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STATE EMPLOYMENT
RELATIONS BOARD

2010 NOV 10 P 12: 22

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

FRANKLIN TOWNSHIP)	CASE NO. 09-MED-10-1212
)	
AND)	<u>FINDINGS</u>
)	AND
TEAMSTERS LOCAL UNION NO. 24)	<u>RECOMMENDATIONS</u>
)	

JAMES M. MANCINI, FACT-FINDER

APPEARANCES:

FOR THE UNION

Susan D. Jansen, Esq.

FOR THE TOWNSHIP

Chad Murdock, Esq.

SUBMISSION

This matter concerns fact-finding proceedings between Franklin Township (hereinafter referred to as the Employer or Township) and Teamsters Local Union No. 24 (hereinafter referred to as the Union). The State Employment Relations Board (SERB) duly appointed the undersigned as fact-finder in this matter. The fact-finding hearing was held on September 24, 2010.

The fact-finding proceeding was conducted pursuant to the Ohio Collective Bargaining Law as well as the rules and regulations of SERB. During the fact-finding proceeding, this fact-finder attempted mediation of the issues at impasse. The issues remaining for this fact-finder's consideration are more fully set forth in this report.

The bargaining unit involved consists of all full-time employees in the Township's Road Department. There are three employees in the unit.

This fact-finder in rendering the following findings of fact and recommendations on the issue at impasse has taken into consideration the criteria set forth in Ohio Revised Code Section 4117-14(G)(6)(7). Further, this fact-finder has taken into consideration all reliable evidence presented relevant to the outstanding issues before him. The parties agreed that this fact-finder could issue a summary decision and recommendation on each of the issues presented. It is pursuant to that understanding that the following findings of fact and recommendations are submitted.

1. WAGES

The Union proposes a 3% wage increase effective retroactive to January 1, 2010; a 3% increase effective January 1, 2011; and a 3.5% increase effective January 1, 2012.

The Township proposes that there be no increase in wages for the term of the Agreement. Under the Township's wage proposal, there would be no pay or step increases for bargaining unit employees for the duration of the new Agreement.

The Union contends that its proposal is reasonable and necessary in order for the bargaining unit members to maintain a comparable ranking with other Road Department employees in northeast Ohio. The Union also presented evidence to demonstrate that its proposed wage increase would be more than paid for by the savings to be realized by the Township switching to the Michigan Conference of Teamsters Insurance Plan. The Union estimated that the Teamsters Insurance Plan would cost the Township about \$15,000 per year less than continuing with the current healthcare plan. The Union cited a number of wage comparables in support of its position.

The Township argues that it has been severely impacted by the so-called "great recession" that is taking place throughout the area and the state. As a result, revenues are expected to decrease for 2010 while expenditures continue to rise which will result in a year-end balance which is \$133,651 less than last year. It is anticipated that the year-end balance will further decrease to about \$64,921 at the end of 2011. As a result, the Township does not have the ability to finance any wage increase for the bargaining unit

over the next three year term of the Contract. The Township also points out that no other employee has received a pay increase during the past three years even though bargaining unit employees received pay increases during that time. In support of its position, the Township also presented comparisons with wages paid to Road Service employees in neighboring jurisdictions. According to the Township, this evidence shows that bargaining unit members here are paid amongst the highest in the area.

ANALYSIS - Based upon a careful review of the evidence, this fact-finder would recommend that there be no wage increase for bargaining unit members over the three year term of the Agreement. However, it is recommended that there be a one time, lump sum payment provided to the employees in the first pay period in December 2011. The amount of the lump sum would be equivalent to 3% of the gross wages currently paid to the employees.

This recommendation is based on a showing made by the Township that it is experiencing serious financial difficulties due to the recession. The fiscal officer presented the Road Department budget for the current year which indicated that the 2010 year-end balance will be about \$133,651 less than the previous year. The Township's fiscal officer also points out that there were a number of local businesses which have closed in recent months which will result in a further decrease in revenues. As the fiscal officer stated, the projected year-end balance for 2011 will be about \$64,921 which will not be enough to pay for the monthly expenditures for the Road Department. It is mainly

for the reason that the Township is experiencing financial difficulties that this fact-finder recommends a wage freeze for the duration of the Agreement.

With respect to the lump sum payment being recommended herein, the evidence presented by the Union indicates that this expenditure could be paid for from anticipated savings to be realized by the Township switching to the Michigan Conference of Teamsters Insurance Plan. It was estimated that a change to the Teamsters Insurance Plan would provide the Township with a savings of about \$15,000 per year as compared to the cost of continuing the current healthcare plan. The total cost of providing a one time, lump sum payment equivalent to 3% of the gross wages of the employees would be substantially lower than the savings realized by the Township by switching to the Teamsters Insurance Plan.

RECOMMENDATION

It is the recommendation of this fact-finder that there be no wage increase during the term of the three year Agreement but that a one time, lump sum payment be provided in December 2011 as more fully set forth below:

WAGES

A wage freeze for the three year duration of the Agreement from January 1, 2010 through December 31, 2012.

A one time, lump sum payment shall be provided to each bargaining unit member during the first pay period in December 2011. The amount of this payment shall be equivalent to three percent (3%) of the employees gross wages.

2. INSURANCE

The Union proposes to retain current language with respect to the Health Insurance Provision. Currently, employees are required to contribute 7% of the total monthly health insurance premium up to a maximum of \$60.00 for coverage which is other than family coverage, and \$80.00 for employees with family coverage.

The Township proposes that effective January 1, 2010, bargaining unit employees be required to contribute 70% of the total monthly health insurance premium without any maximum provided. The Township also proposes certain changes in Section 30.1 if the employees are not required to contribute more towards premiums.

The Union contends that there is no justification for any increase for employee contributions towards health insurance premiums. The Union maintained that the issues of wages and health insurance are connected and in order to assure a fair wage increase, the Union solicited healthcare quotes from the Michigan Conference of Teamsters Welfare Fund. A medical plan design could be provided which is identical to the plan currently in effect at a greatly reduced cost. The savings could offset the cost of the wage increase proposed by the Union.

The Township maintains that the "substantially equal coverage" language in the current Article 30 must be modified if bargaining unit employees continue to contribute only \$80.00 per month maximum for full coverage. Flat revenues and rising costs dictate that the Township can no longer afford to pay a \$4,725 per month premium for health insurance for three bargaining unit employees. The employees must contribute more.

ANALYSIS - This fact-finder would recommend that the Township adopt the Michigan Conference of Teamsters Benefit Plan 562. This medical plan would have design features nearly identical to the current plan. However, the cost to the Employer would be approximately \$1,566.07 per month less than the current healthcare plan. When the employees' share of the monthly premium is included, the savings to the Township increases to \$1,826.07 per month. Moreover, the Teamsters Benefit Plan would include dental and optical plan benefits which are not currently provided to bargaining unit members. Therefore, this fact-finder finds that it would be reasonable to recommend that the Township adopt the Michigan Conference of Teamsters Benefit Plan 562 which would achieve cost savings for the Employer while providing even greater benefits for the bargaining unit.

RECOMMENDATION

It is the recommendation of this fact-finder that the Township adopt the Michigan Conference of Teamsters Benefit Plan as more fully set forth below:

HEALTH INSURANCE

The Township will provide to employees health insurance coverage under the terms of the Michigan Conference of Teamsters Benefit Plan 562, otherwise known as A 60-DVN-2DN. The new healthcare plan will be implemented as soon as practicable. There is to be no change in the amount of employee contribution which is currently provided under Section 30.2 of the Agreement.

3. BARGAINING UNIT WORK/ASSIGNMENTS (SUBCONTRACTING)

The Township proposes that Section 17.2 be modified to provide that management personnel may do a particular job if such work does not interfere with the bargaining unit employees' guaranteed work week or if the employees are unable to respond to a job in a timely manner. The Union proposes to retain current language which provides that management personnel may only fill-in for bargaining unit employees when they are off work due to scheduled, approved leave, unscheduled absences, or when a particular job may need an extra person to help for a reasonably short duration, or if bargaining unit employees are currently working and unable to respond to a particular need in a timely manner.

The Township claims that the current language is ambiguous and has caused grievances to be filed in certain cases. The Employer points out that the Township's Road Superintendent is a "working" superintendent and as such should be allowed to fill-in occasionally as it proposes.

The Union submits that the current language has been adequate for the parties during the term of the Contract and that there have been no arbitrations held concerning Section 17.2. Moreover, management failed to demonstrate any justification for its proposal which would allow work to be taken away from bargaining unit employees.

ANALYSIS - This fact-finder would not recommend that there be any change in the current Contract language set forth in Section 17.2 of the Agreement. It appears to

RECOMMENDATION

It is the recommendation of this fact-finder that the current Section 17.2 provision remain the same without any change.

ARTICLE 17 - BARGAINING UNIT WORK/ASSIGNMENTS

Section 17.2 - Current language, no change.

JAMES M. MANCINI
ATTORNEY AT LAW - ARBITRATOR
JEFFERSON CENTRE - SUITE 306
5001 MAYFIELD ROAD
LYNDHURST, OHIO 44124
216 382-9150 Fax 216 382-9152 ManciniJM@aol.com

November 8, 2010

J. Russell Keith
Assistant Executive Director
State Employment Relations Board
65 East State Street, 12th Floor
Columbus, Ohio 43215-4213

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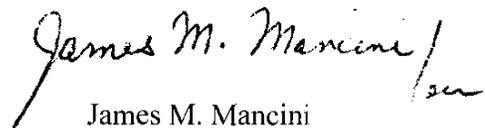
RE: Case No. 09-MED-10-1212
Franklin Township
-and-
Teamsters Local Union No. 24

Dear Mr. Keith:

Enclosed herewith is a copy of my fact-finder's Report in the above referred to matter.

Thank you.

Very truly yours,


James M. Mancini

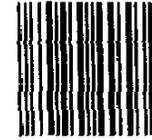
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Enclosure

M. MANCINI
LAW - ARBITRATOR
CENTRE, SUITE 306
AYFIELD ROAD
ST, OHIO 44124



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J. Russell Keith
Assistant Executive Director
State Employment Relations Board
65 East State Street, 12th Floor
Columbus, Ohio 43215-4213