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STATE OF MICHIGAN  
DEPARTMENT OF LABOR  
EMPLOYMENT RELATIONS COMMISSION

STATE OF MICHIGAN  
EMPLOYMENT RELATIONS COMMISSION  
DETROIT OFFICE

In the Matter of the Fact Finding between

LOCAL 214, TEAMSTERS STATE,  
COUNTY AND MUNICIPAL WORKERS

-and-

CITY OF BIRMINGHAM  
BIRMINGHAM, MICHIGAN

12-6-73 Alan Walt /

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REPORT AND RECOMMENDATIONS OF FACT FINDER

By letter from the Chairman of the Michigan Employment Relations Commission dated October 9, 1973, the undersigned was notified of his selection to serve as Fact Finding Hearing Officer in an existing contract dispute between the parties. Upon notice duly given, hearing was held pursuant to Section 25, Act 176, Public Acts of 1939, as amended, and in accordance with the General Rules and Regulations of the Commission. The City was represented by Mr. Earl Boonstra and the Union by Mr. Walter Sacharczyk.

*Birmingham City of*

### THE UNRESOLVED ISSUE

The parties negotiated a collective bargaining agreement covering the period July 1, 1972 - June 30, 1974. In an addendum to the contract entitled Supplemental Adjustment, it is provided:

"Effective July 1, 1973, an additional 5¢ per hour shall be granted for insurance or other fringes, as may be agreed to by the parties."

The parties have been unable to reach agreement on the application of the 5¢ hourly adjustment to which bargaining unit members were entitled on July 1, 1973. There is no dispute concerning availability of funds or that bargaining unit members are in fact entitled to the 5¢ hourly adjustment. The issue submitted for resolution is how such funds shall be "spread".

### POSITION OF THE UNION

The Union seeks one additional personal leave day at a cost of 1.9¢ per hour per employee, an additional half-day holiday at a cost of 1¢ per hour per employee, and the Blue Cross-Blue Shield Master Medical Rider at a cost of 1.4¢ per hour per employee. The total cost of these demands is 4.3¢, or .7¢ less per hour per employee than the contractual entitlement.

The Union submits its demands are reasonable and represent benefits currently being received by municipal employees in other communities. Specifically, comparative data compiled by the Michigan Municipal League from communities with similar populations in Zone 1 -- the geographical region in which Birmingham is located -- reflects an average of 11 paid holidays granted, or one-half day more than is currently provided to employees in this bargaining unit. A review of benefits provided through the Master Medical Rider offered by Blue Cross-Blue Shield indicates broad and extensive coverage protecting against high costs associated with unusual, serious, or long term illnesses.

The Union's demands fall within the framework of the Supplemental Adjustment provision of the contract since that language contemplates the application of 5¢ per hour "for insurance or other fringes".

#### POSITION OF THE CITY

The City is opposed to the Union's demands and submits that 5¢ an hour should be added to the wages of all bargaining unit members, retroactive to July 1, 1973.

In particular, it is opposed to the addition of Master Medical coverage for two reasons: firstly, when the City converted from

its prior medical and hospital program, which included extended coverage, to Blue Cross-Blue Shield at the request of its employees, it informed those employees that the Master Medical Rider would not be provided because of the higher cost and the more extensive coverage, e.g., 365 days of hospitalization, already provided by the Blues. The City is intent on harmonizing the various benefits offered its employees and since no other bargaining unit has the Master Medical Rider, it opposes extension to this Union.

As to the Union's argument that members of this bargaining unit enjoy fewer paid holidays than do employees in other cities, careful scrutiny of the comparisons offered indicates that cities in the immediate vicinity of Birmingham offer fewer paid holidays than are currently granted to this unit. Furthermore, the number of paid holidays enjoyed -- 10-1/2 days -- is uniform for all employees.

#### FINDINGS

A review of the negotiating history discloses that when the current two year contract was being negotiated, the parties recognized that other represented units within the City might adopt one year labor agreements and that the members of this unit should be in a position to obtain some adjustment in the second year of the

contract in the event increased benefits were granted to the other bargaining units in subsequent contracts. This was the reason a 5¢ hourly adjustment was provided in the second year of the contract.

When discussions were initiated concerning the application of the 5¢ adjustment, the Union initially demanded Blue Cross-Blue Shield Master Medical coverage, an additional half day holiday and one additional personal leave day. The City countered with a vacation improvement at a cost of 2.7¢ and a demand for a 2.5¢ credit as a result of a pension increase won by all City employees. When the Union indicated the vacation improvement would only reach a portion of the bargaining unit and not all its members, the City then offered to apply the 5¢ hourly adjustment in additional wages. This position was rejected by the Union.

The Union subsequently modified its proposal and indicated it would accept the City's offer of a \$50.00 increase to longevity payments "per category", plus Master Medical coverage and an additional half day paid holiday. On September 10, 1973, tentative agreement was reached to pay the additional \$50.00 per category in longevity at a cost of 2.4¢ per hour per employee, to add a wage adjustment of 2.5¢ per hour per employee, retroactive to July 1, 1973, and for the City to provide a payroll deduction program for Blue Cross-Blue Shield Master Medical coverage, if all members of the bargaining unit

subscribed thereto. The final item would have resulted in employee payment for Master Medical coverage but would have provided payroll deductions by the City at a group rate.

The membership of the Union did not ratify the tentative agreement and the parties subsequently agreed to this fact finding hearing.

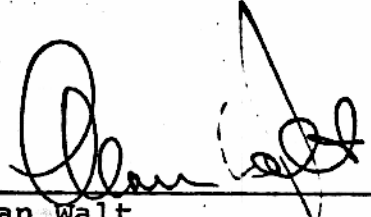
#### RECOMMENDATIONS

Because almost one half of the final year of the contract has elapsed, it is my belief that it would be unwise to consider inclusion of Master Medical coverage through Blue Cross-Blue Shield at this time. This recommendation is also made in light of the understanding between the City and all of its employees that in adopting Blue Cross-Blue Shield in lieu of other hospital and medical insurance -- which did include extended coverage -- Master Medical benefits would not be provided by the City. It is noteworthy that no other employee group currently enjoys this benefit.

While an argument can be made for increased holiday benefits, it is my belief that the members of this bargaining unit would be well advised to accept the 5% hourly increase as a supplement to wages, retroactive to July 1, 1973.

We are in a period of rapid and constant price increases where

the amount of net take home pay is of vital concern to all wage earners. Since the parties will soon engage in bargaining for a successor collective agreement, it is my recommendation that 5¢ an hour, retroactive to July 1, 1973, immediately be paid to members of this unit with the issues here presented by the Union reserved for the forthcoming negotiations. It is my further recommendation, however, that the City provide a payroll deduction program for Blue Cross-Blue Shield Master Medical benefits with the understanding that unless all members of the bargaining unit subscribe thereto, such program cannot be put into effect.



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Alan Walt  
Fact Finding Hearing Officer

DATED: December 6, 1973