

STATE OF NEW YORK
PUBLIC EMPLOYMENT RELATIONS BOARD

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In the Matter of Fact-Finding

Report of

Fact Finder

-between-

PERB Case No. M2010-241

Town of LaGrange

-and-

Civil Service Employees Association, Inc.

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Appearances:

Town of LaGrange

Michael A. Richardson, Consultant

100 Kinderhook Street

Chatham, NY 12037-1222

Also present

Jon Wagner, Town Supervisor

Michael Kelly, Highway Superintendent

Peter Huff, Recreation and Parks

Christine Toussaint, Town Comptroller

CSEA

Bob O'Connor, Jr., LRS

568 State Route 52

Beacon, NY 12508

Also present

Brian Aldrich, Unit President

Joe Tighe, Unit VP

Douglas Russell, Unit Sec/Treas.

Richard M. Gaba, Esq., Fact Finder

Hearing Date: July 28, 2011

BACKGROUND

CSEA and the Town of LaGrange (Town) have had a bargaining relationship for a number of years prior to 2006. The Collective Bargaining Agreement for the period

January 1, 2006 to December 31, 2008 describes the bargaining unit as “all of the Town’s full-time employees employed in the Town’s Highway Department, and all full-time non-management employees of the Town’s Recreation Department”. The 2006-2008 agreement provided for a health reimbursement account which was an offset to employee out of pocket medical costs, where the Town would pay up to \$850 for family, \$545 for two in the family and \$275 for a single person. This was agreed to in exchange for the employees agreeing to a percentage increase contribution to insurance premiums instead of the previous flat dollar amount. This agreement included a \$700 snow plowing incentive, a vacation leave 40 hour buy out and wage increases of 4 % on January 1st of each year of the three year agreement.

The negotiations for a 2009 agreement resulted in the employees receiving 1 % wage increases effective respectively on July 1st and December 1, 2009. The health reimbursement account was deleted effective December 31, 2009 and the vacation buy out was suspended as of July 15, 2009 through December 31, 2010. Efforts to reach a 2010 agreement were unsuccessful and in that case there was a legislated imposition of an agreement.

The current agreement is the one that was imposed by the Town for the one year period from January 1, 2010 to December 31, 2010. During negotiations for an agreement to commence January 1, 2011, the parties reached a tentative agreement that was rejected by the members of the bargaining unit. Following this rejection by the membership, the Town declared an impasse and requested PERB to appoint a mediator. A mediator was appointed on December 20, 2010. A mediation session was held on April 18, 2011, but the parties were unable to resolve their differences. The Town made

a further request to PERB for the appointment of a fact finder, and on May 20, 2011, I was appointed as fact finder in this matter.

A fact-finding hearing was held at the Town Hall on July 28, 2011. After representatives of the parties made opening remarks, it was suggested that I engage the parties in further discussions in an effort to reach an agreement. Considerable time and energy was expended by both sides but no agreement was reached. No evidence was taken at the hearing and the parties agreed to submit written memorandums in support of their respective positions on the issues stated below. The submissions were voluminous and helpful in sorting out the huge divide between the Town and the CSEA.

THE TOWN'S PROPOSALS

FOR 2011

WAGES: The Town offered a zero increase for 2011, stating that it was necessary in order to avoid a reduction in forces. In the 2006-2008 agreement the employees received three annual increases of 4% on January 1 of each year and an additional 2 % in 2009 in two steps.

MEDICAL INSURANCE: The Town wanted to substitute a different insurance plan and requested that CSEA drop a pending grievance.

SNOW PLOW INCENTIVE: The Town wants to eliminate an existing incentive for snow plowing attendance. This provision in the 2006-2008 agreement provided for a \$700 bonus for responding to 90% of the full crew call-ins for snow removal for the period November 1 through April 15.

PERSONAL LEAVE: The Town offered to add one additional personal leave day, not to be accumulated.

THE CSEA PROPOSALS

FOR 2011

During the unsuccessful mediation efforts that took place as part of the fact-finding exercise, the CSEA made a proposal consisting of the following:

WAGES: Reduce starting pay for new employees by \$2.00 per hour based on the current wage schedule. Grant all employees a \$1,000 bonus in 2011, and a 2% across the board increase for 2012.

MEDICAL INSURANCE: Keep the employee contribution at 12 % of the premium.

TERM OF AGREEMENT: Two years. (2011 and 2012)

JOB SECURITY: No layoffs for 2 ½ years

LONGEVITY: Increase the longevity payment by \$1 per hour.

The Town took the position that it is strapped for funds, and while it submitted no evidence of the income shortfalls it stated in its memorandum:

Mortgage tax revenue remains below what the Town received in 2008 - \$535,070. 2009 - \$465,634. 2010 – \$492,215, and tracking below YTD in 2010.

Sales tax revenue remains below what the Town received in 2008 - \$803,760. 2009 - \$740,277. 2010 - \$749,767, and tracking below YTD in 2010.

Between 2009 and 2011 the Town has experienced substantial increases in the cost of total compensation equal to several thousand dollars per employee due to increases in pension costs and increases in medical insurance premiums.

The pension rate increased from 6.3% in April 2009 to 16.3% in April 2011, and will be further increased in April 2012 to 18.9%. Based on an annual payroll expense per employee of \$55,000, including overtime, the increase in the pension rate of contribution has caused an additional cost going into 2012 of \$6,930 per employee compared with 2009.

The Town's share of medical insurance premiums for family coverage increased from \$9,359 in 2010, to \$10,738 in 2011. This cost is projected to be \$12,886 for 2012, an increase of \$3,527 going into 2012.

The Town claims that wages in this bargaining unit rank second or third compared to similar towns in Dutchess County, and that the current contribution rate of 12% is below the norm for comparable towns in Dutchess County.

The Town requests that the fact finder not recommend any wage increase or one time cash payment for 2011, since this would only encourage the members of the bargaining unit to continue rejecting agreements that have been negotiated by the Town in good faith.

DISCUSSION

The Town's basic position is that it simply cannot afford the increases requested by CSEA. Considering a 2 % increase in property taxes, the \$7.4 million budget will be under funded by some \$60,000. The Town stated during the meeting that its sales tax revenues are likely to exceed estimations by some \$100,000 and concedes that it may be able to levy property tax increases in excess of 2% with the agreement of 60% of the Town Board (3 out of 5). The CSEA submitted statements analyzing the Town's

finances which indicated that the Town was on a sound financial footing and that its bonds were highly rated.

The last wage increases received by the unit members were 4% in each year of a three year agreement (2006 – 2008) and two 1 % increases split during the 2009 agreement. During negotiations for 2009, 2010 and 2011, the Town has sought substantial give backs in the area of increased contributions to medical insurance premiums, furloughs, and cutting out the \$700 snow plow bonus. It seems very unlikely that any recommendation by the fact finder that calls for a wage increase without substantial give backs would be acceptable to the Town. Similarly, it is not likely that a recommendation that carries a wage increase funded by give backs would satisfy the unit members or their union.

Recognizing the still dire state of the local economy, and recognizing the constantly increasing costs to the Town that continue to mount even without a change in the agreement, I recommend that the terms of the 2009 agreement as continued in 2010, be continued for 2011 with the following changes: that the salary schedule for employees hired on or after December 31, 2011 be reduced by \$2 per hour and that all present employees in the bargaining unit receive a wage increase of 1 % effective January 1, 2011, an increase of 1% effective July 1, 2011 and an additional increase of 1 % effective December 31, 2011, and that the Town's proposals be denied.

Respectfully submitted:

Richard M. Gaba, Esq.
Fact Finder
November 7, 2011