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**MICHIGAN DEPARTMENT OF CONSUMER & INDUSTRY SERVICES  
EMPLOYMENT RELATIONS COMMISSION  
LABOR RELATIONS DIVISION**

**IN THE MATTER OF THE  
FACT FINDING  
BETWEEN**

**GREAT LAKES COMMUNITY  
MENTAL HEALTH,**

**Employer,**

**MERC Case No: LOI J-3001**

**-and-**

**INTERNATIONAL BROTHERHOOD OF  
TEAMSTERS, LOCAL 214,**

**Union.**

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**FACT FINDING REPORT AND RECOMMENDATION**

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**Hearing Date: July 1, 2002**

**APPEARANCES**

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Pinsky, Smith, Fayette & Hulswit, LLP  
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On December 18, 2001, the 60 members of the bargaining unit, which consists of all full time and regular part-time professional staff, including case managers, case manager specialists, nurses, clinical therapists, psychologists, occupational therapists and lead workers petitioned for fact finding. A fact finding hearing was held in Traverse City, Michigan on July 1, 2002. Present and participating for the Union were: Sheryl Langdon, Business Agent and Tim Vinette, Steward. Present and participating for the Employer were: Brenda Ransom, HR Director; Bruce Bridges, C.F.O. and Barbara Quinn, C.O.O.

Great Lakes Community Mental Health provides mental health services for Grand Traverse and Leelanau Counties. The Agency is experiencing a budget deficit at the present time. It also appears that bargaining unit members have a challenging work environment insofar as the Agency has a greater per capita utilization of mental health services than elsewhere within Michigan.

Following the hearing, the parties submitted comprehensive post-hearing briefs. There was also an executive session on November 9, 2002.

### **THE ISSUE**

The parties have one unresolved issue: wages for the 2002 calendar year. The Union seeks a 2.5% increase for wages; the Employer seeks a total 2.5% compensation increase, inclusive of longevity pay and staff increases. This results in the Employer's salary offer being equal to 1.65%. The differential between the parties equates to approximately \$18,000.00.

### **POSITION OF THE UNION**

It is argued that comparable employees in other agencies are receiving a 2.7% increase in wages. The Union believes that a 2.5% increase is required to maintain its relative standing with the comparable agencies. The Union emphasizes that the C.E.O. of Great Lakes Community Mental Health is paid at the top of the range of the comparables; the Union therefore argues that its members should be at the top of the salary range also.

In regard to internal comparability, the Union asserts that the non-Union administrative staff received a favorable increase in the year 2000, which was in excess of the amount that would have been expected after their longevity pay was rolled into their compensation. The Union contends that the administrative staff has moved ahead of the bargaining unit in compensation. It is further maintained that the Agency can find \$18,000.00 to treat the bargaining unit fairly.

### **POSITION OF THE EMPLOYER**

It is asserted that Great Lakes Community Mental Health is significantly underfunded, and that it is expected that the budget will be in the red for the next fiscal year. The Employer notes that it was recently discovered that there was an unexpected under funding in the pension plan, which will cost Great Lakes Community Mental Health several hundred thousand dollars per year.

The Employer contends that the bargaining unit is paid well in comparison to employees at comparable agencies in the \$12 to \$25 million dollar size range. Further, it is maintained that a recently settled contract with the Grand Traverse Department of Health is not relevant, because it involves a significantly different group and a different fiscal situation. The Employer argues that it is paying more than the average of the comparables in most classifications. The Employer also notes that 2.7% is the average increase among the comparables in the \$12 to \$25 million dollar

In regard to internal comparability, it is maintained that the non-Union employees, who were paid under a merit system, are being compensated at the rate of 2.5% for the calendar year 2002. It is emphasized that these employees do not have the opportunity for either step or longevity increases.

The Employer points out that in 2001, the overall increases were higher for Union employees than they were for non-Union employees. It is maintained that an increase as suggested by the Employer is consistent with the increases afforded to the other employees within the Agency. The low inflation rate is also said to support the Employer's offer.

### **DISCUSSION**

I have carefully reviewed the evidence and positions of the parties. There are compelling arguments on both sides: Great Lakes Community Mental Health find itself in a difficult economic environment; however, the bargaining unit does have a legitimate concern over maintaining its wages in relationship to its peers. To facilitate a resolution of this matter, I will focus on those areas that are most relevant to achieving an appropriate result.

External comparability is an important method of determining a correct level of compensation. The evidence reveals that employees in comparable agencies received a wage increase averaging 2.7%. This would suggest that a .2% increase over the Employer's offer would be appropriate to keep the Union in line with the average increases. Of course, the Employer's offer includes both wages, and longevity and step increases, and the average increases of the external comparables consist of wages only. However, the overall position of the bargaining unit among the comparables would only support a modest increase, especially considering the Employer's difficult financial situation. It would consequently appear that an increase in the Employer's wage offer from

ent with the 1.66% from 2001 would maintain external comparability, while

meeting the financial challenges of the Employer.

Internal comparability suggests that the bargaining unit is being treated basically the same as the other employees of the Agency. Therefore, there is insufficient evidence to support a modification of the Employer's wage offer because of internal comparability.

After carefully reviewing the evidence and the testimony, it must be concluded that a 2% increase in wages for calendar year 2002 is appropriate to meet the requirements of both external comparability and the financial problems of the Employer. While it is understood that the Employer is in a difficult financial environment, a minor modification of its wage offer will not have a serious impact, while hopefully it will facilitate a settlement.

#### **RECOMMENDATION**

It is recommended that wages be increased by 2% for the calendar year 2002.



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Mark J. Glazer  
Fact Finder

November 15, 2002