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In the Matter of Fact Finding
Between:

THE CITY OF FREMONT
Fremont, Michigan

and

LOCAL NO. 214, STATE, COUNTY & MUNICIPAL WORKERS
Affiliated with: INTERNATIONAL BROTHERHOOD OF
TEAMSTERS, CHAUFFEURS, WAREHOUSEMEN & HELPERS OF AMERICA

REPORT
and
RECOMMENDATIONS

Samuel S. Shaw, Fact Finder

Hearing Held

Community Building
Fremont, Michigan

July 6, 1973

Fremont, City of

Michigan State University

Appearances

For the City

Russell Price, Attorney
Henry VanDop, City Manager

For the Union

LABOR AND INDUSTRY
RELATIONS
G. N. McIlvain, Secretary-
Treasurer

Pursuant to a petition filed with the Michigan Employment Relations Commission, dated March 29, 1973, the undersigned was appointed as Fact Finder in the matter between the City of Fremont, (hereinafter referred to as "the City"), and Teamsters State, County and Municipal Workers, Local 214, affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, (hereinafter referred to as "the Union").

Facts and Background

The City of Fremont, Newaygo County, is located in west Central Michigan. It has a population of approximately 3425 and is part residential, part industrial, and part rural. It is the home of Gerber Products, nationally known producer of baby foods, which is its principal industry. This Company employs in the vicinity of 700 people, and supplies approximately 50% of the City's tax base.

The City's Department of Public Works employees have been represented by the Union for three years, and the first three year contract between the parties expired on December 31, 1972. However, the parties entered into a Supplemental Agreement, effective January 1, 1972, which included a minimum wage schedule as follows:

	<u>Start</u>	<u>3 Mos.</u>	<u>12 Mons.</u>	<u>24 Mons.</u>	<u>36 Mons.</u>
Maintenance II	2.86	2.92	2.95	3.02	3.10
Sewage Plant Operator D	2.86	2.92	2.95	3.02	3.10
Maintenance I	2.49	2.56	2.64	2.72	2.81

At this time there are nine people employed by the DFW divided among these three classifications as follows: 3 in Maintenance II, 1 in Sewage Plant Operator D, and 5 in Maintenance I. The length of service of the DFW employees averages approximately four years.

Negotiations between the City and the Union on a new Agreement started in late 1972. These negotiations could not produce an agreement and the matter was referred to Employment Relations Commission for mediation. Two mediation hearings were held under the direction of Wheeler Witte, State Mediator. As a result, several issues were resolved, but no agreement was reached on the matter of wages.

The Union filed for fact finding on March 29, 1973 with the Michigan Employment Relations Commission. Samuel S. Shaw was appointed Fact Finder on May 3, 1973. The Hearing was held in the Community Building in Fremont on July 6, 1973. Both parties were fully represented and given full opportunity to present all pertinent oral and written evidence. The Union submitted a complete opening brief and the current agreements between the city of Whitehall and Local Union 214, and the city of Hart and Local 465, Utility Workers of America. Neither party elected to file post-hearing briefs; therefore, the hearing was closed as of July 6, 1973.

Position of the Parties

During negotiations the parties mutually agreed to discontinue the previous three classification wage structure, and combine them into a single classification. This agreement was reached because it was agreed the size of the working crew and the general nature of the work made it

impractical to separate job duties into more than one classification. As a result, in the past, men in different classifications would often be working side-by-side doing the same work, but receiving different wage rates. It was agreed a single classification would eliminate this inequity, and at the same time provide the City with greater flexibility in the assignment of work. To accomplish this transition it was agreed the five employees in Maintenance I would be moved to the higher classification of Maintenance II, at the point on the Maintenance II wage scale comparable to their respective position on the Maintenance I wage scale. This would amount to an hourly increase of from 29¢ to 37¢ for the five effected employees.

In addition, during final negotiations, the City offered a general wage increase of 22¢ per hour the first year, 24¢ per hour the second year, and 26¢ per hour the third year. A subsequent recommendation by the State Mediator was that the above amounts be increased to 24¢, 26¢, and 26¢.

It was the City's position that this increase put the DPW employees at a competitive wage level with comparable cities; in fact, the Mediator's recommended figures would have ranked them 13th out of 34.

The City's figures were based on information supplied by the Michigan Municipal League for cities with a population of 1,000 to 4,000 in Area #2. The City's wage comparison was based upon the laborer classification. It was the contention of the City that this classification most nearly represented the type of work required of its DPW employees. The City argued a Heavy Equipment Operator's classification was not a

fair measure of comparison, as the Fremont DPW employees did not operate heavy equipment. The City listed its equipment as: Pickup, $\frac{1}{2}$ Ton, and 1 Ton General Service Trucks; 2 Ton Trucks used primarily for snow removal (with blade); Street Sweeper; 16 yard Dump Truck used for garbage pickup; Front End Loader; and miscellaneous equipment such as Garden Tractor & Mower, Sower Roddor, Asphalt Kettle, etc. The City stated that road or sidewalk building was sub-contracted as well as all major maintenance of equipment.

The Union's position was that the City's offer still did not bring the employees inline with employees in a like position in cities of like population size in the immediate area.

The Union also relied upon the figures supplied by the Michigan Municipal League, but in its wage comparison the Union used the Heavy Equipment Operator classification as the basis for its contention.

The specific cities submitted by the Union as support for its argument were: Whitehall, Montague, Sparta, Hudsonville, Spring Lake, and Hart. The Union contended these cities offered a fair comparison as they were in the immediate geographical area, drawing from the same labor source and affected by living costs of Grand Rapids and Muskegon, both of which were within forty miles of these smaller cities.

The Union acknowledged that the classifications in these cities did not match by job title the classification in the City of Fremont. However, the Union contended the job assignments were comparable, and therefore, more pertinent than the titles. In summing up its findings, the Union claimed: "the City of Fremont is paying its Heavy Equipment Operators

and light skilled classifications 80% below the average of the composite, and paying its Truck Driver classifications of those job assignments and light skills, or similar skills, approximately 89% below average."

The Union pointed out that City employees were not subject to any official "guide lines", and the only criterion should be the question of wage parity. The City acknowledged this point raised by the Union, but noted that a substantial number of the City's residence worked for Gerber Products, and were subject to the "guide line." Therefore, this factor could not be completely ignored when considering a wage increase for public employees.

Discussion

Both parties have agreed their purposes would be best served by combining the Classifications of Maintenance I and Maintenance II into a single classification. The pros and cons of such a move have apparently been thoroughly discussed, and any comments thereto by the Fact Finder at this time would not only be inappropriate but might tend to muddy the waters. However, as the parties have tentatively agreed to move the five men currently in the Maintenance I classification to their comparable position in the wage scale of Maintenance II, the hourly wage increase that will be realized by these five men as a result of this move cannot be completely ignored when considering the question of an overall wage increase.

This adjustment amounts to an hourly increase for Maintenance I men as follows:

<u>Start</u>	<u>3 Mos.</u>	<u>12 Mos.</u>	<u>24 Mos.</u>	<u>36 Mos.</u>
37¢ - 15%	36¢ - 14%	31¢ - 12%	30¢ - 11%	29¢ - 10%

The exact position of each of the five men in the above scale was not submitted; however, on an average the adjustment resulting from the change to a single classification amounts to 12.4%.

According to the information supplied the Fact Finder, as a result of the mediation sessions, the first year across-the-board increase to all employees was raised from 22¢ to 25¢ per hour; a recommendation that was accepted by the City. This amounts to an average increase for Maintenance II people of 8.5%, but when added to the classification change adjustment for Maintenance I people, averages 21.5% for the first year.

Although no wage increase pattern has developed at this time for the year 1973, based upon individual settlements that have been made in this general geographical area, this wage increase offer to the Maintenance I group is not unrealistic. Further, as this wage increase would apply to more than fifty per cent of the bargaining unit, it cannot be lightly dismissed.

However, it is the Union's position that even with this wage increase their base wage would still be considerably lower than that paid by comparable cities and towns in the immediate area for like work and job responsibilities. In support of this position the Union submitted figures from six cities or towns of approximately the same size as the City of Fremont and within the general geographical area. These cities were: Whitehall, Montague, Sparta, Hudsonville, Spring Lake and Hart. In most instances these figures submitted by the Union were for the

Truck Driver, Heavy Equipment Operator, or Maintenance classifications. In its counter argument the City presented figures from 39 cities and towns, compiled by the Michigan Municipal League for its Area #2 grouping. These figures were confined to a comparison of the wage rates in the Laborer classification.

As pointed out by the Fact Finder at the Hearing, a comparison of wage rates in terms of job titles could be misleading. Identical work was often performed under different classification titles, depending upon a particular local situation. Therefore, a more meaningful comparison could be drawn by comparing wage rates for the same work requirements and responsibilities, regardless of the classification title.

Pursuing this line of reasoning, the Fact Finder contacted by telephone each of the following city managers and reviewed their specific job requirements vs current wage rates.

Mr. Henry Schotten, Hudsonville; Mr. R. K. Hunter, Montague; Mr. John Bolthouse, Spring Lake; Mr. Roy Burgett, Sparta; Mr. W.E. Beauvais, Jr., Whitehall; and Mr. George H. Vondrak, Hart.

With the exception of Hart, all the above cities or towns were a part of the City's exhibit, as well as that of the Union's.

The situation in the City of Hart is somewhat different than that in the above other five cities, as Hart operates its own power plant. To a minor degree this operation reflects on the work assignments of the DPW employees. However, for this evaluation the Fact Finder, insofar as possible, separated the influence of the power plant operation.

The normal complement of DPW employees range from a low of three in Hudsonville to a high of eight in Whitehall, with an overall average of four per department. In most cases all personnel were in a single classification with a rate range. However, in Whitehall there are three Maintenance classifications with a single rate for each. Maintenance I is a starting classification in which no equipment is operated. Maintenance II operates light equipment and Maintenance III operates all equipment. This latter includes a grader which, although normally is used for rough grading, is used for fine grading on rare occasions.

Supervision varies from immediate, under a foreman, to general direction under the city or township manager.

The equipment used and operated is generally the same, or similar, in the majority of cases. With the exception of the power grader in Whitehall, noted above, this consist of five to ten yard dump trucks to which blades or plows are added for snow removal, pickup trucks, a front end loader, back hoe, small roller, street sweeper, small tractors for mowing, and miscellaneous equipment such as tar heaters, hand mowers, etc. Heavy equipment such as might be used by a county road commission operation is not used and therefore, its operation is not a job requirement.

Road or street building is not a normal requirement of the DPW, this being sub-contracted and thereby limiting the DPW to maintenance. Minor equipment maintenance was performed by DPW men, but with one exception, major repair was sub-contracted.

In two instances, the DPW was responsible for maintaining sewer and water services, including meter reading and pipelines. Other than this,

the general work assignments were much the same in the cities covered. This might be described in brief as: Street maintenance, repair, and cleaning; snow removal and sanding; street or roadway right-of-way maintenance; maintenance of drains, ditches, etc.; trash and garbage pickup; and minor equipment maintenance. Although each city had some peculiarities, the differences were not sufficient to materially affect the basic work assignments and responsibilities.

Although fringe benefits are not at issue here, they were reviewed inasmuch as they do constitute an economic level in conjunction with wages. It was found that fringe benefits did not vary greatly among the cities surveyed. If anything it was a difference in one holiday, and the length of time during which sick days could be accumulated.

In the majority of cities a wage increase had been granted in 1973; some effective January 1, and some July 1. This wage increase averaged 5.56%. In most cases this wage increase was coupled with an increase in fringe benefits.

As a result of this survey of the six cities or towns noted, the Fact Finder finds the average hourly rate for DPW employees, performing approximately the same work assignment as that performed by the DPW employees of the City of Fremont, to be \$ 3.95. This is a top rate average, using the top rate where a single classification is used, or the top rate of the highest classification in a multi-classification structure. This is based upon the current rates. This would be 60¢ below the rate at Fremont if the City's offer of 25¢ is added to the present top rate for Maintenance II.

In the survey presented by the City, the classification used for comparison was that of Laborer. After checking several cities where this classification is in effect, it was found that Laborers do not operate any equipment, in most cases even that of driving a pickup truck. As this is not the case at Fremont, the Fact Finder feels this classification does not offer a valid basis of comparison.

Despite the fact his survey indicates an inequity of 60¢ per hour, the Fact Finder does not feel this can be made up in one single wage increase. He does not deny the validity of the Union's argument that the men of Fremont's DPW should not be required to accept below average wages simply because they work for Fremont. However, under the circumstances there are several other factors that must be considered. First, although this situation does not come under the wage-price guide line of 5.5%, it should not be entirely ignored. Up to this point at least, most increases have considered this guide line even though they were not legally required to do so. Secondly, the City's agreement to combine all wages into a single classification will involve a substantial increase in wage costs, and will provide five of the nine employees with a substantial increase in pay. Further, to eliminate the full differential in one increase would place a considerable strain on the City's budget, and without doubt cause considerable resentment among many of the communities residences.

All things taken into account, it is the considered opinion of the Fact Finder, that at this time a reasonable compromise would be an across the board increase of 30¢ per hour, effective January 1, 1973

and an additional 30¢ per hour, effective January 1, 1974. Considering the uncertainty of the economic picture at this time, it is the Fact Finder's opinion that it would be unfair to recommend the parties commit themselves beyond this point. Therefore, it is recommended that the three year agreement contain a wage re-opening provision, effective January 1, 1975, and the parties review the situation at that time in light of the conditions.

The question of retroactivity was raised at the Hearing, with a suggestion being offered by the City that the agreement be made effective to some later date rather than January 1, 1973. In this regard the Fact Finder would have to agree with the position of the Union. No evidence was submitted that would either establish or imply that, during their attempt to reach agreement either party failed to negotiate in good faith, or attempted to delay or subvert the established process for reaching a final determination. The matter was negotiated, processed through mediation and fact finding in accordance with the provisions. Therefore, at this point it would hardly be equitable to deny to the employees the right to have any wage increase retroactive to the date the former agreement expired.

The City also raised the question, that if the Fact Finder's recommendation was accepted, how long should such an offer be extended to the Union. The Fact Finder's recommendation is just that; a recommendation that is not binding upon either party and there is nothing that requires any offer made by the City to be held out indefinitely. It would seem reasonable that the Union should be given adequate time to properly

consider any offer, but after a reasonable time has elapsed the offer, in its entirety, may be withdrawn without prejudice.

In summary, for the reasons stated herein, after considering all factors influencing the situation, it is the recommendation of the Fact Finder that the City of Fremont offer its DPW employees 30¢ per hour wage increase, retroactive to January 1, 1973, and 30¢ per hour effective January 1, 1974. In addition, a wage re-opening clause be included in the proposed three year agreement for consideration at that time of any appropriate wage increase.

This recommendation is submitted on the basis that the agreement already reached to up-grade all employees into a single classification will be realized.

It is the Fact Finder's opinion, that all things considered, the above would be a reasonable resolution of the matter of wages. As previously stated, despite any inequity that may now exist in the wage level of Fremont's DPW employees and that of neighboring cities, the Union should not expect to have this inequity eliminated in one single wage increase. The recommendation offered by the Fact Finder would be a start toward bringing the employees in question in line with others in like occupations in comparable cities, and it is hoped both parties will give the recommendation their full and sincere attention and consideration.

Samuel S. Shaw
Samuel S. Shaw, Fact Finder
Grand Rapids, Michigan
August 8, 1973



WILLIAM G. MILLIKEN, Governor
BARRY BROWN, Director

STATE OF MICHIGAN

DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

400 TRUST BUILDING, GRAND RAPIDS, MICHIGAN 49502 - Phone 469-3531

April 12, 1973

COMMISSIONERS
ROBERT G. HOWLETT,
Chairman
MORRIS MILMET
WILLIAM M. ELLMANN

City of Fremont
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Mr. Henry VanDop, City Manager

Teamsters State, County and Municipal Workers /
Local No. 214
2801 Trumbull Avenue
Detroit, Michigan 48216
Mr. G. N. McIlvain, Secretary-Treasurer
Re: Petition for Fact Finding

Gentlemen:

The Michigan Employment Relations Commission has reviewed the petition for fact finding by the Teamsters State, County and Municipal Workers, Local No. 214 on March 29, 1973 and the answer thereto filed on April 10, 1973 by the City of Fremont, and has concluded that the matter in dispute between the parties may be more readily settled if the facts involved in the dispute are determined and publicly known.

The Commission encloses herewith the names of three qualified persons to serve as a fact finder in the collective bargaining impasse between the City of Fremont and Teamsters Local No. 214. Will you number the persons named on the attached list in the order of your preference and return it to our office. We will endeavor to select as the fact finder the person who most nearly combined preference.

The fact finder appointed will conduct a fact finding hearing and issue recommendations in respect to the issues in dispute.

Sincerely,

Robert G. Howlett
Chairman

RGH:la
Enc.

