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STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

In the Matter of the Fact Finding
Between ISABELLA COUNTY ROAD COMMISSION

and

LOCAL 1604, MICHIGAN COUNCIL NO. 25,
A.F.S.C.M.E., AFL-CIO

MERC Fact Finding Case No. 1-87-C-179R

STATE OF MICHIGAN
BUREAU OF EMPLOYMENT RELATIONS
BENICHI OFFICE

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Douglas C. Dahn

FACT FINDING RECOMMENDATION

INTRODUCTION

Pursuant to Section 25 of Act 176 of Public Acts of 1939 as amended, and the Commission's regulations, the Employment Relations Commission appointed this Fact Finder on March 17, 1988 and requested that a Hearing be promptly scheduled and findings and recommendations be made thereafter. A Hearing was conducted on Tuesday, May 10, 1988, commencing at 10:00 a.m. with conclusion at 2:30 p.m. Thereafter, the parties were allowed until Friday, June 10, 1988, in which to file Briefs with the understanding that the Fact Finder's report would be following within at least thirty (30) days. The undersigned, Douglas C. Dahn, is the Fact Finder herein.

LABOR AND INDUSTRIAL
RELATIONS COLLECTION
Michigan State University

BARBER, PETERSMARCK, TOLLESON, MEAD, PAIGE & CARLIN, P.C.

Isabella County Road Commission

APPEARANCES:

For Isabella County Road
Commission:

Darrel Jacobs, Attorney

Robert Caltrider, Isabella
County Road Commission
Engineer-Manager

For Local 1604, Michigan
Council No. 25, A.F.S.M.E.,
AFL-CIO:

Zane Vinton, Staff
Representative, Michigan
Council No. 25

Thomas Schumacher, President
Local 1604

Dale D. Latta, Staff
Supervisor, Regions 4-11,
Michigan Council No. 25

HISTORY

The parties to this dispute are the Isabella County Road Commission, "Employer" hereinafter, and Local 1604, Michigan Council No. 25, A.F.S.C.M.E., AFL-CIO, "Union" hereinafter.

The current contract between the parties expired on May 17, 1987. Prior to its expiration, the parties met in a number of negotiation sessions. The parties have also utilized the services of a state mediator. The parties believe that an impasse was reached on or about November 4, 1987. Thereafter, the Union, through its appropriate representative, filed a petition with the Michigan Employment Relations Commission requesting fact finding on behalf of its members.

The Fact Finding Hearing consisted of a detailed presentation by both sides, supported by numerous exhibits and

as stated was concluded by the parties' filing of Briefs. This material has been reviewed in great detail by the Fact Finder, and the Fact Finder has been impressed by the sincerity and professional quality of the presentations, in particular the Briefs, which have assisted in clearly defining the issues and law and have helped this Fact Finder to issue his report.

NOTE ON FORMAT AND ISSUE SUMMARY

Issues presented to the Fact Finder are grouped below and for each issue the following format will be used:

- (A) Issue identification;
- (B) Discussion;
- (C) Recommendation; and,
- (D) Rationale for recommendation.

The issues for consideration deal with (1) subcontracting; (2) pensions; and (3) wages.

In rendering this report, the Fact Finder will consider the bargaining unit's historic relationship with the Employer, as well as comparing that relationship with other employee groups of the Employer. The Fact Finder will also consider the relationship of this unit with like employee groups of other employers in the surrounding area. Finally, the Fact Finder will consider the public interest in deciding whether a particular benefit or provision should be included or excluded from the parties' Collective Bargaining Agreement.

(1)

(A) ISSUE - SUBCONTRACTING

(B) DISCUSSION

The parties' Collective Bargaining Agreement Article 43, Section 1 contains a provision dealing with the subcontracting of bargaining unit work. That provision was expanded by a policy adopted by the Road Commission's Board and is set forth in this record as Union Exhibit 16.

The Employer is not proposing to change the language in the contract, other than to say it is renouncing the unilaterally adopted policy of 1986. The Employer maintains, and the Union agrees, that the none of the road commissions in the surrounding counties have any restrictions on their ability to subcontract bargaining unit work.

The Union maintains that the policy of the Board as set forth in their Exhibit 16 should remain in full force and effect, because it believes bargaining unit employees should perform all work at hand unless the Commission lacks the necessary equipment for its employees to perform the services in question.

(C) RECOMMENDATION

It is recommended that the policy previously adopted by the Board be deleted and the parties adhere to the language of the Collective Bargaining Agreement as set forth in Article 43, Section 1.

(D) RATIONALE FOR RECOMMENDATION

The Fact Finder has concluded that the parties for a number of years have operated successfully with the contract language of Article 43, Section 1. The Fact Finder believes that such language of the Collective Bargaining Agreement in no way harms any of the current workforce in that they will be entitled to a forty (40) hour week, and it is only in unusual situations that the Road Commission would be required to engage in subcontracting.

Further, this Fact Finder is impressed by the fact that none of the surrounding comparable employers are restricted in their right to subcontract and, indeed, some surveyed have far broader language than that which is requested by this employer.

It is, therefore, the conclusion of this Fact Finder that the parties' general history as well as a review of the comparables supports the Employer's position of deleting the policy initiated by the Board and, thus, letting Article 43, Section 1 regulate the issue of subcontracting.

(2)

(A) ISSUE - PENSION

(B) DISCUSSION

The Road Commission currently provides the M.M.E.R.S. C-1 pension plan and the Union is proposing to add to that plan the F-55 rider.

The Employer opposes that additional benefit based upon its cost which will be, according to the data submitted by the Employer, approximately Eight (\$0.08) Cents per hour, based upon a employee having worked 2,080 hours.

The parties also informed the Fact Finder that during the course of bargaining, various proposals had been discussed and at one time the parties had considered, with no agreement being reached, a proposal that the current Blue Cross/Blue Shield Insurance be modified in order to pay for the added cost of the pension rider. That discussion involved replacing the Blue Cross/Blue Shield MM-II plan including the ML-rider with the Blue Cross/Blue Shield MM-I plan and deleting the rider.

(C) RECOMMENDATION

It is the recommendation of the Fact Finder, for reasons which will be set forth in the Rationale for Recommendation, that the Employer add the F-55 rider to the

current M.M.E.R.S. C-1 plan, if that option is available, and if not, then the rider be added to the M.M.E.R.S. C-2 plan, if that is the only M.M.E.R.S. plan which enables the bargaining unit employees to obtain the F-55 rider.

Additionally, the Fact Finder recommends that to pay for the cost of the added benefit, the current MM-II Blue Cross/Blue Shield plan be replaced with a MM-I Blue Cross/Blue Shield plan deleting the ML-rider.

(D) RATIONALE FOR RECOMMENDATION

The Fact Finder has considered in detail the arguments set forth by both parties concerning their respective positions and recommends an alternative which he believes satisfies the needs of the employees and the cost considerations of the Road Commission.

Specifically, the Fact Finder recommends that the Employer provide the F-55 rider with the current C-1 plan but, if it is determined that it is impossible to obtain the F-55 rider with the C-1 plan, then the Employer would be obligated to provide the C-2 plan with said rider. The adding of this new rider will encourage early retirement and, thus, ultimately reduce payroll costs insofar as, when employees are hired as replacements, they obviously will not start at the higher wage scale.

Additionally, the Fact Finder favors this approach because, having reviewed the two insurance plans, MM-II plus ML rider versus MM-I without the rider, it is the Fact Finder's opinion that the extra benefits supplied by the more expensive plan is not worth the extra cost. Thus, those monies would be more wisely spent by providing a better pension plan for bargaining unit employees.

The Fact Finder believes that implementation of his full recommendation on this issue will result in no additional cost to the Employer.

(3)

(A) ISSUE - WAGES

(B) DISCUSSION

The Union requests that the Fact Finder recommend a three year contract providing for Fifty (\$0.50) Cents the first year, Fifty (\$0.50) Cents the second year, and Fifty (\$0.50) Cents the third year with a Cost of Living Allowance applied each year in accordance with the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index, based on 1957-1959. For each .5 increase in the Cost of Living Index, One (\$0.01) Cent shall be added to the hourly rate of employees' wages. The adjustment should be made quarter-

annually up or down, commencing with the beginning of the first pay period after receipt of the Cost of Living Index report for the months of March, June, September and December of each year. The accumulated wage as of May 17, 1987, will become a base and in no event will the wage go lower subsequent thereto.

The Union believes its position concerning wages is supported by a review of the surrounding communities and their road commissions, and has set forth that position in their Brief.

The Employer is proposing, with respect to wages, to continue the current Cost of Living Allowance provision and to grant an additional two (2%) percent general wage increase on the top end of each job classification for each year of a three year contract, to be effective upon ratification by the Union. Employer believes its position is supported by a review of the surrounding communities.

(C) RECOMMENDATION

It is recommended that the wages be increased by the amount of Twenty-Five (\$0.25) Cents the first year, retroactive to the expiration date of the parties' contract, and thereafter Twenty-Five (\$0.25) Cents the second year, and Twenty-Five (\$0.25) Cents the third year.

With respect to the Cost of Living Allowance, it is recommended that the current formula and implementation procedure, which provides that such allowance only becomes effective after the amount of wage increase has been used up, be continued by the parties. (See Article 36, pages 15 and 16 of the current Agreement.)

(D) RATIONALE FOR RECOMMENDATION

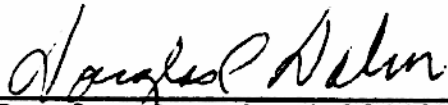
The Fact Finder makes his recommendation concerning wages based on the parties' past record which would lead one to conclude that Twenty-Five (\$0.25) Cents per year is not excessive. Additionally, after reviewing the comparables it would appear that an increase of that amount would keep Isabella County Road Commission employees in approximately the same position vis a vis the employees of road commissions in the surrounding counties as experienced in the past.

Concerning the question of Cost of Living Allowance, and when such is to be effective, again, the parties have lived with a formula which provides that the Cost of Living Allowance is implemented only after a portion, if not all, of the wage increase has been received, and thus, it would seem prudent and wise to maintain that same provision.

The above concludes the Fact Finder's findings and recommendations and it is hoped that they are helpful to the parties in resolving their dispute.

BARBIER, TOLLESON, MEAD,
PAIGE & CARLIN, P.C.

By:



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Employment Relations Commission
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Dated: July ____, 1988

BARBIER, PETERSMARCK, TOLLESON, MEAD, PAIGE & CARLIN, P.C.