

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LABOR RELATIONS BOARD**

IN THE MATTER OF THE EMPLOYES OF :
 : **PERA-F-12-200-E**
YORK ADAMS TRANSPORTATION AUTHORITY :

REPORT AND RECOMMENDATIONS

FACT FINDER: Debra K. Wallet, Esquire

FOR THE EMPLOYER:

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BACKGROUND

Pursuant to Section 802 of the Public Employee Relations Act, Act 195 of 1970 (Act), the undersigned was appointed by the Pennsylvania Labor Relations Board (Board) on July 17, 2012 as the Fact Finder in the impasse between the Chauffeurs, Teamster's, and Helpers Local Union #776 [hereinafter Union] and the York Adams Transportation Authority [hereinafter Authority].

In accordance with the Board's Order of July 17, 2012, the Parties filed with the Fact Finder written statements of the issues in dispute. The parties agree that there are only three unresolved issues: Length of Contract; Wages/Retroactivity; and the creation of a new classification of Class A Technician.

A Fact Finding was held at the York Adams Transportation Authority Offices in York, Pennsylvania on August 6, 2012, at which time both Parties were afforded a full opportunity to present testimony, examine and cross-examine witnesses, introduce documentary evidence, and argue orally in support of their respective positions regarding the issues in dispute.

Both representatives made professional and courteous presentations to the Fact Finder. The positions of the Parties were clearly articulated and the documentation presented was both informative and useful. The Fact Finder commends the parties for their entirely amicable interactions and compliments them on their attitude toward the other party.

The recommendations which follow constitute the settlement proposal upon which the Parties are now required to act, as directed by statute and Board regulations. Pursuant to statutory authority, this Report will be released to the public if not accepted. A vote to accept the Report does not constitute agreement with or endorsement of the rationale in support of any recommendation, but rather represents only an agreement to resolve all outstanding issues by adopting these recommendations. The Parties are directed to review the Report and, within ten (10) days of its issuance, notify the Board of their decision to accept or reject the recommendations.

Chauffeurs, Teamster's, and Helpers Local Union #776, Harrisburg bargains collectively with the York County Transportation Authority (doing business as rabbitransit). The Unit consists of approximately 70 employees consisting of fixed route drivers (56), mechanics (10), and porters (4). The prior collective bargaining agreement was a three-year agreement effective January 1, 2008 until midnight, December 31, 2011. Operators working under the Agreement operate fixed routes in or around York and Adams Counties. Management of the Authority is done by a nine-person board with five representatives from York County and four from Adams County.

The bargaining unit has had generally peaceful and harmonious relations but was unable to complete work on the new contract effective January 1, 2012. The Fact Finder understands that all issues, with the exception of the three unresolved issues, will be incorporated into the new Agreement.

ISSUES

The Parties agree that there are only three issues to be decided. The Fact Finder has made recommendations on the following issues:

1. Length of contract.
2. Retroactivity of the contract with respect to wages.
3. Creation of the new classification of Class A Technician and payment to this classification.

OVERVIEW AND BARGAINING HISTORY

The parties have been able to reach agreement on most issues and it is assumed by the Fact Finder that all tentative agreements will be incorporated into any new Collective Bargaining Agreement.

Please note that the specific recommendations of the Fact Finder made in this report on each issue, although discussed separately, were made only after consideration of all three issue recommendations taken together and their total combined impact upon both parties in this dispute. No single recommendation stands in isolation from the total package.

These issues will be addressed in the order in which they were identified. Recommended additions are shown in **Bold**.

FACT-FINDER'S DISCUSSION AND RECOMMENDATIONS

1. LENGTH OF CONTRACT

Current Agreement

A three-year agreement effective January 1, 2008 and ending December 31, 2011.

Discussion

The Union contends that both parties had initially agreed on a four-year agreement and the Union wants the current agreement to last four years. The Authority initially proposed a four-year agreement but now contends that its final offer was rejected by the Union. The York Adams Transportation Authority's Board currently seeks an agreement through June 30, 2013 because it wishes to prepare requests for proposals to subcontract work currently done by members of the Bargaining Unit. The Authority does not want to be tied into a long-term contract while the subcontracting of work is being considered.

The chief witness for the Authority, Executive Director Richard C. Farr, described a need to "look broader" to determine whether or not subcontracting may result in savings. He noted that increasing costs are an industry-wide problem not just a rabbittransit problem. Because funding from the state and federal governments has decreased, the Authority looks to three possible responses: (1) increase fares; (2) cut service; (3) decrease labor costs. Fares increased \$0.10 on July 1, 2012 and will increase by \$0.05 in each of the next two years. The Authority expects that transit dependent riders, who make up most of the ridership, will take only necessary trips in response to these fare increases. Those riders who have a choice may simply avoid use of rabbittransit altogether. While fare increases may appease those who fund the system, if a fare increase results in a decrease in ridership, the net result is a lower revenue stream.

Similarly, service cuts affect the bottom line as well. The trick is to make cuts in such a way that ridership is not significantly decreased.

The most significant cost of providing service is a result of fuel and wages and benefits, with wages and benefits representing 70% of the total cost of running the Authority. Mr. Farr concedes that there is no guarantee that any request for proposal to outsource the work will result in bids at a cost less than what is being provided under the collective bargaining agreement. This option is simply being explored.

The Authority may certainly explore subcontracting, but this process seems uncertain and speculative.

The Authority's position before the Fact Finder is a relatively recent request. Throughout bargaining, discussions centered around a four-year contract. The Authority proposals of March 5, 2012 and April 3, 2012 contemplated a four-year agreement to extend through December 31, 2015. Only the June 7, 2012 proposal introduced a June 30, 2013 expiration date. If the Agreement runs through next June only, the Parties will be required to initiate a new round of bargaining almost immediately.

The Fact Finder is not convinced that the desire to explore the *possibility* of subcontracting is significantly compelling to outweigh the benefits of a longer term agreement and the stability that it provides. There appears to be no reason to deviate from a four-year contract period which had initially been proposed by the Authority.

Recommended New Agreement

The Fact Finder recommends a four-year agreement ending December 31, 2015.

2. RETROACTIVITY

Current Agreement

The existing agreement was signed early and the wage and benefit articles were effective retroactive to the date of the signing on December 10, 2007. Article 36 provided that wage increases be effective upon ratification. Early ratification resulted in an earlier effective date.

The contract immediately prior to the last contract was a three-year contract.

Discussion

The parties agreed to a wage increase of \$0.35 in the first year of the contract. Bonuses are agreed to be retroactive to January 1, 2012. The effective date of the wage increase is at issue.

According to the Authority, there was a delay in bargaining because of the change of Union officers followed by all of its reasonable offers being rejected by the Union. Retroactivity should run from May 2, 2012, the date on which the Union made a counter-proposal after rejecting the Authority's contract offer. The Authority concedes that it delayed somewhat in responding to the Union's proposal and it believes that the Union should not be penalized for the Authority's own delays. However, the time prior to May 2 was a result of the Union's inactivity or rejection of offers it believes to have been reasonable.

The Union contends that January 1, 2012 is the appropriate effective date to coincide with the provision on bonuses. It explains that the bonus due in January 2012 was actually earned in 2011. This bonus simply was not paid on time and a grievance was initiated by the Union. According to Jason Kraft, Teamster 776 Business Agent since January 1, 2012, the April 3, 2012 Authority proposal had nothing on limited retroactivity. After the Union voted down an initial proposal in March, this April 3 proposal contained nothing about changed retroactivity. According to Kraft, the only delay on the part of the Union was in December and January. It promptly began negotiations in February, after the change in officers.

The collective bargaining process was, indeed, slowed somewhat by a change in Union administration. However, after the election of new officials, the Union apparently acted promptly to resume negotiations. The Fact Finder sees no reason to refuse retroactivity based upon this slight delay. The cost of implementing the wage increase on January 1 versus May 2 is approximately \$16,000. This is not insignificant, but this savings is also not so great that it warrants a deviation from the January 1 effective date.

Recommended New Agreement

The Fact Finder recommends that the wage increases be made effective January 1, 2012, the beginning of the contract for other purposes.

3. CREATION OF NEW CLASSIFICATION OF CLASS A TECHNICIAN

Current Agreement

Class A Technician does not exist in the current contract. Management proposes the creation of this new job classification at a starting rate of \$23.00 per hour.

Discussion

Based on its belief that a higher level of skill and training is necessary to keep up with advanced technologies, the Authority has proposed adding a new job classification of Class A Technician. The Authority asserts the right to create a new classification but seeks approval of the starting pay rate of \$23 per hour.

The Union opposes both the classification and the pay rate. It contends that the additional monies used to fund this classification should be redistributed among those nine or ten maintenance mechanics¹ already working for the Authority.

The Authority argues that it may need to recruit more skilled employees and pay a higher wage rate to attract these newly-recruited employees. The vehicles require more computer skills and persons with those skills can go to much higher paying jobs immediately out of training. The Authority maintains only 6 spare vehicles so it is critical that it keep all of its vehicles in service. No present employee would be precluded from becoming a Class A Technician, but qualification would depend upon passing all of the evaluative tests listed on the standard Maintenance Technician Evaluation Form dated December 22, 2008 or as revised. The Authority pays for all testing and no current bargaining unit employee would be prohibited from taking and passing these tests to become a Class A Technician.

The problem, according to the Union, is that the ability to pass these tests does not necessarily reflect the ability to perform the job. For example, the Fact Finder heard the testimony of Barry Lloyd, a long-term mechanic who has 39 years of experience working on transit buses and 24 years of experience with the present employer. He has passed only one out of four tests which he has taken. Nevertheless, he is able to perform his current mechanic work. According to Mr. Lloyd, there is no need to pay more for this classification if the Authority is serious about looking for savings.

More skilled workers may be needed now and in the future. In order to compete for these mechanics, the Authority made a persuasive argument that a higher starting pay rate may be required. Inasmuch as current employees are not precluded from this higher paid work, the creation of this new classification at the \$23 pay rate is reasonable.

Recommended New Agreement

The Fact Finder recommends that a new job classification of Class A Technician be added and paid at a starting rate of \$23 per hour.

ALL OTHER MATTERS

Any agreements mutually made prior to the commencement of the Fact Finding that are not specifically addressed in this Report are recommended to be included, as agreed upon, in the new Agreement.

Date: August 23, 2012
Camp Hill, Pennsylvania

Debra K. Wallet

Debra K. Wallet, Esquire
Fact Finder

¹ There are ten positions, only nine of which are currently filled.