

STATE OF HAWAII

PUBLIC EMPLOYMENT RELATIONS BOARD

In the Matter of	)	
	)	
UNITED PUBLIC WORKERS,	)	Case No. <u>SF-01-3</u>
Local 646, AFSCME,	)	<u>SF-10-4</u>
	)	
Petitioner.	)	Decision No. <u>19</u>
	)	

DECISION AND ORDER

I. STATEMENT OF THE QUESTION

By petitions filed November 18, 1971, and July 10, 1972, the United Public Workers, Local 646, AFSCME, hereinafter referred to as Petitioner, requested the Public Employment Relations Board, hereinafter referred to as the Board, to certify the reasonableness of its proposed service fee of \$4.60 per month for employees in Unit 1, non-supervisory employees in blue collar positions and in Unit 10, non-professional hospital and institutional workers, pursuant to Section 89-4, Hawaii Revised Statutes.

Petitioner was certified by the Board as the exclusive bargaining representative for Unit 1 and for Unit 10 on October 20, 1971, and February 11, 1972, respectively.

In its memorandum to the Board in support of the proposed service fees, which equal its current monthly membership dues, Petitioner argued as follows:

The United Public Workers is an integrated local which includes employees at private hospitals and nursing homes, retired government workers, other former employees who maintain membership, in addition to employees in Units 1 and 10.

Accounting records are integrated for all members of Petitioner and non-members represented by Petitioner throughout the State and, thus, there are no exclusive records specifically for Units 1 and 10. However,

Petitioner contends that it can estimate with reasonable accuracy the amount of time and, thus, the amount of cost for operations allocable to each group it services based on a weighted approach. The weighted approach assigns a "full service" value to non-members in Units 1 and 10 and all members of Petitioner, except those of its members who are in an appropriate bargaining unit other than Units 1 or 10. A "half service" value is assigned to its members in an appropriate bargaining unit other than Units 1 or 10, Petitioner's retired members, and employees in Unit 1 or 10 who are members of the Hawaii Government Employees' Association, a fellow AFSCME affiliate. By applying this weighted approach, Petitioner estimates that 60.14 per cent of its time, money and energy is, and will be, spent in support of contract negotiation and administration for employees in Unit 1, and 13 per cent for employees in Unit 10.

Petitioner presented an affidavit of its Director, Henry B. Epstein, in support of its contention and estimates, and presented 12 documents including a letter attesting to the accuracy of: (1) statement of assets, liabilities and fund balance arising out of cash transactions, and (2) statement of cash receipts, cash disbursements, and changes in fund balance from Mr. Katsuto Nagaue, Certified Public Accountant.

## II. EVALUATION OF COSTS FOR NEGOTIATION AND CONTRACT ADMINISTRATION

In order to arrive at a decision and order as to the reasonableness of the proposed service fee, the Board held ex parte conferences with Petitioner's director and its accountant and examined in depth the contents of Petitioner's exhibits. The Board concluded its examination in a conference, of which a stenographic record was kept and during which each exhibit was examined.

Petitioner's financial records indicate that monthly expenses are reasonably anticipated to amount to \$52,650.25. Since this estimate was made, a period of approximately six months' experience indicates

that such amount is accurate. However, such amount includes the costs for services rendered to a mutual aid fund, for administering a group life insurance program for which reimbursement is made to Petitioner, and for recreational programs. As these costs do not relate to contract administration or negotiation and are available to members only, Petitioner has deducted them from the estimated monthly expenses. The balance applicable to contract negotiations and administration amounts to \$48,770.25 (adjusted expense total).

We find Petitioner's weighted approach, adjusted expense total and the following computations for each of its appropriate bargaining units reasonably sound:

UNIT 1

Adjusted expense total	\$48,770.25
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Total service to Unit 1 at 60.14%	29,330.43
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Based on 5,207 members and non-members in Unit 1 receiving full service, the cost per employee is \$5.63.

UNIT 10

Adjusted expense total	\$48,770.25
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Total service to Unit 10 at 13%	6,340.13
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Based on 1,242 members and non-members in Unit 10 receiving full service, the cost amounts to \$5.10 per employee.

Petitioner's application for a service fee of \$4.60 per month has not been challenged by any employee of either bargaining unit.

The Board finds that the requested service fee amount is sufficiently substantiated by the evidence presented by Petitioner.

II. CONCLUSION

We hereby determine and certify as reasonable the proposed service fee of four dollars and sixty cents (\$4.60) of Petitioner for

each employee in Unit 1, non-supervisory employees in blue collar positions, and Unit 10, non-professional hospital and institutional workers. Said service fee shall be deductible in accordance with Section 89-4, Hawaii Revised Statutes, retroactively to the dates of certification -- October 29, 1971, for employees in Unit 1 and February 11, 1972, for employees in Unit 10 -- or to the date of employment, whichever is later.

In accordance with policy adopted by the Board, the initial certification of service fee for each bargaining unit shall be for an interim period commencing from the date of certification. Thereafter, the Board may, upon application of any affected employee or of the Petitioner, or in the Board's discretion, initiate a review of the service fee. As any such review would be based upon a history of actual costs and expenditures incurred by the Petitioner during said interim period, we direct Petitioner to maintain appropriate accounting records of expenditures, to properly allocate costs for each of its appropriate bargaining units and to isolate general costs of collective bargaining from costs for purely institutional or membership benefit activities.


The Board suggests that the Public Employers and the Petitioner negotiate a mutual agreement on methods and procedures which are to be followed in deducting said service fees. Failing such agreement, the parties may petition the Board concerning the mechanics of said service fee deductions.

The Public Employers are hereby directed to commence such deductions at the earliest possible date and to continue such deductions until such time as this Board orders otherwise.

HAWAII PUBLIC EMPLOYMENT RELATIONS BOARD

  
Mack H. Hamada, Chairman

  
Carl J. Guntert, Board Member

  
John E. Milligan, Board Member

Dated: July 13, 1972

Honolulu, Hawaii

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PUBLIC EMPLOYMENT RELATIONS BOARD

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Case No. SF-01-3  
SF-10-4  
Decision No. 19

AMENDMENT TO DECISION AND ORDER

This is to inform all parties that the following amendment should be made to the Board's Decision and Order in the above-entitled matter:

"...retroactively to the dates of certification--  
[October 29, 1971] October 20, 1971..."

(You will find this on page 4 of your Decision and Order. Bracketed material delete; amendment underscore.)

PUBLIC EMPLOYMENT RELATIONS BOARD

By Mack H. Hamada  
Mack H. Hamada, Chairman

By Carl J. Guntert  
Carl J. Guntert, Board Member

By John E. Milligan  
John E. Milligan, Board Member

Dated: July 14, 1972  
Honolulu, Hawaii