

1671

FF

STERLING HEIGHTS, CITY OF

12/29/75

STATE OF MICHIGAN

DEPARTMENT OF LABOR

EMPLOYMENT RELATIONS COMMISSION

*Mich Fact
Finding
Opinions*

IN THE MATTER OF FACT FINDING BETWEEN:

CITY OF STERLING HEIGHTS

and

METROPOLITAN COUNCIL NO. 23
AFSCME AFL-CIO

LABOR AND INDUSTRIAASE NO. D75 H1764

RELATIONS LIBRARY

Michigan State University

INTRODUCTION

Pursuant to Section 25 of Act 176 of Public Acts of 1939, as amended, and the Commission's regulations, a Fact Finding hearing was held regarding matters in dispute between the above parties. Pursuant to notice the hearing was commenced at 5:30 p.m. at Sterling Heights City Hall on November 10, 1975. The undersigned, Mario Chiesa, is the Fact Finder herein.

The City of Sterling Heights shall hereinafter be referred to as the City and Metropolitan Council No. 23 AFSCME AFL-CIO will hereinafter be referred to as the Union.

APPEARANCES

CITY

Paul O'Reilly, Attorney

Kenneth A. Johnson, Deputy City Manager

William Kutz, DPW Superintendent

UNION

Ralph A. Liberato, President Council 23

Velma C. Vannoy, Staff Representative Council 23

UNION

Ralph J. Clifford

John F. Blaskowski

David B. Lundberg

HISTORY

The unit herein is described as "All Supervisory Employees within the Department of Public Works, but excluding Department Heads, Deputy Department Heads, Professional Employees, Confidential Employees, Clerical Employees and all other employees."

The prior collective bargaining agreement expired on June 30, 1975. Bargaining began on May 13, 1975; there were seven sessions, two of which were mediations. The last mediation session was held on September 30, 1975. Impasse was reached and the Union applied for Fact Finding on October 1, 1975.

ISSUES

It should be understood that both parties have agreed to implement a three-year agreement, terminating on June 30, 1978. Thus, the issues in need of resolution appear as such.

1975-1976

Wages, Retroactivity

Stand-by pay

Vacation

Clothing allowance and safety equipment

1976-1977

Wages

1977-1978

Wages

The parties have agreed that a cost-of-living adjustment would be implemented during the second and third year of the agreement. They have also agreed on the specific formula to be used in calculating the adjustment. Further, the parties have agreed on an additional holiday (day after Thanksgiving) during the third year of the agreement.

WAGES

Discussion and Recommendation

First Year of Agreement (Retroactivity)

The Union seeks a six percent (6%) across-the-board increase. The City has offered a five percent (5%) increase for all classifications with the exception of Administrative Aide. In that category the City has offered a one percent (1%) increase. To support its demand the Union has introduced the 1975-1976 agreement (Exhibit 1), Survey of Supervisory Contracts of Local 1917 (Exhibit 3), Civil Service Study (Exhibit 4).

The present agreement (Union Exhibit 1) shows the following salary schedule for 1974-1975.

Effective July 1, 1974

	<u>A</u>	<u>B</u>	<u>C</u>
Administrative Aide (DPW)	14,349	15,075	15,838
General Foreman	13,563	14,251	14,972
Division Foreman	12,909	13,563	14,251

Effective January 1, 1975

	<u>A</u>	<u>B</u>	<u>C</u>
Administrative Aide (DPW)	14,923	15,678	16,472
General Foreman	14,105	14,821	15,571
Division Foreman	13,425	14,105	14,821

Six months of service is necessary to progress to the next increment.

Union Exhibit 3 provides information covering certain portions of the agreements that exist in the City of Warren, Clinton Township, City of East Detroit Supervisors and the City of Madison Heights.

The City of Warren does not designate its classifications as does Sterling Heights. For example, Warren does not have a DPW General Foreman, Division Foreman or Administrative Aide (DPW). It does have Administrative Assistant-Water, Administrative Assistant-Library, Water Division Superintendent, Foreman I, etc. How comparable these classifications may be to the classifications in Sterling Heights is open to speculation. It is possible that the responsibilities are identical; however, without additional evidence a comparison is too unreliable. As for Clinton Township, the only wage classifications tendered are Inspector (Building Department), Chief Inspector and Account Clerk I. Again, the worth of this information is doubtful. The same applies to East Detroit. Madison Heights does list a DPW Superintendent, DPW Foreman and DPW Assistant Superintendent. These salaries for 7/1/75 thru 6/30/76 appear as such:

	<u>Start</u>	<u>6 Mos.</u>	<u>18 Mos.</u>
DPW Superintendent	18,871	19,816	20,808
Foreman, DPW Foreman	12,957	13,605	14,285
DPW Assistant Superintendent	14,531	15,257	16,020

Again, the Fact Finder is cautious with the above because without a comparison of respective responsibilities, the comparability of this salary information with that of Sterling Heights is speculative.

Union Exhibit 4 is a Civil Service Study compiled in September and October of 1974. It states the various classifications showing the current salaries and the proposed salaries as of January 1, 1975. In the categories concerned with herein, exclusive of Administrative Aide, the information appears as such:

<u>Title</u>	<u>Proposed</u>
Division Foreman	Salary Range Effective <u>January 1, 1975</u>
General Foreman	13,810 - 16,020
	14,775 - 17,140

Also, the exhibit included a limited amount of comparative data. For the classification of DPW Division Foreman, it shows the following:

<u>As of December 1, 1974</u>			
<u>Royal Oak</u>	<u>St. Clair Shores</u>	<u>Southfield</u>	<u>Sterling Hts.</u>
14,206	15,504	11,370	12,909
14,256		14,701	14,251

The Union contends that the foregoing evidence, coupled with the eleven percent (11%) rise in the cost of living, supports its six percent (6%) demand.

The City also introduced evidence directed at this issue, both by exhibit and testimony. City Exhibit 3 is the City's Proposed Agreement for 1975-1978. It contains the City's position regarding all issues involved, including its five percent (5%) offer for the first year of the agreement. City Exhibit 6 is the agreement with the Building Trades Council. Its relevance and materiality is extremely limited. City Exhibit 7 is the schedule of employees whose compensation is set

by ordinance. This schedule covers non-organized employees and lists salaries for 1974-1975. Exhibit 8 is again the ordinance employees, but for the period 7/1/75 to 6/30/76.

Mr. Kenneth Johnson, Deputy City Manager and Chief Negotiator, testified on behalf of the City. While his testimony covered many areas, only the wage area will be discussed in this section. Mr. Johnson testified that a one percent (1%) increase was offered for the position of Administrative Aide because the Civil Service Study (Survey) showed that the Aide position was receiving more than the study recommended. Mr. Johnson testified that the Aide position is receiving about \$1,000.00 more than the maximum level of the study. Further, Mr. Johnson testified that as to the other two positions, the City's five percent (5%) offer puts those classifications above the midpoint, but below the maximum of the salary range recommended by the Civil Service Study (Survey). Mr. Johnson testified that the ordinance employees received increases in salary necessary to reach the approximate midpoint of the study. He did say there were a few exceptions.

As to the classification of DPW Division Foreman, the City maintains that the initial salary offered by the City exceeds the lowest point listed in the survey and the maximum under the City's offer significantly exceeds the midpoint average listed in the study.

As to the General Foreman classification, the City maintains, again, that the initial salary offered exceeds the lowest point listed in the study, while the maximum under its offer exceeds the average of the wage paid to the same classifications in other communities as listed in the study.

Regarding the Administrative Aide, the City maintains that its offer would place that classification wage \$902.00 over the maximum recommended by the study.

The City maintains that its offer is extremely reasonable. It contends that the evidence sustains its position.

Recommendations (First Year and Retroactivity)

In dollar figures, the Union's demand appears as such:

	<u>A</u>	<u>B</u>	<u>C</u>
Administrative Aide	15,818	16,619	17,460
General Foreman	14,951	15,710	16,505
Division Foreman	14,231	14,951	15,710

The City's appears as follows:

	<u>A</u>	<u>B</u>	<u>C</u>
Administrative Aide	15,072	15,835	16,636
General Foreman	14,810	15,562	16,350
Division Foreman	14,096	14,810	15,562

Both parties seem to rely heavily on the Civil Service Study (Survey). The study indicates that the recommended range for General Foreman is \$14,775-\$17,140. The average is \$15,957.50. As the City points out, the first step in its offer exceeds the study's minimum and the last step in its offer exceeds the study's average.

For Foreman, the study ranges from \$13,810-\$16,020. The average is \$14,915. Again, the first step in the City's offer is greater than the minimum established by the study and the last step is greater than the study's average.

However, it should be noted that the figures stated in the Civil Service Study (Survey) are for January 1, 1975. As of today, the

study and the recommended salaries are outdated by 12 months. In the area of Division Foreman, the study did project "Estimated Labor Rates" for July 1, 1975. It was \$14,378-\$16,639.

After analyzing all of the available evidence, the Fact Finder recommends the following schedule for the first year of the agreement.

	<u>A</u>	<u>B</u>	<u>C</u>
Administrative Aide	15,072	15,835	16,636
General Foreman	14,853	15,607	16,396
Division Foreman	14,137	14,853	15,607

The above recommendation incorporates a 5.3% increase for the classifications of General Foreman and Division Foreman. The recommendation compares very favorably with the Civil Service Study (Survey). If we assume that the other comparative evidence introduced by the Union is relevant and material, then it appears that the above recommendation compares favorably with said evidence.

The recommendation is supported by the evidence, especially by the Civil Service Study (Survey). The data contained in the survey is 12 months old and the Fact Finder felt it necessary to adjust for that fact.

The Administrative Aide classification was held to a one percent (1%) increase. The comparative evidence did not warrant a greater increase. Keeping in mind the limited value of the evidence, an Administrative Assistant-Water in the City of Warren receives a minimum of \$14,021 and after three years \$15,340. The Civil Service Study (Survey) shows a peak, per the City's brief, of \$15,570. The recommendation ranges from \$15,072 to \$16,636.

Neither the City's offer nor the Union's demand was adopted in total. Regarding the classifications of General Foreman and Foreman, it was felt that the City's offer of five percent (5%) was not adequate under the circumstances. Conversely, the evidence did not warrant the adoption of the Union's six percent (6%) demand. It was higher than the comparable data would support.

The City's offer regarding the Administrative Aide classification was adopted by the Fact Finder because the evidence made it apparent that the classification was receiving adequate compensation when compared to the Civil Service Study (Survey) and the other comparable data.

The parties have given little attention to the issue of retroactivity. The City maintains it will not agree to retroactivity because "if the union knows it can receive retroactive wage benefits, then there would be no incentive to settle the contract before its effective date nor would there be any incentive to bargain in good faith before the preceding contract expired." This may be true, but by the same token the lack of a retroactivity provision may diminish the City's incentive in the same manner as the City maintains the presence of a retroactivity provision diminishes the Union's incentive. If wages are not retroactive, the City has less incentive to settle, for delay in settling also delays the City's responsibilities regarding the payment of higher wages.

Keeping in mind the relative positions and arguments, the Fact Finder recommends that any wage settlement be retroactive to the

date which represents the midpoint between the date the preceding contract expired and the date of the new agreement. The propensity to procrastinate, along with the penalties for so doing, should be shared equally.

Second and Third Year of Agreement

The parties have agreed on a cost-of-living adjustment that will take effect during the second year of the agreement.

The Union seeks a four percent (4%) increase in wages for the second year of the agreement and four percent (4%) for the third year.

The City has offered two percent (2%) for each year.

Actually there was little evidence introduced on this issue. The Fact Finder did not have the benefit of economic trend studies or other supportive data. However, the Civil Service Study (Survey) shows that an 03 salary grade (Division Foreman) should receive approximately a 3.75% increase in salary per year, based on a four-year progression. The 04 salary grade (General Foreman) should receive approximately a 3.78% increase in salary per year, based on a four-year progression. It must be understood that this is raw salary data. What effect a cost-of-living adjustment would have or whether the possibility of such an adjustment was considered is pure speculation.

After considering all the evidence and arguments, the Fact Finder recommends the following wage schedules:

Second Year

	<u>A</u>	<u>B</u>	<u>C</u>
Administrative Aide	15,449	16,231	17,052
General Foreman	15,224	15,997	16,806
Division Foreman	14,490	15,224	15,997

Third Year

	<u>A</u>	<u>B</u>	<u>C</u>
Administrative Aide	15,835	16,637	17,478
General Foreman	15,605	16,397	17,226
Division Foreman	14,853	15,605	16,397

The above schedule represents a 2.5% increase for each year. The resulting figures compare favorably with the Civil Service Study (Survey). When all the available evidence was analyzed, the Fact Finder feels that the above recommendation is fair.

The 2.5% increase plus the cost-of-living adjustment represents an extremely equitable salary arrangement for the employees in this unit. The comparative data shows no other units exceeding this rate of compensation.

STAND-BY PAY

Discussion and Recommendation

The Union seeks three (3) hours pay per day at straight time for any employee that is on stand-by. The City is offering three (3) hours pay at straight time for an entire weekend.

The only documentary evidence available is Union Exhibit 3. It shows that the City of Warren pays stand-by pay. The City offered the testimony of Mr. Kenneth Johnson (Deputy City Manager) and Mr. William Kutz (DPW Superintendent). The testimony shows that in the past whenever an emergency arose the City would call in an employee. This was pursued informally and no formal stand-by provisions were used. The employees are provided with City vehicles on a 24-hour basis. Each vehicle is equipped with communication equipment.

Recommendation

After carefully analyzing the evidence, the Fact Finder recommends that any employee that is given formal notice to remain on stand-by for the weekend shall receive three hours straight-time stand-by pay. When given formal notice to remain on stand-by during the week, an employee shall receive no additional compensation.

The evidence clearly confines the Fact Finder to the above recommendation. Out of all the cities offered for comparison, only the City of Warren pays stand-by. In Sterling Heights the only other unit that receives stand-by pay is the Detective Unit.

VACATIONS

Discussion and Recommendation

The Union seeks "two (2) additional days after ten (10) years to a total of twenty (20) days" and "two (2) additional days after fifteen (15) years to a total of twenty-two (22) days."

The City offers eighteen (18) days of vacation for employees with more than ten (10) years of service and twenty (20) days of vacation after fifteen (15) years of service.

The Union's comparative evidence shows the following:

City of Warren

"(All employees except continued and continuous service employees at the Sewage Treatment Plant)

One (1) year	Two (2) weeks
Three (3) years	Two (2) weeks + 1 day
Four (4) years	14 days
Five (5) years	15 days

Thereafter one (1) additional day for each additional year of service not to exceed five (5) weeks of vacation.

(Continued and continuous service employees)

Two (2) ten (10) day vacations upon the completion of one (1) year of service. Such employees shall receive two (2) eleven (11) day vacations after eleven (11) years of service; two (2) twelve (12) day vacations after twelve (12) years of service; two (2) thirteen (13) day vacations after thirteen (13) years of service; two (2) fourteen (14) day vacations after fourteen (14) years of service; and a maximum of two (2) fifteen (15) day vacations after fifteen (15) years of service."

Clinton Township

"1 thru 5 years - one day per month for each month worked for and during that calendar year.

6 thru 12 years of service - one and one-half days per month for each month worked for and during that calendar year.

Over twelve (12) years - two (2) days per month for each month worked for and during that calendar year.

Beginning the nineteenth year of service, employee shall accumulate vacation days at the rate of 2½ days per month. Total accumulation 30 days."

East Detroit

"Six (6) months, but less than one (1) year - one (1) day for every complete month worked with pay with a maximum of ten (10) working days. Two (2) weeks.

Two (2) weeks after one year's service.

Three (3) weeks after three (3) years service.

Four (4) weeks after six (6) years service.

Five (5) weeks after fifteen (15) years service."

Madison Heights

"One (1) day for each full month worked during the one (1) year period immediately prior to the vacation period which shall be April 1st of each year, not to exceed ten (10) working days per year.

1 thru 4 years

5 thru 9 years

10 years

two weeks

three weeks

four weeks"

City Exhibit 5 shows:

	<u>10 Years</u>	<u>15 Years</u>
"Sterling Heights Clerical	18 days	20 days
Sterling Heights DPW	18 days	20 days
Sterling Heights Building Trades	18 days	20 days
Sterling Heights Ordinance	18 days	20 days
City of Royal Oak	20 days	20 days
City of St. Clair Shores	17 days	20 days
City of Southfield	<u>20 days</u>	<u>20 days</u>
Composite Average	18.4 days	20 days"

Mr. Johnson also testified in this area and stated that except for Firemen and Policemen all employees received the same amount of vacation. That amount is the City's current offer. Mr. Johnson also stated that he received the same amount of vacation as currently offered to this unit.

Recommendation

After carefully analyzing the evidence, the Fact Finder concludes that the City's offer should be adopted. There was no evidence that persuaded the Fact Finder that this unit was entitled to more vacation than the amount offered by the City. Absent any unusual circumstances, the City's offer is fair and equitable as indicated by the comparative evidence.

CLOTHING ALLOWANCE AND SAFETY EQUIPMENT

There was no evidence directed at this issue, so the Fact Finder cannot make a recommendation.

CONCLUSION

The Fact Finder assures the parties that he carefully analyzed the available evidence before offering the above recommendations. The Fact Finder feels that his recommendations should serve as the basis of an agreement in this matter.


MARIO CHIESA

Dated: December 29, 1975