

STATE OF MICHIGAN
DEPARTMENT OF LABOR

EMPLOYMENT RELATIONS COMMISSION

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In the Matter of the Fact Finding between

LOCAL 214, STATE, COUNTY AND MUNICIPAL
WORKERS, INTERNATIONAL BROTHERHOOD OF
TEAMSTERS, CHAUFFEURS, WAREHOUSEMEN AND
HELPERS OF AMERICA

STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
MEDIATION DIVISION
DETROIT OFFICE

-and-

Case No. D71 C-794
RELATIONS LIBRARY

CITY OF MONROE
MONROE, MICHIGAN

REPORT OF FACT FINDER

Pursuant to application for fact finding dated November 7, 1971, filed by the Union, the undersigned was appointed Fact Finding Hearings Officer by letter of the Employment Relations Commission dated December 23, 1971.

Upon notice duly given, hearings were held pursuant to Section 25, Act 176, Public Acts of 1939, as amended, and the regulations of the Commission.

Only those issues which remained unresolved between the parties were submitted to fact finding; none of the areas in which agreement previously had been reached were considered. Parenthetically, certain of the issues initially set forth by the Union were

alan Walt

resolved by the parties between the first and second hearings.

BACKGROUND

There are approximately 80 employees in the bargaining unit, employed in the public works area. Excluded from the unit are police, fire, office clerical, and supervisory employees.

The previous collective bargaining agreement was a 3 year contract - the first negotiated between these parties. It expired on the last day of June, 1971, and by agreement, all existing conditions of employment under that contract have been continued with the exception that employees were granted a 16 cent an hour across-the-board increase, effective July 1, 1971.

It should also be noted that earlier in the negotiations, it appeared that contractual agreement had been achieved. The City agreed to the following 3 year contract offer, which Union negotiators then submitted to the membership:

First year

Wages - 16 cents, effective July 1, 1971
16 cents additional, effective
January 1, 1972

Sick Leave - continued in present form.

Holidays - December 24, with full pay to
be added

Standby Time - 8 hours pay

Personal Leave Days - 2 with pay, to be
transferred from accumulated
sick leave or vacation.

Second year

Wages - 12 cents, effective July 1, 1972
12 cents additional, effective
January 1, 1973

Vacation - 4 weeks after 16 years

Holidays - December 31 with full pay, to
be added

Work Schedule - 7 days; 1½ for Sunday

Third year

Wages - 25 cents, effective July 1, 1973

Holiday - Good Friday with full pay, to
be added

Insurance - Major medical to be added to
present plan

The City calculated the total cost - wage and other benefits - for each year of the contract as follows: First year - 26.2 cents, or 8%; Second year - 26.7 cents, or 5.8%; Third year - 28.4 cents or 6.1%.

The membership of the Union met on October 16, 1971, and agreed to the economic portion of the City's offer; certain other areas - primarily non-economic but many having financial impact, remained unresolved. Thereafter, negotiations continued and, on November 29, 1971, the City's final offer was rejected by a vote of 21-22.

The City's position during the hearings was, essentially, to resubmit the tentative agreements previously reached on each

unresolved issue, while the Union submitted increased demands which it believed its membership would accept.

WAGES

The wage schedule in effect from July 1, 1970, to June 30, 1971 was:

<u>Grade</u>	<u>Classification</u>	<u>Duties</u>	<u>Wages</u>
1	Labor	Unskilled hand work, pick, shovel, garbage	\$3.28
	Mech. App. "A"	In Training	
	Elec. App. "A"	In Training	
2	Equip. Op. "A"	Drive pickup and light trucks and small tractors, mower	3.40
	Elec. App. "B"		
	Park Maint. Man	In Training	
3	Equip. Op. "B"	Drive equipment over 10,000# GVW; garbage trucks, small tractor with attachments	3.72
	Water Meter Reader		
	Elec. Helper "C"	In Training	
	Mech. Helper "B"	Lubricate, minor repairs maintenance	
4	Equip. Op. "C"	Operate sweeper, front end loader, underbody, large snow plow, sewer Rodder	3.80

	Semi-skilled	Painter, cement finisher, tile and block layer, bondactor nozzle operator	
	Tree Trimmer		
	Electrical Repairman		
	Water Serviceman		
	Water Meter Repairman		
	Mechanic B		
5	Equip. Op. "D"	Operate grader, bull- dozer, backhoe, belt loader	3.92
	Mechanic "C"	Perform major or tech- nical repairs without supervision	
	Skilled	Carpenter, welder, plumber, electrician	
	Sew. Pl. Op. "A"	Prim, Sew. Treatment Plant	
6	Job Leader	Working supvr., charge of job and crew where supervision is necessary	4.00
	Filter Plant Op.		
	Sew. Plt. Op. "B"	Secondary Sewage Treat- ment Plant	
7	Water Plant Maint. Mechanic		4.12
8	Mechanic "D"	To supervise and main- tain all equipment, to instruct and assist me- chanic in training, and	4.28

to perform mechanical
maintenance and repairs,
to inspect and approve
all mechanical repairs
before they leave the
shop

Effective as of July 1, 1971, an across-the-board wage increase of 16 cents an hour was granted, and the City has also offered an additional 16 cents across-the-board increment, effective January 1, 1972, for an effective annual rate increment of 24 cents an hour.

It is the City's contention that its wage offer for the 1971-72 year is both substantial and competitive with surrounding communities - although it acknowledges that the Monroe County Road Commission wage structure is significantly higher because of the greater revenues available to that municipal body. When the 1970 wage rates of other communities in District 2 [as defined by the Michigan Municipal League] are reviewed, it is immediately apparent that the wage rates in the city - also a District 2 municipality - were competitive during the same period.

	1970 AVERAGE WAGES OF DISTRICT 2 CITIES REPORTING	1970 CITY OF MONROE RATES	CITY OF MONROE 7-1-71 (.16 ADD)	CITY OF MONROE OFFER 1-1-71 (.16 ADD)	MONROE COUNTY RD COMM RATES
GRADE # 1 LABORER	\$3.26	\$3.28	\$3.44	\$3.60	\$4.07
GRADE # 3 TRUCK DRIVER	\$3.39	\$3.72	\$3.88	\$4.04	\$4.17
MECHANIC HELPER B	\$3.52	\$3.72	\$3.88	\$4.04	\$4.40

GRADE # 4					
WATER METER REPAIR	\$3.35	\$3.80	\$3.96	\$4.12	
LIGHT EQUIP. OPR.	\$3.57	\$3.80	\$3.96	\$4.12	\$4.22
GRADE # 5					
WASTE PLANT OPR.	\$3.92	\$3.92	\$4.08	\$4.24	
HEAVY EQUIP. OPR.	\$3.67	\$3.92	\$4.08	\$4.24	\$4.39
PAINTER	\$3.53	\$3.92	\$4.08	\$4.24	\$4.25
GRADE # 6					
WATER PLANT OPR.	\$4.03	\$4.00	\$4.16	\$4.32	
GRADE # 8					
AUTOMOTIVE MECH.	\$3.92	\$4.28	\$4.44	\$4.60	\$4.82

In an informal survey of the private sector, the City was able to obtain certain wage information which it contends is valid for comparative purposes. In the Monroe Public School System, Custodians, Maintenance Helpers, and Bus Drivers receive \$3.24, \$3.44, and \$3.68 an hour, respectively. A Ford Motor Company Stock Handler earns \$4.12 an hour while an Inline Machine Operator (the lowest production rate) earns \$4.22 an hour. Under the Union Camp Company wage structure, Laborers earn \$2.94 an hour, Maintenance Mechanics \$3.43 an hour, the "Inter-Plant" classification \$3.52 an hour, and a Waste Water Helper \$3.58 an hour, while at Consolidated Paper the following rates prevail: Laborer - \$2.91; Power-Lift Operators - \$3.71; Truck Driver - \$5.52; Apprentice Mechanic - \$5.30; and Journeyman Mechanic - \$5.70.

While the City is not "pleading poverty", it does point out that the adopted budget projected \$250,000 in revenues from a newly constructed Detroit Edison plant in the community. However, Edison has

refused to pay this figure and litigation is presently pending thereon. This factor has had a most dramatic impact upon municipal finances.

The Union contends that the Michigan Municipal League data taken from Information Bulletin No. 109, revised for 1971, contains information for the 1970-71 contract year, is not current, and is therefore misleading. Furthermore, the Union claims that it is unrealistic to compare the wage structure of City employees only with other District 2 rates since Monroe is in reality a part of the greater Detroit metropolitan area and prevailing rates in Wayne, Oakland and Macomb counties - as well as the Monroe County Road Commission - should also be utilized for comparative purposes.

The Union argues that the 1970-71 wage structure for its members was substantially below average based on a survey of other communities in the greater Detroit metropolitan area. Adopting the assumption that the 1971-72 wage increment for these communities averaged 6%, the Union demands the following "catch-up" wage structure:

Grade 1	- \$4.14
Grade 2	- \$4.36
Grade 3	- \$4.57, except for Equipment Operator B (heavy truck) - \$4.36
Grade 4	- \$4.55
Grade 5	- \$4.83, except for Equipment Operator D (heavy equipment) - \$4.87
Grade 6	- \$ 9,953
Grade 7	- \$11,592
Grade 8	- \$5.19

FINDINGS OF FACT

In reviewing the record made by the parties on the wage issue, the City's ability to grant fair and equitable increments is not seriously in question. This is not to say that the City should be required to hand a blank check to the Union for whatever wages the latter seeks but rather, that the parties must look to other communities of comparable size, population and geographic location in order to assure that the members of this bargaining unit are fairly treated. I do agree with the Union's argument that wage comparisons from District 1, that is, the greater Detroit metropolitan area including Wayne, Macomb and Oakland counties, cannot be excluded from consideration. Without question, many of the same economic factors impacting on District 1 communities will have a similar effect on this City while other District 2 communities may not be so subject. While the Monroe County Road Commission may indeed have greater taxing authority for public works than the City, the economic impact affecting all communities in the greater Detroit metropolitan area including Monroe County is, I am confident, the most compelling reason why that public body's wage structure is more in line with wages paid in Wayne, Oakland and Macomb counties than those prevailing in many District 2 communities.

Although the total cost of increased wages and other benefits initially agreed to by the City amounts to 8%, the percentage of wage increment varies in different pay grades. Based on an effec-

tive increase of 24 cents an hour during the first year of the contract, a Laborer (pay grade 1) earning \$3.28 in 1970-71 would receive a percentage increase of approximately 7.3%, an Equipment Operator B (pay grade 3) would receive an increase of approximately 6.5%, a Mechanic C (pay grade 5) would receive a percentage increase of approximately 6.1%, and a Water Plant Maintenance Mechanic (pay grade 7) would receive approximately 5.8%. Quite obviously, an across-the-board increment of a stated monetary sum, rather than a percentage, results in a greater percentage increase for employees earning at or near the bottom of the wage structure than will be received by those in higher paying classifications. For this reason, I will recommend against a specific figure but in favor of an across-the-board percentage increment.

RECOMMENDATIONS

In reviewing the comparative data offered by both City and Union, it is patent that the members of this bargaining unit should receive increments on the basis of a "catch-up" philosophy. They presently earn substantially less than rates prevailing for similar work in the Monroe area, as established by the Monroe County Road Commission wage structure. I therefore recommend that the members of this bargaining unit receive a 7.7% across-the-board wage increment for the entire year, over and above the wages paid during the 1970-71 contract year. While this will still result in lower than average

wages being paid at some grades, it will, nonetheless, go a long way in eliminating the unfavorable financial position the members of this unit presently occupy. Application of the recommended increment in the first year of the contract will result in the following hourly wages:

Grade 1	-	\$3.53
Grade 2	-	\$3.66
Grade 3	-	\$4.01
Grade 4	-	\$4.09
Grade 5	-	\$4.22
Grade 6	-	\$4.31
Grade 7	-	\$4.44
Grade 8	-	\$4.61

SECOND AND THIRD YEAR WAGE STRUCTURE

RECOMMENDATIONS

The same financial data found above is, of course, applicable to a projection of the wage structures for the second and third years of the contract. It is most difficult to accurately judge the economic climate over a 3 year period but the parties have previously done so and I see no reason why they should not consider doing so again. It is my recommendation that the wages offered in the second year of the contract be increased 7% over the 1971-72 structure, with the entire increment to become effective July 1, 1972.

For the 1973-74 contract year, I recommend an across-the-board wage increase of 6%.

In the event that all other provisions of a 3 year contract

are arrived at except wage structures in the second and third years, I do not believe the parties should withhold effectuating the contract any longer than is absolutely necessary. Under those circumstances - and only those circumstances - I would be inclined to recommend a wage reopener for the second and third years of the contract. I hasten to add, however, that it is my strong recommendation that specific wage structures be adopted at this time for each year of the collective bargaining agreement.

DURATION OF CONTRACT

In the preceding discussion, I have touched upon this question. Both parties desire a 3 year contract, although the Union argues that if it does not achieve economic "catch-up" in the first [or no later than the second] year of the contract, it desires to withdraw its second and third year demands and negotiate a single year collective bargaining agreement. The City's response is that the entire package offered contemplates a 3 year working relationship between the parties, the absence of which would compel it to reduce the offer to a 5.5% package for a single year.

RECOMMENDATION

That the parties enter into a 3 year collective bargaining agreement, resolving at this time all economic and non-economic issues for the full term of the agreement.

CONVERSION OF ECONOMIC BENEFITS BY UNION

In its second and third year demands, the Union seeks the right to convert such monies as negotiated by the parties to whatever benefit plans it, the Union, wishes to buy, and that the City be required to deduct therefor. In expanding on this concept, the Union contends that as an affiliate of a large international labor organization, it is able to obtain supplemental retirement and insurance benefits in amounts much greater and at premiums far less than available to either the City as a group or to individual employees. It does not seek to supplant retirement or insurance programs in which the City presently participates on behalf of its employees but only that the membership of this bargaining unit, by majority vote, be authorized to request that specific portions of the total economic package be utilized to purchase Union-sponsored insurance or retirement plans.

The Union offers the following example: if it is determined that the total cost of all wage and economic benefits is 30 cents an hour, the City would first apply such monies therefrom as required to pay for existing insurance, pensions, etc., in which it participates on a group basis. As to the balance of the monies, the Union, by majority vote, should be able to direct that a certain portion thereof be converted to the purchase of Teamster supplemental retirement, full family eye and dental care, or other available programs or benefits. The balance of the negotiated monies would then

be received as a wage increase.

As outlined herein, the City previously had not been presented with this proposal, or at least did not understand it as such. It takes the position that it should not and will not abrogate its management function to determine the distribution of economic benefits as negotiated between the parties. At the hearing, however, the City representative indicated his desire to look further into the program.

RECOMMENDATION

It is my recommendation that the concept here advanced by the Union be adopted with sufficient safeguards to insure that the converted monies will be placed into proper employee benefits, that the fact that bargaining unit employees receive less in wages as a result will not be considered in future negotiations, and that the City will not be responsible for any premium increases in the Union-sponsored program during the contract term.

Specifically, there is no reason why the membership of the Union should not be permitted to authorize the City to purchase, with monies previously negotiated, certain desired benefits available through Union-sponsored programs. This does not result in the City abrogating any of its duties, functions or responsibilities in regard to the negotiated monies but rather recognizes the purchasing power of the International Union to obtain greater benefits for the members

of this bargaining unit than are otherwise available.

This conversion feature should be adopted in the second and third years of the contract.

VACATIONS

Under the prior contract members of the bargaining unit received the following vacations with pay:

1 Year	- 1 Week
2 Years	- 2 Weeks
10 Years	- 3 Weeks
20 Years	- 4 Weeks

The Union seeks an increase in vacation benefits, in the second year of the contract:

1 Year	- 2 Weeks
8 Years	- 3 Weeks
15 Years	- 4 Weeks

The Union submits that this proposed scale is in keeping with the vacation benefits available to other public employees and particularly cites the Monroe County Road Commission which authorizes 12 days of vacation after 1 year, and 17 days after 10 years.

The City has offered 4 weeks of paid vacation after 16 years but in other respects, adheres to the vacation provisions of the prior contract. It argues that each additional week of vacation costs the City approximately \$12,000 (based on a \$4.00 an hour wage), and that the Union's demand has a significant cost impact.

FINDINGS AND RECOMMENDATIONS

In reviewing the Michigan Municipal League data submitted - even though it is not current - I find that members of this bargaining unit do not enjoy comparable vacation benefits to employees in other municipalities of comparable size and geographic location including the Monroe County Road Commission. I would recommend the parties increase the vacation benefit over that accorded under the prior contract as follows:

1 Year	- 1 Week
2 Years	- 2 Weeks
6 Years	- 12 Days
10 Years	- 3 Weeks
16 Years	- 4 Weeks

While this recommendation will, of course, have cost consequences it gives some greater recognition of employee service, via vacation benefits, in the period between 2 and 10 years.

HOLIDAYS

Under the prior collective bargaining agreement, bargaining unit employees received $10\frac{1}{2}$ paid holidays. The City has agreed to an additional $\frac{1}{2}$ day on December 31 in the second year of the contract - which is agreeable to the Union. The latter demands, however, that Columbus Day also be recognized as a paid holiday, increasing this benefit to 12 days a year. The City has estimated a cost consequence of 2.8 cents an hour for expansion of the holiday benefit.

FINDINGS AND RECOMMENDATIONS

By the addition of $\frac{1}{2}$ day on December 31 in the second year of the contract, the members of this bargaining unit will enjoy 11 paid holidays commencing with the second year of the collective bargaining agreement. In light of anticipated wage increments as recommended, I do not believe there should be any further extension in this area. Parenthetically, it is noted that there has been agreement to the addition of $\frac{1}{2}$ day, Good Friday, in the third year of the agreement.

LONGEVITY PAY

The Union is seeking an increase in the longevity benefits available to bargaining unit members in the third year of the contract, as follows:

6 Mos. to 5 Years	- \$75.00
6 Years to 10 Years	- \$100.00
11 Years to 15 Years	- \$150.00
16 Years to 20 Years	- \$250.00
21 Years and over	- \$300.00 per year

The City does not necessarily object to this demand but states that it had offered a change in insurance benefits instead, and is willing to withdraw that offer and substitute increased longevity to the extent that the latter benefit has no greater cost impact than the 2 cent an hour major medical plan offered.

FINDINGS AND RECOMMENDATIONS

Because there is no basic disagreement on enriching the longevity provisions of the contract in its third year, I recommend that monies anticipated for the increased insurance be utilized instead in the longevity program.

CLASSIFICATIONS OF ELECTRICIANS

In the prior collective bargaining agreement, electricians - including helpers, repairmen, and skilled or journeymen - were classified as follows:

<u>GRADE</u>	<u>CLASSIFICATION</u>	<u>DUTIES</u>	<u>WAGE (1970-71)</u>
1	Electrical Apprentice A	In Training	\$3.28
2	Electrical Apprentice B		3.40
3	Electrical Helper C	In Training	3.72
4	Electrical Repairman		3.80
5	Skilled	Electrician	3.92

The Union makes a number of arguments against the system of classification as presently applied to electricians. In the first place, it contends there is no reason to establish the separate positions of Electrical Apprentice A, B, and Electrical Helper C. There is no apprenticeship program in the City and there is essentially no difference in the duties performed by any individual in these classifications. The purpose of these classifications, the Union argues, is to permit the payment of low wages to beginning electricians. It

is readily apparent that an Electrical Apprentice A, who is learning one of the most complex of skilled trades, should not be classified in the same pay grade as a laborer whose duties are listed as "Unskilled handwork, pick, shovel, garbage". Surely, any worker entering into the electrical field should be started at pay grade 3, which presently reflects the duties of the Electrical Helper C as "In Training". With this adjustment, all other categories of electrical workers should be accordingly reclassified.

It is the City's contention that apprentices in the skilled trades normally start at a wage rate lower than laborers receive. Accordingly, it does not believe there should be any reclassification in this field.

FINDINGS AND RECOMMENDATIONS

While it is somewhat difficult to make detailed recommendations on the various classifications in the electrical field without having more information than was presented by the parties at the hearings, it is apparent to me that a bargaining unit employee entering the electrical field should be paid at a somewhat higher rate than pay grade 1. Unquestionably, within a very short period of time, such employee will be required to possess knowledge and skills much greater than required of laborers. This is not to say that he then is qualified to do general repair work (pay grade 4) but surely the classification system should permit a higher initial wage, and a

greater recognition of skills thereafter.

The record establishes that there are 2 employees in the electrical classification at the present time. One is a journeyman, is presently on salary, and is not shown on the pay scale. The other is classified as an Electrical Repairman in pay grade 4.

RECOMMENDATION

It is my belief that this issue should be returned to the parties for further negotiation with the firm recommendation that the total number of classifications for the electricians be reduced and that the pay grades for the new classifications be upgraded in the first year of the contract. The initial cost involved will not be too great since there is only 1 employee in any of the electrical classifications presently receiving hourly rates. If the Electrical Repairman, now receiving \$3.96 an hour, is reclassified to pay grade 6, under the proposed wage increment for the first year of the contract he would receive 35 cents an hour over the 1970-71 rates, for a total annual cost of \$728.00.

PERSONAL LEAVE DAYS

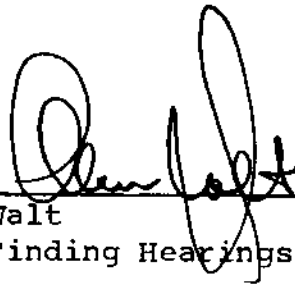
The Union requests that all members of the bargaining unit be provided 2 paid personal leave days per year, non-cumulative, effective in the first year of the new collective bargaining agreement. It has no objection to employees being required to schedule

such time off with their immediate supervisors.

The City is opposed to the grant of 2 additional days for personal leave. It initially proposed that bargaining unit members be allowed to convert 2 days from accumulated sick leave or vacation time to be used for personal business. It is the City's belief that this demand will have a cost impact of over \$5,000.

RECOMMENDATION

While I cannot disagree with the Union's contention that it is now fairly common for municipal employees to receive additional leave days for personal or business needs, I must recommend against this feature at this time in light of the wage structure recommendations previously set forth.

A handwritten signature in dark ink, appearing to read 'Alan Walt', is written over a horizontal line. The signature is stylized with large loops and a long horizontal stroke at the end.

Alan Walt
Fact Finding Hearings Officer

DATED: February 2, 1972.