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# Warsaw, Town of and International Brotherhood of Teamsters Local 264

Edward A. Schmidt

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# Warsaw, Town of and International Brotherhood of Teamsters Local 264

## **Abstract**

In the Matter of Impasse in Negotiations between TOWN OF WARSAW and INTERNATIONAL BROTHERHOOD OF TEAMSTERS LOCAL 264 (WARSAW HIGHWAY DEPARTMENT). PERB Case M2006-282. Edward A. Schmidt, Fact Finder.

STATE OF NEW YORK  
PUBLIC EMPLOYMENT RELATIONS BOARD

FACT FINDER'S REPORT

CASE NO. M2006-282

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IN THE MATTER OF AN IMPASSE IN NEGOTIATIONS

between

TOWN OF WARSAW

and

INTERNATIONAL BROTHERHOOD OF TEAMSTERS LOCAL 264

(WARSAW HIGHWAY DEPARTMENT)

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BEFORE: Edward A. Schmidt, Fact Finder

APPEARANCES:  
FOR THE TOWN:

Ronald E. Smith, Supervisor

FOR THE UNION:

Glen Miller, Business Agent

## BACKGROUND:

A meeting was held with the parties on August 15, 2007 in order to pinpoint the items to be sent to Fact-Finding. The undersigned (Fact Finder) noticed that the parties were very close on several items and suggested trying to mediate the open issues. All issues except for one were agreed to by the parties. The items agreed to included wages, personal leave, pay for motor operators, and the duration of the contract. The only open item was health insurance. After a lengthy discussion during which Union Representative, Glenn Miller, explained the advantages of the Union proposal, the Representatives for the Town Board tentatively agreed and to take the proposal to the full Board at the next meeting for their input and/or approval. Subsequently, the Town Board voted down the proposal and sent it back to Fact-Finding. The parties requested another meeting with the Fact Finder and a meeting was held on October 10, 2007 in the Town Hall. Supervisor Ronald Smith indicated that the Town Board felt the Union proposal was too costly. After a rather lengthy discussion, the Board Representatives caucused and upon returning made a counter-offer to the Union.

The Board proposal called for members of the bargaining unit to contribute toward the cost of health insurance.

At the suggestion of the Fact Finder, the parties decided to submit the new proposal to its constituencies for approval, but in the meantime, they would prepare briefs on the Health Issue in the event the new proposal was turned down. The Union subsequently informed the Fact Finder that its members voted the issue down.

Briefs were received by the Fact Finder by October 23, 2007.

## BRIEF SUMMARY OF THE UNION POSITION:

The Union has acquiesced in agreeing to switch from the Supreme Plan to the Select Plan. The Union contends that its proposal to switch to the Select Plan would amount to a Town savings of \$9,037.68 in 2008; \$8,783.16 in 2009 and \$10,098.36 in 2010. These savings do not include non-bargaining unit employees who also enjoy the Teamsters Health Insurance. If one were to include them, the savings would increase significantly. The Supreme Plan currently in effect is far more costly as demonstrated above.

The Union contends that these savings alone should be an incentive to continue health insurance paid in full for the life of the contract and asks that the Fact Finder uphold its position.

#### BRIEF SUMMARY OF THE TOWN POSITION:

The health coverage would be changed to the Select Plan. Additional coverage for co-pays would be reimbursed as follows: the Town will pay the difference of co-pays between the Supreme Plan and the Select Plan. The Bargaining Unit members will pay \$300.00 for single coverage, \$500.00 for two- person coverage and \$600.00 for family coverage.

Unit members would start contributing in 2009 of a four year contract.

The Town contends that this should be acceptable to the Union Bargaining Members and asks that the Fact Finder accept its position on Health Insurance.

#### DISCUSSION/ANALYSIS/ OPINION:

It is noted that the Town did not cry inability to pay. It would appear that the Town is interested in adopting the concept of employees contributing toward the high cost of health insurance. Contributing a flat sum of money rather than a percent of health costs is advantageous to the employee. The sum is locked in for the duration of the contract and is not affected by Insurance Companies possibly raising health insurance premiums each year of a four year contract. Having said that, it is also obvious that this flat sum contribution is resisted by employees who have had the benefit of fully paid health insurance over the years.

There is no question that there is a growing tide in all fields, whether it be in the private sector or in the public sector, for the employee to contribute toward the constantly increasing health insurance premiums.

It was noted in discussions that the highway department employees have the ability to more than make up what these new contributions toward health care would cost them by availing themselves of the overtime opportunities afforded them especially during the snowy winter months. It is noted that they would not suffer a net loss of income by their contributing toward health care costs since they have these overtime opportunities. The employees counter that their contribution could still be regarded as money lost.

It is the belief of the Fact Finder that the new concept of now having to contribute toward health care costs as called for by the Town proposal in its present form is not too burdensome when one considers the full cost of health insurance in comparison to what each employee is expecting to contribute. The Union's arguments have much merit, but the Fact Finder believes that the Town is entitled to a modicum of relief in premiums for health care costs and as such makes the following recommendation:

RECOMMENMDATION:

The Fact Finder recommends the Town proposal on Health Insurance as presented to the Fact Finder as follows:

1. Health Coverage will be changed from the Supreme Plan to the Select Plan.
2. The Town will pay the difference of co-pays between the Supreme Plan and the Select Plan for medical and prescription only.
3. Bargaining Unit Members will pay an annual contribution of \$300.00 for single coverage; \$500.00 for two person coverage and \$600.00 for Family Coverage starting on January 1, 2009.

Respectfully submitted,

Edward A. Schmidt, Fact Finder