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FACT-FINDING

NORMAN R. HARLAN, FACTFINDER

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STATE EMPLOYMENT RELATIONS BOARD (OHIO) (SERB)

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FRATERNAL ORDER OF POLICE (FOP) ) CASE NO. 01-MED-03-0250  
LODGE NO. 78 ) HEARING: AUGUST 9, 2001  
AND ) REPORT: AUGUST 22, 2001

CITY OF MARTINS FERRY (OHIO)

=====

APPEARANCES

UNION

James E. Boomer, FOP Representative  
John N. Bumba  
Phil Hartman

EMPLOYER

Errol C. Sambuco, Consultant, ECS Associates, Inc.  
Lloyd Shrodes, Mayor  
Susan Stephens, City Administrator

BACKGROUND

The City of Martins Ferry is located on the West Bank of the Ohio River. Wheeling, West Virginia is located across the River on the East Bank. Currently Martins Ferry has a population of about seven thousand and five hundred (7,500).

The City has had a COLLECTIVE BARGAINING AGREEMENT (CBA) with the Fraternal Order of Police (FOP) and Lodge 78 for about thirteen years. The most current CBA covers the period July 1, 1998 through June 20, 2001.

In an effort to reach agreement on a Successor Contract the Parties bargained for several months. They met May 7, May 24, May 31, June 14, June 28, July 12, July 19 and July 30, 2001. They were unable to reach agreement on all of the issues.

Under the Ohio Revised Code (ORC), Section 4117.14 (C)(3) the Undersigned was notified by Letter from Bureau of Mediation Administrator Dale Zimmer, dated May 31, 2001, that he had been selected as the Fact Finder. Both Parties were contacted promptly. They jointly agreed to an extension under Section 4117-9-05(G) of the ORC. Other extensions were agreed to and the Fact Finder was advised of the extensions. Prior to the meeting of July 30, 2001 the Parties and the Fact Finder agreed to August 9, 2001 as a tentative Hearing date. The City and the FOP exchanged Position Statements and provided copies to the Fact Finder as required by Section 4117- 9-05(f).

#### DISCUSSION

During bargaining the Union and Management agreed there would be no changes in the following provisions:

Articles 1, 2, 4, 5, 6, 9, 11, 13, 15, 23, 24, 25,  
26, 28, 29, 31, 33, and the MEMORANDUM OF UNDER-  
STANDING.

The Union and Management agreed to changes in the follow-  
ing Articles:

3, 17, 18, 19, 20, 22, 27, 30, and 32.

As of August 9, 2001 the following language was unresolved,  
at least in part:

Article 10 - WAGES

Article 12 - COURT OR CALL OUT TIME

Article 16 - HOLIDAYS

Article 21 - INSURANCE

During the Hearing after listening to discussion of Article 12  
and specifically Section 12.03, the Arbitrator recommended a  
settlement based upon language discussed by the Parties. They  
accepted the proposal and signed-off, leaving Articles 10, 16  
and 21.

UNRESOLVED ARTICLES

ARTICLE 10 - WAGES - ARTICLE 16 - HOLIDAYS - ARTICLE 21 - INSURANCE

The City approached the bargaining as a total economic package. It  
presented the Union with a Document entitled RATIONALE ON THE

CITY ECONOMIC AND CONTRACT DEVELOPMENT. This DOCUMENT appears at the end of the REPORT as APPENDIX A. Management made a number of proposals, starting in May, 2001. All proposals prior to July 30, 2001 included a buyback of Health Insurance, Holidays, Personal Days and Sick Leave Days. The May 7 proposal included buying back four (4) Personal Days, three (3) Sick Leave Days and two (2) full Holidays. The City amended its proposals over time. The proposal made July 24, 2001 dropped the Sick Leave and Personal Days and reduced the Holiday buyback from two (2) full Holidays to one (1) full Holiday and one-third (1/3) of a Holiday. Management continued to propose bargaining unit members participate in sharing the cost of Health Insurance. It continued to include a wage increase in exchange for this participation; twenty five (25¢ per hour) cents per hour. The July 30 proposal appears at the end of the Report as APPENDIX B.

The Union objects strongly to bargaining unit members participating in the cost of Health Insurance. It argues this is the exception rather than the rule in similar units. It offers to forgo a wage increase for 2001. It contends this will provide more than enough money for Management to take care of the Health Insurance, as in the past; i.e., paying one hundred (100) per cent of the premium. The Union notes the Sick Leave, Personal Days and Holiday language appeared in prior AGREEMENTS. It sees no reason to change, stressing the number of Holidays is comparable to the number granted to police in nearby cities. Fur-

ther, it emphasizes the designation of the Midnight and Afternoon shifts on Christman Eve and New Year's eve are intended to compensate officers who have to leave their families and work those shifts.

### RECOMMENDATIONS

#### ARTICLES 10, 16, AND 21

The Fact Finder recommends adoption of the City's proposal made July 30, 2001, appearing as APPENDIX C at the end of the REPORT as APPENDIX B, for the following reasons:

- a. The basic Wage Increase, converted to a per cent, is in line with those for Officers in communities in the immediate vicinity of Martins Ferry.
- b. The 25 cents per hour increase the first year of the CONTRACT as an ofsett for Health Insurance contributions is an extremely fair offer. As shown by APPENDIX D, the net cost for each participant is \$18.17 (eighteen dollars and seventeen cents) per month. The Employer's figures were not challenged by the Union.
- c. The City faces a distinct disadvantage in trying to provide comprehensive Health Insurance for employees because of the size of the Unit, ten officers, and insurance experience. The bargaing unit is comprised largely of young men with families. In addition, the City does not participate in a pool.
- d. The July 30 Management proposal as shown by APPENDIX B deletes the City's proposal to buyback part of the Sick Leave, Personal Days and Holidays.

- e. The Union argued the Health Insurance Plan proposed by Management would result in significant reductions in coverage. The evidence does not support this argument. It is quite significant that employees will continue not paying any deductible. This is almost unheard of today, since a front-end deductible tends to discourage frivolous use of the benefit.
- f. Management contended employee participation in the cost of Health Insurance makes them a partner and encourages discreet usage. Based upon his 30+ years of experience either administering or being exposed to this benefit the Fact Finder agrees with the City.

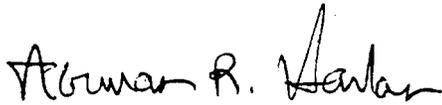
#### COMMENTARY

Acceptance of the REPORT provides a fair increase for the bargaining unit, continues a comprehensive Health Insurance Plan, and keeps the Holidays, Sick Leave and Personal Days intact.

The Union entered as its Exhibit No. 1 a copy of a Fact Finding Report issued July 11, 2001 by William J. Miller, Jr.<sup>1/</sup> He noted the poor financial situation of the City and commented a proposed City income tax would contribute greatly to improving the financial situation. The Union mentioned the proposed income tax during the August 9 Hearing, stressing there had been no vote by the City Council. The FOP also noted only six (6) cities in Ohio do not have a city income tax and agreed it would be quite beneficial. It stressed the ranks of the po-  
<sup>1/</sup>City of Martins Ferry and AFSCME Council 8, Local Union 1260, William J. Miller, Jr., Fact Finder, July 11, 2001.

lice force have been depleted over the years because of the financial problems. It is apparent the income tax needs to be implemented by City Council to provide essential services for its residents, which includes an adequately paid police force.

The Parties are commended for their extensive bargaining efforts which are shown by the numerous changes to which they agreed, as shown by APPENDIX E of the REPORT.



Norman R. Harlan, Fact Finder

Steubenville, Ohio

August 22, 2001

APPENDIX A

**RATIONALE ON THE CITY  
ECONOMIC AND CONTRACT DEVELOPMENT**

In prior negotiations between the City and the Union the starting point of the negotiations has been:

- The Union submitted their contract and economic proposal.
- The City then used these as their starting point.
- The City Negotiators did not solicit any input from the Police Chief or Council regarding the merits or the disadvantages of the articles of the contract they were to implement and adhere to.

The procedure followed prior to these negotiations was to have meetings with the Police Chief and Administrators to solicit their ideas and comments about any parts of the contract that they felt hampered their ability to manage and/or cost the City unnecessary expenses.

The contract initially submitted to the Union reflected their ideas plus considered the current trend in City finances, and the reduced population base.

The overall objectives of the City, that were stated in each of the negotiation sessions were to:

- Maximize the amount of time employees were to work (buybacks were offered for sick days, personal days, and holidays)
- Compensatory time was proposed to be eliminated.
- Share the cost of insurance with employees.
- Due to the increase in cost to provide benefits to the City's employees, the City initially proposed a contribution of 15% by the employees to help defray the cost of insurance. The City has offered a wage increase to help offset this cost to employees.

A 2000 report by S.E.R.B. on the cost of Health Insurance in the public sector indicates that currently 70% of public employees contribute to the cost of their medical insurance.

- Upgrade the Alcohol and Drug Policy to insure that the Safety-Sensitive positions are updated to provide for maximum safety for the employees
- The City proposal addresses the needs of the Community.

APPENDIX A

- There has been a population decrease and the need for total services has decreased.
- With a population decrease the tax base has lessened resulting in reduced money to pay for City services.
- The cost of City services has increased for Benefits for employees plus purchase of materials and services to maintain the City.

The City proposal is intended to help reduce unnecessary costs and inefficiencies to help streamline the operations.

- We want to become more efficient in providing services to residents.
- We intend to develop a more active management team to increase the communication process and meet the needs of the employees' and promote a better working relationship.
- We want to maximize the amount of time employees spend on the job.

The City proposal addressed "Buybacks" in its economic package to grant employees wages for benefits previously bargained for. The City desires to maximize the time employees spend on the job, and did propose a wage increase to offset the time.

In each of the bargaining sessions, the City did modify its language change proposals plus their economic package to try and reach mutual agreement.

ARTICLE 10  
WAGES

**SECTION 10.01** Members of the bargaining units shall be entitled to a wage increase as follows: Effective July 1, 2001 a increase of \$0.40 per hour, effective July 1, 2002 a increase of \$0.40 per hour and effective July 1, 2003 a increase of \$0.40 per hour. An additional increase of \$0.25 per hour will be effective July 1, 2001 as an offset for Health Insurance Contributions set forth in Article 21 Section 21.03

<u>PATROLMEN</u>	<u>July 1, 2001</u>	<u>July 1, 2002</u>	<u>July 1, 2003</u>
HOURLY	13.68	14.08	14.48
BI/WEEK	1,094.40	1,126.40	1,158.40
YEARLY	28,454.40	29,286.40	30,118.40

FIRST YEAR PATROLMEN

HOURLY	11.52	11.92	12.32
BI/WEEKLY	921.16	953.60	985.60
YEARLY	23,961.60	24,793.60	25,625.60

LIEUTENANTS

	<u>July 1, 1998</u>	<u>July 1, 1999</u>	<u>July 1, 2000</u>
HOURLY	15.32	15.77	16.22
BI/WEEKLY	1,225.60	1,261.60	1,297.60
YEARLY	31,865.60	32,801.60	33,737.60

FOR THE CITY OF MARTINS FERRY:

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FOR THE LABOR COUNCIL:

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\_\_\_\_\_

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Dated: \_\_\_\_\_

**Article 10 WAGES**

**UNION POSITION**

The Union's initial proposal on wages was for a 3% wage increase each of the three (3) years of the Agreement. The Union amends its initial proposal as follows: July 1, 2002 a \$.50 increase in base wage and in July 1, 2003 a \$.50 increase. The Union's position is based on the premise that the City can then put the money saved ( $$.40 + $.25 = $.65 \times 2080 \text{ hours} \times 10 \text{ employees} = \$13,520.00$  the first year) towards the health insurance premiums and the Bargaining Unit members would not have a contribution towards the health insurance. The Bargaining Unit considers this savings to the City to be far greater than what the City has requested as a health insurance contribution by the Bargaining Unit members. The breakdown is as follows: (9 members  $\times$  \$75 Family Rate = \$675 per month + 1 member  $\times$  \$50 Single Rate = \$50 per month = \$725 - \$433.33 (offset of \$.25 per hour) = \$291.67 monthly  $\times$  30 months (the length of the agreement) = \$8,750.10, which is what the City would lose from contributions over 3 years. As you can see the Bargaining Unit giving up \$13,520.00 in the first year alone more than offsets the \$8,750.10 the City would not receive in contributions during the entire 30 month period of the Agreement.

It should also be noted that the general wage increases sought by the Bargaining Unit, which would go into effect on July 1, 2002 and July 1, 2003 equals an average of 2.6% annually over the life of the Agreement. Compare this to the SERB Quarterly first quarter of 2001 report, which reported average wage increases in Southeast Ohio for 2000 was 3.75%

**CITY POSITION**

The City's position is that the General Wage Increase should be part of a complete package settlement. The City has proposed General Wage Increases of \$.40 as of 7/01/01, \$.40 as of 7/01/02, \$.40 as of 7/01/03 and an offset wage increase of \$.25 per hour additional in 2001 to assist the employees contributing to health care.

APPENDIX D

EMPLOYEE INSURANCE COST  
AT CONTRIBUTION RATE OF \$75.PER MONTH CAP  
WITH  
SECTION 125 PLAN

AVERAGE EMPLOYEE WAGES (\$13.03*2080 HR/YR)	\$27,102/YR
PFPDF CONTRIBUTION	<u>\$2,710</u>
TAXABLE INCOME	\$24,392/YR

	WITHOUT <u>SEC.125</u>	WITH <u>SEC.125</u>
TAXABLE INCOME	\$24392	\$24392
EMPLOYEE CONTRIBUTION COST (\$75PER MONTH*12 MONTHS)	--	<u>\$900</u>
TAXABLE INCOME	<u>\$24392</u>	\$23492
AVG. FEDERAL (15%)& STATE (3%) TAX FOR A TOTAL OF 18%	<u>\$4391</u>	<u>\$4229</u>
TAXABLE INCOME	\$20001	\$19263

SAVINGS IN TAX TO THE EMPLOYEE (\$4391 -\$4229)= \$162

INSURANCE COST TO THE EMPLOYEE	\$900/YR
SAVINGS ON TAX (SEC. 125)	<u>\$162 "</u>

NET COST OF INSURANCE \$738/YR

WAGE INCREASE FOR INSURANCE  
CONTRIBUTION (\$.25/HR\*2080 HRS/YR) \$520/YR

NET COST TO EMPLOYEE \$218/YR

NET COST PER MONTH TO EMPLOYEE \$18.17/MO.

7/12/01  
CITY

**Contract Articles Agreed to by the City and Labor Council**

**UNCHANGED ARTICLES:** 1,2,4,5,6,7,8,9,11,13,15,23,24,25,26,28,29,31,33 and the Memorandum of Understanding Of August 24, 1998.

**CHANGES:**

**Article 3 Term** - The contract period was agreed to be reduced to a 2 1/2 year Agreement that allows us to enter back into negotiations six (6) months sooner.

**Article 14 Hours of Work and Overtime** - Defines work schedules to cover both eight (8) and ten (10) hour work shifts. Does not allow a sick day to count in calculation of worked hours for the calculation of Comp time stays in place with two (2) hours for each one (1) hour worked. Defines request need to be a seven (7) day notice.

**Article 17 Vacations** - Makes selection for Vacations to be made by December 31st.

**Article 18 Sick Leave** - Fifteen (15) days of calculation each year (1.25 days per month) Two (2) hour notice if possible if taking a sick day. Provide doctor slip or prescription if a doctor is seen or a prescription is obtained. An attendance Bonus up to four hundred dollars (\$400) will be paid by separate check in December before Christmas to employees who use less than six (6) days of sick time during the year.

**Article 19 Bereavement Leave** - Funerals outside the Ohio Valley Region will require form showing attendance at funeral.

**Article 20 Personal leave** - Includes a provision to convert up to four (4) personal days to cash, up to four hundred dollars (\$400) to be paid by separate check during first (1st) pay period in January.

**Article 22 Uniform Allowance** - Increased from four hundred dollars (\$400.00) to five hundred and twenty-five dollars (\$525) and to be paid in equal separate checks at the end of March and the end of September.

APPENDIX E

**Article 27 Safety** - Requires a minimum of two (2) road officers per shift. Part-time Officers to be used to replace the Chief on Day Shift when he is in a scheduled absence. Gives the Chief the authority to order overtime to fill hours not voluntarily filled by members of the Bargaining Unit.

**Article 30 Prevailing Rights** - Provides for negotiations to make any modifications on the Agreement.

**Article 32 Drug Screening** - Permits random drug screening subject to Ohio's Drug Free Workplace Guidelines and the Martins' Ferry Employee Handbook.