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Town of Charlotte and International Brotherhood of Teamsters Local 264

Donna R. Beal

Fact Finder

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Town of Charlotte and International Brotherhood of Teamsters Local 264

Abstract

In the matter of the fact-finding between the Town of Charlotte, employer, and the International Brotherhood of Teamsters, Local 264, union. PERB case no. M2009-118. Before: Donna R. Beal, fact finder.

Keywords

New York State, PERB, fact finding

STATE OF NEW YORK
PUBLIC EMPLOYMENT RELATIONS BOARD

In the Matter of Fact-Finding

Between

Case No. M2009-118

Town of Charlotte
&
Teamsters Local 264

Appearances:

Town of Charlotte
William Duncanson, Jr. – Town Attorney
Kenneth Bochmann – Supervisor
Kenneth Smith – Councilman

Teamsters Local 264
William Baron – Business Agent
Timothy Cobb, Jr.

Fact Finder – Donna R. Beal

Hearing Date – December 21, 2011

BACKGROUND

The Town of Charlotte and the Teamsters Local 264 (herein called the “Union”) have had a three (3) year Collective Bargaining Agreement which expired on December 31, 2008. The parties met approximately six (6) times with a previous Business Agent and impasse was declared on March 25, 2009. PERB appointed Thomas Cervola as Mediator and three (3) sessions were conducted but nothing was settled during those sessions.

I was appointed Fact Finder on September 21, 2010 but before a meeting could be arranged, a new Business Agent, William Baron, was elected. The former Business Agent felt it would not be proper to move to fact-finding, therefore the parties (with the new Business Agent) again met three (3) times. With no progress being made, I received a telephone call followed by a letter dated November 10, 2011 from Mr. Baron requesting my assistance.

The Union presented its original proposals dated August 12, 2008 which listed seven (7) items. The Town did not present any proposals but dealt with those presented by the Union.

As of the date of Fact-Finding, nothing had been initialed. At that meeting, the parties agreed and initialed four (4) items as follows:

Hours
Overtime
Holidays
Vacations

The only remaining issues were Wages and Health Insurance.

The parties agreed to submit briefs on the open issues postmarked no later than January 18, 2012 with rebuttals postmarked no later than January 25, 2012.

HISTORY

The Town of Charlotte is located in Chautauqua County, located in the most western part of the State. It is mostly a residential community and has experienced very limited increases in total real property assessed valuation. With the economic recession and the lack of construction in the area, the Town's overall assessed valuation of real property has remained flat. The only source of revenue is to raise taxes.

The Town presented the tax increases that they have incurred from 2007 through 2011. For the sake of this report, the Fact Finder is using the increases incurred from 2009 through 2011 since those are the years in question.

County – 5.59%
Town – 5.32%
Village – 5.72%

POSITION OF THE PARTIES

TOWN OF CHARLOTTE –

The Town has offered a 2 % wage increase for each of the years of 2009, 2010 and 2011 but has not offered an increase beyond the year 2011. It has agreed to increase the hourly shift premium from the present \$.50 to \$.75 per hour and states that it equates to a \$.10 per hour increase based on an average of 800 hours of overtime per year.

Additionally, the Town has agreed to an additional personal day which they equate to a \$.07 per hour cost based on 2080 hours per year.

With the mandated increased costs of their current employee insurances, the Town feels it cannot offer additional wage increases beyond the year 2011 and the 2% offer is tied to obtaining an employee contribution increase retroactive to 2009, 2010 and 2011. The insurance costs have increased 42.7% for the Teamsters Select Plan over those three years and increased 48.6% for the New York State Retirement System for the same years. They have requested the contributions increase from the current 8% to 10% in 2009, 12% in 2010 and 15% in 2011, retroactive to those years. The employees have had an 8% contribution rate continue although they have not had a collective bargaining agreement in place since 2008.

The Town presented information in its brief on the wages and the percentage of contribution for each of the surrounding towns showing that the average contribution is approximately 11%. One Town has an 8% employee contribution rate while three (3) of the six (6) listed towns are at 10% with one Town now at that figure for new hires. (Older employees are at 0% contribution.) One (1) is at 13% while the County of Chautauqua Department of Public Works increased its rate from 12.4% to 15% + a 10% of any increase in its yearly premium effective January 1, 2010. It was noted that the Department of Public Works is the largest highway department in Chautauqua County.

The Town feels that it is only reasonable with the increases it has had to incur that the employees increase their contribution in proportion.

TEAMSTERS –

During previous negotiations, they presented a proposal to go from the current Teamsters Select Insurance Plan to the Teamsters Classic Insurance Plan with a \$1,500.00 flex card with any unused money to stay with the Town, a 10% co-pay cap on all insurance premiums to include retroactive back to 2009, 2010 and 2011 with a 2% wage increase from 2009 through 2011. The proposal included a 3-year extension to 2014 with a 2% increase in pay and a 10% cap on employee contributions for those years.

It was emphasized that the Teamsters Classic Plan was less costly than either their current Select Plan or the Independent Health Flex Fit Select Active/Family Plan that had been offered by the Town during one of their negotiation sessions. Further, the Union argued that it would be advantageous for the Town to have the Classic Plan for they would know three (3) years in advance what the costs would be whereas the plan that the Town had presented would only be for twelve (12) months.

RECOMMENDATION

While the parties are not in dispute regarding the 2% wage increase for the year 2009 and the Union going from their current 8% health insurance contribution for that year, the only difference between them for the years in question is the rate of employee contribution for the years 2010 and 2011. The Town contends that it cannot propose any

increase in wages beyond the 2011 before they receive more of a concession regarding the employee contribution to health insurance.

While many recent settlements are at 1%, 1.5% and not more than 2% in employee wages, most pay increases are tied to increases in employee contributions. With the economic climate that exists, it is hard to support the position that contributions remain low while communities are being hit so hard with increased costs of employee insurance.

It is my recommendation that retroactive to 2009, 2% wage increase be given with the contribution increasing from their current 8% to 10%. For 2010, 2% wage increase with the contribution increasing from 10% to 11%. For 2011, 2% wage increase with the contribution increasing to 12%.

Since only the Union made a proposal for any year beyond 2011, it is my recommendation that as soon as possible, the parties go to the Teamsters Classic Health Insurance Plan as it will save the Town money as compared to the Select Plan that they now have. Further that the wage increase be 2% with employee contribution increasing to 15% for 2012 since they are now in that year and it would give the parties a resting period before having to begin negotiations again.

It must be realized that a 15% employee contribution is not out of line in today's economy. A recent study by the Kaiser Family Foundation stated that the annual premiums for employer sponsored family health care increased 9% in 2011 and the average employee's share of the premium costs was 27.3%.

The Union had also proposed a vision plan and indicated that they would be willing to pay for that plan themselves. It is my recommendation that the Town offer such a plan with the employees paying for that cost.

CONCLUSION

It is hoped that these recommendations will assist the parties in reaching an agreement and that their protracted negotiations come to a successful conclusion.

Donna R. Beal, Fact Finder

Dated: January 31, 2012