

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LABOR RELATIONS BOARD

In the Matter of Impasse Between the

YORK COUNTY PLEASANT ACRES NURSING
& REHABILITATION CENTER,
"Public Employer,"

-and-
TEAMSTERS LOCAL 776,
"Union."

Case No. PERA-F-11-279-E

Before
Robert C. Gifford, Esq.
Fact Finder

REPORT AND RECOMMENDATIONS

Appearances:

For the Employer:

Claudia M. Williams, Esq.
Rhoads & Sinon

For the Union:

Kittie L. Hake, Business Agent
Mark P. Andreozzi, Business Agent

On September 20, 2011, I was appointed by the Pennsylvania Labor Relations Board
["PLRB" or "Board"] as the Fact Finder in the impasse between the York County Pleasant

Acres Nursing and Rehabilitation Center [the "Employer" or "County"] and Teamsters Local 776 [the "Union"], a unit comprised of 385-400 employees.

The parties' Agreement expired December 31, 2010. The parties commenced negotiations for a successor agreement. They met on their own and then with the assistance of a mediator. A number of the issues in dispute remained unresolved. On August 25, 2011, the Union initiated its request for fact finding. On October 5, 2011 an informal conference was held at the County Administrative Center in York, Pennsylvania at which time both parties discussed and submitted information regarding the issues in dispute. On October 17, 2011, a hearing was held in York at which time the parties were afforded the opportunity to present testimony, examine and cross-examine witnesses, introduce documentary evidence, and argue orally in support of their respective positions on the unresolved issues. An executive session was held on October 19, 2011.

ISSUES

The following issues have been presented for Fact Finding:

1. Term of Agreement
2. Paid Time Off
3. Holidays
4. Hospitalization and Life Insurance
5. Credit Union/Direct Deposit
6. Shift Differential
7. Wages
8. Successors Clause

DISCUSSION

The parties are familiar with the outstanding issues. This Recommendation will provide a brief summary of the parties' positions and will mainly focus on the areas in which I recommend changes. Therefore, to the extent an issue is not specifically addressed or incorporated by reference herein I recommend the status quo.

Tentative Agreements

Throughout the bargaining process, the parties reached tentative agreements to several issues.

Recommendation – The tentative agreements shall be made part of the final package. They shall be incorporated by reference herein.

Term of Agreement

The term of the parties' most recent agreement expired December 31, 2010. The parties are amenable to either a three (3) or four (4) year term.

Recommendation – I recommend a term of three (3) years – January 1, 2011 through December 31, 2013.

Paid Time Off

Article 13 of the Agreement provides for paid time off ["PTO"]. The Union seeks to increase the amount of PTO for 40-hour and 32-hour employees, to create an additional step for employees with 20 years of service, and to reduce the minimum amount of PTO that can be used at one time from the current amount of 30 minutes. The County opposes the Union's proposals.

Recommendation – I recommend that employees be permitted to use PTO in 15 minute blocks of time. Under this recommendation, employees will continue to have an incentive to get to work on time. At the same time, the County will not have to keep track of PTO in random amounts of minutes. As to increased PTO time, my review of the evidence indicates that this benefit for the bargaining unit members falls within the relative comparison of the other bargaining units within the County. In that regard, I recommend the status quo.

Holidays

Article 16 provides for 13 paid holidays. One (1) of the 13 paid holidays (Election Day) was converted into a Personal Holiday that could be used by bargaining unit members at any time as long as they provided 7 days advanced notice. Article 16, Section 3 provides as follows:

If an employee works on the day any of the above holidays are observed except Personal Holiday, the employee shall receive time-and-one-half his/her regular rate of pay for actual hours worked. All holidays will be observed on the actual holiday except for Monday through Friday positions. For these positions, the legal holiday will be observed. Observation of Memorial Day will be the legal holiday. Holidays will commence at the beginning of the night shift on the day prior to the holiday and end at the completion of the evening shift on the holiday.

The County's proposal revolves around increasing the number of personal holidays from 1 to 4 in exchange for eliminating Martin Luther King Day, Presidents' Day, and Columbus Day as paid holidays. The Union opposes the County's proposal because bargaining unit members will lose overtime opportunities and there is a concern that the

current requirement of 7 days advanced notice for using personal holidays is overly restrictive.

Recommendation – I recommend that beginning in 2012 that Columbus Day, Martin Luther King Day, or Presidents' Day will be converted to a personal holiday. The parties' representatives shall have a meeting prior to the end of 2011 to determine which of the holidays will be converted. In the event the parties cannot mutually agree upon which of the holidays above to convert to a personal holiday, the parties at that meeting will choose the holiday by random selection. In addition, I recommend that the advanced notice requirement be reduced to 48 hours.

Credit Union/Direct Deposit

Article 29 is entitled "Credit Union". The County seeks to require employees to accept payment of their wages through direct deposit. The Union opposes the County's proposal.

Recommendation – Mandatory direct deposit is becoming the norm for employees. I recommend the County's proposal.

Shift Differential

Article 31 provides for shift differentials. The County seeks to eliminate the shift differentials for all employees. The Union opposes the County's proposal.

Recommendation – The County has demonstrated a need for cost containment. I therefore recommend that the shift differential be eliminated for all employees hired on or after January 1, 2012. I note that the record of this proceeding did not include proposals to modify the current work schedule that could have potentially resulted in cost savings to the County.

Wages

The Union seeks 4.0% per year. The County proposes 0.0% for 2011, 1.5% for 2012, 1.5% for 2013, and 2.0% for 2014. The parties presented for comparison the wage increases provided to other County bargaining units. The Union presented copies of collective bargaining agreements for other County units represented by Teamsters Local 776. The agreements presented reflect wage increases and health care costs, in part, over the relevant period of time. Certain units at the York County Prison received significant wage increases, accompanied by increases in health care contributions. The County presented evidence that the facility is funded, with little exception, by Medicare and Medicaid. Historically, the facility has not been funded by taxpayer dollars. Personnel costs currently account for over 70% of the facility's overall costs, but the 27-year-old facility anticipates significant costs with regard to equipment over the next 5 years. The facility has operated at a net loss of approximately \$17 million over the last three (3) years.

Recommendation – In light of the evidence presented, I recommend a freeze (0%) for 2011, an increase of 2.75% for 2012, and 2.75% for 2013. A total increase of 5.5% over three (3) years represents a balance between the County's need to be fiscally conservative while providing bargaining unit members with modest increases over the life of the contract.

Hospitalization and Life Insurance

Article 18 provides for hospitalization and life insurance. The County offers two (2) plans: Preferred and Preferred Plus. The County also offers dental through Article 18, Section 6. Given the continued increase in the cost of providing insurance to its employees, the County seeks increases to the employee contribution amounts and co-pays. With respect to the Preferred Plus Plan, the County offers lower contribution amounts for employees hired on or before the date of contract ratification. In addition, the County proposes to pay \$1,200 annually to those employees who opt out of coverage:

Employees who elect to remove themselves from the employer's health insurance coverage plan shall submit proof of alternate coverage and shall not be entitled to be reinstated to the employer's health insurance coverage for a period of six (6) consecutive months after the initial removal from coverage. Employees electing to opt out shall receive \$1,200.00 per calendar year. This payment shall be made in the first payroll in January the following year. If an employee and their spouse are both employed by the County, only one can enroll in medical insurance. The non-contributing spouse is not eligible for the \$1,200 opt out payment.

In support of its proposals, the County presented a comparison of the plans it provides to other County bargaining units. The Union opposes the County's proposal as presented. The Union contends that any increases to the bargaining unit members must be within a reasonable ratio of wage increases.

Recommendation – In light of the wage freeze recommended for 2011, I also recommend that the employee contribution amounts and co-pays remain at the 2010 levels for 2011. Then, in 2012, the bargaining unit will pay at the same levels as the County's court-appointed and court-related units will for 2012. For 2013, I recommend that the employee contribution amounts per pay for the Preferred Plan increase to \$19 for employee only, \$27 for employee +1, and \$36 for employee +2. For the Preferred Plus Plan, I recommend the per pay amounts increase to \$42 for employee only, \$60 for employee +1, and \$81 for employee +2 or more. The County will continue to provide dental as per Article 18, Section 6. As to the opt-out payment, I recommend that the parties incorporate the following provision in their Agreement:

Employees who elect to remove themselves from the employer's health insurance coverage plan shall submit proof of alternate coverage and shall not be entitled to be reinstated to the employer's health insurance coverage for a period of six (6) consecutive months after the initial removal from coverage. Employees electing to opt out shall receive \$1,200.00 per calendar year. This payment shall be made in the first payroll in January.

Successors Clause

Article 33, Successors Clause, provides that “[t]his Agreement shall be binding upon the parties hereto, and their heirs, executors, administrators, successors and assignees of each.” The County seeks to eliminate this provision on the basis that the provision, as written, is illegal and unenforceable. The Union opposes the County’s proposal.

Recommendation – I recommend that Article 33 be amended to read as follows:

To the extent permitted by law, this Agreement shall be binding upon the parties hereto, and their heirs, executors, administrators, successors and assignees of each.

SUMMARY

I believe the recommendations above represent a reasonable, acceptable compromise to the outstanding issues given the current economic climate. I direct the parties' attention to my cover letter which outlines their responsibilities to notify the PLRB of their acceptance or rejection of this Recommendation.

Dated: October 31, 2011
State College, Pennsylvania

Robert C. Gifford