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Town of Annsville and Mechanical Equipment Operators, Teamsters Local 182

Abstract

In the matter of the fact-finding between the Town of Annsville, employer, and the Mechanical Equipment Operators, Teamsters Local 182, union. PERB case no. M2011-269. Before: Peter A. Korn, fact finder.

Keywords

New York State, PERB, fact finding

STATE OF NEW YORK
PUBLIC EMPLOYMENT RELATIONS BOARD

In The Matter Of Fact-Finding Between: _____

FINDINGS OF FACT

ANNSVILLE, TOWN OF, and

**REPORT AND
RECOMMENDATIONS
FOR RESOLUTION**

TEAMSTERS LOCAL 182

PERB CASE NO. M2011- 269

Stephen E. Schiavi
Fact Finder
NYS Public Employment Relations Board
April 2, 2012

For Town of Annsville: Scott Leuenberger, Town Supervisor
Ricky Marshall, Highway Superintendent

For Teamsters Local 182: Timothy Mott, Lead Negotiator
Timothy Hogan, Teamsters President/PEO Local 182
Carl Roser, Annsville Local Union Steward

BACKGROUND

A request for conciliation was filed with PERB, by Teamsters Local 182, representing the Mechanical Equipment Operators in the Town of Annsville, on November 23, 2011. The Collective Bargaining Agreement (CBA), representing full-time employees of the Highway Department, became effective on January 01, 2009 and expired on December 31, 2011. Before the expiration of the CBA, four negotiating sessions were held, on Sept. 21, Oct. 26, Nov. 2, and Nov. 17, 2011.

The issues for the Union are: complement language, health & welfare insurance, and wages.
The issues for the Town are: use of sick leave, and the corresponding Union's issues.

DEMOGRAPHICS

The Town of Annsville, with 3000 residents, is located (13) miles NW of Rome, NY, on Hwy. 69. Its neighboring towns to the east and west respectively are: Town of Lee with a 6,500 population, and Camden with 5,000.

The population is 96.75% White, 2.33% African American, 0.24% Native American, 0.07% Asian. There are 1,061 households, and 790 families. The median income for a household is \$35,804, and the median income for a family is \$42,841, with 12.4% of the population below the poverty line.

In comparison to neighboring communities, the median income for a household in the City of Rome, the closest larger city, is \$33,643, while the median income for a family is \$42,928. The median income for a household in the Town of Camden, closest to the west, is \$39,035, \$44,402 for family. The median income for a household in the Town of Lee, Annsville's neighbor to the east, is \$47,074, with a median for family of \$51,676. The median income for a household in Oneida County, the County in which Annsville is located, is \$35,909, and for family is \$45,341, with an overall poverty rate of 9.7%.

Harden Furniture Co., a nationally renowned furniture maker, is one of the largest employers in town with approximately 300 employees. Founded in 1844, and productive since, Harden owns and manages 10,000 acres of woodland in Upstate New York in the Tug Hill Region just north of Annsville.

As for the Highway Department, represented by Teamsters Local 182 with (6) fulltime Maintenance Equipment Operators (MEO's), it maintains and services over 70 square miles of land and 70 miles of roads, in some of the most treacherous snow belt areas of Upper New York State. The Tug Hill area encompasses 150,000 acres of unbroken, generally second-growth, northern hardwood forest, and is drained by a vast network of streams. Most permanent residences are located near state highways or maintained county roads for lack of further access into the forested region.

The Tug Hill area is renowned for its excessive snowfall. Lake Ontario, directly to the west, creates ideal conditions for lake effect snow. The Tug Hill town of Montague, in Lewis County owns the single day New York State record of snowfall with 77 inches (6 feet, 5 inches). Hooker (a hamlet in the town of Montague), (50) miles directly north of Annsville, holds the state record for annual snowfall with a total accumulation of 466.9 inches – approximately 39 feet. The Tug Hill region is part of four Upstate New York counties: Jefferson, Lewis, Oswego, and Oneida, of which the Town of Annsville is a part of the most northwestern area.

Of the 12 northern and northwestern towns comprising most of that area of Oneida County, Annsville ranks accordingly, as provided to the towns in their 2011 NOCCOG Town Salaries and other financial data sheets.

(NORTHERN ONEIDA COUNTY COUNCIL OF GOVERNMENTS):

Population – 7th, Town Budget – 8th, Highway Budget – 4th, Tax Rate for Highways – 2nd.

Salaries: Town clerk – 8th, Hwy. Supt. – 2nd, Codes Officer – 3rd, MEO (Teamsters Union) – 5th.

ISSUES

Complement Language:

Article I: Recognition. Current language states that the ... “Union shall be the sole and exclusive bargaining agent for...all full time employees in the Highway Department....” The Union wishes to add a clause to this section that will prevent the Town from going below the current level of full-timers. The Union raises this issue because over time, and most recently, the numbers of MEO's have decreased. In the past year the Union complement went from (7) to (6) men, and the Town has not replaced that employee, yet they say that they reserve the right to do so. The Union

fears the Town will not replace that employee (due to retirement), and therefore seeks language added to the CBA.

Health & Welfare Insurance:

(Current Language) Article VII: “Members desire health insurance coverage through the NYS Teamsters Council Health and Hospital Fund (benefits being highest option with all benefits.)” New employees hired after January 1, 2009 will contribute... single person plan \$10 bi-weekly, two persons \$16 bi-weekly, and family plan \$20 bi-weekly.”

The current full-time MEO's pay nothing toward their coverage. There are also four (4) non-union full-time employees covered by the same plan, at the same rate, as the Union employees.

Wages:

Article IV: The contractual hourly rate went from \$13.74 to \$15.45 over the previous three year contract, with each year being a 4% raise.

Sick Leave:

(Current Language) Article X: “Employees receive nine (9) sick days per year. (They)... may accumulate up to a maximum of 180 days...Employees who have all nine (9) days remaining unused at the end of the calendar year will earn two (2) personal days.”

Incremental Raises for Longevities:

(Current Language) Article IV: “1st longevity @ \$.10 for 5-9 years of service, 2nd @ \$.15 for 10-14 yrs., 3rd @ \$.50 for 15-19 yrs., and 4th @ \$.75 for over 20 years of service.”

TOWN POSITION

The Town believes the number of employees is a management prerogative. They do not wish to be bound by a minimum number of employees into the future. Although the Town does not envision any further decrease in staff, it does not want to be obligated in this financially difficult time, especially with state or county cuts in aid a possibility.

As for health insurance, the Town favors the best Plan, but seeks employee contributions from all Union members. The Town is prepared to keep the best if the Union contributes to the best. They have asked the Union to provide a re-pricing of the Teamsters Health Plan so that they may save on expenditures.

The Town must also pay an additional 5% Surcharge on the non-employee rates if a contract is not settled by Jan.1, 2012. The Town views this Surcharge as improper.

The Town initially requested a three year wage freeze. During mediation, and also at the fact-finding hearing, they offered 2% in the last two years of a proposed three (3) year contract. The Town stated they have imposed a wage freeze upon every position for 2012. The freeze is necessary for the Town to contain budget costs.

On the sick leave issue, the Town wishes to grant only six (6) sick days per year instead of the nine (9) in the current CBA. The Town perceives not only sick time but a combination of holidays afforded, such as vacation time given, and personal days guaranteed, to be sufficient time off available to the Union employees. **(At the fact-finding hearing this request was dropped in favor of a buy back of sick days proposed by the Town.**

It is imperative that this Fact Finder acknowledge his emphasis upon properly driven data, and concepts that will promote a partnership between Labor and Management. Only through collaborative decision making can

negotiations proceed to support, rather than harm, the goals of the Town, as well as the Union, which serves its Town.

UNION POSITION

The Union believes the complement language is essential to prevent workplace accidents and to protect the Town's safety on the roadways. Since an immediate retirement was not replaced, the Union believes its current complement of (6) MEO's is the bare minimum to sustain a proper and effective work environment.

They noted that even though the Town has said they will eventually get to looking at bringing on another MEO to replace the retired member; yet months have now passed without the Town doing so.

The Union has offered the Town a savings in the Health Plan. Without any decrease in benefits, they have secured the right to offer the Town a reduced premium. Together with the Town's (4) non-union employees who are on the Teamsters Plan, the Union has offered the Town a reduction of \$105,000 over (3) years, with a guaranteed annual premium for that time period.

As for the issue of the 5% surcharge, the Union offers this: The Fund Trustees have written into the Plan a 5% surcharge on all employees who are not Teamsters, but who are using the Health Plan provided by the Teamsters. The surcharge is forgiven if the Union chooses to do so. Their argument, "why would we forego the surcharge if our own members are w/o a contract?"

As for wages, the Union's position was initially 5% per year, but at the hearing they came in at 3% per year.

On sick time, the Union offered the Town a rationale for buying back sick time. If the Town was concerned about total days of usage over an extended period of time, then buying back days would conserve use and prevent abuse of time off. The Union's proposal was to allow each member to buy back up to thirty (30) days per year of their accumulated sick days @ \$40 per day. The maximum amount would be \$1,200 per year, but only if days are available.

DISCUSSION

The Fact Finder had previous knowledge as to the issues, and as to what had been discussed on those issues during Mediation. Returning to the Town as the Fact Finder allowed him an opportunity to pursue a quick and timely hearing, get to the most important aspects of the facts that prevailed, and helped to readily ascertain the parameters of each Party.

During the hearing both Parties acknowledged their positions as mutually common concerns. They adhered to a format of remaining focused on those items that caused mediation to break down. Instead of returning to square one with all unresolved issues from initial bargaining, they agreed upon presenting only those issues that were left on the table from Mediation; neither objected to doing so.

When asked what remained for the Fact Finder to consider, the issues were: Wages, Complement Language, Health Insurance, Sick Leave with buy-back for service, and proper payment for incremental longevities.

Wages: The Town remained on 0%, 2%, 2%, while the Union was at 3%, 3%, 3%.

Complement Language: The Union wanted the complement to remain at (6) MEO's. The Town refused.

Health Insurance: Union offered to grant the Town a new, reduced premium health plan. They also offered to contribute a bi-weekly amount to their personal premiums.

Sick Leave: The Town proposed a buy-back plan that was better than offered by the Union, during mediation.

Opposed to the Union's offer of a 30 day buy-back for \$40 per day, The Town's offer exceeded this. They offered to pay the first nine (9) days @ each man's full days' pay, and the next 21 days at the Union's proposed \$40. Looking at the Town's proposal would best be served in this manner:

The middle of the pay scale is about \$142 per day. Nine days @ \$142 = 1278 + 21 x \$40 (\$840) = \$2,118. Therefore, the Town's offer is \$918 per year more.

RECOMMENDATIONS

Complement Language:

Article I: Recognition – This Fact Finder fully understands the positions of both parties on this issue. It is accepted that public sector management certainly has the right to hire or fire, retain or dismiss, employees according to due process or just cause, and make layoffs based upon need, or lack thereof. The Union's request is to maintain the safety of its membership as well as the people or communities served by their public service employment.

While both positions are valid, it is recommended that in these trying and economically depressed times this Fact Finder holds with the argument of the Town of Annsville.

Recommendation: The inclusion of a minimum number of Maintenance Equipment Operators proposed by the Union is **rejected**.

Health & Welfare Insurance:

Article VII: This issue, by far, drove the negotiating process, as to the needs of the Town in cutting its annual costs. With a possible slowdown in expected revenues, and the 2% property tax cap initiated by the State of New York, the Town is clearly concerned about their expenses. One item that the Town is concerned about is the future of their sales tax contribution from the County of Oneida.

If the contribution decreases substantially, or is eliminated, it will place a 25% loss in the revenue column. That is certainly substantial for a small community. But, in review of the Town's AUD (Annual Update Document), which is required to be filed annually with the State Comptroller, there is no proof in reality that such a loss will occur. In fact, just the opposite prevails. In 2009, the contribution in sales tax to the Town was \$262,400, in 2010 it was \$253,000, and in 2011 it was \$296,400. In terms of said revenues for the Town, the percentages against total revenues, for sales taxes, were: 2009 @ 29%, 2010 @ 27.6%, and 2011 @ 30.7%. Clearly the sales tax revenue is not decreasing but increasing as a percentage of the Town revenues.

Another data driven issue is the Town's insistence that they must cut costs, and save on Health Insurance. Under the Town's submitted AUD, the expense for Health Care Insurance went from \$116,000 to \$131,000, and last year to \$140,000. That comprises a 20.6% increase over 3 years. Under the NY State CPI, Health insurance increased by 15.6%, over that same time period. The Town's increase, therefore, is not inordinate.

Further, the Fund Equity rose from \$214,000 in 2009 to \$329,300 in 2011. Total Cash Assets went from \$104,000 in 2009 to \$109,000 in 2011.

Expenditures for the Town were \$836,000 in 2009, in 2010 @ \$646,000, and in 2011 \$696,000. While expenditures decreased, revenues increased, from \$904,800 in 2009, to \$917,100 in 2010, and again in 2011 to \$964,000.

This data is clearly not in the same vein of expression by which the Town advanced its arguments during Fact-finding.

The Town expressed a need to reduce the costs of health insurance. The union agreed to provide a health plan that

would save the Town \$35,000 per year, and guarantee stability of the annual premium. This is a guaranteed savings to the Town of \$105,000 over three (3) years. Meanwhile, the benefits to each member would not change from the current plan.

If one looks at that savings in terms of a percent of the Town's Revenues, \$35,000 per year in health care savings equals an increase of 3.6% toward the Town's revenues.

The Town also asked the Union members to contribute toward their annual premium. There are (6) fulltime members, and an agreeable contribution of \$35 per two-week pay period totaling another \$910 per year, per member, times (6) members, equals another \$5,460 per year of savings to the Town.

Added together, this savings on health care, of \$40,460 each year is a major savings to a small Town. Together, these increases to the Town, paid for by its own Union members, turn a 3.6% increase into a 4.2% increase in revenues.

Recommendation: The inclusion of a decreased annual premium offered by the Union, and the increased annual personal contributions of \$35 bi-weekly **are therefore accepted and highly recommended.**

Wages:

Article IV: It is understandable in this economy that most must do with less, and possibly get less at the bargaining table. As fortunes shift, so too do wages. But there is always a cost of living, and a consumer price index, that shows nothing ever goes down in the real world. Costs for gasoline have increased by 19% this year, along with food bills @ 8%, and utilities @ 6%. While those are the larger cost increases, the complete list of costs associated with the Consumer Price Index has risen to between 2.7% and 3.9% depending upon where one lives.

The Town is offering the Union 0%, 2%, and 2% for the next three years. The Union has held that they are worth 3% in each year. Considering that the Union has offered the Town a savings on health insurance and personal contributions toward their health premiums – which saves the Town about 4% per year – it may be regarded by the Town as a significant factor in determining how they pay their employees.

Recommendation: This Fact Finder finds appropriately, based upon data submitted and reviewed, that the 4% savings in revenues to the Town, by the Union, is sufficient enough to share equally. The 4% savings is to be split, with **a 2% raise justified for the Union in the first year.** In the two following years enough savings are justified so that the Town is amply prepared to grant its MEO's consecutive 2% raises in each year.

Therefore, the wage settlement is to be **2%, 2%, and 2% for three (3) years, commencing with the expiration of the previous agreement, on December 31, 2011.** The first year's wages are to be retroactive from January 1, 2012 based upon each member's hourly rate, including all steps and longevities due him as of the 1st of the year. All contractual language is to be followed in calculating the salaries of each Union member, effective January 1, 2012.

Sick Leave:

Article X: The Town asked for the current (9) sick days to be reduced to (6). Their concern is possible abuse of sick time. The Union is not willing to give up any days. This is a tough business. Towns use their MEO's for just about everything, from small engine repairs to road repairs and maintenance. It is a tasking job with a great deal of possible physical pain and suffering. In fact, the Compensation costs in 2011 for the Town rose almost 50%.

Sometimes what is needed is to encourage the workforce to take good care of themselves, to use their proper time-off appropriately, but to entice them to stay on the job for as often as possible if they can. In so doing, many Towns have given their workers opportunities to buy back accumulated sick time. As a reward for extended service, a member can forego the use of sick time each year, and sell the time back to the Town, for fractions of what it may cost in Compensation time and long-term sick leave.

At the hearing both parties made excellent proposals on this issue. The Town's proposal was indeed adept to solving their needs. It is not in this Fact Finder's wishes to rule on either of the two offers.

Recommendation: It is recommended that the **(9) days sick leave per year remain in effect.**

**As for any plan to buy back sick days: May I suggest, that as part of a final settlement, the Town and the Union, in concert, devise the plan they are most comfortable with. Both offers presented at the hearing would benefit the Town in cost savings, and the Union in health and safety benefits.

Incremental Raises for Longevities:

Article IV: This was a very taxing issue for both parties. Neither party wished to change the written conditions of the contract on incremental longevities, so in the final analysis, this Fact Finder suggested that the issue is a grievable one, since it is already in the contract, but interpreted by each side differently. Rather than re-negotiate the Article, both parties agreed to pursue it into grievance.

Recommendation: Pursue Arbitration on the correct interpretation of Incremental Longevities.

CONCLUSION

It is this Fact Finder's desire to see this impasse brought to a ready conclusion. If it goes further, it will certainly cost each party. The Town of Annsville is a beautiful place, clean, and obviously well maintained. It takes both labor and management to accomplish such. For years there has been friendship and a sense of neighbors watching out for neighbors. The pride in the work that is done, each day, through the Town's maintenance services, is obvious. The Town is governed by proud and cautious citizens, who take vigilance in their work endeavors. I believe my recommendations in this case will benefit the people of Annsville, and hope that a resolution to this dispute is readily commenced.

By law, this Report is made private to both parties for at least five (5) days. After that, I am obligated to release its findings to the public through their local news media.

If for any reason, within the five days of receipt of this Report, a resolution is reached, please notify me of such. If this Report is to be used to conclude the impasse at Annsville, I am available by phone, to possibly help in doing so. Each Party will be allowed to contact this Fact Finder by conference call if they wish any explanations of the recommendations. **I will make no attempt to justify any of my conclusions.**



PERB Fact Finder

April 2, 2012