

STATE OF MICHIGAN
MICHIGAN EMPLOYMENT RELATIONS COMMISSION

Before

Gerald E. Granadier

Fact Finder

CITY OF HILLSDALE

AND

Case No. L84 G-524

TEAMSTERS LOCAL 214

FACT FINDERS REPORT AND RECOMMENDATION

The undersigned, GERALD E. GRANADIER, under appointment as a Fact Finding Hearings Officer as of March 28, 1985, by the Employment Relations Commission of the Department of Labor of the State of Michigan, to conduct a Fact Finding Hearing in the above cause, pursuant to Section 25 of Act 176 of Public Acts of 1939, as amended, and the Commission's Regulations in connection therewith, and to issue a report with recommendations with respect to the matters in disagreement between the above mentioned parties.

Hillsdale City of

BACKGROUND AND PRELIMINARY MATTERS

It appears from the record that the parties commenced bargaining, proceeded to mediation conducted on October 30, 1984, November 27, 1984 and December 13, 1984, and thereafter Teamsters Local 214 requested Fact Finding which was received by the Michigan Employment Relations Commission on January 25, 1985.

Notice of appointment of your Fact Finder was made by letter dated March 28, 1985. Your Fact Finder then contacted the parties to schedule a Pre-Hearing Conference. The parties, after several re-schedulings, agreed to hold the conference at the office of the Fact Finder on April 30, 1985. This conference was intended to set forth the parameters of the matters in dispute, schedule hearing dates, agendas, rules of procedure and other matters. Appearing at this meeting were the following:

City of Hillsdale:

Gregg Guetschow, City Manager

Lewis I. Loren, City Attorney

Teamsters Local 214:

Walter Sacharczyk, Business Agent

Henry Fecker, Steward

Patrick Porter, Steward

Kay Weber, Dial-A-Ride

The issues which were determined to be addressed in the Fact Finding were as follows:

1. Wages
2. Health Insurance
3. Tenure Pay (Longevity)

Timetables were set for submission of comparable municipalities and bargaining units, list of witnesses and position papers. Your Fact Finder indicated that if the parties so desired he would attempt, by way of mediation, to assist them in reaching agreement, and a date for requesting same was proposed. An additional hearing date was scheduled for June 20, 1985 in the City of Hillsdale. Lists of comparables were received on or about May 20, 1985. The parties then advised the Fact Finder that they wished to have him attempt to mediate the dispute, however the June 20th date was re-scheduled to July 19, 1985.

At the July 19, 1985 meeting in Hillsdale the following appeared:

City of Hillsdale:

Gregg Guetschow, City Manager
Lewis I. Loren, City Attorney
Michelle A. Snell, Legal Intern
Ron Neer, Director of Utilities

Teamsters Local 214

Walter Sacharczyk, Business Agent
Patrick Porter, Steward
Henry Ficker, Steward
Kay Weber, Dial-A-Ride

The parties individually presented their demands on issues in dispute and briefly summarized they were as follows:

City of Hillsdale:

1. Wages

Effective 7/1/84 - \$.10/hour increase

Effective 7/1/85 - 4% increase

2. Health Insurance

Maintain current benefit program with the following changes:

- (a) Deductible - \$50.00 per person,
\$150.00 per family - annual deductible
- (b) Co-payment - 90% Insurance Company/10% employee on first \$3,500 of insured claims; provided, however, that for the following, the insurance company will pay 100% of claims: diagnostic visits to doctor's office; second opinion on surgery; outpatient surgery; and outpatient pre-admission testing.
- (c) Prescription Drug Plan - Increase deductible to \$3.00.

3. Tenure Pay (Longevity)

<u>Years of Service</u>	<u>Proposed Benefit</u>
After 1 year	\$ 120 / year
After 2 years	240 / year
After 3 years	360 / year
After 4 years	480 / year
After 5 years	600 / year
After 6 years	700 / year

After 7 years	800 / year
After 8 years	900 / year
After 9 years	1000 / year
After 10 years	1100 / year
After 11 years	1100 / year
After 12 years	1100 / year
After 13 years	1100 / year
After 14 years	1100 / year
After 15 years	1100 / year

Teamsters Local 214

1. Wages Effective 7/1/84

General Services	\$1.30	per hour	increase
Truck Driver	1.21	"	"
Light Equipment	1.22	"	"
Heavy Equipment	1.17	"	"
Mechanic	1.25	"	"
Waste Water Plant Operator	1.03	"	"
Dial-A-Ride	2.19	"	"

Effective 7/1/85

City offer of 4% acceptable

2. Health Insurance

Change insurance carrier to Blue Cross-Blue
Shield, with expanded coverages

3. Tenure Pay (Longevity)

Maintain current benefits as follows or City's
offer - either acceptable:

<u>Years of Service</u>	<u>Current Benefit</u>
After 1 year	3¢ per hour
After 2 years	6¢ per hour
After 3 years	9¢ per hour
After 4 years	12¢ per hour
After 5 years	15¢ per hour
After 6 years	18¢ per hour
After 7 years	21¢ per hour
After 8 years	24¢ per hour
After 9 years	27¢ per hour
After 10 years	30¢ per hour
After 11 years	32¢ per hour
After 12 years	34¢ per hour
After 13 years	36¢ per hour
After 14 years	38¢ per hour
After 15 years	40¢ per hour

Your Fact Finder meeting with each of the parties separately attempted to find compromise positions which could lead to settlement. Each of the parties were given the opportunity to present their arguments and reasoning for their positions. Your Fact Finder presented possible solutions to the disputes but was unable to convince both sides to move from their stated demands. Accordingly it was determined that formal Fact Finding Hearings would be necessary to ultimately bring this phase of collective bargaining to conclusion.

Upon return to Detroit your Fact Finder notified the parties that he had scheduled August 29 and 30 as formal Fact Finding hearings to be held at the offices of the Michigan Employment Relations Commission. Your Fact Finder was informed that those dates conflicted with previous commitments and accordingly re-scheduled the hearings for September 18 and 19, 1985. The parties were requested to provide the Fact Finder with written position papers and a list of witnesses. Those were received timely and copies were provided to the opposite parties.

DISCUSSION AND DECISION

The parties were given every opportunity to furnish all pertinent testimony and information into evidence and further, exhibits in support of testimony by each of the parties were introduced and received into evidence. The parties summarized their respective positions and set forth, in full, oral and written arguments in connection therewith. Each of the parties presented

your fact finder with considerable evidence in an excellent and well prepared presentation to substantiate each of their positions. Unquestionably meritorious argument for each was made, and in the opinion of the Fact Finder, each strongly believed in the inherent justice of their positions. Affirmative evidence in support of their positions was received and considered by the Fact Finder.

Appearing at the formal Fact Finding hearing were the following:

City of Hillsdale:

Gregg G. Guetschow, City Manager

Lewis I. Loren, City Attorney

Ronald D. Neer, Director of Utilities

Dave Burgee, Burgee Agency

Paul Marietti, American Community Insurance Company

Kim Belanger, Attorney for American Community Ins. Co.

Teamsters Local 214

Walter Sacharczyk, Business Agent

Kay Weber, Dial-A-Ride

A. Wages

Meritorious argument for each wage position was made by each of the parties, and in the opinion of the Fact Finder each strongly believed in the inherent justice of their position.

The Teamsters Local 214 provided the Fact Finder with a multitude of comparables which in its opinion justified the increases which it was demanding to be effective 7/1/84. Those reflected substantial differences in wages paid to each of the classifications of employees as set forth hereinabove.

The City of Hillsdale on the other hand presented voluminous information wherein gross differences of wages paid were not apparent as in the Union's presentation. The City's presentation did not, however, in your Fact Finder's opinion justify an increase of \$.10/hour across the board.

Accordingly, it is your Fact Finder's recommendation that an increase of seven percent (7%) be granted across the board to each employee classification, retroactive to 7/1/84 through 6/30/85, resulting in the following:

<u>Employee Classification</u>	<u>Increase Per Hour</u>
General Services	\$.44
Truck Driver	.46
Light Equipment	.47
Heavy Equipment	.48
Mechanic	.50
Waste Water Plant Operator	.54
Dial-A-Ride	.39

Further, it is your Fact Finder's recommendation that effective 7/1/85 through 6/30/86 a four percent (4%) increase be granted across the board to each employee classification.

B. Health Insurance

Considerable testimony and documentary evidence was introduced regarding this issue. The Union presented an offer by Blue Cross/Blue Shield to write the health insurance coverage for this bargaining group. On its face it appeared to offer a substantial saving in premiums to the City and a substantial increase in coverages to the employees. Closer examination, however, revealed that the premium quotation was for a limited period of time and quite possibly not based on the claims

experience that would justify maintaining a low premium for a period longer than the initial quotation. Most importantly it did not take into consideration the effect that removal of this group from the larger City employee and retiree group would have on the existing coverage. It is the Fact Finder's opinion that we must not operate in a vacuum. We must consider all ramifications of change not only as it effects this group but others as well.

The City introduced testimony and documentary evidence from its own records and from its insurance carrier, American Community Mutual Insurance Company. This evidence was less than totally convincing as to the reasoning for altering the current coverage afforded this group. It was, however, on balance, sufficiently convincing as regard to not changing carriers and controlling increases in premiums.

Accordingly your Fact Finder recommends that the City's offer for Health Insurance be adopted by the parties.

C. Tenure Pay (Longevity)

It is the Union's position with respect to this issue that "either the existing pay plan in effect now or the tenure pay plan offered by the employer" is acceptable.

While the City presented evidence and arguments to substantiate its offer for a change of compensation for length of employment (Longevity), your Fact Finder was not convinced that such a change would be beneficial to both parties to such an extent as to warrant change. The evidence indicating that the employees would in fact receive additional funds under the City's offer was

entirely unconvincing. It seemed to the Fact Finder that in reality the employees would receive less under the changed plan than under the existing program. The City's argument that all its other employees are compensated for Longevity under the same plan as offered is likewise unconvincing to justify change. Uniformity, while a desirable end, is not justification, in your Fact Finder's opinion, where benefits do not flow evenly to both parties. Accordingly your Fact Finder recommends that the plan of compensation for Longevity presently in existence be retained and adopted by both parties.

D. Miscellaneous

It is the Fact Finder's recommendation that the City's offers regarding the following issues be adopted by the parties:

1. Overtime
2. C.E.T.A. employees
3. Waste Water Treatment Plant Employees
4. Shift Change

CONCLUSION: The Fact Finding Hearings Officer again points out that the issues discussed in this report were, I believe, all the major issues submitted by the parties. It is my sincere hope that upon adoption of the recommendations herein set forth, that the parties can conclude their collective bargaining negotiations. In the event additional services of your Fact Finder is required, I stand ready to be of continued service.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Gerald E. Granadier", is written over a horizontal line.

GERALD E. GRANADIER
Fact Finding Hearings Officer
1172 First National Building
Detroit, Michigan 48226
313-964-3754

Dated: October 2, 1985