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CITY OF YPSILANTI

-AND-

AFSCME, LOCAL 623

Case No. D78 - D1085

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*Ypsilanti, Michigan*  
**FILED**

Jerome P. Cavanagh  
Fact Finder

6-15-79

American Federation of State County and Municipal Employees (A.F.S.C.M.E.), Council 25, Local 623 represents the City of Ypsilanti's full time hourly paid labor and service, non-supervisory, employees in the Department of Public Works, Streets, Parks, Forestry, Traffic and Motor Pool Divisions.

This union effective March 21, 1978, represented twenty-seven (27) positions. Of those 27 positions six (6) are funded through the Comprehensive and Employment Training Act (C.E.T.A.)

The last contract between A.F.S.C.M.E. and the City of Ypsilanti expired March 31, 1978, but was extended through mutual agreement through August 9, 1978. Since August 9, 1978 there has been no contract.

This matter was heard before your Fact Finder on January 30, 1979. The three principal issues presented to the Fact Finder, all of which are related, are as follows:

1. Wages - The union and management have each presented different figures for an across-the-board wage increase for both the first and second year of the proposed two-year contract.

2. The union proposes to retain the present longevity plan, whereas the City proposes to eliminate the longevity plan.

3. Certain employees within the unit have been paid above the proposed wage rate for their classification. The City desires to redline them in order to bring their eventual wage in line with their classification. Whereas, the union proposes that these employees have their wage increases added to their wage rate.

Both representatives of management and the bargaining unit made effective, comprehensive and thorough presentations of their respective positions.

The union submitted an Arbitration Opinion of a Mr. Leon J. Herman in behalf of the American Arbitration Association involving the City of Ann Arbor and A.F.S.C.M.E., case

number 54-39-0567-74. Your Fact Finder found this Opinion to be most helpful in reaching his eventual recommendations. The union also submitted information which indicated that pay boosts had been approved by the City of Ypsilanti for some non-union city employees which amounted to approximately an 8.18% increase. The union also submitted evidence which was uncontradicted in which it was pointed out that the longevity pay plan in existence had been operative for the past twenty (20) years and that 4/5 of the bargaining unit presently receive longevity pay under this plan. The City, in turn, presented uncontradicted evidence that 1/3 of their total budget presently comes from the State and Federal governments and, therefore, at least a portion of this is always highly questionable revenue. The probable projection for the City of Ypsilanti is that by 1980 the budget will drop by three (3%) percent. Further evidence was submitted that the tax base of the City of Ypsilanti comparable to most cities of its kind, is not growing at a rate consistent with the increase in mandated expenses. However, your Fact Finder was interested in the evidence submitted which indicated the normal budget of the City has a reserve fund which could be called a contingency fund of approximately seven (7%) to ten (10%) percent. However, in the present budget that reserve fund is down to four (4%) percent of the total budget.

Evidence was also introduced that several years ago the City Council and the City Manager expressed much concern over the number of methods available to an employee to receive an adjustment to their salary, with little or no accountability to productivity or effectiveness of services. This has become even more of a concern as the City's financial resources have continued to drop. Therefore, the commitment to refining pay

adjustments to a more accountable and controllable situation is reaffirmed.

In the past government admittedly paid low salaries. In an effort to reward employees that stayed with the particular units of government longevity systems were devised as a way to recognize the long-term employee. While the salaries were low the employees could look forward to longevity payments. Today, however, there are an increasing number of municipal salaries that are comparable with the private enterprise sector's wages. The City of Ypsilanti claims it cannot continue with both increased salaries and the longevity systems that initially started as an "in-lieu" system to the private sectors higher wages. Starting in the year 1975 the City began to modify the longevity system going from a step increment situation of a five, ten, and fifteen year step as part of the hourly rate of pay to a bonus type system, where the bonuses were paid separate and not added to base pay. During the negotiations it has been always expressed by the City that its ultimate goal was to eliminate the system completely. Your Fact Finder has found most compelling the fact that four other unions and three non-union groups have over the last three years agreed to the elimination of the longevity system.

In 1975 the City contracted with an independent non-profit firm from Chicago, Illinois called Public Administration Services to perform a job review on all City positions, and recommend appropriate job titles, descriptions and pay rates. This study and recommendations were the basis from which the City negotiated its collective bargaining agreements in 1975.

At that time, in the Department of Public Works, the majority of employees were found to have been paid more than other cities and the surrounding labor market (both public and private)

were paying for similar jobs to be performed. The City then negotiated a decrease in the salary schedules, but maintained the employees in those rates over the scale in a red circled position, which meant they would suffer no loss in pay, but that they would receive portions of any raises in a separate check so that eventually their rate of pay would be back on the salary scale for their classification. Therefore, the City's position in negotiations has been that the April 1, 1978 and 1979 proposed across-the-board increases along with the two mid-year adjustment utilizing the same system of a portion of this raise being paid in a separate check not added to the base pay of those employees in red circled positions would have then once again been on scale in their classifications by March 31, 1978. In an effort to settle the contract at the August 9, 1978 meeting with the State Mediator the City proposed a modification of this system and that the employees receive the entire April, 1979 adjustment added to their base rate. Under this proposal two employees still remain over the maximum of their classification's scale in March, 1980.

Your Fact Finder further must comment upon the obvious good faith of both the City and the union in their success in negotiating non-economic changes in the present contract. Prior to the Fact Finding Hearing the City and the union had met approximately nine times in lengthy negotiating sessions.

The Fact Finder, therefore, recommends:

1. That a wage adjustment of thirty (\$.30) cents per hour across-the-board for all bargaining unit employees should be paid for the first year of the contract with retroactivity to March 31, 1978. The Fact Finder further recommends that a thirty-five (\$.35) cents per hour across-the-board wage increase for all bargaining unit employees be paid for the second year of the contract.

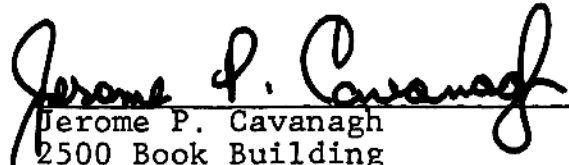
2. Based upon the facts as aduced and stated in the foregoing language the Fact Finder recommends that the present longevity system and/or plan be eliminiated and that a buy-out system of twenty (\$.20) cents per hour for the first year of the contract be added to the salary scale. Employees over the maximum receive the twenty (\$.20) cents added and Five Hundred Twenty (\$520) Dollar lump sum check. The Fact Finder further recommends that in the second year of March, 1979 through February, 1980 everyone in the unit is to receive an across-the-board wage increase of thirty-five (\$.35) cents per hour with the mid-year adjustment to remain at fifteen (\$.15) cents and those over the maximum its recommended that they receive a separate check. The mid-year adjustments will be effecitve January, 1979 and January, 1980 utilizing the procedure as set forth in the existing contract language. Your Fact Finder further recommends that the longevity bonus buy-out shall amount to a Four Hundred (\$400) Dollars check for those receiving bonuses prior to July, 1978 which would represent a final adjustment.

The Fact Finder further recommends the adoption of the wage schedule based upon an analysis of employees paid over maximum rate on wage schedules and City's proposed solution which is entitled Exhibit 12 and made a part of this Finding be adopted.

3. The Fact Finder finds that those employees that have received longevity bonuses after March 31, 1978 shall retain those bonuses and further that even though it will take a longer period for all classifications to be on an equal wage schedule over a period of time with the longevity buy-out, this shall be achieved. However, it shall not be achieved as quickly as the City proposed.

Your Fact Finder wishes to apologize for the inordinate amount of time taken for the Fact Finding Opinion to be rendered. However, in his judgment the recommendations are both fair and equitable to the City and the bargaining unit.

Respectfully submitted,

  
Jerome P. Cavanagh  
2500 Book Building  
Detroit, Michigan 48226  
962-7020

Dated: June 15, 1979

## CITY OF YPSILANTI

AFSCME LOCAL 623

## ANALYSIS OF EMPLOYEES PAID OVER MAXIMUM RATE

EXHIBIT XII

ON WAGE SCHEDULE AND

CITY'S PROPOSED SOLUTION

NAME	CLASSIFICATION	MARCH 31, 1978	MAX ON SCALE	AMT. OVER.	AMOUNT OVER		
					UNDER CITY	PROPOSED	ADJUSTMENT
					4/1/78	1/1/79	4/1/79 1/1/80
Anderson, Nobel	Storekeeper	6.91	6.17	.74	.49	.34	.34 .19
Harris, Robert	Veh. Ser. Attend.	6.51	5.48	1.03	.78	.63	.63 .48
Ingram, Frederick	Sr. Equip. Oper.	6.68	6.57	.11	On Schedule	- - - -	- - - -
Kline, Harry	Laborer <i>Retired</i>	6.76	6.05	.71	.46	Retired	- - - -
Linke, Janes	Veh. Mechanic	7.24	6.84	.40	.15	On Schedule	- - - -
Stinedurf, Donald	Pks. Mtce. Worker	7.24	6.70	.54	.29	.14	.14 On Schedule