

FACT FINDING

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STATE EMPLOYMENT RELATIONS BOARD (OHIO) (SERB)

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OHIO CIVIL SERVICE EMPLOYEES ) CASE NO. 01-MED-10-0880  
ASSOCIATION ) HEARING: JANUARY 15, 2002  
AMERICAN FEDERATION OF STATE, ) REPORT: JANUARY 24, 2002  
COUNTY AND MUNICIPAL EMPLOYEES  
LOCAL 11 - AFL-CIO

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APPEARANCES

UNION

John Fisher, Staff Representative, OCSEA/AFSCME LOCAL 11  
Denise Davis, Local 11 President  
Gary Hill, Wastewater Plant Operator  
Melissa Fitch, Secretary to the Mayor  
Bert J. Hall, Laborer  
Kenneth Martin, Chief Water Plant Operator

EMPLOYER

John R. Stabler, Jr., Mayor  
Joe Kirby, City Attorney  
Penny Green, Auditor  
Brad Benson, Council at Large  
David McWilliams, Council at Large  
Larry Newman, Council President

## BACKGROUND

The City of Wellston is located in southeastern Ohio in Jackson County. It is about sixty (60) miles south - southeast of Columbus. It has a population of some 6,800 (six thousand and eight hundred). Wellston has an elected Mayor and an elected City Council comprised of seven (7) members.

The City has had a Collective Bargaining Agreement (CBA) with the OHIO CIVIL SERVICE EMPLOYEES ASSOCIATION (OCSEA), AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, LOCAL 11 for about twenty years. The bargaining unit has twenty eight (28) employees. The CBA currently in force expired December 31, 2000. In September, 2000 Management and the Union agreed to extend the LABOR AGREEMENT for one year, covering the period January 1, 2001 through December 31, 2001.

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 November 30, 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. The extension continued into the first part of January, 2002. The Fact Finder was advised on January 9, 2002 that the Parties desired to schedule a Hearing. The Hearing was scheduled for Tuesday, January 15, 2002, 10:00 a.m. at

the City's offices.

#### DISCUSSION

The history of the current bargaining was discussed. Management and the Union advised that there were not any changes in the following ARTICLES:

I, II, III, IV, VI, VII, VIII, X, XII, XV, XVII, XX, XXI, XXVI, XXVIII, XXIX, and XXX.

The City and the Union advised they had agreed to changes in the following provisions (ARTICLES):

V, IX, XI, XIII, XIV, XVI, XVIII, XIX, XXII, XXIII, XXIV, XXVII.

Unresolved provisions include Article XXV, FRINGE BENEFITS, Article XXXI, DURATION, and WAGES.

#### ARTICLE XXV - FRINGE BENEFITS

Historically health insurance coverage has been provided through a SELF INSURED TRUST (TRUST), supported by contributions from the Employer. Under the (extended) AGREEMENT Management provided \$395.00 (three hundred ninety five dollars) per month per bargaining unit employees. If the average cost per employee exceeded \$395.00, each unit employee would be required to pay \$80.00 (eighty) per month. Since the cost did not exceed \$395.00 per employee per month unit employees had no out-of-pocket premium expense. Single cost coverage

was \$187.00 per employee per month. Both the \$395.00 and the \$187.00 figures appear in SECTION 1 of ARTICLE XXV of the current LABOR AGREEMENT. The Parties also advised there were other coverages not mentioned in ARTICLE XXV; SINGLE WITH CHILDREN and MARRIED WITH SPOUSE, NO CHILDREN. The Parties agreed the various coverages would be continued.

As of the date of the Hearing the TRUST contained about \$26,000 (twenty six thousand). The Union and Management agreed this Reserve would be exhausted on-or-about May 1, 2002. Firm insurance bids were not in hand January 15, 2002, but the Parties agreed the monthly premium per employee for Family Coverage could be as high as \$750.00 (seven hundred fifty) per employee per month.

As noted above, bargaining unit employees had an obligation to pay \$80.00 per month, or a little over 20 percent of the cost if the monthly premium per employee exceeded \$395.00 but the premium cost never exceeded \$395.00 per month per employee. During current bargaining the Union agreed to pay up to \$200.00 (two hundred per month if the premium exceeded \$550.00 per month). Potentially this is about 27 per cent per employee. The current actual cost for the FAMILY PLAN is about \$583.00 per employee per month and about \$188.00 per month for INDIVIDUAL Coverage. Since the TRUST currently contains about \$26,000 the Parties agreed there would be no cost to employees for about three and one half months and none in the future unless the premium cost

for FAMILY Coverage exceeds \$550.00 per employee per month .  
For example, if the premium costs \$600.00 per month, each  
employee would contribute \$50.00 per month.

The City and the Union have a joint committee which is  
working together to secure a Health Insurance Plan at the  
best cost. Both appeared comfortable with the proposal and  
with their working relationship.

WAGES (APPENDIX A)

As noted, the Parties agreed to a CONTRACT extension for the  
period January 1, 2001 - December 31, 2001. There were no  
changes in language during this period and no increase in  
wages.

The Union's first proposal was for Ten (10) per cent  
the first year (1-01-02/12-31-02); three (3) per cent for  
the 2nd year (1-01-03/12-31-03); and three (3) per cent  
for the third year (1-01-04/12-31-04). It later changed  
this to a proposal of one dollar an hour (\$1.00) for each  
year of the new CONTRACT. Management countered with an  
offer of seven (7) per cent the first year; four (4) per  
cent the 2nd year; and four (4) per cent the third year.  
The Union offered to settle for eight (8) per cent the 1st  
year; four (4) per cent the 2nd year; and three (3) per  
cent the 3rd year. The City proposed four per cent the  
1st year; three per cent the 2nd year; and two per cent  
the 3rd year. This offer was later changed to three per

cent the first year; three per cent the second year; and three per cent the third year.

### RECOMMENDATIONS

#### ARTICLE XXV - FRINGE BENEFITS

The Fact Finder recommends the City provide a maximum benefit of \$550.00 per month per employee for the FAMILY PLAN and \$250.00 per month per employee for the SINGLE PLAN. Employees covered by the FAMILY PLAN will be responsible for a maximum of \$200.00 per month if the cost exceeds \$550.00 per participant per month.

The Insurance Committee will monitor the TRUST and will agree upon the date the new rates will take effect, in conjunction with the liquidation of the TRUST.

#### APPENDIX A - WAGES

It is apparent the bargaining unit employees have fallen behind, particularly considering they received no increase during 2001. Neither Party entered comparables as Exhibits. Each is aware the average increase during recent years in the public sector in Ohio is around 4 per cent. The City entered Exhibits showing its Revenue and Disbursements. Its 2001 Budget amounted to a little over 3.9 million dollars. About 2.9 million dollars are in Restricted accounts which cannot be transferred from one account to

another.

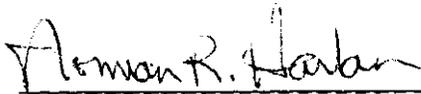
The City did establish a new Revenue account in 2001, designated as the INCOME TAX FUND. Under the ORC Cities may enact through their elected representatives an income tax of up to one (1) per cent. During 2001 the City Council by majority vote enacted a tax of .75 (three fourths of one percent). The tax is expected to produce (and did so) about \$44,000 (forty four thousand) per month, or about half a million dollars a year. Considering the Council could have enacted a tax of one (1) per cent, it is apparent it was conservative in enacting the .75 per cent tax.

The Employer did not argue inability to pay for the Union's last proposal, which totals fifteen (15) per cent spread over four years, including the 3 per cent retroactive for the CONTRACT year of January 1, 2001 - December 31, 2001. In fact, at one point the City offered a total of 15 per cent over three years; 7 per cent the first year, 4 per cent the second year, and 4 per cent the third year (see supra, p. 4).

Based upon the foregoing the Fact Finder recommends:

1. A wage increase of three (3) per cent for the year 2001, retroactive to January 1, 2001, with a lump sum payment to be made no later than March 1, 2001 less any Statutory or Contractual deductions;
2. A wage increase of four (4) per cent for the year 2002, effective January 1, 2002, with a lump sum payment for the months of January, February and March, 2002, less any Statutory or Contractual deductions; to be paid no later than April 1, 2002;

3. A wage increase of four (4) per cent for the year 2003, effective January 1, 2003, and
4. A wage increase of four (4) per cent for the year 2004, effective January 1, 2004.
5. By mutual agreement the Parties may change the date for retroactive payments which appear in Items 1 and 2, page 7.



Norman R. Harlan, Fact Finder

Steubenville, Ohio

January 24, 2002