

STATE OF MICHIGAN

DEPARTMENT OF LABOR
MICHIGAN EMPLOYMENT RELATIONS COMMISSION

Files

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8/30/77

IN RE:

ANN ARBOR TRANSPORTATION AUTHORITY

-and-

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TRANSPORATION EMPLOYEES UNION

SUPPLEMENTAL REPORT OF FACT FINDER

The undersigned, pursuant to his prior appointment by the Michigan Employment Relations Commission as a Fact Finder, conducted a further hearing at the request of the parties at Ann Arbor, Michigan, on August 8, 1977. The parties presented to the Fact Finder additional materials and requested of the Fact Finder clarification of certain items in a report. Pursuant to that request, the Fact Finder supplements his report, as follows: On Page 4, under the list of matters to be resolved, add the following

item: I. Unit Work

On Page 8, under the classification column, make the following additions and corrections:

Classification	Fiscal Year 1977/78	Fiscal Year 1978/79	Fiscal Year 1979/80
Clerical	\$ 5.80	\$ 5.92	\$ 6.04
Motor Coach Operator	5.80	5.92	6.04
Dispatcher (Motor Coach Operator's compensation, plus an increment of 25 cents per hr.)			
Mechanic A	7.13	7.27	7.42
Mechanic B	6.81	6.95	7.09
Mechanic C	5.80	5.92	6.04
Yard and Facility Coordinator	5.80	5.92	6.04
Service Employee	5.80	5.92	6.04

Walter Nussbaum

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Ann Arbor Transportation Authority

Paint & Body Repair Person
Counselor

7.13
5.80

7.27
5.92

7.42
6.04

On the fourth line of the last paragraph at the bottom of Page 8, (beginning "The Base Consumer Price") on the fourth line of that paragraph, change the word year to "month" so that it shall read "three month" period.

Add to the foot of Page 8 and conclude on Page 9:
A new Cost of Living adjustment begins annually, and the starting Cost of Living adjustment on the first day of each Contract year is "0".

On Page 10, immediately preceding II (Fringe Benefit Adjustments), the following additional language should be added to explain operation of Longevity and Cost of Living programs, as related to the Pension. Therefore, on Page 10 add the following paragraph:

The Employer's Pension contribution shall be computed against the base wage, plus overtime, but shall not be computed against the Cost of Living adjustments or the Longevity payments. Whenever the Cost of Living is "rolled in" to the base wage, it is to be included for purposes of pension computation, and not otherwise.

On Page 13, the sections with regard to Sick Leave are to be replaced with the following as they contain some technical errors, and piecemeal adjustment will not be satisfactory.

7.5 Sick Leave:

7.5.1.1. Each permanent employee hired prior to June 30, 1977, shall be entitled to eighty (80) hours sick leave with pay per year, earned at the completed month of full time service.

Delete 7.5.1.2 entirely.

Change 7.5.1.2 to read as follows:

7.5.1.2 Each permanent employee hired after June 30, 1977 will be entitled to sick leave with pay earned at the following rates:

(the three columns under this heading are not changed)

Delete 7.5.1.4

On Page 16, at the top of the page, the third printed line will start a new paragraph, to read as follows:
The Fact Finder has considered additional data provided by the parties at the continued hearing on August 8th, and further consideration of the data provided by the parties deletes the language on Page 16, relating to Probationary employees, and substitutes the following:

"Student Motor Coach Operators shall receive compensation equal to $2/3$ (.666%) of the base compensation paid fully accredited Motor Coach Operators."

Then continue with "A Probationary employee"

In the paragraph on Page 16 which begins "If a new permanent" - right after the words "insurance premiums" on the seventh line of that paragraph, add Blue Cross, Blue Shield, so that that sentence will read as follows: The Employer will assume the full cost of hospitalization insurance premiums (i.e. Blue Cross, Blue Shield), commencing with the first day of the third calendar month of employment."

On Page 17: The Fact Finder has listened to discussions by all of the parties, and further presentations relating to Unit work. See prior report, IV Sub-Contract. Paragraph 1 should be supplemented to add the following language.

1. The preparation of budgets and/or grant requests shall be construed to include necessary inventories and conclusion of audits. It is the Fact Finder's further view that temporary sub-contracting relating to the process of bidding routes should be permitted, provided, however, that the process is reasonable, and does not displace any employee who is within the bargaining unit.

The Fact Finder has reconsidered, at the request of the parties, the balance of his economic recommendations, and has found nothing that would require a modification either in his findings of fact or his recommendations.

Respectfully submitted,


WALTER S. NUSSBAUM
Fact Finder

20833 Southfield Road, Suite 100
Southfield, Michigan 48075
569-2666

Dated: August 10, 1977

STATE OF MICHIGAN
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MICHIGAN EMPLOYMENT RELATIONS COMMISSION

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FACT FINDER'S REPORT, FINDINGS
AND RECOMMENDATIONS

The undersigned, pursuant to appointment by the Michigan Employment Relations Commission as a Fact Finder in the above captioned labor dispute, conducted hearings in connection with the same on July 19th, 21st, and 22nd, and two hearings on the 25th of July, 1977. The following findings were made in accordance with evidence adduced at the hearings:

1. The Ann Arbor Transportation Authority is a corporation organized under authority of state law and the Charter of the City of Ann Arbor and is therefore a municipal corporation engaged in the delivery of transportation services to residents of various communities in Washtenaw County.

2. The Transportation Employees Union is the duly organized collective bargaining representative of the employees of the Ann Arbor Transportation Authority and are a voluntary unincorporated labor organization.

3. The parties had entered into a collective bargaining

agreement which expired on June 30th, 1977 and which was renewed on a day to day basis for a short period of time.

4. On approximately July 12th, a work stoppage commenced and the Transportation Authority ceased to function for purposes of delivering transportation services until approximately July 19th, 1977 when operations were resumed.

5. That, at the time operations were resumed, the following issues had not been resolved by the parties:

- A. Direct wages.
- B. Longevity payments.
- C. Cost of living adjustments.
- D. Paid union time.
- E. Leaves of absence.
- F. Steward of the day.
- G. Safety Steward.
- H. Guaranteed work for the disabled.
- I. The number of part time employees to be authorized.
- J. Split spreads (gaps between working periods on a split shift).
- K. Movements within classifications.
- L. Compulsory overtime.
- M. Wage parity.
- N. Paid maternity and maternity care leave.
- O. Overtime on fringe.
- P. Sick leave.
- Q. Midnight differential.

- R. Temporary status.
- S. Insurance for probationary employees.
- T. The unit's protected area of work.
- U. Effective past agreements.
- V. Matters relating to reprisals.
- W. No strike, no lock-out pledges.
- X. Lunch breaks.
- Y. Extra board days off.
- Z. Post negotiation proceedings to resolve the contract in final form.

During the course of hearings and after taking testimony, the parties were able to resolve and agree to the following matters:

- A. Leaves of absence.
- B. Steward of the day.
- C. Safety Steward.
- D. Part time.
- E. Split spreads.
- F. Movements within classifications.
- G. Compulsory overtime.
- H. Wage parity.
- I. Paid Leave Time.
- J. Temporary status.
- K. Past agreements clause.
- L. No reprisals, no lock-outs.
- M. Lunch and lunch breaks.
- N. Extra days off.

- O. Determination of the method of post-negotiations proceedings to reduce the contract to writing.

The Fact Finder was left with the following items:

- A. Wages.
- B. Longevity.
- C. Cost of living adjustments.
- D. Paid maternity and maternity care leave.
- E. Overtime on fringe.
- F. Sick leave.
- G. Midnight differential.
- H. Insurance for probationary employees.

I.

Wages and Related Items

The Ann Arbor Transportation Authority is a corporation that is managed by a Board of Trustees, nominated by the Mayor of the City of Ann Arbor and confirmed by the City Council for the City of Ann Arbor. This Board has the usual policy making imperatives that any board of any public corporation would have. It has budgetary responsibility, fixes employment policies, appoints managers and determines the scope of the service to be offered.

The Ann Arbor Transportation Authority purchases all of its equipment by reason of capital grants and does not run a depreciation or replacement budget as such, charging fare box or tax revenues with the costs of replacing equipment. There are three sources of revenue for the operating budget. They are: (1) fare box; (2) millage levy under the Charter of the City of Ann Arbor;

and (3) federal and state operating grants to cover specific program

It is to be noted in this regard that, generally grants by federal and state agencies made available to transportation authorities are specific in their term or in the project scope, and have to be renewed periodically in order to assure the availability of funds.

The parties had a Collective Bargaining Agreement which contained a complex system to compute compensation. There was base compensation, plus 2 1/2% longevity step after two years; a 5% longevity step after four years, together with a cost of living formula, with a 10¢ cap for the two year period of the contract. During the period involved in the contract, the Consumer Price Index rose from an index level of 159.9 in June of 1975 to 181.8 in June of 1977., for a true percentage increase over the two year period of 14%. Actual wage increases with the cost of living adjustment were 35¢ per hour, consisting of a 25¢ increase between 1975/76 scale and the 1976/77 scale for an increase of .049 in base wages plus the 10¢ for an additional .019 in cost of living. The net result is that, during the period involved, cost of living advanced by 14% while real wages advanced by less than 7%.

The employer, in this case, has not pleaded poverty nor any lack of ability to pay reasonable wages and has made available to the Fact Finder data indicating what is paid to transportation employees by way of direct wages, compensated time off and cost of living in a number of cities which are believed, by the Transportation Authority, to be comparable. The Transportation Employees

Union provided like data. All of this data has been considered by the Fact Finder, along with testimony and evidence, more particularly the contract between the City and the American Federation of State, County and Municipal Employees covering unionized employees within the City of Ann Arbor.

In dealing with that contract, it became apparent to the Fact Finder that the City had established and continued a program of periodic step raises based wholly upon tenure, which provided that a starting employee received certain base wages and that these base wages were increased over a period of years and, further, that, in addition to these increases, there were cash bonuses in amounts ranging from \$300.00 after five years to \$1,500.00 after twenty-five years. Based upon a 2,080 hour average work year, these bonuses would range from 14¢ per hour to 72¢ per hour in cash bonuses.

Typical classifications which compare unskilled or semi-skilled work, as performed by the City of Ann Arbor as a primary employer and the Ann Arbor Transportation Authority as an employer operating under the same general umbrella, would seem to indicate that, beginning in 1977, laborers are paid \$5.21 as a starting wage with \$5.80 per hour after one year and \$6.30 per hour after five years. That refuse collectors start at \$5.48 per hour and that, after one year, they would be receiving \$6.07 and, after five years, \$6.68.

The Fact Finder finds that the relevant labor market includes all of Metropolitan Detroit, all of zones 1 and 2 as defined by the Michigan Municipal League, together with all of the City of Ann Arbor, including its municipal employees.

The Fact Finder finds that the skills demanded of motor coach operators, clerical employees, dispatchers, yard and facility coordinator, the service employees, mechanics' helpers, and counselor are at least comparable to the skills of laborers, refuse collectors, parks maintenance personnel, auto parts clerks, and greens keepers. The Fact Finder further finds that the skills of Mechanics I, Mechanics II, paint and body repair person, are at least equal to housing inspectors, cement finishers, sewer maintenance people and greens keepers, and, probably considerably greater.

The Fact Finder further finds that heavy duty auto mechanics, truck mechanics in private industry are earning wages in the private sector labor market at the rate of \$8.00 per hour and more.

We still further find that the cost of rent, gasoline, food and clothing are approximately the same in Ann Arbor as they are in Detroit.

The contribution of the employer and the portability of the pension plan provided for the employees of the Ann Arbor Transportation Authority is exceedingly costly and does, on the average, create a greater economic stress upon the employer than the normal contributory pension plan which has historically been in use in this State, although such plans are disappearing in the educational arena with more and more school boards and municipalities absorbing the employees' pension costs as mandated by current conditions.

In light of the foregoing, the Fact Finder recommends compensation for members of the bargaining unit, other than probationary employees, should be fixed as follows:

<u>Classification</u>	<u>1977/78 Fiscal Year</u>	<u>1978/79 Fiscal Year</u>	<u>1979/80 Fiscal Year</u>
Clerical	\$ 5.80	\$ 5.92	\$ 6.04
Motor Coach Operator	5.80	5.92	6.04
Dispatcher (Motor Coach Operator's compensation, plus an increment of 25¢ per hour.)			
Mechanic A	6.81	6.95	7.09
Mechanic B	7.13	7.27	7.42
Yard and Facility Coordinator	5.80	5.92	6.04
Service Employee	5.80	5.92	6.04
Paint & Body Repair Person	7.13	7.27	7.42

In addition to the foregoing, the Fact Finder recommends a cost of living allowance to be calculated and paid based upon a true percentage increase in the Consumer Price Index, which true percentage increase shall be computed as follows:

Paid quarterly, based upon the indices for June, September, December and March, in each calendar year.

The base Consumer Price Index 1967 = 100 shall be 181.8 (June, 1977 Index). As soon as available, the September Index shall be obtained. There shall be subtracted from the September, 1977 Index, the June, 1977 Index for the three year period and the remainder shall be the numerator of the fraction consisting of the remainder as numerator and the beginning Index of 181.8 as denominator. The numerator shall be divided by the denominator and the result shall reflect the true percentage increase in cost of living. The true percentage shall be applied

to the base hourly rate of the employees and shall be paid to them in quarterly checks. This process shall be repeated based upon the December Index, the March Index and the June Index. The amounts due the employees shall be paid in the second pay of the month following the availability of the Index.

The total amount of the cost of living adjustment provided under this provision shall not exceed the higher of 5.5% or 35¢ per hour for any employee in any one contract year.

The contract recommended by the Fact Finder shall be for three years, retroactive to July 1, 1977.

In each year of this contract, there shall be added to the base pay for the following year, increases in the cost of living subject to the following limitations: If the true percentage increase for year one, 1977/78, shall exceed 20¢ per hour based upon the above computation, then 20¢ per hour shall be folded into the base pay for the year 1978/79. If the true percentage increase in the cost of living for the year 1978/79 shall exceed 30¢ per hour, then 30¢ per hour shall be folded into the Index for the year 1979/80. The effective date for the fold-in shall be July 1, of each year beginning in 1978.

If the true percentage Index for the final year of the contract, as recommended by this Fact Finder, shall exceed 35¢ per hour, then 35¢ per hour shall be added to the base pay for all the next subsequent year, for purposes of computation of what final pay is in the preceding year.

In addition to the above provisions for compensation, the following longevity premiums shall be incorporated into the contract for the years set forth:

<u>Longevity Years</u>	<u>1977/78 Fiscal Year</u>	<u>1978/79 Fiscal Year</u>	<u>1979/80 Fiscal Year</u>
After 1 year	\$.10	\$.10	\$.10
2 years	.20	.20	.25
3 years	.30	.35	.40
4 years	.40	.50	.60
5 years	.50	.65	.75
6 years	.60	.80	.90
7 years	.75	.95	1.10
8 years	.85	1.10	1.30
9 years	.95	1.25	1.50
10 years	1.00	1.40	1.75

In paying the incremental bonus or longevity premium, it shall be paid for the number of straight time hours worked in each quarter and paid at the same time as cost of living adjustments are paid, preferably in the second pay day of October, January, April and July of each year.

For clarification, the recommendation would involve initial payments being paid quarterly based upon the after one year service during the second year of service and in like manner in all succeeding years.

II.

Fringe Benefit Adjustments

In connection with wages, the Fact Finder listened to considerable discussion by both parties revolving about sick leave and maternity care, midnight shift differential, overtime paid upon fringe days off, probationary wage rates and probationary insurance.

The Fact Finder finds that management in the AATA have expressed valid concern over the unique type of potential for feather bedding. That is, the inappropriate or improper use of a sick or vacation day to create overtime in a specific week. After much deliberation and after computations based upon the representations of both parties as to use of various types of personal leave days other than holidays, it is the Fact Finder's recommendation

that the following language be inserted into the ultimate contract between the parties:

"For the purpose of computing overtime, sick leave days, personal business days, and vacation days, will not be considered as time worked."

"For the purpose of computing overtime, holidays will be considered as time worked."

With reference to maternity and maternity care leave, the Fact Finder recommends the following language:

6.2.6 Maternity and Maternity Care Leave:

6.2.6.1 Purpose and Length of Leave

An employee will be able to take up to two (2) years leave of absence for the purpose(s) of pregnancy and/or birth, and/or care of a pregnant mater, and/or care of a newborn or newly adopted infant(s).

6.2.6.2 Notifications to Employer

An employee desiring such leave will give written notice to the Personnel Office two (2) weeks in advance of the date she/he will begin such leave. When an employee intends to continue her pregnancy the full term, she will forward to the Personnel Office a physician's statement that indicates the approximate date of delivery and any restrictions on the nature of work she may be able to perform, and the length of time she is expecting to work.

6.2.6.3 Compensations by Employer

Each employee will be compensated by the Employer at her/his appropriate hourly wage rate for up to three (3) weeks of such leave. Medical insurance premiums will be paid by the Employer for up to one (1) year of such leave (refer to _____).

6.2.6.4 Use of Fringe

Accumulated vacation, personal business days, and sick time may be used prior to, or during, such leave upon request by the employee.

6.2.6.5 Seniority Status

Such leave will not affect continuous service.

6.2.6.6 Return to Active Status

When an employee on such leave desires to return to work, she/he will notify the Personnel Office of the date she/he will return to active status. If, at the end of two (2) years, an employee on such leave has not requested return to active status, she/he will be terminated and her/his name put on an eligibility list for re-employment.

"That if any employee who has availed her/himself of the maternity care leave provisions shall accept full time employment with any other employer during the maternity leave, she/he shall be considered to have resigned her/his position and terminated the leave, and the seniority shall be terminated together with the employer's obligation, if any, to continue insurance premiums. Full time employment for the purposes of implementation of this segment of the contract shall be considered working for salary, wages, or goods of value, barter or trade, 25 hours or more per week for four weeks in any 13 week period. A week will be deemed to run, for purposes of this section, from 12:01 a.m. on Monday through 12:00 midnight on Sunday."

After due consideration of the relevant labor market, the Fact Finder is of the opinion that substantial and solid basis exists for the payment of a differential for working undesirable hours, those hours wherein the shift begins between 11:45 p.m. and 4:00 a.m. and therefore recommends the following language be included in the contract:

"Midnight Shift Differential: There will be a shift differential added to the appropriate hourly wage rate for all employees whose work shift commences between 11:45 p.m. and 4:00 a.m. Such differential shall consist of 10¢ per hour from July 1 of 1977 through June 30, 1978, inclusive, and 20¢ per hour from July 1 of 1978 through June 30th, 1979, and 25¢ per hour from July 1 of 1979 through June 30th, 1980, inclusive. The employer agrees that it will not change the starting time of any shift to avoid implementation of the shift differential herein established."

Much has been said by both parties with reference to abuses

of sick leave and problems relating to accumulation by employees of appropriate numbers of days for sick leave. After hearing the presentations of both parties, the Fact Finder recommends the following language be incorporated into the contract:

7.5 Sick Leave:

7.5.1.1. Each permanent employee hired prior to June 30, 1977, who has less than two (2) years' seniority shall be entitled to eighty (80) hours sick leave with pay per year, earned at the rate of one-twelfth (1/12) of the total for each completed month of fulltime service.

7.5.1.2. Upon reaching her/his two year anniversary, each employee will be governed by Section 7.5.1.3. Each permanent or rotational part time employee will be entitled to sick leave with pay as described in Section 3.5.2.2.

7.5.1.3. Each permanent employee, hired prior to June 30, 1977, with two (2) or more years' seniority shall be entitled to sixty-four (64) hours such leave with pay per year, earned at the rate of one-twelfth (1/12) of the total for each completed month of full time service. Each permanent employee hired after June 30, 1977 will be entitled to sick leave with pay earned at the following rates:

First six months ----- 64 hours/year at 1/12 of the total for each completed month of full time service.

Second six months ---- 72 hours per year at 1/12 of the total for each completed month of full time service.

After one year ----- 80 hours per year at 1/12 of the total for each completed month of full time service.

7.5.1.4. Each permanent employee hired after June 30, 1977, will be entitled to sixty-four (64) hours sick leave with pay per year, earned at the rate of one-twelfth (1/12) of the total for each completed month of full time service.

7.5.2 To become eligible to receive a paid sick leave day, employees must notify their supervisor or whoever

answers the phone at least forty-five (45) minutes prior to their scheduled showup time. Exceptions to this rule shall apply to employees having a showup time prior to 6:15 a.m. These employees must notify their supervisor or whoever answers the phone no later than 5:35 a.m.

7.5.3 Employees absent from work on legal holidays, during sick leave, during vacation, while on Worker's Disability Compensation or on special leave of absence with pay shall continue to accumulate sick leave at the regularly prescribed rate during such absences as though they were employed, subject to the maximum limitation herein provided.

7.5.4 An employee eligible for sick leave with pay may use such sick leave upon approval of her/his supervisor for absence due to exposure to contagious diseases which could be communicated to other employees or due to illness in an employee's immediate family which is limited to spouse, children, parents and a member of the household.

7.5.5 Sick leave absence for part of a day shall be charged in one-quarter (1/4) hour increments.

7.5.6 If an employee is off on sick leave for five (5) days or more, a physician's statement may be required, indicating the nature of the sickness and attesting to the employee's ability to return to work.

7.5.7 Employees who have been asked to act as pallbearers may take sick leave to perform this service. Such use of sick leave is not to exceed one (1) day.

7.5.8.1 At the end of each calendar year, an employee may elect to receive full payment for unused sick time, up to a maximum of eighty (80) hours, so long as that employee retains a balance of at least forty (40) hours in her/his account.

7.5.8.2 If an employee chooses to elect this option, she/he must notify the designated payroll person during the first week in December. If no notification is received, her/his entire unused sick leave will be carried forward. This payment shall be made in December of each year, based on the rate as of December 1.

7.6. Sick Leave Bank

7.6.1 There will be a Sick Leave Bank for the use of unit employees. The Employer agrees to make a contribution to this Bank of a number of hours equal to twenty-four (24) multiplied by the number of full time unit em-

ployees and pro-rated for part time employees according to their category, as of July 1 of each year.

7.6.2 On June 30 of 1978 and 1979, the unused Sick Bank hours will be credited to the bank for each of the next contract years. On June 30, 1980, the unused hours will either be credited to the Sick Bank for the term of a new contract year or be equally distributed to the individual sick time accounts of current unit employees, including those on leave, who have one (1) year's seniority or more, according to the following formula:

7.6.2.1 X = number of current employees with one or more year's seniority.

7.6.2.2 N = number of unused sick bank hours as of June 30 of each current year.

7.6.2.3 $\frac{N}{X} = D$, where D is equal to the number of hours (to the nearest quarter hour) accredited to each employee's individual sick time account.

7.6.5 Five (5) work day waiting period before any employee can draw from the Sick Bank. Maximum time an employee can draw from Sick Bank is three (3) weeks. An exception may be made to extend this maximum to a longer period upon review and with unanimous committee recommendation.

III.

Probationary Employees

Probationary employees are unique in that, presumptively they will become permanent employees, but they are not clothed with all of the attributes of acceptance within the system.

It appears that uniformity in the treatment of probationary employees is a salutary objective and payment at something less than the rate fixed regular employees is desirable. Therefore, with due regard to the parties agreement as to the length of the

probationary period, the Fact Finder recommends that the following language be incorporated into the contract:

"A probationary employee will receive an hourly wage rate equivalent to 87.5% of the base wage for the position or classification to which the employee is assigned."

In light of the foregoing, it would appear that the employer should not be burdened too soon with an obligation for the payment of insurance benefits for a probationary employee. Accordingly, it is recommended that the following language be incorporated into the contract:

"If a new permanent employee elects to acquire the insurance plans, available at the time of hire, she/he will be required to pay the cost of all insurance premiums for any portion of the first calendar month and for all of the second calendar month of her/his employment. The Employer will assume the full cost of hospitalization insurance premiums commencing with the first day of the third calendar month of employment."

IV.

Sub-Contracting

A serious dispute arose as to what protection, if any, the collective bargaining representative was entitled in terms of sub-contracting. After much discussion, the Fact Finder came to the conclusion that the following language should appear in the contract:

"The employer is prohibited from sub-contracting any work which relates to the maintenance of coaches or delivery of transportation services or associated clerical work without the consent of the union except as herein provided.

1. The employer may sub-contract work relating to the preparation of budgets and/or grant requests. The sub-contract cannot be for a period in excess of sixty (60) days. There cannot be excessive periods of sub-contracting of this work without a twenty-one (21) day interruption and no employee, member of the collective bargaining unit, may be laid off, furloughed or terminated as a result of the sub-contract.

2. The employer may sub-contract work relating to the maintenance of the structure and grounds occupied by the employer providing such work does not result in the termination, lay-off or furlough of any employee who is a member of the collective bargaining unit.

3. The employer may, for a period of up to one (1) year, sub-contract the operation of and maintenance of coaches used in experimental programs under specific grants, provided, however, that the sub-contract shall provide, in its terms, that every person employed in the experimental program shall, within one (1) year and one (1) day, become a member of the collective bargaining unit or, in the alternative, shall pay an agency fee equal to dues to the collective bargaining unit, provided, still further, that, within one (1) year and one (1) day, all such persons shall receive wages and benefits equivalent to those being paid members of the collective bargaining unit.

The rationale for the Fact Finder's recommendation is that management claims that the wave of the future lies in brokering and that they would like to engage in the practice of brokering

which means acting as the agent for a contractor who would provide specific services in a specific geographic area or to a defined clientele.

The union, on the other hand, has a legitimate interest in not having its growth curtailed or its bargaining position undermined so that management can expand under circumstances which would permit others to do the same work done by the union for the same principal under different working conditions.

It is the Fact Finder's view that, to permit such activity would, in truth and in fact, undermine the ability of the parties to maintain a peaceful labor relations situation and be contrary to the stated public policy of this jurisdiction.

Fact Finder's Comments

The Fact Finder deems it advisable to make available to the appointing authority, the parties and those members of the public who may have an opportunity to review this document his views of these proceedings. Both parties demonstrated an admirable willingness to disclose evidence, materials and points of view to the Fact Finder in an organized, consistent, logical and courteous manner. The parties, although they had sharp disagreements as to various items were never, during the course of these proceedings, disagreeable or discourteous. Both the em-

ployer and the collective bargaining representative expressed valid and legitimate concerns about their mutual welfare and the problems that are attendant upon the relationship.

The Fact Finder must comment in that, in the area of wages, the employer will, in the future, be under some very serious constraints relating to base wage increases because of agreements relating to the absorption of substantially all of the pension costs by the employer. The front end load which exists by reason of the expressed social conscience of the collective bargaining representative will have the long range effect of transferring from immediate pay envelope response to other areas, a considerable part of the employer's costs.

Forward looking views with regard to parity wages in all classifications, and parity adjustments may have the tendency to undermine traditional concepts of pay differential based upon historical views of skill differentials.

This Fact Finder, in making his wage recommendations, has considered each of these items and has attempted to scale his recommendations into the realities of the economic condition of the parties as well as to broad and far reaching concerns of public policy relating to potential fragmentation of bargaining units, divisions among employees and the public's interest in labor peace in the public sector.

This Fact Finder is not unaware that both parties have had specific objectives in the presentation of evidence which may not have been met. But, upon balance, the Fact Finder has had to resolve those differences which the parties could not resolve in a

manner which he feels is consistent with the public interest in a stable work force, adequate wages for faithful employees, logical and consistent pay scales, not only consistent within the bargaining unit, but with the labor market in the area involved and interests in long term satisfactory relationships.

This Fact Finder expresses herewith his gratitude to the parties for their consideration of his time and efforts, for their mutual concern about each other, and for the intellectual and social challenges which were thrown down.

Respectfully submitted,

WALTER S. NUSSBAUM
Fact Finder



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