

STATE OF MICHIGAN  
DEPARTMENT OF LABOR  
EMPLOYMENT RELATIONS COMMISSION

In the Matter of Fact Finding	)	
between	)	Michigan Employment Relations Commission
Newaygo County Road Commission	)	Case No. G85 C-294
and	)	
Teamsters Local Union 214	)	

REPORT OF THE FACT FINDER  
RAYMOND J. BURATTO

REPRESENTING THE PARTIES

For the Newaygo County Road Commission:

Russell E. Price, Esq., Landman, Luyendyk, Latimer, Clink and Robb,  
Attorney

Clayton Lovell, Manager, Newaygo County Road Commission

Alonzo S. Jones, Commissioner, Newaygo County Road Commission

For Teamsters Local 214 and the Bargaining Unit:

Joseph Valenti, President, Local 214

F. W. Bennett, Business Agent, Local 214

Bernard Sutton, Employee, Newaygo County Road Commission

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*Newaygo County Road Commission*

## INTRODUCTORY MATTERS

On September 26, 1985, Teamsters Local 214 filed a Petition for Fact Finding on behalf of a bargaining unit of approximately thirty-two (32) employees of the Newaygo County Road Commission. Classifications within the unit include mechanics, welders, stock clerks, heavy equipment operators, skilled laborers, general laborers and general equipment operators.

On October 23, 1985, the Michigan Employment Relations Commission notified the parties and appointed Raymond J. Buratto, Esq., as its Fact Finder to conduct a hearing pursuant to Section 25 of Act 176, Public Acts of 1939, as amended, and the Commission's Regulations, and to issue a report on the items unresolved between the parties.

## THE FACT FINDING HEARING

Upon contact with the parties it was determined that due to scheduling conflicts, the hearing would be conducted at 1:00 p.m. on November 11, 1985, in the Commission's offices in White Cloud, Michigan. The parties also waived the requirement of conducting the hearing within fifteen (15) days of notification.

In its Petition for Fact Finding, Local 214 cited as the only issue an approximate two percent difference in wage offers. At the opening of the hearing, the wage dispute was identified as being in the second year of the Agreement. Later, the Fact Finder was requested to consider wage proposals for the third year (1986-87) of the Agreement. The provision for reopening of the contract for

wage rate negotiations is contained in Article XXIX, Section 3 of the Agreement.

Prior to Fact Finding, the parties had engaged in mediation on September 19 and 24, 1985 and two tentative settlements had been rejected by the Union's membership.

#### POSITIONS OF THE PARTIES

##### ITEM ONE: 1985-86 CONTRACT YEAR

After the submission of comparables and other economic data supporting their respective positions, the parties were granted a recess to discuss their differences regarding the 1985-86 contract year increases. Following the recess, the parties requested that the Fact Finder recommend a three percent (3%) wage increase for all classifications, effective upon ratification, with a two hundred fifty dollar (\$250.00) ratification bonus in lieu of retroactivity. An additional one percent (1%) pay increase shall be effective January 1, 1986. The ratification bonus shall not be paid to any employee who has not completed their probationary period prior to the date of ratification.

##### ITEM TWO: 1986-87 CONTRACT YEAR

Article XXIX, Section 3 provides that the Agreement may be reopened, upon sixty days prior notice, on May 31 of each contract year, for renegotiation of wage rates only. By their express agreement during the hearing, the parties waived the sixty day notice provision as to May 31, 1986 and vested jurisdiction in the Fact

Finder to recommend a wage rate for the 1986-87 contract year. The contract further provides that the Fact Finder's decision be used as a "guideline" to the parties in their settlement.

On behalf of the bargaining unit, Local 214 President, Mr. Valenti, requested that the Fact Finder recommend a 4.9% increase effective June 1, 1986. On the page titled "Wages III" of Union Exhibit I, the Union provided information contained in the United States Department of Labor, Bureau of Labor Statistics (BLS) News Bulletin 85-329 (for release August 16, 1985) indicating that state and local government labor contracts negotiated in the first half of 1985 averaged 4.7 percent in the first year and 4.9 percent in each of the remaining contract years. Valenti argued that the Newaygo County Road Commission settlement should equal the averages stated in the BLS Bulletin.

The Union also submitted evidence of comparables in wage rates paid to similar classifications of road commission employees in Cass, Gratiot, Hillsdale, Huron, Isabella and St. Joseph counties to illustrate the relative status of Newaygo County Road Commission employees vis-a-vis these other counties' employees. All wage rates were for 1985 only and no evidence was presented to illustrate wage gains for these employees, either from their most recently expired contract, or from 1985-86 to 1986-87.

Mr. Valenti argued that the most logical means of comparing counties for purposes of comparing wages paid to similarly classified employees was not the county's area but rather its income, based upon revenues from gas and weight taxes. 1984 gas and weight

taxes for the above-mentioned counties were submitted as part of Union Exhibit I, "Wages I", and is reproduced below:

<u>County</u>	<u>1984 Income</u>
St. Joseph	\$2,205,810
Isabella	\$2,240,849
Huron	\$2,306,199
Cass	\$2,076,480
Gratiot	\$2,063,261
Hillsdale	\$2,057,296
Newaygo	\$2,165,179

The Union also contends that its request of a 4.9 percent increase for the 1986-87 contract year is not inappropriate, although it is higher than the last demand submitted during mediation. Mr. Valenti argued that absent agreement to the contrary, the parties in fact finding are not bound by their last offer and may, therefore, begin anew. The Union's last offer for a 1986-87 wage increase was 3.6 percent (NCRC Exhibit 1-A).

The Newaygo County Road Commission (NCRC), represented by Russell E. Price, Esq., recommended a 3.6 percent increase for the 1986-87 contract year. A comparison of NCRC versus Local 214 last offers contained in NCRC Exhibit 1-A illustrates the difference between the parties in the 1985-86 settlement was five cents (5¢) per hour while the 1986-87 last offer was 3.6 percent from each side.

The County submitted that the logical comparison of wage rates was to be made within the county using the Department of Public Works

employees of the City of Fremont as a guideline. NCRC Exhibit 1 was offered to illustrate the respective wage rates in each classification. NCRC Exhibit 2 compares the annual wage increases (1985-87) granted by NCRC with those of the City of Fremont.

Mr. Price also introduced the June, 1985 Consumer Price Index - All Urban Consumers, (Exhibit 3) indicating a 3.7 percent inflationary increase in 1984; a projected 3.5 percent increase in 1985 and a projected 3.5 percent increase in 1986. He also presented evidence that most private sector settlements in the first half of 1985 were back-loaded, i.e., provided lower wage adjustments in the first year than in subsequent years. The NCRC settlement provided a front-loaded increase of 8.0 percent (NCRC Exhibit 2).

In contrast to the Union's evidence, the County maintains its gas and weight tax revenue for 1984 was \$2,041,000, or \$114,000 less than the amount claimed by the Union. Based on the County's data, Newaygo would rank last in income among the seven counties cited by the Union in its comparables. Mr. Price also predicted a 2.0 percent increase in gas and weight tax revenues for 1985 (NCRC Exhibit 4).

During the hearing, the County objected to the Union's abandoning its last offer made at mediation and proposing a new, higher demand for settlement at Fact Finding. In a post-hearing brief, Mr. Price contended that "both parties are bound in Fact Finding by their last best offer in mediation, which is the established practice of the Michigan Employment Relations Commission". Therefore, the County's position is that the Union is bound by a demand of a 3.6 percent increase, equal to its last offer at mediation. The County

did not claim an inability to pay.

Each party submitted post-hearing memorandum briefs and the record in this matter was closed on December 11, 1985.

#### FINDINGS OF FACT

1. While neither party submitted relevant citations supporting its position regarding the appropriate unit of government to be used as a comparable, I find no basis to exclude one in preference to the other. Thus, it is appropriate to consider the County's reference to the City of Fremont as well as the Union's reference to the seven counties named hereinabove.

2. The evidence clearly indicates that Newaygo County ranks no better than fourth (Union Exhibit Wages I) and possibly last (County's testimony regarding 1984 data) in gas and weight tax revenue among the seven counties cited. Since neither party submitted documentation to resolve this conflict, the Recommendations are predicated upon considerations of both sets of data.

3. Employees of the Newaygo County Road Commission rank fourth among the seven cited counties in average wages in all classifications. Based upon the Union's statement of 1984 gas and weight tax revenue, two of the three counties paying higher wages also receive greater revenue. The wages paid to employees of the St. Joseph County Road Commission, whose 1984 gas and weight tax revenues exceeded those of Newaygo County, rank last.

4. The Newaygo County Road Commission contract provided for a first year increase of eight percent (8%) in all classifications. Based upon the parties' agreement of a three percent (3%) increase effective June 1, 1985, an additional one percent (1%) increase effective January 1, 1986 and a ratification bonus of Two Hundred Fifty (\$250.00) Dollars to all but probationary employees, the second year increase would approximate 3.5 percent. The parties' last offer at mediation was an identical 3.6 percent for the third year (1986-87) of the Agreement.

5. Pay increases for the City of Fremont Department of Public Works employees average four percent (4.0%) over the three year term, for a total increase of twelve percent (12.0%). Based upon the County's last offer, its mechanics and heavy equipment operators would be paid more in the third year of this Agreement than would their counterparts employed by the City of Fremont. Only the general equipment operators employed by the County would receive less than their counterparts.

6. Based upon the Consumer Price Index for Urban Wage Earners, and certain accepted projections, the inflationary effect in each year of this Agreement should be 3.7 percent in the first year and between 3.5 and 4.0 percent in each subsequent year.

7. Newaygo County Road Commission employees received an eight percent (8%) increase in the first year of this Agreement which more than doubled the reported inflationary impact upon urban workers.



8. There is no basis to bind either party by the last offer it made prior to fact finding. While neither party substantiated its position with relevant precedent, the Union's argument that absent agreement to the contrary, it is assumed that either party may revise its position, is well taken.

9. The County has not claimed an inability to pay.

#### RECOMMENDATIONS

Based upon the above findings of fact and the record as a whole, it is recommended that:


1. A wage increase of three percent (3%) for the 1985-86 contract year be implemented upon ratification by the affected employees. In lieu of retroactivity to the expiration date, each permanent employee having completed his or her probationary period shall receive a ratification bonus of Two Hundred Fifty (\$250.00) Dollars. An additional one percent (1%) increase shall be granted to all employees effective January 1, 1986.

2. The last offer of each party at mediation, 3.6 percent, be implemented in the third year of the Agreement. Inasmuch as the subject agreement is front-loaded, and the County's employees wage rates compare favorably to those of the seven cited counties, particularly when considering the relative position of gas and weight tax revenues, the 3.6 percent increase is reasonable. Moreover, neither

party submitted evidence to indicate to the Fact Finder what increases would be paid in the counties cited by the Union in its comparables. I conclude, based upon the evidence available to me, that the Newaygo County Road Commission employees be granted a 3.6 percent increase effective June 1, 1986.

#### CONCLUSION

The above Report, along with the Index to Submissions attached hereto, represents the Findings of Fact and Recommendations arrived at following the hearing conducted by the Fact Finder. Originals of the Exhibits have been submitted to the Michigan Employment Relations Commission.

  
Raymond J. Buretto

Dated: January 3, 1986

JOINT SUBMISSIONS

- #1. Agreement Between Newaygo County Road Commission and  
Teamsters Local Union No. 214.  
Effective June 1, 1984.

UNION SUBMISSIONS

- #1. Hearing Brief including opening statement; description of Employer and Bargaining Unit; Wages I; Wages II; Wages III; Retroactivity and Summary.
- #2. Post Hearing Brief, Dated December 6, 1985.

## EMPLOYER SUBMISSIONS

- #1A. Comparison of NCRC Last Offer with Last Proposal of IBT.
- #1.. Comparison of NCRC Wage Rates with City of Fremont.
- #2. Comparison of NCRC Three Year Annual Wage Increases with City of Fremont.
- #3. CPI-U Consumer Price Change.
- #4. Increase in Motor Vehicle Highway Fund, 1986.
- #5. Supplemental Agreement to Labor Contract (August, 1985 - Unsigned).
- #6. Post Hearing Memorandum Brief and Transmittal Letter, Dated December 1, 1985.