8/10/86 FF

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State of Michigan
Department of Labor
Employment Relations Commission

In the Matter of:

Kalkaska County Road Commission

and

United Steelworkers of America

(FF) Benson Munger

Kalkaska County Road Commission

Report of Fact Finder and Recommendations

Appearances for the Employer:
Michael R. Kluck, Attorney
Thomas Brouwer, Commission Sec.-Tres.
Irving Fry, Commission Chairman
Robert Ingersoll, Commission Vice Chairman

Appearances for the Union
James Hughes, USWA Staff
Dale Wells, President, Local 8287
John Kies, Vice President, Local 8287
Marvis Crawford

On a petition filed by the employer, the undersigned was appointed fact finder in a dispute between the United Steelworkers of America, Local 8287 and the Kalkaska County Road Commission. A hearing was held on Wednesday July 2, 1986 at the offices of the Road Commission.

The employer initially filed an objection under the Employment Relations Commission's Rule 33 for failure of the Union to file a timely response to the initial fact finding petition. The employer was referred directly to MERC as the most appropriate focus for such an objection.

The only issue before the fact finder is wage rates for members of the unit. Testimony and exhibits were presented by both parties and the hearing was closed at 1:00 pm on Wednesday July 2, 1986.

The positions of the parties as originally certified to the Commission were as follows:

WAGE RATES

Employer

$.25 per hour, effective the first full payroll period after ratification by both parties. $.10 per hour, effective the first full payroll period after 7/1/86.

Union

5% across the board for each classification, effective 1/6/86.

BACKGROUND

The bargaining unit under consideration consists of 24 employees including operators of light through heavy equipment, mechanics and helpers. (Joint #1) In addition to the unit members the Road Commission employs seven non-unit employees.

Non-unit employees have traditionally received the equivalent percentage wage and benefit increase as that provided the members of the unit. Because of an apparent settlement for 1986-87, the non-unit employees were given a 4% increase in wages for 1986. The settlement for unit members was subsequently rejected by the union membership.

The current contract was effective January 6, 1985 to January 6, 1988. The first year's wages were included in the original agreement. (Appendix A) This settlement included an increase of 9% Also included was a change in pension benefits which by employer testimony was equivalent to a wage increase of $.37 per hour.

The specific reopeners listed in the contract for year two (1986-87) were wages, longevity and the spread between classifications.

DISCUSSION

Within a fact finding case there are a number of factors which are relevant. These include the cost of living, comparison with related units, the bargaining history of the parties and the financial condition of the employer.

CPI

The yearly increase in the Consumer Price Index has averaged 3.53% from January 1985 to January 1986. (Emp. #8) The average yearly wage increase for unit members for the same period was 6.36% if the current employer's proposal is used. (Emp. #9) It seems clear from the data presented that the wage increases negotiated in recent years have met and exceed the impact of inflation providing a net increase in compensation. These figures do not include other changes in fringe benefits such as the pension plan.

COMPARABLE UNITS

Several comparisons using gas and weight revenue were presented primarily using road commissions with comparable geography and revenue (Emp. #2) and geography only (Emp. #3). A review of these exhibits leads me to conclude that the Kalkaska Commission is situated near the center of such comparisons.

Comparisons of wages using similar groups of road commissions suggest that the Kalkaska wages rates are average or slightly above depending on the date used for comparasion.(Emp. #4-7)

BARGAINING HISTORY

The previous year's settlement was reached through the normal bargaining process. In negotiations for the remaining two years of the contract a tentative settlement was reached. Although no specific calculations were provided, this settlement would appear to equate to a wage increase of between 3.5 and 3.7% with the second year equating to 3.3 to 3.6%. As the offers were for flat dollar increases the salary changes would vary depending on a person's relative position on the salary schedule. This tentative agreement was rejected by the Union.

FINANCIAL CONDITION OF THE EMPLOYER

The Commission had specficially excluded inability to pay as an argument. The present equity position of the Commission is relatively strong. Although there may be future demands on these funds they would not be jeopardized by implementation of the present position of either party.

GENERAL

At the close of the hearing the employer changed their position to:

> $.25 per hour, effective the first full payroll period after 2/1/86. $.10 per hour effective 7/1/86.

There are three primary distinctions between the current positions of the parties. The first is the absolute amount of money. The net monetary difference as established by testimony of the parties was $7,201.60 prior to the altered position of the Road Commission. The employer's changed position would reduce the difference by a modest amount.

The second is the basis of the computation. The Commission's proposed computation method, by using a flat amount applied to each step, would decrease the relative separation between steps. The Commission presented no evidence that such a method would enhance the operation of the organization or the relationship between the parties. I can see no compelling reason to overturn a salary schedule distribution that has been developed and nurtured over a number of years. As such, wages increases should be expressed in percentages to be applied equally to each step of the salary schedule.

The third distinction is the date of implementation with the Commission arguing for a major portion on the first full pay period after 2/1/86 with the remainder on 7/1/86. The Union argues for full implementation on 1/6/86. There was no persuasive reasons presented for delaying the implementation of a wage increase beyond the termination of the first full pay period of 1986.

RECOMMENDATION

Based on the concepts discussed above my recommendations for settlement of the dispute between the above parties is as follows:

> a 4% salary increase applied to each step of the salary schedule. Implementation on the first full pay period after 1/1/86.

Benson S. Munger

Benson S. Munger, Ph.D.
Fact Finder
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