

Received Electronically @ SERB Jan 3, 2011 4:22pm

**STATE OF OHIO
STATE EMPLOYMENT RELATIONS BOARD**

**In The Matter of Fact-Finding
Between**

**Communications Workers of America, Local 4340
And**

**Geauga County Commissioners
(Water Resources)**

Re: SERB Case No. 10-MED-10-1433

FACT-FINDER: John Babel Jr.

Representatives

For Union

Charles M. DeGross
Communications Workers of America
1400 E. Schaaf Road
Brooklyn Heights, OH 44131-1322

Geauga County Department of Water Resources

Stephen J. Sferra
Littler Mendelson, P.C.
1100 Superior Avenue
20th Floor
Cleveland, Ohio 44114

INTRODUCTION

The fact-finder was contacted under the auspices of the Ohio State Employment Relations Board to assist in the negotiated procedure between Communications Workers of America (CWA) Local 4340 and the Geauga County Commissioners (Water Resources). In determining the fact-finding date both parties indicated a desire for a mediation session prior to a fact-finding session in hope of obtaining an agreement. This fact-finder agreed to mediation which was held on Friday, December 2nd with the understanding if an agreement was not reached we would go into a fact-finding session. After three plus hours both parties agreed that we were at an impasse. At the time we moved into a fact-finding session. Representatives at the mediation and fact-finding session were:

For the CWA Local 4340:

Charles M. DeGross, General Counsel
Bill Udmar, Business Agent
Gary Kundrat, Business Agent
Peter Joksimovich, Union Stewart
Brandon Willman, Union Stewart

For the Geauga County Commissioners (Water Resources):

Stephen Sterra, Attorney
Doug Bowen, Director
Jim Reider, Operations Manager
Gerard Morgan, Assistant Sanitation Engineer
Adrian Gorton, Business Manager

In reporting the conclusion of this hearing the fact-finder has given full consideration to all reliable information relevant to the issues and to all criteria specified in 4117.14(4)(e) and Rule 4117-9-05(a) past collectively bargained agreement between the parties: (b) comparison of the unresolved issues relative to the employees in the bargaining unit with those issues related to other public and private employees doing comparable work, giving consideration to factors peculiar to the area and classification involved: (c) the interest and welfare of the public, the ability of the public employer to finance and administer the issues proposed, and the effect of the adjustment on the normal standard of public service; (d) the lawful authority of the public employer: (se) stipulations of the parties (f) such other factors, not confined to those listed above, which are normally or traditionally taken into consideration in the determination of issues submitted to mutually agreed upon dispute settlement procedures in the public service or in private employment.

PARTIES

The contract is between the Geauga County Commissioners (Water Resources) and union employees represented by Communication Workers of America, Local 4340 (Union). The collective bargaining relationship between the County and the Union is still relatively new as the Union was first recognized in 2005. Thereafter, two three-year CBA's were negotiated

and signed. The duration of the two three year contacts was from September 2, 2004 to September 1, 2007, and January 1, 2008 to December 31, 2010.

BACKGROUND

The Geauga County Commissioners (Water Resources) (“Department”) branched off from the County Engineers Office and was formed in 1968. Initially started with a dozen employees, the Department peaked at 38 during the late 1990s. The Department is currently organized at 35 employees.

The Department operates 26 wastewater treatment plants, 38 pump stations and three water systems which include servicing 5,900 sewer and 700 water accounts. The Department average charges were \$55.11/month for sewer service and \$10.54/1000 gallons for water service. Comparing this to other counties, the Department’s rates are double the rates of surrounding Counties and in the top 10% in the State. The County’s stance on keeping Geauga rural, large lot zoning and wide spread infrastructure makes it costly for the Department to do business.

In 2010, the combined sewer and water revenue funds totaled \$9,070,000 and the combined Department expenses totaled \$8,577,000. The \$493,000 surplus was transferred to the Department’s capital improvements fund. Based on the Department’s five year capital improvements plan, the County is estimating an average annual cost of \$1,600,000 (excluding assessment projects) for capital improvements to its aging infrastructure.

It is noted that the Department is an enterprise fund and is totally funded by its users. The County’s general fund does not subsidize the Department’s operating expenses. Although Geauga County is considered one of the most affluent counties in the state yet the Department’s customer base, many on small lots, are in the median to low income bracket. The current certification rate for delinquent accounts is over 11 percent.

The Department, understanding the financial concerns of the employees has developed a wellness program that can save employees 16% on their healthcare contributions. The County in 2011 absorbed a 10% increase in employees’ health insurance costs. The employees are now going on seven consecutive years with no increase in their health insurance rates.

Both parties agreed that after mediation the only issue before the fact-finder was Article 13-Compensation.

ISSUE

1. ARTICLE 13 – COMPENSATION

Union Proposal:

January 1, 2011	0%
January 1, 2012	0%
January 1, 2013	3%

Department Proposal:

January 1, 2011	0%
January 1, 2012	0%
January 1, 2013	2%

Discussion:

The Department makes no claim of inability to pay in this proceeding. However, the County is directly accountable to its customers and to the Ohio Environmental Protection Agency (OEPA) to provide a service for a reasonable fee and to provide that service in a way that protects the environment. In addition, as an enterprise fund, the County operates solely on the fees collected for services provided unlike sewer and water systems in municipalities and other counties where their funding may be subsidized by local tax revenue.

It was notice that the average age of the County's water system is fourteen (14) years and the average age of the County's sewer system is 27 years with several areas of the system exceeding 35 years of age. Aging systems require more upgrades and maintenance and the costs of replacement parts and/or complete replacement, as well as other increased operating costs (electric, fuel, etc.). Since the sewer system was first established in 1968 it has been the standard to not seek assessments for major upgrades to the system but to pay for such upgrades out of the revenue generated from the system thus the \$493,000 transferred to the Capital Improvement Fund.

It was also noted that the County's current fee structure is higher than surrounding sewer and water systems which is today's economic setting would make it very difficult to increase rates.

There was some discussion on comparable rates. The union indicated that employees moved to surrounding areas due to increased wage scales. The County indicated it is difficult to make compensation rates due to size of operation and types of communities and how funded.

The Board of County Commissioners has the authority to grant raises to non-unity employees at its discretion. From 2002 through 2009, the County's represented and non-represented employees have received pay increases each year. However, since 2009, the non-unit employees have not received any salary increases.

When faced with a ten percent (10%) increase in insurance premiums in 2011, the Board of County Commissioners in 2011 chose to continue to provide relatively the same health insurance benefits without increasing the County employees' percentage of premium payment. There will be no increase in employees' portion of premiums for 2012. This makes seven consecutive years without an increase in employees' insurance rates.

The current CBA, bargaining unit members received pay increases of 3.9%, 3.6% and 3.0% in 2008, 2009 and 2010, respectively, while all non-union employees under the Commissioners authority received 3%, 3%, and 0% during that same period.

RECOMMENDATION

Union Proposal:

January 1, 2011	0%
January 1, 2012	0%
January 1, 2013	3%

Rationale

Although the County has funds available, there is a considerable concern about the present economic climate and the need to keep future cost in control. All County employees received no salary increase in the past two years, 2010 and 2011, while the Union employees received a 3% raise in 2010. Also, one must consider the 10% health insurance cost the County absorbed this year, thus no employees have had an increase in these costs for the past seven years.

Date: January 3, 2012

John Babel Jr.
Fact-Finder