

FF 1/27/89
Shirley T. Schweimer

MERC FACT FINDING CASE NO. G 88 F 553

WEXFORD COUNTY AIRPORT

and

UNITED STEELWORKERS OF AMERICA
UNION LOCAL 14317

Wexford County Airport

LABOR AND INDUSTRIAL
RELATIONS COLLECTION
Michigan State University

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STANLEY H. LEVINSON
FACULTY OF LAW
MICHIGAN STATE UNIVERSITY

Pursuant to a Petition for Fact Finding under Section 25, of Act 176 of Public Acts of 1939, as amended and MERC Rules and Regulations, a hearing in this matter was held on January 11, 1989, at the offices of the Wexford County Airport.

United Steelworkers of America Union Local 14317 (Union) was represented by Mr. James Hughes.

The Wexford County Airport Authority (Employer) was represented by Mr. Jud Batesman.

Also present at the hearing were

Mr. Cliff Adamsk, Untied Steelworkers.

Mr. Kenneth Van Hulst, Airport Maintenance.

Mr. Ray Richards, Airport Maintenance.

Mr. Jerry Faloon, Wexford County Airport Authority.

Mr. John Coon, Manager, Wexford County Airport.

ISSUES

Should the language of Article 3,D. Eligibility.
"Any employee that either works or is paid for (40) hours during the calendar month must pay union dues or fees as described above." be changed?

The Union claims the language should remain as it appears in the contract. The language is the language negotiated and agreed to by the parties in their first contract.

The Employer claims the language should read "...works or is paid for (40) hours during the calendar week..." The Employer contends it did not intend for the contract to apply to employees working less than 40 hours per week and mistakenly agreed to the language as it appeared in the contract.

Should the increase of the hourly rate in the first year of 6% agreed to by the parties be paid retroactively to the date of the expiration of the contract?

The union argues the increase should be retroactive. The employees should not suffer financially because the parties have not signed a contract.

The Employer argues the increase is not due until the parties sign a contract.

The parties have agreed the duration of the contract shall be for three (3) years. The increase in the hourly rate for the first year has been agreed at 6%. The Employer has offered 4% for the second and 4% for the third year. The Union is asking 6% for the second and 6% for the third year.

The Union position is as follows

The 6% increase in the second and third years would mean that at the end of the third year the employee would be earning \$7.22 per hour. Based on 2080 hours per year the employee would on an annual basis make \$13,053.60 the first year, \$14,164.80 the second year, \$15,117.60 the third year. After three years the employee with a 6% increase each year would be making \$1.16 more. Under the 4% offered by the Employer at the end of three years the employees would be making 89¢ more. The difference between the 4% offered and the 6% asked after three years would be 27¢ per hour.

It is argued by the Union that the employer has given the Airport Manager a 10% increase in pay for the year and if the Employer has the financial ability to increase his salary 10% in one year, it has the financial ability to grant 6% increases in the second and third year.

The Employer argues there is tremendous uncertainty concerning the fiscal status of the airport. Funds for the operating budget come basically from three sources. Appropriations from the City and the County and the sale of jet fuel.

The Employer states that recently a company which has been a major buyer of jet fuel has been sold, as a result of the sale the new owners will no longer be buying jet fuel but will only be paying a "flow charge" for the pumping of jet fuel. The Employer does not yet know how this will effect revenues and the projected budget for the present year.

The appropriations by the City and the County are annual appropriations and there is not certainty as to the amount or that they will continue to appropriate an amount sufficient to the shortfall in the budget.

DISCUSSION AND RECOMMENDATIONS

ARTICLE 3, D.Eligibility. "Any employee that either works or is paid for forty (40) hours during the calendar month must pay union dues or fees as described above."

There should be no change in the above language.

It is highly unlikely there was any misunderstanding between the parties as to the use of the word month rather than the word week.

RETROACTIVITY of the 6% first year pay increase.

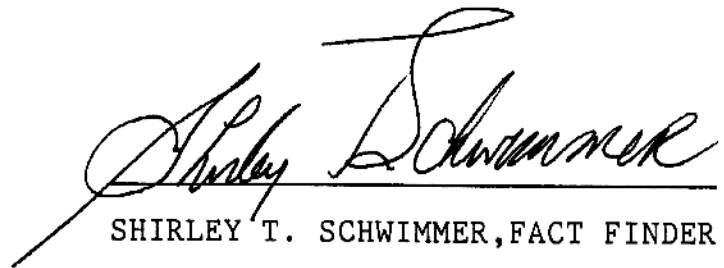
The first year increase of 6% should be retroactive to the expiration date of the last contract.

Payment of the retroactivity does not necessarily have to take place upon the signing of the new contract. The parties might agree to have half the retroactivity paid in the first pay period after signing of the new contract. The other half might be spread out over the rest of the year.

The employees ought not to lose the full value of their 6% increase for the first year because of other issues the parties have not been able to agree upon.

WAGES

I have considered all of the evidence presented and the arguments of both parties. After careful consideration of all of the circumstances, and evaluation of the budgets presented in evidence, I recommend the granting of the Union request for a 6% increase in the second and third year of the three year contract.


SHIRLEY T. SCHWIMMER, FACT FINDER

