

New York State Public Employment Relations Board

In the Matter of Fact-Finding

between

Jefferson County (Sheriff's Department)

and

Jefferson County Sheriff's Employees Local 3089 LEOU Council 82 AFSCME

PERB Case #M2005-116

Report and Recommendations

Before: Professor Mark D. Karper

Initial hearing: July 24, 2006

Final brief date: September 1, 2006

Report date: October 1, 2006

For the County:

Stephen Miller

HRM Director

Jefferson County

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For the Union:

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Introduction

This is a fact-finding report between Jefferson County (hereafter referred to as the County) and Jefferson County Sheriffs Employees Local 3089 of Council 82, AFSCME-AFL-CIO (hereafter referred to as the Union). The unit consists of corrections officers and dispatchers employed by Sheriff's Office of Jefferson County. The parties' agreement expired on December 31, 2004. The parties declared impasse on August 3, 2005. Further negotiations using formal mediation also failed to produce a settlement and the parties requested formal Fact-Finding. The fact-finding hearing was held on July 26, 2006 where the County submitted its brief and the matter closed with the receipt of a union brief on September 1, 2006. The fact-finding process is designed to provide the parties with specific written recommendations that can aid a voluntary settlement and/or assist elected officials in a legislative imposition.

There are four issues that still divide the parties. The parties have agreed on a three year contract recommendation although 20 months have already passed since the current agreement expired. This fact finder will limit his recommendations to a year agreement on three economic issues: #1 wage increases, #2 health insurance contribution, and #3 retirement health contribution. I believe the last issue of training stipends can be worked out directly between the parties without a formal recommendation.

This report will address several general issues: the fiscal condition of the County, comparability with other bargaining units within the county and similar bargaining units in other counties, and general economic conditions such as the cost of living. Finally, the report will define each of the issues and provide specific recommendations and a rationale.

Fiscal Condition of the County

The Exhibit U-8 is a self-description of the fiscal condition of County of Jefferson, New York in order to market general obligation bonds. A careful reading of this document shows that the County is in excellent fiscal shape and that the County certainly has the ability to pay any fair settlement. A look at the County's Annual Financial Report (U-7) also shows the ability to pay a fair settlement without any increase in taxes. The County did make one economic argument related to whether it is fair for the County to increase the wages of county employees who are already more highly paid than average taxpayers (citizens) in Jefferson County. The County also supplied a newspaper article showing that new jobs created in Jefferson County were at wages far below those received by County employees. The County objects to low wage taxpayers subsidizing the wages of County employees. This argument ignores the fact that due to our progressive tax system, the majority of tax revenues come from County or out-of-County residents who make far more than the average County employee. For example, in the United States, 60% of total wealth (such as real estate) is concentrated in the top 5% of income earners. As a result, the majority of property taxes are probably paid by individuals who earn far more than the average County employee. Even sales taxes which are the most regressive of taxes are still mostly paid by the top 20% of earners, who earn an average of about 60% of the total income, as well as spend it in any given area. It is simply a fact that neither wealth nor income is evenly distributed. In fact, the low wage jobs recently being created, cited by the County in its brief, may be a mixed blessing since low wage earners typically receive far more dollars in government services than they pay in tax dollars. Any County which followed a policy of reducing all public employees to the lowest possible market wage in order to substantially reduce taxes would end up increasing the real wealth of the top 5 %

of income earners and increasing the income share of the top 20% of wage earners, since they would reap the majority of the benefits of any tax cut.

The real issue is not of the County moving to become another low wage employer but instead continuing its past policy of being a fair wage employer. One important way of measuring whether the county is a fair wage employer is whether it pays comparable wages with similar employees in other counties and has settlements that are comparable to other County bargaining units. The County's exhibit #5 illustrates the fact that the County has always been a fair wage employer versus other counties since its wages are above the average of the wages of other comparable New York State counties. A fair wage recommendation would be one that continues that past policy and maintains its position in that group. The internal wage comparison for 2005-07 time period shows: the other Jefferson County Sheriffs bargaining unit (Road patrol) is without a contract; the CSEA unit is at 3% for 2005; with the two Jefferson County Community College Employees units having reached settlements at 2% +\$725 for Faculty and 2.5% + .10 per hour for Support Staff for both 2005 and 2006. There are no County settlements for the contract year 2007. A look at the County wage offer shows that it favors the internal wage comparison since it most closely parallels what was given to other County units in 2005 and 2006. It is difficult to calculate how a possible wage settlement would affect the relative salary position of Jefferson County corrections against corrections officers in the other comparable counties since I have no data on the negotiated wage rate increases for those other counties' corrections officers for the time period 2005-07.

The general economic conditions in terms of the cost of living are 3.4% for 2005 and 4.5% for the first 10 months of 2006. The predictions for 2007 are generally in the 3-

4% range. The County originally offered wage increases based on the cost of living with caps of 2.5%; the County must have anticipated the expected inflation component would have potentially reduced any possible wage increase. The County must have thought that inflation would have been far less than actually occurred in 2005-06. The other bargaining units in the County with agreements in 2005 and 2006 have seen declines in real income as their wage increases have lagged behind the rate of inflation for that time period.

Issue #1 Wages

County Position

Salary increases calculated by CPI-W for each year effective January 1 2005, 2006, 2007, which cannot be less than 1.5% or more than 2.5%.

(NB Inflation is greater than 2.5% for 2005 and most likely for 2006 unless prices fall in the last two months of the year.)

Union Position

Salary increases 3% 1/1/2005, 3.5% 1/1/2006, 4% 1/1/2007 plus a \$2000 step increase effective on the same three dates.

Recommendation

Wages increases by the CPI-W as measure by the County's offer effective January 1, 2005, 2006, 2007 with no minimum and a 5% cap.

Rationale

I would estimate the wage increase for 2005 to be 3.4% and the wage increase for 2006 to be 4.5% and the wage increase for 2007 in the 3-4% range. I have used the cost of living factor as my primary guide for fair wage settlement because the rate of inflation has

increased considerably in the last two years and exceeded expectations. As a result, most comparable wage settlements that were negotiated both inside and outside the County have resulted in real wage declines. This wage settlement recommendation only insures that real wages remain constant, which I feel is the most important economic comparison in times of relatively high inflation.

Issue #2 Health Insurance

County Position

Effective 1/1/2005 employees shall pay 17% of individual and family plans with employees paying more than 17% keeping that level of contribution until it exceeds 17%.

Union Position (and current contribution rate)

Continuation of original co-pays which are effective January 1, 2004 \$30.00 bi-weekly for individual and \$45.00 biweekly family

Recommendation

Effective 1/1/07 bi weekly rates be raised to \$54.00 Single and \$84.00 family.

Rationale

This figure represents the only pattern settlement of health insurance contributions for other County employees which is the JCC Faculty unit. If all employees enjoy the same overall plan then contribution rates should be similar.

Issue #3 Retirement Health Insurance Contribution

County & Union Positions

| | County | | Union (current contract) | |
|---|--------------|------------|--------------------------|-----------|
| Service | | | | |
| 10 years but less than 15 years | 90% Employee | 10% County | 50% (Emp) | 50% (Cty) |
| years | 80% | 20% | 25% | 75% |
| 20 years | 70% | 30% | 10% | 90% |
| If 1000 hours accrued sick time same categories | | | 25% | 75% |
| | | | 10% | 90% |
| | | | 0% | 100% |

Recommendation: Adopt the County position as listed.

Rationale

The County position represents what was adopted by the JCC Faculty association. I believe that since all health coverage for Jefferson County employees is similar that what is paid by County retirees should also be similar.

Issue #4 Training Stipend

No recommendation

Rationale

The parties should further negotiate this item on their own. I believe the parties are already close to agreement on this issue.

Professor Mark D. Karper
Fact Finder