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STATE OF OHIO
STATE EMPLOYMENT RELATIONS BOARD
BEFORE THE FACT FINDER

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STATE EMPLOYMENT
RELATIONS BOARD

In the Matter of the Fact Finding between:

THE CITY OF ROSSFORD, OHIO

Employer

-and-

SERB Case Nos.02-MED-10-1131 & 02-MED-10-1132

OHIO PATROLMEN'S BENEVOLENT ASSOCIATION

Employee Organizations

Hearing convened on the 19th day of March, 2003, before Fact Finder Stanley T. Dobry at The University of Toledo,
County of Wood, in the State of Ohio.

APPEARANCES:

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Attorney for the Employer

Date of Report: March 21st, 2003

1. BACKGROUND

This case is before the Fact Finder on a two issues, namely health care benefits and wages. The parties have had the good sense to resolve many other issues, both economic and noneconomic.¹ Those tentative agreements are part of the context in which this recommendation is made. They are incorporated by reference into my recommendation as though set forth in full.

Current medical, hospital, dental, prescription and vision plans remain largely unchanged. As the parties themselves recognized, this is just one of several bargaining units in the city. Further, there are a number of nonrepresented employees. However, everyone employed by the city has the same plans. So the parties concede it is economically impractical to fracture that uniformity.² It would also be a heavy administrative burden.

In any event, the plan includes an option for a so-called “Cadillac plan,” which is to say, it includes traditional health care outside an HMO or PPO, with low or limited deductibles. Given the inflationary trend of health insurance premiums, this is an important benefit.

The parties mutually selected Stanley T. Dobry as Fact Finder through the State Employment Relations Board. The parties waived filing of their position statements.

I write this opinion with the hope that the parties will avoid the effort, losses, risks and consequences of further proceedings. However, that decision is for the parties themselves to make after they review this recommendation.

¹The Union has broadened out the funeral day benefit to include step-children. The value of that change would have to be actuarially calculated, depending on the composition of the bargaining unit’s families, and the likelihood of a loss. There were increases in the uniform allowance. The residency requirement went from being limited to the Rossford School District to ten miles – this most probably only affect some prospective employees in a meaningful way, but can positively enhance the ability to recruit. The employee’s right to project outside the city while bearing firearms has been expanded. While that is a good thing, the need for outside employment implies that bargaining unit wages are being eroded – one job is not enough.

²The fact finder notes with approval that the labor organization has been in the forefront of trying to reform the plans so that costs could be contained.

2. FACT-FINDER'S AUTHORITY AND STATUTORY CRITERIA

The following findings and recommendations are offered for the parties' consideration and are the result of careful deliberation of the mutual interests and concerns of the parties and the statutory criteria as applied to the record before me. The applicable statute, Ohio Revised Code Section 4117.14(c), and SERB regulation, Ohio Administrative Code Section 4117-9-05, governs this proceeding. It requires that the fact-finder in making his recommendations consider:

1. Past collectively bargained agreements, if any, between the parties;
2. Comparison of the 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;
3. The interest and welfare of the public, the ability of the public employer to finance and administer the issues proposed, and the effect of the adjustments on the normal standard of the public service;
4. The lawful authority of the public employer;
5. Any stipulation(s) of the parties; and
6. Such other factors, not confined to those listed above, which are normally or traditionally taken into consideration in the determinations of the issues submitted to mutually agree upon dispute settlement procedures in the public service or in private employment.

3. DISCUSSION OF UNRESOLVED ISSUES

The Fact Finder has evaluated each party's proposal as part of the larger agreements to which the Employer and employees are bound, *i.e.*, that the ability of either side to pay for its proposal, or the necessity of passing increasing health care costs onto the other party, must be considered in light of cost implications of the entire collective bargaining agreement. Neither party can afford the continued growth of health care costs. The Employer argues it can only absorb a certain amount of health care costs, and that it must achieve deeper provider discounts, because it is already committed to certain wage increases for various bargaining units over the

next few years. At the same time, employees argue they can little afford to absorb increased costs because their net wages will not be increased if their health care costs are increased, resulting in a wash or a loss as far as take-home pay. Furthermore, the employees argue they “left money on the table” during wage negotiations, accepting below-average salary increases for the next year or two, in anticipation of negotiating minimal health care cost increases for the same time period.

The employer previously only paid a sum certain, and the balance was left to the employee. The recommended change in liable for increased co-pays is a substantial change in the direction of co-pays. It is important, especially in light of the ever increasing burden of health insurance premiums. We are trying to equitably apportion the pain.

Next to wages, health care is a most fundamental and divisive issue.

The issue of wages is itself most problematical. Plainly, the employees deserve large increases. The increased cost of living and the pattern of wage settlements in police units in the surrounding area support the union’s argument. Further, if the employees are required to absorb increased health costs, this will have a real impact on the rest of their personal spending power.

On the other hand, the employer’s revenues are down, and its health care costs are up, too. The economy is suffering from a general malaise; federal revenue sharing has gone down, and state revenue sharing has followed. The post 9/11 economy, and the war on Iraq have retarded economic growth. Further, increased federal mandates for homeland security have not materialized into monetary contributions to cities. In short, the employer is being expected to do more with less resources.

On a seven million dollar budget, the employer projects a \$40,000 operating surplus. This is a drop in the bucket, especially since municipalities are forbidden by Ohio State law from running a deficit. The first ‘ill wind’ can blow that away.

It is in light of economic reality that the fact finder makes the following recommendations.

4. RECOMMENDATIONS

The fact finder recommends that the health insurance premium increases be split as follows:

<u>Type of Plan</u>	<u>Split</u>	<u>Cap on Employee Contribution</u>
<i>Single</i>	90/10 \$100/month	Split of 50/50 above the cap
<i>Two party</i>	85/15 \$200/month	Split of 50/50 above the cap
<i>Family Plan</i>	80/20 \$300/month	Split of 50/50 above the cap

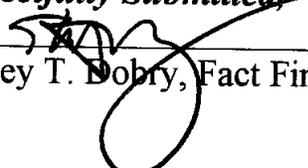
The fact finder recommends that the wage scheduled be modified to provide for an increase of 1 ½% in the first year, 2% in the second year, and 4% in the third year.

I carefully considered and analyzed all of the record, even though I found it inappropriate to mention each item specifically. I gave weight to the total fabric of the presentation in light of the entire record.

Additionally, I weighed all of the statutory criteria as they might apply to each of the issues and the record before me, even if I did not specifically refer to them. My recommendations are meant to fix the problem, not fix the blame. It is time for the parties to move on and work together for their common interests, and the good of the public.

This Report and Recommendations of the Fact Finder is based upon all of the foregoing considerations as set forth above. It is based upon the evidence and testimony presented to me at the fact finding hearing. This award is made and entered this 21st day of March, 2003.

Respectfully Submitted,



Stanley T. Dobry, Fact Finder

Dated: March 21st, 2003

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