

STATE EMPLOYMENT
RELATIONS BOARD

STATE OF OHIO

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STATE EMPLOYMENT RELATIONS BOARD

FACT FINDING PANEL

SERB CASE NOS. 2001-MED-10-1005
2001-MED-10-1006
2001-MED-10-1007

FRATERNAL ORDER OF POLICE, BEAVERCREEK LODGE NO. 160

and

CITY OF BEAVERCREEK

FACT FINDER'S REPORT AND RECOMMENDATIONS

MICHAEL MARMO

FACT FINDER

JANUARY 24, 2002

HEARING

The fact finding Hearing took place on January 10, 2002 at the Beavercreek City Administration Building, and lasted from 10:00 a.m. until noon. Representing the FOP were sergeants Jim Webben and Dennis Evers; police officer, Mark Brown; property clerk, Jim Stull; union president, Chris Williams; and their principal representative and attorney, Susan D. Jansen. Representing the City were police chief, Arthur Scott; human resource manager Sherry Callahan; and its principal representative, Charles King.

ISSUES REMAINING AT IMPASSE

At the time the fact finder entered the dispute, the following issues remained at impasse:

Article 18.01 Medical Insurance

Article 18.03 Life Insurance

Article 19.03 Seniority Bonus

Article 19.05 Tuition Reimbursement

Article 20.01 Property Resource Clerk Classification

Articles 20.02, 20.03, 20.04 Wages

Article 20.06 Shift Differential

MEDIATION

Mediation was attempted and resolved the issue of life insurance, Article 18.03.

CRITERIA FOR DECISION

As provided by the requirements of the State Employment Relations Board, the fact finder based his recommendations on the following:

--A comparison of unresolved issues relative to the employees in the bargaining unit with those issues related to other public and private employees doing comparable work, giving

consideration to factors peculiar to the area and classification involved;

--The interest and welfare of the public, and the ability of the public employer to finance and administer the issues proposed, and the effect of the adjustments on the normal standard of public service;

-- The lawful authority of the public employer;

--Any stipulations of the parties; and

--Such other factors, not confined to those listed above, which are normally or traditionally taken into consideration in the determination of issues submitted to mutually agreed-upon dispute settlement procedures in the public service or in private employment.

ARTICLE 18.01 MEDICAL INSURANCE

POSITIONS OF THE PARTIES

At present, the City pays the full cost of premiums for health insurance. In addition, the City cannot change health insurance providers without the approval of the FOP.

The City proposed that under the new Agreement, it would continue its present dollar contributions to employee's health insurance premiums, \$200.47 for single coverage, and \$607.48 for family coverage. However, the City asked that all increases in premiums above these amounts be shared by the City and the employees, with the City paying eighty percent of the increase and the employees paying twenty percent of the increase.

The City also proposed that the provision requiring the approval of the FOP prior to a change in insurance providers, and that the level of benefits be "substantially comparable to the pre-existing plan", be struck from the new Agreement.

The City argued that premium sharing is virtually universal in the private sector and

overwhelmingly the norm in the public sector. It further argued that because its health insurance plan includes a number of different bargaining units, plus non-union employees, it is inappropriate to give the FOP the right to veto a change in insurance providers.

The Employer indicated that it was trying to get all employees to pay a portion of their health insurance premiums, and had already gotten the Communication Workers Union to agree to such a change in their current agreement.

In addition, the City said that the cost to employees of premium sharing would be relatively modest, amounting to only eighteen dollars per month if premiums were increased by fifteen percent.

Finally, the City presented a considerable amount of evidence indicating the continued escalating costs of health insurance, and argued that shared premiums is a way to reduce such cost increases.

The FOP indicated that the City first attempted to introduce premium sharing in the 1998 negotiations which led to the current Agreement. In those negotiations, the City proposed to cap its health insurance contributions at \$175.00 for single coverage and \$525.00 for family coverage. These caps were, at the time, considerably above the level of the City's health insurance contributions. Unable to reach agreement during the last set of negotiations, this proposed change was submitted to fact finder Keenan. Keenan did not recommend the City proposal, stating; "To alter this scheme and break the psychological barrier to employee participation in the health insurance premium would require as a minimum some quid pro quo of meaningful significance. However, no such quid pro quo is being offered by the City". The FOP agreed with Keenan's reasoning; that premium sharing is not appropriate, absent a significant quid pro quo.

FINDING OF FACT

The City is correct when it argues that premium sharing of health insurance premiums is overwhelmingly the norm, although some exceptions do exist. On the other hand, the Union is correct when it agrees with fact finder Keenan, that a significant benefit such as fully paid health insurance should be continued, unless a valuable quid pro quo is received in return.

Because employee contributions to their health insurance premiums is the norm, it should also be adopted in Beavercreek. However, the Union is entitled to receive a significant quid pro quo in return. The fact finder believes his recommendations on wages, and the seniority bonus, constitute such a quid pro quo.

Although it is not appropriate to give the FOP the power to veto a change in health insurance providers, they must be granted the assurance that their level of benefits will be maintained.

RECOMMENDATION

Section 18.01, Medical Insurance, should read:

A. All full-time Employees and their eligible dependents shall be eligible to participate in the City's medical insurance plan entailing comprehensive medical benefits, major medical coverage, prescription drugs, diagnostic service, hospitalization, surgical coverages and emergency care. During the term of this Agreement, the City shall pay a base premium of \$607.48 for family coverage and \$200.47 for single coverage. Increases in premiums shall be paid by the City and the employees, with the City paying eighty percent (80%) of the increase and employees paying twenty (20%) of the increase.

B. No change

C. The City may change the health insurance plan, provided that the health benefits, coverage levels and provider network are substantially comparable to the pre-existing plan.

ARTICLE 19.03, SENIORITY BONUS

POSITIONS OF THE PARTIES

Under the existing agreement between the parties bargaining unit members receive a bonus on their anniversary date of employment, based on their number of years of continuous service. Employees with eight through ten years of service receive, \$200.00; those with eleven through fifteen years of service, \$300.00; those with sixteen through twenty years of service, \$400.00; and those with twenty-one and more years of service \$500.00.

The Union proposed that each of these seniority bonus figures be increased by \$200.00. They argued that Beaver Creek was considerably below comparable employers in the payment of a longevity bonus, and that the last increase in this benefit was introduced in 1996. The FOP also indicated that the cost of this increase would be relatively modest, amounting to about \$18,000 over the three year life of the agreement.

The City agreed with the cost estimate of the Union, but argued that this benefit was not below that offered by comparable jurisdictions. The City also pointed out that this benefit should not be look at independently, but rather as part of the total compensation package received by bargaining unit members.

FINDING OF FACT

The City is, of course, correct when it states that all money issues should be viewed as

part of the total compensation package, rather than judged independently. Any recommendations with respect to a seniority bonus must take into consideration those recommendations made on other economic issues.

How does the seniority bonus of bargaining unit members compare with those of comparable jurisdiction? In order to make some sense out of the conflicting evidence and testimony on this issue the fact finder used the evidence presented by the City to determine if it supported the City position. In fact, the evidence presented by the City indicates that the seniority bonus received by bargaining unit members is considerably below that paid by jurisdictions the City deems comparable.

In Trotwood, officers receive a longevity increase of \$520 at ten years of service; \$1,040 at fifteen years of service; and \$1,560 at twenty years of service. Since the longevity bonus in Fairborn and Fairfield is based on a percentage of salary, the fact finder computed the dollar value of this bonus, based on the average top salary for police officers in comparable communities that was provided by the City(\$36,107). In Fairborn, police officers receive a seniority bonus of \$180.50 at five years of service, \$361 at ten years of service, \$541 at fifteen years of service, \$722 at twenty years of service and \$902 at twenty-five years of service. Fairfield's longevity bonus amounts to \$722 at five years of service, \$1,444 at ten years of service, \$2,166 at fifteen years of service, and \$2,888 at twenty years of service.

Clearly, based on the comparables provided by the City, the seniority bonus received by bargaining unit members in Beavercreek is relatively low.

RECOMMENDATION

SECTION 19.03, SENIORITY BONUS, should read:

All Employees who have the following continuous years of seniority shall receive the following amounts as a bonus once a year at the anniversary date of the Employee:

8 through 10 years of service	\$400.00
11 through 15 years of service	\$500.00
16 through 20 years of service	\$600.00
21 years of service and above	\$700.00

ARTICLE 19.05, TUITION REIMBURSEMENT

POSITIONS OF THE PARTIES

Each of the parties indicated that they essentially want to maintain the current practice regarding tuition reimbursement, but they disagree on the appropriate contractual language to achieve this end.

The FOP proposed to retain the current contract language, indicating that any possible ambiguities were addressed in a recent arbitration decision by Arbitrator Ruben.

The City, in turn, proposed deletion of a contractual reference to a policy it says no longer exists.

FINDING OF FACT

Both sides indicated that they can live with the current practice. The City argued that its suggested changes were simply attempts to clarify certain contractual ambiguities.

Because both sides indicated an acceptance of the current practice, and because the City did not provide adequate evidence to support a change, the current contract language should remain unchanged.

RECOMMENDATION

No changes should be made in this provision.

ARTICLE 20.01, SALARY CLASSIFICATIONS

POSITIONS OF THE PARTIES

The FOP argued that the pay grade of the Property Resource Clerk should be increased from a pay grade of 121 to pay grade 120. The Union pointed out that this position was not established until 1998 and that it has since assumed greater responsibilities than were originally contemplated.

The City did not dispute the fact that it may be appropriate to change the pay grade of the Property Resource Clerk. However, it argued that any change needs to be the result of a careful analysis, and not the product of a fact finder's recommendation.

FINDING OF FACT

The pay grade of the Property Resource Clerk may, indeed, need to be changed. However, any change should be the result of a comprehensive job evaluation analysis, to make sure that it is consistent with the rest of the salary structure.

RECOMMENDATION

The fact finder does not recommend any changes in contract language on this provision. However, based on the statements made by both parties at the Hearing, he believes the City should complete a job analysis within the next four months, to determine if the pay grade of the Property Resource Clerk should be upgraded.

ARTICLE 20.02 2002 WAGES

ARTICLE 20.03 2003 WAGES

ARTICLE 20.04 2004 WAGES

POSITIONS OF THE PARTIES

The FOP proposed a six percent wage increase for each of the three years of the Agreement, and also asked that the wage rate for Sergeants be increased to twenty percent higher than the top paid officer.

The FOP surveyed the wages of Police Officers and Sergeants in the sixteen communities in Montgomery and Greene Counties within a ten mile radius of Beavercreek, with populations of more than 5,000. At the entry level, the wages of Beavercreek officers would have to be increased by 5.3% to reach the average for these communities. At the top annual salary, an increase of 2.5% would be required for Officers in Beavercreek to reach the average. For Sergeants, entry level wages are higher than the average of the sixteen communities, but at the top wage, it is three percent lower than the average.

The Union also provided evidence regarding wage increases in these communities that have already been negotiated for 2002 and 2003. These increases ranged from a low of 3.25% in Dayton, to a high of 4% in Oakwood; with the most common increase being 3.5%.

The City proposed a 2.5% increase for each of the three years of the new Agreement, and believed that the differential for Sergeants should remain unchanged.

The City said that its wage proposal was appropriate because increases granted by comparable jurisdictions have been in the range of 3% to 3.5%. In addition, the Employer pointed out that the most recent annual increase in the Consumer Price Index was 2.6%.

Finally, the City maintained that there is no reason to increase the pay differential for Sergeants above the current 15% differential, because 15% is the norm among comparable communities.

FINDING OF FACT

Based on the statistics provided by the FOP, the pay of Police Officers is only slightly below average. Because of this, other things being equal, they should receive an average increase of about 3.5%. However, because the fact finder recommended that premium sharing begin for health insurance premiums, an above average increase is justified for the year employees begin contributing to their health insurance coverage.

An increase in the salary differential for Sergeants from 15% to 20% is not justified by the comparables. The typical differential is 15%. In fact, at the entry level, the wages of Sergeants is already above the average for comparable jurisdictions. At the top level, the wages of Sergeants will come close to the average under the new Agreement, because of the increases in Police Officer's salaries that the fact finder is recommending.

RECOMMENDATION

SECTION 20.02 2002 Wages, should read:

Effective January 1, 2002 wages shall increase by five percent (5%).

SECTION 20.03 2003 Wages, should read:

Effective January 1, 2003 wages shall increase by three and one-half percent (3.5%).

SECTION 20.04 2004 Wages, should read:

Effective January 1, 2004 wages shall increase by three and one-half percent (3.5%).

ARTICLE 20.06, SHIFT DIFFERENTIAL

POSITIONS OF THE PARTIES

The Union proposed that the shift differential for the first and third shifts be increased from forty cents per hour to sixty cents per hour. They argued that the shift differential had not been increased since 1993, and that the cost of \$416 per person is relatively

modest.

The City does not believe there is any need to increase the shift differential. It indicated that it would be more appropriate to put additional pay into increases in the base salary.

FINDING OF FACT

This is a straight economic proposal on the part of the Union. Rather than increasing the shift premium, the fact finder believes it is more appropriate to increase the base salary. He has taken this into account in his recommendation on wages.

RECOMMENDATION

The fact finder does not recommend any changes in this provision.

In addition, the fact finder recommends that all other provisions that were tentatively agreed to, be incorporated into the new Agreement.

This concludes the fact finding report and recommendations.

Michael Marmo

Michael Marmo
Fact Finder

Cincinnati, Ohio
January 24, 2002

PROOF OF SERVICE

This is to certify proof of service on January 24, 2002 by US Mail, overnight delivery, to Susan D. Jansen, Logothetis, Pence & Doll, 111 West First Street, Suite 1100, Dayton, Ohio 45402-1156; and Charles A. King, Clemans, Nelson & Associates, Inc., 8520 Kemper Road, Suite 4, Cincinnati, Ohio 45249; and by certified US Mail, return receipt requested to Dale Zimmer, SERB, 65 East State Street, Columbus, Ohio 43215-4213.

Michael Marmo

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