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MICHIGAN EMPLOYMENT RELATIONS COMMISSION

TRAVERSE CITY LIGHT AND POWER

-and-

MERC Case No. G92 K-0087

UTILITY WORKERS OF AMERICA,  
LOCAL NO. 295

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FACT FINDING REPORT AND RECOMMENDATION

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STATE OF MICHIGAN  
BUREAU OF EMPLOYMENT RELATIONS  
DETROIT OFFICE

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*Traverse City Light and Power*

APPEARANCES

For the Employer:

Ronald Sondee  
Sondee, Rancine & Doren  
Attorneys at Law

For the Union:

Thomas J. Wojtala  
National Representative,  
UWUA

*Mark J. Gayer*

A conference was held at the City offices on December 12, 1992. Previously, the parties had submitted exhibits and comparable communities for analysis. Discussions held at the conference have resulted in the following report and recommendation.

### REPORT

A careful review and consideration of the issues leads ultimately to the conclusion that only wages and pension in the three years of the contract are pertinent, in addition to potential changes in the short-term sick leave provision of the contract and a two-tiered wage plan for ranges 1-4. All other issues are either resolved (e.g. drug policy) or are deemed to be rejected for purposes of establishing a recommendation.

### I

#### RETIREMENT UPGRADE

The Union seeks a retirement improvement to facilitate the early retirement of several of its senior members. It asks for the B-4 plan; the Employer counters with an offer wherein the B-4 plan would be at the employee's expense.

A retirement incentive is in the best interest of both the Employer and the Union; however, an employee-funded program would not be feasible because of the expense.

The B-3 program represents an approximate 4 percent cost. Traditionally, this expense is absorbed in lieu of a pay increase; 4 percent in the first year comports with the overall proposed settlement in this matter.

Consequently, the B-3 plan should be recommended for the first year of a three year contract. Moreover, this retirement proposal should include two employees who have already retired in the first year of the contract.

The Union's retirement proposal was predicated on including all employees who retired during the first year of the contract: the timing of the signing of the contract should not affect those retiring under the plan. Additionally, the Union's goal of bargaining for retirement benefits will not be met if members are excluded from enjoying that benefit.

There is another, more practical reason for including the two previously retired employees. In Woodhaven Schools (Glazer, unpublished), a retiree grieved because she was not included in a retirement plan executed within the first contract year, but after she retired. The situation posed by Woodhaven could lead to either a grievance or a DFR issue that is best avoided by including the two individuals who have already retired.

## II

### TWO-TIERED WAGE PROPOSAL

The Board requests a two-tiered wage plan for ranges 1-4. The Union rejects this proposal, and suggests that at most, a plan with a ramp-up feature is appropriate.

A two-tiered plan with a ramp-up as proposed by the Union is the most suitable approach insofar as the Employer receives some potential wage relief for new hires; these new hires, however, are

able to eventually achieve wage parity. The proposal with the ramp-up feature represents a breakthrough for the Employer; any additional gains should await collective bargaining in the future. Moreover, this should be seen as an award in favor of the Employer, which must be taken into consideration when the short-term leave provision is analyzed.

### III

#### SHORT-TERM LEAVE

The Board recommends a revision in the short-term leave provision of the collective bargaining agreement. It is concerned about employees who are not receiving short-term disability benefits, and who later petition the Board for consideration. The Board further maintains that all other bargaining units, with the exception of the fire unit, have its proposed plan.

The Union feels that modification of the existing contract language is unnecessary and deleterious.

This issue is extremely important to both the Employer and the Union. Insofar as I have granted an improvement to the Employer regarding the two-tiered wage, and I intend to penalize the Union in terms of its wage demands in the second and third years, the Employer's proposal should be rejected.

Most importantly, the Union strongly distrusts the Employer's proposed plan. It would be counterproductive to effective labor-management relations to institute the short-term sick leave plan at this time. As a result, the Employer's proposed short-term sick leave plan should be rejected.

IV

WAGES IN THE SECOND AND THIRD YEARS

The Employer offers 3 percent for both the second and third years of the contract. The Union offers 4.5 percent.

Insofar as I have recommended in favor of the Union in regard to the short-term sick leave proposal, the Employer's wage proposals are entitled to greater weight. A 3.5 percent increase for each of the second and third years of the contract is consistent with a result to be expected in collective bargaining.

RECOMMENDATION

I

First Year: Retirement upgrade to B-3 — upgrade to apply to two employees who retired during the first year of the contract.

II

Second Year: 3.5% increase in wages.

Third Year: 3.5% increase in wages.

III

Two-tiered Wage Plan with Ramp-up as proposed.

IV

Current contract on short-term leave. Proposed short-term leave modification is inappropriate at this time.



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Mark J. Glazer, Fact Finder

Dated: December 16, 1992