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STATE OF MICHIGAN  
EMPLOYMENT RELATIONS COMMISSION

In the Matter of Fact Finding Between

CHARLEVOIX COUNTY ROAD COMMISSION

-and-

TEAMSTER'S LOCAL 214

Michigan State University  
LABOR AND INDUSTRIAL  
RELATIONS LIBRARY

CASE NO. G78-E843

FACT FINDER'S REPORT

On November 3, 1978 the Employment Relations Commission appointed George E. Gullen Jr. as its Hearings Officer and Agent to conduct a fact finding hearing pursuant to Section 25 of Act 176 of Public Acts of 1939, as amended, and the Commission's Regulations, and to issue a report on the matters in disagreement between the parties.

A hearing was held on January 12, 1979 in Charlevoix, Michigan.

Appearances were made by:

Robert L. Hoffman, Attorney for Road Commission  
Irvin H. Sturm, Engineer-Director, Road Commission  
Don Graham, Commissioner  
G.N. McIlvain, Local 214  
Joe Valenti, Local 214  
Walter Olson, Local 214

The hearing was closed by the Fact Finder on February 9, 1979 after written memoranda were submitted by the parties.

Charlevoix County Road Commission

## BACKGROUND

The Charlevoix County Road Commission (hereinafter referred to as the Commission), employs approximately 36 persons, who are represented by Teamsters, State, County and Municipal Workers, Local 214 (hereinafter referred to as the Union). The parties participated in negotiation and mediation sessions in an attempt to reach agreement on a collective bargaining agreement to commence August 1, 1978. When a contract proposal by the Commission was rejected by the Union membership on October 3, 1978, the Union applied for fact finding. Eight issues were submitted to the Fact Finder for recommendations.

## ISSUES

1. Pay for all time in the service of the employer
2. Term of contract
3. Wages
4. Saturday time and one-half pay
5. Sick leave paid on first day of illness
6. Cost-of-living allowance
7. Time and a half after eight hours a day, 40 hours a week
8. Wages and benefits retroactive to August 1, 1978.

## DISCUSSION

### INTRODUCTION:

Considerable evidence was introduced by the Union on wages, benefits and conditions of employment agreed upon by county road commissions and their employees in counties surrounding Charlevoix County. The Union asserts that these counties are comparable to Charlevoix County and the terms of the contracts in effect in those

counties should be used as comparisons upon which judgments may be based on the relative fairness of the terms of the Charlevoix contract. The Commission contends that the surrounding counties are not comparable to Charlevoix because, due to Charlevoix's lower population and fewer miles of roads, the amount of money available to the Commission is less than that received by the others.

Charlevoix is located in the upper Northwest portion of the lower peninsula. It is bounded on the North by Emmet County, the East by Otsego and Cheboygan Counties, and on the South by Antrim County. While there are some discrepancies in the population and road mileage figures submitted by the parties, Charlevoix is clearly comparable to its neighboring counties in many significant ways.

A primary factor in determining comparability here is geography. The counties named are all in close proximity to the others and share similar weather conditions, population numbers and road mileages. While Charlevoix differs from others in exact population and mileage, it fits well within the range of comparability -- some are greater, some lower. Very significant is the fact that each shares the same problem of inflation in kind and degree, which requires proper wage adjustments when the cost-of-living is increasing. The argument of the Union on comparability is well-taken.

PAY FOR ALL TIME IN SERVICE OF EMPLOYER:

The Union states that this issue involves employees being sent out on a job prior to the regular starting time without being paid. An example given is that of employees reporting for work prior to the regular starting time of 7:00 a.m., being sent out on the job before 7:00 a.m. and then being given credit for time worked beginning at 7:00 a.m. The Commission, according to the Union, does not compensate

the employee for such extra time spent on the job.

The Commission concedes that on occasion an employee is required to start work before 7:00 a.m. However, the present and past practice of the Commission is and has been that an employee who starts work 15 minutes before the regular starting time is paid for one-half hour. If he starts 14 minutes or less before the regular starting time, he is not paid extra.

It is the opinion of the Fact Finder that the policy of the Commission, based on past practice, is neither unusual or unreasonable. If the Commission abuses the policy in requiring early starting times the matter can be resolved through the existing grievance procedure.

#### TERM OF CONTRACT:

Although the Union initially proposed a one-year agreement, both parties are now amenable to a multi-year contract and, considering the wage recommendations below, a three-year contract is recommended.

#### WAGES:

The employees are paid on hourly wage based upon work classifications. Both parties propose across-the-board increases in the wage rates over three years. The last offer of the Commission included wage increases of \$.50 the first year, \$.37 the second year, and \$.40 the third year. The last offer of the Union was \$.59 the first year, \$.40 in the second year, and \$.40 in the third year.

The Union contends that the increases demanded would bring the Charlevoix employees closer to the average of the wages paid by Road Commissions in the comparable counties. Union exhibit 1A compares Charlevoix pay rates to the other counties as follows (1978 rates):

<u>County</u>	<u>Light Truck</u>	<u>Heavy Truck</u>	<u>Heavy Equipment</u>	<u>Mechanic</u>
Antrim	5.48	5.48	5.58	5.68
Otsego	5.02	5.18	5.34	5.46
Cheboygan	5.48	5.58	5.73	5.78
Emmet	5.26	5.26	5.56	5.76
Average:	5.31	5.38	5.55	5.67
Charlevoix 1977 Rate	4.73	4.83	4.99	4.99
Charlevoix Compared to Average	-.58	-.55	-.56	-.68

The Commission contends that the Union's comparisons are misleading and that Charlevoix is not in the same economic range as the comparison counties.

Fact Finder believes that the comparisons used by the Union are fair ones. No significant distinctions between Charlevoix and the comparable counties have been demonstrated by the Commission.

Union exhibit 1A documents the fact that the wage rates paid in Charlevoix are significantly lower than the others as well as being significantly lower than the average of the others. No important differences between the counties in terms of job responsibility or economic conditions having been demonstrated, it is fair to say that the Charlevoix wage rates warrant considerable improvement.

The Union is seeking \$.59/ \$.40 /\$.40 increases over three years. The Commission has offered \$.50 /\$.37 /\$.40. The Union proposal represents approximate increases of 12% in the first year, 7.5% in the second and 7% in the third. The Commission's increase would be

approximately 10.5%, 7% and 7%.

While the increases proposed for the first year of the contract exceed federal wage improvement guidelines, an increase exceeding 7% is warranted in the first year to close the gap between Charlevoix wages and those paid in like areas. A greater increase is further necessary to meet the recent increases in the cost-of-living experienced in the area. It is therefore recommended that agreement should be reached by the parties on across-the-board wage increases of \$.55 in the first year, \$.37 in the second year, and \$.40 in the third year.

#### SATURDAY TIME AND ONE-HALF PAY:

The Union proposes that the employees be paid time and one-half for work on Saturday as such.

The Commission argues that it presently pays double time on Sundays and that if it is required to pay time and a half for Saturdays, it should reduce Sundays to time and a half.

The Commission presently pays time and a half after eight hours and after 40 hours as is done in the comparable counties. Charlevoix is the only county in the group that presently pays double time on Sunday. The Union shows only one of the comparable counties as paying time and a half on Saturday as such.

It is the finding of the Fact Finder that the present practice in Charlevoix concerning overtime is satisfactory and, with double time on Sunday, is in fact better than that found in the other counties. No change in the present practice is recommended.

#### SICK LEAVE:

The present practice in Charlevoix on sick leave is to allow an employee to draw from his sick leave bank only starting with the

third day of illness. The Union argues that the practice is archaic and unfair and that sick leave should commence with the first day of illness.

The Commission has offered to pay the second day off in the event of illness.

The Union pointed out that Antrim, Otsego, Cheboygan, and Emmet counties pay sick leave benefits on the first day of illness. The Commission argues that it has had problems with employees using sick leave resulting in disruption of service and considerable expense. The present practice was necessary to curb abuses. The Commission shows further that its sick leave benefits are greater than those paid in the surrounding counties. The comparable policies are as follows:

<u>County</u>	<u>Sick Leave Days Per Year</u>	<u>Maximum Accumulation</u>
Antrim	12 days	24 days
Cheboygan	12 days	100 days
Emmet	12 days	100 days
Otsego	12 days	150 days

Charlevoix allows a maximum of 30 days, but after 28, insurance pays 66 2/3% of the average weekly wage up to one year.

It is evident that there have been sick leave abuses and that, overall, the sick leave benefits provided by the commission are considerable.

It is the recommendation of the Fact Finder that sick leave should be paid beginning with the second day.

#### COST-OF-LIVING

The Union has proposed a cost-of-living formula for increases in wages based on increase in the cost-of-living index. The Commission opposes such a formula.

None of the comparable counties have cost-of-living allowance provisions. Such a provision has not been bargained for by the parties across the table. Under these circumstances the Fact Finder can make no recommendation concerning this issue. The impact of inflation has been considered in the wage recommendation and the suggestion of front-loading the wage increase in the first year.

TIME AND ONE-HALF AFTER 8 HOURS A DAY, 40 HOURS A WEEK:

The existing contract provides for a normal work week of eight hours a day and 40 hours a week between April 15 and October 15. From October 15 to April 15 the employee is guaranteed 80 hours a week per pay period but is not paid overtime until after he completes 80 hours of work. The Union fears that the 80 hour provision can be abused by the Commission and used to avoid the payment of overtime. The Union wants the work day and week to be consistent throughout the year, but with the 80 hour guarantee retained.

The Commission asserts that the employees are paid time and a half after eight hours each and every day and time and one-half after 40 hours each and every week.

There is no showing that the 80 hour guarantee has been used as a maximum hours of pay.

The Fact Finder recommends continuation of the present language and practice.

RETROACTIVITY:

The Union proposes that wages and benefits be made retroactive to the beginning of the contract year, August 1, 1978, contending that the Union has bargained in good faith, following the course of negotiation, mediation and fact finding without work stoppage.

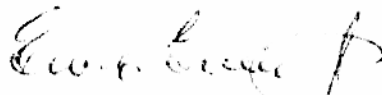
The Commission contends that retroactive application of the wages and benefits would be financially disastrous. Moreover, since no notice of intent to terminate the labor agreement was given, the contract terms continue in effect.

The parties opened negotiations on wages and other terms and conditions of employment prior to the July 1978 termination date. The parties did in fact participate in negotiation, mediation and now fact finding.

The parties commenced bargaining on wages prior to expiration of the contract in July, 1978, tacitly acknowledging that wages were an open subject at that time. Commission offers made across the table during negotiations provided for wage increases over three years, effective August 1, 1978 through July 31, 1981. No evidence was submitted by the Commission demonstrating inability to pay. The only evidence concerning the effective date indicates that an effective date of August 1, 1978 was contemplated by both parties.

It is the recommendation of the Fact Finder that if the wage recommendation made in this report is agreed upon by the parties, the wages should be paid retroactive to August 1, 1978.

Date: February 28, 1979.



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George E. Gullen, Jr.  
Fact Finder