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In the Matter of Fact Finding)
)
between)
)
VILLAGE OF NEWBERRY, MI) MERC CASE NO. G91 G-0348
) Asgd. 4 February 1992
and)
)
MICHIGAN COUNCIL 25, AFSCME)

APPEARANCES

For the Union:

Zane C. Vinton, Staff Representative
Matthew Perry, Chapter Chairman, Lineman-Water Operator
Velma Bouchard, Office Clerical
George Blakely, WW Treatment Operator, Local President
Tim McBride, Truck Driver

For the Village:

Michael F. Ward, P.C., Attorney
Frank Holmberg, Administrative Assistant to Village Council

Pre-hearing and Hearing held at Newberry, Michigan

on

22 June, 1992

before

Leo S. Rayl, Fact Finder

Post-hearing briefs exchanged on 3 August 1992

Recommendations issued on 18 August 1992

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INTRODUCTION

At the pre-hearing conference it was determined that the open issues of the Petition, if settled, would result in a complete agreement between the Parties. It was agreed that witnesses would be sworn but not sequestered. Both Parties waived the inclusion of Part C, Rule 35, requirements. Post-hearing briefs, after an extension, were timely postmarked. The Union presented its package re the issues, followed by the Village. Cross-examinations were included.

EXHIBITS

Joint 1 Previous Agreement ending 30 June 1985

Joint 2 Previous Agreement ending 30 June 1988

(Most recent Agreement ending 30 June 1991 is included
in both Parties' package of exhibits.)

Union Notebook: Exhibits A through E

Union Exhibit F Letter of Understanding

Union Exhibit G Various Wage Rates

Village Notebook: Eight Exhibits - labeled

ISSUES (PETITION) and POSITIONS

WAGES:	Employer:	First year, 3.5%	Union:	First year, 70¢
		Second yr., 0		Second yr., 2%
		Third year, 1.5%		Third Year, 4%

PENSION: Employer: B-2 effective 7/1/92 with no (0) pay raise.

Union: MERS B-2 effective 7/1/92.

HOSPITALIZATION: Employer: 10% Co-pay of premiums by employees.

Union: Reject (continue full pay by Village).

COMMERCIAL DRIVER'S LICENSE: Employer: Language requiring that
employees pay for testing and physical examinations.

Union: Reject - Keep letter of agreement.

LEADWORKER PAY: Employer: Reject.

Union: 75¢ per hour.

PERSONAL LEAVE DAYS: Employer: Reject.

Union: Two (2) days.

TERM OF AGREEMENT: Employer: Three (3) years.

Union: Three (3) years pending settlement.

DISCUSSION and OPINION

Since all the issues open were economic, the Employer's ability to pay, and the "comparables" submitted by the Parties, were considered of prime importance. Also, the history of bargaining, re previous Agreements, was examined. The Village never made an absolute statement that they were unable to pay the Union demands. But, they clearly indicated that times were worse than recent previous years and that it would be "difficult." In regard to the comparables submitted, all were reviewed. The Fact Finder attempted to give greater weight to comparables closest in character (such as population and isolation from highly commercial areas) to that of Newberry. Caspian, Iron River, Lake Linden, Ontonagon and Luce County seemed appropriate. Manistique and St. Ignace were added because they were also Employer comparables. Even this latter group tended to show that the Union first-year position on wages was closer than the Employer's **based on equity alone**. "Tended" was used because of a real problem in making comparisons. First, there were no job descriptions --- for Newberry OR the comparables. Titles of jobs, in some cases, might be enough. But, in other cases, titles may bear absolutely no relationship to the work actually being performed. "Clerical," for example, might include a certified public accountant and a file clerk. Therefore, a precise median, mean, or mode is an exercise in futility.

The individual issues may have intrinsic value to some people, but not to others. The one thing in common is cost. For that reason, a "package" approach must be considered. Another consideration: all the money available does not have to go to payroll; there may be other needs. It was mentioned that all the millage allowed had been levied, and that recent raises in fees such as garbage collection were made. Would not the other citizens of Newberry like some relief?

Nor can we ignore the bargaining history of the Parties. One might say that shrewd bargaining on the part of the Village is

responsible for the lower overall wage scale. On the other hand, there is no telling what benefits may have been achieved by the Union **in lieu of** basic wages. Let us move to the individual issues.

Wages, Pension improvement, and Hospitalization costs should be lumped together. From the hospitalization data supplied, it appears that the rising cost to the Employer from '87 to '91 has meant an increase in "wages" to the employees of from one-half to one percent. There has been tremendous pressure to reduce health costs. One approach has been increasing deductibles and higher co-pay for **services rendered** to pass more cost to the user and to reduce the sometimes abuse of "free" care. That is an alternative to co-pay of premiums. In any regard, the money must come from somewhere. The Village has one pocket. Pension improvement is favored by both Parties (the date to be determined). The Village has claimed a level cost of 4.8% a year, so **no** pay raise that initial year. 4.8% in benefit would seem adequate for the year. The Union claims the cost would be less. Let's say it would be 3% for the younger, lower salaried employees. A difference of 1.8% could then be applied to the basic wage in that initial year. If the Union is correct, they would have the "2%" requested! Re basic wages, the employees should receive an increase. At the hearing, the Employer was proposing 3% - a reduction from a last proposal of 3.5% - not exactly Cricket. (Union claim, and Petition figure never contested.) Further, the two-tier Clerical proposal appeared to be "new." (The Fact Finder will not include a recommendation for this last proposal, but would make a comment. There was no impropriety shown concerning the Office Clerical rate - bargaining history confirms the judgment behind it. Curiosity: is a new job evaluation intended; is it a new job to replace parttime - a new description? No amplification was given.) The third year proposals reflected an expectation of bad times (Employer) and good times (Union). Why not use a wage reopener when the facts are known?

For the above "package," an apparent inequity in wages balanced by a bargaining history of about 3.5% increase in recent better years calls for a first year wage increase of 4% across the board. To counter the rise above the Employer's offer (Petition figure) in these **less prosperous times** for the Village, the 10% co-pay of premiums by employees is in order. For the second year, the pension improvement is to be made. If the cost of the improvement is less than 4.8%, the difference is to be applied to the basic wage for the second year. For the third year, a wage-only reopener should be added to the new Agreement.

Leadworker Pay should be rejected. Leadworker pay is usually given to those workers who **lead other workers** - in a significant way for a significant amount of time. It should be for something more than duties expected to be part of the regular job, and not for just being present when a supervisor is gone. It appeared that absent supervisors could be contacted easily.

The Commercial Driver's License language proposed by the Employer shall stand. The letter of understanding associated with the previous Agreement showed the intention of future employees being required to foot the entire cost. This would create the two-tier situations the Union was against. The new language continues to pay the license upgrade cost. The license is the property of the holder, and is transferrable to other employment.

Personal Leave Days in the amount of two (2) should be granted. While the cost is significant, the practice would be consistent with other employees of the Village.

The above issues and the recommendations that follow do not stand alone. They are all economic and should be considered a package.

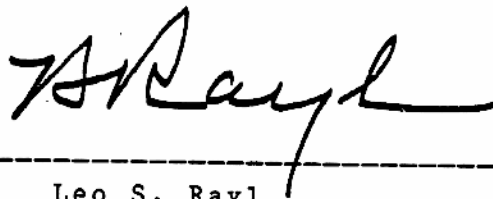
The term of the Agreement should be three (3) years as preferred by both Parties. The effective starting date is the issue. When an Agreement expires, the proposals usually assume agreement in a short time and typically anticipate starting when the old Agreement left off. An interpretation of the Petition is as follows: The Parties expected a certain wage level in each of the three full years. At the outset, the pension proposal was for the second year with or without a pay raise - **anticipated** to begin 7/1/92. Effectively, the Union did not accept the proposal which was contingent on a zero pay raise that second year. Since the value of the pension improvement does not change, it is not like reducing a wage offer. There should be penalties on both Parties for delaying agreement - it takes two to tango. Therefore, it is recommended that the new Agreement become effective on or about 1 January 1992, with the pension improvement taking effect on or about 1 January 1993.

RECOMMENDATIONS

1. First year wage increase should be four (4) per cent.
Second year wage increase: If the pension improvement cost is less than 4.8%, the difference in percent should be applied to basic wages. Otherwise, no pay raise.
Third year wage increase: Based on wage-only reopener.
2. Pension Improvement B-2 effective 1 January 1993.
3. Hospitalization ten (10) percent co-pay by employees.
4. No leadworker pay.
5. Use Employer language for Commercial Driver's License.
6. Grant two (2) Personal Leave Days.

7. Term of Agreement: Three (3) years, effective 1 January 1992.

18 August 1992
Battle Creek, Michigan

A handwritten signature in dark ink, appearing to read "L. Rayl", written over a horizontal dashed line.

Leo S. Rayl
Fact Finder