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STATE OF MICHIGAN
DEPARTMENT OF LABOR
LABOR MEDIATION BOARD

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SEP 3 - 1969

In the Matter of

HILLSDALE COUNTY ROAD COMMISSION

-and-

TEAMSTERS STATE, COUNTY AND MUNICIPAL WORKERS

LOCAL 214

STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
MEDIATION DIVISION
DETROIT OFFICE
MICHIGAN STATE UNIVERSITY
LABOR AND INDUSTRIAL
RELATIONS LIBRARY

On June 2, 1969 the undersigned, Leon J. Herman, was appointed by the Labor Mediation Board as its hearings officer and agent to conduct a fact finding hearing relevant to the matters in dispute between the above parties, pursuant to Section 25 of Act 176 of Public Acts of 1939 as amended, and the Board's regulations. Accordingly, and upon due notice, hearings were scheduled and held on July 11, 1969 at Hillsdale State Savings Bank, Hillsdale, Michigan; on July 23, 1969 at Hillsdale Agricultural Center, Hillsdale, Michigan; and on August 1, 1969 at the office of the undersigned, 24423 Southfield Road, Southfield, Michigan.

Hillsdale County Road Commission

Alan Dimmers, Attorney; Roy C. Rudd, Engineering Superintendent; Lynn Smith, Charles Bishop and LeGrand Smith, Commission Members, represented the Commission.

Philip A. Gillis, Attorney; Joseph Valenti, President, Local 214; Earl Drake, Organizer; Robert Mason, John Evans, Jim Gier and Eli E. Ensign appeared on behalf of the Union.

The Hillsdale County Road Commission and District 50 of the United Mineworkers of America, Local 15457, entered into a contract on June 15, 1966 which terminated after an extension on August 15, 1968. At about this time an election was held to determine a new bargaining agent. Teamsters Local 214 was certified as the bargaining agent for the Commission employees on November 8, 1968. Negotiations for a new contract have been in process since that time. A substantial number of issues have been satisfactorily settled between the parties by direct negotiation and in the course of mediation, and a number of other issues were agreed upon during the hearings in fact finding. The following discussion relates to the issues which are still unsettled and which require determination.

Apart from seasonal help, the Board has a total of 48 employees in the bargaining unit, consisting of two laborers, seven light truck operators, nineteen scraper truck operators, four stock clerks, ten motor graders, one crane operator and five mechanics.

The Union has demanded an Agency Shop Clause which the Board has refused to grant. For one thing, as a matter of general philosophy it does not approve of the Agency Shop. Further, it feels that its obligation to the public would prohibit it from entering into an Agency Shop as a matter of public policy. It also questions the legality of the Agency Shop on the ground that there has been no court decision to determine whether an Agency Shop may legally be consented to by a road commission. Three employees have refused to join the Union or to pay representation fees and the Board also feels that these employees should be protected.

As to the latter item, the Union has proposed a grandfather clause so that the three dissenting employees could be relieved from payment of fees to the Union. This proposal has not been accepted by the Board.

In the light of the history of the Agency Shop in public employment in this state, I believe that the Board has taken an untenable position. A number of courts of this state have already decided in favor of the Agency Shop insofar as public schools are concerned. I do not believe that the Commission is in any way different than the Boards of Education which have been involved in these cases. Should the direct issue involving commissions come before a court, I believe the same ruling would be made. I agree that there has been no final determination of the issue as yet, in that the Supreme Court of this state has not yet had an opportunity to rule upon the issue, although I am given to understand that an action is about to be appealed to the Supreme Court. However the status of the legal situation today is such that the Board can safely and with due consideration of public policy enter into an Agency Shop. Its obligation to its employees is protected by the proposed grandfather clause. The Commission's philosophy in the matter is something which neither I nor anyone else can rule upon or make any suggestion, except that it appears to me to be somewhat out-dated by the current trends in labor management relations in the public sector.

I recommend therefore that the Board grant an Agency Shop to the Union, excepting therefrom the three employees who currently refuse to pay representation fees. All new employees should become members of the Union as a condition of employment or agree to pay representation fees should they refuse to join the Union.

The Board subcontracts a portion of its work to outside contractors and demands the right to do so in the future if it finds the subcontractor can do the work more efficiently or more economically than can its own people. The Union is fearful that subcontracting will be used as a device to lay off members of the bargaining unit while farming out the work. It has agreed to limit its no layoff demand to the present roster of employees. New employees would not be protected from layoff in the event of subcontracting by such agreement.

I am personally of the opinion that such a clause will cause considerable dissent. It will certainly create many problems for the Union in the event new employees who become Union members should find themselves laid off without any protection by the Union because of subcontracting. I do not wish to take issue with the Union. If it wishes to agree to such a clause I make no objection. With this in mind, I recommend that subcontracting be permitted provided it does not cause layoffs in the current roster of employees.

The Union has requested binding arbitration, which the Board has refused on the ground that arbitration is not in the best interest of the public. It has not explained why this would be the case and I for one cannot understand why an arbitration agreement which resolves problems without strikes, whether they be legal or illegal, without undue dissension in the ranks of employees and without creating bitterness in the employment situation, should be against public policy. To my mind the public would greatly benefit from an arrangement which would keep its public employees working under amicable conditions.

The Union has proposed as an alternative that advisory arbitration be had and that the Board take the arbitrator's recommendations sincerely into consideration when it makes its final determination. To my mind this is a very weak alternative and cannot solve the problem of maintenance of good labor management relations. I therefore recommend that the standard arbitration clause be adopted providing that in the event of dispute the matter be referred to the American Arbitration Association and that binding arbitration be had in accordance with the rules of the Association.

The maintenance of standards issue has caused some concern to the parties, but I believe that this has been satisfactorily adjusted.

The Union asked that men working temporarily in a higher classification be paid the rate of the higher classification for the time occupied. The Board insists that it should not increase the rate, but suggests that it decrease the rate in the event the man is temporarily placed into a lower classification.

The Union's final proposal was that if a man is put on a higher classification at the beginning of the shift, or if he is continued over in a higher classification from the previous day, that he get the rate of the higher job. If he is placed on a higher classification during a shift for some reason he is not to receive a change in rate during that day. If an employee is put in a higher classification while substituting for someone on vacation, on leave of absence or absent because of injury, the Union asked that he be given the higher rate.

I believe the Union proposal is eminently fair and I recommend it to the parties. I further suggest that if a man is put on a lower rated job during the course of a day that he continue at his regular rate. If the lower rated job continues into the next day then he should be paid the rate of the lower classification for the time he is on the job.

The Board proposes to supply uniforms to mechanics, stock clerks, tire repairmen, custodians and janitors. The Union asks that all employees be given uniforms.

In the interests of economy I recommend that the Commission's proposal be accepted.

It has been the practice for a working foreman, not a member of the bargaining unit, to operate the back hoe. The Union has not objected to this arrangement, but it does wish its own men to be trained for the job, and that no foreman work on the back

hoe on overtime unless a crew is called in. I recommend that the Union's proposal be accepted unless because of emergencies, such as a heavy snow, the foreman is unable to reach any bargaining unit employees, in which case he may operate the back hoe on overtime without bargaining unit members.

The Commission now pays for a \$1000 life insurance policy on each employee. The Union asked that this be increased to \$2000 the first year and \$3000 the second year, fully paid by the Commission. The cost is estimated by the Commission at \$.08 per hour.

I recommend that there be no increase the first year, but that during the second year of the contract the policy be increased to \$2000 fully paid by the Commission.

The present practice on sick leave is to allow three days per year. The Union asks an allowance of six days the first year and twelve days the second year.

I recommend that the sick leave allowance be increased to six days for the first and second year of the contract.

The Commission presently pays full Blue Cross coverage for its employees, but not for their families. The Union asks that full family coverage be granted. It points out that five counties in the state now do pay for full family coverage. The cost is estimated at \$.09 per hour.

I recommend that the Commission pay for full family coverage for its employees, because I feel this is a vital necessity to a workman. Hospitalization costs today are so high that it is difficult for an employee to adequately protect his family. I recommend that the full family coverage commence with the second year of the contract.

The Commission now pays a minimum of two hours callback pay. The Union asks for three hours and that it be paid at time and one-half. I recommend that the two hour provision stand, but that the rate of pay be at time and one-half.

The hours of work are currently nine hours per day, 45 hours per week, with overtime paid after 45 hours. The Union asks that overtime be paid after nine hours per day or 45 hours per week. This is in line with current practice in industry and I recommend it.

The Union asks a vacation schedule of two weeks the first year, three weeks from the tenth year and four weeks from the eighteenth year. I recommend that two weeks from the first year be granted, with three weeks after the tenth year. Longer vacations should be left to a succeeding agreement.

The Mineworkers' contract contained a cost of living clause which was terminated with the termination of that contract. The Union asks that the cost of living be restored.

I recommend that the cost of living factor be computed from the last date to July 1, 1969 and that this factor be included in the base rate of pay. Further cost of living payments are to be added to the base rate, commencing with July 1, 1969.

The employees now get seven days holiday per year, one of which is a floater which is given about Christmas time without any specific day provided for. The Union asks that in the second year of the contract eight days be granted and that the floater be fixed on a definite date.

I recommend that the seven day holiday provision be continued, but that all days be fixed.

The Union asks that whatever pay scale is agreed upon be made retroactive to January 1, 1969. It is a fact, however, that subsequent to that demand the Union proposed a retroactivity date of July 1, 1969, which it has since withdrawn.

I recommend that retroactivity be made to July 1, 1969 on the theory that once a proposal has been made it should be permitted to stand and not be made more onerous for bargaining purposes.

Current wage rates and the Union's proposals for a two year contract are as follows:

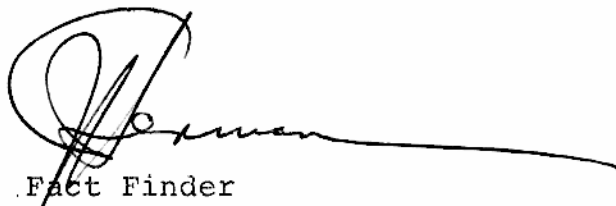
	<u>Current Wage Rate</u>	<u>Union Proposal</u>	
		<u>7-1-69</u>	<u>7-1-70</u>
Light truck	\$2.43	\$2.75	\$2.95
Scraper (heavy) truck	2.48	2.90	3.20
Stock clerk	2.53	2.95	3.29
Heavy equipment	2.63	3.20	3.45
Crane Operator	2.68	3.25	3.55
Mechanic	2.63	3.20	3.45

The Board has offered a \$.20 increase for the first year, \$.15 for the second year, with a wage reopening clause for the third year. The Board explained that it has to compete with lower rates of pay in the adjacent Indiana counties and that there is a substantial list of prospective employees who are willing to work at a lesser rate of pay. Under the circumstances it does not feel that it should pay a higher rate.

On the other hand, the Board owes a duty to its employees to give them a fair standard of living in the light of conditions in the community and to improve the lot of its employees over the course of time. I believe the Board's offer is too low and unfair to its employees.

I recommend a 10% increase in wages in all classifications for the first year and a second increase of 10% in the second year, in each case plus a cost of living factor, with the base pay to include the cost of living to July 1, 1969 and all wages to be made retroactive to that date. I believe such increases would be both fair and reasonable and well within the financial ability of the Commission to provide.

Should the Board switch to an eight hour day then I recommend that these hourly rate increases become 15% in each year.



Fact Finder

Southfield, Michigan

September 3, 1969