FF 8/12/98

[103]

STATE OF MICHIGAN

DEPARTMENT OF CONSUMER & INDUSTRY SERVICES

EMPLOYMENT RELATIONS COMMISSION (MERC)

CENTRAL MICHIGAN UNIVERSITY,

Petitioner-Employer,

-and-

MERC Case No. L-97E 3002

POLICE OFFICERS ASSOCIATION OF MICHIGAN,

Respondent-Labor Organization.

The above-captioned Petition for Fact Finding was heard before John W. Cummiskey, designated as Fact Finder by the Michigan Employment Relations Commission by letter dated April 10, 1998; including a copy of the Petition for Fact Finding submitted by Central Michigan University under date of December 17, 1997. The hearing was held at the offices of Central Michigan University on July 20, 1998, preceded by a Pre-Hearing Conference held by telephone on June 22, 1998.

Present were:

For the Employer	For the Union
Robert Vercruysse, Attorney	Patrick J. Spidell, POAM
Maxine Tubbs	Marvin Didzinski, POAM
June Stefanko	John Vinson
Dennis Armistead	Janice Klein
Ron Williams	

Central Michigan University

STATEMENT OF FACTS

Parties

Petitioner-Employer is an educational institution with its principal location in the City of Mount Pleasant, Michigan, established by the State of Michigan and governed by a Board of Trustees as the constitutional and statutory authority.

Respondent-Union is the Police Officers Association of Michigan, a labor organization representing, among others, a unit of Safety Employees and a unit of Sergeants combined for labor negotiation purposes under one collective bargaining agreement.

General Background

The parties have been negotiating a new agreement to replace a collective bargaining agreement which expired at 11:30 p.m., June 30, 1997. Since that date, the parties have been operating under an agreement dated June 25, 1997, which extends the prior agreement indefinitely subject to being canceled by either party upon seven (7) working days written notice to the other. No such notice has been given.

The Employer and Union held eight negotiating sessions, culminating in a ninth session with State Mediation without reaching agreement. Negotiations did not begin until June 17, 1997 and ended October 29, 1997. As pointed out, the petition was filed by the Employer December 17, 1997, and this Fact Finder appointed by letter of April 10, 1998.

Eight issues are presented by the parties.

Preliminary Remarks by the Fact Finder

The Fact Finder is indebted to Messrs. Robert M. Vercruysse and Patrick J. Spidell, the chief advocates for the University-Employer and the Union-Respondent respectively. They were ably assisted by Ms. Maxine Tubbs (for the University) and Mr. Marvin Dudzinski (for the Union).

The parties presented two Joint Exhibits, 12 Employer exhibits, and eight Union exhibits. No post hearing briefs were submitted.

The Fact Finder urges the parties to reach a speedy settlement. While there are many facts involved in the delays in this matter, the record shows that negotiations started too late and that neither party indicated any intense desire to reach a settlement until the Employer filed its Fact Finding Petition. The Fact Finder believes that delays such as occurred here are detrimental to the University, the Union, and especially to the employees. The Fact Finder urges the parties to reach a speedy agreement and to plan prompt negotiations in the year 2000.

Fact Finder's Recommendations

UNIFORMS

Union Position	Proposes $100.00 per person increase in uniform allowance in second and third years for all employees. Accepts Employer's one time lump sum of $800.00 for uniforms for bicycle patrol.
Employer Position	Has paid the one-time lump sum $800.00 it proposed for bicycle patrol uniforms. Does not agree to increase the uniform allowance above the $300.00 currently allowed.

Willing to allocate unused uniform allowance to bicycle unit members if needed.

Fact Finder's Recommendations and Reasoning

No factual basis for increasing the uniform allowance was presented.

Bicycle patrol is seasonal. The $300.0 allowance should be adequate for this contract.

The Employer points out that some of the current uniform allowance is not completely utilized by the employees, and would be willing to establish a pool to reallocate. The Union should pursue this opportunity.

WORK ASSIGNMENT (Sub-Contracting)

Union Position

No change in current contract language. The police officer personnel have no comparable jobs to which they can transfer within the university complex and would be "out on the street" if subcontracting took place without the opportunity to negotiate.

Employer Position

Change present language to delete the words "no employee shall be laid off or suffer a loss of base wages as a result of such decision" and replace with "the union shall be notified."

Also delete the word "private" before the word "source." This will enhance the Employer's opportunity to increase efficiency and reduce costs potentially by subcontracting all or part of the work presently performed by the POAM unit. Also, deleting the word "private" opens the possibility of other public entities providing this service.

Fact Finder's Recommendations and Reasoning

The Fact Finder agrees with the Employer position on eliminating the word "private" since some public entities may be interest in bidding on security work.

The Fact Finder does not agree with the Employer position on the balance of the deletion in this paragraph.

While the Employer makes the point it is interested in pursuing more efficient and cost effective operations, its proposal does not offer the Union the opportunity to negotiate to meet competitive proposals or to obtain benefits for displaced or terminated personnel.

The Fact Finder recommends that the parties consider language which would continue the Employer's right to subcontract but provide for notification to the Union by the Employer in advance of any final decision and upon request of the Union to meet for negotiations between the Employer and Union in an attempt to reach an agreement, up to the point of impasse.

SICK LEAVE

Union Position

The Union will accept the Employer proposal if the Union's proposals on wages and insurance are accepted.

Employer Position

The Employer proposal continues the expired contract sick leave plan for one year, then changes to an accrual program with the same maximum sick leave of 130 days achievable after ten years of service. A transition formula has a minimum of a 40-hour accrual.

The Employer proposes to eliminate the use of sick time to supplement workers' compensation payments and the incentive to those who use five or fewer sick days in each fiscal year and requires employees to utilize at least ten days vacation time if sick leave is exhausted.

Fact Finder's Recommendation and Reasoning

The Fact Finder recommends the adoption of the Employer's proposal for transition to be effective July 1, 1999. In the meantime, the expired contract system will continue. The transition appears to be fair, and the Union is willing to accept it if wage and insurance proposals are accepted. The revised plan simplifies the system. The Fact Finder does not recommend requiring employees to use vacation credits when sick leave is exhausted. Sick leave is for recuperation; vacation time is for rest and recreation for a healthy employee. There is nothing in the expired contract to prevent an employee from utilizing vacation time when sick time is expired. Also, the addition of short term disability to the CMU Flex Plan should alleviate concerns about exhausting sick leave.

The Fact Finder recommends that the parties accept the deletion of the workers' compensation supplement and the incentive language. The workers' compensation supplement mixes compensable and non-compensable injuries together. The incentive may keep an employee on the job when he or she is ill to the detriment of healthy employees.

LONGEVITY

Union Position

Keep present language.

Employer Position

Eliminate longevity payments as a separate payroll item for ease of record keeping. Put existing longevity payments for grandparented employees into the base rate.

Fact Finder's Recommendations and Reasoning

While adding the frozen longevity pay to the employees' base rate makes administrative sense, it can only accomplish that purpose if the Employer straight class rate is accepted by the Union and a "red-circle" system established for those employees whose rate would be in excess of the contract maximum rate.

Since the Fact Finder recommends continuation of the present class-step system, he recommends leaving the frozen longevity rates as in the present contract.

RETIREMENT PLAN

Union Position

Will accept Employer's proposed plan – the optional Retirement Plan, but with an employer contribution rate of ten percent (10%) of employee's hourly earnings.

Employer Position

Employees hired on or after 1/1/96 will participate in an optional Retirement Plan – a defined Contribution Plan – with an Employer contribution of 4% for each hour worked at each employee's base rate, with contributions to begin after completion of a waiting period of one year. Employee contributions are strongly encouraged. All other non-professional units are being asked to accept this Plan, and two of the five have accepted.

Fact Finder's Recommendations and Reasoning

The Fact Finder recommends adoption of the employer plan at the 4% contribution rate, with the one-year waiting period after hiring, which conforms to the probationary period in the present contract. A staggered vesting schedule should be established consistent with federal law requirements as an inducement for employees to continue employment.

The Fact Finder notes the employer's strong recommendation for employee contributions. The Employer should consider offering an increase in contribution of 1% additional for each employee contribution of 1% of wages, up to a maximum of 3% employer contribution and 3% employee contribution as an inducement for employee savings, the employee contribution being 100% vested immediately.

INSURANCE

Union Position

The Union proposes to keep the present insurance plans with the Employer to pay all premium increases.

Employer Position

The Employer proposal is to increase its present contribution by 3% in each category except the "no plan – no flex" categories in the first year. The Employer does not have any proposal for additional contribution during the contract term in the event of premium increases.

Fact Finder's Recommendations and Reasoning

The rising cost of medical coverage has raised concerns about coverage and participant participation in facing these increases. The trend today in collective bargaining is to share the cost. The present plan benefits are substantial and of major benefit to the employees. Reduction in benefits are occurring in many plans in order to keep costs down. Neither the Union or the Employer propose to reduce benefits. The parties have established some employee contribution in prior contracts by fixing the Employer's maximum contribution. The current Employer proposal of a 3% increase in its cost would establish an 80% Employer contribution and a 20% employee contribution and is consistent with the employer-employee ratio in other university contracts. Providing for a maintenance of that ratio seems desirable.

The Fact Finder recommends the Employer proposal as submitted for a 3% increase with the addition of language to the effect that annual increases in premium, if any, occurring on each of the anniversary dates of the new contract be allocated 80% employer-20% employee.

Initially the Employer proposal would be effective the first of the month following ratification of a new contract.

WAGES

Union Position

The Union proposes a 3% increase in steps and classes effective 7/1/97, 7/1/98 and 7/1/99.

Employer Position

The Employer proposes a major change from a class/step system to a straight class structure with a minimum and maximum rate for each class but no steps. Increases above the minimum would be based on merit in the sole discretion of the Employer. The economic proposal is for a 1% wage increase plus a merit pool of 1% based on base wages.

Fact Finders Recommendations and Reasoning

The Employer has proposed a radical change from the present structure established in the Police Officers contract in prior years. The proposal is consistent with the Employer's elimination of longevity pay and the desire to eliminate automatic increases within grade based on time served while moving to a merit-based increase system. The Employer has negotiated some merit pools in three of its other contracts.

The Fact Finder recommends the continuation of the present system for the balance of the proposed contract term. A 2% increase each year for the first two years would certainly cover increases in the National Cost of Living Index (CPI-U) for 1997-1998 and any probable increase in 1998-1999. For the contract year 1999-2000, a wage adjustment of 2.5% should provide more than a maintenance of standards increase.

In any event, by the anniversary date of July 1, 1999, or slightly less than two years from now, employees would be receiving a slightly more than 6-½% increase in wages. On a comparative basis with the surrounding area and similarly-situated educational institutions, the suggested wage rates appear fair.

The contractual increase for 1997-1998 period is to the structure only with no retroactive pay similar to the last collective bargaining agreement.

The contractual increase for the 1998-99 contract year will become effective with the pay period following ratification.

The contractual increase for the 1999-2000 contract year would be effective the pay period following July 1, 1999.

Since there is no retroactivity, the Fact Finder recommends a signing bonus of $150.00 per employee if the new contract is ratified by September 15, 1998.

EFFECTIVE DATES AND CONTRACT TERM

Union Position

A three-year contract to be retroactively effective to July 1, 1997.

Employer Position	A two-year contract from date of ratification to July 1, 2000. No retroactive pay
Fact Finder's Recommendations and Reasoning	First: The Insurance proposal, if accepted, should be effect the month following ratification.

Second: The Retirement proposal, if accepted, should be effective the month following ratification.

Third: The Sick Leave proposal, if accepted, should be effective July 1, 1999 in order to allow for adequate changeover. In the meantime, the current language should continue.

Fourth: The contract term should be from date of ratification to June 30, 2000, 11:59 p.m.

Five: The wage schedule should be effective as follows:

> For 1997-1998 - Wage schedule change only.
>
> For 1998-1999 - wage schedule change with payment beginning the pay period following ratification.
>
> For 1999-2000 - wage schedule change with payment beginning the effective pay period closest to July 1, 1999.

There will not be any retroactive pay as set forth in the wage recommendation.

The signing bonus of $150.00 per employee would be paid the pay period following ratification.

Respectfully submitted,

Dated: August 12, 1998.

John W. Cummiskey

John W. Cummiskey
Fact Finder