

STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

In the Matter of

MT. MORRIS CONSOLIDATED SCHOOLS

-and-

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 547

STATE OF MICHIGAN
DEPARTMENT OF LABOR
RELATIONS LIBRARY

On September 25, 1969 the undersigned, Leon J. Herman, was appointed by the Employment Relations Commission 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 Commission's regulations. Accordingly, and upon due notice, a hearing was scheduled and held on October 27, 1969 at Mr. Morris High School, Mt. Morris, Michigan.

Dr. G. E. Whalen, President; Joseph Knickerbocker, Treasurer; James A. Serven, Secretary; and Larry Whitney, Harold Richards, Fred B. McAndrew and William H. Heidebreicht, Trustees, represented the Board of Education.

Joseph O. Jordan, Recording Secretary and Business Agent; Orpha Baldwin and Edward Oates, Stewards, appeared on behalf of the Union.

Mt. Morris Consolidated Schools

The Union represents approximately 35 maintenance men, chief custodians, custodians, matrons, cooks and cafeteria helpers employed in the various schools in this system. It requests for these employees an increase of 12% in wages, an increase in hospitalization contribution from \$17 to \$25 per month, a vacation allowance of three weeks after five years of employment, a sick leave bank to accumulate to 90 days with all unused sick leave to be fully paid on separation, uniforms for all employees at the rate of one uniform with one laundering per day; and that maintenance classifications number 1 and 2 be combined into number 1 on the ground that there is not enough difference between the job specifications to justify two classifications. The Union estimates the total cost of its increase package at approximately \$30,000 per year.

The school budget estimates cash receipts for 1969-70 of \$2,036,379. After subtracting the deficit incurred in the 1968-69 school year of \$37,162.57, it has a total revenue of \$1,999,216.43. This is an increase of \$184,618.95 over the preceding year.

Estimated disbursements are \$1,998,581 which includes an increase of \$142,212.70 over last year's disbursements. Adding to this the 1968-69 deficit of \$37,162.57 plus deposits in transit of \$4,608.25, a total of \$183,983.52 in increased disbursements is estimated. The anticipated balance in the budget is \$635.43 in unappropriated funds.

There is no question that the school system is operating on an austerity budget. It was permitted last year to transfer 2 mills from the building and site fund to the operating fund, but has not received that permission for this year. It called for a millage

election on September 13, 1969 in which it advised the public that many activities would have to be cut in the 1969-70 year if approval of an increased millage was not voted. It stated that at 2 mills it would be able to restore only major sports. If 10 mills were approved a minimum instructional program could be instituted with the reinstatement of cuts that had been made in the program. A new high school has been erected but has not been opened because of lack of funds. With 10 mills it would be possible to open the school. If the voters approve the 12 mills then the Board would be able to anticipate future needs and operate with more than the bare necessities. The Board asked that the electorate approve a 12 mill increase. Nonetheless the millage vote was defeated, so that the Board has to operate with 2 mills less than it had available last year. The Board's revenue has increased in 1969-70 as the result of higher assessments and some additional school aid so that it has an additional 8% in income available. Unfortunately, increases in costs and increased salary demands make this increase insufficient to meet all the demands made upon them.

The teachers association in the school has been negotiating with the Board for an increase but has been unable thus far to come to terms and the appointment of a fact finder by the Employment Relations Commission is awaited so that the matter may come to some form of termination. The Board has offered the employees in the union an increase of \$5.00 a week, which amounts to a 5% increase. This increase has been included in the 1969-70 budget. The Board insists that it has no funds available for a greater increase.

The timing of this hearing is particularly unfortunate in that the greater number of employees and certainly the greater amount of payroll involves the teachers in the system who have been offered and rejected a 5% increase. It is a certainty that any settlement

made by the Board with this Union for the employees in the bargaining unit in excess of 5% would seriously prejudice its negotiations with the teachers. Regardless of the merits of the Board's proposal, any recommendation on my part and any settlement with the Union over the percentage offered to the teachers would undoubtedly present a serious stumbling block to a conclusion of a contract between the Board and its teaching staff.

On the other hand, the increase in the cost of living in the past year has far exceeded 5%. The Board points out that its salary schedule for maintenance help is second to none in the County. For matrons it is in second position and for cafeteria personnel, in third place. The obvious response is, of course, that salaries throughout the County are lower than they should be for work of the type these people do and to maintain a standard of living at least equal to that of last year.

The Board insists that it does not wish to put itself into a deficit position, for which it can hardly be blamed, although it appears obvious that, before the year is out, it will be in a deficit position as it was last year. It is not necessary to remind the Board that a workman should get a fair salary regardless of the ability of the Board to pay. This is not intended as a criticism of the Board, since obviously it has made a strong effort to increase its income, knowing that salaries must be increased, and it has stated that were income to be available, it would be amenable to increased salaries.

In making my report I must try to balance fairness to the employee with the possibility of prejudice to the Board in its negotiations with the teachers. I have attempted to do so in the following recommendations.

As to salaries, I recommend that the Board's offer of 5% increase be tentatively accepted and that the increase be retroactive to July 1, 1969.

I further recommend that this increase be adopted pending the termination of negotiations between the Board and the school teachers in the system. Should the school teachers accept an increase of 5% or less, then the recommended salary increase shall remain in effect for the balance of the school year. Should the teachers receive a higher percentage of increase than is granted here, then the average of such percentage of increase should also be given to these employees retroactive to the same date which is fixed in the teachers' contract.

I make a similar recommendation with respect to hospitalization. The present contribution of \$17 per month by the Board shall continue in effect unless and until the teachers receive a higher rate of contribution, in which case such increased rates shall also be applicable to these employees.

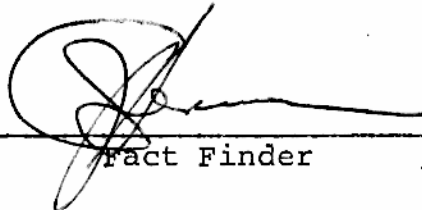
Because of the austerity position in which the Board must operate during this current school year, I recommend that no change be made in the vacation schedule.

Sick leave credit shall be granted as in the past contract to an accumulation of 90 days. It has been the custom to pay \$10 per day upon retirement for all unused sick leave. At this time and for the same reasons, I recommend that this not be increased.

The cafeteria personnel receive uniforms so no problem is involved there. As to maintenance employees, and because of the cost involved, I do not recommend uniforms at this time.

There are two maintenance men in the system, one of whom is classified as Maintenance 1 and the other as Maintenance 2. The difference in

job descriptions is that the grade 2 classification has "no mechanical repair responsibility" although he does the mechanical repair work exactly as the grade 1 maintenance man does and with the same responsibility. They work in different schools doing the same type of work. The difference in wage rate between the two is 5¢ per hour. In actual practice there is no difference between the grade 1 and grade 2 mechanic and I recommend that both be placed on the grade 1 scale. The cost is too small to affect the Board's operating finances materially.



Fact Finder

Dated: Southfield, Michigan
November 5, 1969