FACT FINDER'S REPORT

STATE EMPLOYMENT RELATIONS BOARD
2007 APR 24 A 11:53

IN THE MATTER OF:

Fraternal Order of Police, Ohio Labor Council, Inc.
And
Hocking County, Ohio

Case Numbers:
2006-MED-10-1168
2006-MED-10-1169
2006-MED-10-1170

Before Fact Finder
N. Eugene Brundige

PRESENTED TO:

Edward E. Turner, Administrator
Bureau of Mediation
State Employment Relations Board
65 East State Street, 12th. Floor
Columbus, Ohio 43215-4213

And

Andrea H. Johan, Staff Representative
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222 East Town Street
Columbus, Ohio 43215
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And
Edward S. Kim, Esq.
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Fact Finder N. Eugene Brundige was selected by the parties and appointed by The State Employment Relations Board in compliance with Ohio Revised Code Section 4117.14 (c)(3).

Prior to the hearing date the parties timely filed the required pre-hearing briefs and statements.

The parties met March 9, 2007, in Logan, Ohio. Management was represented by Edward Kim, Counsel and Chief Spokesperson, and Sheriff Larry North. The FOP was represented by Andrea Johan, FOP Staff Representative, and bargaining unit members Justin Sartori, Eric J. Matheny, Kevin Grove, and Dustin Grove.

Pursuant to the Ohio Administrative Code and the Policies of SERB, the Fact Finder invited the parties to enter into mediation in an effort to resolve the open issues.

While both parties worked hard to find acceptable solutions, they were unable to do so particularly as relates to the Health Insurance Article. They then proceeded to the Fact Finding Hearing.

The open issues identified and discussed by both parties included:

Medical Insurance – Article 17

Wages – Article 27

Minimum Staffing – Article 30

BACKGROUND:

Hocking County is located in the beautiful Hocking Hills area of Southeastern Ohio and has approximately 28,000 citizens. This case involves

three (3) bargaining units. The first consists of full-time sworn Deputies below the rank of Sergeant, the second consists of full-time Sergeants, and the third bargaining unit is for persons holding the title of Secretary-Clerk.

The first two units total approximately seventeen (17) employees. There are currently no incumbents in the third unit.

The parties met for collective bargaining of a successor agreement on four occasions: November 2, 2006; November 16, 2006; December 13, 2006; and January 12, 2007.

They were able to resolve all issues except four: Medical Insurance, Wages, Minimum Staffing, and Education Incentive. At the hearing the FOP withdrew its Education Incentive proposal.

In this report the Fact Finder will examine the submissions and arguments offered by each party regarding their respective positions on each open issue and will then offer findings and recommendations regarding those items.

HEALTH CARE – ARTICLE 17

FOP POSITION:

The FOP explained that currently the County pays the full amount of single coverage insurance for bargaining unit employees and offers two other options. The first is coverage for the employee plus one and the second is family coverage.

If a bargaining unit employee selects either of these two options he or she must pay the difference between the cost of single coverage and the chosen option.

The FOP argues that these costs are prohibitive. The Union estimates that the additional cost is $1100 per month for family coverage.

The FOP notes that the employees are willing to pay some part of health insurance but they need the County to pay the majority of the cost.

To support the position of the FOP the Fact Finder is directed to the SERB Health Care Report which notes that in the southeastern region of Ohio public employees, on the average, pay 13.9% of their family insurance premium.

The FOP asserts that many deputies must turn to County Welfare Assistance to cover their children's health care needs.

The proposal of the FOP is for the County to maintain the 100% payment for single coverage, offer 95% payment for plus one, and 90% for family coverage. In addition, the maximum amount paid by employees would be capped.

The FOP also notes that an employee who opts out of the County Health Care Plan receives only $400 per year even though the County saves a significantly larger amount than that. The FOP proposes that this rate be increased to $3,000 annually. Finally, the FOP proposes the addition of a county-wide Joint Health Care Committee that would assist the County in seeking less expensive alternatives for health care insurance.

POSITION OF THE COUNTY:

The Employer proposes current language. The County notes that the health care coverage is the same for other County Employees including 911 employees and EMS employees as well as non bargaining unit personnel.

The County also argues that the Union proposal is far beyond the resources of the County to pay and would significantly disrupt the stability of the finances of Hocking County.

The Employer also opposes the Union's proposed increase in the annual opt out payment saying that losing additional employees might negatively impact the cost of health insurance for those employees remaining enrolled.

The Employer also offered the argument that an increase in the lump sum, opt out payment might have a negative impact on the calculation of overtime under the requirements of the Fair Labor Standards Act.

DISCUSSION, FINDINGS, AND RECOMMENDATION:

This is a very difficult topic for this Fact Finder to address. It is almost inconceivable that public employees find themselves in a position where they must turn to public assistance to cover the health care needs of their children.

If one only looks to the comparable data, the FOP certainly prevails in its argument to provide some kind of meaningful sharing of health care premium costs.

But, I must also examine the impact of recommendations on the public welfare and the ability of the Employer to pay.[1] Even a recommendation of a partial splitting of the cost would be cost prohibitive if it were to have any real impact on behalf of the employees.

Thus, reluctantly, I must recommend current language regarding health care costs.

The issue of the annual rebate to persons who opt out of the health care program is another matter. Clearly the County does have some significant savings for each employee who chooses to do so even though it is likely not a dollar for dollar exchange.

I recommend the amount of the annual opt out rebate be increased to $1,000. This is a significant increase but not enough to discourage those employees who need to continue to receive the coverage to discontinue it.

One thing that is very apparent is that health care coverage is very expensive in this jurisdiction. Because of the cost, I am persuaded by the FOP suggestion of a Joint Health Care Committee.

Properly executed, such a committee might provide a vehicle for finding more reasonable coverage. If not, it will provide a communications channel for employees to better understand the costs of health care and educate them on how to be better health care consumers.

In summary, I find the evidence supports the following changes to Article 17:

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[1] OAC 4117-9-05 (k) 3 specifically states: "*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*

Sections 17.1, 17.2, & 17.3 remain current language.

Section 17.4 *If employees voluntarily cease health care insurance coverage provided by this Agreement, they shall be entitled to an annual lump sum payment of* ***$1,000.00 (one thousand dollars).*** *Such payment shall be made in the first full pay period in December.*

Section 17.5 **Labor Management Health Care Review Committee** *There shall be a Joint Health Care Review Committee composed of representatives of the bargaining units covered by this Agreement and representatives of the County administration. The Committee will determine the number of members. Other unions and other County employees may be invited to participate on this Committee.*

The Committee shall meet quarterly or as determined by the Committee. The purpose of the Committee will be to share relevant information regarding health care issues, provide a conduit for the dissemination of information, and to review and make recommendations regarding health care plan design, costs, and other concerns.

The work and recommendations of the Committee will be shared with the appropriate County administrators and officeholders who have the final responsibility for the design, operation, and administration of the Hocking County Health Care Plan.

WAGES – ARTICLE 27

FOP POSITION:

The FOP proposes a 5% increase in each of the three (3) years of the collective bargaining agreement for Deputies and a rank differential for Sergeants that would place them 10% above the top step for a Deputy in 2007; 13% in 2008; and 15% in 2009.

FOP offered comparables based upon two different theories. Geographic comparables are offered with the notation that Fairfield County is too large for a fair comparison and Vinton is too small.

The second set of comparables is statewide based upon population.

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on the normal standard of public service;"

According to FOP, Hocking County Deputies need to be at $15.49 per hour at the top step. This would require a salary increase of 6.25%.

The FOP argues that even with a 5% increase each year, Hocking County employees would still be on the low end of the wage scale.

The FOP notes that the rank differential in the current contract is new to this agreement, but points out that the rank of Sergeants was created mid-term in the previous agreement.

The FOP argues that the 7% rank differential is low compared to other jurisdictions.

The FOP notes that the Sergeants are the only level of supervision between deputies and the Sheriff.

The FOP also proposes an increase in the hourly supplement for those who are assigned as detectives. They currently are paid 25 cents per hour. The FOP proposes this amount be increased to $1.00.

There are also proposals to increase longevity and Officer in Charge. OIC pay would commence after one (1) hour rather than the current four (4) hours. Longevity would increase from 10 cents to 20 cents after three (3) years; from 25 cents 35 cents after five (5) years; from 30 cents to 50 cents after nine (9) years; and from 35 cents to 65 cents after twelve (12) years.

Currently shift differential is 20 cents per hour and the FOP proposes increasing that amount to 50 cents per hour.

MANAGEMENT POSITION:

The Employer proposes a 3% increase in 2007 retroactive to January 1, 2007, and a 2% increase in each of the two subsequent years.

The Employer notes that the County Auditor estimates a revenue decrease of approximately $300,000 next year and an increase in expenses of approximately $400,000.

The County notes that the Sheriff's appropriation does not reflect any wage increase.

The County offered approximately twenty (20) jurisdictions that it believes to be an appropriate base for comparable data.

Based upon these jurisdictions and assuming a 3% wage increase in 2007, the County notes the average of these jurisdictions for the entry level deputy is $26,034. The Hocking County entry level deputy would be above this amount.

At the top level for deputy, the average would be $31,700 and Hocking County deputies would be approximately $500 less.

The Employer notes that there are not as many jurisdictions that use the rank of Sergeant thus the comparative population is less. Deputies in Hocking County all receive the same salary. The 3% would place them at $33,378 where the comparable average for entry level Sergeant would be $31,489 and the top level Sergeant would be $38,887.

The County argues that its offer is fair and reasonable.

On the issue of shift differentials the County notes that many of the comparable jurisdictions do not offer any shift differential and of those that do only three (3) are higher than the current Hocking County amount.

The Employer believes the increase in detective incentive is unwarranted noting that these are preferred positions and that while the duties are different, they are adequately compensated with the additional 25 cents per hour.

The Employer discussed that the problem with comparing longevity benefits is that different jurisdictions calculate it in different ways. It notes that Hocking County is favorable to most of those listed.

The Employer notes that the population of Hocking County is projected to be nearly static.

The County offered evidence that the per capita income for Hocking County is far below the statewide average. (Statewide: $31,161 and Hocking County: $22,854).

Hocking County ranks 74th out of the 88 Ohio counties in per capita income.

The Employer argues that this illustrates that its wage offers are very fair based upon the financial condition of the County.

DISCUSSION, FINDINGS, AND RECOMMENDATION:

The comparables provided by both parties are helpful in this case. The observations are correct that while geographic considerations are very important, especially when one considers the labor pool from which employees are

selected, there are too many disparities between the larger counties like Fairfield and the smaller counties like Vinton.

Based upon a review of the comparable data of both parties and the financial situation of Hocking County my findings and recommendations lay somewhat between the two criteria.

Even though the financial predictions for the County are not very bright, bargaining unit members should not lose ground especially in light of the earlier recommendation regarding health care costs.

I do agree that the 3% increase in the first year is fair and consistent with the internal comparables paid to other Hocking County employees.

However, 2% in the second and third years would not allow bargaining unit employees to hold their relative positions. Likewise, a 5% increase would clearly work a significant financial hardship on the County.

Based upon statewide SERB data, the average annual wage increases in 2004 and 2005 were hovering around the 3% mark (2.98% in 2004 and 2.99% in 2005).[2]

Therefore, it is my conclusion and finding that the proper across the board increases for the second and third years of the agreement are 3% in each of those years.

Thus, I recommend Article 27.1 for Deputies be adjusted by 3% in 2007 retroactive to January 1; an additional 3% in 2008; and an additional 3% in 2009.

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[2] SERB Quarterly, First Quarter 2006

For Sergeants, I commend the parties for being progressive enough to incorporate a rank differential into the collective bargaining agreement. The current 7% is on the low end compared to other jurisdictions this Fact Finder is aware of, but I hesitate to make significant recommendations due to the financial impact on the County. I do feel some adjust is warranted.

I recommend the rank differential for Sergeants be increased to 8% in 2008 and to 9% in 2009.

In that there are no incumbents in the Secretary classification and neither party proposed a change, I recommend current language.

27.2 No changes were proposed.

27.3 **Longevity.** A review of the comparables and the current financial situation of the County convince me that no increase is justified at this time. **I recommend current language.**

27.4 **Working out of Rank. I recommend current language.**

27.5 **Shift Differential. I recommend current language.**

HEALTH AND SAFETY

FOP POSITION:

The current collective bargaining agreement contains a minimum staffing level in Article 30 which provides for a minimum of two (2) full time bargaining unit members on road patrol.

The FOP proposes increasing the minimum from two (2) to three (3).

The FOP notes that deputies patrol 423 square miles and two (2) deputies are inadequate.

Hocking County does not have a jail of its own and prisoners need to be transported out of County.

The inherent safety concerns are evident based upon this low level of staffing.

COUNTY POSITION:

The County notes that most collective bargaining agreements do not contain any kind of a minimum staffing guarantee. The Employer agrees that it would be desirable to have more deputies on the road but the County must remain fiscally prudent and this proposal would be very expensive.

DISCUSSION, FINDINGS, AND RECOMMENDATION:

This Fact Finder is very sympathetic to the need for addition staffing and notes the issues of safety for the public and for bargaining unit members, but the increased costs of guaranteeing higher levels is not prudent and not consistent with the criteria which govern the fact finding process.

I must recommend current language.

Summary:

The Employer representative indicated that he was prepared to call the Hocking County Auditor but he would not be available until later in the afternoon. After discussion the parties agreed that a document from the Auditor to Edward Kim would be entered as a joint stipulation and accepted on the basis that it would constitute the answers to the questions stated therein if Mr. Wilson had been present to testify.

The nature of the document related to revenue projections. The Fact Finder read and considered this document in formulating this Report and Recommendation.

The Fact Finder has appreciated the opportunity to work with the parties in this situation and wishes them well in their relationship. If, in considering this report, there are recommendations that the parties can jointly agree to improve upon, I urge them to do so. Otherwise, hopefully these recommendations will provide a foundation for moving forward.

After giving due consideration to the positions and arguments of the parties and to the criteria enumerated on SERB Rule 4117-9-05(k) the Fact Finder recommends the provisions as listed herein.

In addition, all agreements previously reached by and between the parties and tentative agreed to, along with any sections of the current agreement not negotiated and/or changed, are hereby incorporated by reference into this Fact Finding Report, and should be included in the resulting Collective Bargaining Agreement.

Respectfully submitted and issued at London, Ohio this 23rd day of April, 2007.

N. Eugene Brundige

N. Eugene Brundige,
Fact Finder

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true copy of this Fact Finder's Report was served by regular U.S. Mail[3] upon Edward S. Kim, Esq. for the Hocking County Sheriff, 400 S. Fifth Street, Suite 200, Columbus, Ohio 43215; and Andrea H. Johan, State Representative, FOP/OLC. Inc., 222 East Town Street, Columbus, Ohio 43215; and Edward E. Turner, Administrator, Bureau of Mediation, State Employment Relations Board, 65 East State Street, 12th floor, Columbus, Ohio 43215-4213, this 23rd day of April, 2007.

N. Eugene Brundige

N. Eugene Brundige,
Fact Finder

[3] At the Hearing the parties executed a waiver of overnight delivery of the Report.