

STATE OF MICHIGAN
DEPARTMENT OF LABOR

EMPLOYMENT RELATIONS COMMISSION

IN THE MATTER OF FACT FINDING

between

BOARD OF EDUCATION
THORNAPPLE KELLOGG SCHOOL DISTRICT

and

THORNAPPLE KELLOGG NON-INSTRUCTIONAL
ASSOCIATION/MESPA

REFERENCE:

MERC Case No. G83 B-276

REPORT AND RECOMMENDATIONS
OF THE FACT FINDER

The Michigan Employment Relations Commission on its own motion appointed the undersigned as its Fact Finder and Agent on October 14, 1983, to conduct a Hearing pursuant to Section 25 of Act 176 of Public Acts of 1939, as amended, and the Commission's Regulations, and to issue a report with recommendations with respect to the matters in disagreement between these parties. Several prehearing telephone conversations were held with the parties and their representatives and a telephone conference call with the representatives was held on October 14, 1983. The Hearing was held from 8:45 a.m. until 5:45 p.m. on Friday, October 28, 1983 in the MERC offices, 350 Ottawa, Grand Rapids, Michigan. At the conclusion of the Hearing, each party was given a final opportunity to confer separately and with the Fact Finder jointly in a final attempt to resolve any of the issues before they were given finally to the Fact Finder for his consideration and report. At the conclusion of all discussions, all of the issues presented to this Fact Finder originally remained with this Fact Finder for his recommendations. The parties wished to make their closing arguments orally and the Hearing was closed at 5:45 p.m. on October 28, 1983.

FACT FINDER AND AGENT: David T. Borland, appointed under the procedures of the Michigan Employment Relations Commission.

REPRESENTING THE PARTIES:

Board- Denise D. Campbell
Labor Relations Consultant
Michigan Association of
School Boards
421 W. Kalamazoo Street
Lansing, MI 48933

Association- Larry A. Thompson
9C UniServ Division
Michigan Education Association
4020 Eastern Avenue, S.E.
Grand Rapids, MI 49508

Thornapple Kellogg School District

APPEARANCES FOR THE PARTIES:

Board- Gerald Page, Superintendent- Thornapple Kellogg Schools
 Lois Seppanen, Business Manager- Thornapple Kellogg Schools
 Joyce Quejas-Brower, Research Assistant- M.A.S.B.

Association- Mary C. Ecker, MESPA Negotiations Chairperson, TKNIA

INTRODUCTION

The one-year Agreement (Jx-101) between the District and the Association for 1982-83 was entered into on January 4, 1983, and expired on June 30, 1983. By mutual agreement the terms of that Agreement were extended into the 1983-84 year, as the issues remaining in dispute were discussed. Formal negotiations for the successor Agreement began in the Spring of 1983, and continued into the Fall. On September 12th the undersigned as Fact Finder for the instructional unit received a request from the Association to act in a joint expedited capacity for the non-instructional unit. After hearing the issues remaining in dispute for that unit and after consultation with the State Mediator, the undersigned took the position on September 19th that he had general authority from MERC to act in such a capacity; however, since a bargaining session was scheduled for September 21st and another for September 26th with the Mediator and since this Fact Finder expressed concern as to the extent of the differences, the number of issues, and consequent effects on the requested expedited procedure, this authority was held in abeyance by this Fact Finder, pending the results of those bargaining sessions.

Following the negotiation/mediation session, this Fact Finder received a copy of a letter from the Superintendent to the Association, requesting three more bargaining sessions, which were to commence some four weeks later and the day after the scheduled fact finding Hearing. On objection from the Board to MERC, the Commission informed this Fact Finder on October 7th that any such Hearing for the non-instructional unit was to be suspended, which caused cancellation of the pre-hearing conference call scheduled for that afternoon. On October 14th MERC appointed the undersigned as its Fact Finder in the dispute with the noninstructional unit;

a prehearing conference call was held that afternoon; and the Hearing was set.

As this Fact Finder entered the picture originally there were 18 issues remaining in dispute. During the conference call there were 12 issues remaining, but the Association then dropped its position on agency shop. During the prehearing conference immediately preceding the October 28th Hearing, the Association dropped its positions on wage adjustments and severance pay and the parties agreed on language to accommodate the duration of the Agreement and sick leave accumulation, as detailed below. The issues that remained in dispute for consideration here were salary schedule, medical insurance, dental and life insurances, inclement weather, binding arbitration, seniority, and subcontracting. The parties stipulated that all other matters for the proposed Agreement either were resolved or carried forward from the predecessor Agreement and that resolution of these eight remaining issues would result in a mutually agreed labor contract.

While the current positions of the parties will be presented and analyzed for each issue below, in summary, the Board's positions were to freeze the economic conditions that existed for 1982-83, except to add an option to health insurance programs (Jx-103), and to continue all present language on the noneconomic issues. The Association's members had authorized a job action, which has been held in abeyance pending the results of these Fact Finding proceedings, concerning its positions on these issues (Jx-102). The parties have stipulated, further, that this Fact Finder's same analysis of the Board's financial position and comparability basis was to be used, as it was for the instructional unit. An analysis of each party's position on these eight issues will be presented below, following presentation of this same analysis of the District's financial circumstances.

FINANCIAL STATUS OF THE DISTRICT

Extensive testimony and evidence were presented to this Fact Finder in an attempt by each party to establish a base for evaluation of the economic proposals at impasse in this contractual dispute. This Fact Finder noted the credibility of both major witnesses. The principal witness for the Board was the Superintendent, whose knowledge of the complexities of the budgetary and accounting processes, as well as of the funding sources and requisite contingencies of each type of revenue source, was extensive and based on his many years of experience. The vigor of the testimony of the local Association President penetrated these complexities to examine the consequences of these varying financial procedures in the local situation.

It is this Fact Finder's opinion that here, as in other contractual dispute situations, the complexities of school finance for employees creates a tension that makes negotiations difficult. While individuals without daily contact with financial matters in a school district may be able to discuss financial matters in a routine setting, the pressures of the negotiations process with representatives presenting the good faith interests of their respective constituencies can create concerns. These concerns can accelerate into suspicions quickly whenever apparent discrepancies are perceived and often a clear communication between the parties is obstructed. It is also significant to note that this "normal" tension has been accelerated in the past few years by the extremely hazardous financial situation in Michigan, and not necessarily by a new breakdown between contesting parties in determination of employment conditions. It is clear that previous Executive Order budget cuts and payment deferrals by the Governor have created an atmosphere that adds interference in the clear communication patterns necessary for effective and consummatory negotiations to succeed, no matter the prior history of specific negotiating parties.

The Fact Finder's role in this process is to bring an external perspective to these complex financial and communication processes, so that each party and its

respective constituency can have some confidence in the good faith positions of the opposing party. Each party here has presented financial and comparability information to assist in the Fact Finder's conclusions and recommendations. In presenting these data to a fact finder neither party should expect a detailed analysis or audit of the financial data. The fact finding process is not an accounting process solely, because the negotiating atmosphere created is as controlling as are such financial data themselves, which are not that precise and which are subject to interpretation. Also, the Fact Finder himself has been engaged to facilitate the communications process as much as the financial process. As such the Superintendent has identified correctly that budgets are planning attempts, which must be administered flexibly as daily conditions occur, and the Association position specified that such budgets are a matter of differing priorities into which employees want continuing input as they are being determined.

The parties have taken opposing positions on the general status of the current financial status of the District. The Association position is that not all revenues have been included for the 1983-84 budget and that expenditures have been inflated inappropriately, both based on the history of the District's financial actions. The Board has taken the position that expenditures must be within revenues and that it must place emphasis on replacing programs and services that have been reduced in recent years, rather than to continue to increase salaries and benefits. In order to provide a base from which to make recommendations this Fact Finder has organized the summary data in a table presentation below and analyzed arguments about the points at which the parties disagree. While the parties may not agree with the Fact Finder's conclusions, they may be assured that such conclusions and recommendations appeared to him to be the reasonable positions from which an employment contract may evolve.

HISTORICAL FINANCIAL DATA

Thornapple Kellogg School District

	1979-80	1980-81	1981-82	Budgeted (Jx-12)	1982-83 Audited (Jx-8 & 10)	1983-84 June (Jx-12)	1983-84 (projected) October (Jx-11)
REVENUES: (Form B, Ax-5)							
<u>Total</u>	3,558,155	3,567,629	3,547,108	3,995,942	4,058,624	4,240,880	4,325,280
<u>Local-</u> <u>Total</u>	1,547,505	1,828,673	2,075,976	2,604,687	2,700,983	2,784,871	2,689,747
Property Tax	1,452,970	1,700,105	1,948,546	2,555,187	2,555,518	2,739,871	2,644,747
Other	94,535	128,568	127,430	49,500	145,465	45,000	45,000
<u>*State Sources</u>	1,828,580	1,594,897	1,358,244	1,391,255	1,235,764	1,456,009	1,635,533 (B) 1,595,533 (A)

**EXPENDITURES:

Budgeted	3,382,861	3,695,788	3,612,310	4,057,024	4,062,500	4,351,627	4,404,555
Actual	3,558,155	3,731,092	3,597,489	3,981,341	3,953,880	-----	-----

FUND EQUITY (Form B, Bx-28)

	414,391	250,928	200,547	-----	256,719	218,743	177,444
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* Categories of state sources not consistent from year-to-year-- illustrative of general trend only

** 1979-82 (Bx-27) includes federal programs and capital outlay; 1982-84 includes operating expenses only

Revenues

Recent history in this District indicates that total revenues have increased primarily due to an increase in local revenues from 43 percent in 1979-80 to 66 percent in 1982-83, while the State share of revenues has dropped from over 51 percent in 1979-80 to 30 percent in 1982-83 (Ax-5). The figures presented by the Board were very close to the Association's figures (Local-43% - 68%; State-53% - 30%, Bx-17). Given the recent problems in State finances, this move might have been expected, even though its extent may be extreme when viewed through local eyes. Also, the local scene is enlightened where the District ranks in the middle of districts in SEV/pupil and millage levels (Bx-13), but in the lower one-third in ranking of per pupil revenue in the Kent County in-formula districts (Bx-10). Meanwhile, the local citizens have consistently passed renewal millage levels (ten times in the last eleven years), but rejected additional mills consistently (six times in a six year period), until August 3, 1982, when on the second attempt that Summer, it passed four additional mills (Bx-18). The projected increases for 1983-84 reflect an apparent return to a larger State share of total revenues.

Several questions were raised by the Association about the projections for local revenues for the 1983-84 school year budget. There was a decrease of approximately \$95,000 in the local revenues projected from the June spending budget to the October revised budget, which is the same amount of the decline projected for the property tax during that same period. This was explained as a downward revision because the State Equalized Value did not rise as much as originally projected, but that the property tax revenue actually was still higher than the previous year's audited level by approximately \$89,000. There was no evidence or testimony presented here by either party to substantiate or to challenge the SEV projections, other than the 1982-83 budgeted level, which was within a few hundred dollars of the audited figure. The total local revenue, however, is projected at a lower level by approximately \$11,000 for 1983-84 than was audited for 1982-83.

The projected \$95,000 difference, then, was explained primarily by a reduction of that amount in "other local revenue" for 1983-84, among which included the nonrecurring income of \$41,000 in delinquent taxes and interest from the Department of Natural Resources, \$22,000 in funds to repair a building roof, \$24,000 in reimbursement for insurance against unemployment losses, and asundry revenues from such areas as funds to replace a lost projector and dividends from the SET medical insurance plan. While those expenses explain the one year drop projected in "other local revenue" for 1982-83, it does not attack the fairly stable average of \$100,000 in "other local revenue" flowing each previous year (Ax-5).

While the years back to 1979-80 were presented at this Hearing, even though details of those revenues were not presented, the pattern of a recurring total flow of approximately \$100,000 has been generated, even if the details on sources may vary and contain nonrecurring items. Even though the Board, and certainly this Fact Finder, cannot predict where all of those revenues might be generated or the levels of such income specifically, there are some sources known at this time, which include at least some levels of delinquent taxes and interest, reimbursement of special education funds from restricted funds and the Kent Intermediate School District at an approximate level of 19%, potential additional dividends from the SET insurance program, and nonrecurring interest income on at least declining portions of the remaining \$350,000 of the energy loan at an eight to nine percent (8-9%) rate.

The Association also challenged the level in federal revenues expected when the District has projected a decrease from the \$72,000 level in the 1982-83 audit (Bx-8) to a \$35,000 level in the October, 1983 revised budget. Essentially, Title I funds projection were changed very little and represented the \$35,000 budgeted; Title IV B funds were a nonrecurring carryover from an expired program; other funds were restricted for equipment, special education, and professional development. It was explained that some of the restricted special education funds would flow to

the District, apparently through the State or Intermediate districts, as other "Income" as described immediately above.

Expenditures

The record of budgeted and actual expenditures historically indicates a close proximity of the two figures (Bx-27). Care must be taken in viewing those figures, which include capital outlay and federal restricted funds, and the total operating figures in other budgets presented here. Several questions by the Association about expenditures projected for 1983-84 involved the areas of operations and maintenance and special services. The Association challenged the increase in the operations and maintenance budget from \$574,000 in 1982-83 to \$605,000 in 1983-84, especially when the actual expenses for 1982-83 were only \$483,000. The major areas of concerns were custodial salaries, utilities, and energy conservation expenses.

First, while the budget amount of \$162,000 for custodial salaries was unchanged for 1983-84, it was \$20,000 higher than expended. This was due to paying less salary because leave accruals had been exhausted for some of the custodians who needed leave, and that budgeted salary for summer work was unused because 19 Youth Corps workers from the Governor's program were utilized at no cost.

Second, the fuel and electric use declined by six percent (6%) for 1982-83, due to a mild winter, but anticipated increases in Consumers Power rates from 13-20% have been projected by the utility company. While the Board has decreased its estimated utility costs by \$15,000, the Association argued that this revised increase over actual expenditures of 25% for gas and 36% for electric use still was excessive. The Board's revised position indicated that it added to the 1982-83 utilization figures the six percent lower utilization rate plus the 13-20% expected rate increases. This would explain the gas rate, but even at the maximum would seem to put the electric estimate higher than necessary.

These rates, however, tie into a third concern of energy conservation. Here the Association indicated that the \$405,000 energy loan was to create energy savings; thereby reducing costs for utilities. The bulk of energy savings work on the facilities has not yet been accomplished with only \$55,000 having been expended to date, so that savings that will occur likely will be realized in years following the 1983-84 school year. Some of those savings, however, probably should be realized during the term of the recommended contract here. Parenthetically, an increase from \$25,000 estimated payment, while the energy loan was being considered, was agreed at the \$67,000 actual payment level, when the terms of the loan actually were consummated. Also, the Board revealed that the projected increase from \$34,000 in expenditures for Building and Grounds to \$50,000 was to assist in payment of the remaining bills on roof repair.

While the meteorological and political considerations necessary to be entirely accurate in predicting the continuation of the Youth Corps, the health and personal leave statuses of custodians, the vagaries of public utility rates, and the unpredictability of Michigan winters probably is nonexistent anywhere, the continued depleted levels of leave accruals of custodians and the Board's own utility rate figures would seem to indicate some overestimation of expenditures in this area, but certainly not to the level first anticipated by the Association.

The second area of concern for the Association was in Special Services. While the increase in teachers' salaries by \$40,000 can be understood in part by the Association, it had based its \$30,000 estimate on a full time teacher and a part time psychologist. The Board indicated that a half time social worker also would be utilized. Additional expenses for supplies, support services, and a teacher aide also would increase the entire Special Services budget from \$185,000 actually spent in 1982-83 to \$263,000 projected. This also would include increases in Centers tuition and utilization by Thornapple students, more occupational/physical therapy, and more homebound students already during 1983-84 to increase the Special Services

line and the Tuition line under the Special Services budget area from actual expenditures of \$53,000 in 1982-83 to \$90,000 projected for 1983-84.

A confounding factor was raised by the Association concerning the savings (reimbursement) to be realized by moving these special educational services back to Thornapple Kellogg from Lowell. While the Association argued that tuition should be flowing back to the District from others, it also argued that savings in the program should occur as a result. The Board indicated that some transportation expense savings would be generated but that the State transportation reimbursement, as well as savings on operation and maintenance of buses, would be difficult to anticipate or project reliably, except within the \$15,000 range. With regard to reimbursement of tuition or other special education services, while the reimbursement system there was better than it had been, several delays of months or even a year or more in actually receiving the funds would be felt. Clearly, however, it seems this delayed revenue will be generated, but was not included in the 1983-84 budget; however, this same system of delays in receipt of revenue also would seem to result in a delay of expenditures for services provided by other districts for Thornapple students. In summary, the impact of the ebb and flow of funds for mutually provided special education services on yearly budgets may vary, but the comprehensive impact for the duration of future employment contracts on the fund equity in the District would be an increase.

Fund Equity

In viewing both expenditures and revenues, the concern of all involved would seem to be served best by keeping the District separate from a deficit situation. The summary of the fund equity in the table above indicates that this District is not in a deficit situation, nor has it been for the years presented to this Fact Finder for consideration here. The summary indicates, however, that there have been specific years when the District has spent more than it has generated, resulting in the trend for a declining fund equity balance. The ten percent level,

often quoted as desirable for the proportion of budget to be attained in a fund equity, has not existed in the District for a few years now, nor does it exist in many school districts recently where it once did. The Association's position that the \$405,000 energy loan could be added to the District's revenue total, which would push the fund equity to more than 10 percent, is an inviting argument at first glance. This Fact Finder has indicated that revenue produced by those funds should be considered as revenue, since the payment and interest is included as expenditure. An addition of this loan amount to the fund equity balance, notwithstanding the accounting propriety of such an inclusion as noted by the auditor, would produce an artificial expectation by employees. Their expectation that these funds would be available for employee priority input, would be misplaced, when, in fact, the priorities for those funds were established in order for the funds to be obtained initially.

The crucial question for these parties is whether this declining trend in fund equity (Bx-28) should be reversed at this time. The opinion of this Fact Finder is that no matter how desirable the ten percent level might be, the recency of the apparent recovery in Michigan is too tenuous to attempt an aggressive move toward that goal at this time. At the same time, neither can this Fact Finder justify recommendations that would lead to any significant depletion of the relative status of the 1983-84 fund equity compared to recent years.

Given that position, however, the question of priorities in how the available funds are to be utilized still must be answered. Notwithstanding the unpredictable and undetectable contingencies in some of the budget situations in the extremely complex world of school finance, it is this Fact Finder's opinion that some expenditures have been estimated higher than warranted and some revenues have not been estimated fully in the October, 1983 budget; therefore, the Board's projected deficit for 1983-84 of \$79,275 is not an appropriate estimate. It is significant to note, however, that estimation of some of these amounts is contingent on such

extremely tenuous factors as Michigan's winter. In such conditions it is clear that this District has taken the conservative approach to its estimates, which can be neither faulted, nor determined to be purposely misleading to its employees. These levels of projected revenues, savings, and expenditures, however, must be considered by this Fact Finder, as he attempts to provide a just base for resolution of the individual issues before him, but must be assessed within the general parameters he has concluded hereinabove for the financial status of the Thornapple Kellogg School District.

Comparability

In viewing these issues separately, each party has presented different bases for assessing the District's comparative status in providing employee benefits. The Association has taken the position that the District should be compared to all Kent County school districts. This was justified by the Association because of (1) the District's close proximity to Kent County, (2) its overlapping boundaries with Kent County, (3) its relationship to the Kent Intermediate School District for many related educational services, (4) its consideration of health insurance rates with Kent County districts, and (5) its focus for the employment and service area utilized by many of the District's citizens. The District has proposed (1) the use of Barry County, as the resident county for the District's constituents and the place where the vast majority of the District's property is located, (2) districts in contiguous counties, (3) districts in the same athletic conference, (4) Kent County districts that are "in-formula," and (5) industries in Middleville, as the appropriate yardsticks for assessment of the District's situation.

As might be expected the use of these differing bases presented a more favorable view of existing conditions for the party that used the specific rationale summarized above. While each of these positions was presented well from a valid conceptual base, this Fact Finder believes for the following reasons that the most appropriate

base for comparison to the Thornapple Kellogg School District would be the Kent County, in-formula, organized school districts.

First, the various relationships to Kent County, especially in school matters, must prevail in assessing Thornapple Kellogg's school situation. While that County provides much of the service affiliations with the District, the Board's own moves to have MESSA change the District's insurance categorization to Kent County, even though not in effect at this time, and the Board's own proposed insurance carrier (SET) already having placed the District in the Kent County rate category, it would be inappropriate in assessing the District's financial situation and proposed benefits to use the other geographical bases proposed by the Board.

Second, the use of all school districts in Kent County, as proposed by the Association, also would be inappropriate. The financial situations of school districts vary greatly, but one common denominator used is whether or not a specific district's financial status qualifies it for the State's formula to receive appropriate State aid. Those districts which are in-formula would face more similar financial circumstances, and therefore, would provide a more reasonable comparative base.

Third, there are some public employee groups that are organized and operate under the law and procedures for collective bargaining. These employee groups have chosen to pursue their priorities in that manner and the conditions they face with their employing school districts are more similar in considering employment conditions and benefits than with school districts, which do not have formalized employment relations with their various employee groups. In consideration here, then, the specific employee group's desires to pursue employee benefits under the law must be recognized as a relevant comparative base with school districts that also have organized groups of these same types of employees.

ECONOMIC ISSUES

The parties here have taken opposing positions on the effects of the economic proposals on the financial status of the District. These general positions will be clarified before a specific analysis of each issue is presented.

Association

The Association presented no summary cost data for consideration, choosing instead to present comparable data in various school districts for each of the four groups it represents in the District (custodial/maintenance, secretaries, aides, and food services). The figures that were presented in this manner, however, did not consider the total cost increases required in wage changes that would have to be paid by the Board for such wage related items as retirement and worker's compensation. Additional costs for the increased benefits and benefits levels also must be considered in a total economic package, rather than relying solely on comparability data.

Board

The Board has estimated its fund equity at the end of the 1983-84 school year to be \$177,444. The costs of the Association's proposals, as estimated by the Board, would total approximately \$55,096 in addition to costs for the orthodontic and vision insurance. This would reduce the projected fund equity to a maximum level of \$122,348, which does not provide for increases that might have to be offered to other employee groups. While this Fact Finder has concluded hereinabove that he would not recommend positions that would attempt to place the District into a deficit situation, he also has concluded that the projected deficit of \$79,275 (Bx-28) for the 1983-84 school year is not an accurate assessment of the expenditures and revenues anticipated. Also, while he must consider in a general manner the concerns of the Board about its total personnel situation, this Fact Finder has no authority to consider or offer recommendations as they might impact

other employees. That authority and responsibility must remain with the Board.

Continuation of the Board's final negotiating position, presented to this Fact Finder on economic issues, to maintain a freeze, however, cannot be considered a reasonable position in facilitating a resolution to the existing impasse. First, the figures given were projected on the Association's negotiating position and as such represent the extreme limits of costs. Also, some of the proposals for wage adjustments have been dropped by the Association. Finally, last year's raise of 30 cents per hour was provided against a financial background, which was more unstable with the Governor's Executive Order budget cuts and deferred payments than this year's situation appears to be. Movement in the Board's freeze position on economic issues, therefore, is considered as essential to agreement here. Conversely, while this Fact Finder has recommended hereinabove that any significant move to increase fund equity at this time may be premature, it also is clear that the Association's positions, which extend significantly beyond the total economic status quo, also would be inappropriate at this time. It is in this environment of mutual need that the following recommendations are offered.

Prior to presentation of the individual issues, a dispute existed about the duration of the Agreement, which was to follow the two previous one-year Agreements. The concern about duration was extended because of concern about sick leave accumulation and the impact of the total economic package. Agreement between these parties was reached that (1) a three year contract be the basis of the future employment relationship between these parties; (2) sick leave accumulation be extended by 13 days each year; and (3) the Fact Finder base his recommendations on the agreed three year term of the proposed contract. It is this Fact Finder's recommendation, based on these prior conditions, that these parties enter into an Agreement, which commences on July 1, 1983, and terminates on June 30, 1986, and which provides an accumulation of sick leave to 138 days for 1983-84, to 151 days for 1984-85, and to 164 days for 1985-86.

SALARY SCHEDULE

Positions of the Parties-

The Association's last negotiation position on wages was for fifty cents (50¢) per hour increase in the salary schedule and for twenty-five cents (25¢) per hour night premium for employees, who begin their work assignments after 2:00 p.m., for each year of the proposed Agreement. The Association presented exhibits comparing hourly maximum and minimum wage rates paid in area districts (Ax-101) and a summary of pay increases in Kent County MESPA contracts for 1983-1986 (Ax-102). These exhibits revealed summary data, which alleged that Thornapple Kellogg employees averaged below the county average in wages paid and years required to reach maximum pay. These data also indicated that increases for these same districts ranged from 40-42 cents per hour (1983-84), 42-46 cents per hour (1984-85), and 36-54 cents per hour (1985-86) for all categories of employees represented by MESPA. A premium pay increment for second and third shift employees is paid in other Kent County school districts. The request for such an increment only would affect eight custodians in the District and would bring them to a level consistent within area school districts.

The Board's position before this Fact Finder is for a wage freeze at the 1982-83 level. Testimony and exhibits indicated that most District employees in this bargaining unit were at the top step (Bx-101) and would be receiving increases of eight to nine percent (Bx-102) with the proposed increase. These increases are not consistent with those of other District employees and the consequent costs are inappropriate. This is especially true when the increases would range to 17 percent in many categories when considering experience step levels, and not even considering the night shift differential proposed. The additional night premium is unjustified because the eight custodians to be affected have this shift as a part of their regular assignment duties and already receive a wage differential for those assignments. When all of these factors are considered, however, and the associated costs for increases in retirement and worker's compensation are

added, the total extends beyond \$37,000 annually (Bx-104). The Board must consider its other employee groups and, therefore, cannot consider this wage proposal as reasonable.

Opinion and Recommendation-

The Board's position is clear, but justified solely on the basis of costs with no reference to comparability data. The Association relied exclusively on comparability data with no reference to total costs. As the Association witness testified, it is difficult to compare data in this case because of the many variables. While this Fact Finder agrees with that testimony, he will use the comparability base established for these proceedings of Kent County, "informula," organized school districts. In viewing the data provided in this manner, the following comparison was constructed in table form on the following page.

As the data in that chart reveal there is a variance not only between employee groups, which has been accepted heretofore by these parties, but also between these Thornapple Kellogg employee groups as related to the other comparable districts, depending on which groups are organized in which districts. No one employee group seems to be compared consistently higher or lower in all categories rated, but seem to fluctuate in comparison to others in minimum rates, maximum rates, longevity levels, or years needed to reach maximum. In attempting to devise a recommendation that can be accepted by the parties, however, the total costs must be considered as applied to these averages. Parenthetically, this Fact Finder was informed that tentative agreement had been reached on reclassification issues and nothing was presented, nor is intended here, to interfere with the implementation of that agreement.

WAGE DATA COMPARISONS

Thornapple Kellogg and Kent County "Informula" Organized School Districts

EMPL. GPS.	82-83 ave. Min - Max	OTHER DISTRICTS*		THORNAPPLE KELLOGG 83-84	
		Ave. yrs. to top of schedule	Longevity Pay at 15 yrs.	Increases for 1983-84	82-83 Min - Max Assn. Prop Min - Max
Cust/ Main	\$5.40-7.58 (10) **	5.25 (8)	\$366 (6)	35¢-50¢ (3)	\$4.41-6.42 \$4.91-6.92
Sec	\$4.46-6.50 (8)	7.75 (8)	\$347 (3)	21¢-40¢ (3)	\$4.41-5.62 \$4.91-6.12
Aides	\$4.38-5.42 (8)	6.10 (8)	\$193 (3)	35¢ (1)	\$4.17-5.62 \$4.67-6.12
Food Serv	\$4.04-5.61 (2)	6.50 (2)	---	25¢ (1)	\$4.17-6.17 \$4.67-6.67
AVE	\$4.57-6.28	6.40	\$302	-----	\$4.29-5.96 \$4.79-6.46

*Kent County, "informula," organized school districts (10 or less for each group as indicated in parentheses)= Cedar Springs, Comstock Park, Grand Rapids, Grandville, Lowell, Northview, Rockford, Sparta, Thornapple Kellogg, & Wyoming.

**Includes as top step for Grand Rapids and Wyoming the level at which the top step can be reached as indicated on the schedule.

It is clear that for all groups Thornapple Kellogg is below average in wages of comparable groups and approximately equal to the number of years on average to get to the top step. The longevity pay and wage increases categories are based on so few other districts that conclusions there would be more tenuous. It also is revealed that the wage increase proposal from the Association would place the District above average for the 1982-83 salary schedules for these other districts and from the scant data presented, that proposal would place Thornapple Kellogg at approximately the 1983-84 average for the comparable districts.

Although it was not clear to this Fact Finder where Thornapple Kellogg has ranked in previous years and while this Fact Finder has indicated that the Board should not make an aggressive attempt to reverse its declining fund balance trend this year, he also does not believe that an aggressive move in the comparable rankings by the employees is justified this year. Also, to accept the Board's proposal of a freeze for this year would definitely move these employees significantly lower as compared with the comparable school districts and since the vast majority of these employees are at the top step, as the District's witness testified, would leave them with no pay increase at all. Even so, as the Association argued, any stated percentage increase that might be calculated would be on a smaller base, and therefore, not have as significant an impact on total costs as might be feared in considering that percentage figure alone. Finally, this Fact Finder was not convinced that a night premium for those custodians so assigned should be added to the differential already contained in their respective salary schedules and for which they have different job duties.

In considering the data, testimony, and arguments presented here, it is the recommendation of this Fact Finder that the salary schedule be adjusted for the bargaining unit by an increase of thirty-five cents (35¢) per hour for the 1983-84 year and by forty cents (40¢) per hour for each of the two remaining years in this recommended Agreement. The increase for 1983-84 should be calculated from

the beginning of the contract and paid out equally over the remainder of the school year, based on the individual employee's appropriate experience level step.

MEDICAL INSURANCE

Positions of the Parties-

There were several issues raised by the Association with regard to medical insurance. The Association's proposal reduced the number of hours to qualify for full medical coverage from the current 2080 hours per year to 1080 hours and increased the coverage period from nine and one-half months to a full twelve month period (Ax-105), as compared to other employees in the District and to other area districts. The Association also proposed to move to the MESSA Super Med I plan, as a more comprehensive plan, from the current SET Ultra Med A plan (Ax-103 & 108). Finally, the Association proposed that options be provided for those employees, who did not choose medical insurance, as a way to equalize benefits and encourage those employees to refrain from the more costly medical benefits, which they can obtain elsewhere, unless absolutely necessary.

The Board's position was to keep fringe benefits as they were, except to offer the Ultra Med 500 deductible plan as an alternative. The Board argued that a pro rata system was fair in relation to work performed and allowed part time employees to participate in a group plan and rates, which otherwise would be unavailable to them. Other employees, such as the bus drivers, also are on a pro rata basis, and the teachers, who also are on a nine and one-half month basis, have their time defined by their profession.

Opinion and Recommendation-

The world of insurance is a complex one, especially in this bargaining unit where various duties, hours, and amount of time worked in a school year vary widely. In viewing the ten districts comparable here, there is a variety of carriers and plans, as well as unspecified carriers and plans, all included in contracts, which also vary by the specific group of employees referenced.

The majority of the plans provide 100 percent coverage, while other include a variety of methods to provide less than full premiums for medical insurance. With no discernable trend recognized here and with increased costs for the Association's proposal uncontested at the 36 percent level (Bx-103), this Fact Finder can recommend no specific change in carrier or plan. While the Board has presented an alternative plan, there is question by the Association as to its comparability. If the parties were to agree on comparable plans, they could be offered to qualified employees for their option. If that were to occur, the Board could provide the pro rata portion for qualified employees of the least costly, comparable plan and, if employees were to choose another of the approved plans, they could do so by paying the difference, or an agreed or pro rata portion of the difference between the two premiums. Without prior mutual consent and agreement on comparability of plans, these variations could not be recommended here.

With regard to the qualifications for the medical insurance program, the Association's proposal for employees at half time levels cannot be supported here. In none of the comparable districts are 100 percent of the premiums provided for less than three-quarters time and from data presented at this Hearing, no employees would be affected between full time and three-quarters time. The prorations in the current qualifications by time worked should remain for all hours below 40.

The Thronapple Kellogg School District appears to be one of only two districts among the comparable districts that does not provide full twelve month coverage for its support staff. The Board's explanation that it does so for teachers, because the traditional nine months is defined by that profession does not seem wholly consistent. Teaching is a nine month occupation in elementary and secondary schools, but not in other learning environments. More significantly, teacher aides are connected to the classroom setting here as are teachers and, in fact, all support staff are connected to the school as the place they perform their duties, even though they might perform such work full time in another setting. Finally, the

needs for complete medical insurance coverage go beyond the setting and beyond any dichotomy between professional services and support services and beyond any salary levels. Medical insurance needs occur throughout the year and such coverage is recommended here to be provided by the Board.

Of the ten comparable school districts (Ax-104) three offer no option program in lieu of health insurance and the others offer a variety of alternatives from a cash limit applied to optional programs to offering specific programs and varying coverages. Some of the districts offer a choice among vision, dental, and life insurance options or increases in coverage with existing plans. Clearly, the only pattern established is that up to seventy percent of the comparable districts provide some type of options, but even that varies among the various employee groups represented here.

From the evidence presented here it seems to be justified to conclude that any change in the benefits programs in the District be directed toward strengthening existing programs, rather than initiating additional options at this time. In summary, it is recommended that the existing medical insurance plan should be continued on a 2080 hour basis with a proration for less hours worked, but should be extended to twelve (12) month coverage for all employees. It is recommended, further, that language be added to this Article that medical insurance be provided for all employees, "Upon proper application and notification of change in status in accordance with the carrier's specifications."

DENTAL INSURANCE

Positions of the Parties-

The Association has proposed that the Board provide all eligible employees full family coverage of MESSA Delta Dental Plan A (75/50) or its equivalent (Ax-110), which would be comparable to the teachers' plan (Ax-111). The Board has rejected any dental plan as too costly and has estimated the current cost of the proposed plan at approximately \$5,600 annually for these employees.

Opinion and Recommendation-

From forty to sixty percent of the comparable districts offer some form of dental plan to their varying employee groups (Ax-106). Even at this level of participation, none of the alternatives was provided at the level proposed here by the Association. As stated hereinabove, this Fact Finder does not support the expansion of Board obligations into new compensation areas at this time, while the level of fund equity is in a declining trend. The resources of this District should be used to strengthen current compensation alternatives. It is recommended, therefore, that no new dental insurance program be provided in the proposed Agreement.

LIFE INSURANCEPositions of the Parties-

The Association has proposed that the Board provide for all eligible employees an increase in the life insurance program to \$15,000 with an accidental death and dismemberment rider at the \$15,000 level (Ax-107). Such a proposal would provide more closely the annual salary level of support employees and the AD&D rider would provide additional coverage for these employees, who are the most likely to receive work related injuries in the District. The Board has indicated that life insurance is provided now to all employees, regardless of the proportion of time spent on the job, but that such an increase would cost over \$1,400.

Opinion and Recommendation-

Analysis of the ten comparable districts, again, finds a variety of levels and programs of life insurance. While approximately half of the groups represented are offered life insurance, some of it is offered as an alternative in the option programs. Of just those comparable districts which offer life insurance to their employees, the average insurance level for the various groups is \$9,000 (Ax-107). While this Fact Finder has recommended at this time against initiating new benefits programs that do not also limit future financial liability in the District, this is one current benefit, that the Association has borne the burden of proof, that should be strengthened for these employees. It is recommended, therefore, that the District provide a term life insurance policy for all employees as it is

providing now, but that it be provided at the \$10,000 level with an AD&D rider at the \$10,000 level.

LANGUAGE ISSUES

Association

The Association's positions on the language issues are ones of concern about the continuing practices of the Board. These issues are recurring problems, which are considered by the Association to have been ignored by the Board, even though they are a part of the continuing contracts of comparable school districts. These issues also represent to the Association a discrimination in position toward these employees, when compared to the District's other employee groups. The Association views its proposals in the language areas as attempts to bring equity to these employees and to the security of the members' status in the operations of the District.

Board

The Board's position on the language issues is one of total status quo, the change of which by the Association must be through a clear and substantial share of the burden of proof. The basic premise is that everything is operating well and there are no major concerns expressed by the Association's members. Further, any such changes would interfere with the Board's clear authority to manage the District as representative of the public mandate. Finally, it is the Board's position that these proposed changes would lead to unfair, indefensible, and unnecessary consequences for the District.

In summary of the general positions of both parties, the role for this Fact Finder in the dispute on language issues is to find the combination of factors that would be fair and reasonable in considering the arguments and facts presented. The effects of continuous dispute and previous short term contract were noted by this Fact Finder, as erosive of the employment relationship between these two parties. The Board has indicated that these issues have arisen repeatedly, but that no

significant problems have occurred. While the simple raising of issues cannot carry weight to convince this Fact Finder of a need for complete change, equity and security were considered comprehensively by this Fact Finder for the total situation. In the attempt by this impartial party to provide a base upon which to build a more effective working relationship, the following specific recommendations are offered.

BINDING ARBITRATION

Positions of the Parties-

The Association argued that binding arbitration of grievances provides the equity needed to resolve the differences between the parties over contractual matters in the workplace. Currently, with the Board as a party to a grievance and also as the final level of appeal of grievances, the impartiality needed for equity is missing. Also, binding arbitration is provided in all unionized districts in Kent County (Ax-112). The Board believed, however, that since there have been only two grievances brought to the Board level; since one of those grievances was sustained; since arbitration is a costly process; since the parties are free to use the courts for adjudication of complaints; and since binding arbitration is provided usually as a quid pro quo of a no strike clause, the need for such a process is unjustified.

Opinion and Recommendation-

The positions of the parties are classic negotiations positions on this issue. The burden of proof for this process rested with the Association, as argued correctly by the Board, and it seems to this Fact Finder that the Association has carried that burden here successfully. First, of the unionized groups presented to this Fact Finder, all the districts that are in Kent County and are in-formula districts, other than Thornapple Kellogg, provide binding arbitration (Ax-112). When adding the independently organized districts, other than Thornapple Kellogg, a total of 25 groups are organized and 68 percent of them have binding arbitration. Second, a no strike provision has been provided in the past Agreement (Article X B) without a consequent quid pro quo, as indicated by the Board's

position. Third, the existence of only two grievances, in part, may be due to a lack of faith in a system that does not provide impartiality as a final component. Fourth, the Board's position that any complaints can be taken to court for impartiality is a position that (1) reinforces the distance the current process is from impartiality; (2) increases the potential costs for both parties beyond the costs for arbitration; and (3) contradicts the courts', including the U. S. Supreme Court, own long standing views that internal arbitration processes should govern the contractual terms of an employment relationship. Fifth, the Board's view that it alone should govern the employment relationship in administering a public mandate, is subverted when it provides such a contractual process to its teachers. Finally, the language issues raised by these employees repeatedly, as testified to by the Board's witness, provides some evidence of problems and certainly does not support the Board's position here that long standing employment practices exist without employee concerns. Resolution of these concerns is viewed by this Fact Finder as essential to a healthy relationship in the District for the future.

It is recommended, therefore, that a final step in the grievance process, facilitating final and binding arbitration of grievances, be added to the language of the grievance procedure as contained in the Association's proposal.

SUBCONTRACTING

Positions of the Parties-

The Association has proposed adding language that would prevent the Board from subcontracting unless the skills and equipment needed are not available or cannot be scheduled or if cost efficiency can be realized that does not reduce hours or cause layoff. The major concern of the Association is that the bargaining unit may be eroded by extensive use of part time or temporary workers, and therefore, protection from this erosion is necessary. The Board objects to inclusion of such language as unduly and unnecessarily restrictive of the Board's administrative prerogatives, especially since such erosion has never occurred, nor

has extensive use of nonbargaining unit personnel ever been attempted. Furthermore, as a mandatory subject of bargaining, case law (e.g. Fiberboard) offers protection to employees.

Opinion and Recommendation-

Again, a basic union security item is at impasse with this issue. On the subcontracting issue, it seems to this Fact Finder that the Association has not carried a convincing burden of proof that such language should be included in this Agreement. First, of the twelve unionized groups presented, other than Thronapple Kellogg, 75 percent have language on subcontracting, but when adding the independently organized groups, other than Thronapple Kellogg, only 40 percent have such language (Ax-113). Second, it was uncontested that no administrative act had caused any erosion of the bargaining unit here. Finally, while protection is always a desirable position, rather than being unprotected, given the past practice of the District on this issue, in not subcontracting to the detriment of bargaining unit members, such protection is superfluous at this time and any such requirement would have to be designated an unnecessary and premature red flag in this District. It is recommended, therefore, that no language be added to the proposed Agreement regarding subcontracting.

INCLEMENT WEATHER

Positions of the Parties-

The Association's position is that since the District, as an in-formula district, does not lose funds on school days cancelled for inclement weather, that the support staff ought to have the same flexibility as other employees in maintaining their rate of pay, whether or not they report to work. The Association members, therefore, should not suffer a loss of pay and if they do report, they should receive compensatory time for those hours worked. The Board's position is that there are days when it is unsafe for anyone to be on the road and past practice compensates all employees. On some days, however, conditions may permit individuals to report for work, but it may be inappropriate for school

bus travel. In such cases, employees have been given the option to report to work and receive pay or to not appear and lose pay without prejudice. Exceptions to this practice are bus drivers and teachers, whose interaction with students is the basis for their work.

Opinion and Recommendation-

This particular issue is more complex than it might appear at first observation. First, there may be some employees who need to report to work during, and maybe especially because of, inclement weather. These employees may be ones who have to monitor or maintain any continuous systems, such as heating, especially important in inclement weather. Nothing in this opinion should be interpreted as interfering with the requirement that such essential personnel report to work.

A second complexity is the variety of duties involved with various personnel both in this bargaining unit and outside of it. A dichotomy has been drawn by the Board between teachers and bus drivers as one group and all other employees as a second group, based on the amount of their daily contact with students. While it seems clear that teachers have the most contact with students and while it could be argued that teacher aides would have more contact with students than aides, the primary function of all employees is to serve students in various capacities. Whenever students are not in school, all employees lose the ability to function in their primary roles. This dichotomy in practice by the Board may be understood to a degree, since other secondary functions can be performed, but several contradictions occur in that practice. For example, if custodians can move to maintenance duties, other than the routine duties, and food services personnel can attend to cleaning and maintaining kitchen equipment on such days, why are bus drivers also not required to report and attend to such secondary duties related to their functions, especially when they receive pay? While teachers may plan activities and evaluate student performance at home because their primary interface with students is gone on such days, why are aides required to report, when their primary duty also is working directly

with students and which actually may occupy a greater portion of their total duties, than those of teachers with their varied responsibilities?

The third complexity in this dispute is the matter of payment, when some are required to report and others are not required to do so. Whenever some employees are excused, but receive pay, e. g. teachers and bus drivers, and others are required to work or lose pay, there should be no surprise that a question of equity would result, which is the actual issue here.

Finally, a complexity of this issue for this Fact Finder is the matter of his own authority to resolve this matter for a unit with differing levels of interaction with students. The issue in dispute here involves a disparity with other employees, over whom this Fact Finder has no authority. Because of the disparity in the rationale for this Board practice rests solely with the Board in its relationship with other employees and since the Board's decisions, that the secondary duties of the support staff unit are necessary to be performed during inclement weather, is within its authority, there is little that this Fact Finder believes he can recommend contractually to relieve the inequity perceived by the support staff. Also, given the practice of other comparable districts (Ax-114) and the variety of duties performed by those groups, that pattern is little different than in the Thornapple Kellogg practice with this bargaining unit.

It is the finding here that the inequity perceived in this issue does not exist with comparable groups of support staff, as has been the basis of the Association's position on all other issues in dispute, but remains as an inconsistency in the rationale for the practice, which is internal to the District and of which the District should take note. Considering all of the factors presented the contractual solution offered by the Association to allow individuals to be paid during such inclement weather, when they could report to work, would be in this Fact Finder's opinion a less defensible situation than what is being practiced currently with this

bargaining unit and with other similar units in the area; therefore, it is recommended that no such language on inclement weather be included in the proposed Agreement.

SENIORITY

Positions of the Parties-

The positions of these parties on the basis for determining seniority has been in such dispute that a side letter, detailing these differences, was included in the expired Agreement. The Association has proposed that seniority levels should be determined solely by service in that bargaining unit. Members may be bumped in difficult economic times by individuals who have not performed bargaining unit duties recently. The Board wishes to maintain current seniority determination in the present language as total service to the District, in order to be able to attract individuals to leadership positions without their fear of losing access to such bargaining unit positions in difficult times.

Opinion and Recommendation-

What is at issue here, again, is the security or potential lack of it by bargaining unit members. A significant difference here, however, is the additional perception of security or potential lack of it for those who have left the bargaining unit to serve the District in other ways. To suggest that the security of one individual is more important than another's or that one form of service to the District is more significant than another is unnecessarily divisive. Certainly, both parties deserve serious consideration at face value.

The Association fears losing its positions to those who build service credit outside of the bargaining unit and displace loyal employees who have served the District well in their bargaining unit capacities. In support of its position, the Association has presented the practices of other Kent County districts (Ax-115). Among the twelve unionized groups, other than Thornapple Kellogg, 75 percent use experience in classification only for seniority determination and the remaining 25 percent are not applicable to the issue. Of the 25 total organized districts only

one of the applicable groups, other than Thornapple Kellogg, use both district-wide and classification experience to determine seniority.

In making a determination on this issue this Fact Finder has recognized and considered the labor relations concepts of bumping and promotions, as well as the fact that the current bargaining unit has been formed for just the past five years. The Board's position that any promotion should not separate individuals from their primary base of employment is a time-honored practice in employment relations, usually accomplished through a bumping process. The current language (Article XIII) appears to allow anyone to bump into the bargaining unit, based solely on any kind of employment experience in the District, which must be considered as an unfair intervention into this bargaining unit that should not be permitted. As a practical matter, the Board provided uncontested testimony that no such situation has occurred. Also, as a practical matter, it would be rare that any employees who moved out of bargaining unit positions could not have moved far from the position in the bargaining unit or for a long period within the District and still be in a position to bump directly to the bargaining unit.

In meeting both parties' needs for seniority, accommodation of some level of experience in positions now included in the District's bargaining unit, as well as with District-wide positions, would allow for promotions, but exclude persons without such bargaining unit experience in the District from claiming bargaining unit positions, based solely on District-wide experience. It is recommended here that only Article XIII A be revised and that it should read, "Seniority shall be defined as the time spent employed by the District, including a minimum of four years experience in District positions now included in this bargaining unit."

CONCLUDING STATEMENT

The Opinions and Recommendations included in this Report were based on consideration of all evidence, testimony, and argument presented, even if all such

references were not included here. The Recommendations were intended in their entirety to provide a basis for the final resolution of this contractual dispute. The economic Recommendations were based on an assessment of in-formula and organized districts in Kent County, as well as on the Board's current fund equity situation as a base for future progress. The noneconomic issues were basically ones of security, which can never be resolved with absolute assurances in a contract; therefore, a fully impartial adjudication system was recommended in the hope that these recurring issues finally may be resolved by the parties as they occur, in less convulsive ways than with recurring contractual impasse situations or with "take it to court" attitudes, procedures, costs, and consequences.

While the conduct of the parties during these proceedings was competent and facilitative, it was made clear to this Fact Finder that a more adversarial posture existed "back home," than is facilitative of the full cooperation necessary to keep operations at an optimal level. Simple evidence of such a concern presented to this Fact Finder is the recent pattern of contracts and negotiations between these parties and the recent authorization of a job action. While most of the reasons behind these postures were not a part of the formal proceedings here, certainly a significant part of the atmosphere is in reaction to the recent difficult economic times in Michigan, which is affecting many school districts in similar ways. No matter the reasons, nor any sentiments to the contrary by either party, however, responsibility for the current postures and atmosphere between these parties is mutual. Resolution of such continuing situations and disagreements now must be accomplished, in this Fact Finder's opinion and concern for these parties, so that any long term, incalculable, and serious consequences can be avoided for all who are concerned about the future of the Thornapple Kellogg Schools.

The Recommendations contained hereinabove are offered as a package to assist these parties to resolve their contractual differences now. Without a mutual effort to reach agreement, the individual Recommendations can be attacked singly, as a

basis for continuing not only such contractual issues and disputes, but also the daily operational complaints from both sides for which each must accept mutual responsibility. It is with hope for a contrary result that this Fact Finder has offered this Report, as the catalyst to end the current impasse situation for these parties.

Respectfully submitted,

A handwritten signature in cursive script, reading "David T. Borland". The signature is written in dark ink and is positioned above a horizontal line.

David T. Borland
Fact Finder & Agent
Haslett, Michigan
November 21, 1983

CERTIFICATION

I, DAVID T. BORLAND, having been appointed by the Michigan Employment Relations Commission as its Fact Finder and Agent, pursuant to Section 25 of Act 176 of Public Acts of 1939, as amended, and the Commission's Regulations, having sworn to my impartiality, and having weighed and considered all of the testimony, evidence, and argument presented, and in view of the preceding opinion and discussion, have recommended to the Board of Education of the Thornapple Kellogg School District and to the Thornapple Kellogg Non-Instructional Association/MESPA provisions concerning salary schedule, medical insurance, dental insurance, life insurance, inclement weather, seniority, binding arbitration, and subcontracting, as contained hereinabove.



David T. Borland
Fact Finder & Agent

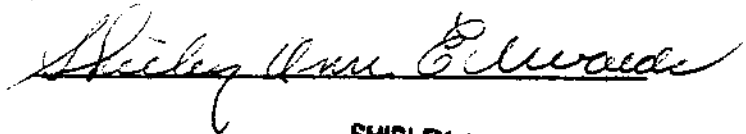
Dated this 21st day of November, 1983

Haslett, Michigan

STATE OF MICHIGAN

COUNTY OF INGHAM

On this 21st day of November, 1983, before me personally came and appeared DAVID T. BORLAND to me known and known to me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed the same.



SHIRLEY ANN EDWARDS
Notary Public, Ingham Co., MI
My Comm. Expires May 3, 1986