



STATE OF OHIO
STATE EMPLOYMENT RELATIONS BOARD

05-MED-08-0785 (SERGEANTS)

OHIO PATROLMEN'S BENEVOLENT ASSOCIATION)	FACT-FINDING REPORT
)	
)	
UNION)	STANLEY B. WIENER
)	FACT-FINDER
and)	
)	
THE CITY OF MEDINA)	MAY 17, 2006
)	
EMPLOYER)	

A fact-finding hearing was held on March 24, 2006 at the City of Medina City Hall, 132 N. Elmwood Street, Medina Ohio.

Representing the OHIO PATROLMEN'S BENEVALENT ASSOCIATION ("Union") was MARK J. VOLCHECK, Esq. Also appearing and testifying on behalf of the Union was Sergeant, TOM CARRELL. The bargaining unit consists of approximately six (6) sergeants.

Representing the City of Medina ("Employer") was ROBERT J. TSCHOLL, Esq. Also appearing and testifying on behalf of the Employer were Chief of Police DENNIS HANWELL, Finance Director KEITH DIRHAM and NICK CODREA, Economist.

I. BACKGROUND

The current contract between the parties expired October 31, 2005.

Negotiations commenced in September of 2005 together with the Patrol Officers unit (twenty-eight (28) members) and the Communication unit (twelve (12) members).

The Patrol Officers unit and the Communications unit agreed with the Employer upon the terms of the contracts commencing November 1, 2005 and expiring October 31, 2007.

However, the Sergeants and the Employer were unable to agree on several important issues which gave rise to this hearing.

II. PRELIMINARY DISCUSSION

At the start of the hearing the following provisions previously agreed upon by the Patrol Officers and Communications workers were accepted by the Sergeants and the Employer:

- A. Court time language.
- B. Holiday pay language.
- C. Sick leave.
- D. Increase in uniform allowance (\$350.00).
- E. Health insurance opt-out, increased from \$300.00 to \$400.00 per month.
- *F. Physical fitness bonus deleted for Patrolmen and Dispatchers.
*Acceptable by the Sergeants provided no changes are made in the

health care provision of their contract. No changes were made in the Patrolmen and Dispatchers contracts:

- G. General wage increases of 3.5% effective January 01, 2006, and an additional increase of 3.5% effective January 01, 2007. One-half of one (1) percent (.5%) of the increases was based upon the removal of the physical fitness bonus.

III. ISSUES AT IMPASSE

- A. Health care
- B. Physical fitness bonus
- C. Wages

As Fact-Finder, I am required to take into consideration the factors set forth in Ohio Revised Code, Section 4117.14(G) 7(a) to 7 (f). This I have done for the issues discussed below. Also I have carefully reviewed all exhibits and the pre-hearing and post-hearing statements.

IV. POSITIONS, FINDINGS AND RECOMMENDATIONS

A. HEALTH CARE

The Employer has proposed the following changes to group hospitalization:

Article 25; Section 1:

- "A. The City shall pay ninety percent (90%) of the premium costs. The bargaining unit shall pay ten percent (10%) of the premium cost through payroll deduction"

The above amends the current Article 25, Section 1 A., by raising the bargaining unit contribution from five percent (5%) to ten percent (10%).

The Employer proposes an additional item to Article 25:

“Section 6, Spousal Coverage”

- (A) If an employee’s spouse is eligible for insurance coverage under a retirement system’s plan or is eligible for coverage through his or her Employer’s medical, dental or other insurance plan, based upon the employee’s spouse working an average of twenty-five (25) or more hours per week as per HIPPA Standards, then primary coverage must be carried with the primary Employer of each spouse to be eligible for medical coverage under the City of Medina’s health care plan. It is further agreed that eligible dependents will be covered by the insurance coverage of the eligible spouse who has the earlier birthday in the calendar year. Eligible dependents for which the City of Medina has a formal, legal responsibility for the primary medical insurance coverage will continue to be eligible under the City of Medina medical plan.
- (B) The employee must notify the Plan Administrator immediately in writing of the commencement of such group health insurance coverage for the spouse and other dependents. For eligibility determination under this provision, an annual Spousal Medical Coverage form shall be completed by the employee. The Spousal Medical Coverage form is attached to this Agreement as Appendix C. The Employer reserves the right to verify this information at any time.
- (C) Under this provision, the Employer reserves the right to pay spousal and covered dependent medical claims as a secondary payer, but not as the primary payer based on items A and B above.
- (D) Implementation is required at the spouse’s next earliest open enrollment period.
- (E) It shall be the employee’s responsibility to notify the Employer of any change in spousal coverage or any qualifying event in regard to coverage.”

Attached to this report is Appendix C referred to above (Exhibit “A”).

EMPLOYER: The contribution of ten percent (10%) of the premium costs, would put the Union more in line with the National and SERB labor markets.

Insurance premiums for the period 1998 – 2005 increased approximately ten percent (10%) per year while inflation increased approximately three percent (3%) per year.

In 2005 the average monthly contribution by the worker was 26% for family coverage and 16% for single coverage.

According to the SERB 2004 annual report on the cost of health insurance in Ohio's public sector, the average premium contributions required by Employers were 11.8% for a single policy and 12.5% for a family plan.

In the Akron-Canton region the contributions were 10.4% for single and 10.2% for the family plan; where 100 – 149 Employees were covered by health plans, the Employee contributed on the average 11.5% for a single plan, and 12.4% for the family.

The Employer's health care premiums for 1998 to 2005 increased from \$198.15 to \$505.60 for single and \$521.66 to \$1,273.29 for the family.

The Finance Director testified that when the City sought an income tax increase several years ago, some members of the public complained that the City Employees were not paying their fair share of the group health cost.

As to spousal coverage, the employer request relief from the expense of covering spouses of unit members who are eligible for health care where they work. The City should not be required to in effect subsidize the spouse's employers.

UNION: All Employees of the City contribute five percent (5%) including the Patrolmen, Communication Workers, Lieutenants and the Police Chief. The Employers health plan imparts greater Employee out-of-pocket expenses relative to premium contributions and the underlying plan itself than that of Wadsworth and Brunswick (comparable cities).

The insurance premium for 2006 actually decreased by five percent (5%). The Employers proposal was based upon the presumption that premiums would increase in 2006.

The Employer relies, in part, on statistics purporting to represent national trends for all workers; union and non-union.

The SERB statistics relied upon by the Employer show that for Employers requiring contributions the average percentage contribution is 7.5% for single and 8.4% for family.

At a public tax meeting in 2002 or 2003 several citizens wanted Employees to contribute for health care. The income tax was increased in 2003, at which time this union signed agreements instituting the 5% premium contribution.

The Employer has offered no evidence in support of its spousal coverage proposal. This proposal has not been applied to any city.

FINDINGS: There is no question that health care premiums have dramatically increased over the past fifteen (15) years. This has created serious problems for all employers in the private and public sectors. I have no doubt that such costs will continue to increase in spite of the slight decrease in 2005.

Using SERB statistics I find that the five percent (5%) contribution is below average.

However, I also find, and am puzzled, that the Employer within the past few months approved two (2) contracts with other OPBA units in which there were no increases in Employee contributions and no changes in health benefits. These units consist of approximately forty (40) members. Also I find that no other Employee of the City pays more than five percent (5%).

To have this small unit of Sergeants pay more than the Patrolmen, Dispatchers, Officer and all the other City Employees would be unreasonable. I further find that the experiment of the spousal proposal should not be inflicted solely upon this small unit.

The internal comparables (pattern settlement with other bargaining units within the City) does not support the Employer's health care proposals.

RECOMMENDATION: I recommend that the health care provisions contained in Article 25 (Group Hospitalization) not be changed or amended in any way.

B. PHYSICAL FITNESS BONUS

The Union, prior to the hearing, had agreed that if no changes were made in the health care provisions of the contract, it would accept the elimination of the physical fitness bonus.

RECOMMENDATION: Based upon my health care recommendation above and upon agreement of the parties it is recommended that the physical fitness bonus be deleted.

C. WAGES

The Union proposes that the rank differential above the top ranking Patrol Officer be increased from its current differential of 12.5% to 14%.

The proposal would amend Article 26, Section 1 to read in part as follows:

“Sergeants having one or more years of service as a Sergeant in the Medina City Police Department shall be paid an hourly rate fourteen percent (14%) above the effective top step of Patrol Officers’ pay.”

UNION: This proposal seeks to establish parity with the only other two cities in Medina County; Brunswick and Wadsworth. Both cities have a 14% differential.

Increasing rank differential is not inconsistent with pattern bargaining. During the Union’s negotiations for the last contract the differential was increased

by .5%. However, the Employer is still far below the comparable cities of Brunswick and Wadsworth.

The rank differential from Sergeant to Lieutenant is 20%.

The Employer's comparables include the Medina County Sheriff, various townships and the City of Rittman, which is in Medina and Wayne Counties.

Even with the Employer's comparables the average rank differential exceeds 12.5% by more than 1%.

The Employer's contention that the Union's effective hourly wage exceeds all comparable jurisdictions makes little sense. While working out with the Employers' permission, the Unit member is still on the clock.

EMPLOYER:

The Sergeants are the highest paid Sergeants in Medina County when you look at the effective hourly rate which takes into account that 10% of their hours are used for working out. No other unit in Medina County is paid for working out.

The effective hourly rate for this unit is \$32.78. This exceeds the effective hourly rate of the Union's comparables as well as the employer's comparables.

The Sergeants in the Sheriff's Office and in all of the Employer's comparables have similar duties. There is no legally justifiable reason for increasing the hourly differential.

Pattern settlements with other City represented workers should not be ignored.

FINDINGS: The top pay for Medina Sergeants in 2005 was lower than the comparable cities of Brunswick and Wadsworth. This disparity is based on the 12.5% differential of Medina as opposed to the 14% differential of Brunswick and Wadsworth.

The Union's top pay, however, does exceed the following: Medina County Sheriff, Hinckley, Rittman and Brunswick Hills.

When comparing the total compensation between Medina, Brunswick and Wadsworth I find that Medina falls between Brunswick and Wadsworth. Total compensation includes such items as uniform allowance, pension pick-up, longevity and the 35% wage increases as opposed to the 3% increases for the two (2) comparable cities.

In addition I notice that it takes twenty-four (24) months for the Brunswick Sergeants to reach the top rate as compared to twelve (12) months for the Medina Sergeants.

I further find that the differential between the Medina Sergeants and the Medina Lieutenants is irrelevant.

On behalf of the Union, I find that the "effective wages" set forth by the Employer is not persuasive, and that an increase in rank differential is not inconsistent with pattern bargaining.

The disparity between the comparable cities of Medina, Brunswick and Wadsworth is not that extensive when taking into consideration the entire contract.

I am of the opinion that a one-half percent (.5%) increase to thirteen percent (13%) in the rank differential effective January 1, 2007 would adequately address this issue.

RECOMMENDATION:

That effective January 1, 2007 the Sergeants' rank differential should be increased from twelve and one-half percent (12.5%) to thirteen percent (13%).

Respectfully submitted,


STANLEY B. WIENER
FACT-FINDER

DATED: May 17, 2006

Appendix C

ELIGIBILITY QUESTIONNAIRE: SPOUSAL MEDICAL COVERAGE

City of Medina Health Care Plan

If you want to cover your spouse under the City of Medina Health Care Plan, you must complete and return this Questionnaire to the Office of the Finance Director. If you do not do so, your spouse will not be covered under the City of Medina Health Care Plan. Note that if your spouse is employed or retired, your spouse's employer or former employer must complete Part 2 of this Questionnaire on the other side of this form.

Part 1 – EMPLOYEE COMPLETES THIS PAGE FIRST

City of Medina Employee: _____ SSN: _____

Department: _____

Spouse's Name: _____ SSN: _____
(If no spouse exists, no other action is necessary on your part)

Effective January 1, 2006, the City of Medina Health Care Plan's spousal coverage eligibility provision will be redesigned to require spouses of the City's employees to enroll for other group health care coverage that is available to them as an employee or retiree. The memorandum that is attached to this form explains how the new provision works. Please be sure you read it. If you have any questions, you can contact the City of Medina, Office of the Finance Director.

ALL EMPLOYEES WHO WISH TO COVER THEIR SPOUSES MUST DO THE FOLLOWING:

1. Answer all the following questions (Y=Yes or True; N=No or False)

- | | | |
|---|---|--|
| Y | N | My spouse is employed or retired and has access to health coverage but must pay 51% or more of the premium cost of individual coverage. |
| Y | N | My spouse is employed or retired and does not currently have access to a group medical plan. |
| Y | N | My spouse does not work full-time. (Full-time is defined as having regularly scheduled work hours of 25 or more hours per week.) and does not have access to company-paid medical insurance. |
| Y | N | My spouse is <u>NOT</u> employed. |

2. If your spouse is employed or retired, have your spouse's employer or former employer complete part 2 of the Questionnaire.
3. Read the "EMPLOYEE ACKNOWLEDGEMENT OF RESPONSIBILITY" box below.
4. Sign your name at the bottom of this form.
5. Deliver this completed questionnaire directly to the Office of the Finance Director.

If you answered "Yes" to any of the above questions, your spouse will be covered under the City of Medina Health Care Plan without being required to enroll in other health care coverage that may be available to your spouse. However, your spouse will not be required to enroll in other health care plan coverage for as long as the exception you circled above applies. If the exception for your spouse changes, you are required to complete a new Eligibility Questionnaire and to file it with the City of Medina, Office of the Finance Director within 30 days.

EMPLOYEE ACKNOWLEDGEMENT OF RESPONSIBILITY

I have read the attached memo that explains the City of Medina Health Care Plan's eligibility provisions relating to the coverage of my spouse. I have read and completed this Questionnaire. I understand that if my spouse is employed or retired and has other health care coverage that is available, my spouse is required to enroll for that other coverage. I also understand that if my spouse is required to enroll for that other coverage and does not do so, no benefits will be payable under the City of Medina Health Care Plan with respect to any medical or prescription drug claims of my spouse; and that in any such case, neither City of Medina, nor any employee of the City of Medina, or insurer or other provider under the City of Medina Health Care Plan, shall in any way be responsible for payment of any medical or prescription drug claims of my spouse.

I also acknowledge and agree that if I or my spouse (or anyone acting on behalf of either) makes a false statement or withholds information in regard to the COB provisions of the Plan, and any claims are paid that would not have been paid: (i) the City of Medina will have the right to recover the overpayment and seek recovery of any legal fees it incurs, (ii) my entire family's coverage under the City of Medina Health Care Plan will be immediately terminated, (iii) the payments made on my family's behalf will be recouped and (iv) I may be subject to disciplinary action..

Employee Signature: _____ Date: _____

EX. A

Appendix C

Part 2 – SPOUSE'S EMPLOYER COMPLETES THIS PAGE

Name of Spouse: _____ SSN: _____

Name of City of Medina Employee: _____ SSN: _____

Spouse's Employer:

The City of Medina's Group Health Care Plan requires the spouse of a City of Medina employee to be enrolled for other group health care coverage that may be available to the spouse as an employee or retiree of their employer.

To determine whether the spouse of an employee is required to enroll for other available coverage, the City of Medina Health Care Plan requires that the employer or former employer of a spouse complete the part 2 of the Plan's Eligibility questionnaire. If this Part 2 of the Questionnaire is not completed, the spouse cannot be covered under the City of Medina Health Care or Prescription Plan.

Please complete the box below. Answer all questions in relation to the spouse who is named above. After completing this form, you may return it to the spouse named above, or mail it to City of Medina, Office of the Finance Director 132 North Elmwood Avenue, Medina, Ohio 44256-0703. Inquiries can be directed to City of Medina at (330) 725-8861, ext. 251.

Y	N	Does the spouse have access to group medical and prescription drug coverage through his or her employment or because of a prior retirement from employment.
Y	N	Does the spouse have regularly scheduled work hours that are more than 25 hours per week?
Y	N	Is the spouse required to pay 50% or LESS of the total premium that is required for Individual/Single coverage.

Answering YES to all three of the above questions on this form requires that the spouse be enrolled for the coverage that is available under your employer sponsored health care plan, at least on an Individual/single basis, in order for the spouse to also be covered under the City of Medina Health Care Plan. In that case, please provide the information at the bottom of this form, regarding spouse's coverage.

Company Name: _____

Phone Number: _____ Ext.: _____ Date of Open Enrollment: _____

Company Medical Insurance Payer/Carrier: _____ Plan ID#: _____

Company Prescription Drug Insurance/Payer/Carrier: _____ Plan ID#: _____

Phone: _____ Address: _____

Subscriber: _____ Subscriber SSN: _____

[] Single Coverage Effective Date: _____

[] Family Coverage Effective Date: _____

The above responses are correct to the best of my knowledge.

Employer Representative_____
Date