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**FACT FINDING REPORT**

In the Matter of Fact Finding Between:

Roscommon County Road Commission

-and-

RE: MERC No. L93 B-3009

Teamsters, Local No. 214

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EMPLOYMENT RELATIONS COMMISSION  
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Pursuant to Public Act 176 of 1939, the Michigan Employment Relations Commission appointed the undersigned as fact finder in the matter between Roscommon County Road Commission and Teamsters, Local No. 214 being MERC Case No. L93 B-3009. A hearing was conducted at the offices of the Roscommon County Road Commission in Roscommon, Michigan, January 13, 1994. The employer was represented by James R. Deamund attorney and the Union was represented by Dale J. Majerczyk its business representative. Witnesses included Bruce Beebe and Ed Nichols for the Union and James Vermeesch for the County. Mr. George Pappas, Road Commission Chairperson was also present.

The parties submitted 3 issues to fact finding including retiree's health insurance a Union issue, temporary employees a County issue, and wages a Union issue.

Pursuant to Section 25 of the Act, the purpose of the hearing is to make matters of disagreement between the parties publicly known. Under Rule 35, the fact finder appointed by the Commission issues a report of facts and conclusions upon material issues presented at the hearing and makes recommendations to assist the parties to resolve the dispute.

*Roscommon County Road Commission*

*Kenneth P. Frankland*

## INTRODUCTION

By way of opening statements and comments during the hearing, the retiree's health insurance and wage issues became intertwined. Joint exhibit 3 is the mediator's recommendation of settlement dated July 23, 1993. Although recommended by the business representative on the bargaining committee, the members of the Union rejected the mediator's recommendations on items 2, 5, 8, 9, and 10. The Union and the County have agreed on the mediator's recommendations number 1 regarding seniority, number 2 regarding holiday and holiday pay, item 4 furnishing a work jacket, item number 6 prescription drug co-pay, and item number 7 a drug and alcohol policy. Because there is a economic consequence to both wages and retiree's health, the Union believes that the issues are tied together and depending on what is recommended for one issue affects the other. With respect to the temporary employee issue, the mediator's recommendation was rejected by the Union because temporary employees with commercial driver's licenses (CDL) would be allowed to operate a blade truck which is perceived to be work exclusively for bargaining unit members.

Similar to Act 312 proceedings, the parties prepared exhibits identifying counties that they believe to be most comparable to Roscommon. The Union selected 8 counties, Otsego, Emmet, Alpena, Gladwin, Kalkaska, Antrim, Osceola, and Ogemaw on the basis that the Act 51 revenues from these counties were statistically the 4 above and below that of Roscommon. Both sides agree that Act 51 seems to be a common denominator because it includes items such as

mileage and population in determining the amount of revenues that are available. The annual report of the Michigan Transportation Fund and Local Program Fund for fiscal year ending September 30, 1993 was offered as joint exhibit 6.

The County utilized the same statistical base but utilized 23 counties using the same Union counties excluding Emmet but adding Leelanau, Montmorency, Benzie, Grand Traverse, Crawford, Oscoda, Alcona, Manistee, Wexford, Missaukee, Mason, Lake, Clare and Arenac. The fact finder does not believe that he needs to make a determination of comparable communities as would be required under Act 312 and believes that the information provided by both sides, since it relies on Act 51, is helpful. The fact that the County may have suggested more counties will be discussed in more detail later. It is obvious that each of the parties have taken their information from the counties geographically proximate to Roscommon with fairly common mileage and revenue resources to make their comparisons. Again this information is extremely helpful to the fact finder.

#### **ISSUE 1 - RETIREE'S HEALTH INSURANCE**

Under the existing contract (J2), Article XXVI provides retiree benefits through Blue Cross/Blue Shield. Upon retirement, the employer continues the health insurance coverage then in effect for retiree's between the ages of 62 and 65 including a spouse as well as a continuation of coverage for the surviving spouse of a retiree who dies between the ages of 62 and 65 until the surviving spouse remarries or reaches age 65. The Union wants the contract

modified so the employee at age 55 would be eligible for benefits for himself and a spouse and after age 65 that the Commission provide the medical supplemental program that is available to non-union employees by Commission policy. The Union apparently would not object to a service credit requirement if the eligibility age were 55. The County believes that the retiree issue is a potential cost breaker because of the contingent liability exposure. They believe that the existing 3 year paid benefit is consistent with some of the other counties, the financial implications are known and can be planned, and that opening the door would cost money which would eliminate available funds for primary and secondary roads.

Mr. Bruce Beebe testified for the Union. He is the steward at the Roscommon County Garage and has been a truck driver for 20 years. He is also on the pension board. The County has a defined contribution plan pursuant to Article XXVII and the employer contributes 8% for regular full time employees. In conjunction with the retirement plan, the Union wants to increase the retiree's health plan so it would be more compatible with benefits offered in the 8 counties that are 4 up and 4 down from Roscommon in revenues pursuant to Union exhibit 2. Of the Union counties, 3 counties, Gladwin, Otsego, and Antrim provide coverage at age 55 for life. 3 counties, Osceola, Alpena and Kalkaska apparently provide the same 62 to 65 coverage including a spouse. Emmet county provides no retiree benefits at all.

Mr. James Vermeesch, the manager of the Road Commission,

testified and explained why the commission used 22 comparable counties. Exhibit E1 shows 11 counties getting more revenue and 11 counties getting less than Roscommon from Act 51. He used Schedule B of joint exhibit 6 to get the 1993 versus the 1992 numbers and in order to develop the chart in E1. Through exhibit E2 he identified the number of full time employees in their respective counties. Roscommon has 42 full time employees, 3 counties, Antrim, Grand Traverse and Manistee have more and 19 of the counties the Commission identified had fewer than the 42 Roscommon employees.

With respect to the retiree's health issue Mr. Vermeesch offered exhibit E3 which showed the provisions in 22 counties using the CRAM statistical base. His analysis demonstrated 4 counties had age 55 to death being Otsego, Oscoda, Missaukee and Gladwin. 4 counties had partial payments age 55 to death being Antrim, Grand Traverse, Manistee and Wexford. 1 county Alpena had partial payment age 65 to death. 3 counties had age 60 to 65 only. 4 counties including Roscommon had age 62 to 65 the other 3 being Kalkaska, Crawford and Alcona and 7 counties had no benefit at all being Montmorency, Leelanau, Ogemaw, Arenac, Losco, Osceola and Mason.

Mr. Vermeesch indicated that the Commission opposed age 65 because the number of retiree's was going to go up and that possibly 5 would be retiring in the next 2 years. Apparently there are 6 or 7 retirees currently. A seniority chart was requested and ultimately marked as joint exhibit 8 which indicates 9 persons over

55 years of age. Of those 5 are 60 years old and 1 is 61.

The mediator in joint exhibit 3 recommended that persons who retire after ratification of the agreement be provided up to \$1000.00 for each 12 month period toward health insurance for the retired employee and his spouse if the retiree had at least 20 years of continuous service and was at least 62 years of age or if the employee had less than 20 years of continuous service be at least 65 years of age. Mr. Vermeesch estimated that the cost for the mediator's recommendation would be \$211,000.00 by October of 1995. He thought this would eliminate money that was badly needed for primary and secondary roads which he believed to be the primary mission of the Commission. Mr. Vermeesch wasn't really able to pin down the actual dollar amounts because it was speculative as to the number of retirees. He apparently had called Otsego who has the age 55 provision and they told him it cost \$12,000.00 per month. He did not ask nor did he have the information of how many persons were covered in Otsego and how much it costs per retiree for their Blue Cross coverage. He also didn't know if there was a roll back to medicare supplements nor the cost of the medicare supplements. He further indicated that the Build Michigan Funds would be cut back and that the monies that were available for this 3 year project will not be available in the future, thus requiring payment for a retiree benefit out of the Act 51 funds.

On August 11th, the County responded to Mr. Majerczyk's request for information regarding health programs and the County's response was marked as joint exhibit 5. On October 29, 1992,

Roscommon County Board of Commissioners terminated medical benefits for retired Roscommon County Road Commissioners and their spouse for any and all terms of office commencing on or after January 1, 1993. Thus only 3 current County Road Commissioners would still receive this benefit. The manager, by contract, receives health insurance after retirement with 20 years of service and age 62 until age 65 and supplemental health insurance for he and his spouse thereafter. After retirement with 20 years and age 65 he gets supplemental health insurance for himself and his spouse.

Additionally the County provided information that their policy dated October 10, 1991 for non Union employees, except the manager and Commissioners, provides medicare supplemental insurance after age 65 for retirees with 30 years service and at least 55. With 20 years service at age 62 a retiree would receive health insurance until age 65 and thereafter supplemental insurance. After 20 years service and age 65 the Commission provides supplemental health insurance for the employee and his spouse.

It's difficult to sort out the proposals particularly when comparisons are to other counties with very few identical components. In order to make a recommendation, this fact finder will rely primarily upon the mediator's recommendation with variations. Examination of the external comparable counties doesn't really shed much light on this issue. Of significance is the fact that 7 counties provide no benefit at all and 4 apparently provide health benefit from age 55 to death. Of the counties suggested by the Union, 2 have no retiree benefit at all. Alpena

provides medicare supplemental insurance after age 65. Kalkaska has the identical program as Roscommon and Gladwin seems to have the most generous for persons who retire between 55 and age 62 with 25 years of service who get full coverage for life as well as a retiree after age 62 without any required service credit. The external counties suggested by the Union are not particularly persuasive one way or the other.

The County suggested comparables are equally unpersuasive as noted above. An argument can be made for almost any combination that you want.

However, reconciliation of this issue may well be found in other internal benefits of Roscommon County. According to the testimony, there are 32 bargaining unit persons out of a total of 40 employees. The seniority list, joint exhibit 8, has a slightly different number. These 32 employees have less of a retiree fringe benefit than other County personnel. They are treated differently. The Commissioners and the manager have slightly different arrangements because the Commissioners' benefits are set by the Board of County Commissioners and the manager negotiates with the Road Commissioners. However, the policy of the Road Commission as it relates to non Union employees suggests that they are willing to make payments for medical supplements and have been doing so since October 10, 1991. From the Union's perspective, why shouldn't the County do the same for them? The County replies essentially that it is too costly because there are obviously more members in this unit and if the Union wants the benefit they should



give up something somewhere else so the economic impact isn't significant. The fact finder is somewhat troubled by the mediator's recommendation because it seems to provide full coverage after age 65 under certain conditions with a cap of a \$1000.00. By using the phrase "health insurance premiums", this fact finder believes that means continuing persons after age 65 with whatever the Blue Cross/Blue Shield program would be for the full, 2 person or single person rate. That seems to me to be expensive and possibly not consistent with possible coordination under Social Security old age or disability. If on the other hand the intent was to provide a contribution towards the medicare supplemental insurance premium for a person over the age 65 then the recommendation makes more sense. Upon reaching age 65, most persons don't need a full benefit package but rather want supplemental insurance to medicare. Since no benefit is presently available to a unit member after age 65, and yet a benefit is available to the manager, some Commissioners and the non Union employees it makes sense that at least a medicare supplemental benefit should be provided. This would be consistent with all the internal comparables and also would follow some other counties. Just using the 7 common counties offered by both parties, Alpena has a 65 to death, Otsego and Gladwin have 55 to death, and Antrim has a partial payment on 55 to death. Thus there are at least 4 counties who have some program that offers a better fringe than does Roscommon on this issue.

Accordingly it is the recommendation of the fact finder that

the 4th paragraph of Article XXVI contain the language recommended by the mediator under the first paragraph and the following language thereafter:

**Effective for employees who retire after the ratification of this agreement, the employer shall provide medicare supplemental insurance beginning when the retired employee is age 65 for the retired employee and the employee's spouse if the retired employee shall have 20 years Road Commission employment and retires at age 62 or greater. The employer contribution shall not exceed \$1,200.00 per 12 month, or the actual cost if such coverage should be less.**

This recommendation equalizes the medical supplement available to non Union employees, for the first time requires a minimum service credit and ought not to be a run on the bank. Because a cap is put in as opposed to unlimited, the County can plan on what it is going to cost with the only qualifier being the actual number of retirees. This should be a good first step toward a common program within the County. It would not necessarily break ground in other counties.

If the mediator's recommendation includes full coverage rather than just medical supplement, the 2 person premium at \$324.77 per month would equate to \$3,897.24 for each retiree and spouse. This number is even greater if it's a full family premium at \$4,126.20 per year. Based upon joint exhibit 9, it would cost \$124,713.36 for Blue Cross/Blue Shield premiums for 32 persons in the bargaining unit. Currently a monthly health premium is already paid for a person who retires between the ages of 62 and 65. Under the recommended proposal it would cost not more than \$1,200.00 per

year per eligible retiree for medical supplemental.

## ISSUE 2 - WAGES

Usually wages are primary considerations at fact findings and arbitration. Here however the major emphasis was on retiree health and temporary employees. The Union originally proposed a 6% pay increase over 2 years. If there was no change in the retiree benefit then the Union wanted 4% per year.

The County presented exhibit E5 showing the wage comparison based on July 1, 1993 proposed increase of .20 per hour. If .20 per hour were adopted only 6 counties would have wage rates above Roscommon and 16 would have wage rates below Roscommon. Of the 8 counties selected by the Union, 3 Gladwin, Ogemaw, and Alpena would have wage rates that are higher than Roscommon.

The Union conceded that they were not grossly underpaid in comparison to other counties; they don't want to be catapulted above the norm, but want something and felt that 2% was "light". Without a retiree change the Union wanted 4% per year. Although the wage increase affects more people than the retiree benefit, it does not seem to be the overriding issue here. The mediator's recommendation of an increase of .20 per hour in 1993, .25 in 1994, and .30 in 1995 does not seem unreasonable. Particularly when it was probably considered in conjunction with the retiree health issue. Apparently according to the testimony the effective rate would be about 6.5% over 3 years, which seems reasonable given the national level of inflation, recent wage packages in other units, the total constraints of the County, and the information in the

external comparables.

### ISSUE 3 - TEMPORARY EMPLOYEES

Article V, Section 2(A) allows the employer to hire temporary employees for not more than 120 calendar days in any calendar year, and those days may be extended by mutual agreement between the employer and the Union. (C) states temporary employees may only operate small trucks, small mowers, hand powered tools or equipment and perform general labor tasks.

The County wants to amend the contract to allow temporaries to work 120 days but between April 1 and October 1, rather than any time during the calendar year. Additionally the County wishes to amend paragraph (C) by allowing a temporary who possesses a commercial driver's license (CDL) to operate a blade truck. The Union vociferously opposes a temporary possessing a CDL from operating a blade truck as essentially sub-contracting Union work. The mediator's recommendation is that temporaries may work between April 1 and October 31 in any calendar year and may not be hired for more than 180 calendar days during that period of time between April 1 and October 31. Apparently the Union would accept that recommendation. The mediator further recommended that temporary employees who have a commercial driver's license be allowed to operate a blade truck which the Union objects to.

Through exhibit E4 the County did a telephone survey and found that 20 counties authorize temporaries and 3 do not. With respect to CDL's, they found that Antrim allows 7 full time heavy truck drivers, Benzie, 40 hours a week, Manistee has an 89 day limit,

Missaukee was an on-call situation and Lake has a 120 day limit. These are all in the winter presumably to assist with snow removal.

The County uses the temporaries for pot hole programs which they claim are dirty, messy and the regular employees don't like to do them. Temporaries are used on local as opposed to state roads. They explained the CDL would be helpful if the temporary could drive a larger truck rather than having a Union person take a crew and materials to a location and possibly not work on the pot hole clean-up and then return to pick them up. They assert that without the use of the temporaries it would cost the townships more for this maintenance work. It was pointed out during the hearing that temporaries were added in the last contract and that the 120 days in a calendar year can be used either in the summer or the winter although the temporaries had only been used in the summer. For last year, one request to extend beyond the 120 days was granted and one was denied by the Union.

The Union suggested that the temporaries don't need a CDL because those are for 10,000 pound trucks whose primary purpose is to scrape snow during the winter or scrape and widen shoulders during the summer. Since the temporaries are only doing small maintenance projects, they can use pick-ups and one-ton trucks to get to and from their locations.

The County said that all big trucks have blades and the patching jobs usually need a truck with a blade and a person with a CDL. They argue why waste a CDL member if a temporary could be used instead. A temporary costs \$6.00 an hour whereas a unit

member costs \$11.25 an hour plus 57% fringes.

Mr. Edward Nichols, the steward at the Higgins Lake garage and truck driver for 22 years testified for the Union. He said this provision was put in the contract for the first time and the Union believes the intent was for a limited purpose such as patching and mowing. From his experience, they were just doing mowing and patching and the County asked 3 times to extend temporaries and he said 2 were granted. When asked why they objected to the CDL, he said the Union doesn't want the temporaries in the larger trucks because it's a start towards taking some of the Union work away.

To the Union the CDL is a critical issue. When first adopted, the Union feared that it was a first step towards taking some of their work away, and now believe the County proposal justifies those fears. They have been cooperative with respect to the 120 day extensions and have no objection to temporary employees per se but don't want temporaries with CDL's operating blade machines.

Mr. Vermeesch was asked whether it was the intention of the County to have temporaries with CDL's to go beyond the patching of pot hole filling and do work similar to blading of shoulders during the summertime. He said that was not the intent but that could happen if the language were adopted as the County proposed.

It is the fact finder's recommendation that temporary employees may only work between April 1 and October 1 in any calendar year as the County requests. Since the County initiated closing the time period rather than leaving it open for the whole calendar year this essentially excludes temporaries from snow

removal and confirms that the primary intent is for utilizing these persons for summer pot hole and other maintenance projects. By leaving a period from April 1 to October 1, that allows not more than 180 calendar days and is itself limiting and thus no need to request extensions as the record doesn't show that any extensions have gone more than a total of 180 days.

It is the further recommendation that temporary employees who possess a commercial driver's license be allowed to operate a blade truck but not more than one such person in any calendar year. In the alternative, an unlimited number of temporary employees might possess commercial driver's license but they would be specifically excluded from operating a blade truck other than to and from a job site. In support of the recommendation, it's reasonable for the Union to resist lower paying persons for minor maintenance jobs being able to slowly erode bargaining unit jobs. The County's argument that it makes economic sense to allow an individual to drive to and from the project in a blade truck has merit as long as it's balanced against the Union's concerns. Thus the proposal can take either of two approaches. Either a limitation on the maximum number of CDL's the County can use in any one season or simply allowing the County to have temporary employees with CDL's but exclude them from operating blade trucks. The latter can be helpful to the County by giving them the ability to have the person drive the blade truck if that's necessary to haul equipment, supplies, etc. but would prevent that same person from doing work that is normally done by the regular employees such as widening shoulders. The objective is still the same, to try to accommodate

what might be a reasonably prudent management prerogative against the fears of the Union that lower paid people would be taking some of their work away from them.


**SUMMARY**

It is hoped that the above recommendations will be helpful and will allow the parties to reach an accord on their contract. On the temporary employees use, the recommendation attempts to strike a delicate balance between the rights of both parties.

On economic issues, the retiree's health recommendation suggests parity between internal units and is similar to some of the external comparables. Friction is often generated when employees within a jurisdiction have dissimilar benefits. Sometimes those are explained by concessions made by either party in other sections of the contract. The parties didn't suggest that there were any other issues that would counter balance and explain the internal dissimilarity. The recommendation does not on the surface appear to be cost prohibitive, a concern of the County, but provides a sense of medical security for retirees and their spouses past age 65 at a time when health care for the elderly is at best uncertain.

Dated: Feb 7, 1994

Respectfully submitted,

  
Kenneth P. Frankland,  
Fact Finder