

**IN THE MATTER OF FACT FINDING PROCEEDINGS**

STATE EMPLOYMENT  
RELATIONS BOARD

2013 JUN 24 P 2: 11

Trumbull County Engineer	)	Case No.: 2013-MED-02-0124
	)	
and	)	Hearing Date: June 5, 2013
	)	
Ohio Civil Service Employees	)	
Association, AFSCME, Local 11	)	Findings and Recommendations

Representing the Employer: John Emanuel  
Consultant

Michael Seyer  
Account Manager

Representing the Union: George Yerkes  
Staff Representative

William J. Miller, Jr.  
Fact-Finder

## SUBMISSION

This matter concerns the fact-finding proceedings between the Trumbull County Engineer (hereafter referred to as the "Employer") and the Ohio Civil Service Employees Association, AFSCME Local 11 (hereafter referred to as the "Union"). The State Employment Relations Board (SERB) duly appointed William J. Miller, Jr. as fact-finder for this matter.

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 the fact-finder. The parties advised the fact-finder regarding a number of tentative agreements that had been made by the parties.

Prior to the hearing, the parties submitted detailed position statements to the fact-finder in accordance with the Ohio revised code. These statements have been received and carefully considered. The fact-finding occurred on June 5, 2013. Subsequent to the conclusion of fact-finding, the parties agreed to extend the submission of this report until June 21, 2013. The following issues were considered during fact-finding.

### Issue No. 1 Insurance and Wages

#### Employers Position

Regarding insurance, the Employer has proposed an increase in the employee's contribution to one hundred dollars per pay period for family coverage and fifty dollars per pay period for single coverage. Also, the Employer would propose in the event that

health insurance premiums are increased by more than five percent in the second and third year of the Agreement, the Employer would pick up the first five percent increase, but any amount above five percent will obligate the parties to meet and discuss modifications to the coverage or an increase in cost to employees, after the first year.

With respect to wages, the Employer proposes to maintain the current four percent that the Employer is paying on the Employee's share of OPERS payments. Regarding wages, the Employer is proposing to maintain the wage scale in effect on the date of the hearing for the duration of a three year Agreement.

Regarding longevity, the Employer is proposing to modify the current longevity plan. The Employer's proposal is to pay employees longevity beginning with ten years of service, as opposed to the current five years eligibility, at the current longevity rate.

The Employer makes the proposals that it does, because the events which have occurred, and the payments necessary to continue operations, do not provide the financial basis for granting the increases that have been requested by the Union. Furthermore, it is pointed out by the Employer that the continued increases being required for health care costs, just does not permit the Employer to do any more than it has proposed in this specific circumstance.

#### Union Position

Regarding health insurance, currently the employees pay five percent of the family premium, and eight percent of the single premium. It is the proposal of the Union to double the amount of the contribution being paid at the present time. The Union contends with this increase in cost to the employees, with no corresponding increase in

wages, the result would be a net loss for the employee. The Union also would point out that the language being proposed by the Employer to potentially increase health care costs for the employees during the second and third year of the Agreement is unnecessary, as a joint insurance committee is already in place to make cost saving recommendations.

With respect to wages, the Union is recommending a one and one half percent increase in the amount the Employer picks up of the employee's share of pension costs from four percent to five and one half percent. Regarding longevity, the Union is proposing a two tier system, at five years, three dollars, and at ten years, four dollars. For wage increases, the Union proposes that the first year increase be three percent or two percent, the second year be three percent, and the third year be three percent.

It is the position of the Union that its proposals regarding health care and wages are fair, and are justified by what is occurring in the area, and the projected improvements regarding economic activity. Furthermore, it would be inappropriate to consider the proposals of the Employer, because to do so would result in the employees regressing regarding their wages and health care benefits.

### **FINDINGS AND RECOMMENDATIONS**

I have carefully considered and reviewed all of the submissions and supporting documentation provided by the parties. Upon reviewing such documentation, and considering the economic realities of what is actually occurring in the Employer's area, it becomes readily apparent that sufficient economic growth is not present. Consequently, the opportunity for the Employer to obtain increased revenues to support the economic

proposals of the Union, at this particular time appears to be remote. Quite frankly, the economic conditions in the Employer's area are not strong, and would not support the requests of the Union.

At this point in time, due to the healthcare cost increases already being projected by the Employer, if in fact the Employer would want to continue to support the Union's request to continue healthcare for employees and their dependents, it would be necessary to refrain from recommending the continuation of healthcare benefits to employees and their families, while also increasing wages. Obviously, the Employer is not in a position to do both. This is due to the fact that any increase in wages would result in a lack of dollars for the Employer to continue to fund health care for its employees and dependents. Furthermore, while increases in healthcare costs are obviously inevitable, it is also likely that the applicable provisions of the Affordable Care Act will also bring about new cost pressures for the Employer. Because of the ever increasing pressure on the Employer with continual increases in healthcare costs, it is necessary for the employees to help pay this increasing share of healthcare cost. In order for the employees and their families to enjoy healthcare, the employees need to share in healthcare payments. Even though paying additional healthcare costs is difficult it would certainly be more difficult for the employees and their families not to have any healthcare whatsoever. In reviewing all of the contentions, arguments and recommendations of the parties, it is my recommendation that the following be implemented regarding wages and health care.

1. Wages are to remain unchanged for the term of the three year Agreement.
2. The Employer will continue to provide healthcare coverage for the employees and their dependents in accordance with the existing health care provisions.
3. The PERS payment being made by the Employer will remain at four percent.
4. Employees with ten or more years service shall receive an annual longevity bonus equal to four dollars for each year of service completed up to a maximum of thirty years. Those bargaining unit employees who are currently receiving the longevity bonus and have between five and ten years of service shall continue to receive the annual longevity bonus at the three dollar rate until ten years of service.
5. Contributions by employees for health insurance shall be \$50.00 for the single plan and \$100.00 for the family plan, for each pay period.
6. For the first year of the Agreement, the Employer shall pay for any cost increases in the insurance premium.
7. In year two and year three of the Agreement, premium cost increases up to five percent shall be borne by the Employer. Should there be cost increases that go beyond five percent, the Health Insurance Committee shall be convened for the purpose of reducing the increase to five percent. If the Health Insurance Committee is unable to reduce the increase in premium costs to five percent or less, bargaining unit employees will be required to make additional premium payments beyond five percent.
8. Bargaining unit employees shall receive a \$520 bonus once the Agreement is ratified by the parties.
9. The Health Insurance Committee shall meet immediately after the ratification of the Agreement and on a regular basis to reduce health care costs.

Issue No. 2.

Holidays

Employer's Position

The Employer seeks to reduce one paid holiday, the day after Thanksgiving. The Employer believes its position is justified, based upon the economic conditions that presently exist.

Union Position

It is the position of the Union that the Employer's attempt to eliminate one holiday is certainly not justified. The Union contends this Employer has not submitted any justification for reducing the number of holidays, and it therefore requests that there not be any change in the number of holidays provided.

**FINDINGS AND RECOMMENDATIONS**

After carefully reviewing the positions of the parties, it is my recommendation that there be no change in the number of holidays provided.

Issue No. 3

Sick Leaves and Leaves of Absence

Employer Position

The Employer makes two specific proposals regarding this provision of the Agreement. First the Employer believes there should be a cap in the amount of sick leave an employee may earn during a one year period. The Employer contends this should be a maximum of 120 hours, which would equate to fifteen days. The second proposal of the Employer is that the conversion of unused sick leave upon retirement of zero to one thousand two hundred fifty, but rather begin the conversion based on one thousand two hundred fifty one hours of unused sick leave. The Employer believes in both instances changes are justified, because what is being provided under the prior Agreement is unjustified.

Union Position

The Union contends the position being taken by the Employer is not justified because the Employer has not advanced any economic justification for making the requested changes.

**Findings and Recommendations**

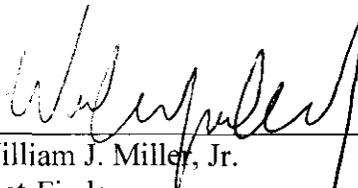
I have carefully reviewed the positions of the parties and recommend that the credit of sick leave language provide the following:

“Sick leave credit shall be earned at the rate of \$0.0575 hours for each hour of service in active pay status up to a maximum of 2080 hours per year of service which shall not include unpaid leaves of absence or layoff.”

Regarding unused sick leave, it is my recommendation that the conversion upon retirement will begin on 1251 hours.

**CONCLUSION**

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

  
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William J. Miller, Jr.  
Fact-Finder  
June 21, 2013