STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
LABOR RELATIONS DIVISION

In the Matter of:

GRAND TRAVERSE COUNTY AND GRAND TRAVERSE COUNTY SHERIFF,
Public Employers-Respondents,

-and-

POLICE OFFICERS ASSOCIATION OF MICHIGAN (DEPUTIES UNIT),
Labor Organization-Charging Party,
MERC Case No. C16 E-050, Hearing Docket No. 16-014890,

-and-

POLICE OFFICERS ASSOCIATION OF MICHIGAN (CORRECTIONS UNIT),
Labor Organization-Charging Party,
MERC Case No. C16 E-051, Hearing Docket No. 16-014891,

-and-

COMMAND OFFICERS ASSOCIATION OF MICHIGAN (SERGEANTS UNIT),
Labor Organization-Charging Party,
MERC Case No. C16 E-052, Hearing Docket No. 16-014892,

-and-

TECHNICAL, PROFESSIONAL AND OFFICEWORKERS ASSOCIATION OF MICHIGAN (CLERICAL UNIT),
Labor Organization-Charging Party,
MERC Case No. C16 E-053, Hearing Docket No. 16-014893.
____/

APPEARANCES:

Cohl, Stoker & Toskey, P.C., by Peter A. Cohl, for the Respondents

Frank A. Guido, POAM General Counsel, and Christopher Tomasi, POAM Assistant General Counsel, for the Charging Parties

DECISION AND ORDER

On November 9, 2016, Administrative Law Judge Julia C. Stern (ALJ) issued her Decision and Recommended Order on Summary Disposition in the above matter finding that Respondents, Grand Traverse County and Grand Traverse County Sheriff (Employers),

violated their duty to bargain under § 10(1)(e) of the Public Employment Relations Act (PERA), 1965 PA 379, as amended, MCL 423.210(1)(e). The ALJ concluded that Respondents repudiated terms in their collective bargaining agreements with Charging Parties, Police Officers Association of Michigan, Command Officers Association of Michigan, and Technical, Professional and Officeworkers Association of Michigan (Unions) by changing the health insurance premium share paid by bargaining unit members from 6% to 20%. The ALJ found the contract language to be unambiguous and found no bona fide dispute over contract interpretation. The ALJ's Decision and Recommended Order was served upon the interested parties in accordance with § 16 of PERA.

Respondents filed exceptions and a brief in support of the exceptions to the ALJ's Decision and Recommended Order on November 30, 2016. Charging Parties filed their brief in support of the ALJ's Decision and Recommended Order on December 8, 2016.

In their exceptions, Respondents contend that the ALJ erred when she concluded that by ratifying the respective collective bargaining agreements with Charging Parties, Respondents agreed to choose a compliance option under the Publicly Funded Health Insurance Contribution Act, 2011 PA 152 (Act 152), MCL 15.561-15.569, that was consistent with its contractual obligations to pay 94% of the cost of the health-care plans identified in those collective bargaining agreements. Respondents argue that the ALJ erred when she determined that Respondents voluntarily entered into new collective bargaining agreements with three-year terms in which they agreed to pay 94% of employees' health-care costs. Respondents assert that the ALJ also erred by concluding that Respondents had waived their rights under Act 152 to annually select their compliance option. Respondents further argue that the ALJ erred when she found that this matter is analogous to *Garden City Pub Sch,* 28 MPER 63 (2015), because, unlike the employer in *Garden City*, Respondents assert that they did not bind themselves to one of the options under Act 152. Additionally, Respondents contend that the ALJ erred by assuming the terms of the health-care cost contribution percentage was part of an "intertwined" collective bargaining agreement. They argue that without an "intertwined" agreement a party can unilaterally rescind permissive terms of a collective bargaining agreement without committing an unfair labor practice.

Upon reviewing the record and the exceptions filed by Respondents, we find the exceptions to be without merit.

Factual Summary:

The facts in this case are not in dispute. We adopt the findings of fact as set forth in the ALJ's Decision and Recommended Order and will not repeat them here, except as necessary.

The Charging Parties represent four Sheriff's Department bargaining units. The Police Officers Association of Michigan (Deputies Unit) represents a unit of full-time and regular part-time Sheriff's deputies. The Police Officers Association of Michigan (Corrections Unit) represents a unit of full-time and regular part-time corrections officers. The Command Officers Association of Michigan represents a unit of full-time sergeants, and the Technical, Professional and Officeworkers Association of Michigan represents a unit of full-time and regular part-time

clerical employees. Between January 1, 2015, and February 1, 2015, the parties entered into the separate collective bargaining agreements covering each unit. Each collective bargaining agreement extends from January 1, 2015, through December 31, 2017, and contains provisions covering employees' health insurance benefits specifying that the employees "will be required to contribute 6% of the premium share of the base plan." Each collective bargaining agreement also provides that "the $250/$500 deductible plan," described in an appendix to each contract, will remain as the County's base plan. None of the four collective bargaining agreements between Respondents and Charging Parties expressly refer to Act 152 or Respondents' responsibilities under that Act.

Act 152 became effective September 27, 2011. It was enacted to limit public employers' expenditures for employee medical benefit plans. Section 3 of Act 152, MCL 15.563, sets specific dollar limits, referred to as "hard caps," on the amounts public employers can pay for employee medical benefit plans, commencing with medical benefit plan coverage years beginning on or after January 1, 2012. Upon a majority vote of its governing body prior to the beginning of the benefit plan year, a public employer may comply with the requirements of § 4 of Act 152 instead of § 3. Section 4, MCL 15.564, limits a public employer's share of health-care costs to 80% of the total annual costs of all of the medical benefit plans it offers for that plan year. Pursuant to § 5 of Act 152, MCL 15.565, after September 27, 2011, collective bargaining agreements are prohibited from containing terms inconsistent with the requirements of §§ 3 and 4 of Act 152. Under § 8 of Act 152, a local unit of government may exempt itself from the requirements of Act 152 by a two-thirds vote of its governing body prior to the beginning of the benefit plan year, MCL 15.568.

According to Respondents, since 2011, the Employers have made an annual choice as to their cost sharing option under Act 152. Respondents have never negotiated the choice of cost sharing options nor have they included that choice in any of the collective bargaining agreements.

On April 27, 2016, Respondents passed a resolution switching from the hard cap option to the 80% employer share option for the 2017 medical benefit plan year. On April 27, 2016, the Grand Traverse County Board of Commissioners also voted to adopt an employee health insurance cost sharing plan requiring employees to contribute 20% of total health insurance premium costs.[1] According to an April 20, 2016 memo to County employees and elected officials from County Administrator Todd Menzel, the increase in the employees' share of

[1] Respondents also had collective bargaining agreements covering five other bargaining units of their employees. Those units were represented by the Teamsters Local 214. The collective bargaining agreements between Respondents and the Teamsters' bargaining units also provided that the employees would pay 6% of the health insurance premium costs. The April 27, 2016 actions taken by the Grand Traverse County Board of Commissioners to adopt an employee health insurance cost sharing plan requiring employees to contribute 20% of total health insurance premium costs was also applied to those bargaining units. Teamsters Local 214 filed unfair labor practice charges against Respondents on November 9, 2016. Finding that the charges were not filed within the six-month statute of limitations period contained in § 16(a) of PERA, the ALJ recommended that the Teamsters' charges be dismissed. The Commission adopted the ALJ's decision and recommend order in that matter when no exceptions were filed. See *Grand Traverse Co*, 30 MPER 68 (2017).

health insurance premium costs would result in a change from a monthly premium of $24.54 for a single individual to $81.79, and from $58.89 for two people to $196.30. For a family, the monthly premium would rise from $73.61 to $245.38. Respondents also offered employees a second plan, which would raise the in-network deductible for an individual from $250 to $1300 and would raise the deductible for a family from $500 to $2600. Under the second plan, the monthly premium would go up to $65.84 for a single individual, to $158.02 for two people, and to $197.53 for family. With the second plan, Respondents would also set up health savings accounts to which employees could contribute money to use to pay the deductible, copayments, and coinsurance.

Discussion and Conclusions of Law:

Midterm Modification of a Mandatory Subject of Bargaining

Health insurance benefits are mandatory subjects of bargaining. *St Clair Intermediate Sch Dist v Intermediate Ed Ass'n/Michigan Ed Ass'n*, 458 Mich 540, 551 (1998); *Port Huron Ed Ass'n v Port Huron Area Sch Dist,* 452 Mich 309, 317, n. 12, (1996). During the term of a collective bargaining agreement covering mandatory subjects of bargaining, such as health insurance benefits, both parties are bound by the terms of that agreement unless and until they reach an agreement to modify its terms. See *36th Dist Court,* 21 MPER 19 (2008), aff'd *36th Dist Court v Michigan AFSCME Council,* unpublished opinion per curiam of the Court of Appeals, issued September 29, 2009 (Docket No. 285123). In *36th Dist Court*, the Commission stated:

> PERA prohibits a mid-term modification of a mandatory subject of bargaining without the agreement of both parties. See *St Clair Intermediate Sch Dist v Intermediate Ed Ass'n/Michigan Ed Ass'n*, 458 Mich 540, 552-567, 581 NW2d 707, 714-721 (1998). Since the parties were operating under an existing collective bargaining agreement, the Union had no duty to bargain or to demand bargaining over a change to that agreement proposed by the Employer. . . . As we stated in *Detroit Bd of Ed*, 2000 MERC Lab Op 375, 377, "Members of the unit had a right to rely upon the terms and conditions set forth in the contract and to expect that they would continue unchanged." Because the Employer sought a mid-term modification, the Union was not required to agree to bargain on that issue. Instead, the Employer was obligated to secure the Union's consent before imposing its desired change.

If a union charges a public employer with making a unilateral change to a mandatory subject of bargaining during the term of the parties' collective bargaining agreement, the Commission must determine whether that change constitutes a repudiation of the contract. Repudiation occurs when the contract breach is substantial, and there is no good faith dispute over the interpretation of the collective bargaining agreement. See e.g., *Oakland Univ*, 23 MPER 86 (2010); *Goodrich Area Sch*, 22 MPER 103 (2009). In this case, Respondents have increased the employee's share of health insurance costs from 6% to 20%. That increase is substantial. A good faith dispute over contract interpretation exists where the provisions of the collective bargaining agreement may reasonably be relied on for the actions taken by the parties. *City of Pontiac*, 26 MPER 30 (2012); *City of Royal Oak*, 23 MPER 107 (2010). We find no

ambiguity in the language of the collective bargaining agreement with respect to the sharing of medical benefit plan costs. Moreover, Respondents fail to point to any language in the collective bargaining agreements that would support their contention that they may lawfully change the amount of health insurance costs that the Employers and the employees must each pay. Therefore, there is no basis to find that the dispute between the parties resulting from Respondents' change in the amount of health insurance costs to be paid by the employees is a good faith dispute over contract interpretation.

Respondents argue that the ALJ erred by concluding that this matter is analogous to *Garden City Pub Sch,* 28 MPER 63 (2015). In *Garden City*, we found that the employer had breached its duty to bargain when it unilaterally implemented substantial changes in employee health insurance coverage and health-care cost sharing during the term of the collective bargaining agreement. Respondents contend that the matters are distinguishable because in this matter, unlike *Garden City*, the parties' collective bargaining agreements do not specify the Act 152 cost sharing option that the Employers will use. However, in this case, as in *Garden City*, the parties negotiated and reached agreements on a specific health insurance plan and on the amount of the health-care costs that the Employers and employees would each pay. The parties are bound by the terms of their agreements for the duration of those agreements, unless both parties agree to modify the agreements. See *St Clair Intermediate Sch Dist v Intermediate Ed Assn/Michigan Ed Ass'n*, 458 Mich 540, 551 (1998); *36th Dist Court,* 21 MPER 19 (2008). In this matter and in *Garden City Pub Sch*, 28 MPER 63 (2015), the employers took steps to reduce the amount of their respective contributions to employee medical benefit plan costs prior to the expiration of the collective bargaining agreement. Thus, this case and *Garden City* involve the same issue as the *36th Dist Court* case mentioned earlier – the employer has made a unilateral change in its compliance with its contractual obligations during the term of the collective bargaining agreement. That unilateral change in each of the four cases before us is a breach of Respondents' duty to bargain under § 10(1)(e) of PERA.

Public Employer Obligations under Act 152 and PERA

As the Commission held in *Decatur Pub Sch*, 27 MPER 41 (2014), it is up to each public employer to determine the Act 152 cost sharing option with which it will comply. We explained in *Garden City* that the choice of options under Act 152 is a permissive subject of bargaining. Thus, a public employer may bargain over its cost sharing options under Act 152, but it is not required to do so. In this case, Respondents did not bargain with the Unions over the choice of cost sharing options under Act 152 with which the Employers would comply.

In the first Court of Appeals decision reviewing a MERC decision on public employers' obligations under both Act 152 and PERA, *Van Buren Co Ed Ass'n v Decatur Pub Sch*, 309 Mich App 630, 641-42 (2015), the Court found no conflict between PERA and Act 152. The Court stated, "PERA requires bargaining on certain subjects, including health insurance benefits. PA 152 does not foreclose bargaining on health insurance benefits." *Id*. In *Shelby Twp v Command Officers Ass'n of Michigan*, unpublished opinion per curiam of the Court of Appeals, issued December 15, 2015 (Docket No. 323491), the Court of Appeals stated:

> PERA requires public employees to bargain about wages and conditions of employment. MCL 423.215(1). Health insurance benefits are a mandatory

> subject of bargaining. *Ranta v Eaton Rapids Pub Schs Bd of Ed*, 271 Mich App 261, 270; 721 NW2d 806 (2006). A public employer does not have a duty to bargain about its choice between the "hard cap" and "percentage" options for employee medical plan contributions. *Van Buren Co Ed Ass'n*, 309 Mich App at 643. But *a public employer must bargain about the amount that specific employee groups will pay toward the employees' portion of the contribution. Id.* at 645-646 (emphasis added).

It is, therefore, clear that in entering into collective bargaining agreements, public employers must comply with both PERA and Act 152. Whether a public employer negotiates its choice of cost sharing options under Act 152 with the union representing its employees, or chooses not to do so, the public employer's choice of options must be consistent with any agreements it makes with that union to contribute to the employees' health-care costs. Public employers must be cognizant of their obligations under both PERA and Act 152. If a public employer's collective bargaining agreement commitments are not consistent with its choice of cost sharing options under Act 152, that public employer is likely to have violated either PERA or Act 152. Compliance with one statute does not excuse compliance with the other. See *Van Buren Co Ed Ass'n*, 309 Mich App 630, (2015); *Shelby Twp v Command Officers Ass'n of Michigan*, unpublished opinion per curiam of the Court of Appeals, issued December 15, 2015 (Docket No. 323491).

Employers' Voluntariness in Entering into the Four Collective Bargaining Agreements

Respondents argue that the ALJ erred by finding that they voluntarily entered into new collective bargaining agreements with three-year terms in which they agreed to pay 94% of employees' health-care costs. Respondents contend that their agreement to pay 94% of employees' health-care costs was carried over from predecessor agreements that were adopted in early 2011, before the enactment and effective date of Act 152. Respondents have offered nothing to establish that they were legally required to carry over the provisions regarding health insurance cost sharing in the predecessor agreements to the successor agreements. In *Ionia Pub Sch*, 28 MPER 58 (2014), the union insisted that provisions in the predecessor agreement automatically carried over to the successor agreement. We explained, "The law does not support the . . . assertion that contract provisions contained in an expired contract automatically carry over to the parties' successor agreement, whether those provisions involve mandatory or prohibited subjects of bargaining." However, we went on to explain, "It is not unusual for parties with established bargaining relationships to begin negotiations for a new collective bargaining agreement with the understanding that provisions of the expired contract that are not raised in negotiations will be carried over to the successor agreement." See *Calhoun Intermediate Ed Ass'n MEA/NEA v Calhoun Intermediate Sch Dist*, 314 Mich App 41, 49 n.5 (2016) (Docket No. 323873). See also *Ionia Pub Sch v Ionia Ed Ass'n*, unpublished opinion per curiam of the Court of Appeals, issued May 12, 2016 (Docket No. 321728) slip op at 3, aff'g *Ionia Pub Sch*, 28 MPER 58 (2014). In negotiating a new collective bargaining agreement, the parties have the opportunity to negotiate over mandatory subjects of bargaining, such as the amount of the health-care costs that will be paid by the employer and the amount to be paid by the employees. They may agree to keep provisions from the predecessor agreement, to replace provisions from the predecessor agreement with entirely new language, or to reach some other mutually acceptable agreement on the subject matter related to those provisions. In this case,

it is evident that Respondents agreed that the health-care cost sharing provisions of the predecessor agreements would be carried over into the successor agreements because Respondents authorized the ratification of the four collective bargaining agreements to which they are parties. In the absence of evidence that the Respondents did not have a choice on whether to include the health insurance cost sharing provisions from the predecessor collective bargaining agreements in the successor agreements, we must find that Respondents voluntarily accepted the responsibility of complying with the terms of those health insurance cost sharing provisions. When parties agree to carry over provisions from their predecessor agreement, each party must consider the effect that those provisions are likely to have on their financial and legal obligations throughout the term of the successor agreement.

In early 2015, Respondents entered into the four collective bargaining agreements in which they agreed to pay 94% of medical benefit plan costs for the employees in the four bargaining units represented by Charging Parties. By the time these four collective bargaining agreements were entered into, Act 152 had been in effect for more than three years. At that time, Respondents were undoubtedly aware of their obligations to select and comply with a cost sharing option under Act 152, because the Employers indicate that they had annually selected their choice of Act 152 cost sharing options since 2011. Although Respondents neither negotiated nor made any express agreement about their choice of cost sharing options under Act 152, they were nevertheless required to make a choice consistent with their obligations under the collective bargaining agreements.

<u>Respondents' Responsibilities upon Ratification of the Collective Bargaining Agreements</u>

Respondents contend that the ALJ erred by concluding that by ratifying the respective collective bargaining agreements with Charging Parties, they agreed to choose a compliance option under Act 152 that was consistent with their contractual obligations to pay 94% of the cost of the health-care plans identified in those collective bargaining agreements. We disagree. While the choice of cost sharing options under Act 152 is up to the public employer, the public employer must be cognizant of its obligations under both PERA and Act 152.

When a public employer ratifies a collective bargaining agreement in which it commits to paying certain contributions to employee health care costs, that public employer also commits to doing what is necessary for compliance with, or exemption from, Act 152 with respect to the share of employee health-care costs it has agreed to pay. For example, if a public employer promises to pay a specified amount towards employee health-care costs that would require the majority of the public employer's board to agree to the 80% employer share option under § 4 of Act 152, that promise commits the public employer to do what is necessary to pay the agreed upon amount towards employee health-care costs. In that case, doing what is necessary to pay the specified contribution includes securing the vote of a majority of the employer's governing body in favor of the 80% employer share option, for every medical benefit plan year for which that employer has agreed to pay that amount of employee health-care costs. Similarly, if a local unit of government has agreed to contribute to employee health-care costs in an amount in excess of the amounts permitted under § 3 or § 4 of Act 152, that public employer has also committed to ensuring that two-thirds of its governing body will vote for an exemption from the requirements of Act 152 pursuant to § 8 each year for as long as the amount of its agreed-upon contribution to employee health-care costs exceeds the amounts permitted by Act 152.

See, *Garden City Pub Sch*, 28 MPER 63 (2015). Thus, as the ALJ indicated, when a public employer promises to make a specific contribution to employee health-care costs, that employer is also promising to adopt the cost sharing option under Act 152 that is consistent with the promised contribution.

Respondents argue that the ALJ also erred by concluding that Respondents had waived their rights under Act 152 to annually select their compliance option. We find nothing in the ALJ's decision to indicate that the ALJ reached that conclusion. The ALJ correctly found that the Respondents' waiver argument lacked merit. Respondents retain the right and the responsibility to select a health-care cost sharing option under Act 152. However, as indicated above, the cost sharing option selected by Respondents must comply with their obligations to pay 94% of employee health care costs as required by the collective bargaining agreements with Charging Parties. Since the collective bargaining agreements between Respondents and Charging Parties do not expressly require Respondents to select a particular option under Act 152, Respondents may change their choice of cost sharing options *as long as that choice does not interfere with their ability to meet their obligations under the collective bargaining agreements* to pay 94% of employee health insurance premium costs through the end of 2017. Since Respondents agreed in the collective bargaining agreements with Charging Parties to contribute a specific amount to employee health insurance premium costs, Respondents must continue to make that same contribution for the duration of the collective bargaining agreements. Respondents' obligation to comply with Act 152 does not relieve them of their obligations to pay the agreed upon contributions to employee health care costs. It is up to Respondents to find a way to comply with their obligations under the collective bargaining agreements with Charging Parties *and* to comply with Act 152.

Additionally, Respondents contend that the ALJ erred by assuming the terms of the contribution percentage were part of an "intertwined" collective bargaining agreement. They argue that without an "intertwined" agreement a party can unilaterally rescind permissive terms of a collective bargaining agreement without committing an unfair labor practice. As Respondents have pointed out, the collective bargaining agreements do not contain any language expressly addressing the Employers' choice of cost sharing options under Act 152. However, the agreements contain language regarding health insurance costs, which are mandatory subjects of bargaining. Even in the absence of an express agreement on the Employers' choice of Act 152 cost sharing options, the parties' agreements regarding health insurance costs are necessarily intertwined with the Employers' choice of cost sharing options. As explained above, Act 152 cost sharing options must be consistent with Respondents' agreement to contribute a designated amount towards employee health insurance costs. Respondents must adhere to their obligations under the collective bargaining agreements with respect to the mandatory bargaining subject of health insurance cost sharing. It is up to Respondents to determine which cost sharing option under Act 152 works with their contractual obligations to limit employees' health insurance contributions to 6% of the premium cost.

We have carefully examined all other issues raised by the parties and find they would not change the result. Accordingly, we agree with the ALJ that Respondents breached their duty to bargain in good faith and violated § 10(1)(e) of PERA when they passed a resolution on April 27, 2016, increasing the employee contribution for the base health insurance plan identified in Respondents' collective bargaining agreements with Charging Parties from 6% to

20% effective January 1, 2017. We affirm the ALJ's decision. In accordance with the conclusions of law set forth above, in order to remedy Respondents' illegal actions, we issue the following order:

ORDER

IT IS HEREBY ORDERED that the Order recommended by the Administrative Law Judge shall become the Order of the Commission.

MICHIGAN EMPLOYMENT RELATIONS COMMISSION

/s/
Edward D. Callaghan, Commission Chair

/s/
Robert S. LaBrant, Commission Member

/s/
Natalie P. Yaw, Commission Member

Dated: August 16, 2017

NOTICE TO EMPLOYEES

UPON THE FILING OF UNFAIR LABOR PRACTICE CHARGES BY THE POLICE OFFICERS ASSOCIATION OF MICHIGAN, THE COMMAND OFFICERS ASSOCIATION OF MICHIGAN, AND THE TECHNICAL, PROFESSIONAL AND OFFICEWORKERS ASSOCIATION OF MICHIGAN, THE MICHIGAN EMPLOYMENT RELATIONS COMMISSION HAS FOUND **GRAND TRAVERSE COUNTY AND THE GRAND TRAVERSE COUNTY SHERIFF** TO HAVE COMMITTED AN UNFAIR LABOR PRACTICE IN VIOLATION OF THE MICHIGAN PUBLIC EMPLOYMENT RELATIONS ACT (PERA). PURSUANT TO THE TERMS OF THE COMMISSION'S ORDER,

WE HEREBY NOTIFY OUR EMPLOYEES THAT:

WE WILL NOT repudiate or unilaterally modify during their terms the 2015-2017 collective bargaining agreements between Respondents and Charging Parties Police Officers Association of Michigan, Command Officers Association of Michigan, and Technical, Professional and Office Workers Association of Michigan by increasing the employee contribution for the base health insurance plan identified in these agreements from 6% to 20% effective January 1, 2017.

WE WILL rescind the announced contribution increase for the remainder of the terms of the above contracts or until an agreement has been reached with Charging Parties to modify their contracts.

WE WILL, if the contribution increase has been implemented, make members of Charging Parties' bargaining units whole for the difference between the amounts they were required to pay as a contribution to the cost of their health care plan for 2017 and the amounts they would have paid had Respondents not increased their contributions above 6%, plus interest on the amounts at the statutory rate of five percent per annum, computed quarterly.

As public employers under PERA, we are obligated to bargain in good faith with representatives elected by the majority of our employees with respect to rates of pay, hours of employment or other terms and conditions of employment. This obligation includes the duty to refrain from altering the terms of an existing collective bargaining agreement covering wages, hours or working conditions without the consent of the union.

GRAND TRAVERSE COUNTY

By: ____________________________

Title: ___________________________

Date: ___________

GRAND TRAVERSE COUNTY SHERIFF

By: ____________________________

Title: ___________________________

Date: ___________

This notice must be posted for a period of 30 consecutive days and must not be altered, defaced or covered by any material. Any questions concerning this notice or compliance with its provisions may be directed to the office of the Michigan Employment Relations Commission, Cadillac Place, 3026 W. Grand Blvd, Suite 2-750, P.O. Box 02988, Detroit, Michigan 48202. Telephone: (313) 456-3510.

STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
MICHIGAN EMPLOYMENT RELATIONS COMMISSION

In the Matter of:

GRAND TRAVERSE COUNTY AND GRAND TRAVERSE COUNTY SHERIFF,
Public Employers-Respondents,

-and-

POLICE OFFICERS ASSOCIATION OF MICHIGAN (DEPUTIES UNIT),
Labor Organization-Charging Party in Case No. C16 E-050/16-014890-MERC,

-and-

POLICE OFFICERS ASSOCIATION OF MICHIGAN (CORRECTIONS UNIT),
Labor Organization-Charging Party in Case No. C16 E-051/16-014891-MERC,

-and-

COMMAND OFFICERS ASSOCIATION OF MICHIGAN (SERGEANTS UNIT),
Labor Organization-Charging Party in Case No. C16 E-052/16-014892-MERC,

-and-

TECHNICAL, PROFESSIONAL AND OFFICEWORKERS ASSOCIATION OF MICHIGAN (CLERICAL UNIT),
Labor Organization-Charging Party in Case No. C16 E-053/16-014893-MERC.
____/

APPEARANCES:

Cohl, Stoker & Toskey, P.C., by Peter A. Cohl, for the Respondents

Frank A. Guido, POAM General Counsel, and Christopher Tomasi, POAM Assistant General Counsel, for the Charging Parties

DECISION AND RECOMMENDED ORDER OF ADMINISTRATIVE LAW JUDGE ON SUMMARY DISPOSITION

On May 20, 2016, the Police Officers Association of Michigan, the Command Officers Association of Michigan, and the Technical Professional and Officeworkers Association of Michigan, three affiliated labor organizations, filed the above unfair labor practice charges with the Michigan Employment Relations Commission (the Commission) against Grand Traverse

County and the Grand Traverse County Sheriff (Respondents) pursuant to Section 10 of the Public Employment Relations Act (PERA), 1965 PA 379, as amended, MCL 423.210. Pursuant to Section 16 of PERA, the charge was assigned to Julia C. Stern, Administrative Law Judge (ALJ) for the Michigan Administrative Hearing System. Based on facts set forth in the charge and in the pleadings and not in dispute, I make the following conclusions of law and recommend that the Commission issue the following order.

The Unfair Labor Practice Charges:

The Charging Parties represent four separate bargaining units of employees of Grand Traverse County and the Grand Traverse County Sheriff. The four units consist of a unit of full-time and regular part-time Sheriff's deputies, a unit of full-time and regular part-time corrections officers in the Grand Traverse County Jail, a unit of full-time sergeants, and a unit of full-time and regular part-time clerical employees in the Central Records Division of the Sheriff's Department. All four of these units have collective bargaining agreements covering the period January 1, 2015, to December 31, 2017. All four contracts include health insurance provisions that provide that unit employees covered under the provisions "will be required to contribute 6% of the base plan." The four contracts each also state that "the $250/$500 deductible plan," as detailed in an appendix to each contract, will remain as the County's base plan.

On April 27, 2016, the Respondent County's Board of Commissioners passed a resolution that read, in pertinent part:

> Grand Traverse County adopts the "80/20" Cost Sharing Model whereby the County's cost will be limited to no more than 80% of the total premium costs in order to comply with the requirements of 2011 PA 152 for the Health Plan coverage year commencing January 1, 2017. Employees will contribute 20% of the total premium costs.

The Board of Commissioners also authorized the Respondent County to provide employees with the option to switch to a new health plan with a lower premium, "subject to any notice or bargaining obligation."

Charging Parties allege that the Respondents repudiated their collective bargaining agreements and engaged in a mid-term modification of these agreements by raising the health care contribution of their unit members from 6% to 20%.

On June 1, 2016, I issued an order to Respondents to show cause why they should not be found to have violated their duty to bargain in good faith. Respondents filed a response to my order on June 30, 2016. On August 2, 2016, Charging Parties filed a reply brief. On August 6, 2016, I sent the parties a letter asking that they answer certain factual questions about Respondents' compliance with 2011 Act 152. I stated that if there was no dispute about these facts, I would consider the Employers' response to my order as a motion for summary dismissal of the charge. I received responses from both parties on August 17 and August 22, 2016, and a further response from Respondents on September 9, 2016.

After a telephone conference held on September 13, 2016, the parties agreed that there was no material dispute of fact and that the matter could be decided without an evidentiary hearing.

Facts:

Act 152

The Publicly Funded Health Insurance Contribution Act, 2011 PA 152 (Act 152), MCL 15.561 *et seq.*, took effect on September 11, 2011. The purpose of Act 152 was to place limits on what a public employer could pay towards the health insurance of its employees. Section 3 and Section 4 of Act 152 provide public employers with alternate means of complying with the limitations of the statute, while Section 8 allows certain public employers to "opt out" of compliance on an annual basis by a two-thirds vote of its governing body. Section 3, commonly referred to as the "hard cap" option, and Section 4, commonly referred to as the "80/20" option, read as follows:

> Sec. 3. Except as otherwise provided in this act, a public employer that offers or contributes to a medical benefit plan for its employees or elected public officials shall pay no more of the annual costs or illustrative rate and any payments for reimbursement of co-pays, deductibles, or payments into health savings accounts, flexible spending accounts, or similar accounts used for health care costs, than a total amount equal to $5,500.00 times the number of employees with single person coverage, $11,000.00 times the number of employees with individual and spouse coverage, plus $15,000.00 times the number of employees with family coverage, for a medical benefit plan coverage year beginning on or after January 1, 2012. A public employer may allocate its payments for medical benefit plan costs among its employees and elected public officials as it sees fit. *By October 1 of each year after 2011, the state treasurer shall adjust the maximum payment permitted under this section for each coverage category for medical benefit plan coverage years beginning the succeeding calendar year, based on the change in the medical care component of the United States consumer price index for the most recent 12-month period for which data are available from the United States department of labor, bureau of labor statistics.* [Emphasis added]
>
> Sec. 4. (1) By a majority vote of its governing body, a public employer, excluding this state, may elect to comply with this section for a medical benefit plan coverage year instead of the requirements in section 3. The designated state official may elect to comply with this section instead of section 3 as to medical benefit plans for state employees and state officers.
>
> (2) For medical benefit plan coverage years beginning on or after January 1, 2012, a public employer shall pay not more than 80% of the total annual costs of all of the medical benefit plans it offers or contributes to for its employees

> and elected public officials. For purposes of this subsection, total annual costs includes the premium or illustrative rate of the medical benefit plan and all employer payments for reimbursement of co-pays, deductibles, and payments into health savings accounts, flexible spending accounts, or similar accounts used for health care but does not include beneficiary-paid copayments, coinsurance, deductibles, other out-of-pocket expenses, other service-related fees that are assessed to the coverage beneficiary, or beneficiary payments into health savings accounts, flexible spending accounts, or similar accounts used for health care. Each elected public official who participates in a medical benefit plan offered by a public employer shall be required to pay 20% or more of the total annual costs of that plan. The public employer may allocate the employees' share of total annual costs of the medical benefit plans among the employees of the public employer as it sees fit.

<u>The Collective Bargaining Agreements and Board Actions</u>

Between January 1, 2015, and February 1, 2015, Respondents and the four Charging Parties entered into collective bargaining agreements for the Charging Parties' respective bargaining units that were effective January 1, 2015, and expire on December 31, 2017. All four of these agreements contain language providing that employees will contribute 6% of the cost of a specific health care plan described in an attachment to the agreements. None of the agreements include any explicit reference to Act 152 or Respondents' compliance with that statute.

The provisions in the 2015-2017 agreements between the parties requiring a 6% employee contribution to the costs of an identified plan were carried over without change from the prior agreements covering these units. The terms of the previous contracts covering the central records unit, the corrections officers' unit and the sergeants' unit was January 1, 2011 to December 31, 2014. The term of the contract covering the deputies' unit was January 1, 2012, to December 31, 2014. These contracts were the first collective bargaining agreements covering these units to require any employee contribution.

On January 28, 2015, the Board of Commissioners for Respondent County adopted a resolution adopting the hard cap method of complying with Act 152 for Respondents' medical benefit plan coverage year beginning on January 1, 2015. On December 22, 2015, the Board passed a resolution adopting the hard cap method for Respondents' medical benefit plan coverage year beginning on January 1, 2016. Respondents paid 94% of the costs of the identified health plan for Charging Parties' members for all of 2015. As set out in the Board's April 27, 2016, resolution, Respondents intend to continue to do so through December 31, 2016. The Respondent County's other employees were covered by the same health plan as Charging Parties' members throughout 2015 and 2016. Many or most of the County's employees who were not members of Charging Parties' units were required to pay 10% of the cost of their plan. During both its 2015 medical benefit plan coverage year and its 2016 medical benefit plan coverage year, Respondents were able to stay within the hard cap limits of Section 3 of Act 152.

On April 20, 2016, County Administrator Tom Menzel sent a memo to all County employees describing financial challenges the County was currently facing, including increasing health care and pension benefit costs. Menzel informed employees that the following week he would submit a resolution to the Board setting the health premium contribution rate for all employees at 20% of the costs of their plan effective January 1, 2017.

Menzel's memo stated that he would have preferred to phase this in over a three year period, but that the County's dire financial condition did not allow for this. Menzel also informed employees that effective January 1, 2017, the County would offer employees two insurance options. One would be the health insurance plan currently in place, which would continue to have in-network deductibles of $250/$500. The other plan, which included a health savings plan, would have in-network deductibles of $1,300/$2,600 but a lower monthly employee contribution.

Based on current information, Respondents expect the hard cap levels in Section 3 of Act 152 to increase 2.4% on average for 2017. According to Respondents, based upon these estimates, Respondents could comply with Act 152 for the 2017 medical benefit plan year by selecting the hard cap option under Section 3 of that statute. That is, if Respondents' estimates are correct, it could continue to pay 94% of the health care costs of Charging Parties' members until December 31, 2017, without exceeding the hard caps established for that period. [2]

Between April 20 and April 27, 2016, Charging Parties' counsel and counsel for Respondents exchanged letters regarding the lawfulness of Respondents' proposed change. The arguments made by counsel are discussed below and need not be repeated here. At its meeting on April 27, 2016, the Board adopted the resolution set out in the section above.

Discussion and Conclusions of Law:

An alleged breach of contract is not an unfair labor practice unless a party has "repudiated" the collective bargaining agreement. *Jonesville Bd of Ed,* 1980 MERC Lab Op 891, 900-01, *Wayne Co,* 1988 MERC Lab Op 73, 76. Repudiation exists when: (1) the contract breach is substantial, and has a significant impact on the bargaining unit, and (2) no bona fide dispute over interpretation of the contract is involved. *Plymouth-Canton Cmty Sch,* 1984 MERC Lab Op 894, 897. The Commission has described "repudiation" as the rewriting of the contract or a complete disregard for the contract as written. See, e.g. *Central Michigan Univ,* 1997 MERC Lab Op 501, 507; *Twp of Redford Police Dept,* 1992 MERC Lab Op 49, 56 (no

[2] Respondents admit that, theoretically, they could also continue to pay 94% of the health care costs of Charging Parties' members under the 80/20 option. However, this would require the Respondent County to increase the percentage contribution of other County employees above 20%. According to Respondents, since all of the other collective bargaining agreements to which the County is a party expire on December 31, 2016, such an action would not violate any existing agreement. However, because Charging Parties' members make up 25% of the County's workforce, the contributions of the remaining union and non-union employees would need to be increased to a prohibitive level. Moreover, at least in Respondents' view, while Respondents have the right under Act 152 to unilaterally increase employee contributions to 20%, any increase above that percentage would have to be negotiated with each of the County's eight other bargaining units, an objective unlikely to be achieved before the January 1, 2017, scheduled change. As a practical matter, therefore, continuing to pay 94% of the health care costs of Charging Parties' members would require the Board to use the hard cap method for 2017.

exceptions). The Commission will not find repudiation on the basis of an insubstantial or isolated breach. *Crawford County Bd of Commrs,* 1998 MERC Lab Op 17, 21.

Respondents deny that they have repudiated their collective bargaining agreements with Charging Parties or unilaterally modified the terms of these agreements.

Respondents start with the proposition that under Act 152, their decision regarding their method of compliance is vested solely with their governing body, i.e., the County Board of Commissioners, and that the Board has the right, under that statute, to choose one of the available compliance methods on an annual basis. They argue that because compliance with Act 152 is vested "solely" with the governing body, a public employer does not give up its statutory right to annually choose a different method of compliance by entering into a three year collective bargaining agreement that either implicitly or explicitly requires it to choose one of the available methods. According to Respondents, even if a governing body enters into a three year agreement providing for a specific employee contribution, this agreement does not waive the rights of future governing bodies to change the compliance method and, by extension, the employee contribution.

Respondents also argue that even if the choice of a compliance method is a permissive subject of bargaining, as the Commission has held in *Decatur* and *Garden City,* discussed below, Respondents did not "affirmatively and knowingly" bargain over the choice of a compliance method merely by entering into new collective bargaining agreements that carried over contribution language from prior agreements negotiated before the passage of Act 152.

Respondents argue, in addition, that the language in the current labor contracts that provide for a 6% employee contribution cannot be construed as a waiver of Respondents statutory rights under Act 152 to change its compliance method annually because that language does not clearly and unmistakably waive Respondents' statutory rights.

Finally, Respondents argue that even if they had bargained over their Act 152 rights, any agreement by Respondents to select a particular method was subject to unilateral rescission because the method of complying with Act 152 is a not a mandatory subject of bargaining. Respondents note that Charging Parties have not identified any concessions that were made in exchange for the inclusion of the contribution language, and, therefore, Charging Parties have not shown that the agreement on contribution language was so intertwined with the parties' agreement on mandatory subjects as to indicate that repudiation of the contribution language constituted repudiation of the entire agreement.

I note that this case does not involve the situation where a public employer has entered into a collective bargaining agreement requiring it to pay a specific percentage of employees' health care costs and then, during the term of the contract, finds itself unable to continue paying this percentage while complying with Act 152 under either Section 3 or Section 4. That is, Respondents do not assert that continuing to pay 94% of the health care costs for Charging Parties' employees for the 2017 medical benefit plan coverage year would force them to choose to opt out under Section 8 of that statute.

On January 14, 2014, in *Decatur Public Schs,* 27 MPER 41 (2014), the Commission held that a public employer's choice of whether to select the hard cap or 80/20 option is not a mandatory subject of bargaining under PERA. It concluded, however, that although public employers have no duty to bargain over their choice of options, they can do so, i.e., that the choice of options was a permissive subject of bargaining under PERA. The Commission stated:

> Public employers may bargain with the labor organizations representing their employees over the choice between the hard caps and the 80% employer share, but are not required to do so. Public employers continue to have the duty to bargain over health care benefits and the costs of such benefits to the extent that the costs of those benefits are within the parameters of the public employer's choice of options provided by PA 152. However, the public employer's choice of the options under PA 152 is a policy decision to be made by the public employer.

The Court of Appeals affirmed the Commission's *Decatur* decision in *Van Buren Ed Ass'n v Decatur Public Schs,* 309 Mich App 630 (2015). The Court of Appeals agreed with the Commission that Act 152 and PERA do not conflict, and that a public employer does not have a duty to bargain over its choice between the hard cap and 80/20 options. The question of whether the choice between Act 152 options was a permissive or a prohibited/illegal subject, i.e., whether an agreement between an employer and union which required the employer to select one option over another would be enforceable, was not before the Court in *Decatur* and the Court did not address it. Respondents argue that by emphasizing that the choice of contribution limits was left solely to the public employer, the Court implied that this was a prohibited subject. However, the Court, at p 645, also said that nothing in Act 152 foreclosed bargaining over health care benefits up to the statutorily imposed limits.

After the Commission issued its decision in *Decatur,* but before the Court of Appeals' decision in that case, the Commission issued another decision dealing with the intersection of PERA and Act 152. In *Garden City Public Schools,* 28 MPER 63 (2015), the Commission held that the respondent school district violated its duty to bargain by repudiating the health insurance clause in its existing collective bargaining agreement with the charging party union. The contract, which covered the period September 1, 2011, through August 31, 2014, explicitly stated both that all unit members would be covered by a specific health plan and that they would contribute 20% toward their health insurance premiums. In both December 2011 and December 2012, a majority of the employer's board voted to adopt the 80/20 option for the following medical benefit plan year, which allowed respondent to comply with the terms of the contract. In the fall of 2013, however, the employer sought to change plans to save money while providing what it believed was equivalent coverage. The proposal it made to the union gave unit employees a choice among three new plans from a different provider. Remaining in compliance with Act 152, however, required the employer to switch to the hard cap option. The union agreed to discuss alternatives to the current plan, but informed the employer that a unilateral change in benefits would violate the contract and PERA. In November, with the beginning of the new medical benefit plan year approaching, the employer notified employees that it was changing to the new plans. In December, the employer's board voted to implement the hard cap option for the upcoming medical benefit plan year.

The Commission held that the parties' collective bargaining agreement clearly and unambiguously required the employer to provide unit members with a specific health insurance plan and also set employee costs at 20% of the premium for the life of the contract. It concluded that the employer was obligated to obtain the union's consent before making changes in the employees' insurance plan and in their share of health care costs.

It also affirmed that "the choice of cost sharing options under 2011 PA 152 is a permissive subject of bargaining." Finally, citing *Kalamazoo Co & Kalamazoo Co Sheriff,* 22 MPER 94 (2009), the Commission noted that, although parties are not required to bargain over permissive subjects and may take unilateral action on them in the absence of an agreement, when a permissive subject is included in a collective bargaining agreement and thus intertwined with agreements over mandatory subjects, repudiation of the permissive subject is repudiation of the entire agreement. It concluded:

> Here, the choice of cost sharing options was included in the collective bargaining agreement. The parties to the contract and the employees covered by the contract have a right to rely on the contract's terms. *Detroit Bd of Ed,* 2000 MERC Lab Op 375, 377. See also *Wayne Co Cmty Coll,* 20 MPER 59 (2007). The Respondent's unilateral change in the cost sharing option is a repudiation of the parties' agreement and a violation of Respondent's duty to bargain.

The Employer in *Garden City* argued that despite the language of the contract, its board could lawfully vote to change the cost sharing option from 80/20 to hard cap during the term of the contract. The Commission, however, rejected that argument, finding that any change made by an employer to its 152 cost sharing options during the term of the contract had to comply with both PERA and Act 152. It stated:

> 2011 PA 152 does require an annual vote by the employer's board in favor of approval of the 80% employer share. This annual board vote reflects a decision by the employer and, in this case, is within Respondent's control. Respondent met that requirement in each of the first two years of the collective bargaining agreement. However, prior to the 2014 calendar year, Respondent's board chose not to continue the 80% employer share option for 2014. By entering into a three year contract requiring the health care costs to be shared based on an 80/20 division, Respondent agreed that its board would annually approve implementation of the 80% employer share option throughout the period covered by the contract. We agree with the ALJ that by not voting to approve the 80% employer share option for 2014, Respondent's board chose to repudiate its obligations under the parties' collective bargaining agreement and breached its duty to bargain in good faith.

As noted in the paragraph above, in *Garden City* the Commission rejected the argument made by Respondents here that a public employer cannot and does not give up its statutory rights under Act 152 to make an annual choice between the hard cap and 80/20 methods when it enters into a three year contract requiring the employer to pay a certain percentage of the costs of an identified employee health plan. Clearly, Respondents' Board does have the right under

Act 152 to choose Respondents' method of complying with that Act. I conclude, however, that by ratifying the collective bargaining agreements in this case, the Board agreed that Respondents would choose a compliance option throughout the period covered by these contracts that was consistent with its contractual obligations to pay 94% of the cost of an identified health plan for members of Charging Parties' units.[3]

I do not agree with Respondents that *Garden City* is distinguishable on the basis that the contract language at issue in the instant case was initially negotiated before Act 152 went into effect. In Section 5 of Act 152, the Legislature recognized that many public employers would have collective bargaining agreements in place on the effective date of the statute that did not allow the public employer to comply with that Act under either Section 3 or Section 4. The Legislature made provision for this by excluding employees covered by these contracts until the contract expired and allowing their employer to exclude them from its calculation of its maximum payment under Section 4. However, Section 5 is very clear that these exemptions expired with the expiration of the collective bargaining agreements in place on the effective date of the statute. At the time Respondents entered into the 2015-2017 collective bargaining agreements, the Commission had already held, in *Decatur,* that public employers had no duty to bargain over the selection of a method for complying with Act 152. Clearly, Respondents had no obligation to agree to include language negotiated before the passage of Act 152 in their new agreements. Respondents nevertheless voluntarily entered into new collective bargaining agreements with three year terms in which they again agreed to pay a 94% share of employees' health care costs.

Respondents' reliance on cases involving waiver of the statutory right to bargain under PERA is misplaced. It is well established that to be effective, a contractual waiver of bargaining rights must be clear and unmistakable. See, e.g., *ATU Local 1564, AFL-CIO v Southeastern Michigan Transp Authority,* 437 Mich 441, 460-461 (1991). When a matter is covered by the collective bargaining agreement, the question of waiver is irrelevant because the parties have exercised their bargaining rights. *Port Huron Ed. Ass'n, MEA/NEA v. Port Huron Area Sch. Dist.*, 452 Mich 309, 319 (1996). A party to the collective bargaining agreement has a right to rely on the agreement as the statement of its obligations on any topic covered by the agreement, and the details and enforceability of the agreement are normally left to arbitration. *Macomb Co v AFSCME Council 25*, 494 Mich 65, 80 (2013). None of these cases, however, address the argument that Respondents have made here, which is that public employers have an unfettered right under Act 152 to annually change their method of complying with Act 152 which is not "waived" by language in a collective bargaining agreement requiring the employer to pay a specific percentage of employee health care costs. That argument was addressed, and rejected, in *Garden City*.

Respondents also argue that the contract language in *Garden City* is distinguishable because, as the Commission stated, the choice of cost sharing option was explicitly stated in the collective bargaining agreement in that case. I find this to be a distinction without a difference.

---

[3] As noted above, Respondents do not assert that the only way they could comply with the terms of the collective bargaining agreements and comply with Act 152 would be to opt out for the 2017 calendar year. I do not, therefore, address the question of whether agreeing to pay a specific percentage of the costs of an identified health care plan constitutes an agreement to opt out of Act 152 if no other compliance option is available.

I find the contract language at issue in this case, like the language in *Garden City,* to be unambiguous.

I conclude, as stated above, that by agreeing in their collective bargaining agreements to pay 94% of the costs of an identified health care plan, Respondents plainly and unambiguously agreed to adopt a compliance option during the terms of these agreements that would allow it to comply with its obligations under the agreements.

Respondents also argue that because the method of complying with Act 312 is not a mandatory subject of bargaining, its repudiation of the health care contribution clauses in Charging Parties' contracts did not violate its duty to bargain. However, the Commission held in *Garden City* that "when a permissive subject is included in a collective bargaining agreement and *thus* intertwined with agreements over mandatory subjects, repudiation of the permissive subject is repudiation of the entire agreement." [Emphasis added.] Here, the health care contribution clauses were part of collective bargaining agreements that included agreements over wages, hours, and terms and conditions of employment. I conclude that these clauses are unambiguous and there is no bona fide dispute over their interpretation. I also find that repudiation of these clauses will have a significant impact on the bargaining unit. As the elements of unlawful repudiation of contract have been met in this case, I conclude that Respondents violated their duty to bargain in good faith when the Respondent County's Board passed a resolution on April 27, 2016, raising the contribution of Charging Parties' members to the health care costs from 6% to 20% effective January 1, 2017. I recommend, therefore, that the Commission issue the following order.

RECOMMENDED ORDER

Respondents Grand Traverse County and Grand Traverse County Sheriff, their officers and agents, are hereby ordered to:

1. Cease and desist from repudiating or unilaterally altering during their terms the 2015-2017 collective bargaining agreements between Respondents and Charging Parties Police Officers Association of Michigan, Command Officers Association of Michigan, and Technical, Professional, and Office Workers Association of Michigan by increasing the employee contribution for the base health insurance plan identified in these agreements from 6% to 20% effective January 1, 2017.

2. Rescind the announced contribution increase for the remainder of the terms of the above contracts or until an agreement has been reached with Charging Parties to modify their contracts.

3. If the contribution increase has been implemented, make members of Charging Parties' bargaining units whole for the difference between the amounts they were required to pay as a contribution to the cost of their health care plan for 2017 and the amounts they would have paid had Respondents not increased their contributions above 6%, plus interest on the amounts at the statutory rate of five percent per annum, computed quarterly.

4. Post the attached notice on Respondents' premises in all places where notices to employees in Charging Parties' bargaining unit are customarily posted for a period of thirty (30) consecutive days.

MICHIGAN EMPLOYMENT RELATIONS COMMISSION

____

Julia C. Stern
Administrative Law Judge
Michigan Administrative Hearing System

Dated: November 9, 2016