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STATE OF OHIO

STATE EMPLOYMENT RELATIONS BOARD

IN THE MATTER OF THE FACT-FINDING:

BEFORE: FACT-FINDER:
JAMES E. RIMMEL

LORAIN COUNTY CHILDREN SERVICES

CASE NO.: 2012-MED-02-0147

AND

HEARD: 8 AUGUST 2012

THE INTERNATIONAL UNION, UNITED AUTOMOBILE,

EYLRIA, OHIO

AEROSPACE AND AGRICULTURAL IMPLEMENT

ISSUED: 23 AUGUST 2012

WORKERS OF AMERICA, LOCAL #2192

FILE NO. 12.06161

APPEARANCES

FOR THE EMPLOYER:

SANDY CONLEY

CLEMANS-NELSON

FOR THE UNION:

JAMES WAINGROW

INTERNATIONAL REP.

BACKGROUND

This matter comes on for fact-finding under the terms of the parties' current collective bargaining agreement terms providing for a wage rate reopener. As set out at Article 32, Section 3 the applicable provisions read as follows:

Notwithstanding the above, effective June 19, 2011, 'steps shall be frozen' and employees shall not advance on the step schedule for the duration of this agreement. Employees shall not receive general pay increases during the like of the Agreement.

Notwithstanding the above, should the Board of County Commissioners grant an hourly wage increase or lump sum payment to any non-conciliation unit where the Board of Commissioners is the appointing authority or co-appointing authority between the date of execution of this Agreement and January 9, 2012, such hourly rate increase or lump sum payment shall apply to those employees covered by this Agreement. Additionally, the Union may reopen negotiations for the sole purpose of negotiating wages by providing written notice to the other party between January 9 and January 16, 2012. (Emphasis Added).

This record shows that no “non-conciliation bargaining unit” received any wage increase(s) or lump sum payment(s) during the contractually provided for reference period. In fact, no Lorain County, Ohio bargaining unit, including the five (5) conciliation units working within the County’s Sheriff’s Department, received any form of compensation increase/lump sum payment during 2011 or 2012. The record shows that employees in the Lorain County Children’s Services bargaining unit also received no wage increase during the year 2010. These are not the only austere measures employed within this Northeast Ohio County, including Children’s Services, where layoffs and other staffing adjustments have been made. Likewise, this unit has not escaped the continuing exodus from this Northeast Ohio “rust belt,” with a number of personnel resignations (bargaining and non-bargaining unit) who were not, in most cases, replaced.

Finally, there is currently in place a five (5) year voter approved levy which provides in excess of half of the revenue received annually by Lorain County Children’s Services. It appears this levy will expire in 2014 unless extended by the voters. In any event, various other sources of revenue, including that received from the state, have been decreasing in recent years.

While the Board has not raised the issue of its ability to pay that being sought¹ here by the Union, budgetary figures of record strongly indicate² that budgetary allocations would have to be adjusted if the prayed for lump sum amounts were recommended/adopted. This latter

¹ The Union’s and Board’s cost projections for the lump sum payment are \$219,000 and \$225,000 respectively, exclusive of an eighteen percent (18%) roll-up factor. In either case, we are dealing with an amount in excess of a quarter of a million dollars for those within the bargaining unit.

² The Children’s Services budget for fiscal 2012 projects an excess positive balance of \$66,752. And, while this number is a projected number, this record strongly suggests there would be a shortfall in available funds to cover this additional cost, a shortfall that would have to be made up elsewhere within the budget—possibly additional layoffs.

reality, however, cannot be the sole determining factor in this case for, as the Union points out, bargaining unit employees have not only received any wage increases during the term of the current Agreement, they have experienced premium cost increases under their county health insurance program. Stated simply, the equities in this case are significant from all perspectives. Equities, however, do not control that which I may rightly recommend here. Instead, the controlling criteria/factors for my recommendation in this matter are set forth in Ohio Revised Code Section 4117-14 © (4) (e) and Ohio Administrative Code Section 4117-9-05 (K); namely:

- (a) Past collectively bargained agreements, if any between the parties;
- (b) Comparison of the issues submitted to final offer settlement relative to the employees 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 adjustments on the normal standard of public service;
- (d) The lawful authority of the public employer;
- (e) The stipulation of the parties;
- (f) Such other facts, not confined to those listed in this section, which are normally or traditionally taken into consideration in the determination of the issues submitted to final offer settlement through voluntary collective bargaining, mediation, fact-finding, or other impasse resolution proceedings in the public service or private employment.

UNION POSITION

The Union argues that during the term of the current Agreement, its' members have been expected to do much more while not receiving any increase in wages or other forms of compensation. It contends these employees continue to see their standard of living eroded by increases in the cost of living and employee paid insurance premiums while they have been required to take on more work given significant decreases in staffing. It contends given these realities, it has every right to pursue a wage rate reopener in order to secure some form of

improvement in bargaining unit employee compensation. It argues, moreover, that being sought here is quite reasonable and has no long-term impact to this unit's wage structure. In any event, it notes the Union is proposing the following one time lump sum payment for all of the employees covered by the collective bargaining agreement:

Employees with fifteen years of service/seniority or more would receive \$3,000.00 each.

Employees with ten to fifteen years of service/seniority would receive \$2,500.00 each.

Employees with five to ten years of service/seniority would receive \$2000.00 each.

Employees with five (5) years of service/seniority or less would receive \$1,750.00.

The Union contends the purpose behind these lump sum payments is to allow its' members to recover some wages lost over the last several years. It iterates these employees have received no increases since 2009 while at the same time being required to pay higher insurance premiums in an ever-increasing cost of living environment. It notes, moreover, that there are a great number of employees in this unit who have advanced degrees. It suggests these individuals are far more marketable even in this difficult job environment and will probably move elsewhere if their standard of living continues to be eroded. This type of exodus, according to the Union, can only adversely impact CS's services to the community and voter attitude toward additional levies. In any event, it contends that employees in this unit provide unique services where cited internal comparable wage/compensation data irrelevant.

Accordingly, the Union requests I adopt its proposal for a lump sum 2012 payment for its' members. It iterates its belief that that proposed here is reasonable and provides a little relief in the on-going erosion of unit employees' standard of living.

EMPLOYER POSITION

The Employer argues like most counties in Ohio, Lorain County has experienced a reduction in revenue over the last few years and has not been in a position to increase personnel costs. It contends throughout the State of Ohio, as well as nationally, members of the public

have had to “tighten their belts” and are demanding that governmental bodies act responsibly and do the same. It contends the days of politically correct wage/benefit adjustments can no longer be given, especially given significant decline in governmental revenues.

The Employer contends that this bargaining unit is one of nineteen (19) units within the county where there is participation in a countywide health plan where the Board of Commissioners is either the Appointing Authority or the Legislative Body pursuant to Section 4117.10 ORC. It emphasizes none of the other units, with a contract commencement date within 2010 or 2011, received any wage increases for calendar years 2010 – 2013. It thus contends it is imperative to continue this pattern for reasons of consistency, equity, etc. Stated simply, it contends the County is not in a position to treat this bargaining unit differently.

Likewise, the Employer argues examination of relevant external comparable³ data cogently demonstrates that Lorain CS personnel, in comparison to their peers in other counties, are well paid. As for the referenced resignations, the Employer contends such has not been excessive and those who have resigned were from both bargaining and non-bargaining unit positions. In any event, it contends the current economic environment does not allow for the expenditure of in excess of \$250,000 in employment costs.⁴

The Employer proposes to maintain the status quo, including continuing with no step advancement, lump sum payment and/or general wage increase, for the duration of the Agreement. It notes, moreover, that under the terms of the current Agreement, either party under the provisions of Article 39 may request to commence negotiations for a successor agreement between 1 and 30 December 2012.

³ At hearing, the Employer presented comparable earnings, population, per capita income, etc., data from the Ohio counties of Butler, Lucas, Mahoning, Summit and Trumbull. It also proffered average salary data for various CS’s position data, data reflecting Lorain County CS personnel where either the highest or near highest paid versus their peers.

⁴ The notes when CS non-bargaining unit personnel are included in the proposed lump sum pay out the employment cost increase for 2012 would be approximately \$365,000.

DISCUSSION/ANALYSIS

There can be no question that all bargaining and non-bargaining unit employees in this community, including those employed by Lorain County Children's Services, have been adversely impacted by a depressed economic environment in Northeastern Ohio. This area previously was the home of many manufacturing operations which have been either closed or significantly reduced in the size of their operation. This, of course, is not the only factor impacting this area's ability to raise adequate revenue to provide expected/required governmental services, for this region has been also adversely impacted by the collapse in housing values, with many distressed properties being abandoned/foreclosed upon, as well as the exodus of younger (tax paying) residents in search of employment elsewhere. Put simply, this region's tax base has been eroded significantly over the last decade with little present hope for significant improvement. In noting such, I am quite aware that a significant portion of this Agency's operating revenues come directly from a taxpayer-approved levy. This levy is, however, subject to future vote from the same group citizens who are experiencing significant reduction in local job opportunities, housing values, etc. In other words, one cannot simply assume this source of income, leastwise in its present form, will be available *in perpetuity*.

There can be also little question UAW bargaining unit members have been adversely impacted by the region's poor economic environment and have had their wages and step increases frozen under the terms of the current collective bargaining agreement. The Union rightly notes, moreover, these employees are not only having their workload increased, primarily due to staff reductions, but also that their standard of living is being eroded by on-going increases in the cost-of-living and health care premiums. As for the latter, it notes the parties' Agreement provides at Article 32 as follows:

ARTICLE 30

HEALTH CARE INSURANCE

Section 1. The Employer will continue to provide full-time bargaining unit employees with coverage under the Lorain County Health Care Plan, including basic surgical, hospitalization, major medical, dental, vision, and prescription drug coverage, and shall pay the

premium cost for said insurance in accordance with Section 4 of this article.

Section 2. The Employer retains the right to select carriers and/or to otherwise determine the manner by which coverage is provided. Initial eligibility and maintenance of eligibility for coverage shall be subject to the terms and conditions identified in the Plan Document.

Section 3. Notwithstanding the provisions of Section 1 above, which provides for health care coverage, the Union agrees that the Employer may offer alternative health care coverage programs during the term of the agreement. The Board of Commissioners shall determine the terms and conditions of such alternative programs. The costs and/or the terms and conditions of said programs shall be at the discretion of the Board of Commissioners and may be subject to change. In the event of changes in the costs and/or terms and conditions of such alternative programs, affected employees may withdraw from said program and shall be entitled to the benefits described in Section 1 above.

Section 4. Effective April 1, 2004, and for the duration of the agreement, the parties will contribute to the cost of the health care coverage outlined in Section 1 as follows:

<u>Type of Coverage</u>	<u>Employer's Monthly Contribution</u>	<u>Employee's Monthly Contribution</u>
Family Plan	90%	10%
Single Plan	90%	10%

Section 5. The employee shall be required to contribute, through payroll deduction, any amount in excess of the Employer contribution amounts identified in this article.

It thus claims while its' members are quite mindful of what has occurred in Northeastern Ohio, they simply have been asked to bear more than their fair share. And, while it may be true that the parties will be starting negotiations in early 2013 on a successor agreement, the Union contends it would be unconscionable to require its' members to forego any compensation improvement during the entire term of the present collective bargaining agreement. The problem here for the Union is that these realities cannot be considered in a vacuum given the governing criteria noted above.

On this record, it is clear that no bargaining unit employee in all of Lorain County whose contracts were entered into in either 2010 or 2011 have received any form of wage increase or

additional compensation payments during the terms of their negotiated collective bargaining agreements. And, while it may be true that employees within this unit have higher levels of education than those in other units, that reality, leastwise on this record, provides insufficient basis for deviating from the established local wage/compensation pattern noted above. To the extent education levels represent a given position's job requirements, it must be assumed such were considered by the parties when "employees [were]...assigned to pay ranges" under the provisions of Article 32, Section 1 of the Agreement. Likewise, offered external comparable data cogently show that Lorain CS personnel rank at or near the highest in comparison to their peers in other counties. The fact that local assignment procedures may vary somewhat in dealing with clients does not negate the import of these data.

Finally, the economic realities present in Lorain County do not warrant even this type of compensation deviation and would be inconsistent, if recommended, with established governing criteria for consideration of a fact-finder. This, of course, is of little solace for the 98 CS employees who are presently employed by Lorain County CS, but the present economic environment and governing code provisions provide no other reasonable alternative.

RECOMMENDATION

The provisions found under Article 32 – Wages - of the parties' current Agreement should not be modified either in the form of a lump sum payment or other compensation adjustment.


JAMES E. RIMMEL, ARBITRATOR