

1/19/78 FF

h1b

FF

1396

In the matter of  
Manistee Road Commission  
and  
Teamsters Local 214

LABOR AND INDUSTRIAL  
RELATIONS  
Michigan State

FACT-FINDERS REPORT

Gordon F. Knight, Ph.D.  
2454 Seminole  
Detroit, Michigan 48214

Manistee Road Commission

The writer was appointed as a Hearings Officer by the Michigan Employment Relations Commission to conduct a fact-finding investigation involving the contract dispute between the Manistee County Road Commission and Teamsters Local 214. A hearing on the matter was held on Thursday, November 3, 1977 in the Commission's offices. The Employer was represented by Mr. George T. Roumell, Jr., Attorney and the Union by Mr. Joseph Valenti, President of Local 214. Post-hearing briefs were exchanged January 6, 1977.

It should be noted at the outset of this report that the parties negotiated a tentative agreement to be effective July 1, 1977 at the termination of the prior contract. This agreement was voted down by the Union membership.

The current contract under dispute represents the sixth labor contract in the total bargaining history between the two parties. (Note: One of these represented a wage reopener on an ongoing contract.) Including the current instance, on five of these occasions tentative agreements were reached at the bargaining table only to be rejected later by the membership.

This unrelieved instability in the collective bargaining process is a source of great concern to both the parties and significantly, to the citizens of Manistee County as well. Such a history, if it persists, acts as a powerful destabilizing influence in negotiating future contracts

for both parties will be unable to formulate "final" positions and thus good faith bargaining is gravely jeopardized.

Manistee County shares boundaries with Wexford, Lake, Mason and Benzie Counties. These comprise a natural grouping of counties suitable for comparison purposes not only for reasons of geography but also of general size and revenue. These counties have historically been used as comparisons in past negotiations. The situation of Grand Traverse County as a comparison is on less firm ground. Grand Traverse County is a contiguous county to Manistee, i.e., their corners touch as in the case of Colorado and Arizona. They share no common borders. The use of Grand Traverse County as a comparison also must be questioned on the basis of size and resources. It is considerably larger and wealthier in terms of financial resources. In short, the surrounding counties of Wexford, Lake, Benzie and Mason represent the logical comparisons for the evaluation of practices and proposals under examination.

The Employer's presentations at the hearing was oriented to a defense of the details covered in the tentative agreement. The Union's presentation was oriented to a defense of its original demands.

Attention is directed to the Union's demands. Four of the demands are incorporated in the tentative agreement, specifically -

.Incorporate letters of understanding of January 21,

1977 and February 19, 1977

.Inclusion of grandparents in funeral leave

.Addition of Motor Broom to Heavy Truck  
classification

.Wage increase retroactive to July 1, 1977

#### Sick Leave

The Union's demand is for unlimited accumulation and 100% payout on termination of employment for any reason. Available evidence shows that the current provisions in Manistee are equal or superior to three of the four surrounding counties. The tentative agreement incorporated no changes in this provision. Because the provisions of the current Manistee contract are competitive and, additionally, because no changes were made in the initial negotiations there is insufficient basis for the fact-finder to recommend any changes.

#### Life Insurance

The Union's demand is for an increase from \$4,000 to \$5,000 for all employees plus retirees. The tentative agreement incorporates this increase but not for retirees. No evidence was submitted by the Union indicating the existence of such a benefit for retirees in any of the surrounding counties. The fact-finder sees no basis for extending such a benefit for retirees.

#### Holidays

The Union's demand is for the day after Thanksgiving, December 24th, December 31st and the Friday after Labor Day.

The tentative agreement incorporated one extra holiday - the Friday before Labor Day bringing the total to 9. At this level Manistee is not exceeded by any of the surrounding counties. The fact-finder has no basis for deviating from the tentative settlement on this issue.

#### Vacations

The Union's demand is for 5 weeks after 20 years of service. No other surrounding county has such a benefit. It was ignored in the tentative agreement. The fact-finder has no basis for recommending any change in the current provision.

#### Pensions

Union demand is for the Employer to pay the full cost and retirement at 62 with full benefits. No evidence was submitted indicating the existence of these provisions elsewhere. Moreover it was dropped from the tentative agreement. As before, the fact-finder lacks any foundation for recommending any changes to the current arrangements.

#### Gloves

Union demand is for gloves to be furnished by Employer. The tentative agreement was for the Employer to furnish gloves to employees at cost. No data on other counties was offered consequently no basis obtains for the fact-finder to deviate from the tentative agreement between the parties on this issue.

#### Longevity

The Union's demand is for one cent per hour for each

work hour of service. Evidence indicates that Wexford has this provision but the formula is unknown. Benzie also has it but there was no attempt made to compare the level of the benefit with that being proposed in Manistee. Nor was there any attempt to establish the cost impact of this demand. It is clear that the two other counties do not have this benefit. Inasmuch as the benefit is not clearly prevalent; there is an inadequate basis of comparison where it does exist; there is no assessment of its cost impact; and it was dropped from the tentative agreement, therefore there are insufficient grounds for the fact-finder to recommend changes in the current situation.

#### Working Above Classification

The Union claims that the Employer has virtually eliminated permanent job openings in higher classifications by assigning more than one Employee to such jobs on a rotating basis. There was no evidence indicating that any Employee did not receive the proper pay when he performed the work associated with a higher classification. The Union's proposal would require that the higher position be declared vacant and subject to bid if one or more Employees is assigned to it for a period exceeding 30 days in a calendar year.

The Employer states that when employees work above their classification, they are paid accordingly and moreover, that it is the Employer's right to determine if vacancies

exist or not.

The reading of the management rights clause in the current contract adds credibility to the Employer's contention. The specific Union proposal was dropped from the tentative agreement.

It is the fact-finder's understanding from the expressions of concern at the hearing that this issue was focused particularly on the Heavy Truck Driver classification. This specific point was incorporated in the tentative agreement, namely, "Post one Heavy Truck Driver classification at each garage." It is further the fact-finder's understanding that this agreement has been implemented.

Because of the absence of any evidence of injustice, the rights of the Employer regarding job assignments, and the lack of any information from surrounding areas, the fact-finder is in no position to recommend any changes to the current contract on this matter.

#### Medical Coverage

The Union's demand is for Delta Dental Coverage (Class I, Class II, Class III) for all regular employees and retirees or, alternatively, the Teamsters Optical and Dental Coverage, Full Family, for regular employees and retirees.

Evidence shows that only one of the surrounding counties has any dental coverage. The nature and extent of such coverage was not clear. There is no evidence that such coverage is extended anywhere to retirees.

The Employer in the course of negotiations proposed a

dental plan offering coverage of up to \$150.00 per year for employees and their dependents. This was incorporated as part of the tentative agreement. The stated purpose of the Employer for advancing this innovation was a further inducement to secure a three-year contract and was contingent upon such a contract term. It preferred the \$150 maximum annual coverage to assure control of costs.

Setting aside the term of the contract for the moment, the fact that the Employer's proposal essentially is breaking new ground relative to the surrounding counties and that this proposal was tentatively agreed to, persuades the fact-finder that there is no basis to recommend a provision that exceeds it.

#### Wages and Cost-of-Living

It was the fact-finders sense of the exchanges in the hearing that one of the principal reasons for the rejection of the tentative agreement was the uncertainty concerning the equity of the wage settlement particularly for the third year of the contract. This conclusion is supported by the stress placed on this matter by the Union's post-hearing brief. There are two principal sources for such uncertainty; one is the relative standing of Manistee's wages relative to those in the neighboring counties; the second is the degree to which Manistee's wages will be eroded by inflation over a three-year period. Clearly these are valid concerns especially given the current rate of inflation.



The Union demand is for .40, .45, and .50 increases for each of the three years of the contract or, alternatively the Employer's offer of .30-.30-.30 together with a cost-of-living clause.

The Employer's offer and the tentative agreement was for .30-.30-.30 with no cost-of-living. In its post-hearing brief the Employer states three acceptable alternative proposals; a two year contract with 30 cents each year and no dental plan; a three-year contract incorporating the details of the tentative settlement; and lastly, the tentative agreement except that in the third year of the contract the wage increase would be 20 cents effective July 1, 1979 and an additional 20 cents effective January 1, 1980.

Clearly the last proposal requires the greater attention. It builds most closely upon the details of the tentative agreement and yet increases the wage offer in the interests of securing a final agreement.

A review of the historical wage comparisons from 1971 to the present shows that Manistee wages have generally been third, i.e., in the middle, behind Wexford and Lake until about 1974. After that, Manistee wages appear to have moved to second ranking behind Wexford. Based on such scanty information as is available, the Employer's offer would appear to retain this traditional wage position in the years ahead.

With respect to the cost of living provision, the Union demand is for .3 = 1 cent per hour with no cap. The increase

would be paid quarterly based on the increase of the Index of the prior quarter and would be "rolled" into the hourly rate.

Evidence shows that Wexford has cost-of-living based on  $.4 = 1$  cent per hour. The cap, if any, is unknown. Benzie has a cost-of-living clause based on  $.4 = 1$  cent per hour. The cap, if any, is unknown. It should be noted in this connection that Wexford has historically been the leader in the five-county area. Moreover, Benzie has historically been the lowest in wage rankings.

In short it can be said that two of the four other counties have a cost-of-living provision. It also must be said, however, that there is no evidence to show that this situation is going to alter the traditional relationship of wages in Manistee to those in neighboring counties that has persisted for many years.

In addition to the fact that the wages in Manistee have retained a traditional position with respect to wages nearby, there is also evidence showing that Manistee in view of its resources has been as generous in proportion to its resources as have the other counties.

Summarizing the observations with respect to wages and cost-of-living, the fact-finder is persuaded that the Employer's wage offer, as amended, of 30-30-20/20 would protect the historical position of the wages paid in Manistee with respect to those in surrounding counties. Further that this would be accomplished without the necessity of

adopting a cost-of-living clause. There is insufficient evidence to warrant adding a cost-of-living provision to the existing wage offer, particularly at the rate proposed. To do so would likely distort the wage relationships that have prevailed in the area for many years. It is further the case that cost-of-living provisions are less than widely prevalent in nearby counties.

In summary, the fact-finder is persuaded that the details of the tentative agreement coupled with the Employer's change of 20/20 in the third year of the agreement is an equitable basis for the resolution of the contract disputes. Moreover, its equitability is supported by the evidence of prevailing conditions of employment in surrounding counties.

In addition, there seems to be no serious question between the parties on the question of wage increases being made retroactive to July 1, 1977. Lastly, in keeping with the details of the tentative agreement, and to encourage a stable employment relationship between the parties the term of the contract is recommended to run from July 1, 1977 thru June 30, 1980.

Inasmuch as the fact-finder functions as a representative of the state and is therefore legitimately concerned with the effectiveness of the bargaining process a concluding remark is in order. The repeated rejections of tentative agreements negotiated at the bargaining table can not be allowed to persist without grave damage to good faith

bargaining. It is essential that the union membership take the necessary steps to develop closer and more harmonious relationships with their accredited representatives. While it may not necessarily be expected that a union membership ratify every agreement reached at the table there is little excuse for the repeated rejections experienced here.

The fact-finder thanks the parties and their respective representatives for their courtesy and cooperation.



Gordon F. Knight  
Fact-Finding Hearing Officer  
January 9, 1978