

BEFORE THE  
STATE EMPLOYMENT RELATIONS BOARD

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RELATIONS BOARD

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FACT FINDING PROCEEDINGS  
CASE NO. 04-MED-11-1273

IN THE MATTER OF:

CITY OF NORTH COLLEGE HILL

AND

AFSCME, OHIO COUNCIL 8  
LOCAL 1093

APPEARANCES:

FOR THE CITY: James K.L. Lawrence, Esq.

FOR AFSCME: Walter J. Edwards, Staff Representative

REPORT AND RECOMMENDATIONS OF THE FACT FINDER

James E. Murphy  
Fact Finder

## **BACKGROUND:**

North College Hill, Ohio is a small city with a population of approximately 10,000, located in Hamilton County as part of the Greater Cincinnati metropolitan area. AFSCME, Ohio Council 8, Local 1093 (herein the Union) has been for some time the duly recognized bargaining representative of a unit consisting of "All employees in the City's Service (also defined as Public Works) & Tax Department," currently 6 in number. The most recent contract between the parties expired on December 31, 2004.

Commencing in December 2004, the parties engaged in several collective bargaining sessions, were successful in reaching agreement on many items, but remained at impasse on five issues, to wit: (1) Article 16, Pension Plan and Retirement, (2) Article 17, Terms and Conditions for Payment of Wages, (3) Article 25, Health Insurance, (4) Article 28, Holidays, and (5) New Article, Neutrality. Accordingly, this case came on for hearing in North College Hill, Ohio on April 6, 2005.

Evidence and able argument in support of the parties' respective positions on the disputed issues were presented at the hearing. What follows is a summary of that evidence, the parties' positions, the Fact Finder's Recommendations and the rationale for same. In making my recommendations, I have considered and relied upon the following statutory criteria, whenever such factors were advanced by the parties: the factor of past collectively bargained contracts; comparisons 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; the interest of the public; the ability of the public employer to finance and administer the issues proposed; the effect of the adjustments on the normal standards of public service; the lawful authority of the public employer; the stipulations of the parties; and such other factors, not confined to those noted 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 16-PENSION PLAN AND RETIREMENT**

#### **Evidence and Positions:**

All bargaining unit members participate in the Ohio Public Employees Retirement System, which requires periodic contributions from employers and employees. Some years ago the City agreed to pay the employee portion of that contribution in addition to its own, an amount currently set at 8.5% of an individual's wages and reflected in Article 16, Section 2 of the recently expired contract. Commencing in January 2006 employer and employee contributions are scheduled to rise; those for employees to 9% in 2006, 9.5% in 2007 and 10% in 2008.

The Union seeks to incorporate language in the new contract under which the City would continue to pick up the entire amount of employee PERS contributions. The City wants to retain the language of the existing contract. The amount involved would be about \$.07/hour for an employee earning \$14.00/hour, or \$140.00/employee for each of the last two years of the proposed contract..

**Rationale:**

Little evidence was offered to support the change sought here. Moreover, it appears that many comparable jurisdictions do not pay *any* share of their employees' PERS contribution. Accordingly, I conclude that there is no compelling basis for changing the existing contract language in this area.

**Recommendation:**

It is recommended that the existing language of Article 16 be retained in the new contract.

**ARTICLE 17-TERMS AND CONDITIONS FOR PAYMENT OF WAGES**

**Evidence and Positions:**

The recently expired contract contained three sets of wage rates for the six unit employees it covered, one for the three employees hired before April 1, 1988, one for the two employees hired on or after that date, and one for the tax clerk. The Union now seeks across-the-board increases of 5%, 5% and 4.5% respectively for all unit employees in each year of the proposed three-year contract. It also seeks an additional \$1.50/hour/year increase for the tax clerk and an additional \$.45/hour/year increase for each of the two employees hired after March 31, 1988. Put differently, the Union's proposal would raise the wages of the three senior employees by \$.81/hour (to \$17.08) in 2005, by \$.85/hour (to \$17.93) in 2006, and by \$.90/hour (to \$18.83) in 2007. The two newer employees would receive a raise of \$1.13/hour or 8.3% (to \$14.74) in 2005, of \$1.19/hour or 8.1% (to \$15.93) in 2006, and of \$1.25/hour or 7.85% (to \$17.18) in 2007. The tax clerk would receive an additional \$2.17/hour or 16% (to \$15.61) in 2005, \$2.28/hour or 14.5% (to \$17.89) in 2006, and \$2.39/hour or 13.4% (to \$20.28) in 2007.

The City offers a 3% increase in each year of the proposed contract for the three employees hired before April 1, 1988 (to \$16.76, \$17.26 and \$17.78 respectively); raises of 6%, 4% and 4% for the two service employees hired thereafter (to \$14.43, \$15.01 and \$15.61 respectively); and increases of 6%, 3% and 3.25% for the tax clerk (to \$14.25, \$14.68 and \$15.16 respectively). In addition, the City proposes a fourth wage scale for any service employees hired in the future.

In support of its proposals the Union cites the increased cost of living, the need to bring the tax clerk's wages more in line with those of tax clerks in surrounding communities, and the fact that the two newer employees, both hired in 2001, are now fully trained and

perform the same work as the more senior employees, and should thus receive more comparable wages. The Union also submitted a list of nine other Hamilton County cities which reflects that, in 2004, the North College Hill tax clerk was paid less (\$13.44/hour) than any other, and over \$2/hour less than the average. No comparables were provided for service employees.

In response, the City notes that the Union's wage proposals exceed the current rate of inflation, both locally and nationally, as well as the national average of contract wage settlements for state and local governments. The City strongly argues that any wage comparison with other jurisdictions must take into account its 8.5% "PERS pick-up." In this connection, the City submitted a list of five Hamilton County cities, which it contends are more nearly comparable to North College Hill than those on the Union's list. Only one of the five, Deer Park, has "PERS pick-up." Crediting both Deer Park and North College Hill with their PERS contributions, the list reflects that wages for senior service employees in North College Hill rank 4<sup>th</sup> among the six cities in 2004, will continue to rank 4<sup>th</sup> after the proposed 3% raise in 2005, and are somewhat below average in each of those years. As for the tax clerk classification, the same table reflects that North College Hill ranks 3<sup>rd</sup> out of five cities (rates for one are not available) in 2004 and, after a 6% raise, will continue to rank 3<sup>rd</sup> out of five, crediting PERS contributions where applicable. Finally, the table reflects an average wage increase among the five cities of 4.75% for senior service employees in 2005, although that figure is probably skewed a bit by what appears to be an unusually high 9% increase in one city. Apparently because none are available, neither party submitted comparables for 2006 and 2007.

Rationale:

Both parties made excellent presentations of their respective positions, leaving me in the difficult position of choosing between two reasonable and convincing claims. Hopefully, I can make some recommendations with which both sides can live.

As noted above, the average 2005 wage increase among the five jurisdictions cited by the City is 4.75%. Reducing the apparently anomalous 9% increase in adjacent Mt. Healthy to a more normal 4% produces an average 2005 increase of 3.75%. If applied to North College Hill, such an increase would raise the wages of senior service employees to \$16.88/hour in 2005 (\$18.31 with PERS), still ranked 4<sup>th</sup> and still slightly below average among comparable cities. For the above reasons, and also in light of some indications that inflation may be on the increase, I shall recommend a 3.75% increase in 2005 for those employees hired before April 1, 1988.

There are no comparables to use as a guide for 2006 and 2007. Considering the positions and evidence of both parties, however, and in view of my recommendations with respect to increased PERS contributions and insurance premiums, I shall recommend wage increases for senior employees of 3.25% in 2006 and 3.5% in 2007.

There remains for consideration the amount of recommended increases for the tax clerk

and the two employees hired after April 1, 1988. Here, the parties are in agreement that "equity adjustments" are needed in order to bring the pay of the newer but now experienced employees closer to those more senior, and that of the tax clerk more in line with tax clerks in comparable jurisdictions. Considering all the factors outlined above, I shall recommend increases of 6%, 5% and 4.5% for the two newer employees, which will reduce the disparity from \$2.66/hour now to \$2.21/hour in 2007, almost the same *disparity* as would remain under the City's proposal and somewhat more than under the Union's. My recommendation for the tax clerk, whose wage rate, even including the City's PERS contribution, is considerably below many other small Hamilton County cities, will be for increases of 6%, 5% and 4.5% in the years 2005, 2006 and 2007 respectively. I shall also recommend acceptance of the City's proposal for a new wage scale covering employees (currently none) hired after January 1, 2005.

**Recommendation:**

It is recommended that Article 17, Terms & Conditions for Payment of Wages, of the proposed contract read as follows:

"SECTION 1. Wage rates are subject to negotiations between the Union and Management, and are officially set by action of City Council. The following table indicates the hourly wage rate for each step in the Service and Tax Clerk classifications for 2005, 2006 and 2007. Rates are effective January 1<sup>st</sup>.

Employees Hired Before April 1, 1988

Service

2005	\$16.88
2006	\$17.43
2007	\$18.04

Employees Hired On & After April 1, 1988

Service

2005	\$14.43
2006	\$15.15
2007	\$15.83

Tax Clerk

2005	\$14.25
2006	\$14.96
2007	\$15.63

Employees Hired After January 1, 2005

	<u>Entry</u>	<u>Probation (After 90 Days)</u>
<u>Service</u>		
2005	\$13.76	\$14.12
2006	\$14.21	\$14.58
2007	\$14.71	\$15.09”

Remainder of Article 17: Current Language

**ARTICLE 25-HEALTH INSURANCE**

**Evidence and Positions:**

The recently expired contract provides that the City will pay 95%, and participating employees 5%, of health care premium costs. Because of cost sharing provisions to handle mid-term premium increases, however, participating unit employees currently pay 9% (and the City 91%) of their health care premiums. The City now seeks to formalize this arrangement on a 90-10 basis in the new contract, while at the same time offering to increase the amount of mid-term premium increases it will absorb from the present 8% to 10%. The Union stated during the hearing that it could accept the current premium split, so the only difference between the parties concerns whether the split should be 91-9 or 90-10.

In support of its proposal, the City submitted SERB reports which reflect that, on a statewide basis for cities with populations under 25,000, average employee health premium contributions are 9.1% for single coverage and 8.2% for family; in the Cincinnati region the figures are 10.3% and 11.4%. My own experience also indicates that a 90-10 split is becoming the norm in this area.

Based on the above, I shall recommend acceptance of the City's proposal in this area, both as to the 90-10 split and the increased percentage of premium increase absorption.

**Recommendation:**

It is recommended that Article 25-Health Insurance of the proposed contract read as follows:

“Section 1. The City agrees to pay ninety percent (90%) of single, two-party, or family premiums for group health insurance under Humana/Choice Care Primary Access plan for employees covered by this Agreement. Employees shall pay ten percent (10%) of the premium for the selected coverage by payroll deduction. The 90%-10% City-Employee payment shall be applied to the premiums for the current year and to the renewal premiums.

Section 2. The monthly premiums as of January 1, 2005 are: Single \$303.44; Two-party \$607.48; Family \$888.46. In no event would the Employee's contribution be less than it was in the previous year, unless the monthly premium was less than it was in the previous year. If the cost of health insurance premiums increase more than ten percent (10%) in any one year, discussion with the Union about this crisis shall not delay a reduction in benefits unless the Union is willing to have its members pay 10% of the premium plus 50% of any increase in premium above the 10% increase in any year."

Remainder of Article 25: Current language.

#### ARTICLE 28-HOLIDAYS

##### Evidence and Positions:

The recently expired contract provides for ten paid holidays per year, to wit: New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Thanksgiving Friday, Christmas Day, and Employee's Birthday. The Union now seeks to add the Martin Luther King Holiday as an eleventh paid holiday, pointing out that it is nationally recognized and widely observed by other cities. To recognize it here, the Union submits, would be to "acknowledge the importance of why the holiday was declared by the government."

The City, in response, stated at the hearing that it would be willing to observe one of the existing holidays, such as the employee's birthday or the day after Thanksgiving, by moving it to the day designated as the Martin Luther King Holiday. It contends, however, that there is no basis for adding to the total number of holidays and submits that most comparable jurisdictions only grant 10 holidays per year. No list of comparables on this issue was submitted by either party.

Based on the above, I do not believe a compelling basis has been established for granting an *additional* holiday here, although the parties may well wish to discuss moving one of the ten existing ones.

##### Recommendation:

Retain existing language.

#### NEW ARTICLE-NEUTRALITY

##### Evidence and Positions:

The Union seeks to add a new article in the proposed contract to ensure that the City will remain neutral in the face of any union organizing activities. The City opposes such a

provision and points out that its entire workforce, insofar as is permissible, is all ready organized, thus making the proposed language superfluous.

Aside from the questionable utility of a neutrality clause in the instant case, such issues are, in my opinion, best left to the give and take of collective bargaining rather than the imposition of an outside factfinder.

Recommendation:

It is recommended that the proposed neutrality agreement be omitted from the new contract.

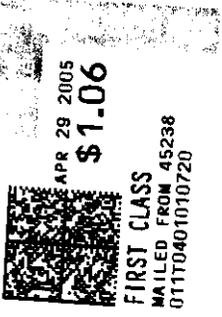
Finally, I recommend that the parties include all tentative agreements reached during negotiations in their final Agreement.

This concludes the Fact Finders Report and Recommendations. I wish to thank all parties for their helpful and cooperative approach throughout this proceeding.

April 29, 2005

James E. Murphy

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Do I