

2083

STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
FACT FINDING

COUNTY OF NEWAYGO

and

MERC Case No. L00-J-7005

TEAMSTERS LOCAL 214

Report

Thomas L. Gravelle, Fact Finder

November 12, 2002

FINDINGS, RECOMMENDATIONS AND REASONS

The fact finding hearing of this matter was held on August 19, 2002 in White Cloud, Michigan.

Present for the Union were:

Kimberly David
Jan Parrish
Shelly Perigo
A. E. Carmien, Business Rep.

Present for the County were:

Tom Clark
Laurie M. Gracik
Kurt Humphrey
John R. McGlinchey, Attorney

The parties filed post-hearing briefs, which I have reviewed together with the entire record.

STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
FACT FINDING
2002 NOV 15 PM 10:52
DETROIT OFFICE

FACT FINDING LAW AND RULES

Section 25 of the Labor Mediation Act (LMA) of 1939, 1939 PA 176, as amended, provides for fact finding as follows:

When in the course of mediation ..., it shall become apparent to the commission that matters in disagreement between the parties might be more readily settled if the facts involved in the disagreement were determined and publicly known, the commission may make written findings with respect to the matters in disagreement. The findings shall not be binding upon the parties but shall be made public.

Rule 137 of the Administrative Rules of the Employment Relations Commission, R 423.137, explains the contents of the fact finder report as follows:

Rule 137. (1) After the close of the hearing, the fact finder shall prepare a fact finding report which shall contain:

(a) The names of the parties.

(b) A statement of findings of fact and conclusions upon all material issues presented at the hearing.

(c) Recommendations with respect to the issues in dispute.

(d) Reasons and basis for the findings, conclusions and recommendations. However, the parties may waive the requirements of this subdivision and the fact finder may then issue a report containing only items set forth in subdivisions (a), (b) and (c) of this subrule.

(e) The date the report issued.

(f) The signature of the fact finder.

(2) The fact finder shall file the fact finding report and 6 copies with the commission in accordance with commission requirements and at the same time serve a copy on each of the parties.

MERC has explained that "factfinding is an integral part of the bargaining process." County of Wayne, 1985 MERC Lab Op 244; 1984 MERC Lab Op 1142; aff'd 152 Mich App 87 (1986). The fact finder's report reinstates the bargaining obligation and should be given serious consideration. City of Dearborn, 1972 MERC Lab Op 749.

ISSUES

The parties have agreed to all terms of new agreement except for the following disputed issues submitted to fact finding:

1. Wages
2. Longevity Pay
3. Seniority List
4. Duration of renewal agreement
5. Health insurance
6. Holidays

At the hearing, the parties stipulated that the duration of the new agreement (Issue 4) will be three calendar years, effective January 1, 2001.

In making their presentations, the parties have cited the following Counties for purposes of comparison: Barry, Clare, Clinton, Gratiot, Mason, Mecosta, Montcalm, Oceana and Wexford.

1. WAGES

The Union proposes that wages be increased 3 1/2% a year for all employees for a three year period, beginning January 1, 2001. In addition, the Union has proposed that a three-year wage step increase be added with compensation 5% above the existing two-year (and final) wage step increase.

The Employer proposes a 3% annual wage increase, and opposes the Union's proposed three-year wage step increase.

The Employer also proposes that the pay increases not be retroactive because of the higher medical costs it has continued to incur under the current medical program by reason of the Union's unwillingness to agree to its proposal to change the current medical program.

A. Findings of Fact

The Employer's non-union employees and deputies have received 3% wage increases for the 2001 and 2002; its dispatchers have received wage increases of 6.5% for 2001 and 2002 (having given up longevity pay); and its corrections officers have received wage increases of 4% for 2001 and 2002 (based on the wages of

comparable Counties). Wage increases for command officers are pending in an Act 312 arbitration.

With 3% annual wage increases, annual wages will continue to compare favorably with the wages paid in comparable Counties.

B. Recommendation

I recommend the following wage increases: 3% for calendar years 2001 and 2002, and 3 1/2% for the 2003 calendar year.

I also recommend the wage increases be paid retroactively.

This recommendation can be implemented by amending Schedule A and Article XXIV, Sections 1 and 2 to read as follows:

ARTICLE XXIV **WAGES**

Section 1. The wage scale set forth in Schedule "A" shall be effective from January 1, 2001, through December 31, 2003.

Section 2. The Classification and Compensation Schedule as herein set forth in Schedule "A" shall be effective from January 1, 2001, through December 31, 2003. Payment of retroactive compensation shall be made to the employee as soon as practical for those employees still employed upon the date of ratification.

I also recommend that a three-year wage step with compensation increased by 5% not be added to the parties' new agreement.

C. Reasons

My reasons for my recommendation follow: Because inflation has been low in recent years, a 3% annual wage increase is fair. In addition, these increases (along with overall compensation) will keep the bargaining unit members well paid in comparison with their counterparts in the comparable Counties.

One area where inflation has not been low is the cost of medical coverage. In the past decade, the cost has been increasing at an alarming rate.

The Employer has proposed to change medical payments (discussed below) to reduce its accelerating costs. Its savings will involve an increased liability for medical costs for the bargaining unit members who elect coverage.

The 3 1/2% wage increase for calendar year 2003 (rather than the 3% increase proposed by the Employer) will provide employees with a partial cushion for their increased medical costs (assuming that the Employer's medical proposal is adopted), and will keep them in the tier of higher paid employees in comparable Counties. Further, by reducing the County's liability for medical coverage, the employees' overall compensation would be reduced by a corresponding reduction in County medical payments.

The reason I do not recommend a 5% wage increase in a new, three-year step 3 is that if this increase were adopted the wages of most employees would be raised 14 ½ % over three years (or 14% under the Employer's 3% annual raise proposal). This is way beyond

the rate of inflation and would heavily burden the Employer's financial resources.

2. LONGEVITY PAY

The Union proposes to delete contractual language which limits longevity pay to employees hired prior to October 10, 1996.

The Employer proposes to retain the existing language.

A. Findings of Fact

Prior to 1996, all bargaining unit members were covered by a longevity pay provision providing a maximum for very senior employees of \$800.00 per year.

In contract negotiations in 1996, the parties agreed to delete longevity pay for employees hired after October 10, 1996 in exchange for all bargaining unit members being covered by a new disability program.

The Union's argument for removing the deletion is that in the 1996 negotiations it understood the Employer to say that non-union employees hired after October 10, 1996 also would be ineligible for longevity pay. Further, because the Union's members and the non-union employees often work side by side, the deletion for new bargaining members has been an irritant to them.

B. Recommendation

I recommend that the current contractual language be retained.

C. Reasons

My reasons for this recommendation are as follows: In the absence of a compelling reason, the stability of collective bargaining is promoted where a negotiated compromise is honored in near future negotiations.

Here, the Union's argument is that part of its understanding in agreeing to the compromise was that the same trade-off would apply to non-union employees. However, while the non-union employees are receiving the disability coverage, longevity pay for all non-union employees has remained.

I understand why new, ineligible bargaining unit members might be upset by this disparity. However, as the Employer explains, if the Union had insisted that the limitation on longevity pay be contingent on the same limitation being applied to non-union employees, the Union could have proposed a "me too" clause. The Union did not do so, despite its knowledge that a "me too" clause was a possibility. For example, in Article XX, Section 2 of the parties' agreement, the parties agreed to include a "me too" clause for a hospitalization option payment "in the event this amount is increased for non-union employees through December 31, 1998."

3. SENIORITY LIST

The Union proposes that the Employer be required to give it a bargaining unit seniority list at least once every six months.

The Employer proposes that the status quo be retained.

A. Findings of Fact

Article XXIII, Section 9 of the parties' agreement states:

The Board of Commissioners or its designated representative shall establish and maintain a history record for each employee in the County service; this record shall include the employee's name, address, date of employment, classification, salary rate and such other employment information as it deems necessary.

The Union has had some difficulty in obtaining seniority lists of its bargaining unit members.

B. Recommendation

I recommend that a new Section 10 be added to Article XXIII stating:

At the request of the Union, the Board of Commissioners or its designated representative will provide to the Union once every six months a seniority list of the Union's bargaining unit.

C. Reasons

My reasons for this recommendation are that there are occasions where the Union needs a current seniority list to discharge its responsibilities as bargaining unit representative.

In addition, under Section 9 of Article XXIII, the Employer already compiles this information. Therefore, providing it to the Union would not appear to impose a hardship on the Employer.

4. DURATION OF RENEWAL AGREEMENT

At the fact-finding hearing, the parties stipulated that the new contract be for three years, effective January 1, 2001.

5. HEALTH INSURANCE

The Employer proposes that the medical coverages contained in Article XVIII of the parties' agreement be replaced with the employee option of medical Plan A or Plan B.

The Union proposes that the status quo be maintained.

A. Findings of Fact

The County's general fund balance is about 9 million dollars. Its projected expenditures for medical costs for 2002 is about 1.5 million dollars. This represents a heavy burden on the general fund. For full family coverage of health, dental and optical for 2002, the County's payment is projected to be \$11,037.96 per covered bargaining unit member. This figure represents a 25% increase over the past two years. The County's yearly payments have more than doubled over the past 10 years.

The Employer's Plan A and B options (summarized in Employer Exhibits K and L) are already in effect for its corrections officers, dispatchers and non-union employees, including department heads, elected officials and the County administrator. This includes the proposed 10/20 co-pay for prescription drugs. The Employer's proposal is pending for Command Officers in an Act 312 arbitration.

Among the comparable Counties, the Employer has incurred the highest medical payments.

Employees who opt out of medical coverage receive an annual payment of \$1,800.00.

B. Recommendation

I recommend that the Employer's proposal be adopted.

C. Reasons

My reasons for this recommendation are that medical coverage has sky-rocketed in recent years. For this reason, many employers in the private sector have reduced or eliminated medical insurance or required higher employee contributions. The public sector also has had to face this same problem. With many public employers, all employees from top to bottom have been called on to shoulder some of the burden.

Given the high cost of medical coverage and the fact that other groups of the Employer's employees are now covered by the

Plan A or Plan B option, I think the Employer's proposal is appropriate.

Further, I have sought to soften the increased employee expense by recommending an additional 1/2% raise for calendar year 2003.

6. HOLIDAYS

The Union proposes that the day before Christmas be a paid holiday even if it falls on a weekend, by deleting contract language requiring that the day before Christmas is a holiday only if it falls on a weekday.

The Employer proposes that the present language be retained.

A. Findings of Fact

Article IX, Section 2 of the parties' agreement contains either 12 or 13 paid holidays, depending on when the Day before Christmas occurs:

Day before Christmas, provided it is a week day.

12 holidays equal 96 hours; and 13 holidays equal 104 hours.

Among the nine comparable Counties, five provide more than 96 hours; one provides 96 hours; and three provide less than 96 hours.

B. Recommendation

I recommend that the Union's proposal be adopted, with the result that "provided it is a week day" will be deleted from the "Day before Christmas" holiday.

C. Reasons

My reasons for this recommendation follow: If the day before Christmas were to fall on a weekend, the Union employees would receive 12 paid holidays, which would place them in the lower half among the comparable communities. Further, there is not a compelling reason for denying a paid holiday because of the calendar quirk of the day before Christmas falling on a weekend.

November 12, 2002

Respectfully submitted,



Thomas L. Gravelle
Fact finder