

**THE NEW YORK STATE
PUBLIC EMPLOYMENT RELATIONS BOARD**

IN THE MATTER OF IMPASSE

NYS PERB Case: M2015-259

between

Report and Recommendations

THE TOWN OF BARKER, NY

of

and

Timothy W. Gorman,

**THE INTERNATIONAL BROTHERHOOD
OF TEAMSTERS, LOCAL 317**

Fact Finder

Appearances:

For the Union: Roberta Dunker, Business Agent, Teamsters Local 317

For the District: Michael Richardson, Labor Consultant, Town of Barker

Date of Hearing: January 23, 2017

Date of Briefs: February 15, 2017

Date of Report: February 28, 2017

INTRODUCTION

In accordance with Civil Service Law §209.3, the New York State Public Employment Relations Board appointed me as Fact Finder in an impasse between the Town of Barker, NY and Teamsters Local 317. On January 23, 2017, a fact-finding hearing was held at the Town of Barker offices. At this hearing both parties gave overviews of their respective bargaining positions. By mutual agreement, the parties submitted briefs which were received by me on February 15, 2017. Upon receipt of these briefs, I declared the hearing closed.

BACKGROUND

The Town of Barker, NY (hereafter the Employer or the Town) and Teamsters Local 317 (hereafter the Union) are parties to a collective bargaining agreement. This agreement expired on December 31, 2015. The parties met to bargain on a new agreement on November 30, 2015. They held a second session on June 15, 2016, this time with a Public Employment Relations Board appointed mediator. Despite the mediator's best efforts, the parties were unable to reach an agreement on a new contract. The Union subsequently declared an impasse and filed with the New York State Public Employment Relations Board for fact-finding.

OUTSTANDING ISSUES

The parties have identified four major open issues. These are listed below:

1. Duration
2. Health Insurance
3. Wage Increases
4. Longevity

SUMMARY OF THE PARTIES' POSITIONS

Duration

The parties exchanged many ideas about the length of the new contract. At the conclusion of the fact-finding hearing, and in their respective briefs it was clear that both parties were willing to consider a four-year contract expiring December 31, 2019, if an agreement on the remaining three issues could be reached.

Health Insurance

The Union

The Union proposed that the Town switch to the Teamsters Health and Hospital Fund's HSA plan. This plan is comparable to the Town's current health insurance plan and would provide substantial savings to the Town. This savings was estimated by the Union to be almost \$13,000 per year, and would more than offset the wage and longevity increases sought by the Union.

The Town

The Town, while not opposed to a switch to the Teamsters Health and Hospital Fund's HSA plan, could only make this switch on January 1, 2018 as its budget and monetary allocation for health insurance have already been made by the Town for its current health plan. At the end of the new contract, the Town would also reserve the sole right to revert back to its former community-rated plan.

Wage Increases

The Union

The Union's last wage proposal was for wage increases of 1% for 2016, 2% for 2017, 2% for 2018, and 2% for 2019. It cites the fact that switching to the Teamsters Health and Hospital Fund's HSA plan would save the Town almost \$13,000 per year. With these savings, the Town could surely afford the modest wage increases that the Union is seeking. Given these health insurance savings, the Town's proposal of a 0% increase for 2016, and a 0% increase for 2017 is indefensible as the Teamsters Health and Hospital Fund's HSA plan savings more than fund the wage increases proposed by the Union.

The Town

The Town's last wage proposal submitted during a discussion at the fact-finding hearing was for wage increases of 0% for 2016, 0% for 2017, 1.5% for 2018, and 2% for 2019. It cited the fact that the Town is forced by the state comptroller's office to submit a budget on November 20th for the coming year (i.e. the 2016 budget is submitted on or before November 20, 2015, the 2017 budget is submitted on or before November 20, 2016, etc.).

Because the first negotiation for a new CBA was not schedule to commence until November 30, 2015, the Town made no provision for any wage increase in 2016. Additionally, because no agreement was in place by November 20, 2016, the Town, again submitted its budget to the state comptroller's office without any wage increase for 2017; therefore, the Town has no monies available for any wage increases for either of these years.

The Town also cited the low consumer inflation rate (consumer price index) and the state imposed property tax cap as its basis for it wage increase proposal.

Longevity

The Union

The Union sought an increase in longevity by adding five more steps after an employee reached 30 years of service. These longevity payment steps are as follows:

31 years of service, \$ 645.00
32 years of service, \$ 666.00
33 years of service, \$ 687.00
34 years of service, \$ 708.00
35 years of service, \$ 729.00

With the savings that the Town would reap from a switch to the Teamsters Health and Hospital Fund's HSA plan it could easily afford the extra five years of the longevity benefit.

The Town

The Town proposed a change to longevity stating that only employees hired into the bargaining unit before January 1, 2016 would be eligible for longevity payments. Additionally, it would place a cap of 30 years of longevity payments for employees hired

before January 1, 2010 and a cap of 20 years for employees hired on or after January 1, 2010.

The Town's reasoning for this is similar to its reasoning for the wage freeze in 2016 and 2017, namely, because it is forced by the state Comptroller's office to submit a budget on November 20th of the prior year that the budget takes effect there was no contingency made in the 2016 or 2017 budget for increases in longevity payments. It also notes that three towns in Broome County that are also represented by the Union all have longevity caps at 30 years.

FACT FINDER'S REPORT AND RECOMMENDATIONS

Both parties made compelling cases in support of their negotiating positions. It is with this in mind that I offer the recommendations below. The parties should not read, or interpret these as separate and unrelated. Rather, I would like the parties to consider the recommendations as a whole and use it as a basis for continuing negotiations that would lead to a settlement of this impasse.

Duration

Both parties were open to a four-year agreement. Because the other recommendations in this report rely on the parties accepting this duration, a four-year agreement is necessary.

Recommendation

The parties adopt a four-year agreement covering 2016, 2017, 2018, and 2019.

Health Insurance

Both parties made cogent cases as to health insurance. The Town, while not opposed to the Teamsters Health and Hospital Fund's HSA plan cannot reasonably implement this plan until January of 2018 as that is when their current plan, which they have already included in their budget, expires. Also, at the end of the new contract, the Town would reserve the sole right to revert back to its community-rated plan.

The Union also made a strong case as to the cost savings that the Teamsters Health and Hospital Fund's HSA plan could provide the Town. According to the Union this plan, if implemented could save the Town almost \$13,000 per year.

I believe that this plan, and the savings associated with it would open the door to the overall wage increases the Union seeks. I also recommend that at the end of the new contract this provision be negotiated by the parties, as opposed to the Town retaining the right to unilaterally revert to the former community-rated plan. This negotiation could lead to further cost savings, either with the Teamster plan, another plan or, the Town's community-rated plan.

Recommendation

The parties adopt the Teamster Health and Hospital Fund's HSA plan as of January 1, 2018.

Wages

The record showed that with the parties adopting the Teamster Health and Hospital Fund's HSA plan the Town would have room for wage increases. However, these increases would only be available for 2018 and 2019 of the proposed new contract as the Town has already submitted its budget for 2016 and 2017.

The Town's last wage proposal submitted during a discussion at the fact-finding hearing was for wage increases of 0% for 2016, 0% for 2017, 1.5% for 2018, and 2% for 2019. While I understand that it cannot give wage increase in 2016 and 2017 due to budget constraints, its proposal of 1.5% for 2018, and 2% for 2019 is inadequate. With the savings from the new health insurance plan the Town can be more substantial with its wage increases.

I also understand Union's desire for wage increases of 1% for 2016, 2% for 2017, 2% for 2018, and 2% for 2019. I also think this is unwarranted given the fact that the Town – right or wrong – made no contingency for wage increases in 2016 and 2017. The state-imposed tax cap has also placed a financial burden on the Town.

I do believe that if the parties adopt the Teamster Health and Hospital Fund's HSA plan on January 1, 2018, there are sufficient monies available for greater wages increases in 2018 and 2019 than the Town is currently proposing.

Recommendation

The wage increase be structured as follows: 0% for 2016, 0% for 2017, 2.8% for 2018, and 2.8% for 2019.

Longevity

The Union seeks an increase in longevity by adding five more steps after an employee reaches 30 years of service. By contrast, the Town proposes a change to longevity, stating that only employees hired into the bargaining unit before January 1, 2016 would be eligible for longevity payments. Additionally, it would place a cap of 30 years of longevity payments for employees hired before January 1, 2010 and a cap of 20 years for employees hired on or after January 1, 2010.

Both of these proposals seem unreasonable. The Town's proposal is harsh as it would effectively eliminate longevity for new hires. Likewise, the Union's proposal of adding another five years to the longevity schedule is out of line with contracts of other similar sized bargaining units.

Recommendation

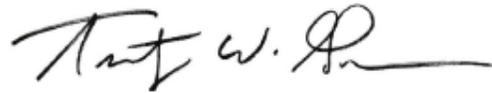
I recommend no change to the longevity schedule. Longevity would remain as it appears in Article 11.2 of the CBA that was in effect from January 1, 2014 through December 31, 2015.

CONCLUSION

It was clear from the hearing and the submitted briefs that the parties have zealously represented their respective interests. I believe the parties have been negotiating in good faith, but at the hearing, frustration from both parties was evident.

As stated above, I recommend the parties read, and interpret the recommendations I have outlined not as separate and unrelated. Rather, I would like them to consider the recommendations as a whole and use it as a basis for continuing negotiations that would lead to a settlement of this impasse

It is my fervent hope that this report along with its recommendations will serve as a catalyst to restart the parties' negotiations and lead to an agreement that is mutually beneficial to all.



Date: February 28, 2017

Signed: _____

Timothy W. Gorman, Fact Finder