year contract, the successor Agreement would expire on December 31, 2010 which is about four months away. The Deputies seem to recognize that in order to address some of the issues here that the contract should be extended to December 31, 2011 as both parties in their Last Best Offer proposed a termination of the contract at issue to December 31, 2011.

This approach is appropriate as such a termination date protects the interests of both parties in this matter. There is a precedent for such an extension in the Sheriff's Department. The Captains and Jail Administrators' contract goes until December 31, 2011. The recently negotiated POLC contract for the Command Officers expires on December 31, 2012. For this reason, the unanimous Panel will provide that the contract expires on December 31, 2011.

Health Care (Hospitalization and Medical Insurance)

Ten of the 16 issues that the County listed in the Petition for Act 312 pertained to health insurance for active employees. Six pertained to health insurance for retirees. As the Chairman has already noted, the County did embark on a plan to stabilize its economic condition. As part of this plan, the County has reviewed the cost of premiums of employee sponsored family health coverage and the availability of plans that will offer some cost constraints.

From 1997 through 2008, with some minor exceptions, the average annual premiums of family health coverage between Sheriff and general employees were the same. In 1997, the average was \$5,880 per annum. By 2008, the cost was \$15,864 per annum. As a result of negotiations with the non-Sheriff Department employees, the County was able to negotiate what was called a Tier I or Tier II plan that resulted in an average premium for general employees of \$13,044 per annum versus \$15,864 for Sheriff Department employees. What the County has done is offer a health care plan with some changes in co-pays and drug co-pays that are consistent with what other County employees are paying and has eliminated the Traditional Blue Cross plan in favor of a PPO. Much to the credit of the POAM, the Union has recognized the County's needs to make health care insurance more cost effective as evidenced by this bargaining history which includes the adoption of the Tier II by the Correction Officers, the Captains, the Jail Administrators and the Command Officers.

The actual dispute between the parties centered on a provision as to retirees and employee previous contribution, namely, that retirees would receive the health insurance as active employees under all plans.

As matters turned out, the Last Best Offer as to health insurance benefits presented by

both POAM and the County are identical. The County proposed a Title II health insurance benefit program. The Union proposed as its Last Best Offer the same Title II health insurance benefits less the reference to retirees receiving the health insurance as active under all plans. The County's proposal also did not contain such a provision.

Therefore, a unanimous Panel will award the Tier II health insurance benefit plan as proposed by both parties which will become effective as soon as the County can implement same after the date of the Award. The Award sets forth the details of the plan that the parties in their Last Best Offers agreed to adopt and the Award speaks for itself.

However, there are some highlights to be noted including the elimination, as already mentioned, of Traditional Blue Cross/Blue Shield coverage and replacing same with a Preferred Provider Organization (PPO) coverage or its substantial equivalent and Health Maintenance Organization (HMO) or its substantial equivalent. The Award also provides that employees who have a spouse employed with Macomb County will be entitled to one insurance plan for both employees and all dependents.

Though the Chairman has highlighted some of the changes, the Chairman emphasized it is the Award that controls.

In presenting its Last Best Offer as to health insurance, the County grouped its Offer under Article 25, "Insurance Benefits," and set forth what did not seem to be any change from the expired contract in Article 25.A, the provision as to life insurance. For consistency purposes, the Chairman will include Article 25.A in the Award although it was not a contested issue and was not covered in the Last Best Offer from POAM.

The County also in its Last Best Offer under insurance benefits had certain provisions

concerning retiree health care insurance, namely, the reference to a provision providing that all employees hired into the unit on or after March 1, 2007 would be provided Employer health insurance for the employee and the employee's spouse after 15 years of actual service with the Employer. This provision was in the previous contract and the only change is to recognize the March 1, 2007 date in the previous contract and to add that the coverage will be for Blue Cross/Blue Shield PPO "or its substantial equivalence." There was also a change that the County proposed that for all employees hired or promoted into the bargaining unit on or after the issuance of the Award, the Employer would provide PPO coverage or its substantial equivalence to the employee and the employee's spouse upon retirement only after 25 years of actual service with the Employer and is eligible to receive benefits under the Macomb County Employees Retirement Ordinance. This provision was not addressed in the Last Best Offer of the Union.

The Chairman agrees with these provisions as to retirees and since there was no Last Best Offer from the Union on this point will adopt the County's Last Best Offer on health care for retirees. Because POAM did not present a Last Best Offer on the eligibility of retirees for health care as proposed by the County, the POAM Delegate is listed as concurring in this portion of the Award. The Chairman believes that the provision for the 25 years of actual service is reasonable and applies to employees new to the bargaining unit after the date of the Award. It is a provision that is in the Captains' contract as well as the Command Officers' contract. The fact is that the Last Best Offers both adopting Tier II and the County's Offer as to retirees represents the art of the possible plus being consistent with the internal comparables.

In the end, the Tier II plan that were in the parties' Last Best Offer are set forth in the Award as part of a unanimous Award of the Panel. However, as to the vesting provision which

was not part of POAM's Last Best Offer, the Union Delegate will dissent. These Last Best Offers as to Tier II represent the art of the possible plus the Awards are consistent with the internal comparables. The Tier II plan as adopted by the Panel is designed to provide health insurance to the Deputies and have some cost containment in an area that has seen rising costs.

Wages

The Last Best Offer of POAM is that the wages for Deputies and Dispatchers not be increased for January 1, 2008, January 1, 2009 and January 1, 2010. However, beginning January 1, 2011, POAM's Last Best Offer proposes a 1.50% increase for Deputies, Dispatcher Leaders and Dispatchers.

The County proposes a wage freeze for each of the four years, namely, January 1, 2008, January 1, 2009, January 1, 2010 and January 1, 2011. Exhibit 80 indicates since 1999 the Deputies and Dispatchers have received the same percentage increase as have general County employees through 2007. Thus, in 1999 for example, the POAM Deputies/Dispatchers received a 3.25% increase as did the general County employees. In 2007, the POAM Deputies/Dispatchers received a 2.5% increase, as did the general employees. In 2008, 2009 and 2010, the general employees received no increases. Nor have the Correction Officers. The two contracts that have been negotiated that go into 2011, the Captains and the Command Officers, both reveal no increases for 2011.

It should be noted that the Captains also did not receive a wage increase for 2008 and 2009, meaning that with the recently negotiated contract the Captains will go four years without a wage increase. The Command Officers' contract expired on December 31, 2009. The last two years of that contract provided no wage increases. The recently negotiated contract is for three

years, expiring on December 31, 2011 with no wage increases, meaning that the Command Officers have gone five years without a wage increase.

Considering the County's pattern of wage increases as described and the County's current economic conditions and the reaction by not providing wage increases for at least four years and for two units in the Sheriff's Department, the Chairman reluctantly believes that the internal comparables and the history of bargaining within the County would lead to the conclusion that there be a wage freeze for each of the four years of this Collective Bargaining Agreement. The bargaining history of the other units leads to this conclusion. The County's economic situation currently would lead to this conclusion. In issuing such an Award, it is noted that the POAM Delegate dissents.

Longevity

Article 27 of the parties' 2004-2007 Agreement is entitled "Longevity" and reads in part:

* * *

- B. All employees represented by the Union shall be entitled to longevity compensation as hereinafter provided.

- C. The basis of longevity compensation is as follows:
 - 1. Employees who, on or before October 31st of any year, have completed five (5) full years of continuous employment shall be entitled to longevity compensation, except as the following prorated formula shall apply:

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:

* * *

 - 3. The compensation used as the basis for the computation of longevity shall be based on a rate of the employee's annual salary not exceeding \$30,000 paid to such employee as of October 31st, provided such employee is qualified as to length of service as per paragraph C.1.,

above.

* * *

4. The following schedule of payment shall apply:

Step	<u>Continuous Years Of Service</u>	<u>Percent Used, Not In Excess Of</u>
1	5 through 9	2%
2	10 through 14	4%
3	15 through 19	6%
4	20 through 24	8%
5	25 and thereafter	10%

* * *

The County's Last Best Offer provides as follows: "Article 27 Longevity shall be amended by adding the following new Subsection H: H. Notwithstanding any other provision in this article, the longevity payment for all eligible employees shall be cancelled and not paid for calendar years 2010 and 2011. This subsection shall expire on December 31, 2011."

POAM's Last Best Offer is "For the contract years 2010 and 2011 only the base pay for longevity computation will be reduced by \$18,000."

The County has made its proposal consistent with its agreement with other bargaining units. In 25 of the 27 bargaining units the County has obtained a cancellation of longevity payments for two consecutive years, namely, 2009 and 2010. In the MCPSA, the County obtained a one year longevity cancellation in 2011. In 2009 the value of the longevity was rolled into the 2010 reduction in total compensation. The Captains have agreed to a cancellation of longevity payment for two years – 2010 and 2011. The Command in the recently negotiated contract also agreed to three consecutive years of cancelled longevity payment.

The fact is all the bargaining units other than the Deputy/Dispatch Unit in the County have foregone longevity payments for two consecutive years. This is not an elimination of

longevity payments, but rather a cancellation for two years. With such overwhelming evidence as to what has occurred within the County's bargaining units, the Chairman is joined by the County Delegate in adopting the County's Last Best Offer as to longevity as not only do the internal comparables support such a position, but given the art of the possible it would seem that in the end the parties, as did other bargaining units, would reach such an agreement.

Reduction of Pay for Holidays

The Last Best Offer of the County provides for "reduction of pay for holidays (six holidays not paid) in 2010 and reduction of pay for holidays (six holidays not paid) in 2011."

POAM's Last Best Offer is, "The number of paid holidays will remain as stated in this article (referring to Article 16). However, for the years of 2010 and 2011 only the December cash holiday pay will be reduced by four (4) holidays. Holiday benefits to be effective date of Award."

The referenced Article 16 reads in part:

- A. Employees shall be entitled to holiday pay, compensated in cash, for fifteen and one-half (15 1/2) holidays.* Payment in cash is to be made in December of each year. If an employee works part of the year or receives payment for any of the enumerated holidays currently, compensation in cash shall be adjusted accordingly. Payment shall be based on the salary scale in effect on the date of payment.

The holidays included are:

New Year's Day
Martin Luther King Jr. Day
Lincoln's Birthday
Washington's Birthday
Memorial Day
Independence Day
Labor Day
Columbus Day

* In those years which contain a General Election Day; General Election Day occurs on the Tuesday following the first Monday of November of even-numbered calendar years. In other years, fourteen and one-half (14 1/2) days.

Employees regularly scheduled to work any or all of the fifteen and one-half (15 1/2) holidays will, in addition to holiday pay, receive a holiday premium rate of time and one half (1 1/2) for all regular hours worked. The holiday premium rate shall be paid on not later than the end of the second pay period following the pay period in which such holiday premium rate was earned.

As Article 16 is structured, Sheriff Deputies and Dispatchers, including Dispatcher Leaders, receive a lump sum cash payment in December of each year for 15 ½ holidays. In addition, if the employee works a holiday, the employee will be paid a holiday premium rate of time and one-half. The respective proposals for two years (2010 and 2011) reduce the number of holidays that are paid in the lump sum payment in December of each year.

The County's rationale for this approach is that the County, again as part of its economic structuring, has obtained from all bargaining units, including the Correction Officers, Captains and Command Officers, six docked days per year or their equivalent. With these internal comparables, it is understandable why the Last Best Offer of the County is for the deduction of six holidays in 2010 and in 2011, respectively, with the amounts to be deducted from the lump sum payment. The County would still have 15 ½ holidays for those who work the holidays and are entitled to time and one-half for those days worked. The six day reduction would be from the lump sum payment due in December of 2010 and 2011.

POAM's Last Best Offer is a reduction of four holidays for 2010 and 2011, respectively, with the understanding that for those who work the 15 ½ holidays would remain. The deductions would come from the December lump sum holiday payments. What POAM is asking is to be treated differently from other bargaining units. One of POAM's arguments is that with the elimination of longevity for two years the bargaining unit is giving up more pay than most of the civilian units. POAM also argues that, being a 24/7 operation, its members still must work the

holidays if assigned and the members do not obtain the benefit of having any additional days off, even if unpaid. In other words, POAM argues that because of the 24/7 operation it does not have the option of having days off as the civilian units and even the recently negotiated Command Officers' contract. Though this same argument can be made with the Correction Officers, POAM does make a point for the Deputies and Dispatchers. This is of particular concern to the Dispatchers who are having difficulty, as will be explained later, in choosing vacation time because of the number of Dispatchers and the fact that Dispatch is a 24/7 operation.

The Chairman looked at the internal comparables. He considered the art of the possible. Pursuant to Act 312 the parties made Last Best Offers. The Last Best Offers on the part of either party did not include days off, but rather a deduction from the lump sum vacation pay. So, when POAM argued that its members did not, in either of the two years involved, have the option under the Last Best Offers to have days off, albeit without pay, this resonated with the Chairman. Furthermore, in the case of the Deputies/Dispatchers, by a four day reduction from the lump sum vacation pay means that with the Deputies/Dispatchers the County avoids any possible necessity of backfilling the time off with overtime because this could well be the case in a 24/7 operation where person power needs may require overtime because of absences. For these reasons, the Chairman, joined by the Union Delegate, will opt for the Last Best Offer of POAM, namely, a deduction from the lump sum holiday payment in December of four days for 2010 and the same four day deduction from the lump sum payment due in December 2011.

In doing so, the Chairman also notes that with the elimination of longevity payments, at least there is an indication that the Deputies, at least as compared to some bargaining units, might be giving up more than those units if the six day approach was adopted. The Union Delegate will

join the Chairman to form a majority adopting POAM's Last Best Offer of four holiday deductions from the lump sum holiday payment for 2010 and 2011, respectively. The County's Delegate dissents.

DROP Plan

POAM has proposed that the County adopt a DROP Plan for its members and has submitted a Last Best Offer to this effect. The County's Last Best Offer is to maintain the *status quo*, namely, no DROP Plan. The fact is that the other bargaining units in the Sheriff's Department do have a DROP Plan. There is no reason not to have a DROP Plan for the Deputies/Dispatchers. For this reason, the Chairman, joined by the Union's Delegate, will award the DROP Plan to the members of the POAM bargaining unit.

In doing so, however, the Chairman has added some language that would carry over to other provisions in the contract to accommodate the DROP Plan.

There is one more point on the DROP Plan. Exhibit 176C reveals that the adoption of a DROP Plan for the Sheriff's Department all units, after considering the health care savings for retirees, will amount to an approximately \$100,000 in reduced costs. Or, to put it another way, the adoption of a DROP Plan seems to be at least cost neutral.

Compensatory Time

The 2004-2007 contract in Article 17.B provided as follows:

B. **Compensatory Time Procedure:**

1. Employees working overtime, call-in time and/or Court time shall have the option of receiving pay at the rate of time and one-half (1 1/2) or receiving compensatory time-off. Employees shall select one (1) of the above options and properly notify the appropriate Command Officer. An Employee who has accrued compensatory time and requests the use of the time, shall be permitted

to use the time-off within a reasonable period after making the request; provided, however, that it does not unduly disrupt the operations of the Department. However, no member of the bargaining unit may utilize compensatory time for time off in excess of 144 hours per calendar year. Employees may utilize up to 16 additional hours of compensatory time for training purposes, after approval by the Sheriff or his/her designee. Employees may not, under any circumstances, accumulate more than one hundred (100) hours of compensatory time. Upon termination of employment, an Employee shall be paid for unused compensatory time figured at:

- a. The average regular rate received by such Employee during the last three (3) years of employment; or,
 - b. Final regular rate received by such Employee, whichever is higher.
2. An employee may convert compensatory time to a cash payment by notifying the appropriate Command Officer of the number of hours of compensatory time to be converted to a cash payment.
 3. Retirement contributions shall be deducted from the cash payment for compensatory time and the amount paid shall be included in an employee's Final Average Compensation (F AC) for retirement purposes.

The Last Best Offer of the County is to eliminate compensatory time and instead pay Deputies and Dispatchers for overtime work in cash rather than permitting the option of taking compensatory time for the overtime worked.

The Last Best Offer of POAM is to maintain the *status quo* and continue Article 17 into the 2007-2011 Agreement.

The Chairman appreciates that in the two other bargaining units of the Sheriff's Department, namely, the Command Officers and the Captains/Administrators, the County successfully negotiated the elimination of compensatory time. Arguably, this could be a

persuasive reason to adopt the County's Last Best Offer.

The County did present Exhibits 170 and 170A showing that in 2005 the average use of comp time among the Sheriff Deputies/Dispatchers was 6.9 days off. In 2007, the last year that the Deputies received a pay raise, the average usage for comp time dropped to 5.95 days off. The County also noted that in 2007 the cash payout for comp time was \$105,281. The overtime caused by comp time was \$230,429. Then there was an Exhibit on comparables that showed that only three of the counties compared had compensatory time, though Clinton Township and Sterling Heights did.

The County also put in an Exhibit illustrating the effect of comp time, noting that if an officer worked eight hours and accepted time and one-half, the County would pay 12 hours of pay. A second option was if the officer accepts 12 hours of comp time and uses the comp time for a day off, there could be a possibility that no overtime would be required. And, whether it would be 12 hours of pay to the officer or 12 hours of comp time in the two scenarios, the cost would be the same for the County. If, on the other hand, the officer accepts 12 hours of comp time and the officer's position has to be filled by overtime, then the County would incur an additional 12 hours of pay.

These are all arguments advanced by the County to make the change.

The difficulty with these arguments is that the retention of compensatory time option has been a contentious issue between the parties. Furthermore, observe the concept of the art of the possible in this situation. As part of the bargain as a result of this Act 312 proceeding is the Deputies now have a cap on their pension, albeit with some grandfather rights. There is no such provision in the Command Officers' or Captains' contract.

In other words, what the Chairman did was balance the interests of the parties and recognize that the County did obtain a benefit that is not universal within the County, namely, the pension cap. The Union in return keeps the compensatory time provision. This would be the give and take of bargaining. It may be that as time goes on the compensatory time will become a major issue in future negotiations if the comp time affects the County's financial ability. The issue may not go away. The trend could be a reduced use of comp time by the Deputies or it may remain straightline.

But, given the nature of the bargaining and the art of the possible, the Chairman has chosen to accept the pension cap and keep the compensatory time, recognizing that the compensatory time may become an issue in future negotiations, depending on what the facts reveal. For this reason, the Chairman, joined by the POAM Delegate, will vote to maintain the *status quo* as to compensatory time with the County Delegate dissenting.

Pensions

A. Final Average Compensation.

The County has proposed for new members and individuals promoted into the bargaining unit that the final average compensation in computing pensions not include overtime. The provisions for overtime have been in the parties' contract since the parties have had collective bargaining agreements. Furthermore, none of the other Sheriff Department units have such a provision. For these two reasons, the Chairman, joined by the Union Delegate, will sign an Award continuing the *status quo* as to final average compensation with the County Delegate dissenting.

B. The County has proposed that employees retiring shall not have a pension that exceeds

100% of base pay. There has been evidence that some employees have retired at more than 100% of base pay. The statement of the proposition indicates the need for such a provision.

The POAM has indicated that if such a provision is proposed there should be a so-called "grandfather clause" for individuals who are now involved in establishing the best three consecutive years out of ten years for the purposes of computing final average compensation.

The Chairman agrees with the concept advanced by the County. Likewise, the Chairman agrees with the concept of grandfathering existing employees who are in the process of obtaining their final average compensation for their three best consecutive years out of the last ten years.

What the Chairman has done is adopt the Last Best Offer of the County with the grandfather provision proffered by the Union Delegate. The County Delegate will concur in the provision adopting the cap, but will dissent from the grandfather provision. The Union Delegate will dissent from adopting a cap in general but will concur, if the cap is adopted, with the grandfather clause.

C. Another pension proposal and Offer of the County is an amendment to Article 26, "Retirement Benefits," Section D, "Deputies", Subsection 4, as well as the same amendment to Article 26, "Retirement Benefits, Section E, "Dispatcher," Subsection 4. The present contract provides for voluntary retirement upon completing eight years of service and obtaining age 60. The County's Last Best Offer changes the eight years of service to 15 years of actual service and age 60. The Last Best Offer continues the requirement of 25 years of actual service, regardless of age.

The 15 year provision applies to any employee hired or promoted into the bargaining unit after the issuance of the Awards. Current employees in the bargaining unit are not affected.

Based upon the record, the Chairman agrees with the County Delegate that this would have some effect on the County's contribution to the retirement fund. It also recognizes that an employee, in order to retire, should have some history with the Employer. Thus, it would seem that a 15 year requirement is reasonable and consistent with the Captains unit and now the Command Officers unit. For this reason, the Chairman will join with the County Delegate in adopting the County's Last Best Offer in regard to Article 26, "Retirement Benefits," Sections D and E, Subsection 4. The Union proposes a *status quo*. For this reason, the Union Delegate dissents.

Vacation Slots

The Dispatchers have pointed out that pursuant to Article 19.H they only have two vacation slots per vacation period that can be used toward vacations. The POAM has proposed that this be increased to four slots. The County has proposed that the number of slots remain at two.

The reason for the Union's request is that the two slot provision for Dispatchers has existed for a number of years when there were substantially less Dispatchers than presently at 22; that because of the increase in the number of Dispatchers, the limitation of two limits the selection of vacation periods for the Dispatchers. This argument makes sense. On the other hand, the County argues that by granting four slots there will be implementation concerns affecting the Dispatcher operation.

Here, the art of the possible becomes the criteria. Given the historical change in the number of Dispatchers, there is a need for an increase in vacation slots so that Dispatchers have some vacation flexibility. But the increase must be consistent with the Department's ability to

manage and staff the Dispatchers without incurring additional overtime costs.

If the parties were left to their own devices, the Chairman believes that the parties would compromise at three.

There is another factor that played as to this issue. The majority of the Panel, including the Chairman, agree that this is a non-economic issue, meaning that the Panel is not bound by the Last Best Offers. For this reason, recognizing the concept of the art of the possible, the Chairman has concluded that the number of slots available to Dispatchers shall be increased from two to three and the Award will so provide. The Union Delegate will concur in this Award with the County Delegate dissenting.

Tentative Agreements

There were certain Tentative Agreements reached by the parties. These Tentative Agreements are attached as part of the Awards with all three members of the Panel signing this portion of the Award.

CONCLUSION

What now follows are some conclusionary statements which are solely the statements of the Chairman and do not represent the views of either the County or the Union Delegate.

This has been a most difficult Act 312 proceeding. The Awards and contract that has resulted are, by any definition, concessionary. They are Awards that the Chairman has signed because of the County's financial condition, coupled with the internal comparables. Fortunately, despite the economic difficulties, the County has not laid off any Sheriff Deputies or Dispatchers. This is the one bright spot in this negotiation cycle.

Yet, the Chairman has broke ground in adopting a cap on pensions. It will not be too

long before the parties will be negotiating for a new contract. Given the County's economic situation, hopefully the parties will be able to address the issues promptly because the realities of the situation require such an approach.

A W A R D S

1. Duration:

MACOMB COUNTY DEPUTIES AND DISPATCHERS

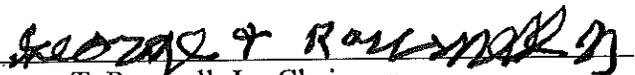
INTRODUCTION

THIS AGREEMENT was entered into the 1st day of January, 2008, between the County of Macomb, hereinafter referred to as "Employer" and/or "County", and the Macomb County Deputies and Dispatchers Association, hereinafter referred to as "Association" and/or "Union" acting on behalf of the Employees within the unit for which the Association has been recognized as sole bargaining agent.

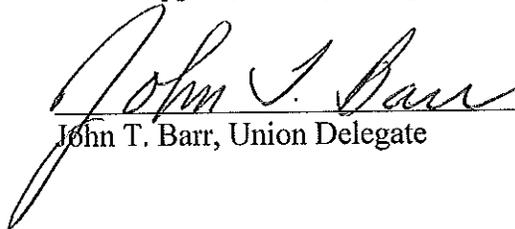
The provisions of this Agreement shall apply to all Employees regardless of age, race, color, religion, sex, national origin or creed.

Amend Article 44 - Termination or Modification, Section A, to provide as follows:

- A. This Agreement shall be and continue in full force and effect until December 31, 2011.


George T. Roumell, Jr., Chairman


Eric Herppich, County Delegate


John T. Barr, Union Delegate

August 5, 2010

2. **Insurance Benefits.**

ARTICLE 25
INSURANCE BENEFITS

A. Life Insurance:

1. Active Employees:

- a. Effective October 2, 2003, the life insurance provided by the Employer for employees in the classification of Deputy is \$25,000 death benefit and \$7,500 additional accidental death and/or dismemberment benefit.
- b. Effective October 1, 2003, the life insurance provided by the Employer for employees in the classifications of Dispatcher and Dispatcher Leader is \$20,000 death benefit and \$7,500 additional accidental death and/or dismemberment benefit.
- c. The Employer will provide a payroll deduction option for employees wishing to purchase additional death benefit life insurance. The amount of coverage shall be equal to 1, 2, 3, 4 or 5 times the employee's annual salary (rounded to the nearest thousand dollars) and based on the Employer's and the individual's combined level of coverage. The amount of live insurance shall be computed by using the employee's annual base salary as of January 1st of each year of this Agreement. Rates and conditions shall be subject to those established by the insurance carrier.
- d. Waiting Period: Employees who are eligible for life insurance benefits will be covered on the first day of the month following sixty (60) days of continuous employment.

2. Retirees:

The Employer will provide fully paid life insurance coverage to the Employee only, who leaves employment because of retirement and is eligible for and receives benefits under the Macomb County Employees' Retirement Ordinance based upon the following condition and provision:

Effective October 2, 2003, employees covered by this Agreement will receive life insurance coverage in the amount of \$2,000.

B. Hospital-Medical Insurance:

1. Active Employees:

The Employer shall provide fully paid Blue Cross/Blue Shield Preferred Provider Organization (PPO) coverage or its substantial equivalence and Health Maintenance Organization (HMO) coverage or its substantial equivalence to all regular employees and their eligible family members, including prescription drug coverage, as outlined in Appendix F. ~~Hospital-Medical coverage, or its substantial equivalence, to all regular Employees and their eligible families on the following basis and coverage:~~

Employees who have a spouse employed with Macomb County will be entitled to one insurance plan for both employees and all dependants. such employee shall not be eligible for the benefit listed in section B.1.b.

a. ~~Comprehensive Hospital, D45NM, MVF-1, ML, PPNV-1, XF EF Exact Fill, FC, SD, COB-1, SAT II, SOT PE (GLE-1), Prescription Drugs, Master Medical Option I, MMC PD:~~

~~Effective as soon as practicable after the issuance of the Award, the Employer will provide Blue Cross/Blue Shield community Blue PPO Option 1. Employees currently enrolled in the Blue Cross/Blue Shield Traditional health care program shall be permitted to maintain this coverage, however, the employee will be required to contribute the difference in cost between the Blue Cross/Blue Shield Traditional program and the Blue Cross/Blue Shield Community Blue PPO program Option 1 on a monthly basis, through payroll deduction.~~

Effective as soon as possible after the issuance of the Award, employees will no longer be eligible for Traditional blue Cross Blue Shield coverage.

a.b. Waiting Period:

Employees who are eligible for hospital-medical insurance benefits will be covered on the first day of the month following sixty (60) days of continuous employment.

c. ~~Active Employees, who are covered by Blue Cross/Blue Shield Hospital-Medical coverage, shall be required to participate in the health care savings known as "Predetermination of Elective Admissions".~~

d. ~~The Employer shall offer active Employees the option of selecting a "Preferred Provider Organization" program.~~

~~Effective as soon as practicable after the issuance of the Award, the Preferred Provider Organization program Option 1 shall require a \$100 deductible per individual or a \$200 deductible per family annually.~~

- be. The Employer shall begin a program to coordinate and to eliminate overlapping health care coverage. An Employee, who elects not to enroll in any County-sponsored health care plan (Blue Cross/Blue Shield, Health Maintenance Organization, or Preferred Provider Organization) and whose spouse or parent has coverage provided by another Employer which covers the Employee, shall be paid \$1,500 each year for every year that the spouse or parent has coverage. Payments of \$750 will be made semi-annually to each Employee who has not been on any County-sponsored health care program for six (6) months.

Employees shall be required to show proof annually that a spouse or parent has health care coverage that includes the Employee before said Employee will be declared eligible to receive the \$1,500 annual payment.

Employees, whose spouse's or parents' health care plans cease to cover the Employee shall be allowed to enroll in a County-sponsored health care plan by showing proof that the spouse's or the parents' coverage has ceased. In such cases, the Employee shall be allowed to enroll in a County-sponsored plan at the next billing period.

- ~~f. Effective October 1, 2003, employees covered by a Blue Cross/Blue Shield health care plan will be enrolled in the Preferred Rx Managed Prescription Drug program and subject to the following terms and conditions:~~

~~Co-Pays for Preferred Rx Plan:~~

- ~~(1) Co-pays for prescriptions received from a Preferred Rx network pharmacy will be as follows:~~

- ~~— \$ 5.00 Co-pay for generic drugs~~
- ~~— \$10.00 Co-pay for preferred brand drugs~~
- ~~— \$15.00 Co-pay for non-preferred brand drugs~~

- ~~(2) Co-pays for prescriptions received by mail-order will be \$2.00.~~

~~Effective as soon as practicable after the issuance of the Award, eligible employees covered by a Blue Cross/Blue Shield health care plan will be enrolled in the Preferred Rx Managed Prescription Drug program and subject to the following terms and conditions:~~

- ~~(1) Co-Pays for Preferred Rx Plan:~~

~~(a) Co-pays for prescriptions received from a Preferred Rx network pharmacy will be as follows:~~

~~- \$10.00 Co-pay for generic drugs~~

~~- \$20.00 Co-pay for non-generic drugs~~

~~(b) Co-pays for prescriptions received by mail-order will be \$5.00.~~

~~(2) Mandatory Mail-Order for Maintenance Drugs:~~

~~g. Effective as soon as practicable after the issuance of the Award, the co-payment for non-emergent use of an emergency room shall increase from \$50.00 to \$100.00 for employees covered by all Blue Cross/Blue Shield insurance products.~~

2. Retirees:

The Employer will provide fully paid Blue Cross/Blue Shield Preferred Provider Organization (PPO) Hospital Medical coverage or its substantial equivalence to the Employee and the Employee's spouse for the Employee who leaves employment because of retirement and is eligible for and receives benefits under the Macomb County Employees' Retirement Ordinance, based upon the following conditions and provisions:

~~Effective as soon as practicable after the issuance of the Award, For all employees hired into this unit on or after March 1, 2007 this date, the Employer will provide fully paid Blue Cross/Blue Shield Preferred Provider Organization (PPO) Hospital Medical coverage or its substantial equivalence to the Employee and the Employee's spouse, after fifteen (15) years of actual service with the Employer, for the Employee who leaves employment because of retirement and is eligible for and receives benefits under the Macomb County Employees' Retirement Ordinance, based upon the following conditions and provisions:~~

For all employees hired or promoted into this bargaining unit on or after the issuance of the Award, the Employer will provide fully paid Blue Cross/Blue Shield Preferred Provider Organization (PPO) coverage or its substantial equivalence to the Employee and the Employee's spouse, after twenty-five (25) years of actual service with the Employer, for the Employee who leaves employment because of retirement and is eligible for and receives benefits under the Macomb County Employees' Retirement Ordinance, based upon the following conditions and provisions:

a. Coverage shall be limited to the current spouse of the retiree, at the time of retirement. Coverage for the eligible spouse will terminate upon the death

of the retiree, unless the retiree elects to exercise a retirement option whereby the eligible, current spouse receives applicable retirement benefits following the death of the retiree.

b. ~~Coverage shall be limited to Blue Cross/Blue Shield MVF-1, Master Medical with ML Rider, or its substantial equivalence:~~

c. ~~Preferred Rx Managed Prescription Drug Program: Effective November 1, 1996, an eligible retiree, and the person who is said retiree's spouse at the time of retirement, covered by a Blue Cross/Blue Shield health care plan will be enrolled in the Preferred Rx Managed Prescription Drug Program. Coverage is as follows:~~

~~(1) The employee leaves employment because of retirement and is eligible for and receives benefits under the Macomb County Employees' Retirement Ordinance:~~

~~(2) Co-pays for prescriptions received from an approved Blue Cross/Blue Shield Preferred Rx network pharmacy will be \$5.00:~~

~~(3) Co-pays for maintenance prescriptions, received from an approved Blue Cross/Blue Shield Preferred Rx provider by mail order, will be \$2.00:~~

~~Effective as soon as practicable after the issuance of the Award, an eligible retiree, and the person who is said retiree's spouse at the time of retirement, covered by a Blue Cross/Blue Shield health care plan will be enrolled in the Preferred Rx Managed Prescription Drug Program. Coverage is as follows:~~

~~(1) The employee leaves employment because of retirement and is eligible for and receives benefits under the Macomb County Employees' Retirement Ordinance:~~

~~(2) Co-pays for prescriptions received from an approved Blue Cross/Blue Shield Preferred Rx network pharmacy will be \$5.00:~~

~~(3) Co-pays for maintenance prescriptions, received from an approved Blue Cross/Blue Shield Preferred Rx provider by mail order, will be \$5.00:~~

~~(4) Mandatory Mail-Order for Maintenance Drugs:~~

gd. Retired Employees and/or their current spouse, upon reaching age 65, shall apply, if eligible, and participate in the Medicare Program at their expense

as required by the Federal Insurance Contribution Act, a part of the Social Security Program, at which time the Employer's obligation shall be only to provide "over 65 supplemental" hospital-medical benefit coverage. Failure to participate in the aforementioned Medicare Program shall be cause for termination of Employer paid coverage of applicable hospital-medical benefits, as outlined herein, for Employees who retire and/or their current spouse.

- de. Employees who retire under the provisions of the Macomb County Employees' Retirement Ordinance, and/or their current spouse, and who are subsequently gainfully employed, shall not be eligible for hospital-medical benefits, during such period of gainful employment as hereinafter defined:

Gainful employment is defined as applying to retiree and/or spouse of retiree who are employed subsequent to the Employee's retirement. If such employment provides hospital-medical coverage for both retiree and spouse, the County is not obligated to provide said coverage unless and until the coverage of either person is terminated. If the coverage is not provided to retiree and spouse, the County will provide hospital-medical coverage for the person not covered.

- ef. Employees who retire under the provisions of the Macomb County Employees' Retirement Ordinance and current spouse shall, if eligible, apply for and participate in any National Health Insurance Program offered by the U.S. Government. Failure to participate, if eligible, shall be cause for termination of Employer paid hospital-medical benefits as outlined.

~~g.~~ Spouse Retiree Hospital-Medical Insurance:

~~Effective January 1, 1983, for Employees retiring after January 1, 1982, the County will pay one hundred percent (100%) of the total premium for Blue Cross/Blue Shield Hospital-Medical insurance for the spouse in accordance with the conditions and provisions set forth in Paragraph B.2:~~

- ~~h.~~ Retirees who are covered by Blue Cross/Blue Shield Hospital-Medical coverage, shall be required to participate in the Health Care savings known as "Predetermination of Elective Admissions":

- ~~i.~~ The Employer shall offer retirees the option of selecting a "Preferred Provider Organization" program.

- ff. The Employer shall begin a program to coordinate and to eliminate

overlapping health coverage. A retiree who elects not to enroll in any County-sponsored health care plan (Blue Cross/Blue Shield, Health Maintenance Organization, or Preferred Provider Organization), and whose spouse has coverage provided by another Employer which covers the retiree, shall be paid \$1,500 each year for every year that the spouse has coverage. Payments of \$750 will be made semi-annually to each retiree who has not been on any County-sponsored health care plan for six (6) months.

Retirees shall be required to show proof annually that a spouse has health care coverage that includes the retiree before the said retiree will be declared eligible to receive the \$1,500 annual payment.

Retirees whose spouse's health care plans cease to cover the retiree shall be allowed to enroll in a County-sponsored health care plan by showing proof that the spouse's coverage has ceased. In such cases, the retiree shall be allowed to enroll in a County-sponsored plan at the next billing period.

C. Health Maintenance Organization (see Appendix F):

1. Active Employees:

The Employer will provide a Health Maintenance Organization option for regular Employees covered under this Article, provided the premium does not exceed the cost of the present insurance.

Employees who have a spouse employed with Macomb County, will be entitled to one insurance plan for both employees and all dependants. Such employee shall not be eligible for the benefit listed in section B.1.b.

2. Waiting Period:

Employees who are eligible for hospital-medical insurance benefits will be covered on the first day of the month following sixty (60) days of continuous employment.

3. Retirees:

The Employer will provide a Health Maintenance Organization option for current and future retirees of the bargaining unit provided the premium does not exceed the cost of the present insurance.

A retiree will have the option of retaining his/her HMO coverage at the time of retirement, or converting from Blue Cross/Blue Shield to HMO coverage during the County's annual open enrollment period.

D. Dental Insurance:

A Dental Insurance Program will provide the following:

1. ~~Effective October 1, 2003,~~ Employees covered by this Agreement and their dependents will be covered by a 75/25 Class I, 50/50 Class II, maximum \$1,000 per year, per person, Delta Dental Plan, or its substantial equivalence, with the Employer paying the premium for said coverage.

2. Waiting Period:

Employees who are eligible for dental benefits will be covered on the first day of the month following six (6) months of continuous employment.

E. Optical Insurance:

An Optical Insurance program will provide the following:

1. Employees covered by this Agreement, and their dependents, will be covered by a Blue Cross/Blue Shield Vision Care Program known as Series A80, or its substantial equivalence.

2. Waiting Period:

Employees who are eligible for optical benefits will be covered on the first day of the month following sixty (60) days of continuous employment.

F. Liability Insurance:

The County shall provide for each regular Employee, Bodily Injury and Property Damage Liability Insurance and Personal Injury Insurance, including "false arrest" coverage, for actions taken in the course of and arising out of the lawful performance of duties. The limits of insurance for each occurrence will be \$450,000 in excess of \$50,000 self-insured retention per occurrence with an annual aggregate of \$450,000. The cost of this insurance will be borne by the County.

G. Disability Benefits:

Employees who shall be medically certified as unable to perform their duties, as designated by the Employer, because of the following illnesses or diseases, shall receive compensation of Fifty Dollars (\$50.00) per week for a maximum of fifty-two (52) weeks, based on the conditions specified herein:

SPECIFIC ILLNESS AND/OR DISEASE

Infectious Hepatitis	Smallpox
Spinal Meningitis	Scarlet Fever
Diphtheria	Typhoid
Tetanus	Poliomyelitis
Rabies	(Infantile paralysis)
Encephalitis	Tularemia

The conditions under which specified weekly payments shall be made are:

1. The afflicted Employee shall be declared ineligible for applicable Workers' Compensation Benefits as prescribed by the Workers' Compensation Act of the State of Michigan.
2. The afflicted Employee shall have exhausted his/her sick leave and annual leave bank in accordance with the provisions of the Annual Leave and Sick Leave Articles.
3. The afflicted Employee is not receiving any other form of County compensation other than applicable fringe benefits.

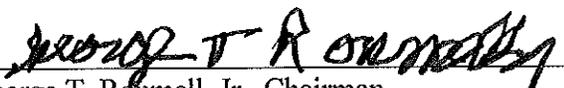
H. Long Term Disability:

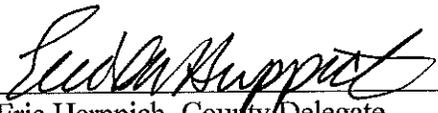
Employees covered by this Agreement will be provided a Long Term Disability program with benefits as currently provided by the present provider, or its substantial equivalence.

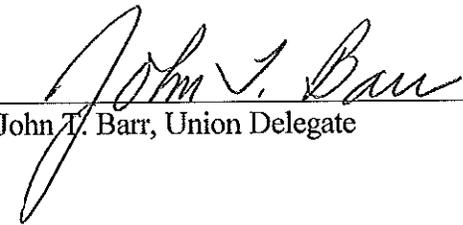
I. Substantial Equivalence:

Determination of "substantial equivalency", and/or "substantial equivalence" as expressed throughout this Article shall be subject to review and agreement by the Parties to this Agreement, prior to implementation of same.

The Tier II benefits shall be as set forth in the four-page plan summary attached to this Award for BCBS PPO, HAP and BCN as Exhibit 1 and shall be attached to the contract as Appendix F. The effective date of the insurance Awards will be implemented as soon as administratively feasible following the issue of this Award.


George T. Roumell, Jr., Chairman


Eric Herppich, County Delegate


John T. Barr, Union Delegate

August 5, 2010

3. Wages:

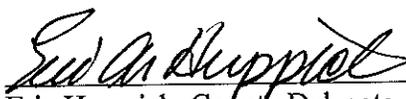
APPENDIX A
WAGE SCHEDULE

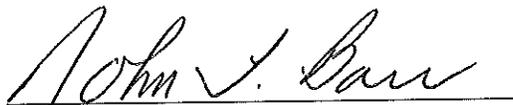
	DEPUTY			
	January 1, 2008	January 1, 2009	January 1, 2010	January 1, 2011
	0%	0%	0%	0%
Start	\$45,246.84	\$45,246.84	\$45,246.84	\$45,246.85
6 months	\$46,808.50	\$46,808.50	\$46,808.50	\$46,808.50
12 months	\$48,370.19	\$48,370.19	\$48,370.19	\$48,370.19
18 months	\$49,931.86	\$49,931.86	\$49,931.86	\$49,931.86
24 months	\$51,493.53	\$51,493.53	\$51,493.53	\$51,493.53
30 months	\$53,055.23	\$53,055.23	\$53,055.23	\$53,055.23
36 months	\$54,616.90	\$54,616.90	\$54,616.90	\$54,616.90
42 months	\$56,178.56	\$56,178.56	\$56,178.56	\$56,178.56
48 months	\$57,745.51	\$57,745.51	\$57,745.51	\$57,745.51

	DISPATCHER LEADER			
	January 1, 2008	January 1, 2009	January 1, 2010	January 1, 2011
	0%	0%	0%	0%
Start	\$41,025.66	\$41,025.66	\$41,025.66	\$41,025.66
6 months	\$42,032.73	\$42,032.73	\$42,032.73	\$42,032.73
12 months	\$43,039.79	\$43,039.79	\$43,039.79	\$43,039.79
18 months	\$44,046.87	\$44,046.87	\$44,046.87	\$44,046.87

	DISPATCHER			
	January 1, 2008	January 1, 2009	January 1, 2010	January 1, 2011
	0%	0%	0%	0%
Start	\$38,811.57	\$38,811.57	\$38,811.57	\$38,811.57
6 months	\$39,766.66	\$39,766.66	\$39,766.66	\$39,766.66
12 months	\$40,721.78	\$40,721.78	\$40,721.78	\$40,721.78
18 months	\$41,677.29	\$41,677.29	\$41,677.29	\$41,677.29


GEORGE T. ROUMELL, JR., Chairman


Eric Herppich, County Delegate


John T. Barr, Union Delegate, Dissenting

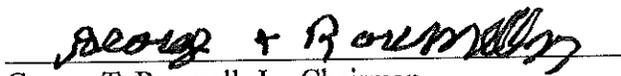
August 5, 2010

4. **Longevity:** Article 27, "Longevity," shall be amended by adding the following new

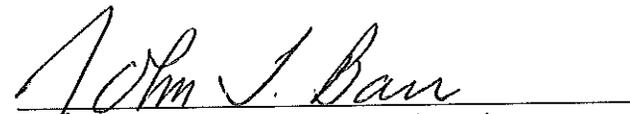
Subsection H:

- H. Notwithstanding any other provision in this Article, the longevity payments for all eligible employees shall be cancelled and not paid for calendar years 2010 and 2011. This subsection shall expire on December 31, 2011.

Effective Date: January 1, 2010.


George T. Roumell, Jr., Chairman


Eric Herppich, County Delegate


John T. Barr, Union Delegate, Dissenting

August 5, 2010

5. **DROP Plan.**

ARTICLE 26
RETIREMENT BENEFITS

New subsection, Subsection F:

1. Effective upon the 312 Arbitration Award employees covered under this collective bargaining agreement may voluntarily elect to participate in the deferred retirement option plan, hereinafter "DROP", upon obtaining the minimum age and service requirements for a normal service retirement. Upon commencement of DROP participation, the employee's DROP benefit shall be the dollar amount of the employee's monthly pension benefit computed by using the contractual guidelines and formula that are in effect on the date that the employee

first participates in the DROP plan. During participation in the DROP, the employee will continue to enjoy full employment status and receive all future promotions and wage increases. Any fringe benefits paid to members shall continue to be received by them, except for those specifically eliminated or modified by this labor agreement.

The employee's DROP benefit will be credited monthly to the individual employee's DROP account, which will be established within the defined benefit plan of the Macomb County Employees Retirement System. The employee's DROP account will be maintained and managed by the Macomb County Employees Retirement System. Upon termination of employment, the retiree shall begin to receive payments from his/her individual DROP account as described hereinafter. The DROP payments are in addition to any and all other contractual retirement benefits. The employee is solely responsible for analyzing the tax consequences of participation in the DROP.

2. Eligibility: Any current employee who is a member of the Macomb County Employees' Retirement System may voluntarily elect to participate in the DROP at any time after attaining the minimum age and service requirements for a normal service retirement.
3. Participation: The maximum period for participation in the DROP is five (5) years (the "Participation Period"). There is no minimum time period for participation.
4. DROP Payment: Upon termination of employment, the retiree shall receive the monthly retirement benefit previously credited to his/her DROP account. Failure to terminate employment at the expiration of the DROP Participation Period shall result in forfeiture of the employee's monthly pension benefit otherwise payable to the DROP account until termination of employment. Interest on the DROP account will continue to accrue during such a forfeiture, except as provided in Subsection 10.
5. Election to Participate: Participation in the DROP program is irrevocable once an employee begins participation. An employee who wishes to participate in the DROP shall complete and sign such application form or forms as shall be required by the Macomb County Board of Commissioners. Such application shall be reviewed by the Human Resources Department within a reasonable time period and make a determination as to the member's eligibility for participation in the DROP. On the date upon which the member's participation in the DROP shall be effective, he/she shall be considered to be a DROP participant and shall cease to be an active member of the Macomb County Employees Retirement System. The amount of credited service, multiplier and final average compensation shall be fixed as of the employee's DROP date. When an employee's Final Average Compensation is calculated, any retroactive wages provided shall be counted as if the retroactive wages were paid to the employee when the wages were earned, not when they were received by the employee. Increases or decreases in compensation during DROP participation will not be factored into retirement benefits of active or former DROP participants. DROP participants accrue no service time credit for retirement purposes pursuant to the Macomb County Employees Retirement System.

6. DROP Benefit: The employee's DROP benefit shall be the regular monthly retirement benefit to which the employee would have been entitled if he/she had actually retired on the DROP date, less the annuity withdrawal reduction as set forth in Subsection G, if applicable. The employee's DROP benefit shall be credited monthly to the employee's individual DROP account. At the time an employee elects to participate in the DROP, his/her choice of a straight life retirement allowance or an optional form of retirement allowance as set forth in the Macomb County Employee Retirement ordinance, ~~and/or the applicable Collective Bargaining Agreement~~ shall be irrevocable.

7. Annuity Withdrawal: An employee who elects to participate in the DROP may elect the Annuity Withdrawal option provided by the retirement ordinance at the time of electing DROP participation. Such election shall be made commensurate with the employee's DROP election, but not thereafter. Such annuity withdrawal will be utilized to compute the actuarial reduction of the member's DROP benefit, as well as the member's monthly retirement benefit from the Macomb County Employees Retirement System, after termination of employment.

The annuity withdrawal amount (accumulated contributions) will be disbursed from the Macomb County Employees Retirement System at the time of DROP election. All withdrawal provisions and options under the Retirement Ordinance, which are available to Retirement System members shall be available to the employee participating in the DROP at such time that he/she elects to participate in the DROP.

8. DROP Accounts: For each employee participating in the DROP, an individual DROP account will be created in which shall be accumulated the DROP benefits, as well as interest on said DROP benefit. All individual DROP accounts shall be maintained for the benefit of each employee participating in the DROP and will be managed by the Retirement System in the same manner as the primary retirement fund. DROP interest for each employee who participates in the DROP shall be at a fixed rate of 3.5% per annum, calculated in the same manner as the interest in the employee savings accounts in the Macomb County Employees Retirement System.

9. Contributions: The employee's contributions to the Macomb County Employees Retirement System shall cease as of the date that the employee begins participation in the DROP.

10. Distribution of DROP Funds: Within 45 days of termination of employment, the employee participating in the DROP must choose one, or a non-inconsistent combination of, the following distribution methods to receive payment(s) from his/her individual DROP account:

- 1) A lump sum distribution to the employee; AND/OR
- 2) A lump sum direct rollover to another qualified plan to the extent allowed by federal law and in accordance with any procedures established by the Macomb County Board of Commissioners or the Retirement System for such rollovers.

Failure to elect one of the above options and receive such distribution within 60 days of termination of employment shall result in the termination of any interest paid on said account.

All benefit payments under the plan shall be made as soon as practicable after entitlement thereto, but in no event later than April 1 following the later of:

- 1) The calendar year in which the primary member attains age 70 1/2, or
- 2) The calendar year in which the employment is terminated.

If the accumulated balance in any former employee's account is more than \$1,000 but less than \$5,000 (or such other amount as provided in the Internal Revenue Code, particularly Section 411(a)(11)(A)), then the Retirement System, in its sole discretion, shall have the option of distributing the former employee's entire account, in the form of a lump sum, to an individual retirement plan.

11. Death During DROP Participation: If an employee participating in the DROP dies either: (1) before full retirement, that is before termination of employment with the County, or (2) during full retirement (that is, after termination of employment with the County but before the DROP account balance has been fully paid), the employee's designated beneficiary(ies) shall receive the remaining balance in the employee's DROP account in the manner in which they elect from the previously mentioned distribution methods (Subsection 3). If there is no such beneficiary, the account balance shall be paid in a lump sum to the estate of the employee. Benefits payable from the Macomb County Employees Retirement System shall be determined as though the employee participating in the DROP had separated from service on the day prior to the employee's date of death.
12. Disability During DROP Participation: In the event an employee participating in the DROP becomes totally and permanently disabled from further service in the employment of the Macomb County (Office of the Sheriff) the employee's participation in the DROP shall cease, and the employee shall receive such benefits as if the employee had retired and terminated employment during the participation period.
13. Internal Revenue Code Compliance: The DROP is intended to operate in accordance with Section 415 and other applicable laws and regulations contained within the Internal Revenue Code of the United States. Any provision of the DROP, or portion thereof, that is in conflict with an applicable provision of the Internal Revenue Code of the United States is hereby null and void and of no force and effect.
14. Other Provisions: The Macomb County Employees Retirement System is a defined benefit plan. Should that plan be modified to include a defined contribution plan, this DROP account established is only part of a defined benefit plan. It is intended that this DROP be a "forward" DROP only and contains no DROP "back" provision, which would allow members to retire retroactively.

15. Annual Leave, Sick Leave and Other Fringe Benefits: The collective bargaining agreement may provide for the crediting of both annual leave and sick leave banks for inclusion in determining an employee's final average compensation for purposes of computing retirement benefits. [Refer to Art. 26 Section B. of CBA.]

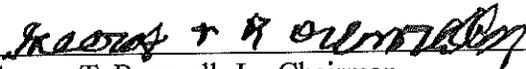
At the effective date of an employee's participation in the DROP plan, an employee's annual and sick leave bank shall be "credited" and/or paid as provided for in the collective bargaining agreement or the Macomb County Employees Retirement Ordinance.

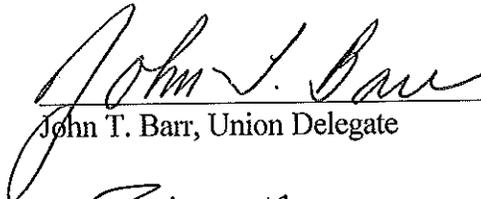
After the effective date of an employee's participation in the DROP, the employee's annual leave and sick leave shall be determined as set forth in the collective bargaining agreement between the Police Officer Labor Council [POAM] and the County of Macomb.

16. Voting Rights and Retirement Commission Members: At the time an Employee elects to participate in the DROP, he/she shall no longer be eligible to vote in any retirement elections nor shall said person be eligible to hold office pursuant to Section 4(e) of the Macomb County Employees Retirement Ordinance as an elected employee member.

This Award shall also include the language of Exhibit 2 attached to this Opinion.

The effective date of the DROP Plan shall be the date of this Award.


George T. Roumell, Jr., Chairman


John T. Barr, Union Delegate


Eric Herppich, County Delegate, Dissenting

August 5, 2010

6. Compensatory Time. The present Article 17.B shall continue in the 2008-2011

Agreement, namely:

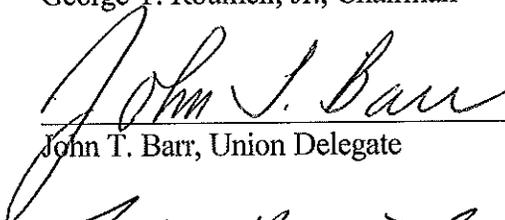
B. Compensatory Time Procedure:

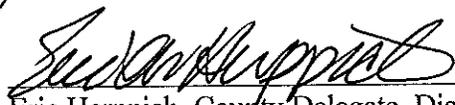
1. Employees working overtime, call-in time and/or Court time shall have the option of receiving pay at the rate of time and one-half (1 1/2) or receiving compensatory time-

off. Employees shall select one (1) of the above options and properly notify the appropriate Command Officer. An Employee who has accrued compensatory time and requests the use of the time, shall be permitted to use the time-off within a reasonable period after making the request; provided, however, that it does not unduly disrupt the operations of the Department. However, no member of the bargaining unit may utilize compensatory time for time off in excess of 144 hours per calendar year. Employees may utilize up to 16 additional hours of compensatory time for training purposes, after approval by the Sheriff or his/her designee. Employees may not, under any circumstances, accumulate more than one hundred (100) hours of compensatory time. Upon termination of employment, an Employee shall be paid for unused compensatory time figured at:

- a. The average regular rate received by such Employee during the last three (3) years of employment; or,
 - b. Final regular rate received by such Employee, whichever is higher.
2. An employee may convert compensatory time to a cash payment by notifying the appropriate Command Officer of the number of hours of compensatory time to be converted to a cash payment.
3. Retirement contributions shall be deducted from the cash payment for compensatory time and the amount paid shall be included in an employee's Final Average Compensation (F AC) for retirement purposes.


George T. Roumell, Jr., Chairman

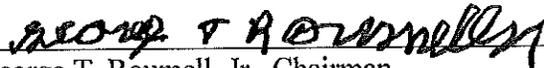

John T. Barr, Union Delegate

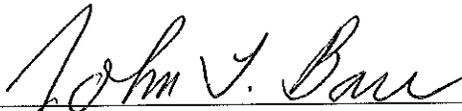

Eric Herppich, County Delegate, Dissenting

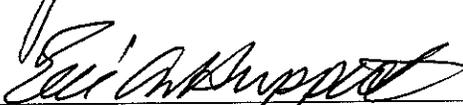
August 5, 2010

7. Pension Final Average Compensation

There shall be no change in Article 26.B as to the final average compensation used for calculating pension benefits for all members under the bargaining unit. In other words, the County's Last Best Offer to exclude overtime from final average compensation is rejected.


George T. Roumell, Jr., Chairman


John T. Barr, Union Delegate


Eric Herppich, County Delegate, Dissenting

August 5, 2010

8. Pension Cap

Article 26, "Retirement Benefits, Section D, "Deputy," Subsection 1, shall be revised to add the new following c:

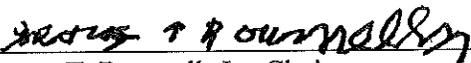
- c. Effective as soon as possible after the issuance of the Award, in no case shall the Straight Life pension benefit for a bargaining unit member under this contract exceed 100% of the employee's base salary at the time of retirement. Such limitation shall be applied to a bargaining unit member's straight life benefit calculation prior to an applicable actuarial adjustment, if any, for the member's selection of an optional form of benefit or the annuity withdrawal option.

Notwithstanding the provisions of Section D, "Deputy," Subsection 1.c, at the time of the Act 312 award in MERC Case No. D09 0734, any income already earned by current employees who are in the last 10 years of service for pension eligibility, and the income already earned could be counted as one of the employee's best three out of ten years, may be counted for FAC purposes, even if that income

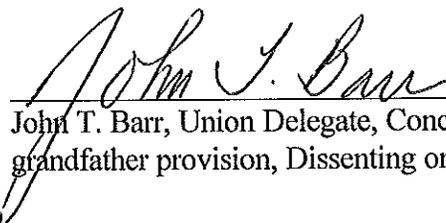
exceeds 100% of base pay. Any income earned after the date of the 312 Award and connected to the best three out of ten years income already earned may be counted for FAC purposes to exceed 100% of base pay.

Example: An employee in 2010 earns income which would result in their FAC being more than 100% of base pay would be allowed to use income from 2011 and 2012 for their FAC years to exceed 100% of base pay since they have already started their best three out of 10 years for pension purposes.

Any employee, at the time of the Award, who has not achieved any portion of three (3) years used to calculate their pension which would result in more than 100% of their base pay shall be subject to the 100% cap.


George T. Roumell, Jr., Chairman


Eric Herppich, County Delegate, Concurring on the cap, Dissenting on the grandfather provision


John T. Barr, Union Delegate, Concurring on the grandfather provision, Dissenting on the cap

August 5, 2010

9. **Amendment to Article 26, "Retirement Benefits," Section D, "Deputy," Subsection 4.**

Article 26, "Retirement Benefits," Section D, "Deputy," Subsection 4, shall be revised to provide as follows:

4. Upon written application, an employee in the classification of Deputy may apply for voluntary retirement after completing twenty-five (25) years of service regardless of age or upon completing eight (8) years of service and attaining age sixty (60). Said application shall set forth at what time, not less than thirty (30)

days nor more than ninety (90) days subsequent to the execution and filing thereof, that he/she desires to be retired. Upon his/her retirement he/she shall receive a retirement allowance as provided in Section 22 of the Macomb County Employees' Retirement Ordinance and the provisions of this Article.

For employees hired or promoted into this bargaining unit on or after the issuance of the Award, upon written application, an employee in the classification of Deputy may apply for voluntary retirement upon completing fifteen (15) actual years of service with the County and attaining age sixty (60) or upon completing twenty-five (25) actual years of service with the County regardless of age. Said application shall set forth at what time, not less than then (30) days nor more than ninety (90) days subsequent to the execution and filing thereof, that he/she desires to be retired. Upon his/her retirement he/she shall receive a retirement allowance as provided in the Macomb County Employees' Retirement Ordinance and the provisions of this Article.

Effective Date: Date of this Award.

10. **Article 26, "Retirement Benefits," Section E, "Dispatcher," Subsection 4.**

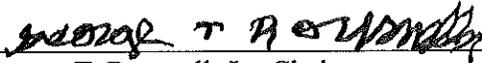
Article 26, "Retirement Benefits," Section E, Dispatcher," Subsection 4, shall be revised as follows:

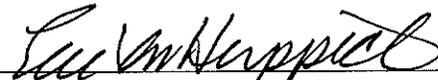
4. Upon written application, an employee in the classifications of Dispatcher and Dispatcher Leader may apply for voluntary retirement after completing twenty-five (25) years of service regardless of age or upon completing eight (8) years of service and attaining age sixty (60). Said application shall set forth at what time, not less than thirty (30) days nor more than ninety (90) days subsequent to the execution and filing thereof, that he/she desires to be retired. Upon his/her retirement he/she shall receive a retirement allowance as provided in Section 22 of the Macomb County Employees' Retirement Ordinance and the provisions of this Article.

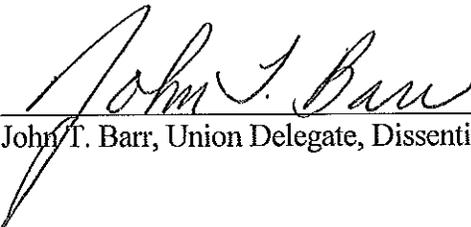
For employees hired or promoted into this bargaining unit on or after the issuance of the Award, upon written application, an employee in the classifications of Dispatcher and Dispatcher Leader may apply for voluntary retirement upon completing fifteen (15) actual years of service with the County and attaining age sixty (60) or upon completing twenty-five (25) actual years of service with the County regardless of age. Said application shall set forth at what time, not less than thirty (30) days nor more than ninety

(90) days subsequent to the execution and filing thereof, that he/she desires to be retired. Upon his/her retirement he/she shall receive a retirement allowance as provided in the Macomb County Employees Retirement Ordinance and the provisions of this Article.

Effective Date: Date of this Award.


George T. Roumell, Jr., Chairman


Eric Herppich, County Delegate

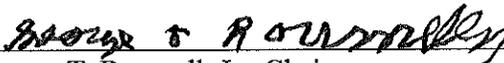

John T. Barr, Union Delegate, Dissenting

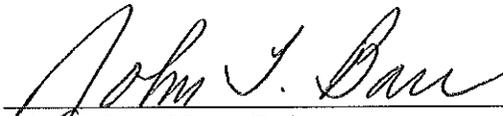
August 5, 2010

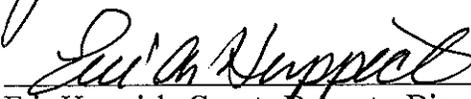
11. **Article 16 - Holidays.**

Article 16, Holiday Pay Benefits, Section A, shall be retained in the contract; however, for each employee and DROP participant in 2010 and 2011, four holidays shall not be included in the Section A December payout. In other words, the number of paid holidays will remain as stated in Article 16. However, for the years 2010 and 2011 only, the December cash holiday payment will be reduced by four (4) holidays.

Effective Date: Date of Award


George T. Roumell, Jr., Chairman


John T. Barr, Union Delegate


Eric Herppich, County Delegate, Dissenting

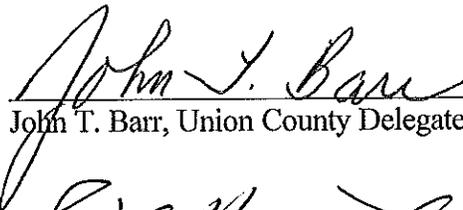
August 5, 2010

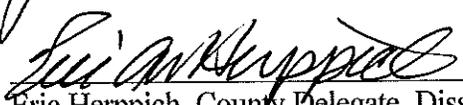
12. Article 19.H shall read:

- H.1 The current number of vacation slots available for Deputies and Dispatcher Leaders and the procedure for selecting vacations will remain in full force and effect.
- H.2 Effective with the date of this Award, there shall be three vacation slots available for Dispatchers and the procedure for selection vacations will remain in full force and effect.

Effective Date: Date of this Award.

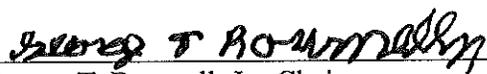

George T. Roumell, Jr., Chairman

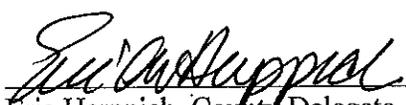

John T. Barr, Union County Delegate

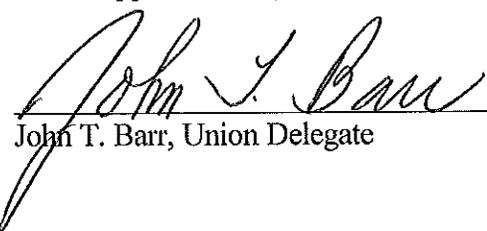

Eric Herppich, County Delegate, Dissenting

August 5, 2010

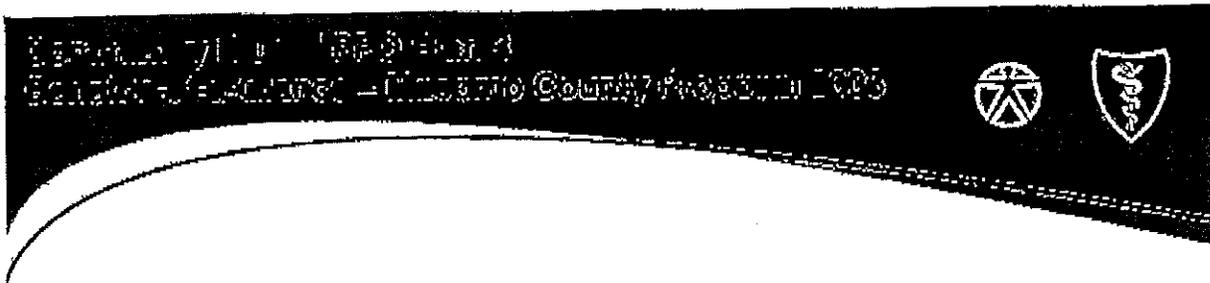
13. **Tentative Agreements.** The Tentative Agreement attached to this Award as Exhibit 3 shall be part of the 2008-2011 contract.


George T. Roumell, Jr., Chairman


Eric Herppich, County Delegate


John T. Barr, Union Delegate

August 5, 2010



This is intended as an easy-to-read summary. It is not a contract. Additional limitations and exclusions may apply to covered services. For a complete description of benefits, please see the applicable Blue Cross Blue Shield of Michigan certificates and riders. Payment amounts are based on the Blue Cross Blue Shield of Michigan approved amount, less any applicable deductible and/or copay amounts required by your plan. This coverage is provided pursuant to a contract entered into in the state of Michigan and will be construed under the jurisdiction of and according to the laws of the state of Michigan.

In-network

Out-of-network

Deductible, copays and dollar maximums

Note: Services from a provider for which there is no PPO network and services from a non-network provider in a geographic area of Michigan deemed a "low access area" by BCBSM for that particular provider specialty are covered at the in-network benefit level. If you receive care from a nonparticipating provider, even when referred, you may be billed for the difference between our approved amount and the provider's charge.

Deductible	\$250 for one member, \$500 for the family per calendar year Note: Deductible waived if service is performed in a PPO physician's office.	\$500 for one member, \$1,000 for the family per calendar year Note: Out-of-network deductible amounts also apply toward the in-network deductible.
Copays		
• Fixed dollar copays	\$25 for office visits and \$100 for emergency room visits	\$100 for emergency room visits
• Percent copays	20% for general services, waived if service is performed in a PPO physician's office, and 50% for mental health care, substance abuse treatment and private duty nursing	40% for general services and 50% for mental health care, substance abuse treatment and private duty nursing
Copay dollar maximums		
• Fixed dollar copays	None	None
• Percent copays – excludes mental health care, substance abuse treatment and private duty nursing copays	\$1,000 for one member, \$2,000 for two or more members per calendar year	\$3,000 for one member, \$6,000 for two or more members per calendar year Note: Out-of-network copays also apply toward the in-network maximum.
Dollar maximums	\$1 million lifetime per covered specified human organ transplant type and a separate \$5 million lifetime per member for all other covered services and as noted for individual services	

Preventive care services – *Payment for preventive services is limited to a combined maximum of \$500 per member per calendar year

Health maintenance exam – includes chest X-ray, EKG and select lab procedures	Covered – 100%, one per calendar year	Not covered
Gynecological exam	Covered – 100%, one per calendar year	Not covered
Pap smear screening – laboratory and pathology services	Covered – 100%, one per calendar year	Not covered
Well-baby and child care	Covered – 100%* • 6 visits, birth through 12 months • 6 visits, 13 months through 23 months • 2 visits, 24 months through 35 months • 2 visits, 36 months through 47 months • 1 visit per birth year, 48 months through age 15	Not covered
Childhood immunizations as recommended by the Advisory Committee on Immunization Practices and the American Academy of Pediatrics	Covered – 100%*	Not covered
Fecal occult blood screening	Covered – 100%*, one per calendar year	Not covered
Flexible sigmoidoscopy exam	Covered – 100%*, one per calendar year	Not covered
Prostate specific antigen (PSA) screening	Covered – 100%*, one per calendar year	Not covered
Mammography		
Mammography screening	Covered – 100% after deductible	Covered – 60% after deductible
	One per calendar year, no age restrictions	

Blue Cross Blue Shield of Michigan is a nonprofit corporation and independent licensee of the Blue Cross and Blue Shield Association.

bcbsm.com

**In-network****Out-of-network****Physician office services**

Office visits	Covered - \$25 copay	Covered - 60% after deductible, must be medically necessary
Outpatient and home medical care visits	Covered - 80% after deductible	Covered - 60% after deductible, must be medically necessary
Office consultations	Covered - \$25 copay	Covered - 60% after deductible, must be medically necessary
Urgent care visits	Covered - \$25 copay	Covered - 60% after deductible, must be medically necessary

Emergency medical care

Hospital emergency room	Covered - \$100 copay, waived if admitted or for an accidental injury	Covered - \$100 copay, waived if admitted or for an accidental injury
Ambulance services - medically necessary	Covered - 80% after deductible	Covered - 80% after deductible

Diagnostic services

Laboratory and pathology services	Covered - 80% after deductible	Covered - 60% after deductible
Diagnostic tests and X-rays	Covered - 80% after deductible	Covered - 60% after deductible
Therapeutic radiology	Covered - 80% after deductible	Covered - 60% after deductible

Maternity services provided by a physician

Prenatal and postnatal care	Covered - 100%	Covered - 60% after deductible Includes care provided by a certified nurse midwife
Delivery and nursery care	Covered - 80% after deductible	Covered - 60% after deductible Includes delivery provided by a certified nurse midwife

Hospital care

Semi-private room, inpatient physician care, general nursing care, hospital services and supplies Note: Nonemergency services must be rendered in a participating hospital.	Covered - 80% after deductible	Covered - 60% after deductible
Inpatient consultations	Covered - 80% after deductible	Covered - 60% after deductible
Chemotherapy	Covered - 80% after deductible	Covered - 60% after deductible

Alternatives to hospital care

Skilled nursing care	Covered - 80% after deductible	Covered - 80% after deductible Up to 120 days per calendar year
Hospice care	Covered - 100%	Covered - 100% Limited to dollar maximum that is reviewed and adjusted periodically
Home health care - medically necessary	Covered - 80% after deductible	Covered - 80% after deductible
Home infusion therapy - medically necessary	Covered - 80% after deductible	Covered - 80% after deductible

Surgical services

Surgery - includes related surgical services	Covered - 80% after deductible	Covered - 60% after deductible
Presurgical consultations	Covered - 100%	Covered - 60% after deductible
Colonoscopy	Covered - 80% after deductible	Covered - 60% after deductible
Voluntary sterilization	Covered - 80% after deductible	Covered - 60% after deductible

Human organ transplants

Specified human organ transplants - in designated facilities only, when coordinated through the BCBSM Human Organ Transplant Program (800-242-3504)	Covered - 100%	Covered - in designated facilities only Limited to \$1 million lifetime maximum per member per transplant type for transplant procedure(s) and related professional, hospital and pharmacy services
Bone marrow - when coordinated through the BCBSM Human Organ Transplant Program (800-242-3504)	Covered - 80% after deductible	Covered - 60% after deductible
Specified oncology clinical trials	Covered - 80% after deductible	Covered - 60% after deductible
Kidney, cornea and skin	Covered - 80% after deductible	Covered - 60% after deductible



In-network

Out-of-network

Mental health care and substance abuse treatment

Inpatient mental health care	Covered - 50% after deductible Unlimited days	Covered - 50% after deductible
Inpatient substance abuse treatment	Covered - 50% after deductible Unlimited days, up to \$15,000 annual, \$30,000 lifetime maximum	Covered - 50% after deductible
Outpatient mental health care • Facility and clinic • Physician's office	Covered - 50% after deductible	Covered - 50% after deductible
Outpatient substance abuse treatment - in approved facilities	Covered - 50% after deductible Up to the state-dollar amount that is adjusted annually	Covered - 50% after deductible

Other covered services

Outpatient Diabetes Management Program (ODMP)	Covered - 80% after deductible	Covered - 80% after deductible
Allergy testing and therapy	Covered - 100% after deductible	Covered - 80% after deductible
Chiropractic spinal manipulation	Covered - 100% after deductible Up to 24 visits per calendar year	Covered - 60% after deductible
Outpatient physical, speech and occupational therapy	Covered - 80% after deductible Limited to a combined maximum of 60 visits per member per calendar year	Covered - 60% after deductible
Durable medical equipment	Covered - 80% after deductible	Covered - 80% after deductible
Prosthetic and orthotic appliances	Covered - 80% after deductible	Covered - 80% after deductible
Private duty nursing	Covered - 50% after deductible	Covered - 60% after deductible
Prescription drugs	Not covered	Not covered

Optional riders

Mammography screening	MOD: Covered - 100%
Allergy testing and therapy	MOD: Covered - 100% after \$10 co-pay
Chiropractic spinal manipulation	MOD: Covered - 100% after \$10 co-pay
Prescription drugs	MOD: \$5 Generic / \$25 Formulary / \$50 Non-Formulary
Prescription drugs - Mail Order	MOD: 2 times retail \$10 Generic / \$50 Formulary / \$100 Non-Formulary
Contraceptive Injections	CI
Prescription Contraceptive Devices	PCD
Prescription Contraceptives Medications	PD-CM
Exclusion of benefit for voluntary abortion	XVA



County of Macomb Plan Option - HAP

Benefit	Employer Proposal
Office Visit Primary Physician	\$20
Office Visit Specialist	\$30
Emergency Room Care	\$150
Urgent Care Visit	\$30
Prescription Drugs	
Generic	\$15
Formulary	\$30
Non-formulary	\$50
Mail-Order	2X

County of Macomb Plan Option - BCN

Benefit	Employer Proposal
Office Visit Primary Physician	\$20
Office Visit Specialist	\$30
Emergency Room Care	\$100
Urgent Care Visit	\$30
Prescription Drugs	
Generic	\$10
Formulary	\$25
Non-formulary	\$50
Mail-Order	2X

ARTICLE 20, SICK LEAVE

TO BE ADDED

Employees participating in the DROP Program shall not be subject to Article 20, Sick Leave, Sections A., B., and G. above and shall be entitled to Sick Leave calculated in the following manner:

1. DROP participants shall be provided with six (6) days of Sick Leave on January 1st of each year the employee participates in the DROP program.
2. Employees who begin DROP participation at a time other than January 1st, shall receive a pro-rata share of six (6) Sick Leave days for the balance of the calendar year.
3. After the exhaustion of the six (6) Sick Leave days provided for in paragraph J.1., employees may utilize that Sick Leave, accrued pursuant to Sections 20.A. and 20.B. above during the period of employment prior to the effective date of DROP participation, for which the employee was not compensated pursuant to Article 21, ACCUMULATED SICK LEAVE PAYOFF, at the time the employees DROP participation begins.
4. Up to three (3) unused Sick Leave days, of the six (6) provided in Section J.1. above, will be paid by the Employer at the end of each calendar year of DROP participation.
5. There shall be no compensation for any Sick Leave time remaining in the employee's Sick Leave bank upon separation from employment.

ARTICLE 21, ACCUMULATED SICK LEAVE PAYOFF

TO BE ADDED

DROP Participants: At the conclusion of the employee's participation in the DROP Program, there shall be no compensation for any Sick Leave time remaining in the employee's Sick Leave bank upon separation from employment.

ARTICLE 19, ANNUAL LEAVE (VACATION)

TO BE ADDED

ANNUAL LEAVE FOR DROP PARTICIPANTS: Employees who are participants in the Deferred Retirement Option Program (DROP) shall not be subject to sections A., B., D., and E. of Article 19, above, and shall receive annual leave in the following manner:

1. DROP participants shall receive, on January 1st of each year of DROP participation, a number of hours of annual leave equal to the number of hours of annual leave accumulated in the calendar year immediately preceding the commencement of DROP participation.
2. Employees whose DROP participation begins at a time of year other than January 1st, shall receive a pro-rata share of annual leave for the balance of the calendar year computed in the same manner as paragraph I.1., above.
3. Annual Leave not utilized by an employee by December 31st of a calendar year shall be forfeited.
4. There shall be no compensation for annual leave time remaining in an employee's annual leave bank upon separation from employment.
5. DROP participants who utilize annual leave in an amount in excess of a proportionate share prior to voluntarily or involuntarily discontinuing employment shall be obligated to compensate the Employer for all annual leave time used in excess of such proportionate share. This provision shall not apply to an employee whose involuntary discontinuance of employment is caused by duty related death or disability.

ARTICLE 27, LONGEVITY

TO BE ADDED

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, above).

ARTICLE 9, SENIORITY

TO BE ADDED

Section C.

If the employee, except for participants in the Deferred Retirement Option Program, withdraws his/her contributions from the Macomb County Employees' Retirement System.

DROP Participants: DROP participants shall continue to accrue seniority in the same manner as Active Employees, except as otherwise provided in this Agreement.

ARTICLE 16, HOLIDAY BENEFITS

TO BE ADDED

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 Holiday Pay. Payment for the balance of that years holidays and subsequent holiday pay shall be made in December of each year. Payment shall be as described in Section A, above.

ARTICLE 26, RETIREMENT BENEFITS

TO BE ADDED

DROP Program: The Memorandum of Understanding regarding the Deferred Retirement Option Plan (DROP) is attached to and is incorporated by reference as part of this Agreement.

ARTICLE 25, INSURANCE BENEFITS

MODIFICATIONS

- A.1. Active Employees (including DROP Participants):
- B.1. Active Employees (including DROP participants):
- B.2.a. Coverage shall be limited to the current spouse of the retiree, at the time of retirement or DROP.
- C.1. Active Employees (including DROP participants):
- D.1. Employees (including DROP participants)
- E.1. Employees (including DROP participants)
- F. The County shall provide for each regular Employee (including DROP participants), Bodily Injury and Property Damage Liability Insurance and Personal Injury Insurance,
- G. Employees (including DROP participants) who shall be medically certified as unable to perform their duties,
- H. Employees (including DROP participants) covered by this Agreement will be provided a Long Term Disability

ARTICLE 27, LONGEVITY

MODIFICATION

Notwithstanding any other provision in this Article, the longevity payment for all eligible employees and **DROP participants** shall be canceled and not paid for calendar years 2010 and 2011. This subsection shall expire on December 31, 2011.

Handwritten signature and date: M. East 5/21/09

ARTICLE 10

PREFERRED JOB ASSIGNMENTS

- A. The Sheriff retains the right to make all assignments, but the Sheriff shall make preferred job assignments as set forth in this Article. Preferred job assignments shall be made as follows:
1. When a job opening is available for any preferred assignment, the Department will post the opening on a bulletin board for a ten (10) day period.
 2. Any qualified bargaining unit member may file a written request for the preferred job assignment.
 3. Except as otherwise set forth herein, the filling of a preferred job opening shall be determined from the list of bargaining unit members who file written requests.
 4. The following shall be recognized as preferred jobs:
Marine Division, Traffic Division, Breathalyzer Operator, Youth Bureau, Scuba Diver, S.W.A.T., Evidence Technician, Circuit Court/Station Three, C.O.M.E.T., Special Enforcement Team, Court Cars, Circuit Court Officers, M.A.T.S., FOC, Detective Bureau Investigator, M.A.C.E. and Canine.
 5. For the purposes of this Article, any newly created jobs shall be subject to the procedures of this Article.
- B. The above-described preferred jobs shall be placed in various groups, which placement shall determine the selection method and length of assignment.

GROUP A

Group A jobs shall be posted annually. The bargaining unit member with the highest seniority on the list shall receive the job. Length of assignment in Group A jobs is subject only to annual bumping by a more senior Employee.

Group A jobs are specified as follows:

Circuit Court/Station Three
Court Cars

GROUP B

Group B jobs shall be posted annually to give all qualified bargaining unit members, including the incumbent job holder, an opportunity to indicate interest. Selection of Group B jobs shall be determined from the list of qualified bargaining unit members who sign up on the basis of qualifications, sufficient ability, and seniority.

Group B jobs are subdivided as follows:

GROUP B(1)

Breathalyzer Operator
S.W.A.T.
Evidence Technician
Scuba Diver
Marine Division [~~seasonal~~ three (3) month
and six (6) month job]

Any bargaining unit member currently holding a Group B(1) job may continue in that job indefinitely.

GROUP B(2)

Special Enforcement Team

There is a three (3) year maximum on holding a Group B(2) job, with a one year exclusionary period before reapplying to a Group B (2), or B (4) position.

GROUP B(3)

Traffic Division

Selection of and continuation in this job is subject to State appropriation. There is no minimum or maximum time on holding a Group B(3) job.

GROUP B(4)

C.O.M.E.T.
M.A.T.S.
F.O.C./Plain Clothes

Selection of rank to this job is dependent upon the needs of the position and the filling of the assignment shall be at the Sheriff's discretion. There is a three (3) year maximum on holding a Group B(4) job, with a one (1) year exclusionary period before reapplying to a Group B (4), or B (2) position.

GROUP C

Group C jobs shall be posted annually for bargaining unit members. Except as otherwise specified below, selection to Group C jobs shall be at the discretion of the Sheriff.

Group C jobs are subdivided as follows:

GROUP C(1)

Circuit Court Officer
Uniform F.O.C./Circuit Court Position

A Circuit Court Officer shall be assigned at the sole discretion of the Sheriff, except that the selection shall not interfere with or abridge an Employee's right to select shift assignment. The Sheriff shall first consider those bargaining unit members volunteering for a Group C(1) job before exercising discretion in the assignment of the job. The exercise of discretion shall be limited to bargaining unit employees.

GROUP C(2)

Marine Division [twelve (12) month job]
Youth Bureau
School Liaison Officer
Detective Bureau Investigator

Group C(2) jobs shall be posted for qualified bargaining unit members annually. Selection to Group C(2) positions shall be determined on the basis of qualifications, ability and seniority. The Union, through a designated representative, shall participate in the process of formulating recommendations to the Sheriff on the selection of applicants. It is recognized that the assessment of ability and qualifications of Group C(2) applicants requires subjective judgment by the Department. As such, the determination of the best qualified candidate shall be made by the Sheriff at his discretion.

GROUP C(3)

Canine

Initial assignment to Group C(3) jobs shall be assigned at the sole discretion of the Sheriff and offered to any qualified member of the bargaining unit.

GROUP C(4)

M.A.C.E.

Group C(4) jobs shall be assigned at the sole discretion of the Sheriff and offered to any employee within the Office of the Sheriff. Qualified members of the bargaining unit shall be considered by the Sheriff.

- C. In the event that there is no bargaining unit member applying for a specific preferred job assignment, the Employer may fill the preferred job assignment from among any bargaining unit members within the required classification, unless otherwise specified within the language of a particular group.
- D. Substation assignments are not preferred jobs. The substation assignments, however, will be posted each November and the Sheriff will select available Deputies for the substation assignments.
- E. When a bargaining unit member is reassigned from a preferred assignment back to regular duties, said bargaining unit member shall be afforded an opportunity to select a shift preference as provided in this Agreement.
- F. All preferred jobs shall be posted in November of each year. The assignment shall then be made effective, subject to scheduling, as near January 1 as possible. The holding of any job

under this Article is subject to the bargaining unit member's ability to perform satisfactorily in the assignment. In the event that a bargaining unit member is reassigned to regular duties, the Sheriff, or designated representative, will explain to the bargaining unit member the reasons for the reassignment.

- G. Probationary bargaining unit members, as defined in Article 8, Probationary Period, Paragraph A (~~New Employees~~), shall not be eligible for any preferred assignment.

TA
SAA
5-21-09
GP
[Signature]

ARTICLE 24
LEAVE OF ABSENCE

A. A Leave of Absence may be requested in writing for any of the following reasons:

1. Personal illness/injury.
(Personal illness includes a woman's actual, physical inability to work as a result of pregnancy, childbirth, or related medical condition).
2. Illness/injury in immediate family.
3. Education.
4. ~~Military Service.~~
45. Personal reason.

B. General Provisions:

1. A Leave of Absence may be with pay or without pay.

2. **An employee absent from work for more than five (5) consecutive days shall be required to apply for and submit a request for a leave of absence in writing with the required documentation.** Except for personal illness/injury reasons, an Employee absent from work for five (5) or more days shall be required to apply for and submit a request for a Leave of Absence in writing with the required documentation.

3. Failure to report for duty upon expiration of a Leave of Absence shall be considered a resignation. Exceptions may be approved by the Employer in situations that are beyond the control of the Employee.

4. Waiting periods for Leave of Absence eligibility are as follows:

a. Employees must have six (6) months or more of continuous service to be eligible for any of the following Leaves of Absence:

- Illness/injury in immediate family.
- Education.
- Personal reason.
- Personal illness/injury.

b. Employees shall not be required to complete a waiting period in order to be eligible for the following Leaves of Absence:

- ~~--- Military Service~~
- An illness/injury for which an Employee is eligible for and receiving Workers' Compensation benefits.

5. Duration of Leaves of Absence:

a. An approved Leave of Absence shall not exceed six (6) months, except that the following types of leaves of absence may have extensions for up to six (6) months granted:

- Personal illness/injury.
- Education.

b. All requirements for all such requested extensions must be fulfilled. Such extensions shall be granted or denied in writing. The total aggregate time of all extensions shall not exceed an additional six (6) months from the expiration of the original leave of absence.

6. The Sheriff and the Director of Human Resources shall approve or disapprove all requests for Leaves of Absence, except for Workers' Compensation claims which shall be governed by applicable Statutes.

7. The practice shall continue that an Employee on a Leave of Absence without pay shall not accrue benefits during the period of said Leave.

C. Types of Leave of Absence:

1. Personal Illness/Injury:

a. If an Employee's absence from work will result in the depletion of the Employee's Sick Leave Bank, the Employee must apply for a Leave of Absence without pay. Said application shall be made before the depletion of the Sick Leave Bank occurs. The Employer is to be given as much advance notice as possible.

b. All requests for a Personal Illness/Injury Leave of Absence must be submitted in writing to the Sheriff or designee. In proper circumstances, the Employer may waive the requirement that said request be in writing.

c. The written request for a Leave of Absence must be accompanied by a physician's statement which includes the following information:

- (1) General nature of personal illness/injury;
- (2) Dates of incapacity;
- (3) Anticipated date of return to work;
- (4) Physician's signature;
- (5) Physician's name, address and telephone number.

d. A request for an extension must be submitted in writing at least five (5) working days prior to the expiration of the original Leave of Absence. The request for an extension must be accompanied by a physician's statement which includes the information in Paragraph C.1.c. of this Article.

JA
SMA

e. The Employer may exercise the right to have the Employee examined by a physician selected by the Employer before approving and granting such request for Leave of Absence and/or extension at the Employer's expense.

f. Prior to returning from a Personal Illness/Injury Leave of Absence, the Employee shall submit to the Employer evidence in the form of a medical certificate or other written medical documentation; said certificate or documentation shall indicate the anticipated date of return and that the Employee has the ability to perform the essential functions of the job with or without reasonable accommodation. At the Employer's sole discretion, it may require that a medical examination be conducted; said examination shall be at the Employer's expense.

2. Illness/Injury of a Member of the Employee's Immediate Family:

a. A Leave of Absence may be requested because of illness/injury suffered by a member of the Employee's immediate family. The term immediate family as used in this section shall mean current spouse, parents, grandparents, children, brothers or sisters of the employee, or of the employee's current spouse. It shall also include any person who is a member of the employee's household. All requests for this type of Leave of Absence must be submitted in writing to the Sheriff or designee. In proper circumstances, the Employer may waive the requirement that said request be in writing.

b. In addition to the written request for a Leave of Absence, a letter from the physician attending the ill/injured member may be required to evaluate the request.

3. Education:

a. All requests for this type of Leave of Absence shall be submitted in writing to the Sheriff or designee.

b. All requests for this type of Leave of Absence must be submitted at least thirty (30) days prior to the effective date of Leave.

4. ~~Military:~~

~~a. All requests for this type of Leave of Absence must be submitted in writing to the Sheriff or designee.~~

~~b. All requests for this type of Leave of Absence must be submitted at least thirty (30) days prior to the effective date of Leave.~~

~~c. An Employee while attending, pursuant to governmental orders, the two (2) week National Guard Training is entitled, under Federal Law, to accumulate both Sick and Annual Leave, to accumulate seniority toward longevity, and to accumulate seniority toward retirement.~~

~~d. An Employee who goes on active military duty shall have re-employment rights as provided by State and Federal Statutes.~~

~~c. A probationary Employee who enters the Armed Forces must complete his/her probationary period upon his/her return to County employment, and upon completing said probationary period, will be provided seniority equal to the time spent in the Armed Forces and the time spent in previous County service.~~

45. Personal Reasons:

- a. All requests for this type of Leave of Absence shall be submitted in writing to the Sheriff or designee.
- b. All requests for this type of Leave of Absence must normally be submitted at least thirty (30) days prior to the effective date of Leave.

ARTICLE 27

LONGEVITY

- A. The Employer shall pay additional compensation to Employees having a record of long and continuous employment with the County. The additional compensation is intended to encourage continuous employment with the County and, further, to recognize the value of the experience gained by such service.
- B. All Employees represented by the Union shall be entitled to longevity compensation as hereinafter provided.
- C. The basis of longevity compensation is as follows:
1. Employees who, on or before October 31st of any year, have completed five (5) full years of continuous employment shall be entitled to longevity compensation, except as the following prorated formula shall apply:

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 01 through November 15 --- 95%
November 16 through November 30 --- 90%
December 01 through December 15 --- 85%
December 16 through December 31 --- 80%

The longevity schedule of payments and provisions remain unchanged, except as amended above.

2. Continuous employment for the purpose of this Article shall not be considered as interrupted when absences arise from paid vacations, paid sick leave, paid Workers' Compensation (not to exceed one [1] year), or "Leave of Absence" authorized by the Sheriff and approved by the Human Resources Director; provided, such "Leave of Absence" periods shall not be considered in the computation of years of service for longevity compensation.
3. The compensation used as the basis for the computation of longevity shall be based on a rate of the employee's annual salary not exceeding \$30,000 paid to such employee as of October 31st, provided such employee is qualified as to length of service as per paragraph C.1., above.

The compensation to be used 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 five (5) years of employment until such time as 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>Percent Used, But On Base Not In Excess Of \$30,000</u>
1	5 through 9	2%
2	10 through 14	4%
3	15 through 19	6%
4	20 through 24	8%
5	25 and thereafter	10%

D. Proration 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 one-twelfth (1/12) of the applicable amounts as provided for in the Longevity Compensation Schedule of payment formula for each complete calendar year 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 any 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 prorated 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 the immediate family, education, ~~military service~~ or personal reasons will be required to return to active employment from said Leave to qualify for a prorated 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 prorated basis for that portion of the year employed, regardless of date of termination of employment.

E. Military duty Service 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.

F. Longevity Compensation shall be a separate and distinct annual payment to those eligible Employees, but shall be considered a part of the 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.

G. Payments to Employees eligible as of October 31st of any year shall be included in the first payroll check of December shall be due on ~~December 10th~~ following. The annual period covered in the computation of longevity shall be from November 1 of each year through and including October 31st of the following year.

***Balance of this Article is subject to continued negotiations.**

ARTICLE 30

SPECIAL CONFERENCES

Special conferences, mutually agreed upon for important matters, will be arranged between the Union representative and the Employer, or its designated representative, upon the request of either party. Such meetings shall be between up to three (3) ~~at least two~~ representatives of the Employer and up to three (3) ~~at least two~~ representatives of the Union. Arrangements for such special conferences shall be made in advance and an agenda of the matters to be taken up at the meeting shall be presented at the time the conference is requested. Matters taken up in special conferences shall be confined to those included in the Agenda. The members of the Union shall not lose time or pay for time spent in such special conferences.

ARTICLE 44

TERMINATION OR MODIFICATION

- A. This Agreement shall be and continue in full force and effect until ~~December 31, 2007~~.
- B. If either party desires to terminate or modify this Agreement, it shall no later than one hundred twenty (120) days prior to the termination date, give written notice of termination or modification. If neither party gives notice of termination, or notice of amendment as hereinafter provided, or if each party giving notice of termination or modification withdraws the same prior to the termination date, this Agreement shall continue in effect from year to year thereafter subject to written notice of termination or modification by either party no later than one hundred twenty (120) days ~~written notice~~ prior to the current year's termination date.

POAM
Employer Proposal
June 27, 2008

ARTICLE

Notice of Military Service

The Employer complies with the Uniform Services Employment and Reemployment Right Act (USERRA), 38 USC, Chapter 43 Employment and Reemployment Rights of Members of the Uniformed Services. An employee whose absence from employment is necessitated by reason of duty in the uniformed services, shall notify the Department Head or designee of the upcoming military service requirements.

Benefits provided for employees absent under this Article shall be provided consistent with the Uniform Services Employment and Reemployment Right Act (USERRA), 38 USC, Chapter 43 Employment and Reemployment Rights of Members of the Uniformed Services and/or current policy as approved by the Board of Commissioners.