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STATE EMPLOYMENT
RELATIONS BOARD

2001 JUN 15 A 10: 26

IN THE MATTER OF FACT-FINDING PROCEEDING

BETWEEN

TRUMBULL COUNTY ENGINEER

(Case No: 01-MED-01-0065

)

and

(

)

(Hearing Date: June 1, 2001

)

OCSEA/AFSCME LOCAL UNION 11

(Findings and Recommendations:

) June 13, 2001

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Representing the County Engineer:

John Emanuel
Consultant

Representing the Union:

John Fisher
Staff Representative

William J. Miller, Jr.
Fact Finder

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SUBMISSION

STATE EMPLOYMENT
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This matter concerns Fact Finding proceedings between the Trumbull County Engineer (hereafter referred to as the "County Engineer") and OCSEA/AFSCME Local 11 (hereafter referred to as the "Union"). The State Employment Relations Board (SERB) duly appointed William J. Miller, Jr. as Fact Finder in this matter. The parties agreed to extend the submission of this report until June 13, 2001.

The Fact Finding proceedings were conducted pursuant to the Ohio Collective Bargaining Law, and the rules and regulations of the State Employment Relations Board, as amended. Consideration was given to criteria listed in Rule 4117-9-05 (J) of the State Employment Relations Board. The County Engineer and Union previously engaged in the collective bargaining process before the appointment of a Fact Finder. This Fact Finder had several discussions with the parties prior to June 1, 2001 and on June 1, 2001 attempted to mediate the unresolved issues. Mediation was unsuccessful and the following issues were considered at the Fact Finding hearing on June 1, 2001:

1. Vacations
2. Healthcare
3. Wages

1. VACATIONS

At the present time, employees who have 25 years service are entitled to five weeks of vacation. It is the position of the Union that it would be more appropriate to give employees who have 25 or more years more than 5 weeks of vacation. During the negotiation of this issue, the Union requested that employees with 25 or more years be given 6 weeks of vacation. The proposal of the Union was modified during negotiations wherein the Union requested that employees with 25 or more years service be given 5 weeks and 3 days of vacation. The Union, therefore, requests that employees with 25 or more years be given the additional vacation time as has been requested.

The County Engineer has taken the position during the negotiations that employees with 25 years have adequate vacation time. The County Engineer believes that 5 weeks of vacation time for employees who have 25 or more years service is appropriate in this situation. The County Engineer, however, during negotiations, modified its proposal and indicated that it would be willing to provide an additional 2 days of vacation time for employees with 25 or more years service. The County Engineer believes that its proposal in this regard would be fair and appropriate in this case. It therefore submits that it would be willing to consider giving employees with 25 years service an additional 2 days of vacation.

FINDINGS AND RECOMMENDATIONS

I have carefully considered the positions of the parties regarding this issue. It becomes readily apparent upon reviewing the positions of the parties that they have made a good attempt at resolving this issue. In fact, upon reviewing the evidence and positions of the parties it becomes clear that they are very close to resolution of this issue. On the basis of the positions set forth by the parties, it is my recommendation that this issue be resolved on the basis of providing employees with 25 years service an additional 2-1/2 days of vacation. This recommendation would constitute a compromise between the parties, and in my considered opinion would serve to resolve the issue which has been presented in this circumstance.

2. HEALTHCARE

It is the position of the County Engineer that it needs relief concerning the healthcare cost that it has been encountering. The County Engineer points out that its healthcare costs have been significant, and in fact, it expects a total increase of \$126,000 for the present year. It is the position of the County Engineer that changes need to be made in the present healthcare package so that it can reduce the amount of increases that it is being subjected to at the present time. While the County Engineer would note that certain agreed upon changes will result in savings in prescription drugs and dependent coverage that other changes are necessary for the purpose of keeping its healthcare costs to a minimum.

In light of the foregoing, the County Engineer makes three distinct proposals related to its existing healthcare plan. In the first instance, the County Engineer proposes that present deductibles which are \$100.00 for a single person and \$250.00 for a family be increased so that such deductibles would be \$250.00 for single coverage and \$500.00 for family coverage. The second portion of the County Engineer proposal would be to increase the out-of-pocket expense for single coverage to the amount of \$650.00 and the family coverage to \$1,300.00 out-of-pocket expense. The third portion of the County Engineer's proposal regarding healthcare would be to require all Bargaining Unit employees to pay 10% of the cost for their healthcare premium. The County Engineer believes this would be justified on the basis of 70% of public employees making contributions to their healthcare premium. The County Engineer submits data which indicates that single individuals pay approximately \$23.41 per month for their healthcare coverage, while employees who obtain family coverage are required to pay an average of \$66.68 per month. The County Engineer believes its proposals are justified and requests that its position be recommended.

It is the position of the Union that there is no basis for requiring employees to make premium payments as has been requested by the County Engineer. It is pointed out by the Union that there are a number of similarly situated employees in different counties throughout the state who do not make any payment for their healthcare coverage. The Union contends that it would be inappropriate to require employees within the Bargaining Unit to make such payments for their healthcare premiums as had been requested by the County Engineer. Furthermore, with respect to the request being made by the County Engineer that deductibles and out-of-pocket expenses be increased, it is the position of the Union that there is no basis for such increases to be required. The Union points out that it has made certain concessions regarding dependent coverage and prescription coverage which will certainly assist the County Engineer in containing healthcare costs.

FINDINGS AND RECOMMENDATIONS

I have carefully reviewed the data and arguments submitted by the parties concerning medical coverage of employees who work for the County Engineer. It becomes evident upon reviewing the appropriate documentation that the healthcare plan provided to employees by the County Engineer represents an excellent healthcare plan. The coverages provided are substantial and do provide a significant benefit for all employees in the County Engineer's Department. It is also commendable that the parties have negotiated changes regarding prescription drugs and dependent coverage. These changes are absolutely necessary for the purpose of obtaining needed healthcare cost containment. It is my opinion that such changes will be helpful in serving to reduce healthcare costs for the County Engineer. Undoubtedly, such cost will be reduced, but in my opinion based upon the cost which has been showed by the County Engineer and the type of plan which is being provided, it is my recommendation that additional relief be provided to the County Engineer regarding its healthcare costs. In my opinion, the request of the County Engineer to raise deductibles to \$250.00 for single employees and \$500.00 for employees with family coverage is not unreasonable, nor is such request inappropriate. It is my recommendation that the deductible be raised as has been requested by the County Engineer. The County Engineer has also requested that the out-of-pocket expense cap be increased from \$400.00 for a single individual to \$650.00 for a single individual, and the out-of-pocket expense for family coverage be increased from \$800.00 to \$1,300.00. Based upon the information which has been submitted by the County Engineer and the need to contain healthcare costs, it is my considered opinion that such increase in out-of-pocket expense would not be inappropriate, nor would such request of the County be unreasonable. While this change will cause some employees who use the health insurance to pay additionally for such coverage, it is my belief that the request of the County Engineer in this regard is appropriate. I would, therefore, recommend that the out-of-pocket expense caps be increased as has been requested by the County Engineer. I have also carefully considered the County Engineer's request for a

premium co-payment by employees in the Bargaining Unit. Upon carefully considering the entire record and realizing that the County Engineer has already negotiated several healthcare changes and several others are being recommended by this specific report, it is my opinion that it would not be appropriate at this juncture to recommend that employees also be required to make a premium co-payment. Rather, it is my recommendation that the parties make the changes that have been negotiated and accept the changes that have been recommended to them by this Fact Finder, and carefully consider all available alternatives in healthcare coverage, and determine after a period of time whether or not improvements in costs have been obtained. It is my opinion that if the changes which are agreed upon and recommended are implemented, that there will be savings to the County Engineer and such savings will help to reduce the increases in healthcare costs which have been placed upon the County Engineer. Therefore, I recommend that employees not be required to make a contribution to their healthcare premium.

3. WAGES

The Union sets forth two proposals regarding wages. In the first instance, the Union requests that the County Engineer begin picking up the PERS for all employees in the Bargaining Unit in the amount of 8-1/2%. The Union points out that over 70% of the departments within Trumbull County currently provide for a PERS payment, and the Union believes that such payment by the County Engineer would be appropriate. It is also pointed out by the Union that if the County Engineer provides the 8-1/2% payment to PERS for Bargaining Unit employees, there would be no requirement for a wage increase during the first year of the Agreement. With respect to the remaining two years of the Agreement, the Union proposes that increases be provided by the County Engineer in the amount of 6%. The Union contends that the employees within the department are behind other similarly situated employees. The Union contends that to provide the 6% increases during the second and third year of the Agreement would be fair and would be in accordance with increases provided to other employees in other County Engineering Departments. Furthermore, the Union believes that such increases are justified and appropriate because the work performed by the employees is substantial and goes beyond what is performed in other entities which are comparable to the County Engineer. The Union, therefore requests that for the first year of the Agreement the County Engineer pay the 8-1/2% PERS for employees, and during the next two years of the Agreement to establish a 6% wage increase in each of such years.

The second proposal of the Union relates to the longevity payment that is currently provided in the Agreement. The Union notes that the existing longevity bonus equals \$2.00 for each year of service completed up to a maximum of 30 years service for employees who have completed 10 or more years of service. The Union requests that longevity be provided to employees when they obtain 5 or more years of service and that

such longevity payment be equal to \$5.00 for each year of service. The Union argues that such adjustments to the existing longevity bonus would be fair, appropriate, and would serve to establish a longevity payment which would be more comparable to similar County Engineering Departments.

The County Engineer has submitted three separate proposals regarding wages. Initially, the County Engineer proposes that wage increases be established in the amount of 3% in each of the three Agreement years. The County Engineer would be against providing a PERS pick-up as has been requested by the Union. While certain departments within the County do provide for a PERS pick-up, it is the contention of the County Engineer that there is no basis to provide for such PERS pick-up, and the County Engineer would therefore, submit that wage increases in the amount of 3% during each of the three contract years would be appropriate and fair under the existing circumstances. Furthermore, the County Engineer argues that wage increases have been in the area of 3% to 3-1/2%, and it believes its offer is appropriate based upon comparable numbers that have been submitted for the immediate area and the state.

With respect to longevity, the County Engineer contends there is no basis for providing an increase regarding longevity. The County Engineer would oppose any reduction in the number of years needed to obtain longevity or in the amount of longevity payment. Consequently, the County Engineer requests that longevity remain as it is under the present Agreement.

The County Engineer makes one additional proposal regarding wages, by suggesting that a tiered system be utilized in the payment of wage increases during the existing Agreement. The County Engineer believes this is necessary because of the wage compression which has occurred between the jobs and this has caused operational problems for the County Engineer. The County Engineer indicated that it is difficult obtaining individuals to work as Foreman because of the wage compression, and it believes that by providing lower increases for certain jobs and higher increases for other jobs would substantially reduce the wage compression problem and would help to alleviate the County Engineer's problems in this regard. Consequently, the County Engineer requests that a tiered wage system be utilized in this situation.

FINDINGS AND RECOMMENDATIONS

After carefully considering the positions, arguments, and submissions of the parties, the following recommendations are provided.

With respect to the request for a tiered system by the County Engineer, it becomes readily apparent upon reviewing the wage rates of the various positions that indeed a

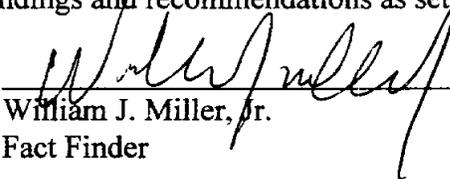
wage compression is in existence. It is also apparent that certain positions which are more skilled are not as highly paid as such positions should be. It is my recommendation that the parties do find a way to address these issues but in the interest of resolving this Agreement, it is my recommendation that such attempts to resolve such wage compression issue be accomplished outside the terms of the present negotiation. It is my recommendation that this not be done in this negotiation because it is difficult to accomplish what the County Engineer is seeking in this regard when other needs are present for employees in the Bargaining Unit. Consequently, while I do recognize the issue that is present, it is my recommendation that such issue be discussed further and resolved outside the terms of this negotiation.

With respect to the wage portion of the Agreement, I have noted that many departments within the County do provide for payment of PERS in varying amounts. It is readily apparent that by making a payment to an employee's PERS would create a benefit to the employee beyond what is usually provided in a wage increase. It is my opinion that it would not be unreasonable for the parties to consider 1% of each proposed wage increase to be a contribution to the employees PERS. I would, therefore, propose that this can be done at the option of the Union but with the understanding that any PERS payment would be a percentage that would be subtracted from the wage increase which will be recommended. When the entire record is reviewed, it is my recommendation that the County Engineer provides increases in the amount of 4% for each of the three years of the Agreement. Of this 4%, if the Union desires, 1% each year could be applied to the PERS contribution for employees in the Bargaining Unit. It is my belief that 4% increases would be appropriate, fair, and would serve to provide the basis for a resolution of this Agreement.

With respect to longevity, it is my considered opinion that the \$5.00 payment remain the same, but I would recommend that the years of service required before an employee receives longevity be reduced to 6.

CONCLUSION

In conclusion, this Fact-Finder submits his findings and recommendations as set forth herein.


William J. Miller, Jr.
Fact Finder

June 13, 2001