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Kalamazoo County Road Commissioners )

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Teamsters Local 214 )

RE: MERC

Case No. G90-B-0018

**FACT FINDING**  
**Report of the FACT FINDER**

On June 22, 1990 the Michigan Employment Relations Commission appointed me as fact finder in the above matter pursuant to Public Act 176 of 1939. A hearing on this matter commenced at 1:00 p.m. on August 14, 1990 and concluded at 5:15 p.m..

Appearing for the parties:

Teamsters:

Henry Mueller  
Todd Hill  
Bruce Stockwell

Kalamazoo County  
Road Commission:

Darrel Jacobs, Esq.  
Ron Reid  
Daryl Peckins

STATE OF MICHIGAN  
BUREAU OF EMPLOYMENT RELATIONS  
DETROIT OFFICE  
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Kalamazoo County Road Commission

The petition for fact finding filed by the Teamsters Local 214 indicated a number of unresolved issues involving union issues and employer issues. Two mediation sessions had been held each lasting eight hours prior to the filing of the fact finding petition.

At the commencement of the hearing and during the conduct of the hearing a number of issues were settled by the parties:

Temporary Layoff  
Sick Leave Eligibility  
Life Insurance  
Rate of Pay for Holiday Work

The other issues will be considered as they were presented.

**Sickness and Disability Insurance**

Section 5 of the current contract provides a benefit which started at \$190 per week and increases by ten dollar increments to \$200 in the second year of the contract and then rose to \$210 per week. The Union wants to increase the weekly

benefit to two thirds of the employee's salary up to three hundred dollars per week until Medicare/Medicaid becomes effective but not to exceed fifty-two weeks. The Employer wants to retain the language of Section 5 but increase the weekly benefit to:

\$215.00 per week the first year (1990-1991)

\$220.00 per week the second year (1991-1992)

\$225.00 per week the third year (1992-1993)

The comparables presented by Employer show that it now exceeds surrounding counties and cities except for the City of Portage. Portage requires a 25 week wait for this benefit but is then a generous two thirds of employee straight time pay with a maximum of \$3000.00 per month. The Union suggested this matter be included in a comparability study. At the present time the Union states the benefit afforded their members is only 55% of their pay.

Recommendation: It would be too great an adjustment to accede to the Union's proposal. The Employer adjustment, although modest, is more in line with surrounding areas and should be agreed to by the parties.

Special note should be made at this point of a major point of disagreement as to the comparables. Employer contends that since the overwhelming numbers of its employees come from the contiguous counties, the County of Kalamazoo, and the cities of Portage and Kalamazoo, the wages and benefits of only those communities should be used - the marketplace theory. The Union disagrees and points to the higher cost of living in Kalamazoo County as compared with contiguous rural counties. Union also says that the financial resources of the Kalamazoo County Road Commission are derived from Act 51 funds allocated by the State of Michigan from highway taxes. Union therefore has submitted data including Kent County and Bay County Road Commissions and others.

While there is obvious merit to both positions, its primary application is as to wages and some fringes. In this connection, Employer has proposed a series of dramatic departures as to longevity and retirement health insurance discussed below.

#### Wages and Group Classification

Consideration of wages must include the Employer's proposal to roll up the longevity pay into the wage rate by adding \$.50 per hour rolled into the rates for job groups 1, 2, and 3. In addition, the rates would be adjusted upward in accordance with its rate schedule (Resp. Ex.1 Tab 12 p.2). The

Employer proposes to drop the longevity pay for Union members. Union proposes a flat 6% each year of a three year contract retroactive to April 1, 1990. Union further says the Employer has not taken longevity away from its other employees. A total of 26 members receive longevity with 15 in the 10-20 year longevity and 8 with over 20 years on the job. Looking at total costs to the Employer, Union says under the Employer proposal their members would receive only a total 4.5% increase with the new members getting 8.8%, and the remainder declining from 5.0% to 1.8% for those with the longest service. Four of the seven counties do provide for longevity Allegan, Branch, St. Joseph and Van Buren as do the cities of Kalamazoo and Portage (Resp. Ex.1 Tab 4) [Pet. Ex.1, pp.22 et seq]. The Union suggests that we look at the total package to put a person to work. Employer says it is paying a fair rate in the comparable area. Further, Employer says that it wants to abide by the principle of equal pay for equal work. Longevity distorts this relationship says the Employer. However, it is noted that the classification and compensation study update, June, 1987, recommended a review of the policy of granting longevity pay for non-union employees but this has not been instituted [Pet. Ex.1, Tab 6 p.9]. Employer expressed the view that it would not be appropriate to make this change since the Union members would continue to receive longevity.

Recommendation: Even if the Fact Finder were to suggest dropping longevity along the lines suggested by Employer, it was obvious from the tenor of the hearing that the Union would not submit the elimination of longevity to its membership. It would obviously have a disproportionate impact on the majority of the Union membership. While a phasing out of longevity was briefly considered, it too was discarded as unratifiable if submitted to the membership. The comparable wage rates used by the Employer indicate a fair relative relationship. There is a midpoint which the parties should consider which would continue longevity and moderate the wage adjustments to consider area wage rates and the cost of living in Kalamazoo. I would recommend the parties agree to 6% the first year and 5% for each of the two subsequent years.

With respect to upgrades for certain classifications the Union requested, the issues ranged from being a "dirty, rotten job" for a self-propelled broom, to hazardous duty for hydraulic excavator, to technical skills for sign truck. In addition, the 3000 + tar distributor and the dispatcher are upgrades although there is a dispute as to skills required. The payroll receptionist makes \$12/per hour while the dispatcher is also required to do typing and gets \$9/per hour.

There is little basis for the Fact Finder to make a determination about classification changes and it would seem best to leave this matter to collective bargaining.

### Duties of 2nd and 3rd Shift

The vagaries of the weather will sometimes prevent employees from performing their normal tasks. The Union objects to Employer's proposal insofar as it applies to the sign shop and mechanics work and is restricted to non-driving duties. Employer makes a good point in seeking to husband County funds by not calling employees back to work for overtime pay when the job could be done at straight time by an employee who is working. Union says certain activities are hazardous, i.e. sign shop and others are protected. Employer says this formalizes a past practice. The record is sparse on this issue but it can apparently be resolved by exempting the two activities cited by the Union - the sign shop and mechanics work.

### Retirement Health Insurance

This is a contentious issue. The proposal to permit employer to make such changes, including cancellation of retirement health insurance three months before retirement, is unacceptable to the Union which desires continuation of the existing payment of single subscriber rate by the Employer.

While the desire to avoid unfunded liabilities is a good one, the Union members have many years of service and shudder at the thought that their retirement plans could be subjected to a sudden cut off with substantial impact on them.

Recommendation: Continue current contract language and letter of understanding.

### Health Insurance

Employer proposes to limit the amount it pays for Health Insurance according to a fixed schedule (Resp. Ex.1, Tab 7). Union says its members currently pay \$20/per month and desires to have it remain at that level. Union points out that management employees do not pay anything for their health insurance coverage and the comparable road commissions pay the full cost of health insurance for union members. It is conceivable that a substantial portion of a wage adjustment would be consumed by future increases in health insurance rates.

Recommendation: Continue current contract language.

### Inspection of Employee's Areas

Employer Issue #10 seeks to formalize what it states is an existing management right relating to inspection of employee's areas. The broad language proposed by Employer seems to go beyond the usual management rights clause by permitting intrusive inspection by Employer of an employee's lunch box, tool box, etc. "upon reasonable suspicion". This language is very broad and no

attempt at definition has been made. Union makes reference to an existing "Revised Rules of Conduct Effective as of January 26, 1987 (See Pet. Ex.1, Tab 7, Appendix B). These rules are broad enough for Employer to take appropriate action. Further, the Union points out that some areas used by the employees are not secure. Where reasonable suspicion exists of illegal activity the Employer may resort to the appropriate police agency for professional investigation of the situation. This would assure that Employee's constitutional rights would not be violated.

Recommendation: I recommend that the existing rules of conduct be retained.

#### Drug Policy

In a laudatory desire to eliminate substance abuse in the workplace, Employer has proposed as "Appendix C" a drug policy to achieve this end. The proposed policy on its face appears reasonable until the term "tests positive" is reached. Union objects that this requires zero tolerance as a standard and is more demanding than the federal Department of Transportation requirements which it proposes as an alternative. It was stated by the parties that there is no apparent substance abuse problem at this time.

Recommendation: The comprehensive counter-proposal in Pet. Ex.1, Tab E, Drug and Alcohol Procedures, and the attachments seems to be an effective way to deal with this issue and is recommended to the parties.

Respectfully submitted,

  
Richard Strichartz

RS/rcs