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STATE EMPLOYMENT
RELATIONS BOARD

2002 MAY -6 A 10: 28

01-MED-10-1037
IN THE MATTER OF FACT-FINDING

BETWEEN

MEDINA COUNTY

AND

TEAMSTERS LOCAL 293 (CSEA Unit)

BEFORE: Robert G. Stein

~~SERB CASE NO(S): 01 MED-10-0925~~

ADVOCATE FOR THE UNION:

Basil W. Mangano, Esq.
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and

ADVOCATE FOR THE EMPLOYER:

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INTRODUCTION

The Employer is Medina County, Ohio, which is located in northern Ohio. The Agency that is the subject of this Fact-finding is the Child Support Enforcement Agency ("CSEA"). In large part CSEA is a self-supporting agency. With the exception of one year, Medina County has not provided funding to this Agency. Teamster Local 293, an affiliate of the Teamster's International Union, represents the bargaining unit. The bargaining unit consists of thirty-five (35) employees in the following classifications: Support Officer 1 & 2, Payments Processor, Clerical Specialist, Clerk 2 and Clerk 1.

In this report the term "EPS" refers to Employer's Position Statement and the term "UPS" refers to Union's Position Statement. The position of each party on all impasse issues shall not be restated but will be referenced by these terms.

CRITERIA

OHIO REVISED CODE

In the finding of fact, the Ohio Revised Code, Section 4117.14 (C)(4)(E) establishes the criteria to be considered for Fact-finders. For the purposes of review, the criteria are as follows:

1. Past collective bargaining agreements
2. Comparisons
3. The interest and welfare of the public and the ability of the employer to finance the settlement.
4. The lawful authority of the employer
5. Any stipulations of the parties
6. Any other factors not itemized above, which are normally or traditionally used in disputes of this nature.

These criteria are somewhat limited in their utility, given the lack of statutory direction in assigning each relative weight. Nevertheless, they provide the basis upon which the following recommendations are made:

ISSUE 1 Article 28 Equity and Wage Increases

Union's position

SEE UPS.

Employer's position

SEE EPS.

Discussion

The Union is proposing inequity adjustments in addition to an across-the-board wage increase. In its Exhibit 6 (See UPS) the Union is seeking to upwardly adjust wages in the first year of the Collective Bargaining Agreement ("CBA") in addition to a 3% wage increase. The parties are in agreement on the amount of the across-the-board wage increase for all three years of the Agreement. The Employer also proposed a \$325.00 annual payment each year of the CBA that would not be rolled into wages or in the calculation of overtime. According to the Employer this payment is to help offset the rise in health care premiums and deductibles. On an average wage of \$11.00 per hour this annual payment represents an additional 1.4% in additional compensation. It is recognized that a lump sum increase is not the equal of a wage increase. It is not permanent and does not have any roll-up benefits.

According to the Department of Labor's most recent report (April 25, 2002), wages in the first quarter of 2002 have returned to the level where they were during the first quarter of 1999. During the last two quarters (September 2001 to March 2002) wage increases for State and Local governments increased 0.6% and 0.7% respectfully. This represents a 1.3% increase in compensation for the past six (6) months. The most recent Consumer Price Index (CPI-U) for the Cleveland-Akron area, released from the U.S. DOL April 16, 2002, demonstrates that over the past twelve (12) months consumer prices were up 0.8 percent, well below the previous 12-month increase of 3.2%. While it is always a risk that inflation may increase at a more rapid rate, it has remained at or below 3%, largely due to Federal Reserve fiscal policy. Based upon this data, the Employer's wage offer appears to be reasonable.

The cost associated with the Employer's proposal that goes beyond the annual 3% across-the-board increases amounts to \$975.00 bonus for each person in the bargaining unit over the next three (3) years. What is not apparent is what will happen to this lump sum payment in the next labor contract, if the health care costs remain the same or go higher.

The concept of providing the same wage increases to all bargaining units (wage increase equity) is a critical factor for any employer. In the instant matter, the Employer asserts that keeping wage increases the same for all bargaining units helps to maintain labor peace.

However, during these negotiations another significant factor is the post "9-11" economy. It is not conducive to funding equity increases and competitive cost of living increases. Of course, where you live in the country will determine how you are faring economically. For instance, in the first quarter of 2002, the economy grew at a roaring rate of 5.8% (Wall Street Journal, April 29, 2002). However, an economic recovery, if at hand, may take some time to impact Ohio's economy.

The recession, although labeled "mild" has strongly impacted manufacturing. Recently manufacturing has had a great deal of excess capacity and is currently only at 73% total capacity. Unfortunately, a significant portion of the economy of northern Ohio is dependent upon manufacturing, particularly as it relates to the auto industry. The state of Ohio has recently been through two rounds of budget cuts and the Republican controlled legislature is seriously considering increasing taxes. If a recovery is in the offing, it does not appear to be evident in Ohio at this point in time. Although the Union makes a convincing argument for the need to consider an inequity adjustment for several classifications, the economic climate does not support it at this time. When the economic climate is more favorable, it is an issue that should receive future consideration.

Recommendation

1. January 1, 2002: a 3% increase and a \$325.00 lump sum payment
2. January 1, 2003: a 3% increase and a \$325.00 lump sum payment
3. January 1, 2004: a 3% increase and a \$325.00 lump sum payment

ISSUE 2 Article 29 Side Letter-Longevity

Union's position

SEE UPS.

Employer's position

SEE EPS.

Discussion

The Union is seeking to increase its longevity benefit to match the benefit provided to its sister bargaining unit in Jobs and Family Services. The JFS has a considerably better longevity plan than any of the other bargaining units under the jurisdiction of the County Commissioners. The type of work performed by the JFS makes it the most compatible internal comparable bargaining unit to the CSEA unit. As stated above, the state of the economy does not support substantial inequity-based increases at this time even if supported by data. This is an issue to be addressed in future negotiations.

However, it appears reasonable that the increments for triggering longevity should reflect what is used in the JFS bargaining unit. This change will make the longevity formats consistent between these two like bargaining units and would represent a minimal cost to the Employer.

Recommendation

Effective 1/1/02 the new longevity system shall be as follows:

<u>Years of Service</u>	<u>Amount</u>
Five (5) years	\$200
Ten (10) years	\$400
Fifteen (15) years	\$600
Twenty (20) years	\$1000

ISSUE 3 Article 27 Health Care

Union's position

SEE UPS.

Employer's position

SEE EPS.

Discussion

The Employer's proposal is not out of line with what is occurring with the rising costs of health care. Employees are being asked to absorb a portion of premium increases in the form of higher premium payments and higher deductibles, especially for prescription drugs. Prescription

drug costs are rising much faster than are premiums for health care coverage and appear to be most problematic. And as stated earlier, the Employer emphasized it was providing the \$325.00 bonus each year, in part to offset the increased costs of health care coverage. This will provide some relief for the next contract period.

The Union raised the additional question regarding health care coverage for oral contraceptives. It argues that the EEOC has found that employers who do not provide for insurance coverage for non-medically necessary contraceptives are discriminating against employees. The EEOC ruling does not cover employees in Ohio at this time. Although this may occur in the future, it does not mandate such coverage in Ohio. This issue involves values and beliefs that go beyond the cost of providing said benefits. There is little comparable data available in Ohio to support this change at this time. It is a matter that is best left to the courts to decide.

Recommendation

As proposed by the Employer See EPS. Co-pays for prescription drugs shall be increased to \$6.00 generic/\$12 for name brand, with the same levels applying to mail order. The employee contribution toward family premiums shall be increased to \$50.00 per month.

ISSUE 4 Article 26 Overtime Pay

Union's position

SEE UPS.

Employer's position

SEE EPS.

Discussion

Currently, holidays, vacation time, and compensatory time are counted for purposes of determining when an employee is eligible for overtime- pay. The Union is proposing specific language that would add sick time to the calculation of "hours worked" for the purpose of overtime. The Union contends that although sick leave is not listed in Article 26, it has been the practice of the Agency to include sick leave in the calculation of overtime. The Employer indicated that it included sick leave in the calculation in error and it was stopped in August of 2001. There was no evidence presented that demonstrates it was ever negotiated.

The Employer argues that all the collective bargaining agreements under the jurisdiction of the Medina County Commissioners exclude sick leave from the calculation of overtime. The one internal comparable that includes sick leave is the County engineer's bargaining unit.

Even though sick leave has never been formally bargained into the CBA, the Employer has included it in the calculation of hours worked for years. Even if it could be demonstrated that this past practice has risen to a term of the Agreement, the Total Agreement clause contained in Article 38 provides the Employer with sole discretion to discontinue any previous or present past practices providing advance notification is given to the Union. It appears advance notice was provided to the Union in August of 2001.

Counting sick leave as hours worked is also not part of any other internal comparables save one. It also appears that the majority of public sector employers do not provide this benefit. For example, four of the external county comparables provided by the Union (Clermont, Greene, Huron, and Portage counties) do not include sick leave in the calculation of hours worked. This is also the case in nearby Stark and Richland counties.

Recommendation

Sick leave shall not count as hours worked.

Maintain current language

ISSUE 5 Article 23 Vacation Accrual

Union's position

SEE UPS.

Employer's position

SEE EPS.

Discussion

The Union is requesting that vacation accrual be extended to a maximum of three (3) weeks. It is currently two (2) weeks. The Employer's witness and Director of CSEA, Mike Pataky, testified that there is currently no employee who is eligible to carry over two (2) weeks of vacation, let alone three (3) weeks. In light of the fact that the JFS bargaining unit has a three (3) week carryover, the Union's demand in theory is not unreasonable. However, unless there are employees who can take advantage of an expanded carryover of vacation, it does not appear there is sufficient reason to change current language at this time.

Recommendation

Maintain current language.

TENTATIVE AGREEMENTS

All other issues tentatively agreed to prior to fact-finding are considered to be part of this report and are recommended to the parties.

The Fact-finder respectfully submits the above recommendations to the parties this first (1st) day of May, 2002 in Portage County, Ohio.

A handwritten signature in black ink, appearing to read "Robert G. Stein", written over a horizontal line.

Robert G. Stein, Fact-finder