

STATE EMPLOYMENT
RELATIONS BOARD
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STATE OF OHIO

EMPLOYMENT RELATIONS BOARD

In the Matter of the Fact-finding between

Shawnee Township Trustees

-and-

Fraternal Order of Police/Ohio Labor Council
Sergeants/Police Officers – Dispatchers

Case No. 02-MED-09-0840
02-MED-09-0841
02-MED-09-0842

Report Mailed:
March 19, 2003

FACT-FINDER'S REPORT AND RECOMMENDATIONS

Pursuant to the Ohio Revised Code Section 4117.14C(3), the State Employment Relations Board appointed the undersigned as Fact-finder in the above-referenced matter. In attempting to negotiate a successor contract to replace the one that expired on December 31, 2002, the parties had met for collective bargaining on five occasions. Although tentative agreement was reached on many of the disputed issues, the parties were unable to reach agreement on all the issues in dispute. As a result, a fact-finding hearing was convened on February 20, 2003, at the offices of the Township.

The Township (the "Employer") was represented by Peter Lowe, Vice-President, Clemans, Nelson & Associates, Inc.; the Union by Ross Rader, Staff Representative, FOP/OLC.

Two collective bargaining agreements are involved in this proceeding. One is for full-time Patrol Officers and Sergeants, of which there are presently approximately six and three members, respectively. The other is for full-time Dispatchers, with approximately five current members.

Prior to the subject hearing and again during the hearing, the parties reached tentative agreement on many of the issues in dispute. In the course of the fact-finding hearing, the parties reached tentative agreement on these additional provisions:

1. Article 5, Section 3. Grievance Procedure – Patrol Officers/Sergeants
2. Article 5, Section 3. Grievance Procedure – Dispatchers
3. Article 11, Section 3 Longevity – Dispatchers
4. Article 11, Section 4. Longevity – Patrol Officers/Sergeants
5. Article 35, Section 1, Duration - Patrol Officers/Sergeants
Article 37, Section 1, Duration - Dispatchers

The following issues for both Patrol Officers/Sergeants and Dispatchers remain unresolved:

1. Article 11 – Compensation
2. Article 14 – Health/Life Insurance
3. Article 16 – Holidays
4. Article 18 – Sick Leave Conversion

1. Article 11 – Compensation

Article 11.1 WAGES

Union's Position: For Patrol Officers and Dispatchers, a 4% wage increase for each of three years of the proposed contract. For Sergeants, an increase in the differential between Patrol Officers and Sergeants from the former 8%, to a successively higher percentage, ranging with increasing years of service in the first year from 8% to 12%, in the second year of the contract, from 9% to 13%, and in the third year, from 10% to 14%. Achieving these increased rank differentials requires wage increases for Sergeants of approximately 5%.

Employer's Position: For Patrol Officers/Sergeants and Dispatchers, a 2.5% increase in the hourly rate in the first year and a 2% increase in the hourly rate for each remaining year of the proposed three (3) year contract. No increase in the rank differential.

Article 11.2 SHIFT DIFFERENTIAL

Union's Position:, Patrol Officers/Sergeants and Dispatchers increase in the shift differential to \$.55 per hour for all hours worked on shifts that start between 4:00 p.m. and 8:00 a.m.

Employer's Position: For both units, maintain current differential rate and language, i.e., forty-five cents (\$.45) per hour.

Section 11.6 Investigator (new)

Union's Position: A 4% wage supplement to the salary of the Police Officer assigned to be the Investigator.

Employer's Position: The Employer is in agreement on this issue.

Discussion: The Employer insists that on the basis of its comparability data, Shawnee is among the highest paid police forces in the area. Moreover, the Employer urges that the greater increase for the Sergeants demanded by the Union, which would raise the differential between the Patrol Officers and the Sergeants up to 14% in the third year, is not warranted by the comparability data. Sergeants are already paid more than in similar jurisdictions in the state. Also, in a small Township such as Shawnee, Sergeants do not carry much greater responsibilities than Patrol Officers, who often are in charge in the absence of a sergeant.

With respect to the shift differential, the Employer judges that the current rates are reasonable and the FOP/OLC has offered no evidence that would justify an increase.

The Employer further asserts that its proposal is reasonable in light of the present low inflation rate and the Township's increased costs as evidenced by the Township's declining carry-over financial balances.

The FOP/OLC, on the other hand, lists 36 Township agencies, and finds an average starting wage of \$32,490 and an average top wage of \$40,259, which exceeds Shawnee's wage by \$5,762 and \$3,325, respectively.

For 248 police agencies in Ohio, the Union finds that Shawnee's starting and top wage are sharply below the average for this group: \$6,886 and \$5,910, respectively,

Compared to Lima police officers, for starting and top wage Shawnee Patrol Officers are paid \$5,907 and \$2,080 less, respectively.

With respect to Sergeant's wages and the rank differentials, using comparisons with the same jurisdictions used for Patrol Officers, the FOP/OLC finds that Shawnee is greatly disadvantaged

The Employer, however, chooses to make comparisons to groupings of police departments different from those chosen by the Union, and predictably achieves different results. Using townships and municipalities in contiguous and nearby counties with population and police department size similar to Shawnee's,

it finds that with the Employer's current wage offer, Shawnee is among the better paid.

Which comparability data, the FOP/OLC's or the Township's, is more valid? The townships that were selected for comparison by the FOP/OLC range in population from approximately 6,000 to 60,000, their contracts expire at many points in time from 2002 to 2004, and maximum wages are reached in a range from one to eight years. Presumably, the 248 police agencies also used for comparison by the Union, while their individual characteristics are not identified, exhibit an equal variety of conditions. The comparison to Lima, an urban community, with working conditions significantly different from Shawnee's, is of limited value.

The Employer, on the other hand, limited its comparison groups to jurisdictions with populations approximately similar in size to Shawnee's. There are many other variables, of course, besides size, such as the ability of the employer to pay, the number of steps to the maximum pay, the level of benefits, work duties, etc. that were not taken into account in the Township's survey. Also, even with the most complete data, precise comparisons are rarely possible. Nevertheless, the Township's focus on jurisdictions with populations of a comparable size, makes its results at least more valid than the Union's. However, even these comparability data, standing alone, are only one of several considerations in determining a reasonable wage.

Fact-Finder's Recommendation: Considering all of the data adduced by the parties, the Fact-Finder recommends no change in the shift differential and a wage increase of three (3) percent for both the Patrol Officers and the Sergeants for each of the three years of the contract. He recommends the same increase for the Dispatchers.

For Patrol Officers and Sergeants

Hourly rates shall be increased by 3% effective January 1, 2003 to the following rates:

	<u>Years with the Department</u>					
	<u>Start</u>	<u>1 year</u>	<u>2 years</u>	<u>3 years</u>	<u>4 years</u>	<u>5 years</u>
Patrol Officers	\$13.23	\$13.92	\$14.60	\$15.70	\$16.98	\$18.33
Sergeants		\$15.04	\$15.78	\$16.98	\$18.34	\$19.79

Hourly rates shall be increased by 3% effective January 1, 2004 to the following rates:

Years with the Department

	<u>Start</u>	<u>1 year</u>	<u>2 years</u>	<u>3 years</u>	<u>4 years</u>	<u>5 years</u>
Patrol Officers	\$13.62	\$14.33	\$15.03	\$16.17	\$17.48	\$18.87
Sergeants		\$ 15.49	\$16.25	\$ 17.48	\$18.89	\$20.38

Hourly rates shall be increased by 3% effective January 1, 2005 to the following rates:

Years with the Department

	<u>Start</u>	<u>1 year</u>	<u>2 years</u>	<u>3 years</u>	<u>4 years</u>	<u>5 years</u>
Patrol Officers	\$14.02	\$14.75	\$15.48	\$16.65	\$18.00	\$19.43
Sergeants		\$15.95	\$16.73	\$ 18.00	\$19.45	\$20.99

For Dispatchers

Hourly rates shall be increased by 3% effective January 1, 2003 to the following rates:

<u>Start</u>	<u>1 year</u>	<u>2 years</u>	<u>3 years</u>	<u>4 years</u>	<u>5 years</u>	<u>8 years</u>	<u>10 years</u>
\$12.32	\$12.69	\$13.09	\$13.47	\$13.87	\$14.28	\$14.72	\$15.30

Hourly rates shall be increased by 3% effective January 1, 2004 to the following rates:

<u>Start</u>	<u>1 year</u>	<u>2 years</u>	<u>3 years</u>	<u>4 years</u>	<u>5 years</u>	<u>8 years</u>	<u>10 years</u>
\$12.68	\$13.07	\$13.48	\$13.87	\$14.28	\$14.70	\$15.16	\$15.75

Hourly rates shall be increased by 3% effective January 1, 2005 to the following rates:

<u>Start</u>	<u>1 year</u>	<u>2 years</u>	<u>3 years</u>	<u>4 years</u>	<u>5 years</u>	<u>8 years</u>	<u>10 years</u>
\$13.06	\$13.46	\$13.88	\$14.28	\$14.70	\$15.14	\$15.61	\$16.22

2. Article 14 – Health/Life Insurance

Union's Position: For both units, increase the Employer's monthly contribution toward the insurance premium, effective on April 1 of each of the three years of the proposed contract: for family coverage, \$895.00, \$905.00, \$915.00, respectively; for single coverage, \$390.00, \$400.00, and \$410.00, respectively.

Any increase in insurance premiums above the limits specified herein shall be paid sixty percent (60%) by the Employer and forty percent (40%) by the Employee with a cap of twenty-five (\$25.00) per month for the family coverage plan and ten dollars (\$10.00) per month for single coverage. Effective April 1, 2004, the family coverage cap shall be \$30.00 per month for employees and the single coverage cap shall be \$12.50 per month. Effective April 1, 2005, the family coverage cap shall be \$35.00 per month and \$15.00 per month for employees single coverage.

Employer's position: For both units, increase the Employer's contribution for the family plan from the current \$530.00 to \$830.00; increase the contribution for single coverage from the current \$200.00 to \$350.00. All future increases in the cost of insurance will be split equally between the Township and the Union.

Discussion: Employees now have an unusually complete insurance plan, the Employer states: it provides 100% basic coverage on everything but doctor's office visits, a \$5 co-pay on prescription drugs and a \$100 deductible. The Employer states that it agreed to establish the Group Insurance Committee (Section 14.4) in exchange for the employee's agreement to share future cost increases. The Committee, with three FOP/OLC members, has continually rejected cost containment measures suggested by the Township but this cannot be expected to continue without sharing anticipated added insurance costs.

The Employer notes that it has never implemented Article 14.2 of the expired contract, instead voluntarily paying the full cost of the health insurance. It further notes that Shawnee employees enjoy a plan that provides excellent coverage. The full monthly cost is currently \$956.19 for the family plan and \$432.13 for single coverage. For the last two years of the expired contract, it would have cost each employee \$170 per month for the family plan. The Employer's proposal for the new contract would cost each bargaining unit member \$63.10 monthly for the family plan.

The Employer asserts that it cannot continue to pay the full cost of health insurance and urges that its employees must share in meeting the rising premium cost, which is increasing an average of 12% per year. Sharing would not only ease the Township's financial burden but would provide a necessary incentive for employees to explore ways of reducing the use of medical services to help control rising insurance premiums.

The Township will implement a Section 12.5 plan to allow employees to contribute toward health insurance costs with pre-tax wages.

The Fact-Finder recognizes that the escalating costs of health insurance premiums is a national problem that disturbs many employee/employer relationships. Specifically, as in the case at hand, the issue is how the added

cost is to be allocated between the parties. In searching for a balance that will serve the interests of both parties, the Fact-Finder believes that the pattern already agreed to in the expired contract is reasonable. Only the amount of the Employer's contribution must be changed and should be raised to approximate the premium cost for the current year. If the anticipated premium increases materialize for the subsequent years of the contract, then the added cost must be shared by the previously negotiated 60/40 proportion, without the caps urged by the Union. Township employees currently enjoy full insurance coverage. If premiums for the second and third year of the contract increase to the point of becoming burdensome, employees have a major influence on adjusting the insurance program through the insurance committee.

Fact-Finder's Recommendation: For both the Patrol Officers/Sergeants and the Dispatchers, the Fact-Finder recommends that for each year of the proposed three-year contract, the Employer's contribution to the monthly premium shall be \$895 for the family plan and \$390 for single coverage. If at any time premium costs exceed these amounts, the excess will be divided, with the Employer paying 60% and the employees paying 40%.

Recommended contract language:

Section 14.2. The Employer shall contribute up to the following amounts each month toward the premium cost for each bargaining unit Employee's medical, dental and prescription drug insurance coverage:

Single coverage - \$390.00
Family coverage - \$895.00

Any increase in insurance premiums above the limits specified herein shall be paid sixty percent (60%) by the Employer and forty percent (40%) by the Employee.

3. Article 16 - Holidays

Sections 16.2, 16.3, 16.4

Union's Position: Call-ins and overtime on holidays shall be two (2) times the employee's regular hourly rate. Each employee shall be entitled to four (4) paid personal leave days per calendar year. Personal days for all new hired employees shall be prorated at one (1) personal day for each full four (4) month remaining in the year following their hire date. Employees, at their option, may bank up to 36 hours of holiday time each year. Any banked holiday hours cannot exceed the 80 hour cap in the compensatory time bank.

Employer's Position: For both units, no increase in premium pay for work on holidays. The Employer also rejects the Union's request for an additional

personal leave day. New employees would receive a prorated number of the three (3) personal leave days they have been receiving in the expired contract based on the number of months of completed service during the previous calendar year.

Discussion: The Employer argues persuasively that an additional personal leave day would complicate an already existing scheduling problem. Two officers are needed on each shift for 24/7 duty, but only eight officers are available. Thus, 320 hours of coverage is presently available for the 336 hours of needed coverage. Moreover, the Union has adduced no persuasive rationale to justify the increase in holiday pay, a fourth personal day, or to otherwise alter the language of the expired contract.

Fact-Finder's Recommendation: No change from the expired contract.

4. Article 18 – Sick Leave Conversion

Section 18.1.

Union's Position: Add as the second sentence:

An employee with twenty (20) or more years of service with the Township shall be paid an amount equal to forty percent (40%) of two thousand-eighty (2080) hours=eight hundred-thirty two (832) hours paid.

Employer's Position: No change in current contract language.

Section 18.2

Union's Position: Eliminate this provision.

Employer's Position: Retain this provision unchanged.

Discussion: The Employer argues that the current contract allows employees to cash in 25% of 2080 hours which is more than adequate because it exceeds the statutory standard and is generous compared with the Township's non-bargaining unit employees or amounts paid to comparable police departments. Moreover, the Union has presented no evidence to support its proposed increase.

The Fact-Finder agrees that the Union has offered no evidence sufficient to overcome the Township's argument.

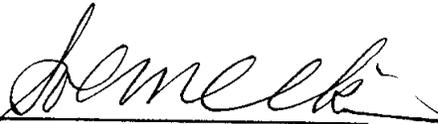
Fact-Finder's Recommendation: No change from the expired contract.

A handwritten signature in black ink, appearing to read "Sol M. Elkin". The signature is written in a cursive style with a long horizontal stroke at the end.

Sol M. Elkin,
Fact-Finder

CERTIFICATE OF SERVICE

This is to certify that a copy of the attached FACT-FINDER'S REPORT AND RECOMMENDATIONS was mailed for overnight delivery on this nineteenth day of March, 2003, to Peter Lowe, Clemens-Nelson Associates, 417 North West Street, Lima, Ohio 45801-4237 and to Ross Rader, FOP/OLC, 222 East Town Street, Columbus, Ohio 43215-4611


Sol M. Elkin



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DETROIT MI 482
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Sol M. Elkin, Arbitrator
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