

**IN THE MATTER OF FACT-FINDING PROCEEDINGS  
BETWEEN**

STATE EMPLOYMENT  
RELATIONS BOARD

Trumbull County Engineer

( Case No.: 07-MED-04-0410 2007 AUG -9 A 11: 16

(

(

and

(

(

(

Ohio Civil Service Employees  
Association, AFSCME Local 11,  
AFL-CIO

( Hearing Dates: 6/1/07

(

6/29/07

(

( Findings and Recommendations:

8/8/07

Representing the Employer:

John Emanuel  
Consultant

Representing the Union:

Thomas B. Cochrane  
Associate General Counsel

William J. Miller, Jr.  
Fact Finder

## **SUBMISSION**

This matter concerns fact-finding proceedings between the Trumbull County Engineer (hereafter referred to as the “Employer”) and the Ohio Civil Service Employees Association, AFSCME Local 11, AFL-CIO (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 August 8, 2007.

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. The Employer and Union previously engaged in the collective bargaining process before the appointment of a Fact Finder. This Fact Finder conducted mediation on June 1, 2007 and June 29, 2007. Such mediation, which assisted in settling some of the outstanding issues, was unsuccessful and fact-finding occurred on June 29, 2007. The following issues were considered during fact-finding:

1. Wages
2. Health Care

### **ISSUE NO. 1.**

### **WAGES**

#### **EMPLOYER POSITION**

The Employer asserts the position the wage increase percent should be set forth at the rate of 3% for year 1, year 2, and year 3 of the Agreement. The Employer contends the Trumbull County Commissioners recently adopted a three year contract with a 3% wage increase each year, which must be considered in this instance. The Employer

points out the recent contract with the City of Niles was established at 2.75%, 2.75%, and 2.75%. It is also the contention of the Employer data obtained from SERB shows an overall average of a 3.10%, with an average of 3.01% for Counties, Cities & Townships during the same period of time. The Employer asserts the position a 3% wage increase is appropriate in each year because the bulk of the employees who are Truck Drivers, currently earn \$16.51 per hour, Equipment Operators earn \$17.47 per hour, Master Mechanics earn \$18.27 per hour, Labor 1 earns \$15.49 per hour, and the Labor 2 Classification earns \$16.14. The Employer contends the pay rates range from \$15.49 to \$19.32 and are higher than the comparables for the Ashtabula County Engineer, with the top rates of \$15.45 and \$15.69, Stark County Engineer which tops out at \$16.67, and the rate of \$15.31 to \$20.87 for the Summit County Engineer. The Employer points out it is relevant to consider the Employer paid pickup to the PERS contribution. The Employer contends the 4% pick up of the PERS contribution establishes the actual amount received due to pick up at 3.12%.

### **UNION POSITION**

It is the position of the Union the Fact Finder should adopt the Union's wage proposal of 5% annual pay increases for each year of the three year contract. The Union contends the bargaining unit's wage increases were fair and reasonable until the last contract. The Union argues between 1995 and 2003, the annual wage increases averaged 3.6%. The Union points out in the 2004-2007 Agreement, the increases were 0% in the first year, 2% in the second, and 1% in the third. The Union contends since the rate of

inflation over the same period was 3.2% in 2004, 3.6% in 2005, and 1.7% in 2006. the bargaining unit members actually lost 5.45% of their real wage value since 2004.

The Union also argues a potential base for two tax revenue streams exists because pursuant to Ohio state law, County engineers' offices are funded primarily by revenue from the Motor Fuel Tax and the Motor Vehicle License Tax. The Union points out over the period of 2002-2006, the Trumbull Engineer employees received a total wage increase of 11%, while the comparable employees of the County of Mahoning received 22.6% and Medina County employees received 15.5%. The Union contends this difference is notable because Mahoning and Medina engineer employees have significantly higher wages, when the entry, median, and top level wages for the road maintenance worker/ labor classifications are compared.

The Union contends financial and economic data reveal the Trumbull County Engineer's Office has the means to fund fair and reasonable increases in wages while substantially maintaining insurance benefits. The Union points out at no time during the 2007 negotiations has the Engineer's Office asserted it was unable to pay for any of the Union's proposals. The Union argues the Engineer's Office will receive steady annual funding at least through 2009. The Union further argues the Engineer's annual revenues exceeded its expenses in 2004, 2005, and 2006 by an average of 5.5% and notes in 2006 a budget surplus of over \$506,000 occurred.

### **FINDINGS AND RECOMMENDATIONS**

I have carefully considered the contentions and positions of the parties related to wages. The relevant record shows the bargaining unit employees took a wage freeze and

less than average wages in the last Collective Bargaining Agreement based on maintaining their health care coverage and to accommodate other funding needs. Furthermore, it is necessary that the wages offered by the Employer must be in line with the budget constraints of the department and equitable to bargaining unit employees. Considering all of the factors presented by the parties and carefully reviewing the evidence that has been provided, in my opinion, it is appropriate for wages to be increased a total of 4%, effective July 1, 2007, 3% effective April 20, 2008 and 3% effective April 20, 2009. In lieu of retroactive wages, it is my recommendation that a bonus in the amount of \$150.00 be paid to all employees of the bargaining unit, as soon as practical after the signing of the new Agreement.

**ISSUE NO. 2**

**HEALTH CARE**

**EMPLOYER POSITION**

The Employer takes the position the current health insurance plan must be changed to move in line with other comparable plans. The Employer asserts because the total annual cost of the health insurance plan increased 37% from \$751,821.00 in 2005 to \$1,028,911.00 in 2006, the County is unable to secure quotes from other providers. The Employer contends it will continue to provide health insurance coverage at the level of coverage which is currently in effect, but argues the following changes in health insurance coverage are necessary for the purpose of reducing health care costs.

- The Employer argues a deductible for mail order prescriptions should be \$20.00 for generic, \$40.00 for brand name prescriptions and \$50.00 for non-formulary

prescriptions. The Employer notes bargaining unit employees currently do not have a co-pay for mail order prescriptions because such prescriptions are covered 100%. The Employer points out Trumbull County employees pay \$10.00, \$25.00 and \$50.00 for a 30 day prescription and \$20.00, \$50.00 & \$100.00 for mail orders. The Employer alleges the State of Ohio and OCSEA agreed to prescription co-pays of \$10.00, \$20.00 & \$40.00 for a 30 day supply and \$25.00, \$50.00 & 100.000 for mail orders. The Employer also contends the prescription co-pay amounts must be increased because presently generic prescriptions only cost \$10, and brand prescriptions cost \$20.00.

- The Employer contends the maximum out of pocket expense should be increased from \$500.00 per individual and \$1000.00 per family to \$700.00 per individual and \$1400.00 per family.
- The Employer points out reimbursement for most of the coverage including hospital stays, diagnostic tests, childbirth, physician services in hospital, surgery, and anesthesia are 100% covered and not subject to the deductible. However, the Employer contends it is necessary to change the reimbursement amount for such services covered from 100% to 90%, subject to the deductible and to change the services paid for at the 90% level to be covered at 80%, subject to the deductible.

- The Employer contends it is necessary for the bargaining unit employees to contribute toward the cost of their health insurance premium as follows: family plan \$30.00 per pay and single plan \$15.00 per pay. The Employer points out the bargaining unit employees did not want to contribute during the last contract, and as a result lower wages were provided to the employees. However, the Employer asserts because of the rising cost of health insurance, it is now necessary for contributions to occur. The Employer would point out other comparable entities require employees to contribute to their health insurance premiums, and the employees should be required to contribute in this instance. The Employer contends the Trumbull County Commissioner employees are required to contribute 10% of the premium, the State of Ohio Office of Collective Bargaining and SEIU contribute 15% of the premium, the State of Ohio and OCSEA contributes 15% of the premium, Summit County Engineer employees contribute 10% of the premium, and the Ashtabula County Engineer has a contribution of 10% of the premium. The Employer also contends the Geauga County Engineer pays \$650 per month for family health insurance and the employees are required to pay the balance of the premium.
- The Employer asserts the spouses and dependents who are eligible for health insurance coverage by their employers shall elect said coverage, and will only be eligible under the current County plan due to a qualifying event.

- The Employer also would recommend forming an insurance committee, which will consist of 6 members, three from management and three from the bargaining unit. The Employer would note this committee will be charged with the task of recommending cost saving measures to the County Engineer. The Employer points out the committee may meet at least once every quarter or more if necessary, at times set and approved by the Employer. The Employer contends the committee will look at any alternatives to help defray the rising cost of health insurance.

### **UNION POSITION**

It is the contention of the Union the Fact Finder should adopt the last proposal of the Union of March 30 concerning health insurance. The Union contends a contribution of \$5.00 per pay for singles and \$10.00 per pay for families is appropriate. The Union argues other employee costs such as deductibles and co-pays should not be increased, and benefits should not be reduced because wages and health insurance benefits decreased under the previous Collective Bargaining Agreement. The Union asserts traditionally the Employer has passed more costs of health insurance on to the employees as deductibles, increased prescription co-pays, and the employees became liable for 10% of the costs of all in-network preventative care, and a greater cost of all non-network care. The Union contends health care costs have been increasing for more than a decade, and the members of the bargaining unit have seen out of pocket increases. The Union further argues bargaining unit employees have suffered significant losses in the value of their wages and health insurance, particularly under the 2004-2007 Collective Bargaining Agreement

because real wages decreased 5.45% while the employees' insurance costs increased no less than 35%.

While the Union recognizes the Trumbull insurance plan may be marginally better than the Medina and Mahoning plans because no premium contribution is currently withheld, it cannot be said the Trumbull plan is superior overall because it provides a lower level of benefits than the Mahoning plan. The Union argues the Trumbull plan is equal in costs and benefits to the Medina plan. The Union also contends the relevant financial and economic data reveals the Trumbull County Engineers office has the means to maintain the current health insurance. The Union therefore requests the previously provided health insurance benefits should be maintained.

### **FINDINGS AND RECOMMENDATIONS**

I have carefully considered the contentions and positions of the parties related to the issue of health insurance. Undoubtedly, the Employer has been facing a severe burden with ever increasing health care costs. While the parties should continue to look for ways to find alternative forms of health care coverage which is less costly to the Employer, at the present time, based upon the consistent premium increases which have occurred, it is not unreasonable for the Employer to seek some form of contribution from employees for health care costs. Upon reviewing what has been occurring with respect to this issue in other comparable areas, a contribution is not unusual and would provide much needed relief for the Employer in the area of rising health care costs. It is also necessary, due to the large increases in the health insurance rates for the Employer, for the Employer to seek other relief in the form of changes to co-payments, deductibles, and

amounts of coverage. Furthermore, it is my recommendation an insurance committee, consisting of Employer and Union representatives, should be formed for the purpose of recommending viable solutions to address the continued increase in health insurance costs. It is therefore my considered opinion, that the following changes should be made regarding health care for bargaining unit employees:

#### Section 1. HEALTH INSURANCE

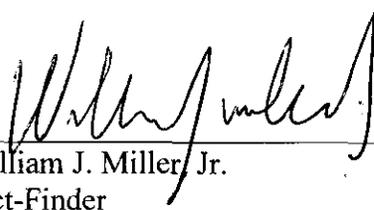
The Employer will continue to provide health insurance for bargaining unit employees for the duration of this Agreement at the level of coverage provided in the 2003-2007 Agreement except for the following:

- A. The co-pay to be paid by employees for mail order prescriptions shall be \$20.00 for generic and \$40.00 for brand name prescriptions and non-formulary.
- B. The maximum out of pocket expense shall be \$600.00 per individual and \$1200 per family.
- C. Where the previous health insurance plan pays 100%, it shall now be paid at 90% (subject to deductible). Where the health insurance plan pays 90% it shall now be paid at 80% (subject to deductible).
- D. Employees shall contribute to the cost of their health insurance as follows:  
Family plan: employee contribution = \$30.00 per pay period.  
Single plan: employee contribution = \$15.00 per pay period.
- E. Employees' spouses or dependents who are eligible for health insurance coverage with their employers shall elect such coverage, and will only be eligible under the current County plan due to a qualifying event.

- F. An eight member insurance committee shall be formed consisting of equal numbers of management and bargaining unit employees. The committee will have the task of recommending cost saving measures to the Trumbull County Engineer and considering alternatives to help defray rising health care costs. The committee shall meet no less frequently than once every quarter, and the time of the meetings shall be set and approved by the Employer.

**CONCLUSION**

In conclusion this fact-finder submits his findings and recommendations as set forth herein.



William J. Miller, Jr.  
Fact-Finder  
August 8, 2007