Dubuque County / Teamsters Local 421 (mixed)

2007-2008
CEO 777
SECTOR 2

STATE OF IOWA

PUBLIC EMPLOYMENT RELATIONS BOARD

Before Harvey A. Nathan, Fact Finder

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PUBLIC EMPLOYMENT
RELATIONS BOARD

In the Matter of the Fact Finding between DUBUQUE COUNTY and TEAMSTERS LOCAL 421	COUNTY COURTHOUSE & LIBRARY EMPLOYEES PERB NO. CEO #777 SECTOR 2
In the Matter of the Fact Finding between DUBUQUE COUNTY CONFERENCE BOARD and TEAMSTERS LOCAL 421	COUNTY ASSESSOR EMPLOYEES

Hearing Held: April 7, 2008

For the County: Mary Ann Specht,
Personnel Director

For the Union: Andrea F. Hoeschen
Previant, Goldberg, *et al.*
Attorneys
John Rosenthal, Vice President

Report and Recommedations

This is a fact finding proceeding pursuant to the impasse procedures of the Public Employment Relations Act, Chapter 20 of the Iowa Code. The hearing was held on April 7, 2008 in the City of Dubuque. The parties are completing a two year agreement. In negotiations for a new contract the parties agreed that it will be three years in duration. A number of other issues were resolved in negotiations before the parties reached impasse.[1] There are four open issues: Wages, health insurance, personal days and reclassification of child support workers.

The County of Dubuque (sometimes "Employer"), on the eastern edge of the state, has approximately 92,000 people. The City of Dubuque dominates the County with about 57,700 people. The County government employs 362 full-time, 93 part-time and 18 seasonal employees (71 unrepresented). There are seven bargaining units which are as follows:

1. Sunnycrest Manor (nursing home)	183 employees	AFSCME
2. Secondary Road Department	38 employees	Teamsters
3. Courthouse and Library Clerical	46 employees	Teamsters
4. Assessor's Office	4 employees	Teamsters[2]
5. Deputy Sheriff unit	104 employees	Deputy Sheriff Association (Ind.)
6. Sheriff Management	12 employees	Sheriff's Department Management Union
7. Assistant County Attorneys	? employees	Assistant County Attorneys Association

[1] Tentative agreements were reached on changes in posting job openings, definition of immediate family for sick leave purposes, requests for sick leave, donation of vacation hours, vacation carryover, utilization of sick leave.

[2] Bargaining is done in conjunction with the Courthouse/Library unit and the two agreements are nearly identical.

The parties have agreed to a comparability group of nine counties. The Employer utilizes a ten county list.[3] The list, in size order, is as follows:

	Population	Wage settlement
Polk	408,888	4%
Linn	201,853	3.75%
Scott	162,621	3.25%
Blackhawk	126,106	No settlement
Johnson	118,038	3.25%
Woodbury	102,972	No settlement
Dubuque	**92,384**	**4% (Union Proposal)** **3% (County)**
Pottawattamie	90,218	3.5%
Story	80,145	No settlement
Dallas	54,525	?
Clinton	49,782	No settlement

The parties acknowledge that health insurance costs are the driving force behind this year's impasse. The employees covered by this contract currently enjoy fully paid single and family coverage. The County is proposing an 8% premium contribution by employees. The Union wants to maintain the status quo, although it acknowledges that health insurance is a serious financial problem. The Union suggests that the County should have activated a moribund insurance committee to study the options and not just seek to impose a percentage contribution without Union/employee input. The Union points out that in the last negotiations the committee was able to agree upon cost-saving changes to the plans.

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[3] The County's choice of Dallas County is appropriate because it is larger than the agreed-upon Clinton County. Given the political and revenue structure of counties, geographic distribution is less important than size in composing a comparability group.

I. Insurance

Article 17 of the parties' Agreement reads as follows:

A. ACCIDENTAL DEATH AND DISABILITY: All permanent full-time employees shall be provided at least a $20,000 accidental death and disability policy effective July 1, 2007 Coverage for eligible employees shall commence on the first day of the month following a thirty (30) day waiting period. Coverage under this section shall be for the employee only.

B. HEALTH INSURANCE: All permanent full-time employees shall have the option to choose from single or family health insurance coverage provided below. Coverage for eligible employees shall commence on the first day of the month following a thirty (30) day waiting period.

1. Fully funded health insurance coverage for hospitalization, medical, surgical, major medical, prescription drugs, and optional benefits. The Employer shall pay the full cost of a single or family health, dental and accidental death and disability policies, if coverage is selected under this section.

2. Health Maintenance Organization. Coverage benefits determined and provided by the Employer. The Employer shall pay up to the amount employees selecting coverage under the fully funded coverage above for single or family health, dental and accidental death and disability policies, if coverage is selected under this section. Costs in excess of the amounts provided for fully funded insurance, for coverage under this section, shall be paid to the employee. In the event that the County exercises the option to require employees to pay for excess premium costs in this section, the County agrees to re-open this contract to negotiate for insurance and wages, subject to procedures established by the Iowa Public Employment Relations Board to resolve impasse, waiving deadlines

C DENTAL INSURANCE: All permanent full-time employees shall be provided single or family dental insurance coverage. ***

D. [Employees on a leave of absence may continue insurance coverage at their cost.]

E [Part-time employees not eligible for these benefits.]

The County offers employees coverage under any of three health benefit plans sponsored by three different carriers. The Medical Associates Health Plan and the United Health Plan are traditional health maintenance organizations utilizing closed panels of

providers. HMOs customarily require little or no co-payments from participants. In Dubuque County the parties negotiated $10 co-pays per office visit and $75 emergency room/ $100 hospital admission co-pays. The Wellmark Blue Cross/Blue Shield Plan is a traditional 80/20 indemnity plan.[4] There have been no changes in the benefit structure of the Blue Cross plan for some time. Likewise, the dental benefit plan has maintained the same structure for many years.

As is true everywhere in Iowa, over the years the cost of medical insurance in Dubuque County has increased more than any other cost of doing business. A brief chart of the increases for Dubuque County is as follows:[5]

Plan	FY 2007	FY 2008	FY 2009
Wellmark BC/BS			
Single	$ 441	$ 432	$ 464
Family	988	968	1,040
Medical Associates			
Single	453	494	514
Ee+Spouse	996	1,086	1,131
Ee+Children	815	889	925
Family	1,177	1,284	1,337
United (John Deere)			
Single	446	477	504

[4] There are 13 employees in the two bargaining units covered in this case who are enrolled in the Blue Cross plan. Of these, 3 have single coverage. There is no breakdown of the 41 employees in the bargaining units who participate in the HMOs.

[5] Over the last 13 years costs have increased as follows: Blue Cross - 50% (single and family), United - 104% (single) and 125% (family), Medical Associates - 147% (single) and 157% (family).

Ee+Spouse	982	1,048	1,108
Ee+Children	803	858	906
Family	1,160	1,239	1,309

The numbers do not include $27.59 per month for single dental care and $63.04 for family dental coverage. (Vision is offered with the Wellmark BC at $6.20/14.26 a month.)

Under the County's 8% cost sharing plan the monthly cost per employee would be:

	Single	Ee+Spouse	Ee+Children	Family
Wellmark	$39.82	NA	NA	$ 89.38
Med Assoc	43.33	$95.52	$79.07	111.97
United	42.49	93.67	77.56	109.78

Except for Polk County, no comparable county has a premium contribution system based upon a percentage of premiums. The following chart shows the monthly employee rates.[6]

	Single	Family
Blackhawk	$40	$100
Clinton	0	0
Johnson	0	30
Linn	10	50
Polk	0	20% of the difference between single and family
Pottawattamie	25	100
Scott	0	Range: $79.48 - $119.75
Woodbury	0	0

[6] The rates may be for FY 2008 or FY 2009 depending upon whether a new agreement for FY 2009 has been reached.

The plans in several counties have amounts employees are expected to pay before the insurance takes effect ("deductibles"). For family plans these range from $200 to $1,000. Assuming that employees seek medical care over the course of a year, the deductibles result in an average additional cost of 16.66 to $83.33 per month.

The Union in effect concedes that employees must contribute to the cost of health insurance. It strongly objects to a percentage contribution because it has no control over the plans and what is charged for them. To agree upon a percentage contribution puts the employees at risk for the second and third years of the agreement at issue. The Union cannot anticipate what insurance rates will be and thus seek proportionate wage increases to help pay for the additional costs.

I agree with the Union that a percentage contribution is too radical of a change to be awarded by a neutral given the parties' bargaining history. If the County believes that it needs this kind of change it should negotiate for it and offer something in return. It is also not the custom and practice among the larger Iowa counties to have percentage contributions. The exception is Polk County which is 4-1/2 times larger than Dubuque County.

On the other hand, there must be more than a token contribution by employees toward the cost of health insurance, particularly family coverage. Because health insurance is now so expensive, it impacts the budget in a way which prevents other benefits from increasing and affects the financial viability of any government unit. The high cost of health coverage results in an unfair distortion in the cost of employing persons with families. An employer

should not have to consider the additional cost of hiring persons with families. Yet, given the many thousands of additional dollars it costs to employ such persons, this can become a real factor. It also is unfair to single employees because the cost of family coverage impacts the budget available for wages and other benefits.

However, given that the change in the formula for insurance will affect real wages, I propose phasing in the contribution level over the course of the three year agreement. The amounts I am recommending are based upon what is done in the comparable counties. Thus, I recommend no contribution for single coverage in the first year, $25 a month in the second year and $50 a month in the third year. This is less than the dollar amount sought by the County for the first and second years but by the third year the $50 per month contribution will be slightly more than 8% of the current rates. While it is true that the costs of insurance will also increase in the second and third years of the contract, the unknowable future of health care costs requires that the Employer be placed in a catch-up position. It is always possible that new federal government intervention or some other unforeseen factor might produce a decrease in medical costs.[7]

I further recommend that employees contribute a proportionately larger amount toward the cost of family and employee plus spouse coverage. I suggest $50 in the first year, $75 in the second year and $100 in the third year. These numbers are based upon the comparables, and upon the relationship between the costs of single coverage and family

[7] In fact, the costs for the Wellmark plan did decrease between 2007 and 2008

coverage. (Employee and spouse coverage is almost the same as family coverage and there is no good basis to parse the difference with a separate rate for this category.) Finally, the cost of coverage for employee and children is midway between single and family coverage. Here I recommend a $25 contribution in the first year, $50 in the second year and $75 in the third year. What was said above about single coverage applies as well here. Thus, the $75 is close to the 8% sought by the County, but it is based upon the FY 2009 rates.

Looked at from another perspective, the employee contributions by the third year amount to approximately what employees in other counties have as deductibles for their PPO or indemnity major medical plans. In summary, the recommended monthly contribution rates are as follows:

	1st year	2nd year	3rd year
Single	0	$25	$ 50
Employee and children	$25	50	75
Employee and spouse	50	75	100
Family	50	75	100

II. Wages

An assessment of wages is difficult for these bargaining units because there are so many classifications. In the library/courthouse unit there are custodians, clerks at various levels, cashiers, administrative assistants, library clerks, coordinators, child support recovery workers and other miscellaneous positions whose jobs functions are a mystery to the fact

finder [8]

The Employer endeavored to determine the average salaries among the comparable bargaining units. It was not a seamless task. With some counties it was able to obtain averages of the wage matrix. In other words, the averages are those of the salary schedules without regard to where employees in each county are placed, if at all. Other counties do not have custodial employees in their mix. Nonetheless, there is some abstract value to this study because it shows the relative worth assigned to jobs within each county. It might be argued that in terms of evaluating the marketplace value of classifications an average of the schedules is a better reflection than one which is weighted by where employees are placed (scattergram). On the other hand, unless the job descriptions match those of the bargaining unit under consideration it becomes a leap of faith to assume that the work of these classifications is the same. Stated another way, the relationship of Clerks II, II, and IV in one county may be based upon an internal comparison rather than any kinship to a neighboring county.

Nonetheless, I have considered this data as a general reflection of the wage levels of Dubuque County to that of the comparable counties. The Employer's exhibit on this is as follows:

Dubuque	$16.54 per hour of actual wages <u>with</u> custodial
Johnson	16.56 per hour of actual wages <u>with</u> custodial

[8] Additionally, some employees work 40 hour weeks, while others work 35 hour weeks. The fact finder did not evaluate whether this distinction affected hourly rates.

Pottawattamie	16.23 per hour of actual wages with custodial
Blackhawk	15.86 per hour of actual wages without custodial
Polk	18.58 per hour of actual wages without custodial
Clinton	14.98 per hour per schedule with custodial
Scott	17.08 per hour per schedule with custodial
Story	15.60 per hour per schedule with custodial
Linn	14.38 per hour per schedule without custodial
Woodbury	14.37 per hour per schedule without custodial

This examination shows that the three counties measuring actual wages in units including custodial workers have similar rates. Blackhawk, without custodial, is much lower than the first three even though the absence of custodial should raise the average. This is reflected with the numbers for Scott which has no custodial workers in its unit. Scott should be grouped with Dubuque, Johnson and Pottawattamie. Thus, other than Polk County, which is often in a class by itself, Dubuque is at the higher end of the scale. (Clinton and Story are lower with custodial but only based on the matrix. Woodbury, even without custodial, has the lowest average, although only based on the matrix.)

The cost of living, as measured by the Consumer Price Index, increased less than 3% in 2007, although it was nearly 4% in 2005. The CPI for 2008 may be significantly higher as the cost of food, fuel, and medical costs are greatly increasing. This may be offset by the decrease in housing costs which is apt to stay low for some time. Certainly inflation is not a key factor in these negotiations. Likewise, the County's limited economic resources are not greatly affected by the relative size of a wage increase for these two bargaining units.

I have reviewed the economic data supplied by the County and see no reason why Dubuque County should be treated differently than the other larger (second tier) counties.

The five counties that have settled have all agreed to first year increases greater than the 3% offered by the Employer. The Union's 4% proposal is equal to the Polk settlement but that county is not a good one-on-one comparable with Dubuque. However, the insurance adjustment that I have recommended is a major change in the economic balance for the parties. Some employees will experience little or no net wage increases because of the need for them to pay a small portion of the cost of their insurance. On the other hand, too great of a wage increase defeats the small degree of economic relief afforded by the new insurance payment formula.

After considerable thought and based upon the statutory factors to be utilized in these cases, I recommend wage increases of **3.25%, 4%** and **3.75%** (for FY 2009, 2010 and 2011, respectively). The first year rate reflects my assessment of the wages and benefits generally for this group, as well as the absence of any contribution for single coverage insurance for that year. Also, a 3.25% increase is in line with the average of the increases for this unit since 2002, and, except for the Sheriff's deputies, is in line with the average increases for the other Dubuque County bargaining units. The rate for the second year reflects the impact of single contributions and the acknowledgment that the first year's increase did not provide for the new family health insurance contributions. The third year is slightly less than the prior year because of the effect of compounding that prior rate. It is slightly higher than average because by the

third year of this contract the contributions for health care will be fully in effect.

III. Personal Day

The current contract provides for three personal days off. The Union is seeking four days off. The current contract language is as follows:

> PERSONAL DAYS - ARTICLE 15
>
> A. All full-time employees shall be entitled to take a maximum of three (3) working days of personal leave per year. The three (3) working days shall not be accumulative from year to year.
>
> B. Permanent part-time employees as defined in this agreement shall be entitled to eight (8) hours of personal leave per year. The eight (8) hours may be split into two (2) separate four (4) hour segments.
>
> C. Employees shall notify the Employer at least five (5) days in advance of their intention to utilize a personal day. In cases of emergency, the five (5) day provision may be waived and Personal Days may be allowed upon the approval of the Employer.
>
> D. If an excessive number of employees request the same day off for personal reasons and the normal operation of the Employer would be seriously affected by such situations, the Employer would restrict the number of employees allowed to utilize leave days. The first request will be the sole criteria for determining which employee will be granted the day off duty.
>
> E. All personal leave days may be taken in increments of one-half day. A Personal Day shall be construed to mean the normal schedule of hours of the employee.

There is little to support this proposal by the Union. No other unit in the County has four personal days (and the Union has not advised the fact finder that any other unit seeks this).

Among the comparables, only Polk and Blackhawk Counties have more than two personal days. More significantly, however, the Union offered no evidence as to the need for this

additional personal day. There is simply no basis to recommend this proposal.

IV. Reclassification of Child Support Workers

The State of Iowa, Department of Human Services, Bureau of Collections ("State"), develops and operates a program for the establishment of paternity and securing support for children receiving public assistance and those others who apply for child support services. Under Iowa law some of the functions of the Bureau of Collections may be delegated to local political subdivisions. Dubuque County is a political subdivision that has a contractual relationship with the State for locating putative and absent parents, determining parents' ability to provide support, and enforcing administrative and court orders for support. Within the comparability group Johnson and Linn Counties have similar arrangements with the State.

Dubuque County has a contract with the State entered into in 2006 which may be terminated by either party upon proper notice. The County pays sets the compensation for the employees it supplies and is reimbursed by the State on a dollar for dollar basis. There are four employees assigned to the Child Support Recovery Unit: Clerks II, III and IV, and a Child Support Officer. The terms and conditions of employment for the County employees are different from that of the State employees, all of whom work in the same office and perform substantially the same job duties. The State employees are paid significantly higher wages than the County employees but the State fringe benefit package is less than what is

available for the County employees. The difference is particularly apparent with medical care benefits. In the past the County employees have had opportunities to become State employees but have rejected that option. The reasons appear to be loss of seniority and less favorable medical benefits.

The Union argues that there is no reason why there should be such a significant wage disparity when the work of the two groups of employees is identical. The current top rate for Clerks II, III, and IV, are $15.20, $15.69 and $16.60 an hour, respectively. The current top rate for the top rate for the Child Support Officer is $19.08 an hour. The Union is seeking a $1.00 an hour increase, which would put these employees at a rate still less than the top rate for the State equivalents. It seeks a $1.95 an hour increase for the Child Support Officer.

The State does not address the equity argument made by the Union. It suggests that the wage rates are appropriate because the medical benefits offered by the County are so much better. It also points out that employees had the opportunity to switch to State employment but did not do so. It also asserts that in the Clerk classifications the rates paid by Linn and Johnson Counties are substantially similar to that of Dubuque County. The Child Support Officer in Johnson County is paid somewhat more than in Dubuque but the same employee in Linn County is paid about 9% more than in Dubuque.

The problem for the fact finder is the threshold question of whether he should tamper with these rates at all. There is a risk, at least theoretically, that to do so, even with a token change, will open up the proverbial "flood gates" for parity between State and County

positions generally. On the other hand, the County's argument about the great advantage of having its health coverage and not the State's has lost some of its persuasiveness in light of the contribution changers recommended in this report. On the other hand, the Union's proposal is cost-free for the county. Moreover, there is no indication in the record that to make the adjustments sought by the Union might jeopardize the entire system and cause the State to cancel the arrangement.

On balance, I find that the County would benefit from some semblance of parity because the morale problems evident from the Union's presentation would be lessened if not eliminated. Accordingly, I recommend that each step of the Clerk classifications assigned to the Child Support Recovery Unit be re-described and given a $ 50 an hour increase prior to the application of the 3.25%, 4% and 3.75% across-the-board increases already recommended. I recommend that the Child Support Officer be paid an additional $1.00 and hour under the same conditions regarding the across-the-board increases.

RECOMMENDATIONS

1. Insurance Contribution Rates	1st yr	2nd yr	3rd yr
Single	0	$25	$50
Single and children	$25	50	75
Family or Single and spouse	50	75	100
2. Wages	3.25%	4.00%	3.75%
3. Personal Day	No Change		
4. Reclassification	Clerk positions increase $.50 per hour Support Officer increases $1.00 per hour		

Respectfully submitted,

HARVEY A. NATHAN

April 14, 2008

CERTIFICATE OF SERVICE

I certify that on the 16th day of April 2008, I served the foregoing Fact Finder Report upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

Ms. Mary Ann Specht
Personnel Director
720 Central Avenue
Dubuque, IA 52001

Ms. Andrea F. Hoeschen
Previant, Goldberg
1555 N. RiverCenter Drive
Milwaukee, WI 53212

I further certify that on the 16th day of April, 2008, I submitted a copy of this Fact Finder Report for filing by mailing it to the Iowa Public Employment Relations Board, 510 East 12th Street, Suite 1B, Des Moines, IA 50319-0203.

Harvey A. Nathan, Fact Finder