

STATE EMPLOYMENT
RELATIONS BOARD

2005 NOV 14 A 10:47

IN THE MATTER OF IMPASSE X
X
BETWEEN X
X
THE CITY OF LIMA, OHIO X
AND X
FRATERNAL ORDER OF POLICE X
OHIO LABOR COUNCIL, INC. X
X
X

REPORT OF
THE FACT FINDER

SERB FILE NOS.: 05-MED-04-0384, 0385, and 0386

HEARING: October 13, 2005; Lima, Ohio

FACT FINDER: William C. Heekin

APPEARANCES

For the City

Donald J. Binkley, Consultant

For the FOP/OLC

Dennis E. Sterling, Staff Representative

ADMINISTRATION

By way of a letter dated August 12, 2005, from the State Employment Relations Board (SERB), the undersigned was informed of his designation to serve as fact finder regarding a successor labor contract, negotiations impasse. On October 13, 2005, and following receipt of pre-hearing submissions, fact finding proceedings went forward where testimony as well as document evidence was presented. The record was closed at the conclusion of these proceedings and the matter is now ready for the issuance of a fact-finding report.

FINDINGS AND RECOMMENDATIONS

The City of Lima, Ohio ("the City") employs approximately 66 sworn Patrol Officers; Detectives; ID Officers/Communication Operators and Technology Coordinator; and Correction Officers. For many years, these employees have been represented in collective bargaining by the Fraternal Order of Police, Ohio Labor Council, Inc. ("the FOP/OLC"). Accordingly, the City and the FOP/OLC ("the Parties") are each signatory to the instant collective bargaining agreement ("the Agreement"). Here, the Parties have successfully negotiated the terms of a successor Agreement ("the New Agreement"), where four (4) items remain at impasse.

Therefore, and in addition to it being recommended that all tentatively agreed upon items as well as all unchanged contract provisions be herein adopted, the following contract language is recommended to be included in the New Agreement:

I ARTICLE 18 WAGES

Section 18.1 Wage Steps.

- A. Effective January 1, 2006, all employees covered by this Agreement shall be paid in accordance with the following schedule:
(3.0% general increase)

* * *

II
ARTICLE 18
WAGES

* * *

Section 18.4. Technology Coordinator Wage Rate. The Employer agrees to create a separate pay scale for the position of technology coordinator eight percent (8%) more than the current steps of communications operator. The eight percent (8%) will be computed prior to any January 1, 2006 general increase.

* * *

III
ARTICLE 25
INSURANCES

Section 25.1. The City shall provide health insurance coverage for each bargaining unit employee as determined by the City of Lima Health Care Cost Committee.

Section 25.2. Effective January 1, 2006, the Employer shall contribute up to the following amounts each month toward the premium cost for each bargaining unit employee's health insurance coverage.

Single Plan \$371.10 Per Month
Family Plan \$853.31 Per Month

The first ten percent (10%) of any increase in insurance premiums each calendar year above the limits specified herein, shall be paid eighty percent (80)% by the Employer and twenty percent (20%) by the employee. Any insurance premium increase each year above the first ten percent (10%) will be absorbed by the City. See Appendix for examples.

The COBRA rate established by the City's third party administrator (TPA) shall be utilized to determine the above premium sharing. The Labor Council shall have 30 days following notification of the COBRA rate to request a second opinion from an independent industry recognized self-insured health insurance authority regarding the trend rate calculation. The parties shall meet to review the second opinion. If the parties are unable to resolve the trend rate calculation issue, the Labor Council may request an arbitration hearing to resolve the matter. The cost of the second opinion and/or arbitration shall be paid equally by the Labor Council and the City. Nothing herein shall prevent the City from implementing the rates established by the City's TPA pending the Labor Council's request for a second opinion or appeal to arbitration. Any change in the

COBRA rate resulting from such appeal will be properly credited to the affected employees.

Section 25.3. The City shall provide, at no cost to the employees, \$20,000 group term life insurance coverage.

Section 25.4. Nothing in this article shall preclude the ability of the City to offer bargaining unit employees on an individual basis the option of Health Savings Accounts (HSA) as an alternative to the health care benefits determined by the Health Care Cost Committee.

APPENDIX B

Premium Formula COBRA Cost Change Examples

The first example illustrates cost increases of 12.6% increase in 2005 (10% above the specified limit) and 10% in 2006 as measured by changes in COBRA in these calendar years. The assumption is that in 2005 COBRA increases 10% above the specified limit.

	<u>Specified Limits 2004</u>	<u>COBRA Rates 2004</u>	<u>COBRA increase 10% 2005</u>	<u>2005 Monthly Premium</u>	<u>COBRA increase 10% 2006</u>	<u>2006 Monthly Premium</u>
<u>Single</u>	<u>\$371.10</u>	<u>\$362.58</u>	<u>\$408.21</u>	<u>\$ 7.42</u>	<u>\$ 449.03</u>	<u>\$15.58</u>
<u>Family</u>	<u>\$853.31</u>	<u>\$833.32</u>	<u>\$938.64</u>	<u>\$17.07</u>	<u>\$1,032.51</u>	<u>\$35.84</u>

The next example illustrates an increase of 10% above the current COBRA amount in calendar 2005 and a 15% increase in calendar 2006. The key difference here is the employee is only subject to the increase amount above the specified limits, and in 2006 only 10% growth, not 15%.

	<u>Specified Limits 2004</u>	<u>COBRA Rates 2004</u>	<u>COBRA increase 10% 2005</u>	<u>2005 Monthly Premium</u>	<u>COBRA increase 15% 2006</u>	<u>2006 Monthly Premium</u>
<u>Single</u>	<u>\$371.10</u>	<u>\$362.58</u>	<u>\$398.84</u>	<u>\$ 5.55</u>	<u>\$ 458.66</u>	<u>\$13.53</u>
<u>Family</u>	<u>\$853.31</u>	<u>\$833.32</u>	<u>\$916.65</u>	<u>\$12.67</u>	<u>\$1,054.15</u>	<u>\$31.00</u>

The next example illustrates an increase of 10% above the specified limits in calendar 2005 and a reduction of 5% in 2006.

	<u>Specified Limits 2004</u>	<u>COBRA Rates 2004</u>	<u>COBRA increase 10% 2005</u>	<u>2005 Monthly Premium</u>	<u>COBRA increase 5% 2006</u>	<u>2006 Monthly Premium</u>
<u>Single</u>	<u>\$371.10</u>	<u>\$362.58</u>	<u>\$408.21</u>	<u>\$ 7.42</u>	<u>\$ 387.80</u>	<u>\$3.34</u>
<u>Family</u>	<u>\$853.31</u>	<u>\$833.32</u>	<u>\$938.64</u>	<u>\$17.07</u>	<u>\$891.71</u>	<u>\$7.68</u>

* * *

IV
ARTICLE 30
DURATION OF AGREEMENT

Section 30.1. Duration.

- A. This Agreement shall be effective as of January 1, 2006 and shall remain in full force and effect until December 31, 2006.

- B. If either party desires to modify or amend this Agreement, it shall give written notice of such intent no earlier than ninety (90) calendar days prior to December 31, 2006, nor later than sixty (60) calendar days prior to December 31, 2006. Such notice shall be by certified mail with return receipt. The parties shall commence negotiations and shall meet to establish the bargaining guidelines February 28, 2007. The parties agree to waive R.C.4117.14(G)(11) and agree that the Conciliator may make retroactive to January 1, 2007 changes in rates of compensation and other matters with cost implications (wages and benefits).



William C. Heekin
November 9, 2005
Cincinnati, Ohio