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STATE OF MICHIGAN
DEPARTMENT OF INDUSTRY AND CONSUMER AFFAIRS
EMPLOYMENT RELATIONS COMMISSION

TEAMSTERS STATE, COUNTY & MUNICIPAL
WORKERS LOCAL #214,

UNION,

CASE No. #L99 K-5013

-&-

FACT FINDER: MICHAEL P. LONG, ESQ.

CHARLEVOIX COUNTY ROAD COMMISSION,

EMPLOYER.

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5/17/01*

FINDINGS OF FACT -&- RECOMMENDATION

On or about August 9, 2000, TEAMSTERS LOCAL #214 filed a Petition for Fact Finding in the matter of the CHARLEVOIX COUNTY ROAD COMMISSION.

The Michigan Employment Relations Commission appointed the undersigned as Fact Finder on November 20, 2000. Pursuant to a Pre-hearing Conference held on February 23, 2001, fact-finding proceedings were convened at the offices of the Charlevoix County Road Commission on April 30, 2001.

During the fact-finding hearing, the Union was represented by Mr. Joseph Valenti, President of Local #214. The Employer was represented by Michael R. Kluck, Labor Counsel. As agreed during the Pre-hearing Conference, the parties' representatives exchanged their respective exhibits on April 30, 2001. These exhibits were contained in two (2) separate 3-ring binders. In addition, the Union provided the Fact Finder with collective bargaining agreements for the following road commissions: Emmet County, Otsego County, Roscommon County, Lake County, Kalkaska County, Missaukee County, Antrim County, Cheboygan County, and Ogemaw County. A 2000 Salary, Wage and Benefit Report prepared by the County Road Association of Michigan and the 1999-2000 Annual Report of the Michigan Transportation Fund (MTF) were also received into evidence.

The spokespersons for the parties approached the comparability issue differently. The Union argued alternative theories of comparability - geographic proximity or MTF comparability. The Employer presented data with respect to both of these theories of comparability.

At the outset of the hearing, nine (9) issues were identified by the Union. Those issues were described as follows:

1. Improve / upgrade pension benefit.
2. Rates of Pay for all classifications.
3. Removal of Stockroom Clerk from bargaining unit (Employer proposal).
4. Employer-funded dental insurance.
5. Tool allowance / Mechanic.
6. Employer to furnish required apparel (shoes).
7. Retiree health insurance funded by the Employer.
8. Cash-out of sick bank at retirement.
9. Establish longevity recognition.

Mr. Valenti informed the Fact Finder that the Union was withdrawing its proposal concerning longevity and, accordingly, Issue #9 was withdrawn. There was no objection raised by the Employer and that issue was removed from consideration.

The Fact Finder had the Union present its arguments and evidence on an issue-by-issue basis with the Employer responding with its arguments and evidence at the conclusion of the Union's presentation on each issue.

While the Fact Finder found the data each party presented on comparability helpful, his recommendations do not turn solely on the acceptance of one theory over the other. Based upon the Fact Finder's analysis of the record evidence, including the bargaining history and arguments presented, the following recommendation is made.

The parties should incorporate the tentative agreements and old contract language as contained in the Mediator's Recommendation for Settlement found under exhibit tab #20 of the Employer's exhibits, and modify that document consistent with the Fact Finder's recommendations herein.

ISSUE #1 PENSION ARTICLE 56

The Union desired to have the pension plan upgraded from MERS B-2 (2.0 multiplier) to MERS B-3 (2.25 multiplier). The cost of such a change would be paid by the Employer, but the Union would, if a generous wage increase were granted, not find it objectionable to have the 2% to 4% projected cost for such a change carved from the economic settlement.

The Employer opposed a change to the pension plan and noted that the Employer had, in 1998, granted a B-3 window which resulted in eight (8) employees retiring and a consequential change in pension funding from over-funded to under-funded. The Employer argued that the Employer's evidence on the increased cost for

providing health insurance (approximately 41% over the 1998 rates) warranted the Fact Finder's denial of the Union's request.

The Fact Finder was advised that the Employer desired an additional year to the contract. Based upon all of the evidence the Fact Finder recommends that there be a fourth (4th) year to the contract (1 year and 4 months have already elapsed since the December 31, 1999, contract expiration). On the last day of the last year of this 4-year contract, December 31, 2003, the Employer will adopt the B-3 MERS pension plan funded by the Employer. The Fact Finder also recommends that there be no wage increase during this fourth year which will permit the Employer the opportunity to catch its economic breath and is consistent with the Union's willingness to convert wages to purchase the pension benefit.

ISSUE #2
HOURLY RATES
APPENDIX "A"

The "after 18 months" hourly rates at contract expiration for the following classifications were:

Mechanic:	\$13.12
Heavy Equipment Operator:.....	\$12.82
Truck Driver:	\$12.65

The Union desired the following:

	1-1-2000	1-1-2001	1-1-2002
MECHANIC	68¢ / hour increase	3% across the board	3% across the board
HEAVY EQUIPMENT OPERATOR	65¢ / hour increase	3% across the board	3% across the board
TRUCK DRIVER	63¢ / hour increase	3% across the board	3% across the board

The Union also requested full retroactivity back to 1-1-2000 on all hours worked.

The Employer proposed adoption of the Mediator's Settlement provided the Fact Finder did not materially alter the "*economic package*" and provided the Fact Finder included a fourth year of the contract at a reasonable rate. The Employer argued against full retroactivity.

The Fact Finder, for the reasons stated in the pension issue discussion, recommends a 4-year contract. The wage rates would be modified as follows:

2000	<u>EFFECTIVE THE FIRST FULL PAYROLL PERIOD AFTER 1-1-2000</u> 50¢ across the board for all classifications, except the Mechanic rate will be fixed at 50¢ per hour over the Heavy Equipment Operator rate for the life of the contract.
2001	<u>EFFECTIVE THE FIRST FULL PAYROLL PERIOD AFTER 1-1-2001</u> A 2% across the board increase will be granted, however, an additional 10¢ per hour will be added to the " <i>After 18 Months</i> " pay grade for affected classifications.
2002	<u>EFFECTIVE THE FIRST FULL PAYROLL PERIOD AFTER 1-1-2002</u> A 3% across the board increase will be granted.
2003	No wage increase during this contract year. See pension recommendation.
<p><u>RETROACTIVITY:</u> Each party presented persuasive arguments on this topic. The Employer's argument that it has had to assume the equivalent of a 99¢ per hour increase in its cost of providing family medical coverage to bargaining unit employees militates against full retroactivity. The Fact Finder recommends and the evidence supports that retroactivity be granted commencing the first full payroll period after 1-1-2000 on straight time hours worked or compensated only. Thus, an employee who utilizes paid days off for sickness, vacation, etc., will receive retroactivity for such time, but no retroactivity will be granted on overtime hours worked including double-time hours worked.</p>	

ISSUE #3

STOCK CLERK

RECOGNITION - ARTICLE 1 and APPENDIX "A"

The Employer has proposed the removal of the Stock Clerk position from the bargaining unit. Mr. Kluck noted that this position no longer shares a community of interest with the bargaining unit. This position acts as purchasing agent for the Road Commission, routinely accesses highly-sensitive economic data, interacts regularly with the Manager and Clerk to the Board. The Union presented little evidence to counter this position, but accurately noted the Fact Finder had no "*authority*" or "*jurisdiction*" to order the elimination of the Stock Clerk position. The Employer's advocate agreed with this legal analysis, but also correctly noted that this was a permissible topic for bargaining. The earlier tentative agreement signed by the parties on March 28, 2000, (Employer's Exhibit #17) reflects the parties' willingness to reach an agreement wherein the Stock Clerk position is removed from the bargaining unit. This history in bargaining and the presentation made support a recommendation that the Stock Clerk position be eliminated from the bargaining unit.

ISSUE #4

DENTAL INSURANCE

The expired contract contained no dental insurance coverage. The Union proposed the adoption of a dental plan, which included a ceiling on the Employer's cost to pay for such a plan. The Union advised the Fact Finder that its membership will pay for any premium costs above the proposed Thirty-Five Dollars (\$35.00) per month cap. The Employer in its earlier settlements with the Union addressed this very significant Union proposal. The evidence and bargaining history support a recommendation that effective as soon as reasonably possible after the parties sign a new contract a dental plan will be adopted for active employees and their dependents. The Employer will contribute up to Thirty-Five Dollars (\$35.00) per month toward the cost of coverage for an employee and/or eligible dependents. Any premium costs in excess of Thirty-Five

Dollars (\$35.00) per month will be paid by participating employees through periodic payroll deduction.

ISSUE #5

TOOL ALLOWANCE / MECHANICS

ARTICLE #44

The expired contract provides an annual tool allowance of Two Hundred Fifty Dollars (\$250.00). The evidence reflects that mechanics provide their own tools and this allowance helps to supplement annual purchases of new tools. The Employer has a present policy of replacing tools that are damaged while performing work on Road Commission vehicles.

The parties' earlier settlements included an improvement in this area. The Employer posed no objection during fact finding to the improvement and the Union noted it would be satisfied with a recommendation from the Fact Finder consistent with the Employer's earlier offer. On the basis of the evidence and positions of the parties, the Fact Finder recommends that Article 44, Tool Allowance, be modified to reflect a tool allowance for Mechanics as follows:

1-1-2000:	\$375.00
1-1-2001 and thereafter:	\$450.00

The language of the Mediator's Settlement, Employer's Exhibit #20, should be adopted by the parties.

ISSUE #6

REQUIRED APPAREL / SHOES

During the course of the hearing, the Fact Finder was advised that the issue primarily centered around the Employer requiring new hires to purchase and wear OSHA / MIOSHA-approved footwear, however, did not require certain more-senior employees to likewise purchase and wear safety shoes. The Employer expressed some willingness to assist employees with their purchase of appropriate safety shoes /

boots, but also noted that this willingness would need to be conditioned upon the requirement that all employees wear safety shoes / boots while performing work for the Road Commission.

The Fact Finder endorses concepts of foot safety. He recognizes that employees should come to work dressed appropriately for the tasks at hand and that employers are not legally obligated to pay for all necessary safety gear. This is a cost item. Based upon the Fact Finder's recommendations on wages, pension and dental coverage, it is recommended that effective 1-1-2002 all employees will be given a Sixty Dollar (\$60.00) reimbursement from the Employer to assist with the purchase of safety shoes or boots. This payment will be made only once every two (2) years and only after an employee presents proof of purchase of approved footwear to the Employer. All employees as a condition of employment will be required, after 1-1-2002, to wear safety shoes or boots. Those who were required to purchase and wear safety shoes or boots prior to 1-1-2002 shall continue to abide by this standard as set by the Employer.

ISSUE #7

RETIREE HEALTH INSURANCE

This is a difficult issue. The Union persuasively argues the need to establish some health insurance benefit for its future retirees. The Employer argues persuasively that there is no mandate to add a new tier of cost to its fringe benefit package in the comparable data. The Employer correctly notes that it has had to assume the increased costs for providing health insurance for its active work force and there is just so much of the proverbial "*economic pie*" to go around. The retirees currently can, as the Fact Finder discovered, participate in the group rates by paying the premium costs. This provides some measure of benefit since securing non-group rates would undoubtedly be more costly for retirees.

The economic demands on the Employer are significant. Based upon the Fact Finder's earlier recommendations, his reading of the record evidence and consideration of the arguments presented, he does not recommend adoption of any Employer-paid retiree health insurance benefit during the life of this new contract.

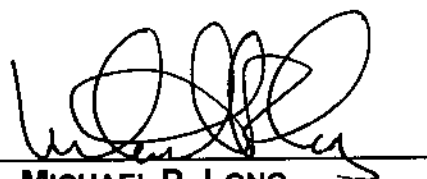
ISSUE #8

CASH-OUT SICK LEAVE AT RETIREMENT

The expired contract contains no provision to provide for a cash pay-out of unused sick leave at retirement. The Union argues for 50% pay-out of sick leave benefits at retirement and/or separation after ten (10) years of service. The Union argues other county road commissions enjoy this or a similar benefit. The Employer countered that sick leave benefits are an *"insurance benefit"* and not a cash benefit. The history of bargaining, which is contained in the expired contract, reflects that this benefit has undergone substantial change. While evidence exists that other county road commissions provide some form of pay-out, the Fact Finder does not recommend any change in this contract provision, as dollars need to be preserved to pay for benefits and wages otherwise recommended in this report.

The Fact Finder wants to thank those who participated in these proceedings. The exhibits and presentations were helpful and professionally done.

Dated: May 15, 2001



MICHAEL P. LONG
MERC Fact Finder