

STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

IN THE MATTER OF:

ANTRIM COUNTY ROAD COMMISSION

and

TEAMSTERS LOCAL 214

MERC No. G82 D-1055

Joseph P. Guolamo

FACT FINDER'S REPORT

INTRODUCTION

On November 2, 1982, the undersigned was appointed as Fact Finder on the above noted matter pursuant to §25 of Act 176 of Public Acts of 1939 as amended and the Commission's Regulations. Accordingly, a fact finding hearing was conducted and this report is issued with recommendations with respect to the matters in disagreement between the above noted parties.

A pre-hearing conference was convened on January 17, 1983, at which time approximately fourteen (14) issues were in dispute. During the course of the conference the Employer did revise its position and the Union agreed to submit the new proposal to its membership on January 26, 1983. The membership did not accept the most recent Employer offer, and therefore it was necessary to schedule a fact finding hearing

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Antrim County Road Commission

on January 27, 1983. The parties were able to reduce the number of issues in dispute from fourteen (14) to four (4).

By way of background, the Collective Bargaining Agreement between the Antrim County Road Commission and Teamsters Local 214 expired on July 1, 1982. The parties did avail themselves of mediation, however, they were unable to resolve their differences. The parties took the opportunity to present their respective positions during the course of the Fact Finding process. The undersigned issues this report with recommendations in the hope that it will serve as the basis for a negotiated settlement.

ISSUES

The first issue for resolution relates to wages. The second issue relates to the Employee contributions toward the Employer Retirement Program. Thirdly, the Union seeks improved hospitalization and medical coverage with the addition of a Master Medical Rider to the existing Blue Cross-Blue Shield coverage. The final issue relates to the matter of retroactivity. Each of the parties presented argument and documentation in support of their respective positions which will be more fully set forth in the Report and Recommendations. At this juncture, the Fact Finder wishes to express his appreciation for the excellent presentation and supporting documentation submitted by the parties.

REPORT AND RECOMMENDATIONS

I. WAGES

The most significant issue on which the parties are in disagreement is that of wages.

In the first instance, the Union submitted documentation comparing the wage rates in existence for adjacent counties with those of the Antrim County Road Commission. On the basis of the adjacent county comparison, the Union argues that in the heavy truck classification, which has the largest number of employees, its members receive twenty-two (\$.22) cents below the average for the remaining adjacent counties. The Union did not include Crawford County, however, the applicable wage rate for this locality is in excess of Antrim County and therefore does not detract from the Union contention. The Union then compared six (6) counties whose average gas and weight tax revenues amounted to One Million One Hundred Forty-Three Thousand Five (\$1,143,005.00) Dollars with that of the Antrim County Road Commission whose annual gas and weight tax revenue amounted to One Million One Hundred Forty-Eight Thousand Five Hundred Eighty-Seven (\$1,148,587.00) Dollars in 1982. In the heavy truck classification, the average of the six counties amounted to Seven (\$7.46) Dollars compared with the Antrim County average of Seven (7.30) Dollars per hour. The Union also notes that in many of the counties used as a basis of comparison, negotiations are now in progress and, in some, specific proposals have been made which would serve to increase the wage differentials previously noted. On the basis of the above noted comparisons, the Union argues that its members are entitled to a wage increase.

The Union then submitted the Antrim County Road Commission Financial Report for the year ending December 31, 1981 in order to establish the Employer's ability to pay. The Statement of Revenues and Expenditures reveals an excess of revenues over expenditures in the amount of Two Hundred Thirty-One Thousand Seven (\$231,007.00) Dollars for calendar year 1981. Finally, the Union notes that the "Transportation Survival Package", which was recently passed by the State Legislature, will raise gasoline taxes and license plate fees which will provide the Employer with additional revenue in 1983.

The Employer takes exception with the adjacent county comparisons submitted by the Union because Grand Traverse and Kalkaska Counties were included. The Employer argues that Grand Traverse County is an urban county with a higher prevailing wage rate than that of Antrim County. Kalkaska County is not proper for comparative purposes because the State maintains a garage for the maintenance of State roads, and therefore the County is obligated to pay a higher wage rate in order to compete with the State wage rate. The Employer argues that the appropriate comparison is the "upper northern quadrant consisting of five (5) counties, whose average heavy truck rate is Seven (\$7.09) Dollars per hour. The Antrim County rate is Seven (\$7.30) Dollars per hour. If Kalkaska and Grand Traverse Counties are included, the average is Seven (\$7.41) Dollars per hour. The Employer therefore contends that the Antrim County Road Commission Employees are not underpaid and are receiving a wage comparable to the neighboring counties in the area.

On the question of ability to pay, the Employer notes that from January 1, 1980 to January 1, 1982, the Antrim County Road Commission heavy truck Employees received an increase in wages from Six (\$6.00) Dollars per hour to Seven (\$7.30) Dollars per hour. During the same period total Michigan Transportation Fund revenues declined from One Million Two Hundred Thirty-Six Thousand Eight Hundred Sixty-One (\$1,236,861.00) Dollars in 1980 to One Million Fifty-Seven Thousand Nine Hundred Ninety-Nine (\$1,057,999.00) Dollars in 1982. In regard to the Transportation Survival Package, the Employer argues that any projected increase in revenues is speculative at this time and, even assuming that the Union projection of an increase of One Hundred Thousand (\$100,000.00) Dollars is correct, revenues would still be well below the 1980 level. Finally, the Employer notes that governmental units throughout the State and, in particular, the Antrim County Board of Commissioners, have resolved that "County Employee fringes and wages be frozen at 1982 levels".

The above noted summarization highlights the arguments which the parties have presented for the Fact Finder's consideration.

At the Hearing, the parties did submit their final demands to the Fact Finder. The Union position is as follows: Effective July 1, 1982, each Employee in the Unit is to receive a Two Hundred (\$200.00) bonus. On January 1, 1983 they are to receive a Twenty (\$.20) Cent per hour increase with an additional Twenty (\$.20) Cent per hour increase effective March 1, 1983, the date on which the Employer will begin receiving increased revenues as a result of the Survival Transportation Package. In addition to the above increases, the Employees are to receive a Thirty (\$.30) Cent per hour increase on July 1, 1983 and January 1, 1984. The latter increases would serve as the basis for arriving at a two (2) year negotiated settlement. The Employer is in agreement with a two (2) year settlement, however, it maintains that no wage increase should be provided until July 1, 1983, at which time the Employees would receive a Twenty-Five (\$.25) Cent per hour increase.

The undersigned has carefully considered the data presented by the parties and is mindful that employee wages have been eroded by increases in the cost of living, although recent data would indicate that the cost of living has gradually subsided. I am also mindful that declining revenue has forced the Employer to delay road improvement projects and the purchase of new equipment, and that it too has been affected by rising costs. In order to arrive at an amicable settlement, the Fact Finder recommends the following: On or before June 1, 1983 the Employer would pay to each Employee in the Bargaining Unit a lump sum of Four Hundred (\$400.00) Dollars for those Employees on the payroll from July 1, 1982 through April 1, 1983. A prorated amount would be payable to Employees who were hired after July 1, 1982.

Effective April 1, 1983, each Employee in the Bargaining Unit would receive a Thirty (\$.30) Cent per hour increase for the remainder of the contract term. This recommendation is made on the basis of a two (2) year settlement. The Four Hundred (\$400.00) Dollar lump sum payment is justified on the basis of recent wage negotiations in the area. Kalkaska County recently settled for Twenty-Five (\$.25) Cents per hour. The payment of Four Hundred (\$400.00) Dollars for a work week of forty (40) hours amounts to approximately Twenty-Six (\$.26) Cents per hour. Payment of Twenty-Six (\$.26) Cents per hour to Antrim County Employees would give them a wage in line with that received in Crawford County and an offer now on the table in Emmet County. The Consumer Price Index for all urban consumers rose by 6.1% for calendar year 1982 and therefore the lump sum payment will not fully compensate the affected employers for their increased living costs. A lump sum payment, moreover, will not affect the existing hourly rate and therefore, payment of overtime and worked holidays will not require additional compensation. The Road Commission will begin receiving additional revenues in March, 1983 and therefore payment on or before June 1, 1983 will afford it an opportunity to set aside these increased revenues for the lump sum payment. The additional Thirty (\$.30) Cents per hour effective April 1, 1983 is justified based on the fact that the Employer will continue to receive additional revenues. This recommendation amounts to a wage increase of approximately four (4%) percent which is niether exhorbitant nor meager given the current economic conditions.

II. PENSIONS

Under the present contract, the Employees contribute five (5%) percent of their gross earnings in excess of Four Thousand Two Hundred (\$4,200.00) Dollars.

The Union demands that the Employer pay the full cost of the Employees' pensions. In support of its position, it notes that in most adjacent counties the Employer pays One Hundred (100%) percent of the cost of the employees' pensions.

The Employer is unalterably opposed to any change in the retirement system. It states that the pension is a generous plan and the Union proposal would result in an increase of Thirty-Two (\$.32) Cents per hour to the Employer. According to the Employer, it now pays Three (\$3.00) Dollars for every One (\$1.00) Dollar contributed by the Employee.

The Fact Finder is not persuaded that the pension contribution should be changed at the present time. The Employer has suffered a decline in revenue and therefore, an added fringe benefit cost burden does not seem appropriate at the present time. The effects of the Survival Transportation Package are not evident in terms of the additional revenue which will be realized. It would therefore seem more appropriate to resolve this matter at the next negotiating session.

III. BLUE CROSS-BLUE SHIELD COVERAGE


The Union has requested that the Employer provide a Master Medical Rider to the existing Blue Cross-Blue Shield coverage. According to the Employer, this item would entail an additional cost of approximately Four (\$.04) Cents per hour for each Employee. It appears that the Employer does allow its unrepresented Employees to purchase a Master Medical policy at their own cost and it has indicated that it would have no objection to a similar option for this Bargaining Unit. In view of the declining revenues experienced by the Employer and the fact that the Fact Finder has recommended improved Employee remuneration, he does not adopt the Union position concerning the Master Medical Rider. He does, however, believe that the option should be made available to the Employees at their own cost.

IV. RETROACTIVITY

The Union urges retroactivity is justified because employees in this unit did not resort to withholding of services following expiration of their contract. The Employer responds that it has continued payments of the existing wage rate even though its revenues have declined markedly. The Fact Finder concludes that the lump sum payment previously recommended provides adequate compensation in view of the existing circumstances.

CONCLUSION

The undersigned has attempted to carefully consider the respective positions of the parties. To the extent that these recommendations do not conform with the view of either party, dissatisfaction is understandable. It is a fact, however, that the time has come to resolve this matter and I urge each side to reconsider their positions with a view toward that end.


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Dated: February 10, 1983