

THE EMPLOYMENT
RELATIONS BOARD
2005 JUL 11 A 9:05

IN THE MATTER OF FACT FINDING

BETWEEN

IAM LOCAL 1363

AND

METRO REGIONAL TRANSIT AUTHORITY

SERB CASE # 03-MED-11-¹³¹⁵~~1315~~

ADVOCATE FOR THE TRANSIT AUTHORITY:

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INTRODUCTION

The International Association of Machinists and Aerospace Workers, Local 1363 (hereinafter "Union" or "IAM") represents the bargaining unit and the Employer is the Metro Regional Transit Authority (hereinafter "Company", "Employer" or "Metro"). The bargaining unit is comprised of approximately 42 skilled employees who work as Mechanics, Parts employees (Storekeeper), and Building Maintenance staff. The previous Collective Bargaining Agreement (hereinafter "Agreement") between the parties expired on January 31, 2004. A long and arduous negotiation extended throughout 2004 and into the spring of 2005. A fact-finding hearing was held on two dates, April 19, 2005 and May 24, 2005 over the following issues:

Listing Of Unresolved Issues:

- Wages
- Duration of Agreement
- Outsourcing/ Bargaining unit Work
- Job Bidding
- Healthcare
- Bereavement Leave

It needs to be said that the times the parties find themselves in are tough. The parties may be facing the biggest challenge they have ever encountered in the history of their bargaining relationship. A combination of factors, including record fuel costs, personnel costs, and declining sales tax revenue has put this essential community service in difficult straights. This report, not unlike the one that was issued by the undersigned Fact-finder for the TWU bargaining unit

reflects the need for the parties to take necessary sacrificial steps to maintain the organization's viability, and to save jobs. The advocates represented their respective parties well and clearly articulated the position of their clients on each issue in dispute. In order to expedite the issuance of this report, the Fact-finder shall not restate the actual text of the parties' proposals on each issue, but will instead reference the Position Statement of each party along with a summary. The Union's Position Statement shall be referred to as UPS and the Employer's Position Statement shall be referred to as EPS. The report will be postmarked July 6, 2005.

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 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. WAGES

Union's Position

1. The Union proposes that all bargaining unit positions be given across-the-board wage increases according to the following schedule:

Effective February 1, 2004, the pay scale for all bargaining unit positions shall be increased by 3%.

Effective February 1, 2005, the pay scale for all bargaining unit positions shall be increased by 3%.

Effective February 1, 2006, the pay scale for all bargaining unit positions shall be increased by 3%.

2. The Union also seeks an economic "me-too" clause.
3. The Union is seeking a change in the Maintenance rate that would give it parity with that of Parts (Storekeeper).
4. The Union proposes is seeking an increase in the Outside Maintenance rate to 70% of the Mechanic rate.
5. The Union proposes increasing the SOLA rate to \$.02 (35,000) and \$.15 (for every 50,000 after) for 2005.
6. The Union is also seeking to maintain the current night shift differential of \$.30 per hour.

Employer's Position

1. The Employer's position is also based upon a three (3) year agreement, but the Employer is proposing that the Agreement

- begin on the date both parties ratify a new agreement. The Employer proposes a wage reduction of 3%.
2. The Employer proposes to cease paying night shift premium on time not worked.
 3. The Employer proposes freezing SOLA for the life of the Agreement.
 4. The Employer proposes, and eliminating the year- end bonus.
 5. The Employer proposes that pay be based upon a bi-weekly schedule.

Discussion

The Employer provided a convincing argument that at this period in its history, it must take bold steps to address personnel costs until it can recover from its financial crisis. While it is recognized the Employer is asking for a considerable sacrifice on the part of the Union, there is little doubt the viability of the Employer and the preservation of jobs are priorities during these difficult economic times. It is also recognized that the Employer has asked its own administrative employees to make sacrifices. The Company has made numerous cuts in several areas, yet the cost of doing business continues to increase in such areas as fuel, maintenance, benefits and wages. Casualty and Liability Insurance costs have increased 151% since 2000, an increase of approximately 30% per year. The cost of providing medical insurance for most of the Employers employees has increased 28%. However, it must be noted that the IAM's health and welfare fund has been an exceptional leader in controlling healthcare costs.

While it is clear Metro is facing extraordinary economic times and the Union is making sacrifices, there needs to be equal consideration given to sharing in any prosperity that Metro may experience. The Union made a convincing argument that its proposal on SOLA should be given reasonable consideration as a good faith commitment that the bargaining unit will share in gains in tax revenues. Hopefully a recovering economy in Summit County will translate into increases in tax revenues. There are already signs that revenues may be improving. The Union, which will make difficult sacrifices in wage adjustments, should maintain its position to gain from increases in tax revenues over the life of the Agreement. However, a determination in this matter, including the issue of a year-end bonus, will need to be consistent with other

unionized employees at Metro and should reflect the change in the duration of the Agreement. ,

One of the important statutory criteria for evaluating issues is the interest and welfare of the public. Metro provides a vital service to Summit County. A sizable segment of the public depends on Metro and the employees who make it run, to get to their jobs, attend school, make medical appointments, and utilize Metro for a variety of other needs in their lives.

FACTFINDER'S DETERMINATION

Wages:

Consistent with the TWU settlement, the annual base rate for the IAM bargaining unit will not be reduced, but shall be maintained for the life of the Agreement. This does not affect advancement through the existing pay scale, which shall remain unchanged. Given the recommendation for a freeze on wage increases, no equity increases for specific classifications are to be made during the life of the Agreement (see Duration section for dates of the Agreement). Also, there it is determined there is no need to establish a me-too clause given the new ending date of the Agreement. The night shift premium shall not be eliminated but shall remain the same as current language.

Bi-Weekly Pay:

The Company's position on bi-weekly pay shall be implemented as soon as practical.

SOLA Pay and Bonus:

The position of the Union is adopted to a limited extent. In years two and three of this Agreement the SOLA wage adjustment under Article 12, Section 2 will be increased. Effective August 1, 2005, the SOLA wage adjustment will be paid at 1.5 cents per the formula set forth therein, and effective August 1, 2006, it will be paid at 1.75 cents. However, the formula shall revert to current language (2/1/01-1/31/04 Agreement) at the conclusion of the term of this successor Agreement.

In addition the SOLA bonus contained in Article 12, Section 3 will be continued to be paid each successive December based upon the formula set out in Section 4 of the current language (2/1/01-1/31/04). The continuation of SOLA and the SOLA year end bonus is in consideration of the freeze on wage

increases, and significant concessions made by the Union in the outsourcing of additional work that are designed to bring about savings to the Company.

ISSUE 2. DURATION OF THE AGREEMENT

Union's Position

The Union proposed to have the Agreement run from February 1, 2004 to January 31, 2007.

Employer's Position

The Employer proposed to have the Agreement run for a period of three years from the date of ratification in 2005.

Discussion

There is a lack of evidentiary support for either of the parties' positions on this matter. The Union's proposal only extends the agreement approximately one and one-half years into the future. In collective bargaining it is not customary, nor is it good for the relationship, to be bargaining in short intervals. Metro's proposal does not provide an adequate basis for extending the Agreement three years so far into the future. In as much as the IAM is being asked to make sacrifices similar to that of the TWU, it appears reasonable that the IAM contract should run no longer than the TWU's contract.

FACTFINDER'S DETERMINATION

The Agreement shall become effective on the date of eventual ratification by both parties and shall expire on July 31, 2007

ISSUE 3. OUTSOURCING/BARGAINING UNIT WORK

Union Position

The Union is opposed to changing this provision based upon further erosion of the bargaining unit. The Union acknowledges it has agreed with the Company in the past to allow some outsourcing under Article 1, Section 5, but did so with great trepidation. The Union also feels that there may not be any costs savings. If the Fact-finder determines that the Company should have more flexibility to outsource work then the Union is seeking a contractual guarantee from 33 to 38 jobs.

Employer Position

The Company seeks to expand outsourcing by allowing snowplowing, body work/painting of buses, along with allowing more traditional engine and transmission repairs to be outsourced. And, the Company proposes that an outside agency may tow any vehicle to or from the garage without a mechanic. Additionally, the Company proposes to allow anyone to adjust mirrors.

Discussion

The Union's fears regarding outsourcing are well understood, particularly in today's global economy. Yet, as previously stated the Company is in difficult financial condition, which calls for some extraordinary steps to be taken. During the hearing, the Company repeatedly stated that, after an increase in outsourcing, there is more than enough work for mechanics to perform. The Company made a persuasive argument, supported by testimony, regarding the better guarantee attached to warranty work and how it may potentially save money by having an outside firm perform said work. The Company is seeking every way possible to be more efficient and to save money. The difficult position Metro finds itself in at this point in time supports a fair trial of expanding outsourcing, providing it can be done without harming current bargaining unit members.

FACTFINDER'S DETERMINATION

Section 5. So long as there are no employees on layoff and/or the bargaining unit does not drop below **38*** mechanics and building maintenance employees (this does not include storeroom keepers) the Company may outsource the following repair and maintenance involving:

- a. bus shelters and bus signs;
- b. garage and man doors;

- c. non-revenue vehicles as appearing on the Vehicle Master File maintained for FTA reporting requirements;
- d. parking lot and driveway patching and paving;
- e. hoists
- f. non-vehicle painting;
- g. **body work/painting of buses****
- h. vehicle towing for warranty repair work
- i. **towing of any vehicle to and from garage without mechanic escort***
- j. tow motor and sweeper repairs
- k. the purchase of **up to 6*** engines and **up to 9*** transmissions with core exchange each year or the contract. (This does not limit the Company from continuing its practice of buying rebuilt engines complete without core);
- l. repair or replace windshields on par transit vehicles (small buses);
- m. rehabilitation of two buses per contract year in addition to those permitted under Section 3 of this Article.
- n. **Snow plowing***

*** These changes are introduced as pilot projects in response to Metro's need to create more viable methods to cut expenses that do not impact bargaining unit jobs. In order to provide enough time to assess the financial gain of these changes they shall remain in effect for the life of the Agreement (until July 31, 2007). Only by mutual consent of the parties may they be modified or renewed for successor agreements. However, the relationship of a guarantee of 38 mechanics and building maintenance jobs is contingent upon the flexibility gained by the Company in Sections, i, k, and n.**

**** The bodywork and painting shall continue on the outsourcing list beyond the expiration of the Agreement if the Company converts/renovates the body work/painting area for purposes of performing other work. Under Article VI, Section 8, BODY REPAIR, the position of Body and Paint shall become a combination position and shall be designated Body and Paint/Farebox-Destination Sign Repair at the same rate of pay.**

ISSUE 4. JOB BIDDING

Union Position

The Union wishes to insert language to insure the employees who bid on jobs by seniority get to perform such work. The Union also wishes to add bids to help utilize the existing space and equipment in order to increase efficiency. The Union is proposing new bid jobs for cutting

brakes, fare boxes, and destination signs. The Union is also proposing that on all three shifts there be a body/paint bid job.

Employer Position

The Company is proposing that the single body/paint job that currently exist be outsourced in order to free up floor space and replace it with a day shift, Farebox-Destination Sign Repair position.

Discussion

In order to properly assess the impact of the piloted changes under Article 1, Section 5, it is determined that too much change across too large a spectrum of issues may be counterproductive, with one exception, the single position of Body and Paint. During the hearing the Employer convincingly argued that if an exchange of one position for another can be made, it would renovate the body and paint area in order to create a more efficient working area for mechanics. It is also noted that the language of the current agreement already allows the Company to assign "any other duties" to an employee holding the position of Body and Paint. The Company also asserted that it needed to create a daytime Farebox-Destination Sign Repair position.

Given the long history of bargaining between the parties, it would not be reasonable to eliminate the title of Body and Paint from the bid list. However, given the existing flexibility in the Agreement to assign a person in this position "any other duties", it makes sense to broaden the position to meet the Company's needs to have a person holding this position to be able to perform work in the specified area of fare-box sign repair. A combination position would preserve the ability of a person in this position to do body and paintwork when assigned, and would allow the Company to provide this person with other work appropriate to the new combination title. At this time the Union's proposal to lock in bids and reduce managerial flexibility runs contrary to Metro's need to seek new ways to get work done more efficiently. Therefore, with the single exception of modifying the Body and Paint bid position to Body and Paint/Farebox-Destination Sign Repair, the language on job bidding should remain the same for the duration of the Agreement.

FACTFINDER'S DETERMINATION

Maintain current contract language, except eliminate the heading BODY REPAIR and replace it with BODY AND SIGN REPAIR. And, replace (A) Body and Paint

Repair and any other duties assigned with new section: (A) Body and Paint/Farebox-Destination Sign Repair and any other duties assigned.

ISSUE 5. HEALTHCARE

Union's Position

The Union is proposing the elimination of any employee contributions.

Employer's Position

The Company is proposing the elimination of any caps that limit the annual contribution to be made by an employee.

Discussion

The Union points out that its bargaining unit is not part of the Employer's health care plan. The evidence supports the fact that the IAM has done an outstanding job of managing health care costs through its health and welfare fund. There is insufficient evidence to support the Company's proposal to eliminate the caps contained in the current language in light of the savings the IAM plan has created for Metro. And, it is recognized that in this regard health care coverage for the IAM is unique from other bargaining unit and non-bargaining unit employees who are under the Employer's health care plans. Under the IAM health care plan changes in deductibles, co-pays, and the like have been made separate and apart from other Metro employees, and have resulted in ongoing cost savings. When the current \$942.16 HMO (or \$882.37 PPO) per month Employer family plan is compared to the \$650.00 family plan for the IAM, the annual cost savings to the Employer is significant and more than offsets the difference between what IAM bargaining unit members pay toward their premium under the current \$20 cap and what other employees of Metro pay toward their premium. It is recognized that on May 1, 2005 the cost of the IAM plan has gone up to \$650.00 and has imposed some additional costs on the Employer, albeit far lower than the premium it pays for its own health care plan. When all things are considered, the maintenance of current language including keeping the cap of \$20 for employees throughout the life of the Agreement is a reasonable approach to take at this time.

FACTFINDER'S DETERMINATION

Maintain current contract language.

ISSUE 6. BEREAVEMENT LEAVE

Union Proposal

The Union proposes expanding the Bereavement leave to cover in-laws.

Employer Proposal

The Company seeks to maintain current language.

Discussion

There is insufficient evidence to support a change in current language at this time.

FACTFINDER'S DETERMINATION

Maintain current contract language.

TENTATIVE AGREEMENTS

During negotiations, mediation, and fact-finding the parties reached tentative agreements on several issues. These tentative agreements are part of the recommendations contained in this report.

The Fact-finder respectfully submits the above recommendations to the parties this 6th day of July 2005 in Portage County, Ohio.



Robert G. Stein, Fact-finder