

STATE EMPLOYMENT
RELATIONS BOARD
IN THE MATTER OF FACT-FINDING PROCEEDING

BETWEEN

2003 APR 30 A 10: 36

YOUNGSTOWN METROPOLITAN
HOUSING AUTHORITY

And

AFSCME OHIO COUNCIL 8
LOCAL 288

(Case No.: 02-MED-04-0401

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(Hearing Date: April 3, 2003

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(Findings and Recommendations:

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April 30, 2003

Representing the Employer:

James E. (Ted) Roberts, Esquire
Attorney

Representing the Union:

Jaladah Aslam
Staff Representative

William J. Miller, Jr.
Fact Finder

STATE EMPLOYMENT
RELATIONS BOARD

2003 APR 30 A 10:37

SUBMISSION

This matter concerns fact-finding proceedings between the Youngstown Metropolitan Housing Authority (hereafter referred to as the "Employer") and AFSCME Ohio Council 8, Local 288 (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 April 30, 2003.

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, as amended. The Employer and Union previously engaged in the collective bargaining process before the appointment of a Fact Finder. This Fact Finder had conducted mediation on November 22, 2002. Such mediation, which assisted in settling some of the outstanding issues, was unsuccessful and fact-finding occurred on April 3, 2003. The following issues were considered during fact-finding:

1. Wages.
2. Hospitalization Coverage.
3. Annual leave.

ISSUE NO. 1. WAGES:

EMPLOYER POSITION

It is the position of the Employer that it is willing to agree to certain wage increases tied to maintaining the current health care coverage until the conclusion of a wage freeze until August 31, 2003. It is, at this point in time, effective September 1, 2003, that wages would be increased 3.5 percent. This would coincide with appropriate changes in health insurance coverage as determined by a health care committee which would be established and would determine appropriate health care coverage effective September 1, 2003. The Employer would also propose that effective July 1, 2004 wages would be increased by 3 percent. Finally, the Employer would propose that the Agreement would provide for a re-opener for wages effective September 1, 2004 for the purpose of negotiating a wage increase which would become effective on July 1, 2005.

UNION POSITION

It is the position of the Union that the last wage increase was July 2001. The Union would note that this present Agreement expired June 2002 and there has been quite a period of time where no wage increases have been provided. While the Union is

willing to permit the Agreement to go from July 1, 2002 through October 31, 2005, it is proposing that there be three separate 4 percent wage increases. The first wage increase would be effective July 1, 2002 and would amount to 4 percent. This wage increase would need to be implemented on a retroactive basis. The second wage increase would be implemented at 4 percent on July 1, 2003. The third wage increase would be implemented on July 1, 2004 and would be at 4 percent.

The Union contends wage increases in this specific region have been between 3.2 percent and 4 percent. It is also contended by the Union that the Employer has failed to show any inability to pay. Furthermore, the Union contends that to freeze the wages through September 2003 would constitute a two-year period of time that wages have been frozen. In the Union's view, this would be excessive and inappropriate. The Union, therefore, requests that its position of three separate 4 percent increases be provided in this specific circumstance.

FINDINGS AND RECOMMENDATIONS

I have carefully considered the contentions and specific positions of the parties. Undoubtedly, as has been clearly pointed out by the Union there has been a considerable period of time where wage increases have not been provided. However, the Employer while facing certain budgetary considerations has continued to provide health care coverage to all employees while such health care coverage costs have consistently increased. The position of the Employer in this circumstance to continue with existing health care coverage until September 1, 2003 when a committee composed of management and bargaining employees makes a recommendation concerning health care coverage for the future seems appropriate, and the Employer's position is reasonable under these specific circumstances. By freezing the wages until September 1, 2003, the Employer in conjunction with its bargaining unit committee will be able to review its health care issues and make an appropriate determination as to where the dollars need to be allocated in the future regarding health care. Furthermore, there is an opportunity for the employees to receive wage increases on September 1, 2003 in the amount of 3.5 percent and again on July 1, 2004 in the amount of 3 percent. It is my considered opinion that these wage increases coupled with a wage freeze and continual prior health care coverage up until September 1, 2003 is reasonable under the circumstances which have been presented. Finally, there would be an opportunity for the employees to obtain a wage increase effective July 1, 2005 by bargaining such wage increase when a re-opener occurs on September 1, 2004. Based upon the entire record and the positions presented by the parties, it is my recommendation that the Employer's proposal be accepted as has been detailed in the Employer's position.

ISSUE NO. 2.

HOSPITALIZATION COVERAGE

EMPLOYER POSITION

The Employer contends significant discussion has occurred between the parties concerning the necessity to negotiate terms and conditions of Section 23.1 "Healthcare Committee". The Employer would point out that the language proposed would establish a healthcare committee comprised of members appointed by the Union and the Employer for the purpose of soliciting bids for a change in coverage to attain more cost effective means of coverage. It is noted by the Employer that the current coverage would expire August 31, 2003 and new coverage would become effective September 1, 2003, the date which coincides with the conclusion of a wage freeze and the beginning of a wage increase as proposed by the Employer. It is noted by the Employer that the proposed change in language would apply to both a maintenance unit and the management unit. It is the position of the Employer that the Union and the Employer would work together for the purpose of achieving cost saving measures to help facilitate the wage increases in question. To this end, the Employer would propose that the following language be agreed to by the parties:

Section 23.1 Healthcare Committee. The parties shall create and conduct a committee for the purpose of analyzing current healthcare coverages and recommending to the Authority more cost effective means of coverage which may include but not be limited to employee contributions toward premiums, dollar and/or percentage limitations on the amount the Authority will pay toward premiums, increased deductibles, coinsurance proportions, types of coverage, change of carrier and any other aspect of coverage. The Committee shall annually prepare and recommend to the Executive Director of the Authority bids based on its recommendations of insurance coverage, the format and substance of which shall comply with the Authority's procurement policy. The Executive Director shall prepare and solicit said bids and reports the bids to the Committee, the Board of the Authority and to the respective bargaining units. If the Committee fails to act as herein expected, then the Authority shall proceed to accomplish the purposes of this Section. The coverage resulting from the process described in this Section 23.1 shall replace the coverage otherwise described in this Agreement.

The Committee shall consist of two (2) members appointed by the Authority and two (2) members appointed by the Union, one from each of its two bargaining units. (This committee shall endeavor to combine with similar committees of other bargaining units of the Authority to advance the purposes stated herein.)

The Committee shall hold regular meetings at least quarterly and meet more frequently as it determines is necessary and appropriate. The Committee shall meet and perform its duties during the workday. The Committee shall perform its functions even if

the Authority or the Union fails to appoint the members of the Committee as required herein or even if a member of the Committee is absent from Committee meetings.

The Committee shall function all year and shall endeavor during the year to report in writing and/or orally to the Executive Director of the Authority and to the members of the bargaining units the interim findings and information which will assist the bargaining units and the Authority in becoming better informed about the process and the direction and purpose of the potential changes in coverage. The Committee shall have the authority to conduct research on all manner and means to contain healthcare costs and shall report its findings to the Executive Director of the Authority and the bargaining units at least twice per year.

Initially, the Committee shall accomplish the purposes set forth herein by submitting written recommendations to the Executive Director of the Authority no later than June 15, 2003, and the Executive Director shall solicit bids for the amended coverage recommended by the Committee no later than July 1, 2003, so that the current coverages provided by the Authority to the employees shall expire on August 31, 2003, and the new coverage shall be effective September 1, 2003.

UNION POSITION

It is the position of the Union that it understands the circumstances related to healthcare issues. While the Union is in agreement with a Healthcare Committee, the main issue for the Union is the position of the Employer which ties together a wage freeze with the Healthcare Committee. The Union contends it is unknown as to the specific direction of healthcare, but the Union does not feel comfortable with giving the Employer an open end to establish specific healthcare for employees. The Union believes the unknown and uncertainty of healthcare cost is the most significant issue which is presented in this circumstance. The Union is concerned that there will be out of pocket cost for employees within the bargaining unit, and the Union just does not feel comfortable with providing the Employer with a blank check regarding healthcare cost. While the Union understands the concern of the Employer, the uncertainty which surrounds this issue makes it difficult for the Union to provide a blank check for the Employer regarding healthcare costs. The Union would, therefore, propose that a healthcare committee be established but that no basis be provided for permitting the Employer to establish healthcare costs in any manner that it deems appropriate.

FINDINGS AND RECOMMENDATIONS

Upon carefully considering the contentions of the parties related to this issue, it becomes apparent that there has been agreement regarding a Healthcare Committee. The issue which still remains is what authority the Healthcare Committee will have in making

recommendations and assisting in any changes which are made related to healthcare coverage. Obviously, to have a committee without any substance would be meaningless. It is necessary to have a Committee which can carefully analyze healthcare cost and coverage and provide specific information which can be used in analyzing such data and making concrete recommendations so that appropriate coverage can be maintained. While it is necessary that the Committee have specific authority for the purpose of doing what is necessary regarding healthcare cost and coverage, it is also necessary that the Committee be reasonable related to the needs of employees. While it is understood that the Employer does ultimately make the determination regarding healthcare coverages which are to be utilized, the uniqueness of the healthcare committee which is comprised of bargaining and non-bargaining unit members supports the proposition that what is done in this particular circumstance will be reasonable to all concerned. Obviously, any recommendations made by the Healthcare Committee will need to be applicable to all employees of the housing authority and such recommendations need to balance the interest of the employees while considering the needs of the Employer regarding utilization of available resources. While I do understand the Union's concern related to the unknown and uncertainty which exists regarding this issue, it is my considered opinion that it is absolutely necessary that this specific Committee be prepared to make the necessary decisions to provide the best available coverage at the most effective cost for all employees. Obviously, the Employer needs to have the opportunity to implement such changes, and any other changes that may be appropriate in a given set of circumstances. As indicated, this needs to be accomplished with a sense of reasonableness by the Employer. I have carefully reviewed the proposed language submitted by the Employer in this regard, and it is my considered opinion that what has been proposed by the Employer in this specific circumstance is appropriate. Furthermore, such proposal is consistent with the wage proposals which have been made by the Employer. It is my recommendation that the language proposed by the Employer in this regard be implemented.

ISSUE NO. 3. ANNUAL LEAVE

EMPLOYER POSITION

The Employer has proposed a maximum of four weeks annual leave for all employees as a reduction from the current maximum of six weeks. During discussion of this matter, the Employer has altered its position and would agree that a maximum of five weeks of annual leave would be permissible for all employees, but there would be grandfathering at six weeks for those employees who have already attained that level. The Employer would point out that employees with 21 years or more service with the Employer are entitled to six weeks annual leave. The Employer contends this arrangement is not appropriate and provides annual leave which is not justified. It, therefore, recommends that its proposal be accepted so that all employees could only earn a maximum of five weeks annual leave down from the current six weeks that may be earned by employees.

UNION POSITION

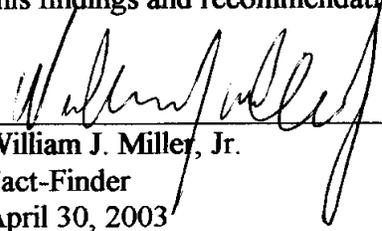
It is the position of the Union that the existing language which provides for a maximum of six weeks annual leave remain in effect. The Union contends this practice should remain in effect because it is not unreasonable and is similar to other leave opportunities provided in Trumbull County and Jefferson County. Furthermore, the Union argues it is not uncommon for employees to have the opportunity to earn six weeks annual leave and it, therefore, requests that the existing language be maintained.

FINDINGS AND RECOMMENDATIONS

I have carefully reviewed the positions of the parties related to annual leave. While it is evident the Employer is asking for a specific give back in this area, several facts have become apparent. In the first instance, it is clear that not all employees would have the opportunity to earn six weeks leave during the term of the Agreement. Consequently, the savings anticipated by the Employer would not be as significant as anticipated. Also, the evidence has shown that other similarly situated employees have had the opportunity to earn annual leave in the amount specified in the existing Agreement. It also became evident during the hearing regarding this issue that in most instances employees are not replaced when they are on annual leave. Obviously, employees are replaced when it becomes necessary as the determined by management, but in a number of instances employees on annual leave are not replaced on a one to one basis in each and every circumstance. Therefore, some of the savings anticipated by the Employer are not as the Employer would suggest. Finally, the overall Agreement which is being considered by the parties shows that there has been sufficient opportunities for the Employer to reduce its costs. This will occur as a result of the wage freeze which is recommended and also because of an anticipated reduction in healthcare cost. In my considered opinion, the proposal made by the Employer regarding annual leave under the circumstances which are presented in this case at this specific time is not appropriate. Consequently, it is my recommendation that the existing leave provisions remain in effect for the term of the Agreement.

CONCLUSION

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



William J. Miller, Jr.
Fact-Finder
April 30, 2003



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