

1286

STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

IN THE MATTER OF THE FACT FINDING BETWEEN:

MACOMB COUNTY,

Employer,

and

MERC NO. D88 H-1884

INTERNATIONAL UNION OF OPERATING
ENGINEERS - LOCAL 547,

Union.

Kathleen Oppenell /

FACT FINDING REPORT AND RECOMMENDATIONS

A fact finding hearing was held in the above matter, beginning on August 24, 1989, and continuing on September 28 and October 18, 1989. The parties submitted post-hearing briefs, and the record was closed upon receipt of the briefs on November 3, 1989. The following persons attended the hearing:

For the County:

William M. Israel, Director of Personnel - Labor Relations
Cheryl Reagan, Assistant Director of Personnel - Labor Relations
Richard Mielke, Employee Relations Coordinator
Robert G. Waring, PE Mechanical Engineer

For the Union:

Dan O'Rourke, Business Representative, Local 547
Marvin Schwem, Director of Education and Research, Local 547
Michael Brennan, Operator and Local 547 Steward
Dale Tucker, Operator
Mark Mazzola, Operator

The collective bargaining agreement between the County of Macomb (hereafter County) and the International Union of Operating Engineers - Local 547 (hereafter Union) expired on December 31, 1988. The bargaining unit includes four related classifications:

- Licensed Boiler Operator/Refrigeration Maintenance (1st Class)
- Licensed Boiler Operator/Refrigeration Maintenance (2nd Class)
- Licensed Boiler Operator/Refrigeration Maintenance (3rd Class)
- Licensed Boiler Operator/Maintenance

There are currently eight employees in the bargaining unit.

The parties were able to resolve most of the disputed issues between them, either before or during the time of the fact finding hearings. However, two issues remain in dispute:

1. Health care cost containment.
2. Wage equity issue.

The parties agreed that the duration of their new agreement would be three years, from January 1, 1989 through December 31, 1991.

FINDINGS OF FACT ON
HEALTH CARE COST CONTAINMENT ISSUE

From the exhibits and testimony presented at the hearing, I find the following facts:

1. The County has proposed or is proposing a Health Care Cost Containment package to all 21 of its bargaining units. As of September 28, the second hearing date, 11 of these bargaining

units had included the package in their agreements, two additional bargaining units had tentatively agreed to the package, and six additional bargaining units had agreed in principal to the package.

2. The Health Care Cost Containment package has already been put in effect for the 25% of County employees who are non-union.

3. The Health Care Cost Containment package includes the following new items:

A. Employees covered by Blue Cross/Blue Shield hospital-medical coverage will be required to participate in the "mandatory second surgical opinion" and "predetermination of elective admissions" programs;

B. Employees covered by Blue Cross/Blue Shield hospital-medical coverage will be given the option of selecting a "preferred provider organization" program.

C. Employees who have other coverage through a spouse or parent, and therefore elect not to have coverage through the County, shall be paid \$750 per year (\$375 per six months) while they are not covered under any County-sponsored health care program.

D. The Prescription Drug Rider (P.D.R.) co-pay will be increased from \$3 to \$5, but employees who previously paid \$8 per month toward the premium for the P.D.R. will no longer be required to do so.

4. The County conditioned one-half percent per year of its wage offer on the acceptance of this Health Care Cost Containment package.

5. The Union indicated that it would consider the Health Care Cost Containment package if the County made an acceptable wage equity adjustment.

RECOMMENDATION ON HEALTH CARE COST CONTAINMENT ISSUE

I recommend that the County's Health Care Cost Containment package be accepted by the Union. The cost containment measures are reasonable and are not overly restrictive. The County has proposed the same cost containment measures to all its bargaining units, and it is desirable to have as much consistency as is practicable among the various bargaining units.

FINDINGS OF FACT ON WAGE EQUITY ISSUE

1. The members of the bargaining unit are classified by Macomb County as boiler operators.

2. The parties' most recent contract (1986-1988) contains a salary schedule for four sub-classifications within the unit. These classifications, with the number of employees, and maximum pay during 1988, are as follows:

CLASSIFICATION	THE NUMBER OF EMPLOYEES	1988 MAX HOURLY RATE
Licensed Boiler Operator/ Refrigeration Maintenance (1st Class)	Four	\$12.81
Licensed Boiler Operator/ Refrigeration Maintenance (2nd Class)	Zero	\$12.37
Licensed Boiler Operator/ Refrigeration Maintenance (3rd Class)	Three	\$11.92
Licensed Boiler Operator/ Maintenance	One	\$11.59

3. Macomb County also has a skilled trades unit which includes electricians, plumbers, carpenters, and painters. The 1988 hourly wages for these four classifications was as follows:

Electrician	\$15.46
Plumber	\$15.46
Carpenter	\$15.16
Painter	\$14.42

4. Up until the early 1980s, the boiler operators were included in the same bargaining unit with the electricians, plumbers, carpenters, and painters.

5. Historically, over the last 10 years, the boiler operators with First Class Refrigeration Licenses have been paid approximately 83% as much as the electricians and plumbers. This was true both before and after the boiler operators obtained separate representation.

6. The boiler operators are required to have a Boiler

Operator License prior to being hired by Macomb County. All the current employees in the bargaining unit have a City of Detroit High Pressure Boiler Operator License. A prerequisite for obtaining this license is two years of active employment in the operation of low or high pressure boilers, steam prime movers or their auxiliaries, or the completion of an approved high pressure boiler operator program.

7. In addition to the Boiler Operator License, the employees in the unit are also required to either have a Refrigeration License or obtain a Refrigeration License within one year of commencement of employment with Macomb County. At the present time, one recent hire lacks a Refrigeration License. He is in the Boiler Operator/Maintenance classification, the entry classification in the unit.

8. The members of the unit are responsible for operating and maintaining the heating, ventilation, air conditioning, and refrigeration systems in the County buildings. There are approximately one dozen major occupied buildings which require regular attention, and approximately one dozen additional buildings which require less attention.

9. The job description for the boiler operator positions includes these specifications:

--Knowledge of boiler and cooling systems and equipment. Ability to repair and maintain systems and equipment. Mechanical knowledge to make repairs and adjustments on systems and equipment."

10. The different County buildings have different heating

and cooling systems, and have equipment by different manufacturers. The boiler operators are required to operate and maintain a variety of boilers and chillers and auxiliary equipment including fans, compressors, motors, pumps, and tanks.

11. The High Pressure Boiler Operator License is not the highest license which a boiler operator can obtain. The next highest license is the Third Class Stationary Engineer License, which is held by one of the bargaining unit members. After that, the next license is the Second Class Stationary Engineer, followed by the highest license which is the First Class Stationary Engineer. None of the bargaining unit members hold a First Class or Second Class Stationary Engineer License at the present time.

12. The County does hire contractors to perform some services required for the heating, ventilation, and air conditioning systems.

13. The parties established a training program under their 1986-1988 contract. The parties co-sponsored air conditioning classes, which five of the unit members took.

14. The other bargaining units in the County were generally given wage increases of 4 1/2% per year over the next three years.

15. The County recognized some wage inequities and made some equity adjustments in other units. In some cases, the adjustments were made by raising some groups within a unit at the

expense of other groups within the same unit.

16. The Macomb County job descriptions for the electrician and plumber positions state that they require valid state licenses, completion of a formal apprentice training program, and five years of experience as a licensed electrician or plumber. The Macomb County job descriptions for the painter and carpenter positions state that they require successful completion of a formal apprentice training program and five years of experience in the trade. At the present time, most but not all of the boiler operators have five years of experience as boiler operators, either before or after starting employment with the County.

17. In 1988, the electricians and plumbers earned \$2.65 more per hour than the highest classification of boiler operators. The painters earned \$1.61 more per hour than the highest classification of boiler operators, and \$2.50 more than the boiler operators with the Third Class Refrigeration License.

18. The County offered to make an equity adjustment by increasing the hourly rate for the First Class Operators by 5.5% per year, which would be 1% more per year than the increase given to the electricians, plumbers, carpenters, and painters. The increase to the First Class Operators would be offset, however, by granting only a 3.75% per year increase to the other classifications in the bargaining unit. The net result would be approximately a 4.5% increase for the unit as a whole. This is

the same overall percentage as was granted to the other bargaining units in the County.

19. It was the Union's position that the First Class Boiler Operators should be brought up to the level of the electricians and plumbers, and that the Third Class Boiler Operators should be brought up to the level of the painters. The Union therefore proposed a \$3.42 per hour increase for the First Class Operators, and \$3.26 per hour increase for the Third Class Operators. These would be increases of 27% in the first year of the contract.

20. The Union presented wage rates from two other employers, St. John Hospital and Dearborn Schools, which showed that boiler operators and refrigeration mechanics for those employers were paid equal to or more than painters, and either equal to or almost equal to carpenters, plumbers, and electricians.

21. The County presented data showing that the weighted average for the boiler operators in Macomb County was very close to the weighted average for nine other Michigan counties. The County did not present any data showing a sizable wage gap between the pay of boiler operators and the skilled trades positions for other employers.

22. It is my conclusion and finding that the boiler operator positions with Macomb County are positions which require considerable training, experience, and technical knowledge.

23. It is also my finding that the level of skill required

of the boiler operators is at least equivalent to that required of the painters, based upon the job descriptions and the testimony presented at the hearing.

24. It is also my finding that currently none of the members of the bargaining unit hold the highest licenses which can be held by boiler operators, the First and Second Class Stationary Engineer Licenses.

25. It is my finding that the County should make an equity adjustment, but should not be expected to make the equity adjustment all in one year.

RECOMMENDATION ON WAGE EQUITY ISSUE

It is my recommendation that the following wage equity adjustment be made for this bargaining unit:

1. All classifications in the unit receive the 4.5% per year wage increase which has been given to other bargaining units within the County.

2. The boiler operators with a First Class Refrigeration License be given an additional 2% per year increase for the three years of this contract, for a total of a 6% equity adjustment by the third year of the contract.

3. The boiler operators with Second Class Refrigeration Licenses be given a 1 1/2% per year increase, in addition to the 4 1/2% per year increase.

4. The boiler operators with a Third Class Refrigeration

License be given a 1% per year increase, in addition to the 4 1/2% per year increase.

5. The boiler operators without any refrigeration license be given only the 4.5% per year increase.

6. I also recommend that the County establish additional classifications for bargaining unit members who obtain Stationary Engineer Licenses, and provide them with additional compensation as follows:

3% for Third Class Stationary Engineer License

6% for Second Class Stationary Engineer License

9% for First Class Stationary Engineer License

These percentages would be calculated based upon the rate for the boiler operator with a First Class Refrigeration License for the applicable year.

7. By my calculations, the above recommendations would result in the following salary schedule for the maximum salaries:

CLASSIFICATION	MAXIMUM HOURLY RATE		
	1989	1990	1991
Boiler Operator/Maintenance	12.11	12.66	13.23
Boiler Operator/3rd Class Refrigeration	12.58	13.26	14.00
Boiler Operator/2nd Class Refrigeration	13.11	13.90	14.73
Boiler Operator/1st Class Refrigeration	13.64	14.53	15.47
Stationary Eng. 3rd Class/1st Class Refrig.	14.05	14.97	15.93
Stationary Eng. 2nd Class/1st Class Refrig.	14.46	15.40	16.40
Stationary Eng. 1st Class/1st Class Refrig.	14.84	15.83	16.86

8. This salary schedule would provide additional incentive to bargaining unit members to further their training and education and obtain additional licenses. It would also narrow

the gap between the boiler operators and the other skilled trades positions by an average of approximately 4.5% over the life of the contract.


9. By the third year of the contract, the pay scale for anyone with a First Class Stationary Engineer License would be 95% that of the electricians and plumbers.

10. By the third year of the contract, the pay scale for high pressure boiler operators with First Class Refrigeration Licenses would be 87.5% that of the electricians, versus 83% during 1988.

11. By the third year of the contract, the pay scale for the high pressure boiler operators with First Class Refrigeration Licenses would be 94% that of the painters, versus 89% during 1988. This means that half of this gap would be closed during the term of this contract.

12. The additional cost of these equity adjustments would be approximately \$20,000 over the three years of the contract, with an average total additional payment per employee of about \$2,500.

DATED: November 30, 1989


Kathleen R. Oppenwall
MERC Fact Finder

KRO#1-MK89: MACOMB.DEC